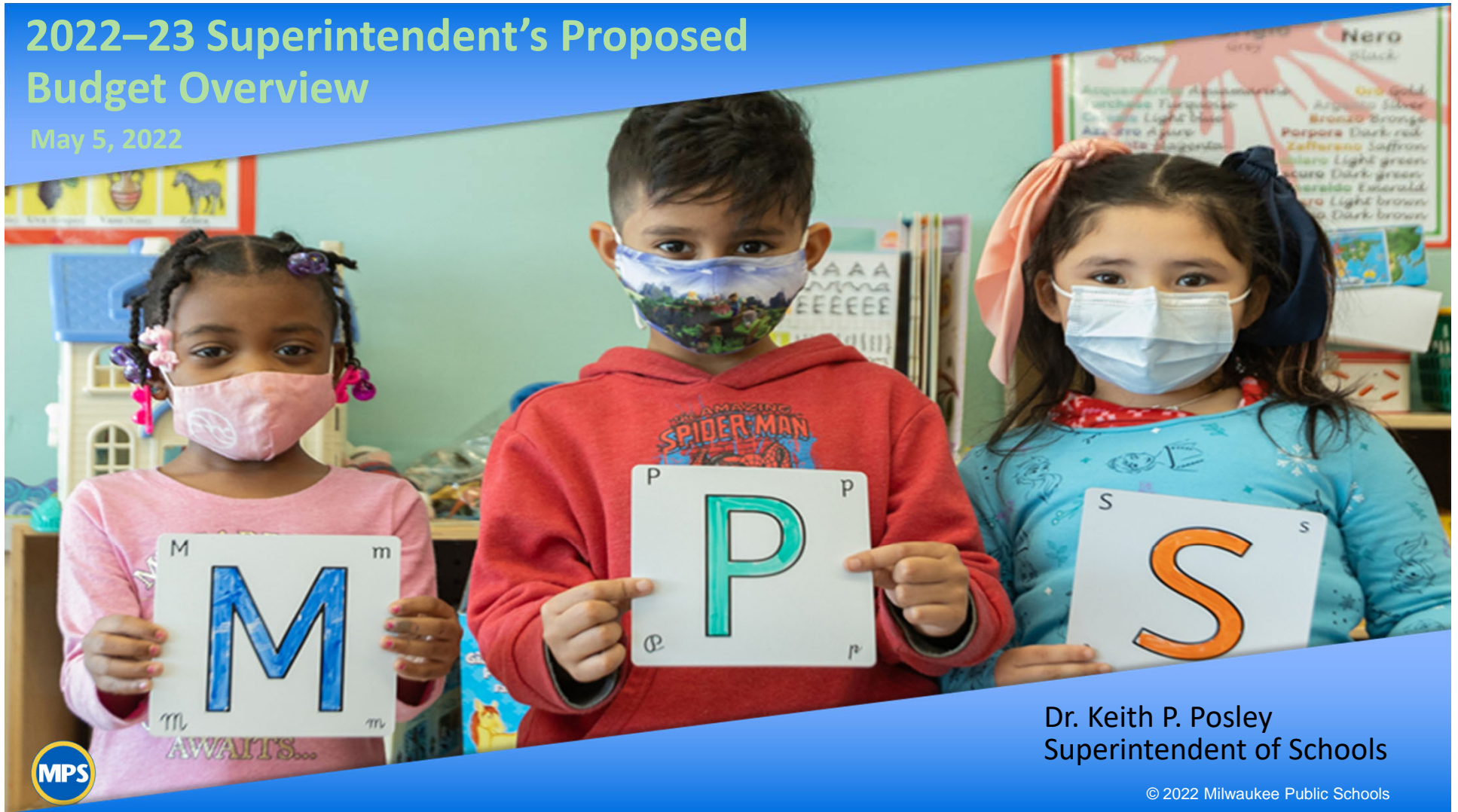


2022–23 Superintendent's Proposed Budget Overview

May 5, 2022

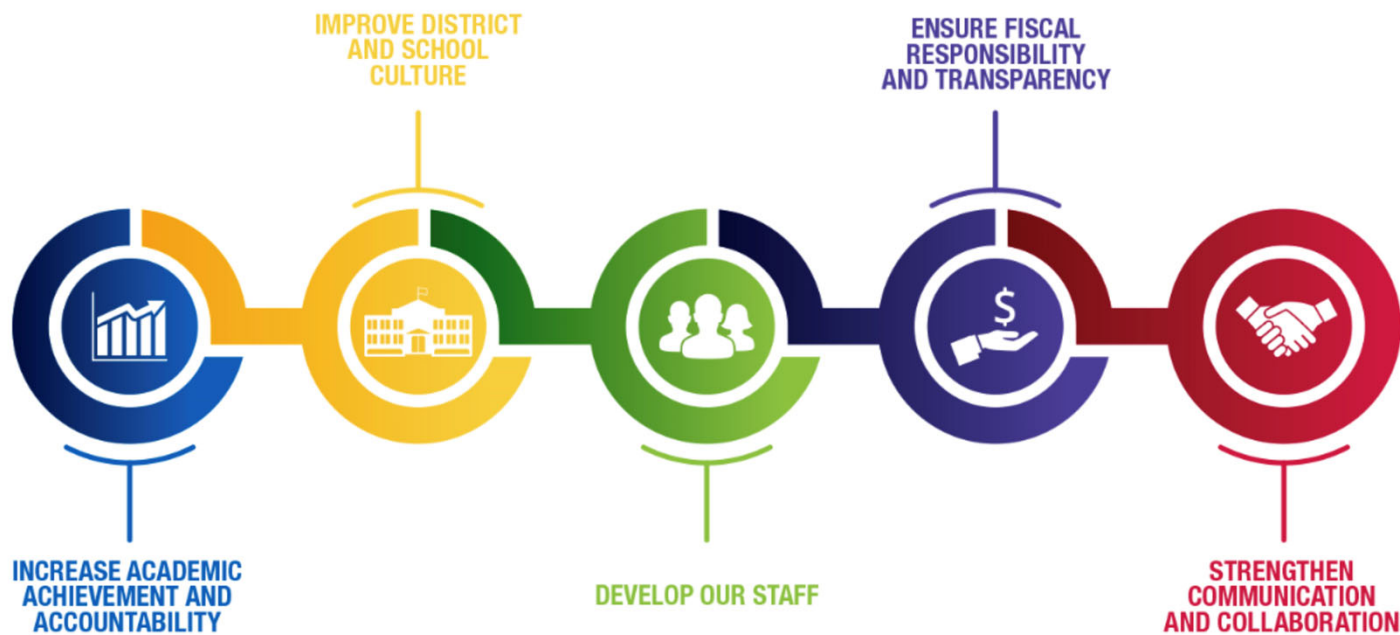


Dr. Keith P. Posley
Superintendent of Schools

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District Overview

Five Priorities for Success






Presentation Overview

- District Highlights
- Budget Development
- Funds Overview
- Proposed Long-Range Impacts
- Acknowledgements



District Highlights: Board Goals

-  Academic achievement
-  Student, family and community engagement
-  Effective and efficient operations



FIVE PRIORITIES FOR SUCCESS



5 Home to
OF THE STATE'S
TOP HIGH
SCHOOLS
According to U.S. News
& World Report 2021

\$96+
MILLION
in college scholarships and grant offers
Class of 2021

Offering
156
SCHOOL OPTIONS

8 INTERNATIONAL
BACCALAUREATE schools
across the district

8
Home to eight public Montessori
schools — the largest cluster in the
country!

92%
of budget dollars
go directly to
classrooms
2021-22

Educating
69,115
2021-22 STUDENTS
90.4% students of color
77.1% economically disadvantaged
19.1% special needs

\$11,244
PER STUDENT
SPENDING
2021-22

21
BILINGUAL
SCHOOLS
4 LANGUAGE IMMERSION SCHOOLS

2021–22 Highlights

Goal 1: Academic Achievement

- Provided ongoing support to implement the Ambitious Instruction: Accelerating Learning framework and the new textbooks and instructional materials for literacy and science.
- Developed a cohesive personal finance curriculum for high school students
- Provided 39 students with apprenticeships and 169 students with internships during the first semester
- Students earned over 3,100 college credits through the M3 Early College Program over the past three years
- Held the first Historically Black Colleges and Universities Week at MPS
- Added an additional community school, the district now has twelve
- Opened an HVAC lab at Barack Obama School of Career and Technical Education



2021–22 Highlights

Goal 2: Student, Family and Community Engagement

- Participated in the thirty-eighth annual Dr. Martin Luther King Jr. Birthday Celebration at which forty-two MPS students placed
- Expanded to thirteen Verizon Innovative Learning Schools
- Hosted the inaugural Ralph Davis Basketball Invitational inclusive tournament at Washington High School
- Participated in the second annual Latino Economic Unsummit, to impact business growth and workforce development
- Introduced a Building Trades Career Fair attended by more than two hundred MPS high school students
- Held over 20 sessions to engage the community on funding priorities



2021–22 Highlights

Goal 3: Effective and Efficient Operations

- Received the Meritorious Budget Award for the fiscal year 2020-21 from the Association of School Business Officials International
- Recognized by the Governor’s Council on Financial Literacy and Capability for adopting a graduation requirement for personal finance in 2021
- Earned agency accreditation through the Commission for Accreditation of Park and Recreation Agencies and the National Recreation and Park Association
- Created outdoor classrooms at five MPS schools: Academy of Accelerated Learning, Allen-Field Elementary, Bay View Montessori, La Escuela Fratney, and North Division High School
- Doubled district and school internet and firewall bandwidth capacity to better access video streaming and virtual resources



Budget Development: Intended Purpose of the Budget

- Present the district's financial plan
- Serve as a communication document
- Guide management staff to aid the control of financial resources
- Provide highlights of financial policies
- Determine how the additional referendum revenue will be utilized



Budget Development Timetable

December – January

- Review current programs, funding levels and the school allocations
- Hold Strategic Planning and Budget Committee meetings for discussion and possible action on the proposed potential parameters and timetable
- Discuss budget process and preliminary allocations
- Hold school Ambitious Instruction Budget Conversations
- Prepare, with input from School Engagement Councils, proposed school budgets



Budget Development Timetable Continued

February – April

- Hold school budget resolution debrief meetings
- Prepare proposed office budgets
- Hold office budget conversations
- Compile the Superintendent's Proposed Budget
- Release MPS Superintendent's Proposed Budget

May – June

- Hold public hearings on proposed budget
- Publish statutory public hearing notice
- Hold statutory hearing on proposed budget
- Board members submit and take possible action on amendments to the proposed budget
- Hold board meetings for possible action on proposed budget
- Transmit adopted budget to the Milwaukee Common Council



Budget Development: MBSD Approved Parameters

- 1) Allocate equitable educational resources and well-prepared staff to improve students' access to productive instruction
- 2) Prioritize school budgets by adjusting and repurposing educational programming and departmental budgets
- 3) Allocate resources in the areas of school library, art, music and physical education
- 4) Create a positive school environment that provides a sense of belonging, is culturally responsive, and provides access to social emotional learning and mental health support
- 5) Implement strategies to recruit and retain staff including a compensation study
- 6) Implement salary schedules with a possible cost-of-living increase



Budget Development: MBSD Approved Parameters Continued

- 7) Consider employee benefit modifications for eligible employees to identify cost savings and increase efficiencies
- 8) Explore operating efficiencies including those related to transportation
- 9) Increase the number of site-based production kitchens
- 10) Implement a kitchen equipment replacement schedule based on an inventory aging report
- 11) Provide flexibility to meet standards to safeguard health, safety and educational needs during the COVID-19 pandemic
- 12) Address deferred maintenance and future construction needs by restoring revenue to the Construction Fund and the Construction Trust
- 13) Prepare a balanced budget that is based on state law and maximizes the revenue limit

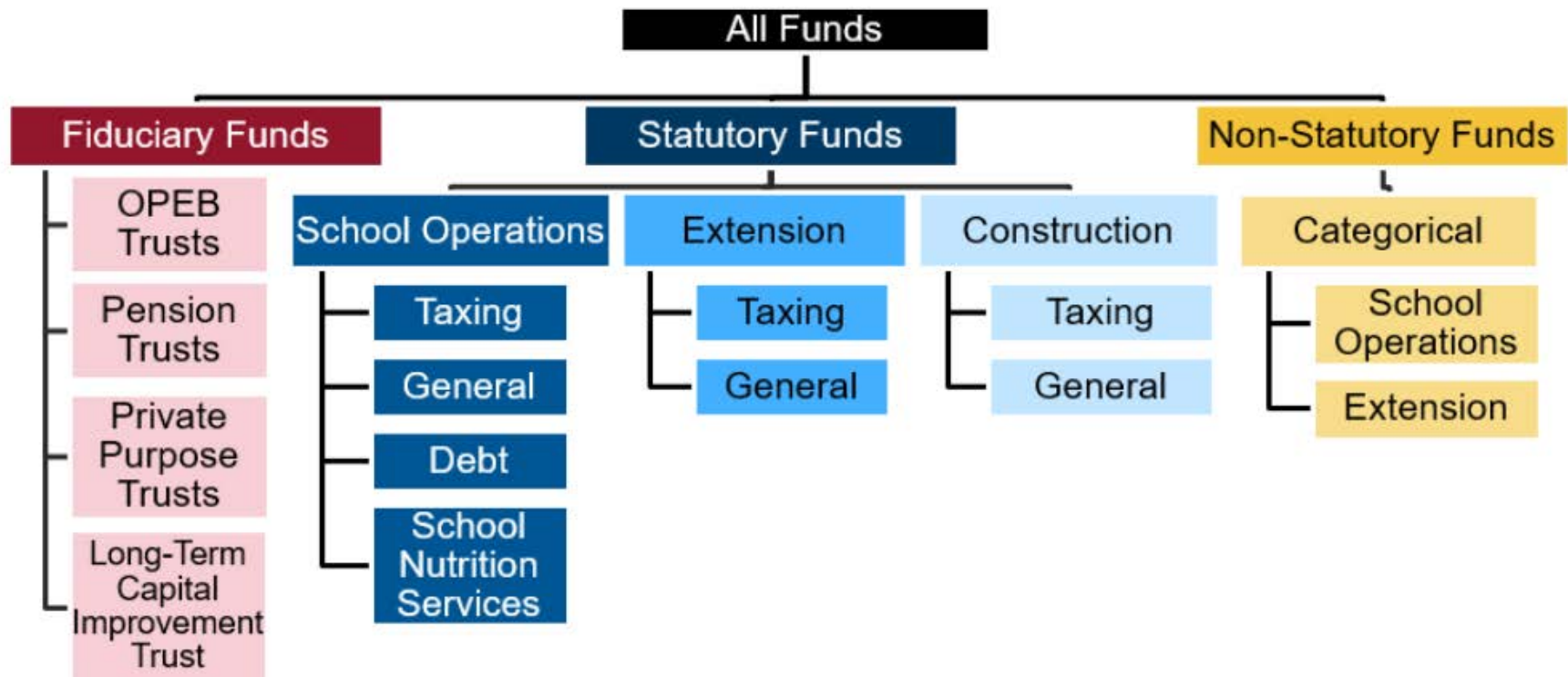


Budget Development: Intended Purpose of Public Hearings



- Present the balanced proposed budget
- Discuss
- Possibly amend
- Approve balanced budget

Overview of District Funds



All Funds Revenue 2021–22 vs 2022–23

Fund Category	2021–22 Amended Adopted Budget	2022–23 Proposed Budget	Year-to-Year Difference	Year-to-Year % Difference
Operations	\$1,051.6	\$1,042.4	(\$9.1)	(0.9%)
Nutrition	56.5	54.4	(2.1)	(3.7%)
Construction	4.0	2.9	(1.2)	(27.3%)
Extension	37.3	38.2	0.8	2.2%
Categorical	926.9	191.9	(735.0)	(79.3%)
Total All Funds	\$2,076.3	\$1,329.8	(\$746.5)	(36.0%)



Projected Revenue

- The district's total projected revenue for 2022–23 is \$1.3 billion
- This is a decrease of \$746.5 million as compared to the budget for the current year
- The decrease is due to a reduction in Categorical funds as a result of recognizing the ESSER funds in the current year, the funds will be available to be expended through September 2024



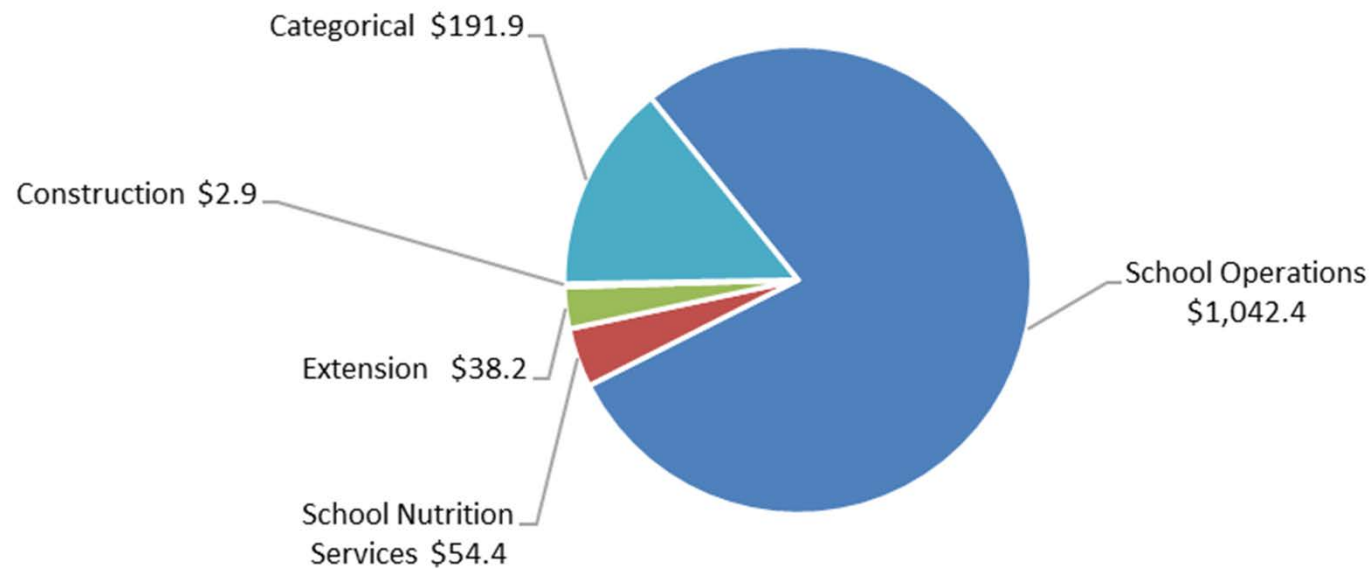
Position Changes (All Funds)

- Overall a decrease of 81.46 (-0.8%) FTE positions (however 110 FTE positions have been maintained but are accounted for in FY22 ESSER). **The realized net benefit is an increase of 28.54 FTE positions (+0.3%)**
- Decrease of 7 (-0.1%) FTE teacher positions (44 FTE positions have been maintained but are accounted for in FY22 ESSER). **The realized net benefit is an increase of 37 FTE positions (+0.7%)**
- Increase of 7 (+1.7%) Food Service Assistants positions

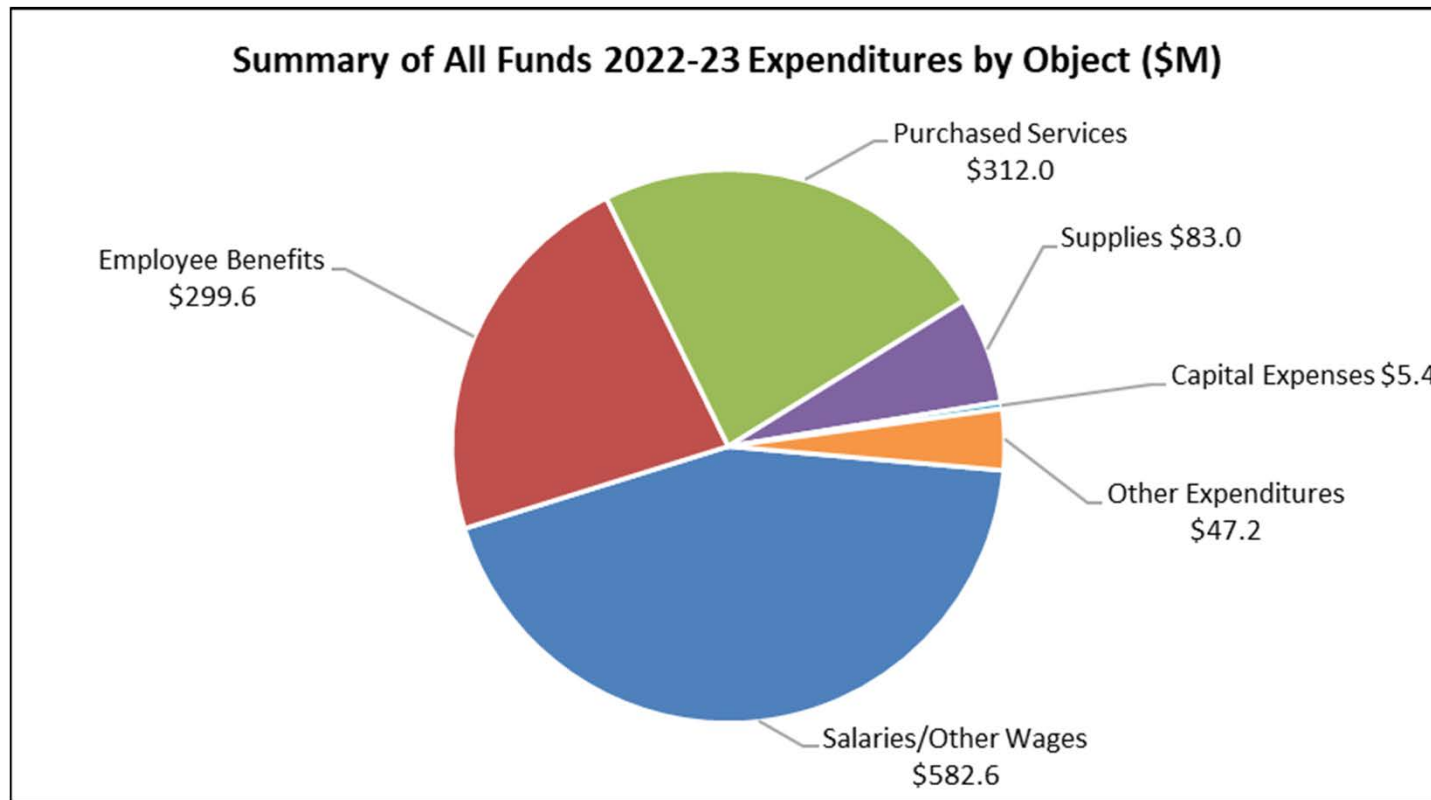


All Funds Revenue

Summary of All Funds 2022-23 Revenues by Source (\$M)



All Funds Expenditures

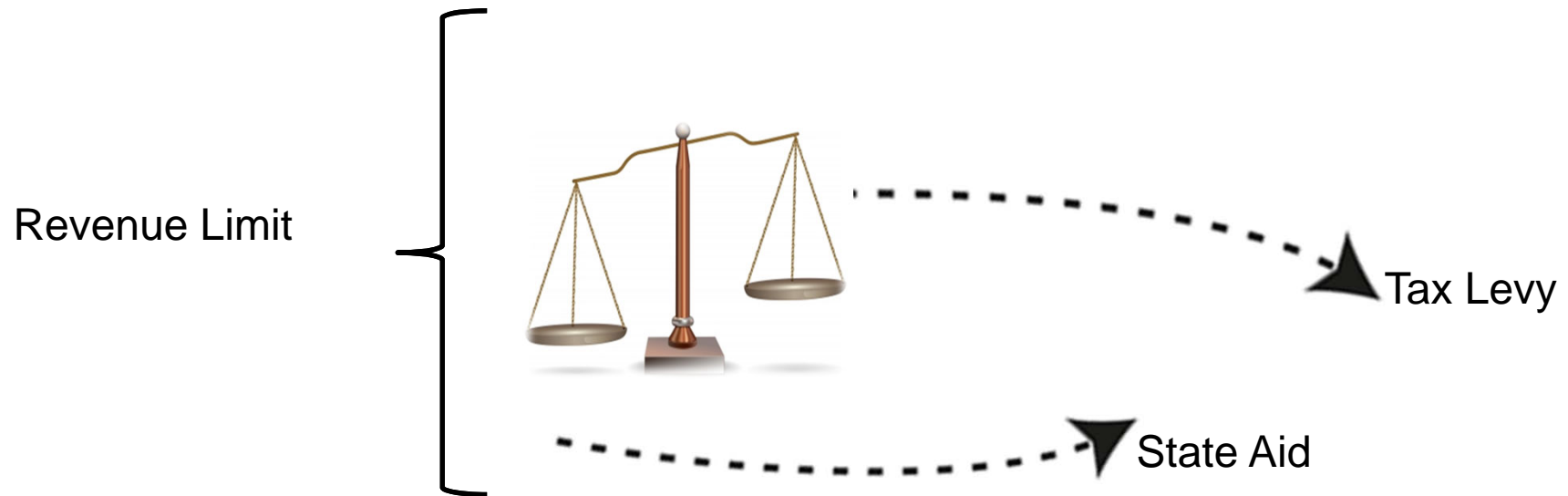


Revenue Sources School Operations Fund

2019–20 Revenue Sources	
Source	Percent
Property Tax Levy/State Equalization/Integration Aids	84.2%
State Other Aids	11.2%
Federal Aids	2.4%
Local Non-Property Tax Revenues	2.2%



Revenue Limit



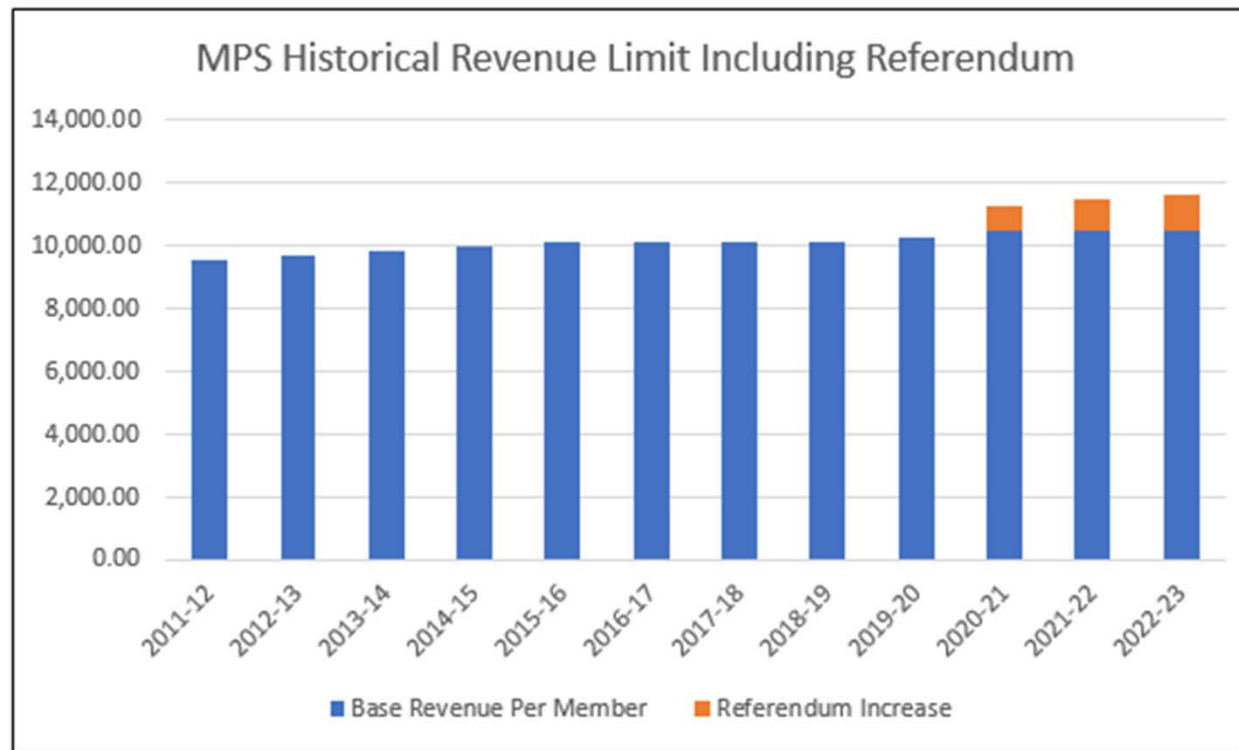
$$\text{Tax Levy} + \text{State Aid} = \text{Revenue Limit}$$

Revenue Limit

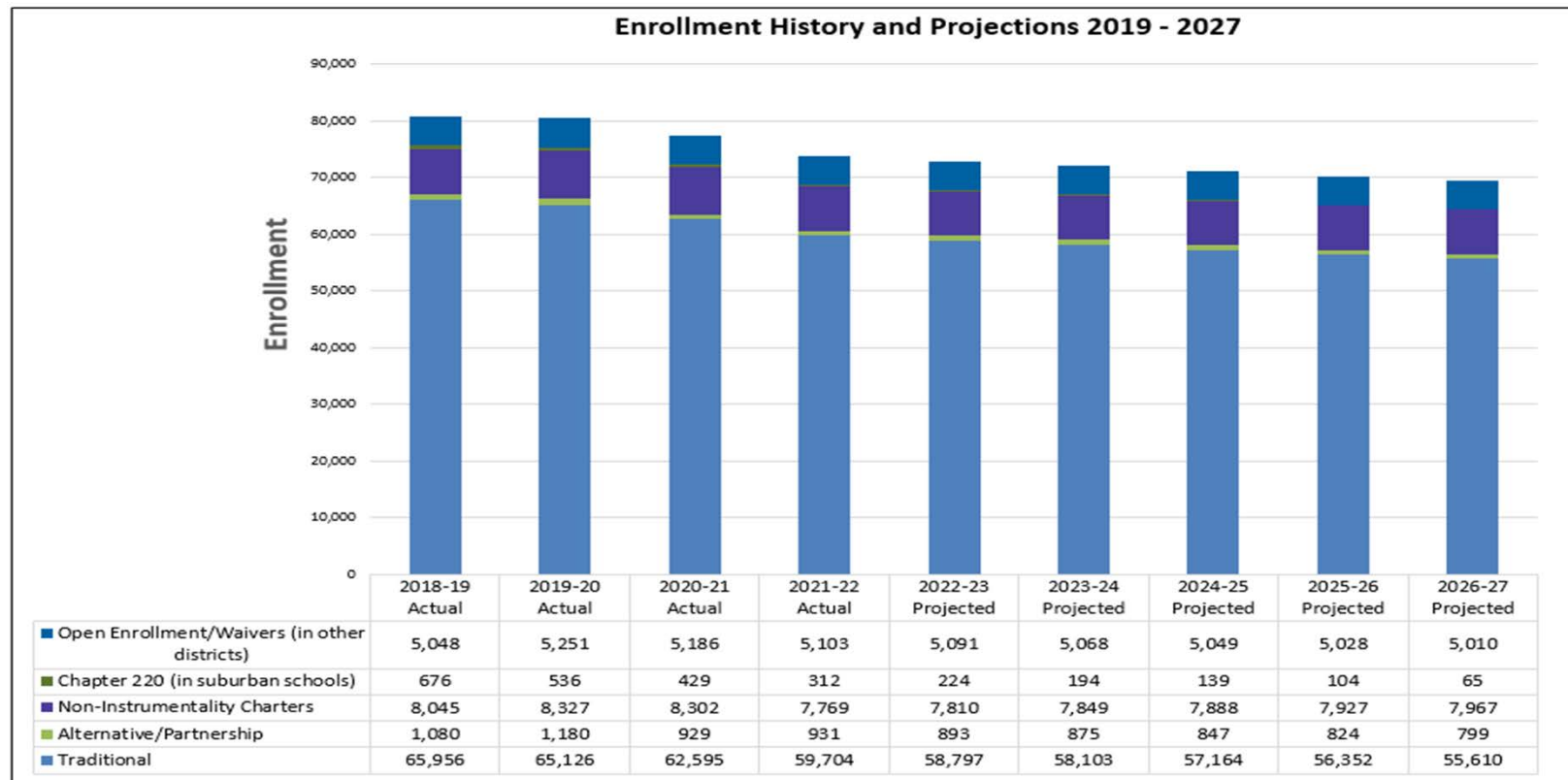
- \$10,122 was the maximum revenue per member from FY16 through FY19
- \$10,476 was the maximum revenue per member in FY21 through FY23 without the referendum
- \$11,243 is the maximum revenue per member for the current year (FY22), this includes the increase due to the referendum
- The maximum revenue per member is projected by DPI to be \$11,521 for FY23, this includes the increase due to the referendum



Historical perspective of MPS Per Pupil Revenue



2022-23 Projected Enrollment: 67,500 Students at 156 Schools

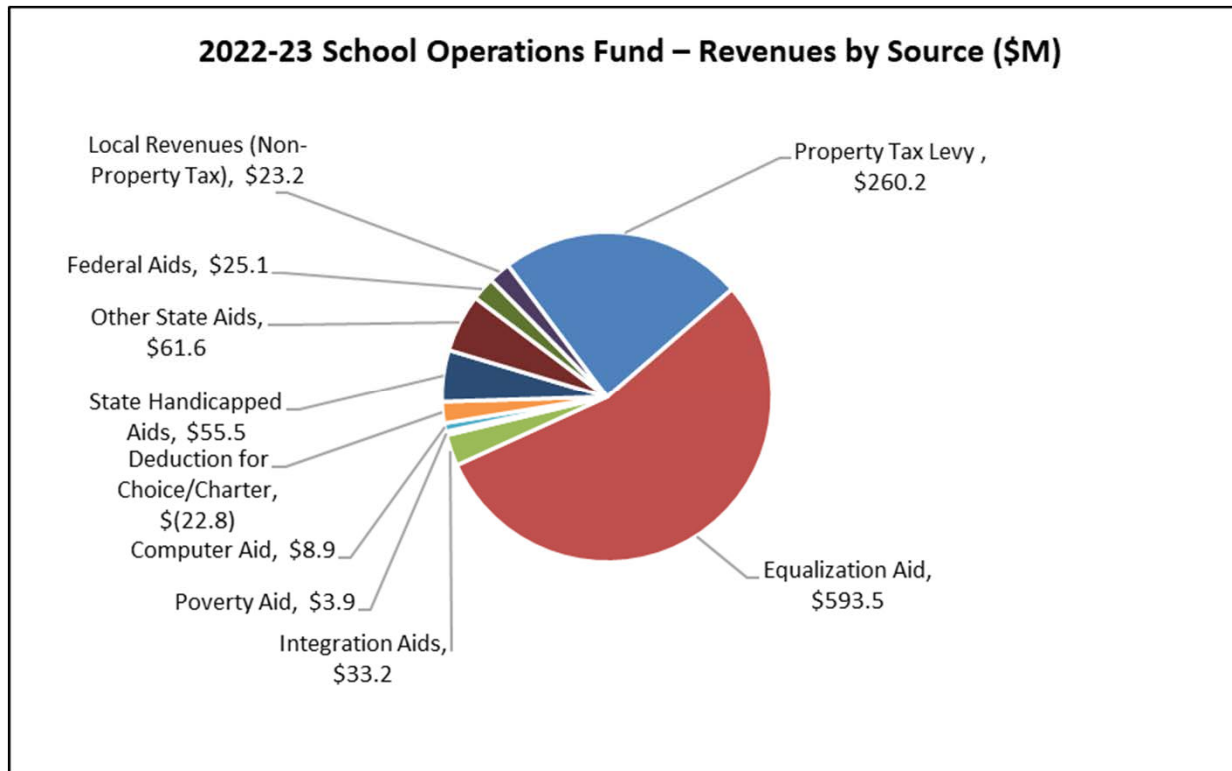


Historical Revenue Limit with Exemptions

Revenue Limit with Exemptions in Millions					
2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
\$823.5	\$822.8	\$827.0	\$833.5	\$836.4	\$824.0
2017-18	2018-19	2019-20	2020-21	2021-22*	2022-23*
\$819.7	\$806.7	\$802.8	\$861.3	\$892.1	\$878.7
* Note: FY22 is not final and FY23 is a preliminary estimate					

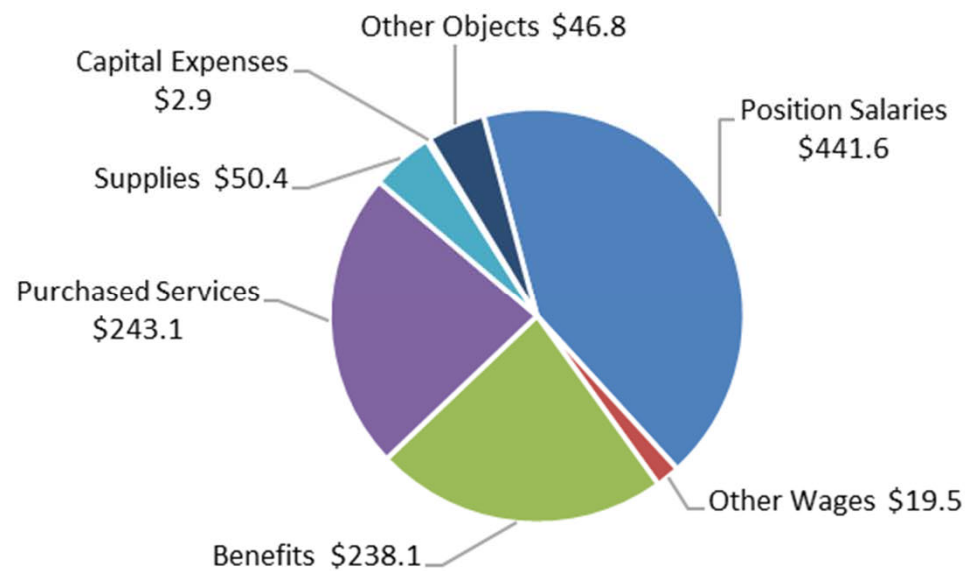


School Operations Fund

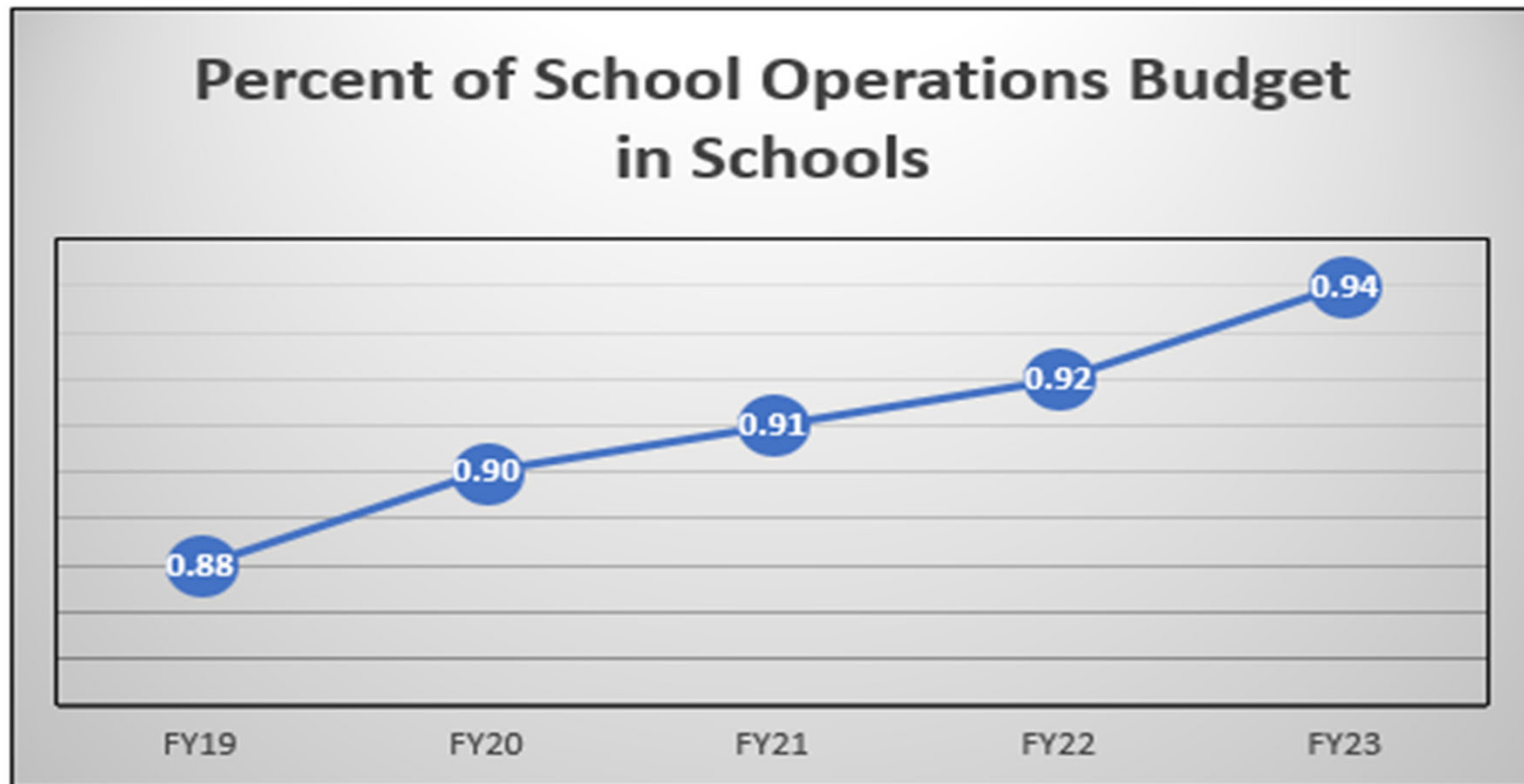


School Operations Fund

2022-23 School Operations Fund – Expenditures by Object (\$M)



Directing Funding to Support Students



District Use of School Operations Fund

Note: Due to reorganization implemented after the FY22 Final Adopted Budget, Chief of Staff, Operations, and School Administration are not comparable

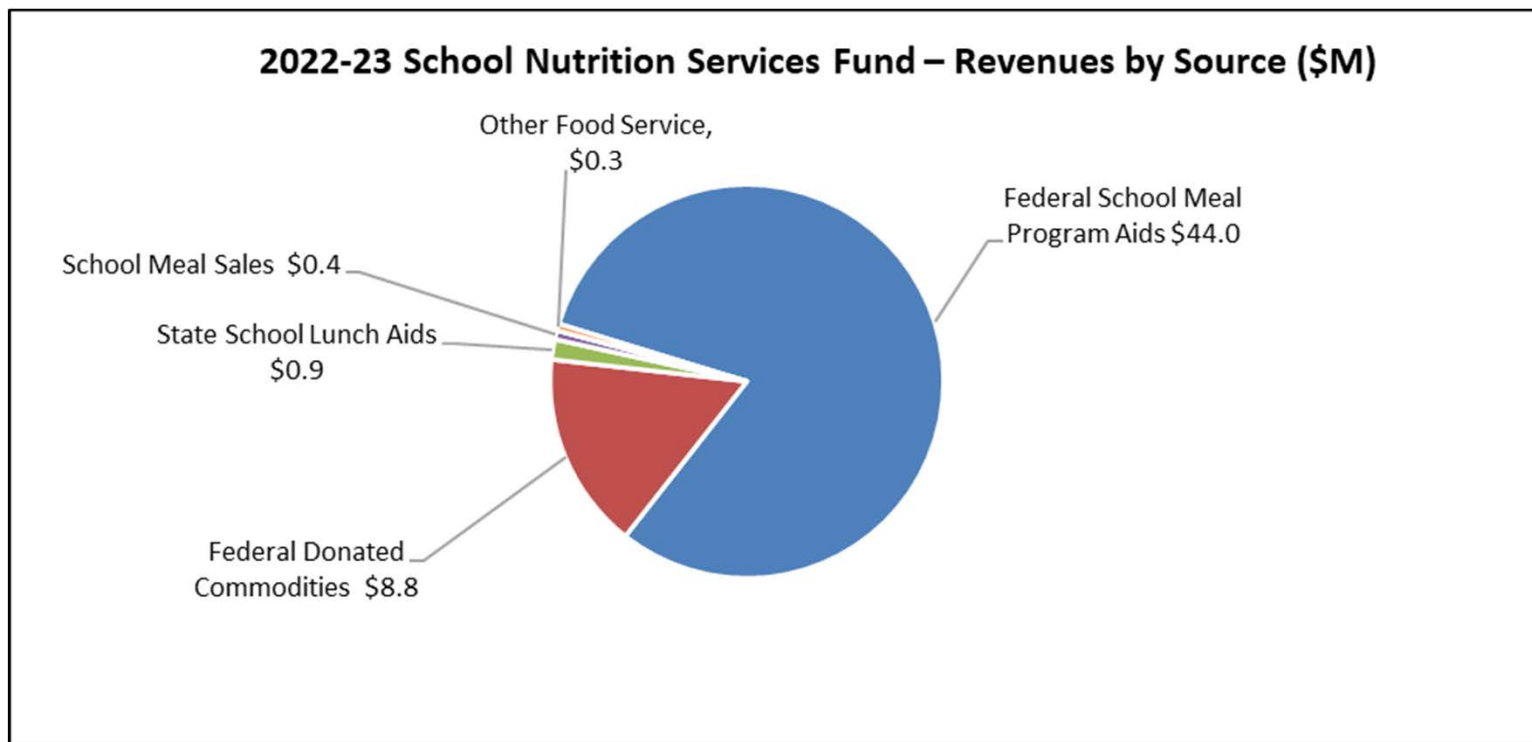
Description	<u>FY22</u>	<u>FY23</u>	<u>Difference</u> <u>FY22 v FY23</u>
Academics	\$7.2	\$7.2	\$0.0
Accountability & Efficiency	\$1.0	\$1.1	\$0.1
Board/Board Governance	\$2.5	\$2.6	\$0.1
Chief of Staff	\$0.0	\$0.6	\$0.6
Communications & Sch Performance	\$15.1	\$15.4	\$0.3
Finance	\$5.7	\$5.7	\$0.0
Human Resources	\$6.3	\$6.4	\$0.1
Inter-department & Inter-fund	-\$10.4	-\$10.4	\$0.0
Operations	\$0.0	\$29.3	\$29.3
Other Accounts	\$49.4	\$12.7	-\$36.7
School Administration	\$34.3	\$6.2	-\$28.1
Schools	\$938.1	\$963.9	\$25.8
Superintendent	\$2.3	\$1.7	-\$0.6
Total	\$1,051.5	\$1,042.4	-\$9.1



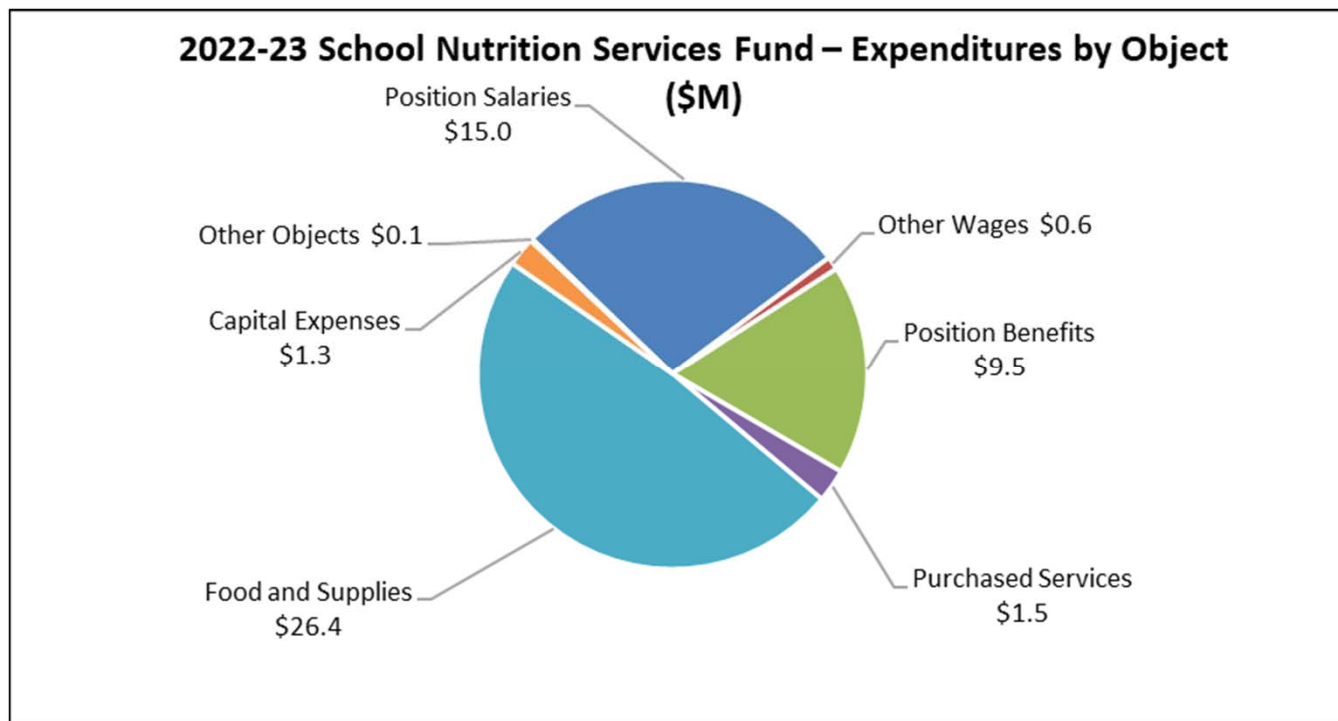
Summary All Referendum Priority Funding Areas						
Additional Educational Programming	FY22 Final Adopted		FY23 Proposed Budget		CHANGE	
	FTE	Fiscal Impact	FTE	Fiscal Impact	FTE	Fiscal Impact
Early Childhood/Class Size	30.00	\$ 4,403,590	30.00	\$ 4,514,731	0.00	\$ 111,141
Attracting and Retaining Certified Educators	8.00	36,011,128	8.00	39,715,605	0.00	3,704,477
Professional Support Staff	73.00	8,325,015	75.00	8,472,717	2.00	147,702
Library, Art, Music, Physical Ed.	110.90	11,847,546	138.40	14,869,062	27.50	3,021,516
Advanced Academics	20.90	14,705,068	21.90	14,709,145	1.00	4,077
Career and Technical Education	10.00	1,707,653	10.00	1,718,740	0.00	11,087
Grand Total	252.80	\$ 77,000,000	283.30	\$ 84,000,000	30.50	\$ 7,000,000



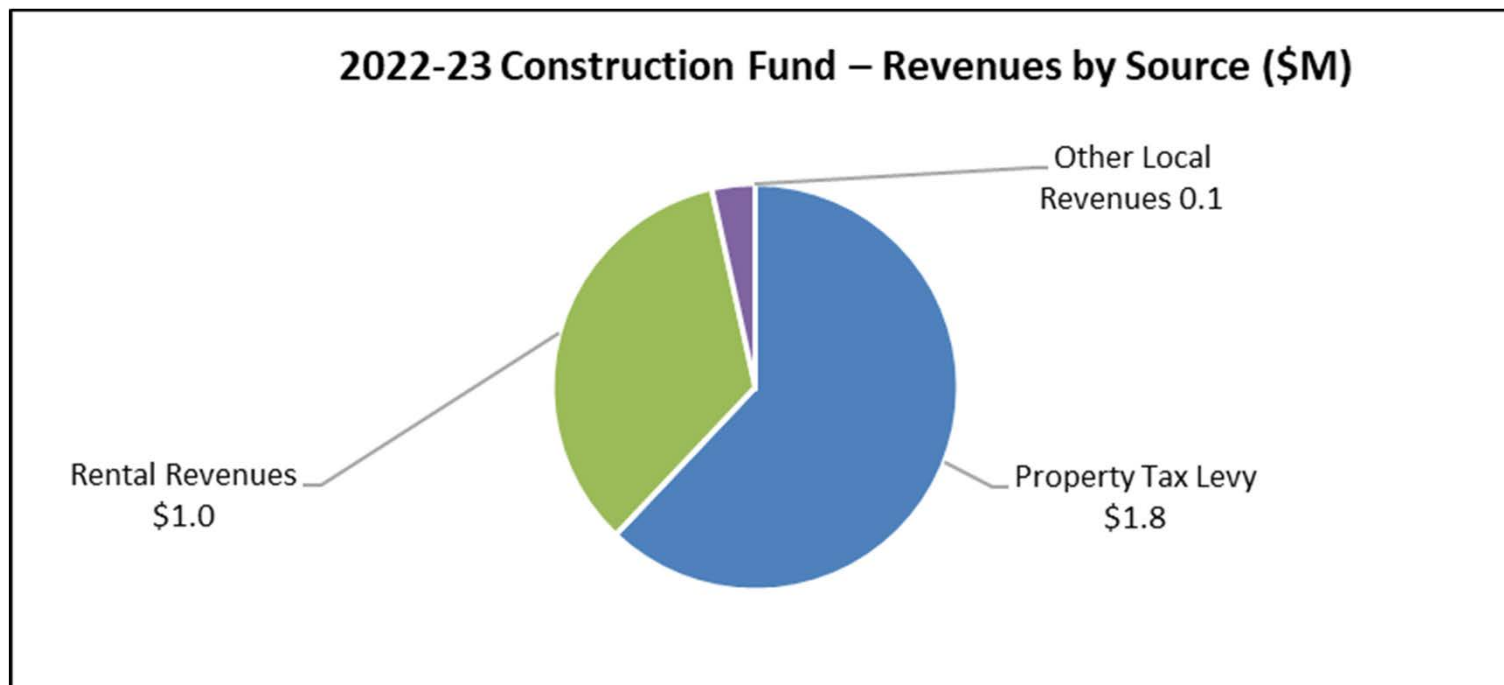
Nutrition Services Fund



Nutrition Services Fund

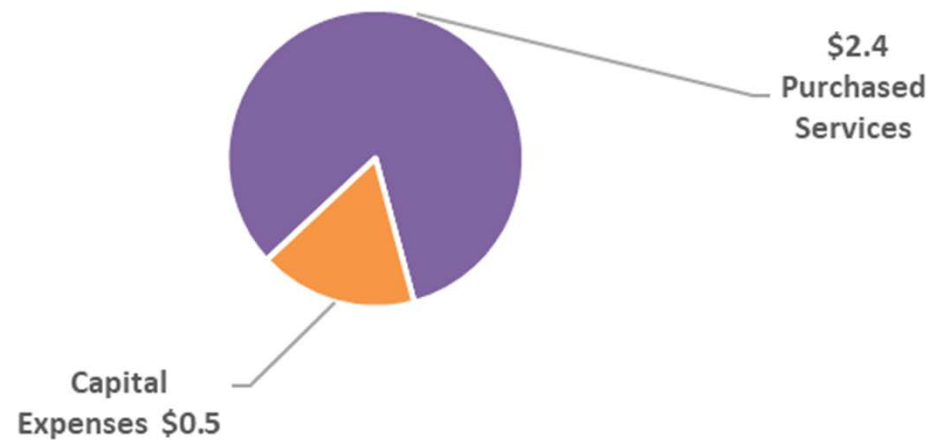


Construction Fund



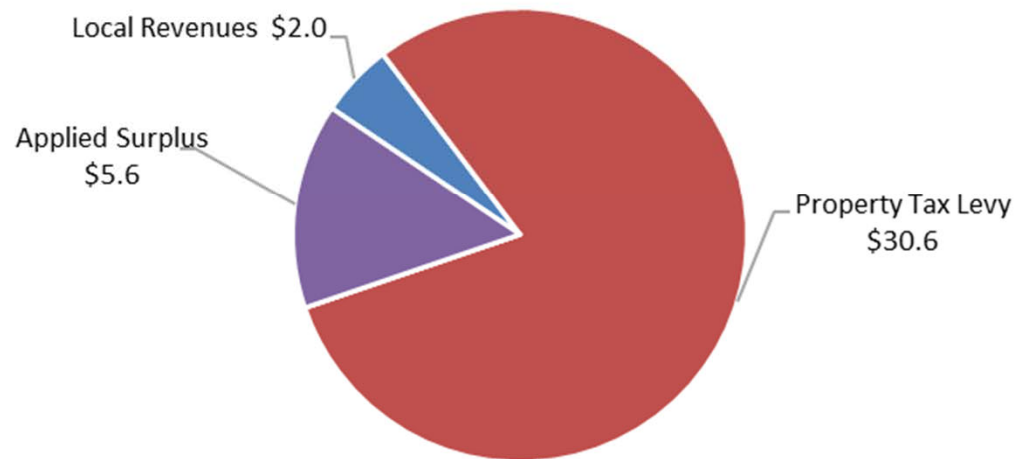
Construction Fund

2022-23 Construction Fund – Expenditures by Object (\$M)



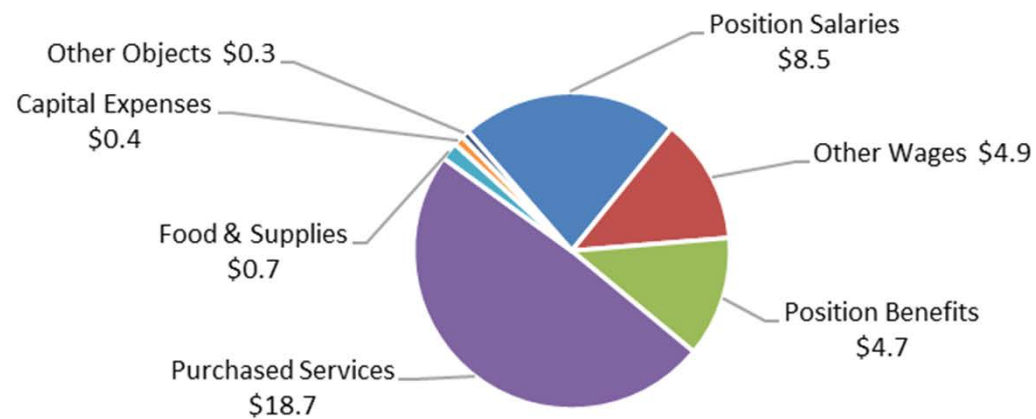
Extension Fund

2022-23 Extension Fund – Revenues by Source (\$M)



Extension Fund

2022-23 Extension Fund Expenditures by Object (\$M)



Categorically Aided Programs Fund

Categorical Fund – Revenues by Source (\$M)						
Description	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 F.A.	2022-23 P.B.	Inc/(Dec)
Federal	\$116.8	\$116.9	\$214.7	\$916.6	\$166.9	(\$749.7)
State	\$34.6	\$40.5	\$42.5	\$40.2	\$28.4	(\$11.8)
Private	\$2.4	\$3.1	\$4.1	\$4.0	\$1.7	(\$2.4)
Less: Indirect	(4.8)	(6.6)	(12.8)	(34.0)	(5.1)	28.9
Total Categorical Fund	\$149.0	\$154.0	\$248.5	\$926.9	\$191.9	(\$735.0)



ESSER II Budget Detail

Estimated Expenditures/encumbrances through February 28, 2022

Spring 2022 ESSER II Budget Detail	Original Allocation	Spring Adjusted	Expenditures/Encumbrances	Remaining Balance
Accelerated Learning	\$61,296,498	\$61,296,498	\$5,059,833	\$56,236,665
Health and Wellness	23,556,720	23,239,635	3,158,737	20,080,899
Facilities and Maintenance	109,043,600	109,043,600	86,137,262	22,906,338
Indirect	3,632,758	3,632,758	801,149	2,831,609
Other Educational Services and Programs	27,683,823	27,683,823	416,398	27,267,425
Grand Total	\$225,213,399	\$224,896,314	\$95,573,378	\$129,322,936



ESSER III Budget Detail

Estimated Expenditures/encumbrances through February 28, 2022

Spring 2022 ESSER III Budget Detail	Original Allocation	Spring Adjusted	Expenditures/ Encumbrances	Remaining Balance	Mitigating Learning Loss (ESSER III)
Accelerated Learning	\$78,862,627	\$79,090,711	\$5,971,757	\$73,118,954	\$66,808,567
Health and Wellness	76,966,504	79,643,154	4,607,425	75,035,729	18,388,149
Facilities and Maintenance	126,439,200	126,439,200	0	126,439,200	0
Technology	79,984,946	79,984,946	33,397,141	46,587,805	73,203,166
Extracurricular Engagement	62,983,109	60,395,460	4,715	60,390,745	1,821,601
Administrative	977,844	1,549,212	2,012	1,547,200	0
Indirect	24,388,145	24,403,661	2,365,289	22,038,372	0
Other Educational Services and Programs	53,930,433	53,930,433	0	53,930,433	10,786,087
Grand Total	\$504,532,808	\$505,436,777	\$46,348,339	\$459,088,437	\$171,007,570



For More Information on ESSER

An online version of the Spring 2022 Proposed Budget Revision Detail is posted on the district's ESSER website at:

<http://mpsmke.com/esser>

For more information about the Spring 2022 Proposed Budget Revision Detail, please contact MPS Office of Finance at (414) 475-8851 or via email at:

esser@milwaukee.k12.wi.us



Statutory Funds – Five Year Projection

All Statutory Funds - Five Year Projection (\$M)										
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	FY27 vs. FY23
	Actual	Actual	Actual	F.A.	P.B.	Estimated	Estimated	Estimated	Estimated	Inc / (Dec)
Federal Revenues	\$63.9	\$56.9	\$32.2	\$74.0	\$77.9	\$74.2	\$75.0	\$75.8	\$76.7	(\$1.2)
State Revenues	682.9	685.5	704.6	737.3	735.0	742.1	743.2	744.3	745.4	10.3
Local Revenues	287.5	303.0	373.7	338.1	325.0	341.6	342.0	342.5	342.9	17.9
Total Revenues	\$1,034.4	\$1,045.4	\$1,110.4	\$1,149.4	\$1,137.9	\$1,157.9	\$1,160.3	\$1,162.6	\$1,165.0	\$27.1
Salaries/Other Wages	\$426.3	\$434.1	\$446.2	\$503.9	\$490.2	\$524.5	\$545.3	\$563.8	\$583.5	\$93.3
Position Benefits	230.5	237.0	271.9	255.4	252.3	298.0	308.1	319.3	330.6	78.3
Purchased Services	264.8	281.9	234.2	258.8	265.8	290.2	294.4	299.1	302.9	37.1
Supplies	47.9	48.5	40.9	82.4	79.1	75.4	74.8	76.3	68.6	(10.5)
Capital Expenses	37.0	3.3	3.8	3.4	3.8	3.4	3.6	3.9	4.0	0.2
Other Objects	37.2	51.8	72.8	45.5	46.8	39.4	47.4	38.3	38.5	(8.2)
Total Expenditures	\$1,043.6	\$1,056.5	\$1,069.8	\$1,149.4	\$1,137.9	\$1,230.9	\$1,273.5	\$1,300.7	\$1,328.1	\$190.2
Balance (before use of prior-year funds)	(\$9.3)	(\$11.1)	\$40.6	\$0.0	\$0.0	(\$73.0)	(\$113.3)	(\$138.1)	(\$163.2)	(\$163.2)
Use of Prior-Year Funds for Legacy Costs	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	(\$9.3)	(\$11.1)	\$40.6	\$0.0	\$0.0	(\$73.0)	(\$113.3)	(\$138.1)	(\$163.2)	
Cumulative Surplus/(Deficit)	\$126.5	\$115.5	\$156.1	\$156.1	\$156.1	\$83.1	(\$30.1)	(\$168.2)	(\$331.4)	



Long-Range Impacts

- COVID-19 impacts
 - Inflation
 - Supply Chain Issues
 - Staffing/Vacancy Issues
- ESSER Funds
- Cost savings opportunities



Acknowledgements

- The annual budget represents the collective effort of district staff to deliver a responsible financial and operating plan on behalf of Milwaukee Public Schools.
- We would like to take this opportunity to acknowledge and thank all district staff and stakeholders for their contributions.



For More Information on the MPS Budget

An online version of the 2022–23 Superintendent's Proposed Budget is posted on the district's website at:

mpsmke.com/budget

For more information about the 2022–23 Superintendent's Proposed Budget, please contact MPS Office of Finance at (414) 475-8851 or via email at:

budget@milwaukee.k12.wi.us



Thank you.

Presenters:

Dr. Keith P. Posley, Superintendent of Schools

Martha Kreitzman, Chief Financial Officer

Lynn C. Ruhl, Director of Financial Planning & Budget Services

Brian Terrell, Manager of Financial Planning & Budget Services

Shelley Perkins, ESEA Coordination & Compliance Manager



Keith P. Posley, Ed.D., *Superintendent*

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