SUPREINTENDENT’S
FISCAL YEAR 2012
PROPOSED BUDGET
OVERVIEW
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MISSION STATEMENT

Milwaukee Public Schools educates all students for success in higher education, careers and responsible citizenship so that MPS is the first choice for families.

VISION STATEMENT

Milwaukee Public Schools will be among the highest-performing urban public school districts in the country, providing rigorous, high-quality learning opportunities for students. Schools will enable lifelong learning among students, families, educators and other staff focused on continuous improvement. Teaching will be child-centered, based on research-proven methods, and aligned to high academic standards; it will meet the learning needs of individual students. The district, its schools, and its employees will be accountable for measurable gains in student achievement.

Schools will be safe centers of community activity that are welcoming, well maintained, and accessible. Children will be provided maximum educational opportunities to become responsible citizens who make positive contributions to their communities. The district and its schools will strengthen partnerships with families and those in the community who influence and affect students and families.

CORE BELIEFS

- Children come first.
- The classroom is the most important place in the district.
- Leadership and accountability are keys to our success.
- Central Services supports student achievement.
- Families are valuable partners.
- Community partnerships add value.

Adopted July 26, 2007
MILWAUKEE PUBLIC SCHOOLS
Milwaukee, Wisconsin
May 2, 2011

Office of the
Superintendent of Schools

TO THE MEMBERS OF THE BOARD OF SCHOOL DIRECTORS:

Re: FY12 Proposed Budget

As a result of the hard work and dedication put forth by many stakeholders, I am submitting for your review and consideration the Milwaukee Public Schools’ FY12 proposed budget for the 2010-11 school year. The FY12 budget is based on the Governor’s proposed budget. This budget represents a genuine commitment to the children of Milwaukee through its focus on children by keeping dollars directed to the most important place in the district – the classroom.

Many improvement strategies are already in place to assure sustainability of direction through plans to increase student achievement, support effective and efficient operations and provide meaningful family and community engagement. The Administration will continue to put these improvement strategies into action, and is recommending some additional measures for your consideration via the FY12 proposed budget.

There is no doubt that this budget is extremely challenging and the fiscal realities are harsh. District leadership will continue forging collaborations within the community to assure necessary funding to advance our educational mission to help transform a city that has been devastated by the bitter and ugly realities of poverty.

It is my hope that as we move forward with this crucial responsibility, we do so in the spirit of collaboration and remain committed to the children of Milwaukee by consistently placing their academic needs first. This budget has been carefully crafted to arrange key resources in a manner that best supports academic achievement for all students. This being said, proposed adjustments must entail careful and thoughtful consideration of potential impacts.

Thank you in advance for the hard work and dedication you will put forth during the upcoming budget process. Please know that your commitment to the children of Milwaukee leaves me confident and hopeful as we proceed with the FY12 with budget deliberations.

Sincerely,

Greg Thornton
Gregory E. Thornton, Ed.D.
Superintendent of Schools
The Milwaukee Public Schools FY12 Superintendent’s Proposed Budget totals $1,172,528,931. This is $182,467,850 or 13.5% less than the FY11 Final Adopted Budget.

The FY12 Proposed Budget is one of the most challenging budgets that has been issued by a Milwaukee Public Schools Superintendent. Unprecedented cuts to public education are contained in the 2011-2013 state budget proposed by Wisconsin’s Governor. The FY12 cuts for MPS total $81.6 million - including $66.6 million in school operations and construction funds and $15 million in categorical funds. The proposed revenue cuts from the state can be found in the Financial Statement section of the FY12 Proposed Budget.

In addition to the state revenue cuts, the district will lose an additional $95.5 million in categorical (grant) funding. The majority of this, $82,061,109, was budgeted with American Recovery and Reinvestment Act (ARRA) funding that will not be available in FY12. ARRA funding was additional federal funding received for two years ending in FY11.

The proposed budgets in previous years were normally based on the prior year’s revenues and not adjusted for the Governor’s proposed budget. Due to the extreme cuts in the Governor’s proposed budget, the budget presented in this document has been adjusted consistent with provisions of the proposed state revenue cuts.

The FY12 Proposed Budget is reduced by 988.68 full-time equivalent (FTE) budgeted positions compared to FY11 Final Adopted Budget positions. These reductions are related to enrollment changes and federal, state and local funding. This does not mean that there will be 988.68 layoffs. Some of the positions that are eliminated are vacant and others were reduced due to attrition.

The main priority of the Superintendent’s FY12 Proposed Budget is to keep as many resources as possible in the classroom - the most important place in the district. The proposed budget:

- Increases the number of charter schools to improve market share of students in MPS.
- Maintains 3-year-old and 4-year-old kindergarten programs but eliminates transportation funds for regular education students in these programs.
- Begins the centralization process of school budgets to enable school leaders to spend more time on instructional leadership. The FY12 Proposed Budget includes centralizing the following:
  - guidance counselor positions,
  - long-term leaves for teaching staff,
  - extra hours for building operations staff, and
  - assignment of literacy and math coaches.
- Reorganizes the Office of School Administration to provide additional instructional and operational support for principals.
- Funds the Transition Intervention Experience Center (TIE) to address the needs of chronically disruptive students in grades seven, eight and nine who have committed offenses that warrant a referral to the Office of Family Services (Level 3). The center will provide interventions and supports for these students to transition back into their schools of origin.
FY12 SUPERINTENDENT’S BUDGET OVERVIEW

- Provides summer session programming as follows:
  - a broad spectrum of enrichment opportunities and developmental academics for K-8 students.
  - a six-week, grade eight summer literacy program for students who need additional academic preparation to be promoted to ninth grade;
  - a five-week, high school summer school credit recovery program at one site that can accommodate approximately 450 grade 12 students; and
  - special education extended school year (ESY) program.
- Reflects the consolidation of schools approved by the Board prior to April 2011 to provide richer instructional programming for students.
- Includes GE Foundation grant support to boost achievement in mathematics and science and help prepare children for career and college readiness.

BACKGROUND INFORMATION

Reporting Entity
Milwaukee Public Schools (MPS) operates within the City of Milwaukee, Wisconsin. The purpose and responsibility of the District is to provide an efficient and effective educational system for the children enrolled in the public schools, whereby each child has access to programs and services that are appropriate to his or her educational needs. In addition to the regular educational programs, the District offers comprehensive programs in the areas of vocational education, special education, early childhood education, and bilingual education. Through its specialty school programs, the District offers advanced educational programs in such areas as language, fine arts, computer science, health professions, business, and technical trades. In addition, the District provides community recreation and education services through its parks and centers for the elderly.

Milwaukee is located 70 miles north of the city of Chicago on the western shores of Lake Michigan. The City has a population of approximately 605,000 based on 2009 U. S. Census Bureau Data. The District currently operates more than 160 sites, has over 80,000 students, and employs over 12,000 educators, administrators, and staff. The Superintendent, appointed by the Milwaukee Board of School Directors, is the senior official representing MPS.

The Milwaukee Public School District was established on February 3, 1846, and is operated under Chapter 119 of the Wisconsin Statutes. The District, governed by a nine-member Board, provides education services through grade 12 to Milwaukee residents and its participating suburban transfer students.

Local Economic Analysis
Milwaukee is the state’s largest urban and economic center. The City has a diversified economy with strong service and manufacturing sectors. Finance, insurance, entertainment, communication, health care, and other personal and business service activities account for over half of all employment.

Based upon the Metropolitan Milwaukee Association of Commerce’s February 2011 Economic Trends, February’s seasonally unadjusted unemployment rate of 8.4% is lower than the 10.2% rate posted one
year ago. Currently, the metro Milwaukee area’s jobless rate ranks lower than the state’s 8.5% and the nation’s 9.5% rates.

The City continues to maintain high bond ratings from three of the major agencies. AA from Standard & Poor’s Corporation, AA+ from Fitch Ratings, and Aa1 from Moody’s Investors Service, Inc. was received on recently issued general obligation bonds.

Vision Statement
MPS will be among the highest-performing urban public school districts in the country, providing rigorous, high-quality learning opportunities for students. Schools will enable lifelong learning among students, families, educators and other staff focused on continuous improvement. Teaching will be child-centered, based on research-proven methods, and aligned to high academic standards; it will meet the learning needs of individual students. The District, its schools, and its employees will be accountable for measurable gains in student achievement.

Schools will be safe centers of community activity that are welcoming, well maintained, and accessible. Children will be provided maximum educational opportunities to become responsible citizens who make positive contributions to their communities. The District and its schools will strengthen partnerships with families and those in the community who influence and affect students and families.

Mission Statement
MPS educates all students for success in higher education, careers and responsible citizenship so that MPS is the first choice for families.

Strategic Areas and Goals
The strategic goals of MPS are:

1. Students meet and exceed Wisconsin academic standards and graduate prepared for higher education, careers and citizenship.
2. School communities work together for improvement in academic achievement.
3. Leaders and staff demonstrate continuous improvement through focused professional development.
4. School staff are accountable for high quality teaching and learning, measurable gains in student achievement and fiscal responsibility.
5. School staff are supportive and responsive to students and families.
6. The District is accountable for measurable results.
7. The District’s central services offices support student learning.
8. The District builds partnerships to support student achievement.

District School Improvement – District Initiatives
District leadership continues to build upon prior efforts to support implementation of the Working Together, Achieving More strategic plan, its core beliefs, goals, and measurable objectives. Along with its work on the state-mandated Corrective Action Plan, the District will continue to improve outcomes for students.
The federal Elementary and Secondary Education Act requires an annual review of school and district performance to determine if student academic achievement and progress is adequate. In Wisconsin, all public schools and districts must meet the state’s four Adequate Yearly Progress (AYP) objectives, including test participation, performance in reading and math, and graduation or attendance. Any school and district that does not make AYP in any of the four objectives is identified for improvement by the Department of Public Instruction. Currently, MPS is a Level 5 District Identified for Improvement because it has not met AYP requirements for six consecutive years.

When a district fails to reach the objectives mandated by the state, a corrective action plan must be put in place to address the areas of concern. MPS’ corrective action plan encompasses the following areas:

- Increase student attendance through collaborative community-wide solutions.
- Ensure a system of quality and consistency in curriculum, instruction, and assessment using a system of early intervening services for all PK-12 students.
- Ensure a consistent, transparent and high quality system of accountability in Milwaukee Public Schools for school improvement, teacher quality, and financial and operational management.

CELEBRATION OF RECENT SUCCESSES

Changes are happening at MPS as shown by the 2010-11 WKCE-WAA assessment results. The overall district proficiency rate across all grades assessed in reading rose nearly two full percentage points from 57.4% to 59.3%, compared to the year before. Five (grades 3, 4, 5, 6, 7) of the seven grades assessed showed an increase in proficiency. Ninety-eight schools (57%) had increases in reading proficiency compared to 76 (45%) the year before. Many showed substantial progress, for example:

- 24 schools had double-digit increases, and
- 25 schools had increases of 5 to 10 percentage points.

Over the last four years, district math proficiency increased an average of nearly six percentage points across all grades assessed, out-pacing statewide growth and decreasing the gap between MPS and the state. While 2010-11 WKCE-WAA math results were more mixed, many MPS schools showed substantial improvement. Of the 170 MPS schools with 2010-11 WKCE-WAA assessment results, 73 (43%) had increased in percent proficient. Among these,

- 16 schools had double-digit increases, and
- 13 schools had increases of 5 to 10 percentage points.

STAFFING CHANGES

The consequences of revenue shortfalls can be seen in the staffing decisions schools and administrators were forced to make.
## FY12 Superintendent's Budget Overview

<table>
<thead>
<tr>
<th>Position Type</th>
<th>FY11 Adopted</th>
<th>FY12 Proposed</th>
<th>Schools Change</th>
<th>Dept Change</th>
<th>Total Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificated Administrators</td>
<td>269.23</td>
<td>217.40</td>
<td>-51.83</td>
<td>-17.65</td>
<td>-23.15</td>
</tr>
<tr>
<td>Principals</td>
<td>133.00</td>
<td>127.10</td>
<td>-5.90</td>
<td>0.05</td>
<td>-5.90</td>
</tr>
<tr>
<td>Assistant Principals</td>
<td>114.60</td>
<td>92.25</td>
<td>-22.35</td>
<td>-0.05</td>
<td>-22.35</td>
</tr>
<tr>
<td>Teachers/Therapists</td>
<td>5,576.45</td>
<td>5,015.72</td>
<td>-560.73</td>
<td>16.68</td>
<td>-544.05</td>
</tr>
<tr>
<td>Social Workers</td>
<td>166.25</td>
<td>148.10</td>
<td>-18.15</td>
<td>-18.15</td>
<td>-18.15</td>
</tr>
<tr>
<td>Psychologists</td>
<td>160.10</td>
<td>147.65</td>
<td>-12.45</td>
<td>-12.45</td>
<td>-12.45</td>
</tr>
<tr>
<td>School Nurses</td>
<td>76.06</td>
<td>55.06</td>
<td>-21.00</td>
<td>-21.00</td>
<td>-21.00</td>
</tr>
<tr>
<td>Classified Technical &amp;</td>
<td>268.68</td>
<td>251.03</td>
<td>17.65</td>
<td>-17.65</td>
<td>-35.30</td>
</tr>
<tr>
<td>Administrative</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trades Workers &amp; Foremen</td>
<td>160.00</td>
<td>151.00</td>
<td>9.00</td>
<td>9.00</td>
<td>18.00</td>
</tr>
<tr>
<td>Clerical/Secretaries</td>
<td>471.50</td>
<td>417.20</td>
<td>-54.30</td>
<td>-54.30</td>
<td>-54.30</td>
</tr>
<tr>
<td>School Bookkeepers</td>
<td>16.60</td>
<td>14.75</td>
<td>-1.85</td>
<td>-1.85</td>
<td>-1.85</td>
</tr>
<tr>
<td>Handicapped Child Associate /</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nurse Associate</td>
<td>276.80</td>
<td>270.50</td>
<td>6.30</td>
<td>6.30</td>
<td>6.30</td>
</tr>
<tr>
<td>Educational Assistants</td>
<td>1,083.05</td>
<td>871.81</td>
<td>-211.24</td>
<td>0.00</td>
<td>-211.24</td>
</tr>
<tr>
<td>Safety Assistants</td>
<td>233.00</td>
<td>219.00</td>
<td>-14.00</td>
<td>14.00</td>
<td>14.00</td>
</tr>
<tr>
<td>Social Work Assistants</td>
<td>30.84</td>
<td>33.48</td>
<td>2.64</td>
<td>2.64</td>
<td>2.64</td>
</tr>
<tr>
<td>Building Service Helpers</td>
<td>370.43</td>
<td>381.12</td>
<td>10.69</td>
<td>10.69</td>
<td>10.69</td>
</tr>
<tr>
<td>Engineers/Boiler Attendants</td>
<td>249.00</td>
<td>243.00</td>
<td>-6.00</td>
<td>0.00</td>
<td>-6.00</td>
</tr>
<tr>
<td>Food Service Manager / Trainee</td>
<td>98.13</td>
<td>80.55</td>
<td>-17.58</td>
<td>-17.58</td>
<td>-17.58</td>
</tr>
<tr>
<td>Food Service Assistant / Asst-in-Charge</td>
<td>343.31</td>
<td>371.63</td>
<td>28.32</td>
<td>28.32</td>
<td></td>
</tr>
</tbody>
</table>

**TOTALS**                          | **10,097.03** | **9,108.35** | **-994.51** | **5.83** | **-988.68** |

In FY11, there are 9,161.47 staff FTEs in the schools, while in FY12, there are only 8,166.96 FTE staff in the schools. This equates to 994.51 FTE fewer staff or a 10.86% cut. This does not mean that there will be 994.51 layoffs. Some of the positions that are eliminated are vacant and others were reduced due to attrition.

The most significant cut is with teachers and teacher coaches. The loss of 369.2 teacher FTEs is due to the loss or reduction of funding for the SAGE, Education Jobs Fund, Preschool to Grade 5 (PS) and the Milwaukee Mathematics Partnership grants. 98.6 teacher FTEs were eliminated in the schools’ board funds.

There will be 72.52 general aide FTEs fewer in FY12 than are in FY11. Seventy-seven percent of these cuts occurred in the School Operations Fund while the remaining occurred in categorical funds. There will be 138.72 para professional FTEs fewer in FY12 than is in FY11. Approximately 72.5% of these cuts occurred in the School Operations Fund while the remaining occurred in categorical funds.

In FY11, the departments have 935.56 staff FTEs, while in FY12 the departments will have 941.39 staff FTEs. This equates to an increase of 5.83 FTEs. This increased occurred with safety aides.
FY12 SUPERINTENDENT’S BUDGET OVERVIEW

Administration added staff aides centrally to offset the safety aides that were not budgeted in the schools. Safety in the schools continues to be a priority of the district. If the increase in safety aides were adjusted out of the total staff changes, the departments would have 49.17 fewer staff or a 5% cut. Even with the significant reduction in staff, MPS is committed to its main goal of educating children and has made great effort to leverage limited resources and support teaching and learning.

BUDGET DEVELOPMENT

The development of the MPS budget is started each year in the fall of the previous year. Although final amounts for local, state and categorical funding are often not available until late in the process, the budget development process must begin early to allow district administration time to align anticipated resources to goals and objectives.

For FY12, the Milwaukee Board of School Directors directed the Administration to develop a budget that uses the district’s maximum taxing authority under the state’s revenue limit.

The revenue cuts posed a significant challenge to the district in preparing this budget. After the schools and departments completed their proposed budgets, the school community and department staff presented their budgets to district review panels. The review panel adjusted the budgets to ensure that the priorities of the schools and district were addressed within budget limitations.

SUMMARY OF FUNDING SOURCES

It is important to keep in mind that the district has four funding sources with distinct budgets. These funding sources in FY11 total $1,354,996,781. In FY12, MPS’ Proposed Budget totals $1,172,528,931. This represents a reduction of $182,467,850 (-13.5%) from the FY11 budget.

<table>
<thead>
<tr>
<th>SCHOOL OPERATIONS FUND</th>
<th>FY12</th>
<th>$944,311,187</th>
</tr>
</thead>
<tbody>
<tr>
<td>The district’s school operations fund is used to account for the general school and administrative functions of the district and consists of the major portion of the district’s operating revenue and expenditures. ($1,172,528,931)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The school nutrition fund is part of the school operations fund. The school nutrition fund is used to account for the school breakfast and lunch programs; summer food program; and child and adult care food programs. ($899,012,197)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The debt service allocation is also part of the school operations fund. The debt service fund is used to account for the payment of general long-term debt principal, interest and related costs. ($41,248,410)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

FY12 Proposed Budget
FY12 SUPERINTENDENT’S BUDGET OVERVIEW

CONSTRUCTION FUND

FY12 $8,627,012

The district’s construction fund is used to fund the repair, remodeling and maintenance of 160 school buildings; 47 recreation sites and buildings and eight administrative buildings.

EXTENSION FUND

FY12 $21,505,353

The district’s extension fund is used to fund the operation and support of social centers, playgrounds, community recreational and adult educational programs.

CATEGORICAL FUNDS

FY12 $198,085,379

Fiscal resources funded through federal, state and other programs that are targeted for specific purposes.

THE SCHOOL OPERATIONS FUND BUDGET

MPS receives school operations funds from state, federal and local sources. Since the individual amounts for the state equalization aid will not be released by the state until July, the amount of property tax levy cannot be calculated. Deductions from state aid for the Milwaukee Parental Choice Program (MPCP) and non-MPS charter schools (2r charters) will also not be known until July 2011.

School Operations Revenues

<table>
<thead>
<tr>
<th>Description</th>
<th>FY11 Final</th>
<th>FY12 Final</th>
<th>Difference</th>
<th>% Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax Levy, Equalization and Integration</td>
<td>$913,468,184</td>
<td>$871,020,975</td>
<td>($42,447,209)</td>
<td>(4.6%)</td>
</tr>
<tr>
<td>Aids</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deduction for MPCP and 2r Charter Schools</td>
<td>(58,130,750)</td>
<td>(58,130,750)</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Other State Aids</td>
<td>67,229,480</td>
<td>63,744,187</td>
<td>(3,485,293)</td>
<td>(5.2%)</td>
</tr>
<tr>
<td>Federal Aids</td>
<td>51,484,625</td>
<td>52,742,875</td>
<td>1,258,250</td>
<td>2.4%</td>
</tr>
<tr>
<td>Local Non-property Tax Revenues</td>
<td>21,986,482</td>
<td>9,971,336</td>
<td>(12,015,146)</td>
<td>(54.7%)</td>
</tr>
<tr>
<td>Applied Surplus/Fund Balance</td>
<td>2,400,000</td>
<td>4,962,564</td>
<td>2,562,564</td>
<td>106.8%</td>
</tr>
<tr>
<td>Total School Operations</td>
<td>$998,438,021</td>
<td>$944,311,187</td>
<td>($54,126,834)</td>
<td>(5.4%)</td>
</tr>
</tbody>
</table>

FY12 Proposed Budget
FY12 SUPERINTENDENT’S BUDGET OVERVIEW

MPS total school operations revenues are down 5.4% in FY12 when compared to FY11. The significant losses include the following:

- Property tax levy and general equalization aid reduced $42.4 million,
- Children at risk aid reduced $1.7 million,
- Poverty aid reduced $1 million,
- Indirect cost reimbursements reduced $2.4 million due to ARRA funds being discontinued, and
- MicroSoft Settlement reduced $12.1 million.

The budget includes a $2.5 million use of fund balance and the redirection of the $2.5 million that was originally set aside for the WiFi project. The intent of the WiFi project is to provide wireless network access for students in poverty through the sale of the district’s television channels to Clearwire for their development of a 4G network.

Of the $944.3 million that is in the School Operations Fund, $410.5 million will be expended on salary and wages, $285.6 million on benefits, $192.9 million on purchased services, $37.8 million on supplies, $1.5 million on capital items, $4.0 million on debt service, $10.5 on insurance and $1.5 on other objects.

FY12 Proposed Budget
FY12 SUPERINTENDENT’S BUDGET OVERVIEW

School Budgets
School budget preparations begin with the forecast of future year enrollments and districtwide revenue projections. (See the appendix section for the FY12 budget calendar.) Once districtwide revenue projections are determined, funds are set aside for non-traditional school allocations and centralized accounts such as employee fringe benefits, textbooks, utilities and transportation. The remaining funds are then reviewed to arrive at per-pupil allocations for schools with central services allocations determined at the end of this review. School leaders working with their school governance councils then develop and submit their budgets.

School Revenues
Each year, the District determines how much of the School Operations Fund can be distributed to the schools, and how much needs to be “set aside” in central accounts.

The following chart shows which funds are set aside for FY12 and the amount that has been allocated to schools.

<table>
<thead>
<tr>
<th>Description</th>
<th>In Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total School Operations Fund</td>
<td>$944.31</td>
</tr>
<tr>
<td>Less: School Nutrition revenue (a separate fund)</td>
<td>(41.25)</td>
</tr>
<tr>
<td>School Operations (net of School Nutrition)</td>
<td>$903.06</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
</tr>
<tr>
<td>Departments</td>
<td>(85.71)</td>
</tr>
<tr>
<td>Centralized Accounts</td>
<td></td>
</tr>
<tr>
<td>Textbooks</td>
<td>(4.30)</td>
</tr>
<tr>
<td>Teacher Quality-Teacher Mentors/Teacher Peer Evaluators</td>
<td>(3.02)</td>
</tr>
<tr>
<td>Milwaukee Partnership Academy</td>
<td>(0.14)</td>
</tr>
<tr>
<td>District Insurances</td>
<td>(10.52)</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>0.27</td>
</tr>
<tr>
<td>Special and Contingent Funds</td>
<td>0.06</td>
</tr>
<tr>
<td>Music Festival</td>
<td>(0.20)</td>
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<tr>
<td>School Safety Supplement</td>
<td>(1.10)</td>
</tr>
<tr>
<td>Technology Licenses/Clearwire</td>
<td>(4.00)</td>
</tr>
<tr>
<td>Tenant Costs</td>
<td>(0.39)</td>
</tr>
<tr>
<td>Banking Fees</td>
<td>(0.19)</td>
</tr>
<tr>
<td>Utilities</td>
<td>(22.81)</td>
</tr>
<tr>
<td>Transportation</td>
<td>(51.31)</td>
</tr>
<tr>
<td>Debt Service</td>
<td>(4.05)</td>
</tr>
<tr>
<td>Offset to above - internal income - from schools, departments and construction projects</td>
<td>12.52</td>
</tr>
<tr>
<td>Sub-total</td>
<td>($174.89)</td>
</tr>
<tr>
<td>Available for direct allocation to schools</td>
<td>$728.17</td>
</tr>
</tbody>
</table>

School Allocation Methodology
After overall school revenues are determined, allocations of $132.07 million for non-traditional school types (partnerships, allied health, summer school, etc.) are deducted. The remaining revenues of

FY12 Proposed Budget
FY12 SUPERINTENDENT’S BUDGET OVERVIEW

$596.10 million are then available for distribution to traditional and charter schools. For more detailed explanation of school allocation methodology, see the school narrative section.

It was the Administration intent to minimize the effect of the revenue cuts on the schools. Unfortunately, the school per-pupil allocation was affected. The schools absorbed a $7.6 million cut in their per-pupil allocation. The per-pupil allocation was also affected by the centralization of costs for long-term absences, guidance counselors and extra pay for building staff. The chart below compares the changes in the per-pupil allocation by school level.

**Per-pupil Allocation**

<table>
<thead>
<tr>
<th></th>
<th>High</th>
<th>Middle</th>
<th>K8</th>
<th>Elementary</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY11 Per pupil</td>
<td>$5,068.05</td>
<td>$5,253.36</td>
<td>$4,868.85</td>
<td>$4,632.59</td>
</tr>
<tr>
<td>Guidance</td>
<td>(217.26)</td>
<td>(104.85)</td>
<td>(27.11)</td>
<td>(0.00)</td>
</tr>
<tr>
<td>Long term Absences</td>
<td>(14.56)</td>
<td>(15.10)</td>
<td>(13.99)</td>
<td>(13.31)</td>
</tr>
<tr>
<td>Decrease in Allocation</td>
<td>(103.64)</td>
<td>(107.01)</td>
<td>(104.20)</td>
<td>(99.14)</td>
</tr>
<tr>
<td>FY12 Per pupil</td>
<td>$4,732.59</td>
<td>$5,026.40</td>
<td>$4,723.55</td>
<td>$4,520.14</td>
</tr>
</tbody>
</table>

The Administration expects to make October adjustments to per-pupil funding in individual traditional, charter and contracted schools based on actual fall enrollments. A chart listing all schools and programs follows the school budget narrative.

**Enrollment Changes**

The FY12 enrollment projections were developed in consultation with principals and various Central Services departments. They were adjusted through the budget development process due to many factors, including program implementation, program expansion and program reduction. Changes approved by the Milwaukee Board of School Directors in April 2011 are not included in the FY12 Proposed Budget. These items will be implemented and included in the FY12 Final Adopted Budget.

The following chart summarizes the FY12 Projected Enrollment:

<table>
<thead>
<tr>
<th>Schools</th>
<th>2010 Third Friday Enrollment</th>
<th>2011 Third Friday Projection</th>
<th>FY12 Projected Enrollment Change</th>
<th>Projected Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary Schools</td>
<td>19,041</td>
<td>18,167</td>
<td>(874)</td>
<td>(4.6%)</td>
</tr>
<tr>
<td>K-8 Schools</td>
<td>30,648</td>
<td>30,157</td>
<td>(491)</td>
<td>(1.6%)</td>
</tr>
<tr>
<td>Middle Schools</td>
<td>6,286</td>
<td>6,306</td>
<td>20</td>
<td>0.3%</td>
</tr>
<tr>
<td>High Schools</td>
<td>20,754</td>
<td>20,052</td>
<td>(70)</td>
<td>(3.4%)</td>
</tr>
<tr>
<td>SUB TOTAL</td>
<td>76,729</td>
<td>74,682</td>
<td>(2,047)</td>
<td>(2.7%)</td>
</tr>
<tr>
<td>MPS Alternative Schools</td>
<td>431</td>
<td>459</td>
<td>28</td>
<td>6.5%</td>
</tr>
<tr>
<td>Partnership Schools</td>
<td>1,417</td>
<td>1,083</td>
<td>(334)</td>
<td>(23.6%)</td>
</tr>
<tr>
<td>K-8 Contracted Programs</td>
<td>324</td>
<td>120</td>
<td>(204)</td>
<td>(63.0%)</td>
</tr>
<tr>
<td>Non-Instrumentality Charters</td>
<td>2,471</td>
<td>4,839</td>
<td>2,368</td>
<td>95.8%</td>
</tr>
<tr>
<td>SUB TOTAL</td>
<td>4,643</td>
<td>6,501</td>
<td>1,858</td>
<td>40.0%</td>
</tr>
</tbody>
</table>

*FY12 Proposed Budget*
FY12 SUPERINTENDENT’S BUDGET OVERVIEW

<table>
<thead>
<tr>
<th>MPS SITES TOTAL</th>
<th>81,372</th>
<th>81,183</th>
<th>(189)</th>
<th>(0.2%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chapter 220 (in suburban schools)</td>
<td>2,261</td>
<td>2,108</td>
<td>(153)</td>
<td>(6.8%)</td>
</tr>
<tr>
<td>Open Enrollment (in other districts)</td>
<td>5,781</td>
<td>6,210</td>
<td>429</td>
<td>7.4%</td>
</tr>
<tr>
<td>SUB TOTAL</td>
<td>8,042</td>
<td>8,318</td>
<td>276</td>
<td>3.4%</td>
</tr>
<tr>
<td>GRAND TOTAL</td>
<td>89,414</td>
<td>89,501</td>
<td>87</td>
<td>0.1%</td>
</tr>
</tbody>
</table>

**Average Salary and Benefits**

Schools budget their staff positions using the average salary for each type of position. For FY12, the average teacher salary is projected to be $59,500 while in FY11 the average teacher salary is $56,500. The school operations and categorical benefit rate is projected to be 69.9% for FY12, compared to the FY11 benefit rate of 74.2%.

**DEPARTMENT CHANGES**

The FY12 department allocations in the School Operations Fund are $5.7 million less than their restated FY11 allocation. The last column notes any transfers that were done within departments.

<table>
<thead>
<tr>
<th>Office</th>
<th>FY11 Final Adopted Budget</th>
<th>FY12 Proposed Budget</th>
<th>Difference</th>
<th>Departmental Transfers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of School Directors</td>
<td>$410,455</td>
<td>$403,419</td>
<td>($7,036)</td>
<td></td>
</tr>
<tr>
<td>Board Governance</td>
<td>2,835,093</td>
<td>2,552,681</td>
<td>(282,412)</td>
<td></td>
</tr>
<tr>
<td>Accountability &amp; Efficiency</td>
<td>1,382,951</td>
<td>1,433,624</td>
<td>50,673</td>
<td></td>
</tr>
<tr>
<td>Superintendent</td>
<td>3,071,851</td>
<td>2,655,731</td>
<td>(416,120)</td>
<td></td>
</tr>
<tr>
<td>Academics</td>
<td>15,974,316</td>
<td>15,142,764</td>
<td>(831,552)</td>
<td></td>
</tr>
<tr>
<td>School Administration</td>
<td>6,417,934</td>
<td>5,561,020</td>
<td>(856,914)</td>
<td></td>
</tr>
</tbody>
</table>

FY12 Proposed Budget

- Positions, $146,191, adjusted for full year
- Position, $50,673, from Operation Services
- Position ($240,396) to Academics
- Position, $240,396, from Superintendent
- Two positions ($148,595) to Family Services
- Two positions ($293,433) to Human Resources
- Two positions, $153,920, from schools
- One position
# FY12 Superintendent’s Budget Overview

<table>
<thead>
<tr>
<th></th>
<th>Budget 2010-2011</th>
<th>Budget 2011-2012</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Resources</td>
<td>5,407,909</td>
<td>5,278,739</td>
<td>(129,170)</td>
</tr>
<tr>
<td>Family Services</td>
<td>3,673,518</td>
<td>3,966,856</td>
<td>293,338</td>
</tr>
<tr>
<td>Financial Services</td>
<td>4,781,866</td>
<td>4,619,362</td>
<td>(162,504)</td>
</tr>
<tr>
<td>Operations</td>
<td>88,750,333</td>
<td>85,342,569</td>
<td>(3,407,764)</td>
</tr>
<tr>
<td>Total</td>
<td>$132,706,226</td>
<td>$126,956,765</td>
<td>($5,749,461)</td>
</tr>
</tbody>
</table>

## Opportunities from FY11

The Administration is anticipating cost savings of $16.6 million in FY11 that will allow the district to prepay FY12 debt and pension past service liability in FY11. Savings are occurring for the following reasons:

- In March 2011 the actuary lowered the MPS FY11 projected medical costs $6 million.
- MPS filed claims with the federal government for excess retirement health care benefits. Through April 2011, MPS has received $4.4 million and is expecting to receive an additional $1.7 million.
- The FY11 Final Adopted Budget included funds to supplement an anticipated decrease in the SAGE per-pupil allocation. The decrease in the SAGE per-pupil allocation was not as significant as anticipated, leaving $2 million available for other needs.
FY12 SUPERINTENDENT’S BUDGET OVERVIEW

- Another $2.5 million is anticipated to be available in FY11 due to spending controls initiated throughout the district.

These savings will be one-time-only savings.

BENEFITS
There is uncertainty revolving around the amounts that should be included for benefits. The lack of predictability is primarily driven by the number of retirements being greater than anticipated and the number of possible layoffs.

The projections for medical and dental insurance that were received from the actuary (Milliman, Inc.) in March 2011 have been reduced by an estimated $19.3 million. Updated information will be received from the actuary in September 2011 and will include the impact of the issues listed above. If necessary, the budgets for medical and dental insurance will be adjusted at the October board meeting.

OTHER CHANGES
Other changes to the School Operations Budget include, but are not limited to, the following:

- MPS will reduce the regional organization of schools from eight to five regions.
- Instructional material purchases are delayed and reduced, including new textbook adoptions except for high school science (biology and environmental science), high school ESL, IB and AP English, and replacement purchases.
- Transportation costs are decreased by $3.8 million due to lower costs and the elimination of transportation services for regular education K3, K4 and partnership students.
- K4 aide positions that were assigned by Central Services to assist in selected schools are eliminated.
- A variety of instructional support and coaching positions (e.g., curriculum generalist, math teacher leader, literacy coach, teaching specialist) are eliminated or reduced, as are resources for professional development.
- Mobile Urgent Treatment Team (MUTT) is eliminated saving $480,000.
- District liability insurance cost is decreased by $836,000.
- The ASC contract requires members to pay a portion of their wages for their pension, saving the district $2.7 million.
- Safety costs totaling $754,000 for non-school related activities are moved to the Extension Fund.
- Utilities are decreased by $2.1 million due to lower costs and school closures.
- Another $500,000 in utilities is saved by eliminating the interior upkeep for several closed schools, including draining the pipes.
- The contingent fund is restored to $500,000.
MPS receives Construction Fund revenues from local sources only. Local sources include funds from the property taxpayer. Property taxpayers will fund 59% of the FY12 Construction Fund sources, sales of properties will fund 36% and miscellaneous sources will fund the remaining 5%.

The Construction Fund budgeted revenues for FY12 will decrease by $23.1 million or 72.8% compared to FY11.

**Construction Fund Revenues**

<table>
<thead>
<tr>
<th>Description</th>
<th>FY11 Final Adopted Budget</th>
<th>FY12 Proposed Budget</th>
<th>Difference</th>
<th>% Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax Levy</td>
<td>$14,729,342</td>
<td>$5,127,012</td>
<td>($9,602,330)</td>
<td>(65.2%)</td>
</tr>
<tr>
<td>Local Revenues</td>
<td>325,000</td>
<td>400,000</td>
<td>75,000</td>
<td>23.1%</td>
</tr>
<tr>
<td>Property Sales</td>
<td>600,000</td>
<td>3,100,000</td>
<td>2,500,000</td>
<td>416.7%</td>
</tr>
<tr>
<td>ARRA Borrowing</td>
<td>16,100,000</td>
<td>0</td>
<td>(16,100,000)</td>
<td>(100.0%)</td>
</tr>
<tr>
<td><strong>Total Construction Fund Revenues</strong></td>
<td><strong>$31,754,342</strong></td>
<td><strong>$8,627,012</strong></td>
<td><strong>($23,127,330)</strong></td>
<td><strong>(72.8%)</strong></td>
</tr>
</tbody>
</table>

Significant changes in the FY12 Proposed Budget for the Construction Fund include the following:
- decreasing major maintenance by $6.5 million as a one-time event to assist in balancing the revenue cuts in the Governor’s proposed state budget,
- increasing the amount collected for the sale of property, and
- using the energy efficiency property tax levy exemption for $2,679,174.

Of the $8.6 million that is in the Construction Fund, $8.5 million will be expended on maintenance projects at schools and other sites and $0.15 million on capital items.
MPS receives Extension Fund revenues only from local sources. Property taxes will fund 86% of the extension fund; participation, miscellaneous fees and rent will fund 9%. The remaining 5% of the funding will come from the district’s Extension Fund balance.

The Extension Fund revenues for FY12 will increase by $5.2 million over FY11.

### Extension Fund Revenues

<table>
<thead>
<tr>
<th>Description</th>
<th>FY11 Final Adopted Budget</th>
<th>FY12 Proposed Budget</th>
<th>Difference</th>
<th>% Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax Levy</td>
<td>$13,334,418</td>
<td>$18,576,353</td>
<td>$5,241,935</td>
<td>39.31%</td>
</tr>
<tr>
<td>Local Revenues</td>
<td>1,929,006</td>
<td>1,929,000</td>
<td>(6)</td>
<td>0.00%</td>
</tr>
<tr>
<td>Applied Surplus</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td><strong>Total Extension</strong></td>
<td><strong>$16,263,424</strong></td>
<td><strong>$21,505,353</strong></td>
<td><strong>$5,241,929</strong></td>
<td><strong>32.23%</strong></td>
</tr>
</tbody>
</table>

The increase in Extension Fund is due to transferring the costs from the school operations and Title I for the following:

- kindergarten through grade 8 summer sessions in conjunction with other wrap-around recreation activities,
- safety costs for non-school related activities, and
- sports activities.
FY12 SUPERINTENDENT’S BUDGET OVERVIEW

Of the $21.5 million that is in the Extension Fund, $11.4 million will be expended on salary and wages, $3.2 million on benefits, $6.4 million on purchased services, $0.5 million on supplies and $29,000 on capital items.

THE CATEGORICAL BUDGETS

MPS receives categorical (grant) funding from federal, state and private grants. Federal grants comprise 85% of categorical funds, state grants account for 12% and private grants account for the remaining 3%.
FY12 SUPERINTENDENT’S BUDGET OVERVIEW

FY11 categorical funds will decrease by $110.5 million or 35.8% compared to FY11.

<table>
<thead>
<tr>
<th>Description</th>
<th>FY11 Final Adopted Budget</th>
<th>FY12 Proposed Budget</th>
<th>Difference</th>
<th>% Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Grants</td>
<td>$256,051,350</td>
<td>$168,293,007</td>
<td>($87,758,343)</td>
<td>(34.3%)</td>
</tr>
<tr>
<td>State Grants</td>
<td>44,134,944</td>
<td>23,731,232</td>
<td>(20,403,712)</td>
<td>(46.2%)</td>
</tr>
<tr>
<td>Private Grants</td>
<td>8,354,700</td>
<td>6,061,140</td>
<td>(2,293,560)</td>
<td>(27.5%)</td>
</tr>
<tr>
<td>Total Categorical Funds</td>
<td>$308,540,994</td>
<td>$198,085,379</td>
<td>($110,455,615)</td>
<td>(35.8%)</td>
</tr>
</tbody>
</table>

In FY12, the funding for three grants is increasing.

- Federally funded Teacher Incentive Fund grant will increase $0.7 million.
- Federally funded Title I School Improvement Grant will increase $1 million.
- Due to FY11 carryover, the federally funded IDEA available funds will increase $5.5 million.

A significant portion of the $110.5 million lost in grant funding is from the end of the ARRA funding. The following grants will have decreased funding greater than $500,000 from FY11 to FY12:

**GRANTS ENDING**

**Federal**
- Title I ARRA $38,873,355
- School Improvement ARRA 1,153,780
- Title IID ARRA 2,178,801
- Futures First Supplement 728,547
- Headstart Expansion ARRA 528,555
- Nursing 1,522,036
- IDEA ARRA 24,136,234
- Preschool Plan ARRA 700,728
- Education Jobs Fund ARRA 14,421,864

**State**
- Preschool to Grade 5 (P5) 3,883,232
- Milwaukee Mathematics Partnership 9,650,000

**GRANT ALLOCATION CHANGE**

**Federal**
- Title I 9,394,851
- Advanced Placement Incentive 501,631
- 21st Century CLC’s 563,240

**State**
- SAGE 6,688,894
Of the $198 million that is in the Categorical Fund, $74.0 million will be expended on salary and wages, $51.7 million on benefits, $55.5 million on purchased services, $10.2 million on supplies and $6.6 million on indirect charges.

**TYPES OF SCHOOLS AND PROGRAMS AT MPS**

<table>
<thead>
<tr>
<th>Traditional and Instrumentality Charter Schools Funding</th>
<th>School Operations</th>
<th>$556,855,392</th>
</tr>
</thead>
</table>

Traditional and instrumentality charter schools are project to enroll 74,682 students in September 2011.

MPS offers numerous types of educational programs within our schools that include:

- **Montessori** – MPS is the only public school district in the state that offers the Montessori experience at all grade levels. The academic curriculum uses the Montessori-style teaching and learning. Students participate in classrooms of mixed ages and are encouraged to work both independently and cooperatively.

- **International Baccalaureate (IB)** – Students develop as inquiring, knowledgeable and caring young people who help to create a better and more peaceful world through intercultural understanding and respect. The program is based on a challenging program of international education and rigorous assessment. MPS is the only district in the state to have an all IB high school and the first to have a full K-12 IB continuum.

- **Bilingual** – Students are taught core content in their native language, Spanish, while learning English. The program helps children maintain and develop their first language while learning a second language.
FY12 SUPERINTENDENT’S BUDGET OVERVIEW

- Creative Arts – Academics, art, music, drama and other creative arts are meaningfully integrated to better engage students and support academic and enrichment opportunities.
- Language Immersion – Students are provided instruction in a language other than English for most or all of the day, affording native English speakers the opportunity to become fluent in a second language.
- Environmental Studies – Students are prepared for future study of environmental issues and protecting the earth’s resources.
- Gifted and Talented – Students identified using multiple measures have access to programs that offer academic acceleration and enrichment. Innovative approaches include bilingual gifted and talented program and a new grade 6 - 12 program.

Non-Instrumentality Charter School                      School Operations $39,245,181
4,839 students are projected to attend these schools in September 2011. These are charter schools that do not employ MPS staff and either have their own facility or lease from MPS. By Administrative policy, non-instrumentality charters receive the same per-pupil amount that the state determines for charters that contract through the University of Wisconsin-Milwaukee (UWM), Milwaukee Area Technical College (MATC) and the City of Milwaukee. Funding includes a per-pupil amount equal to grade-span per-pupil allocated to other MPS schools and an additional lump sum for non-instructional support. The total amount of instructional and non-instructional support for FY12 is $7,775 per pupil. Other funding is contingent upon various contractual provisions. The Administration expects to continue making October adjustments to per-pupil funding in individual schools based on actual fall enrollments and information from the state.

MPS Alternative Schools and Programs
Funding for MPS alternative programs vary by program. Given the variability of enrollments in many of these programs throughout the year, allocations do not use a per-pupil format. Nevertheless, as seen in the school allocation worksheet, an estimated enrollment is shown for most programs.

Project STAY                                     School Operations $2,302,283
Enrolls an average of 300 students considered at risk of not graduating from high school and provides a smaller learning environment and support services to improve academic achievement for these students.

Transition High School                          School Operations $3,133,094
Enrolls an average enrollment of 275 students and offers programs for:
- youths transitioning from incarceration or expulsions to a district school setting;
- eighth- and ninth-grade students who are suspended frequently;
- students who have more than 15 credits and have dropped out or have an attendance pattern that indicates a risk of fully dropping out; and
- an MATC program for at-risk MPS high school students, 16 through 19 years old, who have a minimum of eighth grade reading and math levels.

FY12 Proposed Budget
FY12 SUPERINTENDENT’S BUDGET OVERVIEW

Transition Intervention Experience Center (TIE)  
School Operations  $1,500,000
A new program for FY12 enrolling an average of 120 students to address the needs of chronically disruptive students in grades seven, eight and nine who have committed offenses that warrant a referral to the Office of Family Services (Level 3). The Center will provide interventions and supports for these students and transition them back into their schools of origin.

School Age Parents Program  
School Operations  $564,369
Provides assistance to students throughout the district to continue their education while pregnant and teaches them to make realistic decisions regarding their future careers or vocations and the responsibilities of parenthood.

Home and Hospital  
School Operations  $942,790
Provides educational services to students who are confined to their homes or hospital settings for extended periods of time due to serious medical or psychological conditions.

School-to-Work Transition  
School Operations  $3,088,816
Offers a continuum of services to students with special needs to prepare them for the world of work. Students can receive vocational assessments to determine vocational interests and readiness for competitive employment. Students can also receive on-the-job training to refine work skills and aptitudes needed for competitive employment.

Partnership Schools
Partnering schools are operated by external agencies that contract with Milwaukee Public Schools under the provision of Section 118.153, the Wisconsin Children At-Risk Act. These schools also receive special education staff and services costing $5,106,953.

At-risk Seats  
School Operations  $5,556,750
Alternative school options are provided to parents of students considered at risk of not completing high school. The student must meet the statutory definition of a child at risk. In FY12, there are 631 available seats.

Behavioral Reassignment Seats  
School Operations  $4,328,277
Contracts were established to provide education and services for students who are removed from MPS schools for behavioral problems. The students are usually assigned for one semester or more to schools with behavioral reassignment seats. In FY12 there are 491.5 available seats.

Special Education Programs  
School Operations  $2,292,159
IDEA  $1,247,525
Partnerships with various community agencies provide services to an average of 217 severely emotionally disturbed students.
**FY12 SUPERINTENDENT’S BUDGET OVERVIEW**

*Milwaukee County Program and Adjudicated Youth Programs*  
School Operations  
$983,862

These programs are cooperative efforts between MPS and either Milwaukee County or the juvenile correctional system. They provide education services to students who have been court-ordered to attend school or are inmates between the ages of 12 and 21 (21 if in special education).

*Project Direct Graduation (PDG)*  
School Operations  
$1,309,350

Alternative educational settings are offered at MPS sites for MPS students at risk of not graduating from high school. MPS is committed to providing these students with smaller teacher/student ratios, individual instruction, alternative scheduling, academic and work linkages and effective supports. The night school and credit recovery programs allow 1,050 eligible students to participate in alternative educational settings while earning credits in core academic areas.

*General Education Diploma Option #2 (GED O2)*  
School Operations  
$561,150

School districts are authorized to use the GED test battery to measure proficiency in lieu of high school credits for students enrolled in an alternative education program. A student who passes the GED tests and completes the additional requirements is entitled to the traditional high school diploma. Students participating in this program must be at least 17 years of age, one year behind their ninth grade class in credits earned and be able to demonstrate an ability to read at or above the ninth grade level. Grants provide an additional $225,000 for this purpose.

*Contracted Kindergarten Programs*  
School Operations  
$547,570

Contracts for these programs are funded at the projected per-pupil amount of $6,442, the same amount funded through the Milwaukee Parental Choice Program. The program was established in 1988, when the District did not have the capacity to serve all early childhood students seeking seats, a condition that no longer exists. In FY12, the program will serve 85 students.

*Board Centrally Funded Accounts*  
School Operations  
$14,379,268

The Board centrally funded accounts provide a high school supplemental instructional support allocation of $726.96 per pupil. Funds are used for high school class size reduction, music and art programs, foreign language, and sports and other extracurricular activities.

*Alternative Services Pool*  
School Operations  
$1,931,957

The alternative services pool allocation provides funds to instrumentality charter schools that choose to implement strategies that allow them to forego various centralized services. The allocation is based on the FY08 average difference between central services costs incurred by instrumentality charters and those incurred by traditional schools at various grade levels.

*Talent Development Fund II*  
School Operations  
$2,829,938

The funding provides students access to art, music, physical education and career and technical education services that would otherwise be unavailable based on schools’ proposed FY12 budgets. The intention of this appropriation is to restore or maintain the District’s priority of investments in art,
music, physical education, and career and technical education. This fund will be collaboratively managed by curriculum specialists in the appropriate disciplines.

**Central Guidance Positions**

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<th>School Operations</th>
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<tbody>
<tr>
<td></td>
<td>IDEA</td>
<td>$849,160</td>
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</table>

Every traditional school will have a guidance counselor in FY12. In elementary and K-8 schools, a guidance counselor will spend at least a day per week in each school. The amount of time the guidance counselor will spend in middle or high school is determined by the minimum amount of time based on enrollment that is required by administrative procedure.

**Centrally Funded Nurses and School Nurse Associates**

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<tbody>
<tr>
<td></td>
<td>Title I</td>
<td>$1,668,692</td>
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<tr>
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<td>IDEA</td>
<td>$812,839</td>
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</tbody>
</table>

The centrally funded nurse account continues paying for portions of non-special education school nurse positions in 36 schools. Additional funding from the federal government provides portions of non-special education school nurse positions in another 40 schools. The combined funding allows for a total of 40.3 FTE registered nurse positions and 5.40 FTE licensed practical nurse positions for non-special education services. School nursing includes a broad array of services, including administration and management of medicine; care for sick and injured students; vision screening; follow-up on immunization compliance; championing the defibrillator program; participation in the development of Individual Educational Plans (IEP) and other student programs; health and hygiene education; and assisting with managing chronic and communicable diseases.

In addition to the centrally funded nurses, MPS has a number of nurses who is dedicated to providing medical services for special education children who have nursing services in their individual education program (IEP), the HeadStart program and the school aged parent program. There are 8 School Nurses and 21.09 School Nurse Associates FTEs who provide services according to student’s IEP’s. There are 3 School Nurses providing services for the school aged parent program and 2.25 School Nurse Associates FTEs dedicated to the HeadStart program.

**SAGE/Class Size Reduction**

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<th>School Operations</th>
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<tbody>
<tr>
<td></td>
<td>SAGE</td>
<td>$22,083,413</td>
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<tr>
<td></td>
<td>Title II</td>
<td>$1,819,629</td>
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</table>

The Student Achievement Guarantee in Education (SAGE) program was established in the 1996-97 school year to improve student achievement through the implementation of four specific school-improvement strategies. The program is designed to promote academic achievement through lower class sizes in kindergarten through grade 3 (K-3). Each SAGE school must maintain class size in K-3 grades of 18:1 (eighteen students to one teacher) or 30:2. Even with the investment of an additional $4.2 million, the District could only fully supplement SAGE funds for current SAGE schools with a free and reduced-price lunch count above 87% in SAGE classrooms. Twenty-seven MPS schools will drop SAGE in FY12 due to funding constraints. One current SAGE school is closing (Wheatley). Seven former
FY12 SUPERINTENDENT’S BUDGET OVERVIEW

P-5 schools will convert to the SAGE program and one new non-instrumentality charter school will add SAGE in FY12. (The merger of two P5 schools, Green Bay Avenue and Dr. Martin Luther King, Jr., was approved by the Milwaukee Board of School Directors on April 21, 2011, and is not reflected in the FY12 Proposed Budget. However, the merged school will also be a SAGE school.)

**Allied Health**

$6,647,415

This program provides districtwide non-special education and special education related services. It funds psychologists, social workers, occupational therapists, physical therapists, nurses and set-aside funds for the retrospective remedy of the federal special education lawsuit (pending outcome of the Federal appeal).

**Central Long-term Leave**

$1,050,000

New in FY12, this budget provides a centralized funding source to cover the wages for traditional and instrumentality charter school staff on maternity, paternity and long-term absences. Schools will still need to cover cost of substitutes for normal staff absences.

**Positive Behavioral Intervention and Support (PBIS)**

School Operations

$301,930

IDEA

$782,666

A proactive systems approach to establishing the behavioral supports and social culture needed for all students in a school to achieve social, emotional and academic success. PBIS applies a three-tiered system of support using universal interventions for all students, secondary interventions for some students and tertiary interventions for individual students.

**Common School Fund Central Account**

School Operations

$1,628,000

The Common School Fund provides school library resources, such as newspapers, periodicals, library automation software and related software components or licenses. Schools are expected to spend $1.9 million in FY12 with the remaining $1.6 million to be spent through a central budget for systemwide library uses.

**School Special Funds**

School Operations

$57,467,021

School special funds are for general school-related budgets that are not applicable to any one school. The largest portion of the budget is for open enrollment payments of $43.1 million to other districts. Also funded in this budget are:

- $9.18 million for English as a Second Language and special education mid-year classroom expansions; reserves from school closings for building operations and special education classroom staff to be transferred to appropriate schools in fall.
- $1.05 million for professional development and supplies for High Scope classroom staff and the curriculum materials design center.
- $303,272 for itinerant (districtwide) transition service coordinators to assist special education students successfully move to their post-MPS lives and $121,290 for staff to assist employees as required.

*FY12 Proposed Budget*
FY12 SUPERINTENDENT’S BUDGET OVERVIEW

- $50,000 for college readiness activities, $200,000 for Accuplacer testing for two-year college entrance and $150,000 for ACT testing for four-year college entrance.
- $303,272 for an International Newcomer Center (INC) to educate recently arrived immigrant and refugee students who have limited English proficiency and who have had limited formal education in their native countries.
- $31,116 for Safe Routes funding that encourages and supports biking and walking to school to improve the health and well-being of children.

<table>
<thead>
<tr>
<th>Summer School/Summer Wrap-around Sessions</th>
<th>School Operations</th>
<th>$3,507,759</th>
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<tr>
<td></td>
<td>Extension</td>
<td>$3,063,395</td>
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</table>

Summer school and summer wrap-around sessions serve about 6,600 students and provide:
- supplies, program administration and transportation;
- a five-week, high school summer school credit recovery program at one site that can accommodate about 450 grade 12 students;
- a six-week, grade eight summer literacy program at one site that can serve about 250 students who need additional academic preparation to be promoted to ninth grade;
- special education extended school year (ESY) program that will operate for four weeks at four locations, serving approximately 850 students;
- a multi-faceted summer session providing a broad spectrum of opportunities in enrichment and developmental academics for 3,500 kindergarten through eighth grade students with wraparound services including lunch and dinner; and
- a full-day program for 150 at-risk eighth to ninth grade students focusing on literacy skills and cultural enrichment, community involvement, leadership and community service.

CONCLUSION

The Milwaukee Public Schools FY12 Superintendent’s Proposed Budget was constructed to assure alignment to the following goals:

- Student Achievement
- Effective and Efficient Operations
- Family and Community Engagement

The severe budget challenges the district faces – the $182.5 million in cuts to school operations, construction and categorical funds – resulted in the Administration conducting deep analysis to present a budget scenario that continues to protect the most important place in the district – the classroom.

District leadership will continue forging collaborations within the community to assure necessary funding to advance our educational mission.

FY12 Proposed Budget