

ATTACHMENT (1) 2023-24 (FY24) Proposed Fall Budget Adjustments

The following summary is presented to assist the Milwaukee Board of School Directors (Board) during its consideration and final approval of the 2023-24 (FY24) School Operations, Construction, and Extension Fund budgets. The changes listed below are adjustments to the budget adopted in May based on current data and district priorities.

Enrollment

From fall 2023 to fall 2024, Milwaukee Public Schools’ (MPS) enrollment decreased primarily due to a decrease in open enrollment and non-instrumentality charter school enrollment. The number of students attending MPS schools decreased by 0.08% to 66,570. Outgoing open enrollment numbers decreased by 3.00% and outgoing Chapter 220 numbers dropped by 26.27%. The Chapter 220 program closed to new students in 2015-16 (FY16), resulting in the expected reduction in enrollment.

Milwaukee Parental Choice Program (MPCP) enrollment has increased from 28,958 in the 2022-23 school year to approximately 29,003 in 2023-24. In FY24, 130 private schools indicated their intent to participate in MPCP according to the Wisconsin Department of Public Instruction (DPI).

Chart 1 shows a summary of the third Friday enrollment changes by category from fiscal year 2023 to fiscal year 2024. Enrollment listed is a headcount and not a full-time equivalent (FTE) which is used for calculating per-pupil revenue.

Chart 1: Student Enrollment by Category

Note: Original enrollment submission to DPI on September 29, 2023.

Enrollment Summary				
Enrollment Category	FY23 Third Friday Enrollment	FY24 Third Friday Enrollment	FY23 to FY24 Difference	FY23 to FY24 % Difference
MPS Traditional & Instrumentality Charter Schools	58,136	58,522	386	0.66%
Alternative/Partnerships/Other Sites	892	888	-4	-0.45%
Non-instrumentality Charter Schools	7,595	7,160	-435	-5.73%
Subtotal	66,623	66,570	-53	-0.08%
Chapter 220 in Suburbs	217	160	-57	-26.27%
Open Enrollment in Suburbs	5,368	5,207	-161	-3.00%
Total	72,208	71,937	-271	-0.38%

Revenue Changes

Chart 2 shows a summary of the School Operations Fund changes by source and type from the budget adopted by the Board in May 2023.

Chart 2: School Operations Fund – Revenues by Source Changes

School Operations Fund - Revenues by Source			
Description	2023-24 P.B. (Spring)	2023-24 F.A. (Fall)	Inc / (Dec)
Property Tax Levy, Equalization and Integration Aids			
Property Tax Levy	283,614,349	202,712,904	(80,901,445)
General Equalization Aid	534,693,555	612,780,600	78,087,045
Integration Aid	31,457,538	33,097,393	1,639,855
Poverty Aid	3,929,164	-	(3,929,164)
Computer & Personal Property Aid	7,499,268	8,902,493	1,403,225
Deduction for Choice	(13,691,626)	(9,433,999)	4,257,627
Subtotal	\$ 847,502,248	\$ 848,059,391	\$ 557,143
State Handicapped Aids			
Handicapped Aids	62,032,497	68,415,160	6,382,663
Subtotal	\$ 62,032,497	\$ 68,415,160	6,382,663
Other State Aids			
Transportation Aid	1,300,000	1,800,000	500,000
Library Aid	4,710,768	8,125,139	3,414,371
Bilingual Aid	1,700,000	1,700,000	-
Tuition from State	500,000	500,000	-
Per Pupil Aid	49,826,042	50,107,260	281,218
Other State Aid	817,458	817,458	-
Subtotal	\$ 58,854,268	\$ 63,049,857	\$ 4,195,589
Federal Aids			
Federal Reimbursement - QSCB	3,778,141	3,778,141	-
Indirect Cost Aids	28,242,656	28,242,656	-
Medicaid Reimbursements	7,400,000	7,400,000	-
Subtotal	\$ 39,420,797	\$ 39,420,797	\$ -
Local Revenues			
TIF and other City related	335,940	335,940	-
Student Programs Reimbursement	260,000	260,000	-
Tuition	18,000,000	18,000,000	-
Interest Earned	350,276	350,276	-
Rental	2,904,813	2,904,813	-
OPEB Member Contributions	5,165,036	5,165,036	-
Refunds/Ins. proceeds	1,050,076	1,050,076	-
Miscellaneous	311,915	311,915	-
Subtotal	\$ 28,378,056	\$ 28,378,056	\$ -
Carryover	-	-	-
Total	\$ 1,036,187,866	\$ 1,047,323,261	\$ 11,135,395

Revenue Limit

The FY24 revenue limit is based on prior year revenues, expenditures, and three-year enrollment trends including the current third Friday enrollment. The revised revenue limit governing the School Operations and Construction funds is \$853,059,391 million, a decrease of \$27.8 million from the FY23 October revenue limit.

The State budget for the 2023-25 biennial includes a \$325 increase in the base per-pupil amount of the revenue limit in FY24 and FY25. For MPS, the base per-pupil amount is \$11,621.92 making the maximum revenue per member of \$11,946.92. The revenue limit has increased the past four years because of a successful referendum bid by the district.

The School Operations portion of the revised revenue limit is \$848,059,391 which is \$557,143 more than the amount adopted in May 2023. Chart 3 shows a summary of the revised revenue limit from spring to fall.

Chart 3: School Operations Revenue Limit Adjustment

Revenue Limit		
FY24 Adopted Budget	May-23	\$847,502,248
FY24 Fall Adjustment	Oct-23	\$557,143
FY24 Amended Adopted Budget	Oct-23	\$848,059,391

State General Aids

State general aids are \$636.4 million for FY24 after MPCP deductions were certified in October 2023. This is an increase of \$53.8 million, or 9.2%, from the \$582.6 million certified for FY23. Chart 4 shows a summary of the state general aids changes from the FY23 October certified amount.

Chart 4: State General Aids

State General Aids			
FY23 certified	FY24 October Certified	FY23 to FY24 Difference	FY23 to FY24 % Change
\$582,644,848	636,443,994	\$53,799,146	9.23%

Property Tax Levy

Based on the budget adopted by the Board in May 2023 and the adjustments listed in this Board item, the MPS all-fund tax levy for FY24 has remained stable compared to the levy adopted in FY23 at \$320,155,979.

The \$9.4 million of Milwaukee Parental Choice Program (MPCP) costs represents about 1.5% of the general aid for FY24. The Board is compelled to levy 3.2% of MPCP costs, down from 6.4% in FY23. The reduction is due to legislative action, the portion of MPCP costs borne by the district is scheduled to decline by 3.2percentage points per year until the MPCP program is fully funded by the State in FY25. The total deduction to MPS Equalization Aid is \$28.9 million to fund the MPCP. That amount is offset by the \$19.5 million paid to the City of Milwaukee by the State. The reduction in state aid results in an increase in the tax levy.

The Construction Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the acquisition or construction of capital facilities. The Extension Fund levy will continue to provide funds for MPS C.A.R.E.S., playfield updates, build a community recreational center, other infrastructure improvements and establish a sustainable revenue source for future recreation programming. Chart 5 shows a summary of the tax levy changes by fund when comparing FY23 to FY24.

Chart 5: All-Fund Tax Levy

All-Fund Tax Levy				
Fund Category	FY23 (October)	FY24 (October)	FY23 to FY24 Difference	FY23 to FY24 % Change
Operations	\$ 283,614,349	\$ 202,712,904	\$ (80,901,445)	(28.5%)
Construction	1,816,630	5,000,000	3,183,370	175.2%
Extension	34,725,000	112,443,075	77,718,075	223.8%
Total Statutory Funds	\$ 320,155,979	\$ 320,155,979	\$ 0	0.0%

Revenue and Expenditure Changes

The charts below show all changes to planned budgets by project. The district maintains a balanced budget as required by state law.

The Administration is confident that the proposed amended FY24 budget is responsible and responsive to the district’s five priorities, supporting the Board’s three goals of academic achievement; student, family, and community engagement; and effective and efficient operations and the strategic plan.

School Operations Fund

The School Operations Fund provides resources for the majority of district operations including debt. Chart 6 shows a summary of the expenditure changes to the School Operations Fund by project.

Chart 6: School Operations Fund Expenditure Changes

Expenditure Changes	
Schools and School Accounts	Amount
MPS Traditional Charter and Alternative Schools	\$ 11,426,806
<i>Enrollment adjustments</i>	
Supplemental Schools	1,000,000
<i>Adjustments to support schools in need</i>	
School Office	(159,171)
<i>Changes to allocations based on actual enrollment</i>	
Allied Health	(372,004)
<i>Vacancy adjustment correction</i>	
Restorative Practices	5,054
<i>Increased supplies</i>	
College Access Centers	(217,847)
<i>Vacancy adjustment correction</i>	

Expenditure Changes	
Schools and School Accounts	Amount
Home & Hospital <i>Increase one teacher, vacancy adjustment correction</i>	(78,023)
Montessori Program Support <i>Reduce one planning assistant and increase supplies</i>	(34,458)
3-year-old screening (non-MPS) <i>Vacancy adjustment correction</i>	(348,698)
Pregnant & Parenting Youth <i>Increase one nurse and vacancy adjustment correction</i>	(66,769)
School Nurses <i>Vacancy adjustment correction</i>	(677,918)
School Office Support (Bookkeeping) <i>Armored car service</i>	45,000
School Safety Operations <i>Emergency Operations Manager III</i>	188,750
School to Work Transition <i>Supplies, student pay, vacancy adjustment correction</i>	(629,617)
School Special Services <i>Changes to allocations based on actual enrollment</i>	(215,059)
Special Education Optional Services <i>Vacancy adjustment correction</i>	(29,037)
Summer School <i>Vacancy adjustment correction</i>	(248,419)
Summer School Special Education <i>Vacancy adjustment correction</i>	(102,580)
School and School Accounts Subtotal	\$ 9,486,010

Office Accounts	Amount
Office of Operations <i>Adjustments of costs covered in ESSER (Elementary and Secondary School Emergency Relief)</i>	(528,711)
Office of Human Resources <i>Licensing compliance analyst</i>	119,088
Office of Finance <i>Five positions to support accounting and financial planning (salaries and benefits) and one salary adjustment to reflect actual</i>	612,541
Office Accounts Subtotal	\$ 202,918
Other Accounts	
Financial Systems <i>ERP (Enterprise Resource Planning) for finance system</i>	\$ 526,667
Special and Contingent Fund <i>Reserve for administrative raises</i>	920,000
Debt Service <i>Decrease in Debt Service</i>	(200)
Other Accounts Subtotal	\$ 1,446,467
School Operations Fund Expenditure Changes Total	\$ 11,135,395

Construction Fund

The Construction Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the acquisition or construction of capital facilities. It is also used to fund the additions to and/or remodeling of existing buildings. Chart 7 shows a summary of revenue changes to the Construction Fund from spring 2023 to fall 2023. Chart 8 shows a summary of the expenditure changes to the Construction Fund from spring 2023 to fall 2023.

Chart 7: Construction Fund Revenue Changes

Revenue Changes	
Construction Fund Account	Amount
<i>No changes</i>	\$0
Construction Fund Revenue Changes Total	\$0

Chart 8: Construction Fund Expenditure Changes

Expenditure Changes	
Construction Fund Account	Amount
No changes	\$0
Construction Fund Revenue Changes Total	\$0

Extension Fund

The Extension Fund is used to record financial transactions related to recreational activities and is jointly managed by the Office of Communications and School Performance, Office of Finance, and Office of Academics. Chart 9 shows a summary of the revenue changes to the Extension Fund and Chart 10 shows a summary of the expenditure changes.

Chart 9: Extension Fund Revenue Changes

Revenue Changes	
Extension Fund Account	Amount
Tax Levy Change <i>Construction of a recreation wellness center and other citywide recreational amenities and improvements</i>	\$77,718,075
Applied Surplus <i>Use of fund balance for a specified purpose</i>	(5,758,928)
Extension Fund Revenue Changes Total	\$71,959,147

Chart 10: Extension Fund Expenditure Changes

Expenditure Changes	
Extension Fund Account	Amount
Rec Facility Improvements <i>Construction of a recreation wellness center and other citywide recreational amenities and improvements</i>	\$ 71,559,241
CAPRA Compliance <i>Continue best practices through National Recreation and Park Association Accreditation</i>	1,142,161
Diversity Supports Milwaukee Recreation’s commitment to ensure the benefits of recreation are extended to all individuals in Milwaukee	12,000
Recreational Facilities <i>Maintenance and upkeep of recreational facilities</i>	71,046
Playgrounds & Rec Centers <i>Better align work functions with projects</i>	(825,301)
Extension Fund Expenditure Changes Total	\$ 71,959,147

School Nutrition Services Fund

The School Nutrition Services Fund is an enterprise fund, which accounts for the breakfast, lunch, and other meal programs operated by the district for students. The fund is managed by the Department of Nutrition Services within the Office of Finance.

Chart 11: Nutrition Fund Revenue Changes

Revenue Changes	
Nutrition Fund	Amount
No changes	\$0
Nutrition Fund Revenue Changes Total	\$0

Chart 12: Nutrition Fund Expenditure Changes

Expenditure Changes	
Nutrition Fund Account	Amount
No changes	\$0
Construction Fund Revenue Changes Total	\$0

Position Changes

The following charts identify position changes by fund. Office and department position changes in the budget require Board approval for position authority. Chart 13 shows the position changes in the School Operations and Categorical Funds, Chart 14 shows the position changes in the Nutrition Services Fund, and Chart 15 shows the position changes in the Extension Fund. There are no positions in the Construction Fund.

Chart 13: School Operations and Categorical Fund Position Changes

Office Position Changes	FTE	Board	Categorical
Office of Academics			
Montessori Program Planning Assistant II	-1.00	\$ (76,062)	\$ -
Home & Hosp Instruction Teacher	1.00	92,577	-
Pregnant & Parenting Youth School Nurse	1.00	76,956	-
Advanced Studies School Secretary II	1.00	50,000	-
Sped Allied Health Occupational Therapist	3.00	235,969	-
College Access Centers Planning Assistant II	1.00	64,701	-
Organizational Development Licensing & Pre Serv Coord III	1.00	-	114,868
Organizational Development Planning Assistant II	-1.00	-	(62,020)
Organizational Development School Secretary I	1.00	-	62,020
Office of Academics Total	7.00	\$ 444,141	\$ 114,868

Office of Administration	FTE	School Operations	Categorical
School Safety Emergency Operations Manager III	1.00	125,000	-

Office of Finance	FTE	School Operations	Categorical
Financial Services Project Management Specialist	1.00	114,859	-
Financial Services Accounting Specialist	1.00	101,976	-
Financial Services Grant Accounting Manager	1.00	111,998	-
Financial Services Accounting Assistant III	1.00	67,092	-
Financial Planning & Budget Services Budget Analyst I	-1.00	(59,676)	(27,262)
Financial Planning & Budget Services Budget Analyst II	-1.00	(47,955)	(23,496)
Financial Planning & Budget Services Budget Analyst III	2.00	127,676	54,718
Financial Planning & Budget Services Accounting Assistant II	1.00	46,642	-
Office of Finance Subtotal	5.00	462,612	3,960

Office of Human Resources	FTE	School Operations	Categorical
Human Resources Analyst I Talent Management	1.00	78,866	-

Office of Communications and School Performance	FTE	School Operations	Categorical
Communications & Marketing Communications Coordinator III	1.00	83,567	-
Communications & Marketing Production Designer	1.00	55,000	-
Communications & Marketing to be Determined	-1.00	(84,006)	
Family Navigator Coordinator	1.00		79,470
Office of Communications Subtotal	1.00	\$54,561	79,470

Office of Operations	FTE	School Operations	Categorical
Facilities & Maintenance Coordinator II Building Ops	1.00	2,600	-
Facilities & Maintenance Safety Analyst II	-1.00	(116,909)	-
Facilities & Maintenance Haz Mat/Ind Hyg Coordinator II	1.00	116,909	-
Facilities & Maintenance Painter Charginan	-1.00	(86,158)	-
Facilities & Maintenance Painter	1.00	85,315	-
Facilities & Maintenance Plumber Registered Apprentice	-1.00	(96,049)	-
Facilities & Maintenance Youth Apprentice	-5.04	(268,320)	-
Facilities & Maintenance Subtotal	-5.04	(362,612)	-

Chart 14: Nutrition Fund Position Changes

Nutrition Services	FTE	Nutrition Fund	Categorical
Nutrition Lead Truck Driver Lunch 12 Month 40 Hours	1.00	\$ 53,129	\$ -
Nutrition Truck Driver - Lunch 10 Months 30 Hours	7.00	485,365	\$ -
Truck Driver - Lunch 10 Months 40 Hours	1.00	50,559	\$ -
Department of Nutrition Total	9.00	\$ 589,053	

Chart 15: Extension Fund Position Changes

Office of Operations	FTE	School Operations	Categorical
Recreation & Community Services Planning Assistant II	1.00	77,635	-
Recreation & Community Services Coordinator II	1.00	80,033	-
Recreation & Community Services Supervising Associate II	2.00	141,276	-
Recreation & Community Services Utility Worker	1.00	52,317	-
Recreation & Community Services Subtotal	5.00	351,261	-

Summary of Net Expenditure Change Amounts

Chart 16 shows the statutory and Categorical Funds summary of the changes by fund category from the FY24 Proposed Budget in May to the FY24 Amended Adopted Budget in October.

Chart 16: Budget Changes Spring to Fall

Budget Change Spring to Fall				
Fund Category	Spring FY 24	Fall FY24	Difference	Percentage
Operations	\$1,093,859,149	\$1,104,994,544	\$11,135,395	1.0%
Construction	7,100,000	7,100,000	0	0.0%
Extension	42,483,928	114,443,075	71,959,147	169.4%
Total Statutory Funds	\$1,143,443,077	\$1,226,537,619	\$83,094,542	7.3%
Categorical	352,593,200	381,271,436	28,678,236	8.1%
Total All Funds	\$1,496,036,277	\$1,607,809,055	\$111,772,778	7.5%

Excluding categorical grants, the three statutory funds will total \$1,226,537,619 in FY24. This is an increase of \$83,094,542, a 7.3% increase over the budgeted total that was adopted in Spring of FY24. The district's current projection for categorical grants is \$381,271,436.

Summary

Chart 17 shows the statutory funds and Categorical Fund summary of changes between the FY24 Spring Proposed Budget and FY24 Amended Adopted Budgets.

Chart 17: All-Fund Totals Summary

Budget Change FY23 to FY24				
Fund Category	FY23 (October)	FY24 (October)	FY23 to FY24 Difference	FY23 to FY24 % Change
Operations	\$1,094,414,841	\$1,104,994,544	\$10,579,703	0.97%
Construction	\$3,642,559	\$7,100,000	\$3,457,441	94.9%
Extension	\$42,339,247	\$114,443,075	\$72,103,828	170.3%
Total Statutory Funds	\$1,140,396,647	\$1,226,537,619	\$86,140,972.00	7.6%
Categorical	\$727,754,941	\$381,271,436	(\$346,483,505)	-47.61%
Total All Funds	\$1,868,151,588	\$1,607,809,055	(\$260,342,533)	-13.94%

Approval of these proposed changes will result in a total budget of \$1,607,809,055 based upon current law and revenue limit calculations.