



## **School District of Whitefish Bay**

**Background:** Whitefish Bay is a residential suburb located north of Milwaukee along Lake Michigan with a population of approximately 14,000. The schools are a central focus of the community comprised largely of well-educated professionals and their families, and are a leading reason Whitefish Bay was identified by Money Magazine in 2011 as one of the top 100 places to live in the United States. The School District of Whitefish Bay is consistently one of the top performing schools in Wisconsin and the nation as evidenced by student performance. Consistently district residents cite the schools as the reason for moving or living in Whitefish Bay. These residents hold the school district to high standards and enjoy a strong sense of pride in what has been a long standing tradition of educational excellence.

The average ACT composite score of 25.9 was the highest in the Milwaukee area in 2012. That score corresponded to a participation rate of 82.9% of eligible students. Even more impressive is the fact that the School District of Whitefish Bay has had a composite score over 25.0 for over fourteen consecutive years. The outstanding academic record is tied directly to the rigorous college preparatory curriculum.

**Why is it important that the Revenue Limit be tied to the CPI?:** In order to comply with the revenue cap reductions that occurred in the last biennial budget the School District of Whitefish Bay used the authority provided in Act 10 to reduce cost. It is not surprising that most if not all of those reductions relate to direct reduction of salary and benefits of public employees. The revenue cap reduction in 2011-12 required that the School District of Whitefish Bay cut over 2 million dollars of its budgeted expenditures. The School District attempted to balance the budget without significantly increasing pupil teacher ratios.

**The following measures were taken under Act 10:**

- Significant modifications of Health Insurance over the last two years (the district has made significant modifications to health insurance each of the past two years)
- Freeze or significantly limit salary increases (employees have been frozen - the district has not provided step or lane movement in two years)
- Modification of WRS to reduce costs (all employees now pay over 6 percent of the retirement contribution which was previously paid by the district)
- Eliminate OPEB liability cost (district has reduced its cost by \$2,000,000 per year by modifying employee benefits and eligibility)
- Restructure paid time off to all employees

Even taking full advantage of the “tools” provided to districts through Act 10 to lower costs, Whitefish Bay will face a funding gap unless the state legislature considers a per pupil increase of at least CPI. The Governor’s budget which provide no increase in Revenue Limit authority is unsustainable unless you use budget assumptions that prevent any increase in cost. It is unrealistic to assume that health insurance, dental insurance, casualty insurance, durable goods, transportation cost and utilities will not increase. In fact our initial information would have utilities and casualty insurance alone increasing by over \$80,000 for the upcoming year. It also is quite hopeless for newer teachers in the low \$30,000 range to assume they will never be provided any compensation increases without having to cut the salary of other employees to do so. Even if the district projected no growth in wages, benefits or other expenses, the district could experience a shortfall if enrollment would decrease slightly, if the governor’s proposal to hold the revenue limit flat is adopted. While the district has the ability to cut employee wages and benefits there is certainly a concern that we are losing some of our outstanding teaching staff. The effect on schools will vary district to district, with some better able to make reductions but a state agenda that provides no increase in funding will certainly erode a school districts ability to provide quality programs over the longer time frame.

**Why is it important that the State Aid increases align to the Revenue Limit?:** Very simply, if the state aid increase does not align with the revenue limit increase the districts would experience a property tax levy increase. Knowing that the governor and legislature have stated multiple times that they do not want property taxes to increase, it would be important to align state aid with the revenue limit increase amount.

**Flexibility:** Oddly the governor’s freeze comes at the same time that the state is advancing education reforms to ensure every child graduates ready for further education and the workplace. More than ever school districts need sustainable funding to meet important achievable goals to improve student learning, promote safe and healthy schools, and increase our students global competitiveness.



# School District of Whitefish Bay

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Revenue Cap Adjustment	2.42	2.43	2.45	2.46	2.53	1.76	1.76	-5.50	.045	0.0
QEO/CPI Increase	3.8	3.8	3.8	3.8	3.8	3.8	3.8	1.64	3.16	2.07
Gap	-1.38	-1.37	-1.35	-1.34	-1.27	-2.04	-2.04	-7.14	-3.115	-2.07

## District Revenue Cap Increase vs QEO/CPI (Gap)

### Recommendations:

- Revenue Limit increases must be tied to the CPI
- State Aid increases must align with increases in the revenue limit to prevent property tax increases
- Flexibility must be provided from mandates to enable districts to control costs and pursue innovative instructional practices.