

**School District of South Milwaukee
School Board Meeting April 7, 2021
Budget Impact Statements**

Summary Statement

Budgets are blueprints on how to achieve a strategic plan; investments are made to help ensure success, however, this year, many of the investments made were not part of our original blueprints. The pandemic brought significant challenges in who we serve, how we serve them, and further, where we serve them. The impacts of this pandemic will be felt for years to come, but these budget assumptions provide us the blueprint for next year, with the goal of keeping opportunities for our students, and working hard to serve our community in a way that they experience significant value in the education that our school system provides.

Revenue Increases: Ongoing Adjustments (\$868,485)

Revenue Cap Change (\$118,700)

We are assuming that the State will allow for a \$150 per pupil increase in the per pupil adjustment under the revenue limit. The \$150 increase over an estimated 2,872 students is \$430,800, however, when comparing that to the previous year we must deduct the three year average decline from the figure. Our three year average decline is estimated to be 50 students, which when multiplied by \$10,990 each, we find that we will be decreasing by (\$549,500). The two figures are added together to arrive at a revenue limit change of (\$118,700).

20-21 Revenue Cap Declining Enrollment Exemption Expired (\$890,911)

This is an exemption that we received in 2020-21 that is expiring and will be removed from our revenue limit authority in 2021-22.

20-21 Revenue Cap Hold Harmless Exemptions Expired (\$361,774)

This is an exemption that we received in 2020-21 that is expiring and will be removed from our revenue limit authority in 2021-22.

Per Pupil Categorical Aid Loss (\$37,100)

With a lower number of students, we will be receiving less per pupil categorical aid. This takes the reduction of 50 students multiplied by \$742 per student to arrive at a revenue decrease of (\$37,100).

Special Education Categorical Aid Increase +\$30,000

This aid is based on prior year special education aidable costs multiplied by a percentage that is determined by the State. We are projecting that the percentage will rise slightly and will allow us to generate some additional revenue.

Interest Revenue (\$65,000)

Interest rates have fallen significantly since the beginning of the pandemic. We are looking at rates that are less than .10%. With that in mind, we must reduce the interest revenue budget by (\$65,000) in order to be more realistic with the interest earnings environment we are in.

Revenue Funds for Maintaining +\$575,000

We continue to owe a significant amount of gratitude to our community for the successful passage of the 2018 operating referendum. The referendum has been key to advancing a number of our priorities and most importantly keeping our current programs intact.

Revenue Increases: One-Time Adjustments +\$299,750

21-22 Revenue Cap Declining Enrollment Exemption +\$550,090

We are projecting a stabilizing of enrollment, however given the three year average that is used, we will still have declining enrollment. That decline will generate ONE TIME revenue in the amount of \$550,090 that can be leveraged in 2021-22, but will not be available in future years.

21-22 Revenue Cap Hold Harmless Exemption +\$119,290

We are projecting that we will receive this exemption in 2021-22 in the amount of \$119,290. As with Declining Enrollment exemptions, it is important to remember that this is ONE TIME revenue that can be leveraged in 2021-22, but will not be available in future years.

CARES Act Grant Funding Expiration (ESSER 1) (\$987,735)

This funding was ONE TIME funding that is not projected to be received in 2021-22. An offsetting expense cut for an equal amount is included in the expenditure assumptions area.

American Rescue Plan Act (ARPA) Funds for SMVA 21-22 +\$160,000

This funding is ONE TIME funding that is being used to support 2 of the 3 FTE for the South Milwaukee Virtual Academy. Please see the expenditure area below for more detail.

American Rescue Plan Act (ARPA) Funds to Avoid Budget Deficit +\$458,105

This funding is ONE TIME funding that will be used to cover ongoing expenses. It is with great caution that this funding is used in this fashion. The use of one time funds will result in the creation of a fiscal cliff in the future. It is our hope that our enrollment rebounds and helps offset some of the cliff that is being created.

Expenditure Assumptions (\$461,735)

Staff Salaries and Benefits +\$416,000

This assumption is the projection of the amount of funding needed to fund an increase in staff compensation for 2021-22. Staffing comprises over 80% of our budget and we strive to attract, retain the best staff possible for the benefit of our community.

Open Enrollment Out +\$110,000

Our open enrollment expenses have increased significantly this year. We need to bring the budget up to help meet the expense experience. We are hopeful that we can reduce this budget in the future once the pandemic is in the rear view mirror.

Elimination of CARES Act Budgets (ESSER 1) (\$987,735)

This is the offsetting expenditure budget reduction due to the revenue budget being eliminated. Careful consideration was given to these expenses, so there will not be a significant challenge in reducing this budget. Many of these expenditures were one time in nature due to the pandemic.

Budget Adjustments and Reallocations (\$107,000)

Staff Turnover Savings (\$100,000)

Each year the Board allocates an anticipated staff turnover savings amount to the budget, so that other areas of the budget can be increased, such as staff salaries and compensation. This year the plan is to continue that allocation.

Instructional Coach Realignment (Move to Grant Funding) (\$110,000)

The Board previously received information regarding some of the shifts and expectations related to district goals around equity, data literacy, and culture and that one of the key strategies to achieve these goals is implementing professional learning communities (PLCs). The impetus for these changes was to make sure we aligned support in a way that not only played to our strengths (the strong team of support we already have) and addressed key areas of need. We did this by asking two questions:

1. *What strengths and areas of need surface as we review data, surveys, curricular materials, and listen to staff feedback, etc.?*
2. *What can we do to provide targeted support, in not only the areas we have committed to as a district but also address key areas of need?*

Areas of need that surfaced included PLC implementation, cross-curricular support, Intervention/MLSS system updates, and a need for easy-to-access and usable data. Ultimately this is what helped to shape the adjustments you see below.

The following realignment of roles will begin in the ***Fall of the 2021-2022*** school year:

Current Positions	Realigned positions for 2021+
<ul style="list-style-type: none"> ● K-2 Math Coach ● K-2 Literacy Coach ● 3-5 Math Coach ● 3-5 Literacy coach ● 6-12 Math Coach ● 6-12 Literacy Coach ● K-12 Instructional Coach/New Teacher Mentor ● .5 Interventionist/.5 SPED literacy coach ● K-12 GT Specialist 	<ul style="list-style-type: none"> ● Blakewood Instructional Coach ● Lakeview InstructionalCoach ● Luther Instructional Coach/New Teacher Orientation Coordinator ● Rawson Instructional Coach ● Middle School Instructional Coach ● Instruction and Data Support Specialist ● MLSS Coordinator ● .5 Interventionist/.5 4K/Early Learning coach ● K-12 GT Specialist (No change)

This budget line item reflects that one instructional coach position was cut from the district operational budget and realigned and moved to Grant funding sources. By doing this we addressed needs for our Intervention system, but also have a “savings” in the district general budget by approximately 1 FTE. (Instructional Coach to MLSS Coordinator).

Elementary SMVA Positions (2) Through ARPA Funds +\$160,000

As previously discussed with the Board, the district is continuing with the elementary virtual academy next year. Currently we have three teachers assigned to SMVA. Two of these positions will be funded through the federal stimulus funds, as indicated here. The third position will remain a district-funded position and does not need a budget change.

Elimination of Standards & Assessment Coordinator (\$152,000)

The Board created this position for 2020-21 due to a unique need for one year. As planned, the position will be eliminated for the 2021-22 school year.

Reinstate Dean of Students at High School +\$95,000

This position was originally created as a result of the referendum funding. The elementary and middle schools created social emotional learning teaching positions, and the high school determined that the SEL needs would be best addressed by a Dean of Students position. The position was not filled 20-21, but the plan is to reinstate the position as of the start of the new school year and beyond.