



CITY FORWARD
COLLECTIVE

MPS Referendum:

Policy Assessment

MPS Referendum: Overview

- MPS has placed a referendum for a permanent, \$252M increase in the district's revenue limit on the April 2nd ballot
- This revenue limit increase would result in a \$140M property tax increase, beginning next year (2025)
 - This equals \$2.11 per \$100K of assessed value, or ~\$425/year for the average MKE homeowner
- MPS states that the referendum will allow it to
 - Maintain smaller class sizes
 - Retain programming in art, music, libraries, and P.E.
 - Keep high-quality teachers

CFC's Bottom Line:

Before a 30 percent property tax increase, Milwaukee's students & families need a plan that...

Includes ALL Milwaukee families, and the schools that serve their children

Dramatically improves academic outcomes for ALL Milwaukee students

Places MPS on a sustainable long-term financial path – without destabilizing other schools

CFC's Concerns With The MPS Property Tax Referendum

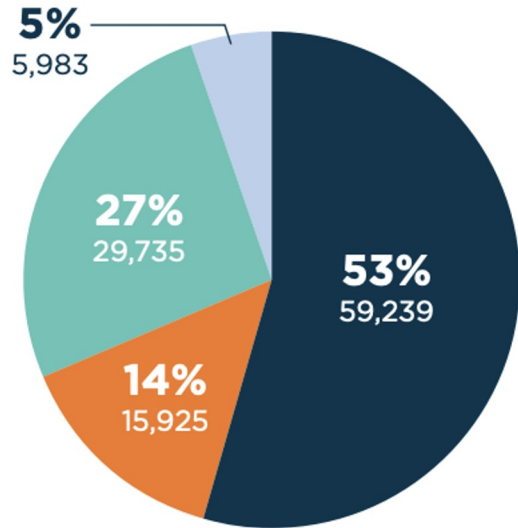
1. No Plan for Improving Academic Outcomes
2. Tens of Thousands of Milwaukee Students Left Out
3. Changing Milwaukee Demographics Require Right-Sizing
4. Short-Term Band-Aids That Fail to Address Long-Term Fiscal Challenges



1. MPS Needs A Plan to Improve Academic Outcomes

MPS Plays An Important Role In Milwaukee's K12 Education Ecosystem

110,882
PUBLICLY FUNDED
STUDENTS



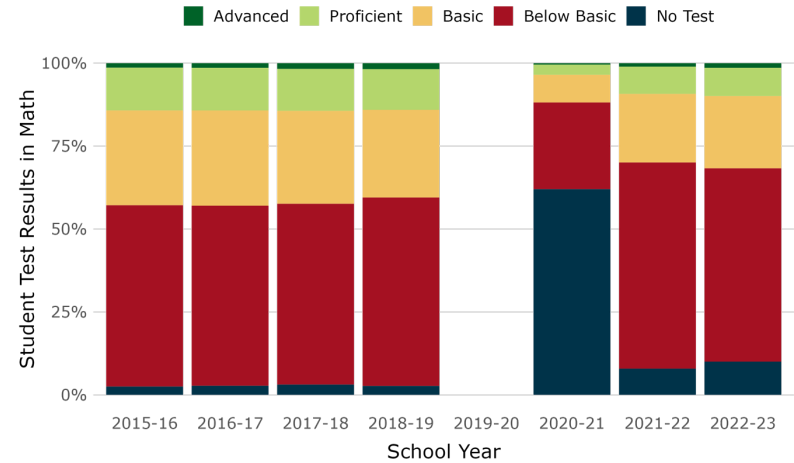
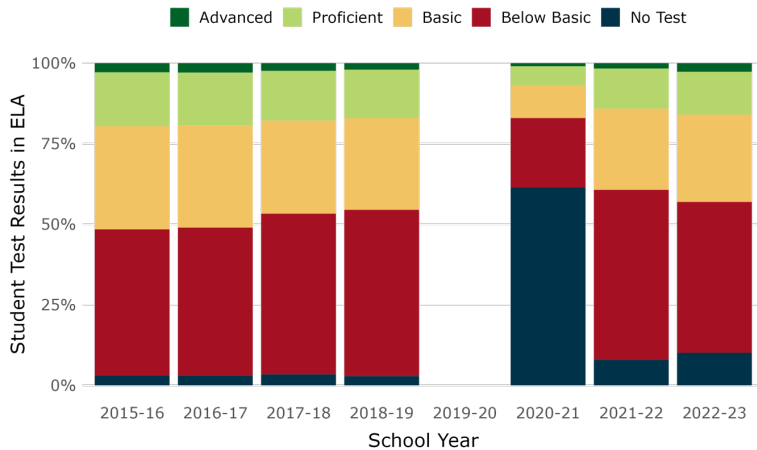
ENROLLMENT BY STUDENT SUBGROUP

	Milwaukee Public Schools	Public Charter Schools	Private Schools
Black	50%	46%	52%
Hispanic/Latino	28%	34%	34%
Asian	6%	12%	4%
White	10%	5%	6%
Economic Disadvantage	82%	82%	83%
Students With Disabilities	20%	11%	NA

More than half of students in MPS-operated schools are performing Below Basic

Reading/ELA
 15.9% Proficient
 46.8% Below Basic

Math
 9.9% Proficient
 58.3% Below Basic

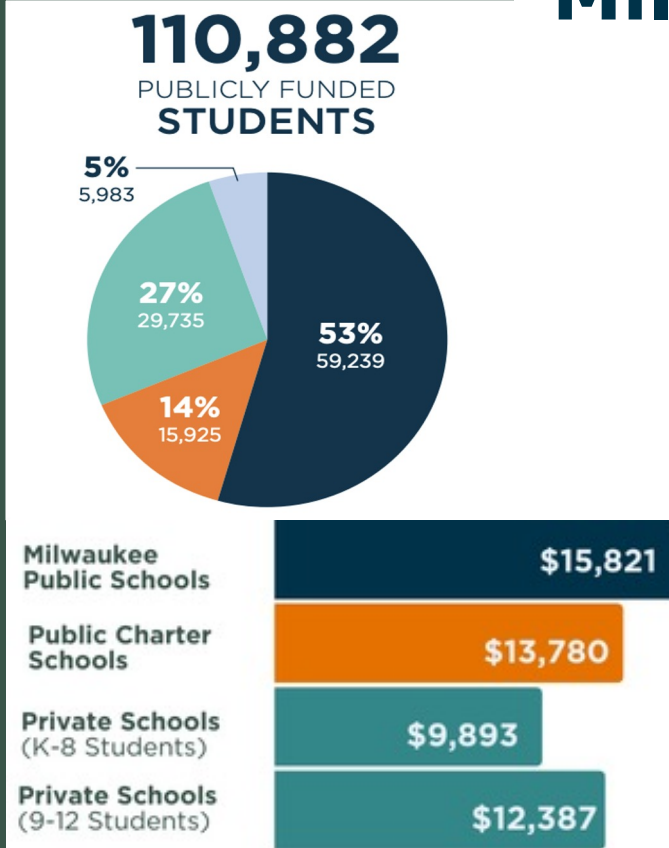


Data includes proficiency rates for MPS Traditional Public and Instrumentality Charter Schools. Schools were not required to administer tests in the 2019-20 school year.



2. Almost Half of Milwaukee Students Left Out

Referendum Would Expand Milwaukee's Funding Gaps



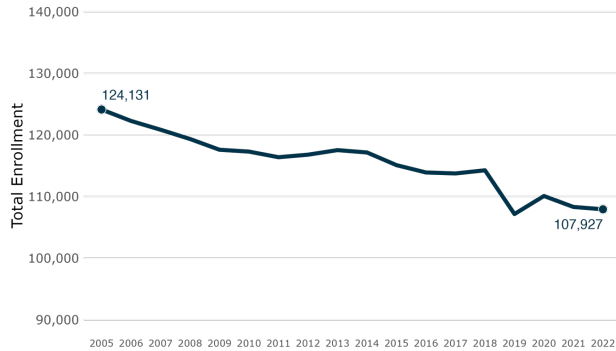
- More than 50,000 Milwaukee students attend public charter schools or private schools in the Parental Choice Program
- These students will receive **no** funding from this referendum
- The referendum will increase the funding gap between Milwaukee students by **10-25%**



3. MPS Must Adjust To Changing Demographics

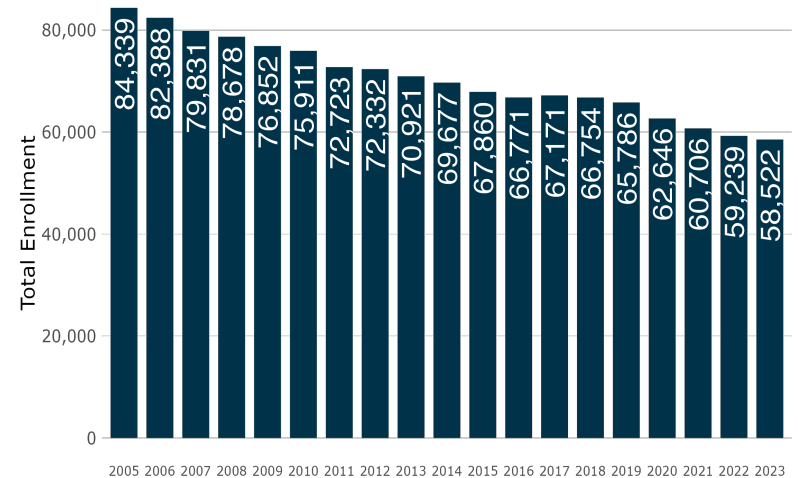
Milwaukee is experiencing a long-term decline in K12 student enrollment

Citywide
Down 13%

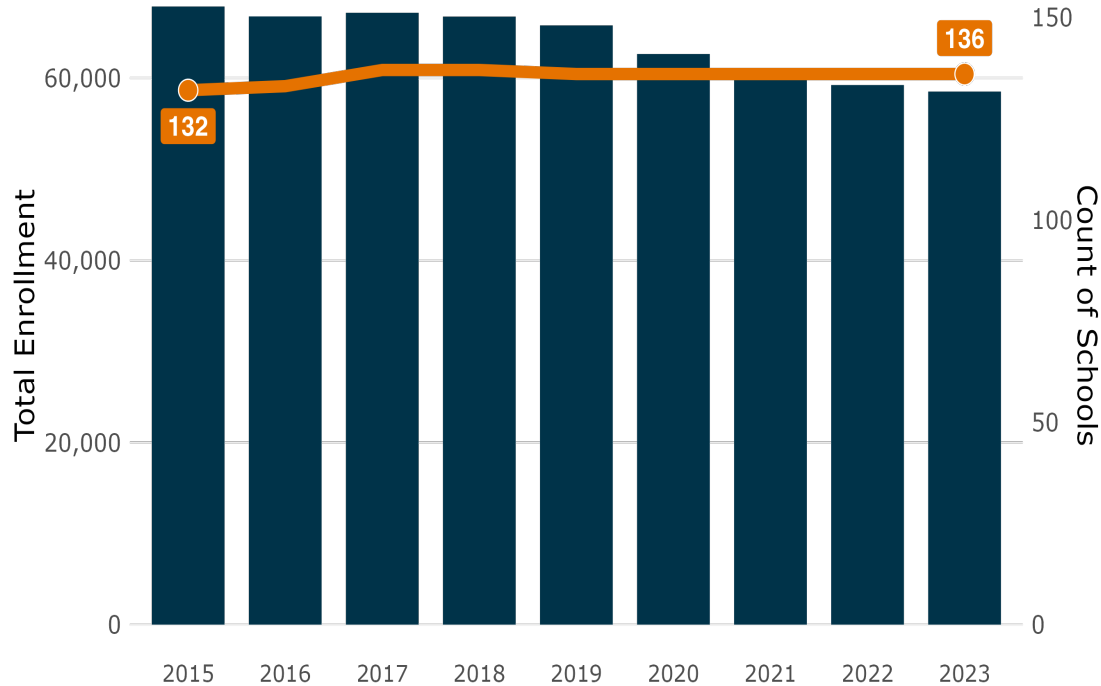


Numbers here represent total enrollment in Milwaukee schools, including tuition-paying students at private schools.

MPS
Down 30%

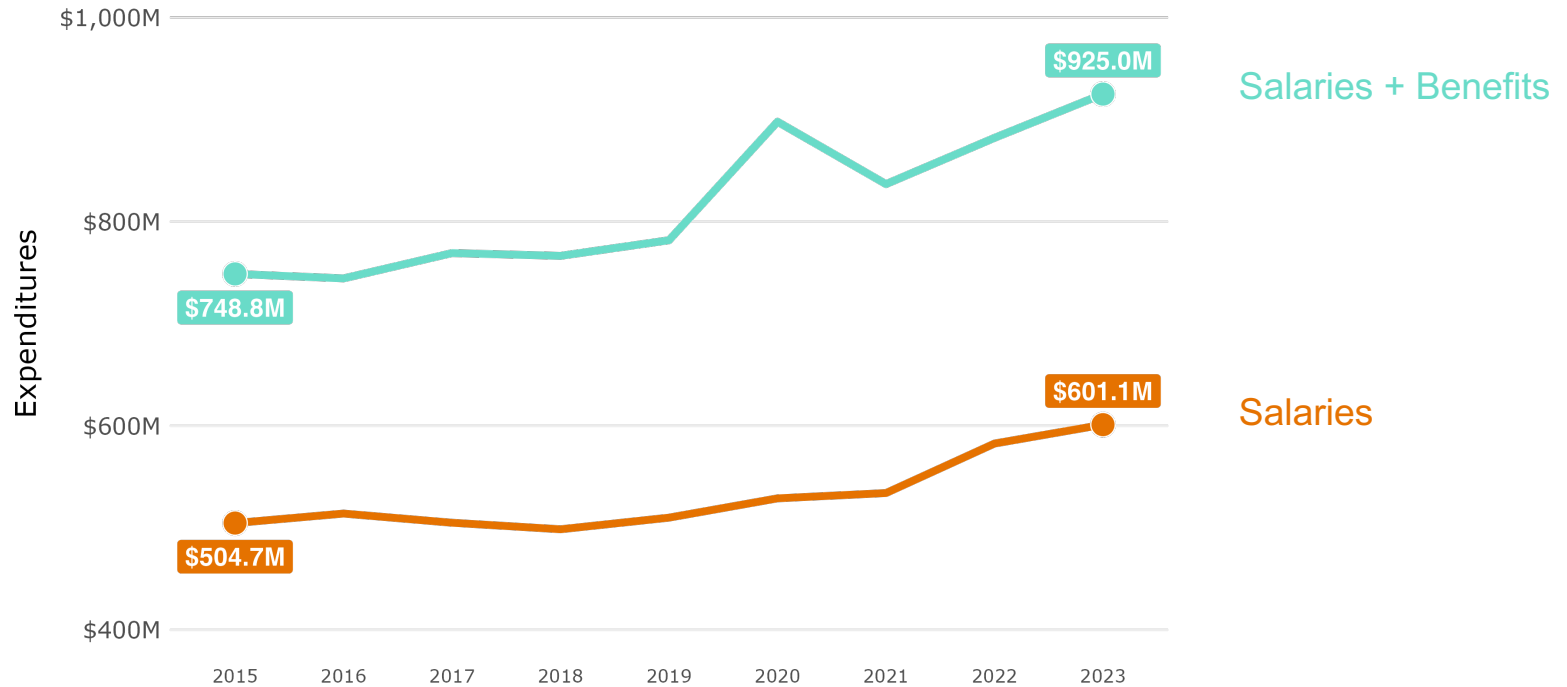


MPS is operating more schools, despite enrollment declines



Year	Enrollment
2015	514 students/school
2023	430 students/school
National Average	585 students/school

MPS' spending on salaries and benefits is up over \$175M, despite enrollment declines



Salary and benefits numbers taken from MPS Budgets.

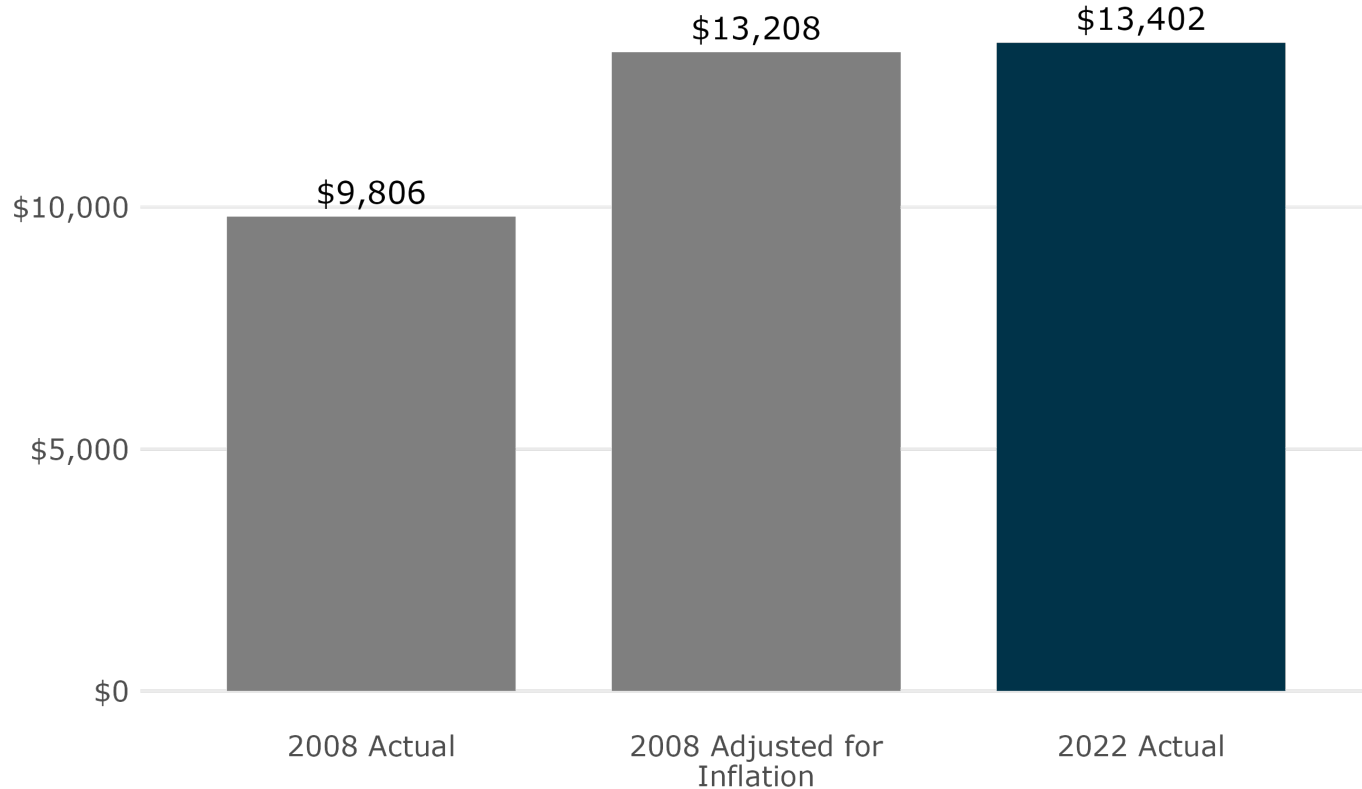


4. MPS Is Proposing (Another) Short-Term Fix to Long-Term Fiscal Challenges

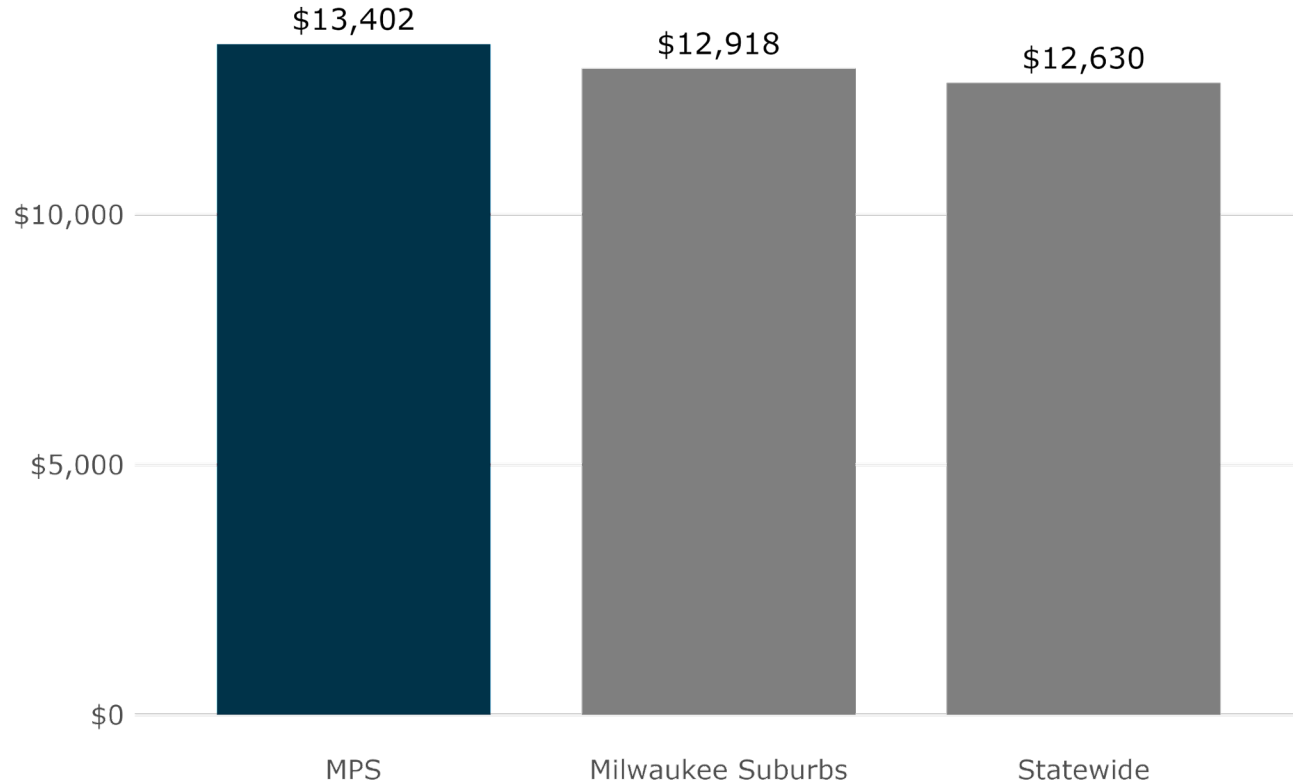
MPS Has Received Close to \$1.2B in Additional Funding Since 2020

- 2020 Referendum: Permanent annual increase of \$87M in local funding – regardless of enrollment levels
- ESSER: One-time infusion of \$770M+ in COVID recovery funds, with significant flexibility on use of funds
- 2023-25 State Budget:
 - \$38.5M+ (projected) in base per-pupil funding increases (\$650/pupil over the biennium)
 - Additional special education and categorical aid increases

Since 2008, MPS' total per-pupil revenues have kept pace with inflation



After the 2020 referendum, MPS' revenues per pupil exceed state and Milwaukee County averages



Most MPS School Spending Decisions Are Made By Central Office

- In the district’s current budget, MPS allocated just \$4446/pupil for spending decisions made at the school building level
- Total school-based allocations declined by \$52M, while funding for Central Office-administered functions increased by nearly \$100M

Chart 3.4 Per-Pupil Allocations

Per-Pupil Allocations			
School Level	2022-23 Amount	2023-24 Amount	Inc/(Dec)
High	\$3,715	\$4,446	\$731
Middle	\$3,565	\$4,446	\$881
K-8	\$3,927	\$4,446	\$519
Elementary	\$3,798	\$4,446	\$648

District Use-of-Funds Summary – All Funds (\$M)						
School/Department	2019-20	2020-21	2021-22	2022-23	2023-24	Inc/(Dec)
	Actual	Actual	Actual	F.A.	P.B.	
School Allocations	\$429.9	\$453.9	\$463.0	\$565.6	\$513.6	(\$52.0)
In School Allocations	101.7	120.8	146.6	191.0	287.9	96.9
Other School Allocations	386.5	373.2	399.5	433.7	435.6	1.9
Schools Subtotal	\$918.1	\$947.9	\$1,009.1	\$1,190.3	\$1,237.1	\$46.8

\$252M In Additional Revenue Isn't Enough to Close MPS' Budget Gap

MPS MILWAUKEE PUBLIC SCHOOLS

FY24-FY29
Draft Five-Year Forecast Pro-Forma Summary

School Operations (In Millions)							
(In Millions)	FY24	FY25	FY26	FY27	FY28	FY29	Change FY29 vs FY24
	Adopted	est	est	est	est	est	
Revenues	\$1047.3	\$1038.3	\$1034.3	\$1030.3	\$1026.3	\$1022.3	(\$25.0)
Expenditures							
Salaries/Other Wages	\$454.7	\$551.0	\$568.8	\$584.3	\$595.2	\$606.8	\$152.1
Benefits							
Medical/Vision Insurance-Active	\$135.7	\$164.0	\$170.5	\$177.3	\$184.4	\$191.8	\$56.1
Employee Contribution-Active	(\$13.9)	(\$16.1)	(\$16.7)	(\$17.4)	(\$18.0)	(\$18.8)	(\$4.9)
Medical-Retiree (no Vision)	\$54.9	\$55.9	\$57.8	\$58.8	\$60.2	\$60.6	\$5.7
Employee Contribution-Retiree	(\$1.0)	(\$1.1)	(\$1.5)	(\$1.8)	(\$2.1)	(\$2.6)	(\$1.6)
Net Medical/Vision	\$175.8	\$202.6	\$210.1	\$217.0	\$224.4	\$231.0	\$55.2
Other Benefits	\$71.8	\$83.7	\$85.6	\$87.4	\$89.3	\$91.3	\$19.5
Total Benefits	\$247.6	\$286.4	\$295.7	\$304.4	\$313.7	\$322.3	\$74.8
Purchased Services							
Contracted Schools Charters	\$91.8	\$91.1	\$91.5	\$91.9	\$92.3	\$92.8	\$1.1
Open Enrollment -Outbound	\$42.9	\$43.3	\$44.3	\$45.4	\$46.5	\$47.7	\$4.8
Pupil Transportation	\$68.1	\$69.4	\$70.8	\$72.3	\$73.7	\$75.2	\$7.1
Other Purchased Svcs.-Includes Utilities	\$55.4	\$68.6	\$64.1	\$65.7	\$66.9	\$68.2	\$12.8
Total Purchased Services	\$258.2	\$272.4	\$270.7	\$275.2	\$279.4	\$283.9	\$25.7
Supplies/Materials	\$46.9	\$80.0	\$57.8	\$59.0	\$51.4	\$54.3	\$7.3
Capital Purchases	\$4.1	\$4.2	\$4.3	\$4.5	\$4.5	\$4.6	\$0.5
Debt Service	\$29.7	\$37.3	\$27.8	\$27.7	\$29.2	\$28.0	(\$1.8)
Insurances	\$8.0	\$8.8	\$9.2	\$9.6	\$10.0	\$10.4	\$2.4
Other	(\$1.9)	(\$1.8)	(\$1.8)	(\$1.8)	(\$1.9)	(\$1.9)	(\$0.0)
Total Expenditures	\$1047.3	\$1238.5	\$1232.5	\$1262.7	\$1281.5	\$1308.4	\$261.0
Balance Before Internal Adjustments	\$0.0	(\$200.2)	(\$198.2)	(\$232.3)	(\$255.2)	(\$286.0)	
Internal Adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
Cumulative Surplus (Deficit)	\$0.0	(\$200.2)	(\$398.4)	(\$630.7)	(\$885.9)	(\$1171.9)	

- MPS' five-year projections show a **\$1.17B cumulative deficit**, and a **\$286M annual budget gap** by the 2028-29 school year
- Even with additional funding from this property tax increase, MPS still projects a **\$16.5M deficit in the 2025-26 school year**



“Money alone may not lift educational outcomes to desired levels....

Importantly, we also find that how the money is spent matters.”

-C. Kirabo Jackson et al, 2015

CFC's Bottom Line:

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