

School District of Whitefish Bay

2009-2010 Budget

Executive Summary

Preparing Students For The Future

District Wide Purpose

- Build partnerships for educational excellence
- Prepare students for the future
- Meeting the diverse needs of students
- Keep the schools in Whitefish Bay exceptional places to learn

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Educational Excellence, Reasonable Cost

The School District of Whitefish Bay enjoys a long and proud tradition of excellence in student achievement. Our students routinely rank among the best in the State and Nation on college entrance exams and other measures of student learning.

The Public Policy Forum Report (Public Schooling in Southeastern Wisconsin, 2008) provides important comparative information about student outcomes and the costs of educating students for public school districts in Southeastern Wisconsin. The report enables comparison of Whitefish Bay to other high performing school districts in Southeastern Wisconsin.

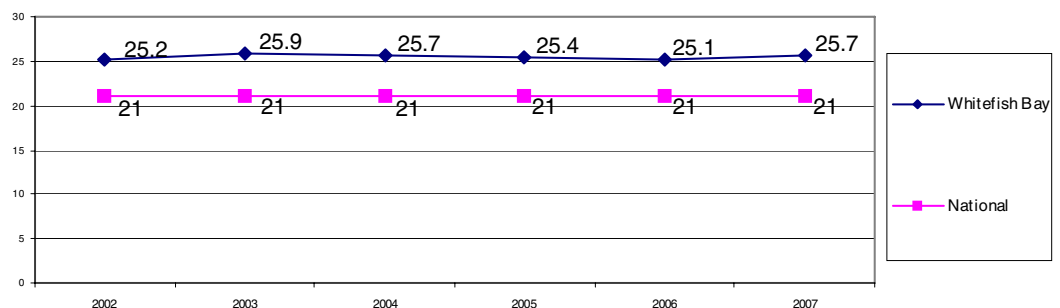
Four districts with whom we typically compare are: Elmbrook, Mequon/Thiensville, Nicolet and Shorewood. Each of these districts typically performs at or near the top in student achievement in Wisconsin. The Public Policy Forum Report



contains comparative information about college preparation indicators as well as data about local property taxes and sources of revenue to support the education of students in each of the five school districts.

Information on student performance on the ACT, the most popular college entrance exam in the Midwest, ranked Whitefish Bay students in 2007 second among the five high-achievement school districts at 25.7 (just one tenth behind Shorewood whose score was 25.8 for 2007). Whitefish Bay students have achieved average ACT composite scores exceeding 25.0 in each of the past ten years, the only public school in Southeastern Wisconsin to reach this benchmark. Nearly 9 in 10

Chart 1: ACT SCORES



** additional information is available on the school district website "wfbschools.com"

Chart 2: STUDENT ACHIEVEMENT

- Whitefish Bay students have achieved average ACT composite scores exceeding 25.0 in each of the past ten years, the only public school in Southeastern Wisconsin to reach this benchmark. Nearly 9 in 10 Whitefish Bay students take the ACT annually.
- An average of 95% of Whitefish Bay graduates go on to post secondary education immediately after high school.
- Today's third and fifth grade students are performing among the highest levels on record for Whitefish Bay students on the Iowa Test of Basic Skills (ITBS).
- 73% of Whitefish Bay students in grades 3 - 8 and 10 scored advanced on the reading portion of the Wisconsin Knowledge and Concepts Exam (WKCE) and 67% of these students scored advanced on the Math portion. This was the highest rate on both tests among all K-12 districts in Southeastern Wisconsin.
- More than 80% of Whitefish Bay High School students participate in at least one co-curricular activity each year and the number is growing.

** additional information is available on the school district website “wfbsschools.com”

Whitefish Bay students take the ACT annually. Chart 1 shows Whitefish Bay's scores compared to the national scores on the ACT. Chart 2 presents several additional highlights related to Whitefish Bay student achievement from the past year.

In addition to the information on student achievement, the Public Policy Forum Report contains information about school finances that permits comparison among these same schools. The operating cost per pupil among the five high-achievement districts last year ranged from a high of \$15,782 to a low of \$11,844. Whitefish Bay ranks fourth among these schools with a per pupil cost of \$12,945. Most of these costs are paid with funds raised from local property taxes. A comparison of the five districts shows Whitefish Bay ranking lowest in the amount of property tax paid per pupil (\$6,880), more than \$1,947 less than the per-pupil property tax paid by the next lowest school district, Shorewood.

2009-10 Budget Overview

The 2009-10 budget represents the district's financial plan to achieve the educational objectives approved by the Whitefish Bay School Board. Development of the School District Budget begins with the evaluation of current year programs and services, an analysis of student enrollment and demographics, consideration of citizen expectations, and a review of other economic factors. The budget provides the resources to continue existing programs and services as well as finance approved initiatives and district-wide goals.

The budget must comply with the regulations of the State of Wisconsin and adhere to the policies of the School Board. Budget development is supervised by the

Director of Business Services under the direction of the District Administrator. The Business Office prepares the recommended budget based on the district's stated mission and goals.

The 2009-10 budget received tentative approval by the Board of Education on June 24 and will be formally presented to the public at the Annual Meeting on Wednesday, September 2, 2009, in the High School - Room 47. Residents in attendance are entitled to vote on the tax levy requested by the School Board. The adopted budget may be subject to further adjustment in the fall after final student enrollment, state aid certification, and staffing levels are determined. By state statute the School Board has final responsibility for levying a tax sufficient to operate the district. The School Board must act to establish the levy prior to November 1.

Revenue Limits

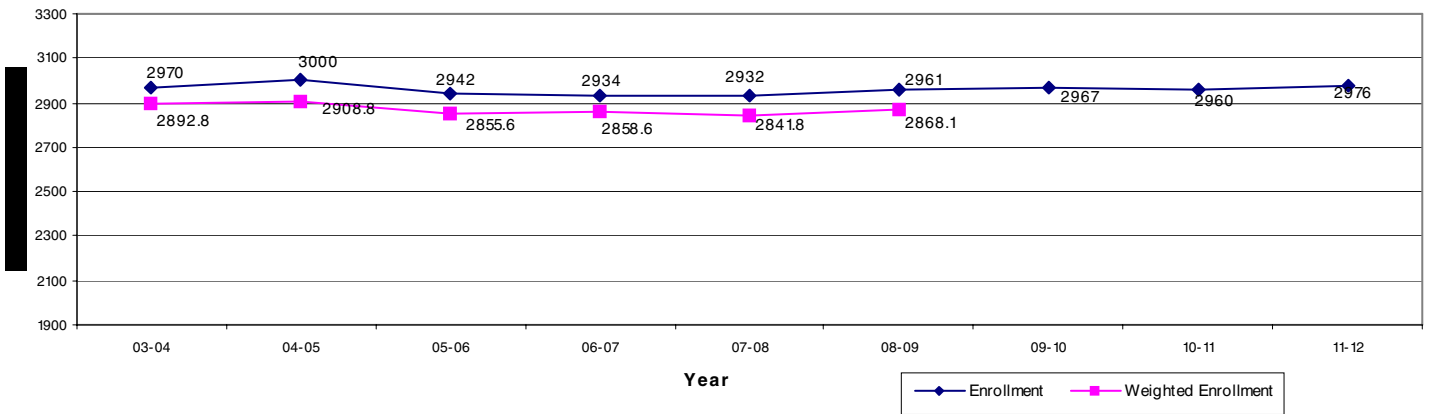
In 1993, the State of Wisconsin enacted legislation that placed restrictions on a school district's ability to raise the property tax levy. Taxpayer approval through the referendum process is necessary for school districts to exceed this legislatively imposed limit. The legislation does not limit the ability to raise revenue from other non-property tax or general state aid sources, such as fees, grants, services, etc. In circumstances where new program needs, staffing changes, or cost increases exceed available resources, cutbacks in funding for present programs or use of operating reserve funds is required.

Enrollment

Enrollment is the primary element of budget development because of its key role in determining both the district's revenue limit and instructional staffing needs. Each year the School District of Whitefish Bay retains

Chart 3: TOTAL ENROLLMENT / WEIGHTED ENROLLMENT

**weighted enrollment counts half day kindergarten students as (.5) full-time equivalent students



Information Management Systems (IMS) to develop enrollment projections for a five-year period. In developing projections they consider factors such as area birth rates, community development and maturity, housing turnover and past enrollment.

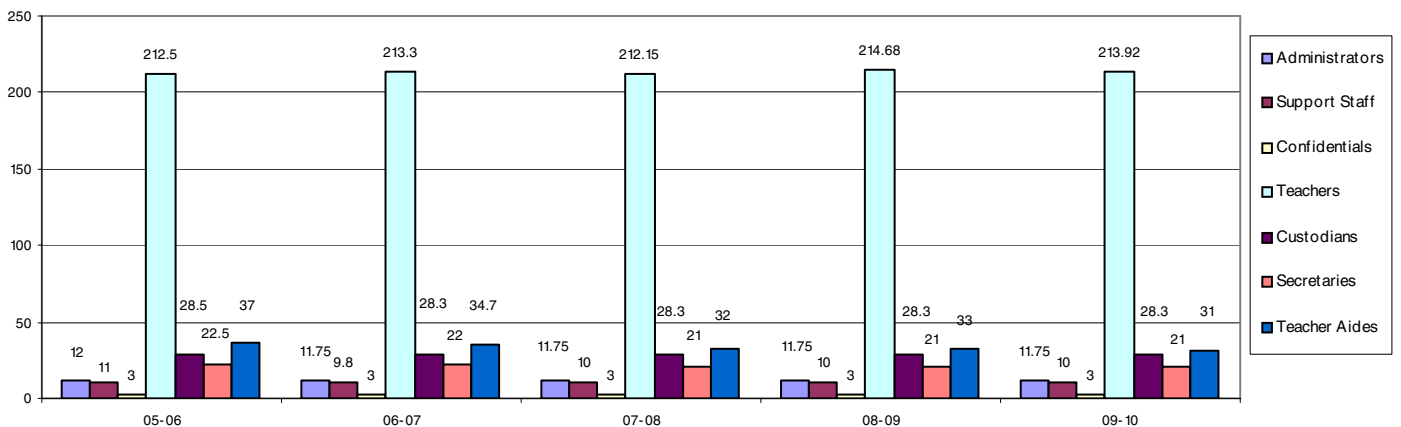
IMS's projections indicate that the district will experience slight increases in its enrollment over the next five years. The modest changes projected in the near term assumes that the contributing factors in the economy and housing market remain relatively stable. In light of the projected demographic trends identified in this report the administration has used a conservative approach for the 2009-10 enrollment projection. The budget presented in this document assumes an enrollment increase of 6 students for 2009-10.

Chart 3 presents enrollment of resident and non-resident pupils attending our schools over the past six years and projects enrollment for the next three years. The chart also shows the district's weighted enrollment for the same six year period. Weighted enrollment is used to determine state revenue to the school district.

The immediate financial impact of any enrollment decrease is buffered by the fact that the state imposed revenue limit uses a three-year rolling average enrollment in its formula. The district has also been cautious about adding staff during the years which have seen enrollment increases.

Chart 4 presents the staffing history for the last four fiscal years and the proposed staffing for the 2009-10 school year. In planning for the 2009-10 school year the school district's sectioning allowed for a partial teacher position to be

Chart 4: STAFFING HISTORY



reduced. A total of .76 full-time equivalent teaching positions are reduced in this budget. Future budgets may require additional planned staff reductions to comply with revenue limit legislation.

Educational Initiatives

The School District of Whitefish Bay takes pride in its comprehensive instructional programs. Achievement of district students is among the highest in the nation and continues to improve.

Educational initiatives reflected in the 2009-10

budget are summarized below. Additional information about these initiatives are available in the School District's Curriculum Office.

1) We will continue the implementation of the District Focus Plan in 2009-10. The plan "focuses" on four strategic issues that were identified through community and staff focus groups a few years ago. The focus goals are: developing effective strategies for continuous learning, providing multiple options and opportunities for student success, promotion of a supportive learning environment, and preparing students for the future.

School District of Whitefish Bay Budget Summary - All Funds

2009-2010 Proposed Expenditures, Revenue, Tax Levy, and Tax Rate

	Actual 2007-08	Budget 2008-09	Unaudited Actual 2008-09	Budget 2009-10
FUND 10- GENERAL				
Balance Sheet Accounts				
Assets at end of year (Account 700 000)	\$6,929,215	\$6,929,673	\$7,129,389	\$7,129,389
Liabilities at end of year (Account 800 000)	\$520,334	\$520,334	\$586,526	\$586,526
Fund Equity at end of year (Account 900 000)	\$6,408,881	\$6,409,339	\$6,542,863	\$6,542,863
Revenues				
Local Sources (100)	\$0	\$0	\$0	\$0
Local Sources (200)	\$18,149,959	\$18,063,203	\$18,044,786	\$19,600,151
Interdistrict Sources (300+400)	\$497,430	\$540,630	\$537,429	\$562,500
Intermediate Sources (500)	\$12,270	\$7,485	\$18,972	\$7,985
State Sources (600)	\$10,695,774	\$11,118,735	\$9,389,532	\$10,133,236
Federal Sources (700)	\$292,975	\$136,910	\$1,956,403	\$151,975
Other Sources (800+900)	\$38,441	\$20,000	\$42,318	\$20,000
TOTAL REVENUES-FUND 10	\$29,686,849	\$29,886,963	\$29,989,440	\$30,475,847
Expenditures				
Instructional Expenditures (Function 100 000)	\$15,330,353	\$16,612,938	\$16,414,049	\$16,722,253
Support Services (Function 200 000)	\$11,723,015	\$11,088,752	\$11,129,319	\$11,202,528
Non-Program Transactions (Function 400 000)	\$1,981,690	\$2,576,273	\$2,312,090	\$2,551,066
TOTAL EXPENDITURES-FUND 10	\$29,035,058	\$30,277,963	\$29,855,458	\$30,475,847
FUND 23- SPECIAL PROJECTS- TEACH				
Balance Sheet Accounts				
Assets at end of year	\$32,648	\$13,648	\$31,457	\$18,757
Liabilities at end of year	\$0	\$0	\$0	\$0
Fund Equity at end of year	\$32,648	\$13,648	\$31,457	\$18,757
TOTAL REVENUES	\$1,458	\$1,000	\$320	\$300
TOTAL EXPENDITURES	\$21,020	\$20,000	\$1,512	\$13,000
FUND 27- SPECIAL EDUCATION/ COOPERATIVE PROGRAMS				
Balance Sheet Accounts				
Assets at end of year	\$98,974	\$98,974	\$157,515	\$157,515
Liabilities at end of year	\$98,974	\$98,974	\$157,515	\$157,515
Fund Equity at end of year	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$5,164,680	\$4,341,587	\$4,097,266	\$4,303,833
TOTAL EXPENDITURES	\$5,164,680	\$4,341,587	\$4,097,266	\$4,303,833
FUND 39- DEBT SERVICE FUND				
Balance Sheet Accounts				
Assets at end of year	\$302,876	\$278,081	\$279,086	\$263,224
Liabilities at end of year	\$0	\$0	\$0	\$0
Fund Equity at end of year	\$302,876	\$278,081	\$279,086	\$263,224
TOTAL REVENUES	\$1,230,847	\$1,215,245	\$1,216,250	\$724,588
TOTAL EXPENDITURES	\$1,236,368	\$1,240,040	\$1,240,040	\$740,450
FUND 40- CAPITAL PROJECTS FUND				
Balance Sheet Accounts				
Assets at end of year	\$380,854	\$189,760	\$183,422	\$183,422
Liabilities at end of year	\$191,094	\$0	\$0	\$0
Fund Equity at end of year	\$189,760	\$189,760	\$183,422	\$183,422
TOTAL REVENUES	\$519,565	\$0	\$505	\$0
TOTAL EXPENDITURES	\$393,188	\$0	\$6,843	\$0

FUND 50-FOOD SERVICE FUND

Balance Sheet Accounts

Assets at end of year	\$69,515	\$57,515	\$59,282	\$48,032
Liabilities at end of year	\$0	\$0	\$0	\$0
Fund Equity at end of year	\$69,515	\$57,515	\$59,282	\$48,032

TOTAL REVENUES	\$46,533	\$35,856	\$46,741	\$37,600
TOTAL EXPENDITURES	\$71,205	\$47,856	\$56,974	\$48,850

FUND 60-AGENCY FUND

Balance Sheet Accounts

Assets at end of year	\$159,299	\$159,299	\$141,753	\$14,1753
Liabilities at end of year	\$159,299	\$159,299	\$141,753	\$14,1753
Fund Equity at end of year	\$0	\$0	\$0	\$0

FUND 70-TRUST FUND

Balance Sheet Accounts

Assets at end of year	\$30,157,226	\$33,679,826	\$15,378,180	\$15,388,180
Liabilities at end of year	\$27,844,967	\$27,844,967	\$9,700,000	\$9,700,000
Fund Equity at end of year	\$2,312,259	\$5,834,859	\$5,678,180	\$5,688,180

TOTAL REVENUES	\$371,462	\$2,440,000	\$4,894,870	\$1,179,000
TOTAL EXPENDITURES	\$2,276,097	\$2,340,400	\$1,528,949	\$1,169,000

FUND 80-COMMUNITY SERVICES FUND

Balance Sheet Accounts

Assets at end of year	\$1,199,586	\$1,199,586	\$1,237,108	\$1,237,108
Liabilities at end of year	\$320,111	\$320,111	\$321,032	\$321,032
Fund Equity at end of year	\$879,475	\$879,475	\$916,076	\$916,076

TOTAL REVENUES	\$1,015,752	\$1,007,273	\$1,068,158	\$1,043,598
TOTAL EXPENDITURES	\$1,014,132	\$1,007,273	\$1,031,557	\$1,043,598

TOTAL EXPENDITURES-ALL FUNDS

Transfer from General Fund to Fund 27	\$39,211,748	\$39,275,119	\$37,818,599	\$37,794,578
		\$2,480,893		\$2,424,066
		\$36,794,226		\$35,370,512
				-3.77%

Percentage increase from prior year

TAX LEVY

	ACTUAL 2007-08	BUDGET 2008-09	ACTUAL 2008-09	BUDGET 2009-10
GENERAL FUND	\$17,254,587	\$17,383,842	\$17,383,842	\$18,945,421
DEBT SERVICE FUND	\$1,210,000	\$1,210,000	\$1,210,000	\$720,000
COMMUNITY SERVICE FUND	\$487,361	\$483,673	\$483,673	\$481,998
PRIOR YEAR TAX CHARGEBACK	\$504	\$296	\$296	\$1,053
TOTAL SCHOOL LEVY	\$18,952,452	\$19,077,811	\$19,077,811	\$20,148,472
Percentage increase - total levy from prior year				5.61%
AMT. USED FROM RESERVE (10 & 80)	\$653,411	(\$391,000)	\$170,583	\$0

Three Year History of Tax Levy and Tax Rate**TAX RATE**

	Tax Levy 2007-08	Tax Rate	Tax Levy 2008-09	Tax Rate	Tax Levy 2009-10 estimate	Tax Rate 2.30%
Equalized Value	\$1,940,365,000	actual	\$2,034,421,600	actual	\$2,081,213,297	estimate
Gen. Fund	\$17,254,587	8.89	\$17,383,842	8.54	\$18,945,421	9.10
Debt Serv. Fund	\$1,210,000	0.62	\$1,210,000	0.59	\$720,000	0.35
Comm. Serv. Fund	\$487,361	0.25	\$483,673	0.24	\$481,998	0.23

2) In 2009-10 curricular committees will review and update the K-12 Music and Art curricula, implement revisions to the K-5 Reading Language Arts curricula and will continue implementation of "Project Lead the Way" at the High School.

3) The School Board will consider plans for school facility improvements. The current budget contains no money for facility improvement. A revised long range plan will be presented in November of the 2009-10 school year. The plan will propose an amount to be allocated for facility improvement and projects recommended for Board approval. This process will occur after the annual financial audit when the operating reserve is finalized for the past year and availability of potential funds is established.

Budget Summary

The district classifies its financial transactions in accordance with rules promulgated by the Governmental Accounting Standards Board and prepares its budget in accordance with regulations prescribed by the Wisconsin Department of Public Instruction. These agencies require the use of a fund accounting system. Funds allow segregation and reporting of financial transactions in such a way as to assure compliance with various laws, restrictions, regulations and limitations. Illustrations of financial activities for each of the district's funds is provided in the financial sections of the detailed budget document.

The Budget Summary (on pages 4 and 5) outlines all governmental financial activities in a table. This reporting format is the method of publication required by the Department of Public Instruction. Also included in the summary is a History of the Tax Levy and Tax Rate for the School District of Whitefish Bay.



School District of Whitefish Bay

2009-2010 School Board Members

Ms. Marie Greco, President	963-4446
Mrs. Cheryl Maranto, Vice President-Clerk	963-1583
Mr. James Phillips, Treasurer	961-7723
Mrs. Pamela Woodard, Member	963-1423
Mr. Joseph Martinelli, Member	332-2977
Ms. Kathy Rogers, Member	961-0142
Mrs. Gerry Steele, Member	964-0448

Dr. James Rickabaugh, District Administrator
 Shawn M. Yde, Director of Business
 1200 East Fairmount Avenue
 Whitefish Bay, Wisconsin 53217

Phone: 414-963-3922
 Fax: 414-963-3959
 Email: shawn.yde@wfbschools.com

PREPARING FOR THE FUTURE MEETING DIVERSE NEEDS

In accordance with the revenue limits formula, the school district will be permitted to increase its combined property tax and general state aid revenues by \$573,721 in 2009-10. This amount is intended to fund inflationary expenditure increases, contractual and other wage and benefit increases, educational initiatives and school district goals. Other operating increases are funded through reallocation of base budget funds or increasing revenue in other non-property tax or general state aid sources, such as fees, grants, services, etc.

The proposed budget assumes both general and categorical state aid revenues based on funding formulas currently in place. These formulas result in an estimated decrease in state aids of (-985,499). Property tax to support the 2009-10 general operations budget is estimated to increase \$1,561,579. The debt service property tax levy will decrease from the previous fiscal year by \$480,000.

In 2009-10 total expenses are projected to be \$35,370,512. This includes a \$740,450 payment on school district debt, a \$1,169,000 payment on trust debt and \$1,043,598 for the Community Services and Adult Educa-

tion Fund. The remaining \$32,417,464 is for general and summer school operations.

The district adopts budgets that generally balance revenues and expenditures so as to avoid deficit spending. Exceptions may occur for Capital Projects Funds, Debt Service Fund, or when a fund balance has been accumulated for a number of years for a specific purpose.

Property Tax Levy

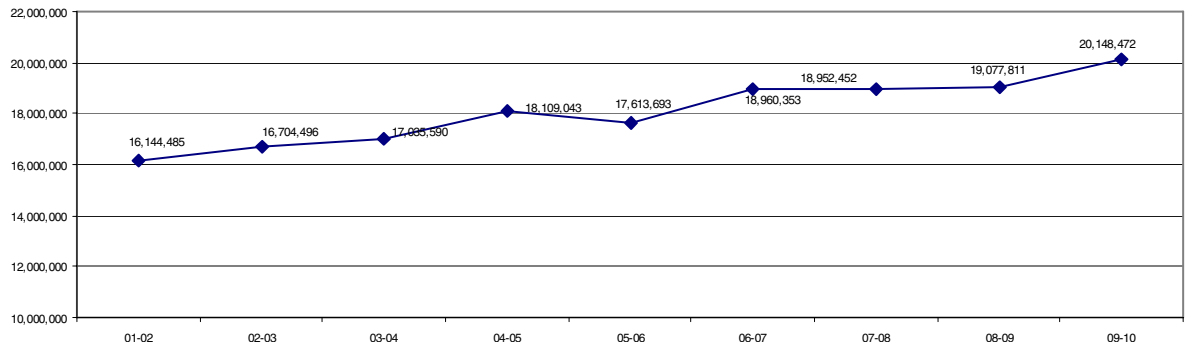
The estimated property tax levy required to support the 2009-10 budget is \$20,148,472. This represents an estimated levy increase of 5.61% and a tax rate increase of \$0.30 per thousand of equalized value. Chart 5 presents the history of tax levies since 2001-2002. Changes in state aid distribution and growth of the equalized value are the primary causes of tax rate fluctuation.

General Operations

School district general operations include activities accounted for in the General, Handicapped Education, TEACH and Food Service Funds.

The Tax Levy is estimated for the 2009-10 school year. The estimate will be affected by any change in the estimate for equalized aid and any change in the equalized value of the Village of Whitefish Bay.

Chart 5: TAX LEVY HISTORY



About 80% of the district's operating expenditures are related to personnel. The budget is based on a staffing plan presented to the Board at the School Board meeting on May 13, 2009. The plan reflects a balance between the educational needs of our students and the financial resources available.

Expenditures for salaries and benefits are determined by general staffing guidelines based on projected student enrollment. Personnel costs are also determined by the terms and conditions of employment established by collective bargaining agreements and by provisions in the collective bargaining law. In situations where employment agreements are not in place for next year, budget estimates are used.

Debt Service

The 2009-10 budget for the Debt Service Fund reflects revenues to be \$724,588 and expenditures to be \$740,450. The excess expenditures (\$15,862) are required for debt service payments that are payable in the 2009-10 fiscal year prior to receipt of property taxes. The 2008-09 property tax levy included the funds necessary for this payment and funds were retained in the Debt Service Fund balance for this purpose. State law requires that the property tax levy for debt service be sufficient to meet payments of the budget year plus any payments due prior to January 20 of the subsequent year. Total district debt as of June 30, 2009 is \$1,385,000 which is substantially less than the statutory debt limit for this school district. Final payments related to this debt will occur April 1, 2011. The debt service millage required in the 2009-10 fiscal year is estimated to be \$0.35 per thousand. Future tax rates necessary for debt service payments are anticipated to decrease as equalized/assessed value is expected to increase at a faster rate than the dollar amounts required for debt service payments.

Future Issues

In 1993 the legislature enacted limits on school district revenues and compensation increases for certain school district employees. The limitations on these revenues and expenditures were "companion" legislative actions. This year, the Governor and Legislature removed the "QEO" which governs/limits employee compensation. The alteration of one portion of this legislation without alteration of the other could significantly impact school finances by creating pressure for increased wage settlements for the teachers unit.

While the school district has traditionally enjoyed a low student to staff ratio, the long-term impact of revenue limits may cause staffing levels to change. As each year passes, the ability of the district to meet educational

needs within the funding constraints has become more difficult. Specific strategies will need to be developed to assure that the district can provide a cost effective education and continue to be responsive to parental desires for low class sizes.

While the School Board and unions have modified the health plans offered to employees during the course of the last two contract negotiations, increased costs related to health insurance are presenting a serious long-term challenge for the school district, especially since state imposed revenue caps limit the funds available for staff compensation. The district has continued its attempts to reduce post-retirement health insurance for retirees in order to mitigate and limit the impact of the rising costs associated with health insurance benefits. The current unfunded frozen actuarial accrued liability for these benefits is \$21,435,516.

This year's estimated levy reflects the impact of a reduction in legislative determined State Aid. As the State and Nation continue to struggle with finances (caused by decreased income and sales tax collections), the district will see less state aid/support. As the equalized value of the Village of Whitefish Bay increases, the school district also will become increasingly less "aidable" in the State of Wisconsin-School Aid Formula.

The Chapter 220 Program is often discussed during the state legislative session. Any future changes to this program could have a profound impact on Whitefish Bay. The district currently has 230 students enrolled through the 220 program. The district received \$2,376,950 in integration aid for educating the students involved in this program. Changes to the program could, therefore, have a significant impact on the local tax levy.

The School District of Whitefish Bay is currently engaged in a lawsuit related to a transaction used to help pay for employee retirement benefits. The five school districts involved have taken action necessary to expose misrepresentation and make the school districts financially whole. In spite of the legal proceeding the school district remains in solid financial condition with Moody's Investor's Service confirming its Aa2 Rating and assigning a stable outlook to the School District on February 6, 2009.

The District remains committed to delivering a quality educational program despite budgetary constraints. The School Board and Administration will continue to monitor these issues and others to ensure continued excellence.

MEETING NOTICE

SCHOOL DISTRICT OF WHITEFISH BAY
AGENDA FOR BUDGET HEARING AND ANNUAL MEETING
Wednesday, September 2, 2009
Whitefish Bay High School - Room 47 - 7:00 p.m.

Whitefish Bay Schools
1200 East Fairmount Avenue
Milwaukee, WI 53217

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BUDGET HEARING - 7:00 P.M.

1. Call to order by School Board President.
2. Presentation of the Proposed Budget.
3. Distinction Between the Role of the School Board in Adopting the Budget Compared to the Role of the Electors in Adopting the Tax Levy.
4. Discussion and Questions Concerning the Proposed Budget.
5. Action by the School Board to Adopt the 2009-10 Budget.

ANNUAL MEETING

IMMEDIATELY FOLLOWING THE BUDGET HEARING

1. Call to Order by School Board President.
2. Reading of Published Notice of Meeting by School Board Clerk.
3. Introduction of School Board Members and Administration.
4. Election of Chairperson for Annual Meeting.
5. Explanation of Rules Governing the Annual Meeting.
6. Approval of the Agenda.
7. Reading of Minutes of Last Annual Meeting.
8. Presentation of the Treasurer's Report.
9. Annual Tax Levy.
10. Salaries of School Board Members.
11. Expenses for Travel of Board Members Outside of the District for Duties of the District.
12. Authorization of Lease Facilities.
13. Authorize Sale of Property.
14. Designate 2010 Annual Meeting Date and Authorize 2010 Annual Meeting to Begin Immediately Following the Budget Hearing.
15. Motion to Adjourn.