**Fiscal Facts: Milwaukee schools face uncertain finances in wake of COVID-19**

As school districts across Wisconsin enter budget season amid extraordinary financial uncertainty due to the COVID-19 pandemic, Milwaukee officials offered a $1.2 billion “placeholder” 2021 budget that defers many key questions to be resolved later in the budget process.

Voter approval of an April referendum will provide Milwaukee Public Schools with $57 million in additional property tax revenue next year, which will eventually increase to $87 million per year after four years. However, the current 2021 proposal does not confront ongoing challenges, such as growing fixed costs, long-term facility needs, and dwindling reserves. Other budget pressures include salary and benefit costs, and a student population with a variety of special needs related to poverty, trauma, racism, disability, and English language proficiency. Further, while the additional referendum funding provides some measure of relief, it is no panacea; the district’s budget plan must also anticipate significantly higher costs as a result of the pandemic. Like schools nationwide, MPS is scrambling to adapt to an unprecedented distance learning model while providing some students the technology they need to learn from home.

Further, while the additional referendum funding provides some measure of relief, it is no panacea; the district’s budget plan must also anticipate significantly higher costs as a result of the pandemic. Like schools nationwide, MPS is scrambling to adapt to an unprecedented distance learning model while providing some students the technology they need to learn from home.

Other question marks include how the new compensation framework for teachers and other staff could affect the district’s long-term finances, how MPS would respond to a cut in state support should state leaders turn to that option in a state budget repair bill, and how to address the likely impact to student learning from the pandemic.

With so much ambiguity surrounding the global pandemic and its impacts on MPS operations and finances, it is understandable that leaders are still working on answers to those questions. However, it will be incumbent upon them — and school officials across Wisconsin — to both delineate and address them as the 2021 budget deliberations move forward.

*This information is a service of the Wisconsin Policy Forum, the state’s leading resource for nonpartisan state and local government research and civic education. Learn more at*[*wispolicyforum.org*](http://wispolicyforum.org/)*.*