



Many Shorewood residents are confused or concerned by the changes that have taken place in recent years in funding for our public schools. To provide information about these issues, the Shorewood SEED Foundation has developed the following questions and answers. The first section deals specifically with Shorewood Schools; the [second section](#) addresses the larger question of school funding in Wisconsin.

What's Happening to Shorewood Schools?

Q: Why do we have to cut the budget for our public schools every year?

A: We don't. Actual spending for Shorewood Schools has risen every year. And since district resident enrollment has been declining, spending per student has been rising faster than overall spending. The district revenue totals for general and special education for the last five years are:

Year	Revenue for General / Special Education
2002 - 2003	\$22.7 million
2003 - 2004	\$23.2 million
2004 - 2005	\$23.5 million
2005 - 2006	\$24.2 million
2006 - 2006	\$24.5 million (projected)

Q: I didn't realize enrollment was declining. What's been the change?

A: During the 1997 - 1998 school year resident enrollment peaked at 1,937 students. Our enrollment has fallen about 3 percent each year since then.

Year	Resident Enrollment (Average Daily Membership)
1997 - 1998	1,937
2001 - 2002	1,810
2002 - 2003	1,765
2003 - 2004	1,763
2004 - 2005	1,725
2005 - 2006	1,658

Q: I keep hearing that we've cut the budget year after year, but you've said that the budget and per-pupil spending are rising. What's really happening?

A: Put simply, while the budget has increased each year, the amount required to fund the prior year's level of services has increased even more rapidly. As a result, the district has been forced to reduce the rate of spending increases to match the slower growth in revenue. Over each of the last five years, the cost of maintaining the prior year's programs has risen by two to three percent more than the growth in available revenue. This gap has required difficult choices about which elements to continue from year to year and which to reduce, curtail, or eliminate.

Q: So what can we expect in next year's budget?

A: While the budget for 2006 - 2007 is still being developed, the School Board and Administration estimate that the current gap between the cost of continuing this year's programs for next year's student body and the available funds is roughly \$316,000. This number includes the costs of funding science aides in both elementary schools, which are needed to support our new science curriculum and which were paid this year through donations to the general fund.

Q: What factors affect next year's budget?

A: The budget reflects several factors.
✓ First, Shorewood enrollment continues to decline. While some costs are fixed and don't decline with enrollment, other expenses DO decline with fewer students.



- ✓ Second, the Administration and the School Board continue to seek efficiencies and cost savings to reduce spending without negatively affecting student education. Among the possibilities being pursued are:
 - ♦ Savings on insurance
 - ♦ Reviewing purchasing procedures to solicit bulk or discount buying opportunities
 - ♦ Consolidating cell phone, copier, and vending machine contracts
 - ♦ Moving items to the Recreation Department (which is not tax-supported)
 - ♦ Pursuing outsiders who may wish to use our buildings and pay rent, particularly since the auditorium renovations are finished
 - ♦ Sharing services among the schools and, possibly, with the Village
- ✓ Finally, the district continues to seek alternative funding sources, primarily through federal, state, and private grants, which support specialized programs. Grants to the district have increased from \$705,000 in 2002 - 2003 to nearly \$1 million in 2004 - 2005. Grants fund such programs and activities as Title 1 programs for disadvantaged students, English language acquisition, teacher training, and drug and alcohol abuse prevention.

Q: How can we close the gap for next year?

A: In a number of ways. District educators and the School Board will continue to look for efficiencies to reduce costs. District staff will continue to pursue alternative funding sources, including grants and fees. And, members of the community who are concerned about reductions in programming are welcome and encouraged to donate funds to the schools through the Shorewood SEED Foundation, which supports the public schools in Shorewood.

Q: How does Shorewood compare to other districts?

A: Shorewood is not unique. Other districts around the North Shore face similar gaps between their costs and their revenue. Over 80 percent of the districts in the state have lost enrollment, which means that they face the same issues. At the same time, spending per pupil in Shorewood ranks in the top three percent of school districts statewide. According to the Wisconsin Taxpayers Alliance, in 2004 - 2005 the statewide average spending per pupil for K-12 districts was \$8,734. Shorewood spent \$9,695 per student, down from \$10,558 the prior year, but above such districts as Whitefish Bay (\$9,596), Elmbrook (\$9,572), Mequon-Thiensville (\$9,383), Greendale (\$9,497), and Cedarburg (\$8,474).

Q: Haven't we already cut too much from our schools?

A: We've certainly had to make difficult choices and painful reductions in order to save money. Among them have been:

- ✓ Eliminating the elective rotation at the Shorewood Intermediate School (SIS) that introduced students to theater, technology, and family and consumer education
- ✓ Offering physical education at SIS only two quarters per year instead of daily
- ✓ Reducing support for some athletic programs such as golf and gymnastics
- ✓ Reducing library staffing at the elementary schools
- ✓ Eliminating German from our world language offerings
- ✓ Having high enrollments in some specific classes, particularly at Shorewood High School (SHS), despite having average class sizes among the lowest in the North Shore area

At the same time, it's important to recognize things that have been added or maintained during this difficult period. Keep in mind that the Shorewood Schools have been able to:

- ✓ Keep salaries for our educators competitive with other North Shore districts, allowing us to attract and retain an excellent faculty.
- ✓ Keep the average class size at the elementary schools at 20 students per class. This compares to 22 to 24 in the area districts used as benchmarks for Shorewood (such as Whitefish Bay, Fox Point-Bayside, Elmbrook.) This year, class sizes at SIS average 25 and at SHS average 23.



- ✓ Add three new Advanced Placement (AP) classes at SHS -- Chemistry, Physics, Statistics -- over the last five years, bringing the total number of AP classes offered to ten.
- ✓ Increase both the numbers and the percent of students taking Advanced Placement classes.
- ✓ Continue to excel on standardized measures of achievement. Last year, the high school had the highest percentage of National Merit Scholars in the metro area. Our high school students continue to perform above national and statewide averages on the ACT and SAT exams, and our younger students continue to excel on Reading and Knowledge exams.
- ✓ Offer foreign language instruction to all students beginning in first grade.
- ✓ Start our orchestra program in 4th grade and enroll 401 students district-wide (29 percent of students in grades 4 to 12.) Start our band program in 5th grade and enroll 347 students (27 percent of students in grades 4 to 12.) Start our choir program in grade 7 and enroll 97 students (10 percent of the grades 4 to 12 population.) Overall, 853 students (61 percent) of students in grades 4 to 12 are enrolled in our music programming.
- ✓ Invest in our physical plant, with the addition and improvements to the science wing at the high school and the renovation of the district auditorium as the most recent accomplishments.

Q: How can I help?

A: Here are three ways to help the schools:

First, give money! The Shorewood SEED Foundation manages two funds to support the public schools. The **SEED Grant Fund** is used to fund proposals made by district educators and residents for equipment, supplies, and enrichment programming that would otherwise be unavailable. Last year's grants funded:

- ✓ Updates to Learning Disability Program's technology at SHS
- ✓ Software for Lake Bluff Elementary School
- ✓ Safety signs and a storage shed for Murray Avenue crosswalk
- ✓ Digital cameras, camcorders and accessories for Spanish Video Portfolios
- ✓ Additional supplies for the wireless computer lab at Atwater Elementary

The **SEED General Education Fund** (GEF) is allocated by the school board to offset the revenue gap. Last year's GEF funds were used for:

- ✓ Guidance services at SHS
- ✓ District professional development
- ✓ Learning implementer at Atwater
- ✓ Choir at SIS
- ✓ Athletic programs

Mail donations to:

Shorewood SEED Foundation
P.O. Box 71235
Shorewood, WI 53211

Or, donate online at www.shorewoodseed.org.

Second, talk up Shorewood Schools! Since most households in the district do not include school-age children, many are unaware of the range and quality of educational and extra-curricular programs in the Shorewood School District, as well as the issues it faces. Encourage friends who live in Shorewood and have children enrolled in other schools, particularly outside the district, to take a fresh look at Shorewood Public Schools. Tell acquaintances purchasing a new home to consider Shorewood. Work with the Committee to Attract and Retain the Enrollment of Students (Shorewood CARES) to share information about the vitality of our schools. Contact Lorna Young at 414-332-7801 or lornayoung@mindspring.com for more information.



Third, join discussions about school funding in Wisconsin. Shorewood Action for Education (SAFE) is a group of residents concerned about funding education in Wisconsin. Members:

- Educate themselves and the community on educational issues.
- Research short- and long-term solutions to current challenges.
- Advocate for legislative changes at the local, state, and national level.

Contact Kit Behling at 414-332-4423 or trinkit@sbcglobal.net for more information.

How Does School Funding Work?

In brief, public schools in Wisconsin are funded primarily by a combination of state and local funds. Since 1993, the State has provided roughly two-thirds of statewide funding, and local governments have raised the remainder. The State allocates its share to school districts based on student enrollment and relative tax base, in order to equalize the funds available to educate children across the state. Important points to keep in mind are:

1. Wisconsin law caps the amount of public revenue available to school districts for education. The amount a school district is allowed to raise in public revenue each year is:
(Last year's spending per pupil + Statewide inflation adjustment per pupil) * (district enrollment)
2. Wisconsin does not limit **spending** by school districts, only **public revenue** raised. Public revenue is essentially the sum of state aid for education and local property taxes raised for education.
3. School districts are free to raise money outside a district's revenue limit through grants, fees, and donations.

Q: Why has state aid to Shorewood declined by so much recently?

A: Aid has declined for two reasons. First, as district enrollment has declined, so has state aid. Second, Shorewood's property tax base has continued to rise and has, in fact, risen faster than the statewide average. Since one of the goals of the state formula is to equalize the funds available to school districts, this means that the share of funds going to Shorewood has declined.

Q: Can't Shorewood simply make up the decline in state aid by raising its property taxes?

A: Only to a point. The sum of state aid to Shorewood and Shorewood school taxes cannot exceed Shorewood's revenue cap (see Point 1 above.) The School Board has generally raised the school tax levy to offset the declines in state aid, and at this point we are raising as much as we can under state law.

Q: Can't Shorewood voters overrule the state revenue cap?

A: With voter approval, school boards can levy property taxes above the revenue cap, but when they do so, the district's state aid is reduced. For a district with our property values, state aid would decline by 35 to 40 cents for every dollar raised over the limit.

Q: If the state provides an inflation adjustment to the revenue levy each year, why isn't this enough to fund current programs?

A: The state legislature sets the amount by which school revenue per pupil can rise each year, and in recent years it has been lower than the cost increases experienced by most districts. Remember that the single biggest expense in the district budget is compensation, which includes not only health insurance and benefit costs but also salary increases based on teacher experience and education. We want our teachers to continue to invest in their careers, and when they do so that affects their compensation. Additionally, items like gas for heating rose 12 percent last year and 70 percent this year. As a result of all these factors, our costs are rising by close to three percent more than the state-allowed increases.

Q. What steps has the district taken over the years to address the revenue gap?

- A. Shorewood has worked hard to find sources of income outside the revenue subject to the state cap.
- ✓ The district has transferred some programs and activities to a fee basis, since fees are not included in the revenue cap.
 - ✓ As noted earlier, grants awarded to the district have risen one-third over the last three years.
 - ✓ The district has pursued such cost savings as:
 - Implementing the findings of an energy audit of our physical plant conducted by Honeywell
 - Adding students through Open Enrollment where spaces are available and incremental revenue will exceed incremental cost
 - Adding all-day kindergarten sections, which increased our revenue cap by more than the increase in our costs
 - Reviewing and adjusting staffing for maintenance and clerical support
 - Funding improvements to the physical plant through long-term borrowing, approved through a referendum. This allows us to maintain our building without placing expenditures on the current budget, saving us approximately \$350,000 in operating costs a year.
 - Participating in UW-Stevens Point class in energy conservation.
 - ✓ Further, district officials are working to increase enrollment by:
 - Working with area realtors to showcase our schools and ensure that they are aware of our excellent programs and performance.
 - Holding district-wide Open Houses for Shorewood families whose children attend other schools

Q: How do Chapter 220 and open enrollment students affect school funding?

- A: Shorewood accepts out-of-district students through two programs. Currently, 173 Milwaukee students attend Shorewood schools through the 220 program, and 123 students attend through Open Enrollment. These students do not affect our revenue cap, which is based on the number of enrolled students who reside in the district.
- ✓ By law, every open seat in the district must be offered through Open Enrollment (OE). Each OE child brings Shorewood about \$5,745, paid by the district where he or she resides. The district receives close to a million dollars annually through this program. This money is a net addition to the district's budget and is outside the revenue cap; it offsets neither state aid nor local property taxes.
 - ✓ The chapter 220 children are funded by the state at our full average cost per student, which is over \$10,000, but this money cannot increase our total budget. Like other state aid, it can only be used to lower property taxes. That is to say, no matter how many children we have in Chapter 220, our revenue cap stays the same, though our property taxes may go up or down.

Q: What cost savings has the School Board considered and rejected?

- A: Over the last several years the School board has evaluated and rejected several often-discussed ideas, including:
- ✓ Merging with Whitefish Bay schools. Based on the Board's analysis, Shorewood would not save any money in a merger, as Shorewood would have to pay half the costs of their larger administrative staff. Additionally, Whitefish Bay schools have larger class sizes and no elementary foreign language, which would be real loss for Shorewood students.
 - ✓ Eliminating the superintendent position. This was reviewed when Jack Linehan announced his early retirement. The bottom line was that the School Board felt that a "business" with nearly 2,000 "customers," over 270 employees, and an annual budget in excess of \$20 million needed an administrator to oversee it. Previous cuts in the administrative staff mean that our superintendent carries a very full load, and eliminating that position would erode district performance and management.
 - ✓ Raising class size to the state average. This would certainly save significant amounts of money, but the School Board believes it would mean the end of the distinctive excellence of Shorewood schools. The wisdom of the educators is that small class sizes are critical at the lower elementary level, when children are learning to read. As the children progress through the grades into high school, a wide range of opportunities becomes more important than a small class size.