



REGULAR MONTHLY BOARD MEETING

**October 28, 2008
7:00 P.M.**

**Educational Support Center
Board Meeting Room
3600-52nd Street
Kenosha, Wisconsin**



KENOSHA UNIFIED SCHOOL BOARD

REGULAR SCHOOL BOARD MEETING

Educational Support Center

October 28, 2008

7:00 P.M.

AGENDA

- I. Pledge of Allegiance
- II. Roll Call of Members
- III. Awards, Board Correspondence, Meetings and Appointments
 - AWSA Exemplary Middle School Awards
 - Middle School Mathematics Mobilization Program Participants
 - Kenosha County Red Ribbon Week Creators of Campaign Slogan and Poster
 - Resolution No. 277 – Resolution of Commemoration
American Education Week 2008 Page 1
 - Resolution No. 278 – Resolution of Appreciation
To Sonya Stephens Page 2
- IV. Administrative and Supervisory Appointments
- V. Introduction and Welcome of Student Ambassador
- VI. Legislative Report
- VII. Views and Comments by the Public
- VIII. Response and Comments by the Board of Education
- IX. Remarks by the President
- X. Superintendent's Report
- XI. Consent Agenda
 - A. Consent/Approve Recommendations
Concerning Appointments,
Leaves of Absence,
Retirements and Resignations Page 3-4
 - B. Consent/Approve Minutes of 9/23/08 and
10/14/08 Special Meeting
And Executive Sessions and
9/23/08 Regular Meeting Pages 5-16

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XI. Consent Agenda - Continued

- C. Consent/Approve Summary of Receipts, Wire Transfers and Check Registers..... Pages 17-18

XII. Old Business

- A. Discussion/Action YMCA Pool Lease Agreement
(Report to be distributed at meeting)
- B. Discussion/Action Official Third Friday Enrollment Report Pages 19-22
(Also see complete report with appendices)
- C. Discussion/Action Four Year Graduation Rate – Cohort Analysis Pages 23-26
(Also see complete report with appendices)
- D. Discussion/Action Policy 6456 - Graduation Requirements..... Pages 27-32
(First Reading)
- E. Discussion/Action Use of District Facilities by Driving Schools Pages 33-35
- F. Discussion/Action Formal Adoption of 2008-2009 Budget Pages 36-48
- G. Discussion/Action Resolution for Inclusion Under The State of Wisconsin Deferred Compensation Plan..... Pages 49-57
- H. Discussion/Action Resolution of the Board of Kenosha Unified School District to Adopt the Kenosha Unified School District 403(b) Employee Retirement Savings Plan Pages 58-89

XIII. New Business

- A. Discussion/Action Ratification of the KUSD/KEIA (Kenosha Educational Interpreters Association) Collective Bargaining Agreement Page 90

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XIII. New Business - Continued

B. Discussion/Action Donations to the
DistrictPage 91-92

XIV. Other Business as Permitted by Law
Tentative Schedule of Reports, Events and Legal
Deadlines For School Board (October-November)..... Page 93

XV. Predetermined Time and Date of Adjourned Meeting, If Necessary

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KENOSHA UNIFIED SCHOOL DISTRICT NO. 1

Kenosha, Wisconsin

Resolution of Commemoration

American Education Week 2008

November 16-22

Great Public Schools: A Basic Right and Our Responsibility

WHEREAS, public schools are the backbone of our democracy, providing young people with the tools they'll need to maintain our nation's precious values of freedom, civility, and equality; and

WHEREAS, by equipping young Americans with both practical skills and broader intellectual abilities, schools give them hope for, and access to, a productive future; and

WHEREAS, education employees -- be they custodians or teachers, bus drivers or librarians, educational assistants or administrators -- work tirelessly to serve our children and communities with care and professionalism; and

WHEREAS, in recognition that schools unify the community, bringing together adults and children, educators and volunteers, business leaders and elected officials in a common enterprise, the Kenosha Unified School District has celebrated American Education Week for four decades;

NOW, THEREFORE, BE IT RESOLVED, that this expression of celebration commemorating the 87th annual American Education Week, November 16 through 22, 2008, be adopted, and

BE IT FURTHER RESOLVED, that a true copy of this resolution be spread upon the official minutes of the Board of Education, and that a signed copy be printed in the school district's official newspaper of record.

President, Board of Education

Superintendent of Schools

Secretary, Board of Education

Members of the Board:

*Resolution No. 277
Oct. 28, 2008*

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KENOSHA UNIFIED SCHOOL DISTRICT NO. 1

Kenosha, Wisconsin

Resolution of Appreciation

To

Sonya Stephens

WHEREAS, Sonya Stephens has served the Kenosha Unified School District since 2000 as Testing Coordinator and subsequently as Executive Director of Educational Accountability, and

WHEREAS, Sonya is known and appreciated for her professionalism, intelligence, compassion, sincerity, approachability and passion for providing the best education possible for all students, and

WHEREAS, in her role as Executive Director of Educational Accountability, she provides leadership in the areas of implementation of state and district assessments, data analysis and interpretation, development of enrollment projections, coordination of the High School Competency Diploma Option and many additional responsibilities too numerous to note, and

WHEREAS, Sonya has aptly served in the capacity of District representative/liaison on numerous local, state and regional committees and task forces, and

WHEREAS, she has unwaveringly demonstrated commitment to equity for all and has served as a role model for students including as a mentor and advisor for such groups as Sistass, and

WHEREAS, she supervises and manages the McKinney-Vento Homeless Education Grant, serves as the District's Homeless Liaison and as a member of the City-Wide Homeless Task Force and strives to provide necessary support and stability to families and students experiencing homelessness while treating all individuals in a compassionate and respectful manner.

NOW, THEREFORE, BE IT RESOLVED, that this expression of appreciation for service in support of the students, families and staff of the School District be adopted, and

BE IT FURTHER RESOLVED, that a true copy of this resolution be spread upon the official minutes of the Board of Education, and that a signed copy be presented to Sonya Stephens in recognition of her service to the Kenosha Unified School District No. 1.

President, Board of Education

Superintendent of Schools

Secretary, Board of Education

Members of the Board:

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**Kenosha Unified School District No. 1
Kenosha, Wisconsin**

Human Resources recommendations concerning the following actions:

October 28, 2008

Action	Board Date	code	Staff	Employee Last Name	Employee First Name	School/Dept	Position	Effective Date	Salary or Hourly Rate	Reason	Step / Level	Letter or Contract
Resignation	10/14/08		Instructional	Johnson	Brett	Reuther High	AIS Teacher	08/27/08	34,447.00	Resignation	B12 Step 4	Contract
Resignation	10/14/08		Instructional	Castineyra	Katty	LakeView Technology Academy	Math	08/27/08	40,911.00	Resignation	B Step 7	Contract
Resignation	10/14/08		Educ. Assistant	Smedley	Karen	Paidia Academy	Classroom Educational Assistant	09/01/08	12.13	Resignation		Contract
Resignation	10/14/08		Instructional	Boor	Karen	KTEC	Art Teacher	08/27/08	38,375.00	Resignation	B24 Step 4	Contract
Resignation	10/14/08		Instructional	Nerby	Keith	Tremper High School	Business Education	09/08/08	45,237.00	Resignation	M Step 7	Contract
Appointment	10/14/08		Educ. Assistant	Collum	Rocky	Bradford High School	Educational Assistant - Security	09/10/08	12.52	New Hire		Contract
Appointment	10/14/08		Miscellaneous	Garrigan	Amy	Career and Technical Education	Service Learning Facilitator	09/22/08	19.65	New Hire		Contract
Resignation	10/14/08		Educ. Assistant	Sundstrom	Joy	Whittier Elementary School	Health Information Specialist	09/16/08	11.52	Resignation		Contract
Appointment	10/14/08		Educ. Assistant	Bedolla	Stephanie	Frank Elementary	Bilingual Education Assistant	09/02/08	11.52	Appointment		Contract
Appointment	10/14/08		Educ. Assistant	Perrelle	Stacy	McKinley Middle School	Education Assistant	09/19/08	12.52	Appointment		Contract
Appointment	10/14/08		Instructional	Barquero	Virginia	Edward Bain School of Language & Art	Kindergarten (Sage)	09/15/08	40,526.00	Appointment	B12 Step 6	Letter
Appointment	10/14/08		Instructional	Friedrich	Nancy	Columbus Elementary	Kindergarten	09/18/08	47,220.00	Appointment	B Step 11	Letter
Appointment	10/14/08		Educ. Assistant	Zelada	Ana	Title One	Bilingual Education Assistant	09/17/08	12.52	Appointment		Contract
Appointment	10/14/08		Instructional	Klimisch	David	Charles Nash Elementary	CDS Special Education Teacher	09/17/08	39,840.00	Appointment	M Step 4	Letter
Appointment	10/14/08		Instructional	Bilotti	Mary Sue	Lance Middle School	7th Grade Science / Social Studies	09/15/08	39,840.00	Appointment	M Step 4	Letter
Appointment	10/14/08		Secretarial	Bilak	Diane	Tremper High School	Secretary I / 12 Month	09/17/08	15.64	Appointment		Contract
Retirement	10/14/08		Educ. Assistant	Wroblewski	Debra	Tremper High School	Security	01/31/09	13.71	Retirement		Contract
Appointment	10/14/08		Instructional	Sommers	Jessica	4K Program / Loving Care 3 Center	Teacher	09/19/08	19,623.03	Appointment	B 24 Step 5	Letter
Appointment	10/14/08		Instructional	May	Anne	4K Program / Pleasant Prairie Renaissance School	Teacher	09/19/08	18,671.94	Appointment	M Step 3	Letter
Appointment	10/14/08		Instructional	Davis	Lisa	4K Program / Almost Home Academy	Teacher	09/19/08	16,954.00	Appointment	B Step 3	Letter
Appointment	10/14/08		Instructional	Milligan	Jennifer	4K Program / Extended Love	Teacher	09/19/08	19,271.00	Appointment	B Step 6	Letter
Appointment	10/14/08		Instructional	Johnson	Jennifer	4K Program / Every Child's Place	Teacher	09/19/08	16,954.00	Appointment	B Step 3	Letter
Appointment	10/14/08		Instructional	Binger	Adam	Lance Middle School	Grade 8 Science and Social Studies	09/15/08	36,177.00	Appointment	B Step 4	Letter
Appointment	10/14/08		Instructional	Kruskie	Mandi	4K Program / Kids Castle	Teacher	09/19/08	16,954.00	Appointment	B Step 3	Letter
Separation	10/14/08		Interpreter	Seidler	Angelique	Tremper High School	Interpreter	09/08/08	28,603.26	Seperation		Contract
Separation	10/14/08		Educ. Assistant	Session	Lamont	Bradford High School	Special Education Assistant	09/24/08	16,388.68	Seperation		Contract
Resignation	10/14/08		Instructional	Brand	Jennifer	Stocker Elementary School	Kindergarten	06/11/08	38,577.00	Resignation	B+6 Step 6	Contract
Appointment	10/14/08		Educ. Assistant	Fleming	Kathleen	Charles Nash Elementary	Special Education Assistant	09/17/08	11.52	Appointment		
Appointment	10/14/08		Miscellaneous	Nichols	Laura	KTEC	Student Support	09/02/08	14.69	Appointment		Contract
Appointment	10/14/08		Educ. Assistant	Ackley	Claire	Washington Middle	Special Education Assistant	09/12/08	12.52	Appointment		Contract
Appointment	10/14/08		Instructional	Wolf	Shawn	Bradford High School	Library Media Specialist	09/30/08	16,954.00	Appointment	B Step 3	Letter
Resignation	10/14/08		Educ. Assistant	Feichtner	Paula	Vernon Elementary	Special Education Assistant	09/11/08	12.14	Resignation		Contract
Appointment	10/28/08	**	Instructional	Modory	Andrew	Whittier Elementary School	Teacher Grade 5	09/26/08	35,126.00	Appointment	B6 Step 3	Letter
Appointment	10/28/08	**	Educ. Assistant	Pignotti	Mary	Charles Nash Elementary	Special Education Assistant	09/24/08	11.52	Appointment		Contract

**Kenosha Unified School District No. 1
Kenosha, Wisconsin**

Human Resources recommendations concerning the following actions:

October 28, 2008

Appointment	10/28/08	**	Educ. Assistant	Lundgren	Vanessa	Mahone Middle School	Special Education Assistant	09/29/08	11.52	Appointment		Contract
Appointment	10/28/08	**	Educ. Assistant	Landry	Elise	Lance Middle School	Special Education Assistant	09/18/08	12.52	Appointment		Contract
Appointment	10/28/08	**	Educ. Assistant	Quezada	Kimberly	Chavez Learning Station / Head Start	Educational Assistant	10/06/08	11.52	Appointment		Contract
Appointment	10/28/08	**	Educ. Assistant	Lang	Fay	Whittier Elementary School	Health Information Specialist	10/02/08	12.13	Appointment		Contract
Appointment	10/28/08	**	Service Empl	Hill	John	Edward Bain School of Language & Art	Night Custodian Grade 4D	10/07/08	17.37	Appointment		Contract
Appointment	10/28/08	**	Instructional	Swanson	Linda	Pleasant Prairie Elementary	Teacher Grade 3	10/06/08	38,900.00	Appointment	B12 Step 5	Letter
Appointment	10/28/08	**	Instructional	Connelly	Bonnie	Frank Elementary	Reading First Support Teacher	10/01/08	21,917.70	Appointment	B6 Step 9	Letter
Appointment	10/28/08	**	Instructional	Owens	Daniel	Tremper High School	Business	10/17/08	34,600.00	Appointment	B Step 3	Letter

SPECIAL MEETING & EXECUTIVE SESSION
OF THE KENOSHA UNIFIED SCHOOL BOARD
HELD SEPTEMBER 23, 2008

A special meeting of the Kenosha Unified School Board was held on Tuesday, September 23, 2008, in the Small Board Room at the Educational Support Center. The purpose of this meeting was to vote on holding an executive session to follow immediately.

The meeting was called to order at 6:05 P.M. with the following members present: Mrs. R. Stevens, Mr. Ostman, Mr. Hujik, Mr. Olson, Ms. Taube, Mr. Fountain and Mrs. P. Stevens. Dr. Mangi was also present.

Mrs. P. Stevens, President, opened the meeting by announcing that this was a special meeting of the School Board of the Kenosha Unified School District No. 1. Notice of this special meeting was given to the public by forwarding a copy of the notice to all requesting radio stations and newspapers.

Mrs. P. Stevens announced that an executive session had been scheduled to follow this special meeting for the purpose of Review Findings/Orders by Independent Hearing Officers; Items Relating to Students Requiring Confidentiality by Law; Personnel: Employment Relations; Personnel: Problems; Personnel: Position Assignments; and Property: Lease/ Rental.

Mr. Olson moved that this executive session be held. Mrs. R. Stevens seconded the motion.

Roll call vote. Ayes: Mrs. R. Stevens, Mr. Ostman, Mr. Hujik, Mr. Olson, Ms. Taube, Mr. Fountain and Mrs. P. Stevens. Noes: None. Unanimously approved.

Mrs. R. Stevens moved to adjourn to executive session. Mr. Fountain seconded the motion. Unanimously approved.

1. Personnel: Employment Relationship; Problems; Position Assignments

Mrs. Glass arrived at 6:07 P.M. and provided an update on several employment problems. A discussion followed.

Mrs. Glass was excused at 6:17 P.M.

Dr. Mangi presented Board members with several position assignment modifications. A discussion followed.

Board members discussed the status of the Superintendent search.

2. Property: Lease/Rental

Mr. Finnemore arrived at 6:45 P.M. and updated Board members on the status of a property lease.

Meeting adjourned at 6:50 P.M.

Stacy Schroeder Busby
School Board Secretary

REGULAR MEETING OF
THE KENOSHA UNIFIED SCHOOL BOARD
HELD SEPTEMBER 23, 2008

A regular meeting of the Kenosha Unified School Board was held on Tuesday, September 23, 2008 at 7:00 P.M. in the Board Room of the Educational Support Center. Mrs. P. Stevens, President, presided.

The meeting was called to order at 7:00 P.M. with the following Board members present: Mrs. R. Stevens, Mr. Ostman, Mr. Hujik, Mr. Olson, Ms. Taube, Mr. Fountain and Mrs. P. Stevens. Dr. Mangi was also present.

Mrs. P. Stevens, President, opened the meeting by announcing that this was a regular meeting of the School Board of Kenosha Unified School District No. 1. Notice of this regular meeting was given to the public by forwarding the complete agenda to all requesting radio stations and newspapers. Copies of the complete agenda are available for inspection at all public schools and at the Superintendent's office. Anyone desiring information as to forthcoming meetings should contact the Superintendent's office.

Dr. Mangi presented awards to the Festival of Arts & Flowers Winners and the UMN/LULAC National Leadership Program Graduates.

There were no Administrative or Supervisory Appointments.

Mr. Johnston gave the Legislative Report.

Views and comments were expressed by members of the public and Board members made their responses and/or comments.

Dr. Mangi gave his Superintendent's report.

The Board then considered the following Consent-Approve items:

Consent-Approve item X-A – Recommendations Concerning Appointments, Leave of Absence, Retirements and Resignations as presented in the agenda.

Consent-Approve item X-B – Minutes of the 8/26/08, 9/04/08 and 9/09/08 Special Meeting and Executive Sessions, the 8/26/08 Regular Meeting, the 9/08/08 and 9/09/08 Special Meetings and the 9/09/08 Annual Meeting of Electors as presented in the agenda.

Consent-Approve item X-C – Summary of Receipts, Wire Transfers and Check Registers submitted by Mr. William L. Johnston, Executive Director of Business; Ms. Eileen Coss, Accounting Manager; and Dr. Mangi, excerpts follow:

“It is recommended that receipt numbers CR033349 through CR033546 that total \$2,144,695.40 be approved.

Check numbers 418235 through 419236 totaling \$6,213,930.16 are recommended for approval as the payments made are within budgeted allocations for the respective programs and projects.

It is recommended that wire transfers to First National Bank of Chicago and Nations Bank dated August 14, 18, and 28, 2008, totaling \$2,304,070.77 to US Bank of Milwaukee dated August 7, 15, and 22, 2008 totaling \$470,866.44 and to the Wisconsin Retirement System dated August 29, 2008 totaling \$1,366,513.81 be approved."

Consent-Approve item X-D – Waiver of Policy 1330 - Use of District Facilities submitted by Dr. Mangi, excerpts follow:

"Women and Children's Horizons, Inc. is requesting a waiver of user fees for use of District facilities. Specifically, they are requesting a waiver of fees for use of the Reuther High School Auditorium on Saturday, October 18, 2008 for a community awareness event. Building rental charges for four hours at \$85 are \$340. Custodial overtime would be charged at a rate of \$38.02 per hour.

Members of the Crossway Community Church are also requesting a waiver of user fees for use of District facilities. Specifically, they are requesting a waiver of the fees for use of Ameche Field on Saturday, September 6, 2008 for a soccer tournament fundraiser to benefit a family whose son is experiencing life-threatening medical issues.

Administration recommends that the Audit/Budget/Finance Standing Committee recommend approval of the request from Women and Children's Horizons, Inc. for a waiver of rental fees in the amount of \$340 for use of the Reuther Auditorium on October 18, 2008 and that the request be forwarded to the full Board for formal approval. It is also recommended that custodial costs, the \$20 permit filing fee and the \$100 refundable clean-up deposit be the responsibility of organization.

Administration also recommends that the Audit/Budget/Finance Standing Committee recommend approval of the request from Crossway Community Church for a waiver of rental fees in the approximate amount of \$250 for use of Ameche Field from 5:00 to 7:00 p.m. on September 6, 2008 and that the request be forwarded to the full Board for formal approval. It is also recommended that custodial costs, the \$20 permit filing fee and the \$100 refundable clean-up deposit be the responsibility of organization.

At its September 9, 2008 meeting, the Audit/Budget/Finance Standing Committee voted to forward these waiver requests to the full Board for consideration. Administration recommends approval of the request from Women and Children's Horizons, Inc. and Crossway Community Church for waivers of rental fees as noted above. It is also recommended that the custodial costs, \$20 permit filing fee and \$100 refundable clean up deposit will be the responsibility of the organizations."

Mr. Olson moved to approve the consent agenda as presented. Mr. Fountain seconded the motion. Unanimously approved.

Dr. Mangi presented the Resolution Authorizing Temporary Borrowing in an Amount not to Exceed \$33,400,000 submitted by Ms. Coss, Mr. Johnston, and Dr. Mangi, excerpts follow:

“Due to the nature of the receipt of the majority of school districts’ funding (State Aid and Tax Levy), there are times throughout the year when expenditures payable are greater than cash on hand. In these cases, short term borrowing, pursuant to section 67.12(8)(a)1 of the Wisconsin Statutes, is required to meet the District’s current obligations.

Last fall, the Board of Education approved authorization for issuance and sale of 2007-2008 revenue anticipation promissory notes in the amount of \$38 million. Based on the results of the 2007-2008 fiscal year and our anticipated revenues and expenditures for the 2008-2009 fiscal year, our short term borrowing needs are projected to be \$33.4 million for the next fiscal year. Attachment A is the 2008-2009 cash flow projection that shows the District’s projected cash flow shortfalls and supports the need to borrow funds. Attachment B is the actual cash flow summary for 2007-2008 and shows that KUSD was within the Safe Harbor limits of borrowing funds.

The Tax and Revenue Anticipation Promissory Notes (TRAN) will be sold on September 23, 2008, the day of the Regular School Board Meeting. As in the past, the District’s Financial Advisor will be reviewing several short term borrowing options up until the day of the sale of the notes and will present most advantageous option to Administration on the sale date to recommend to the Board.

Due to instability of the credit market, a different approach will be used this year that involves a hybrid competitive sale. This approach is still a competitive bid, but allows interaction with the bidder to clarify any issues or concerns that they may have about the District’s offering. This approach also does not require a specific time for the bids are to be received that would be subject to market timing and risk on that particular day and time.

The investment of the note proceeds will occur using a ladder approach that involves investing the note proceeds for differing investment lengths, based on the cash flow needs of the District and provides a greater investment yield opportunity. It is always the desire of Administration to present the Board of Education an appropriate short term borrowing program, taking into consideration the beliefs, parameters and objectives of the Strategic Plan.

The Audit, Budget and Finance Committee and Administration recommend that the Board of Education approve the 2008-2009 short-term borrowing plan and approve the resolution to borrow \$33.4 million to meet our short term needs during the year.”

Mr. Hujik moved to approve the 2008-2009 short-term borrowing plan and the resolution to borrow \$33.4 million to meet short term needs during the year. Mr. Olson seconded the motion. Unanimously approved.

Dr. Mangi presented the Resolution Authorizing the Issuance and Sale of Approximately \$20,000,000 Bond Anticipation Notes submitted by Ms. Coss, Mr. Patrick Finnemore, Director of Facilities, Mr. Johnston and Dr. Mangi, excerpts follow:

“On February 19, 2008, the communities comprising the School District approved two (2) Referendum resolutions. The first resolution authorized the Board to issue bonds to renovate and add on to Indian Trail Academy in an amount not to exceed \$52,500,000, pursuant to Section 67.12(1)(b) of the Wisconsin statutes. The second resolution authorized the District to exceed the revenue limits by \$2,427,000 for the additional operating costs for the comprehensive high school.

In designing the funding structure for the project, the District must be aware of the arbitrage rebate rules associated with tax-exempt financing. The rules designate that certain spend down safe harbors exist that require the funds to be expended by certain target dates over a 24 month period (i.e., 10% within 6 months, 45% in 12 months, 75% in 18 months, etc.) or the excess interest earned must be repaid. Due to the project timeline and the above requirements, the funding of the project will be split into two (2) separate borrowings, with the second one around December, 2009.

During the referendum, the District made a commitment to the community to not increase the tax rate with increasing the District's outstanding debt by this \$52.5 million. In this case, the tax rate, commonly referred to as mil rate is the total taxes to be collected for the repayment of the current year's referendum debt service divided by the Equalized Property Value (assessed value equalized to fair market value). The year the referendum was passed, the referendum debt service mil rate was \$1.12. The referendum debt service mil rate for last year was \$1.09 per 1,000 of property value. In order to honor the spirit the commitment made to the community, the District will ensure that the referendum debt service mil rate will not be greater than \$1.09 with the issuance of this debt. This is demonstrated in the rightmost column of Attachment B.

Due to instability of the credit market, a different approach will be used this year that involves a hybrid competitive sale, similar to the short term borrowing. This approach is still a competitive bid, but allows interaction with the bidder to clarify any issues or concerns that they may have about the District's offering. Additionally, due to these same market factors, the most advantageous approach for the District to take may be to only issue short term notes (Bond Anticipation Notes) at this time and then when the market stabilizes come back and refinance the notes into bonds within the next year or include these notes in the second phase of the borrowing in 12 to 18 months.

The sale of the initial general obligation debt will be finalized the morning of September 23, 2008, and a resolution authorizing the sale of the bonds or notes will be presented to the Board of Education at the regular meeting held that night. This process is consistent with note or bond offerings that have been sold in previous years.

It is always the desire of Administration to present the Board of Education an appropriate short term borrowing program, taking into consideration the beliefs, parameters and objectives of the Strategic Plan.

The Audit, Budget and Finance Committee and Administration recommend that the Board of Education approve the financing plan associated with the sale of the debt for the Indian Trail expansion and approve the resolution to issue the initial debt offering of \$20 million. Additionally, Administration requests that the Board authorize Board Officers and District Administration to execute any and all documents relating this borrowing and subsequent investment of the unused portion of the proceeds.”

Mr. Hujik moved to approve the financing plan associated with the sale of the debt for the Indian Trail expansion, approve the resolution to issue the initial debt offering of \$20 million, and authorize Board Officers and District Administration to execute any and all documents relating to this borrowing and subsequent investment of the unused portion of the proceeds. Mr. Olson seconded the motion. Unanimously approved.

Dr. Mangi presented the Land Acquisition Cost Reimbursement Agreement with the City of Kenosha to Support Road Construction by Indian Trail Academy submitted by Mr. Finnemore and Dr. Mangi, excerpts follow:

“One of the infrastructure improvements for the Indian Train addition/renovation project is the construction of a new east-west public street. The construction of what will be 56th Street requires some additional property be acquired so that the street can be extended to 64th Avenue. It was decided when the project was first considered that KUSD would use the services of the City of Kenosha to acquire the property and construct the road and associated improvements using funding from the referendum.

Attachment 1 is the proposed site plan for the project showing the new east-west public street. Only one additional parcel is needed to allow for the road to be extended to 64th Avenue. Because that parcel is only 75 feet wide and the right of way for the street and related improvements would be 60 feet, the best course of action is for the City to own that entire parcel, otherwise KUSD would own an approximately 15 foot wide strip of land that we would then have to maintain.

There will be a couple of agreements between KUSD and the City of Kenosha related to the construction of 56th Street. The proposed first agreement is provided as Attachment 2 to this report. This agreement authorizes the City to purchase the land needed for the road construction. KUSD will reimburse the City for its services to acquire the property including the purchase price of the property.

There are several reasons that the method being proposed here is preferred to KUSD purchasing the land directly. The first is that the majority of the land would be deeded over to the City no matter what as part of the public right of way, secondly the City has greater expertise and resources related to the purchase of land for public right of way use including exercising the power of eminent domain if necessary. Finally, it is expected that the cost of acquisition will be less using this method primarily in area of attorney fees.

At their September 9, 2008 meeting, the Planning, Facilities, and Equipment Committee unanimously recommended that this report be forwarded to the full Board for consideration.

Administration recommends Board approval of the Land Acquisition Cost Reimbursement Agreement with the City of Kenosha to Support the Indian Trail Addition/Renovation Project.”

Mr. Olson moved to approve the Land Acquisition Cost Reimbursement Agreement with the City of Kenosha to Support the Indian Trail Addition/Renovation Project. Mr. Fountain seconded the motion. Unanimously approved.

Dr. Mangi presented the Use of District Facilities by Driving Schools submitted by Mr. Olson, excerpts follow:

“At the sole discretion of the High School Building Principal, the building facilities may be leased to an outside entity for the sole purpose of offering automobile driving lessons to students of the High School whose facilities are to be used. Students not enrolled in the High School being used and without proper IDs being used will not be allowed in the class. The following conditions will be adhered to:

No more than 2 classes to be allowed during any one semester; all classes must be held on a regular school day; one class to be held no earlier than the end of the school day; one class to be started no later than 6PM. All time slots and classrooms are at the sole discretion of the building Principal.

A Driving School may only apply in writing to the District for one time slot per semester. In the case of multiple entities applying for any one time slot per semester, a lottery will take place to determine which entity wins which slot. This lottery will be run by the District’s Financial Office. The District will provide written responses on all applications.

Normal rental costs will apply. Driving Schools must prepay for the entire duration of the rental period.

A \$1,000 bond or deposit is required and will be forfeited if any of the conditions are not met.

Driving Schools will be responsible for security of their classroom and general cleanup of the classroom. Failure to do so will disqualify that Driving School from applying for slots in the future. Students must be supervised at all times including hallways, classrooms and outside the school building. A Company staff member must remain with the students until all students are picked up by parents or guardians. District audio visual equipment and technology will not be provided.

All students in each class must wear their school identification.

All materials used in the classrooms or distributed must be approved by the District prior to distribution.

These driving lessons are not endorsed by the District and any literature must state that KUSD does not support their program. In addition, any endorsements by KUSD employees during their regular employment duties, in the employ of any Driving School will face disciplinary action.”

Mr. Olson moved to forward the Use of District Facilities by Driving Schools to the Audit, Budget, Finance Committee for discussion and public input. Mr. Hujik second the motion. Unanimously approved.

Dr. Mangi presented the Recommendation to Rename Indian Trail Academy submitted by Dr. Mangi, excerpts follow:

“On February 19, 2008, the Citizens of Kenosha, Pleasant Prairie and Somers passed a High School Overcrowding Referendum which contained two questions. Approval of question #1 allows for the expansion and renovation of Indian Trail Academy into a comprehensive high school to serve approximately 1,500 additional students. Approval of question #2 allows the District to annually exceed the revenue limit to support the additional operating costs associated with the expansion and renovation.

With the expansion of Indian Trail Academy comes the opportunity to re-name the school to reflect its new identity as both an academy and the District’s third comprehensive high school when the expansion and renovation is completed at the start of the 2011/12 school year.

School Board Policy 7400 Naming or Renaming District Buildings states that a “Building Naming Committee, at the request of the Board, shall advise on the naming or renaming of District buildings or facilities.” The committee process outlined in Policy 7400 was followed in the spring/summer of 1997. On July 8, 1997, the Building Naming Committee recommended that the School Board approve the name Indian Trail Senior High School. At that meeting, the Board approved the name Indian Trail Academy.

Administration recommends that the Board waive the requirements of Policy 7400 relative to formation of a building naming committee and that the Board revise the school name to reflect the expansion and renovation by naming our third comprehensive high school Indian Trail High School and Academy.”

Mr. Olson moved to Board waive the requirements of Policy 7400 relative to formation of a building naming committee and revise the school name to reflect the expansion and renovation by naming our third comprehensive high school Indian Trail High School and Academy. Mr. Hujik seconded the motion. Unanimously approved.

Dr. Mangi presented the Donations to the District as submitted in the agenda.

Mr. Fountain moved to approve the Donations to the District as presented in the agenda. Mr. Hujik seconded the motion. Unanimously approved.

Meeting adjourned at 7:45 P.M.

Stacy Schroeder Busby
School Board Secretary

SPECIAL MEETING & EXECUTIVE SESSION
OF THE KENOSHA UNIFIED SCHOOL BOARD
HELD OCTOBER 14, 2008

A special meeting of the Kenosha Unified School Board was held on Tuesday, October 14, 2008, in the Small Board Room at the Educational Support Center. The purpose of this meeting was to vote on holding an executive session to follow immediately.

The meeting was called to order at 5:05 P.M. with the following members present: Mr. Hujik, Mr. Olson, Ms. Taube, Mr. Fountain and Mrs. P. Stevens. Dr. Mangi, Mr. Finnemore and Attorney Berthelsen were also present. Mrs. R. Stevens and Mr. Ostman arrived later.

Mrs. P. Stevens, President, opened the meeting by announcing that this was a special meeting of the School Board of the Kenosha Unified School District No. 1. Notice of this special meeting was given to the public by forwarding a copy of the notice to all requesting radio stations and newspapers.

Mrs. P. Stevens announced that an executive session had been scheduled to follow this special meeting for the purpose of Board Deliberations or Negotiations for Investing Public Funds; Review of Findings/Orders by Independent Hearing Officers; Personnel: Employment Relationship; Personnel: Problems; Personnel: Position Assignments; and Property: Lease/ Rental.

Mr. Fountain moved that this executive session be held. Mr. Olson seconded the motion.

Roll call vote. Ayes: Mr. Hujik, Mr. Olson, Ms. Taube, Mr. Fountain and Mrs. P. Stevens. Noes: None. Unanimously approved.

Mr. Fountain moved to adjourn to executive session. Mr. Olson seconded the motion. Unanimously approved.

1. Property: Lease/Rental

Mr. Finnemore and Attorney Berthelsen updated Board members on the status of a property lease.

Mr. Ostman arrived at 5:08 P.M.

Mrs. R. Stevens arrived at 5:10 P.M.

Mr. Finnemore and Attorney Berthelsen were excused at 5:15 P.M.

2. Review Findings/Orders by the Independent Hearing Officers

Mr. Jones arrived at 5:16 P.M. and provided Board members with information regarding three expulsions.

Mr. Jones and Dr. Mangi were excused at 5:27 P.M.

Mr. Hujik moved to concur with the recommendation of the hearing officer with respect to the first expulsion. Mrs. R. Stevens seconded the motion. Unanimously approved.

Mr. Olson moved to concur with the recommendation of the hearing officer with respect to the second expulsion. Mrs. R. Stevens seconded the motion. Motion failed. Mrs. R. Stevens, Mr. Ostman, Ms. Taube and Mrs. P. Stevens dissenting.

Mr. Fountain moved to extend the length of the expulsion through the end of the 2009-2010 school year and concur with the recommendation of the hearing officer as amended with respect to the second expulsion. Mr. Ostman seconded the motion. Motion carried. Mr. Olson dissenting.

Mrs. R. Stevens moved to concur with the recommendation of the hearing officer with respect to the third expulsion. Mr. Hujik seconded the motion. Unanimously approved.

Dr. Mangi returned to the meeting at 5:30 P.M.

3. Personnel: Employment Relationship; Problems; Position Assignments

Dr. Mangi updated Board members on the status of the Superintendent search.

Dr. Mangi informed Board members of the status of several position assignment modifications and personnel problems. A discussion followed.

4. Board Deliberations or Negotiations – Investing Public Funds

Mr. Johnston arrived at 5:48 P.M. and provided an update on the OPEB investments. A brief discussion followed.

Mr. Johnston was excused at 5:57 P.M.

5. Personnel: Problems

Mrs. Glass arrived at 5:58 P.M. and a discussion followed regarding a personnel problem.

Meeting adjourned at 6:04 P.M.

Stacy Schroeder Busby
School Board Secretary

Kenosha Unified School District No. 1
Kenosha, Wisconsin
Summary of Receipts, Wire Transfers, and Check Registers
October 28, 2008

	From	To	Date	Amount
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Receipts:

Total Receipts CR033547 CR034010 08/22/2008 - 09/15/2008 \$ 1,000,601.29

Wire Transfers from Johnson Bank to:

First Natl Bank of Chicago/NationsBank	(for federal payroll taxes)	September 2, 2008	118,107.45
First Natl Bank of Chicago/NationsBank	(for federal payroll taxes)	September 11, 2008	1,318,515.50
First Natl Bank of Chicago/NationsBank	(for federal payroll taxes)	September 16, 2008	120,709.19
First Natl Bank of Chicago/NationsBank	(for federal payroll taxes)	September 25, 2008	1,348,256.69
US Bank of Milwaukee	(for state payroll taxes)	September 2, 2008	261,508.13
US Bank of Milwaukee	(for state payroll taxes)	September 4, 2008	340.87
US Bank of Milwaukee	(for state payroll taxes)	September 15, 2008	241,256.97
US Bank of Milwaukee	(for state payroll taxes)	September 18, 2008	430.10
US Bank of Milwaukee	(for state payroll taxes)	September 30, 2008	296,070.64
Wisconsin Retirement System		September 30, 2008	881,366.66
Total Outgoing Wire Transfers			\$ 4,586,562.20

Check Registers:

General	419237	419269	September 2, 2008	5,068.28
General	419270	419623	September 5, 2008	1,165,360.76
General	419624	419624	September 10, 2008	638.24
General	419625	419641	September 12, 2008	4,379.90
General	419642	420119	September 12, 2008	1,513,000.23
General	420120	420123	September 15, 2008	4,428.30
General	420124	420167	September 16, 2008	2,334.15
General	420168	420176	September 16, 2008	3,447,242.53
General	420177	420546	September 19, 2008	868,343.20
General	420547	420551	September 23, 2008	6,989.17
General	420552	420553	September 23, 2008	24,171.40
General	420554	420582	September 25, 2008	3,371.91
General	420583	420794	September 26, 2008	1,609,822.42
General	420795	420811	September 26, 2008	4,605.02
General	420812	420817	September 29, 2008	54,826.38

Total Check Registers

\$ 8,714,581.89

Administrative Recommendation

It is recommended that receipt numbers CR033547 through CR034010 that total \$1,000,601.29 be approved.

Check numbers 419237 through 420817 totaling \$8,714,581.89 are recommended for approval as the payments made are within budgeted allocations for the respective programs and projects.

It is recommended that wire transfers to First National Bank of Chicago and Nations Bank dated September 2, 11, 16, and 25, 2008 totaling \$2,905,588.83 to US Bank of Milwaukee dated September 2, 4, 15, 18, and 30, 2008, totaling \$799,606.71 and to the Wisconsin Retirement System dated September 30, 2008 totaling \$881,366.66 be approved.

Dr. Joseph T. Mangi
Superintendent of Schools

William L. Johnston, CPA
Executive Director of Business

Eileen Coss
Accounting Manager

KENOSHA UNIFIED SCHOOL DISTRICT NO. 1
October 28, 2008
OFFICIAL THIRD FRIDAY ENROLLMENT REPORT

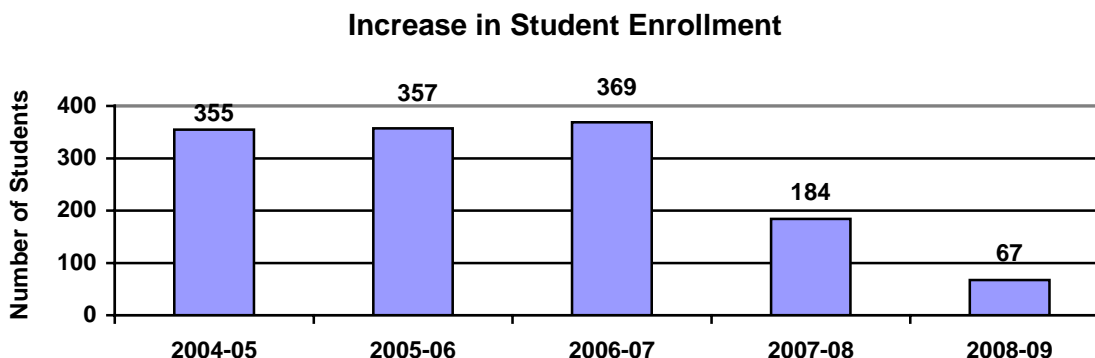
(School Year 2008-09)

OVERVIEW

Annually, Administration provides the Kenosha Unified School Board with the District's *Official Third Friday Enrollment Report*. The data contained in this report are also reported to the Wisconsin Department of Public Instruction (DPI) in its designated format. The School Board should note that this report contains only *enrollment* data and does not contain student membership data that are used to develop revenue projections and budgetary planning documents.

GENERAL FINDINGS

1. District-wide, enrollment increased from 22,769 students in SY 2007-08 to 22,836 students in SY 2008-09. The increase of +67 students was significantly lower than yearly increases in student enrollment (average of 316 students) the District had been experiencing the past four years.
2. The following chart illustrates the increases in overall student enrollment for school years 2004-05 to 2008-09.



3. The district opened one (1) new elementary school, Brass Community School, with enrollment of 442 students, and one (1) special school, Kenosha 4 Yr Kindergarten, with enrollment of 84 students. The district also closed two (2) elementary schools, Durkee and Lincoln Elementary Schools.
4. The total enrollment for the Special Schools, which includes all charter schools, Headstart, Kenosha 4 Yr Kindergarten, and the Phoenix Project, reported an increase in enrollment of +291 students. Please note that the increase was the result of the expansion of the 4 Yr Kindergarten program and the expansion to grade 10 at Harborside Academy.

5. The following special schools reported increases in enrollment when compared to last year: Chavez Learning Center-Headstart (+2 students), Dimensions of Learning (+3 students), KTEC (+66 students), Paideia Academy (+3 students), Harborside Academy (+112 students) and Kenosha e-School (+32 students). The enrollment at Brompton Academy and the Phoenix Project both decreased by -1 student and the enrolment at Hillcrest School decreased by -9 students.
6. There was an increase of +80 students at the regular elementary schools, a decrease of -161 students at the regular middle schools, and a decrease of -143 students at the regular high schools. The decrease at the high school level was primarily the result of the expansion to grade 10 at Harborside Academy.
7. Pre-school, Kindergarten, and grades 4 and 5 exhibited the greatest increases in enrollment when compared to the previous year, with +112, +76, +93, and +90 students, respectively.
8. Grades 1, 6, and 8 reported the greatest decreases in enrollment when compared to the previous year, with -125, -79, and -76 students, respectively.
9. The average class size for students in Kindergarten through grade 5 decreased by -0.5 students, from 19.6 to 19.1 students. The average kindergarten class size decreased slightly, from 17.8 to 17.7 students (-0.1). The average class size for students in grades 1 through 3 decreased from 19.2 students to 18.0 students (-1.2), and the average class size for students in grades 4 and 5 increased from 21.4 to 21.9 students (+0.5).
10. Middle schools reported an average class size of 24.3 students for the overall academic area, equal to last year's average. The overall elective average class size decreased -1.5 students, from 24.3 students last year to 22.8 students this year. A decrease of -0.4 students was observed in the overall activities class average size, from 27.3 to 26.9 students.
11. The average class size in the overall academic areas at the high schools decreased from 24.7 to 24.3 students (-0.4). The overall elective area class size decreased from 22.2 to 21.9 students (-0.3). The average class size in the overall activities area decreased from 38.6 to 37.5 students (-1.1).
12. At the elementary level, the largest increases in enrollment were reported at Bose (+17), KTEC (+66), Nash (+22), Prairie Lane (+19), Roosevelt (+21), Strange (+29), and Whittier (+59).
13. At the elementary level, Edward Bain School of Language and Art (EBSOLA) experienced the largest decrease in enrollment (-70), largely because of the transfer of Early Childhood (EC) classrooms to Whittier Elementary.
14. For the middle schools, enrollment increased at Mahone and Washington with +18 and +15 additional students, respectively. Bullen, Lance, Lincoln, and McKinley Middle Schools all reported decreases in enrollment, with -36, -61, -84, and -13 students, respectively.

15. Bradford, Indian Trail, and Reuther High Schools experienced decreases in student enrollment, with -102, -58, and -39, respectively. LakeView Tech Academy and Tremper reported increases of +34 students and +22 students, respectively.
16. The number of Bilingual students decreased to 505 students, compared to 583 students last year. However, the number of ESL students increased from 1,356 to 1,496 students. *Please note that the Bilingual category includes only those students who are enrolled in a Bilingual Program (“English Language Development With Home Language Support” at Frank, Wilson, and Washington, and “Dual Language Program” at EBSOLA and Bullen) **and** are not English proficient.*
17. The enrollment for students with disabilities is 2,925 students. *Please note that in 2007-08 and 2008-09, all special education students were counted in the special education category, whereas before 2007-08, only students classified as Autistic (A), Cognitive Disabled Borderline (CDB), Cognitive Disabled Severe (CDS), Emotional Behavioral Disability (EBD), Hearing Impaired (H), and Early Childhood (EC) were counted. Therefore it is not valid to compare counts from 2007-08 and 2008-09 to prior years.*
18. The percent of enrollment represented by African American and Hispanic students continues to increase each year, while the percent represented by Caucasian students continues to decrease. The enrollment distribution for Asian and Native American students remains comparatively constant. The chart below reports the changes in the distribution of each ethnic category for the past six years.

	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
Asian	356 (1.7%)	361 (1.7%)	380 (1.7%)	394 (1.7%)	435 (1.9%)	403 (1.8%)
African American	3,095 (14.4%)	3,231 (14.8%)	3,366 (15.2%)	3,620 (16.0%)	3,710 (16.3%)	3,810 (16.7%)
Hispanic	3,113 (14.5%)	3,339 (15.3%)	3,722 (16.8%)	3,994 (17.7%)	4,315 (19.0%)	4,519 (19.8%)
Native American	82 (0.4%)	87 (0.4%)	81 (0.4%)	86 (0.4%)	95 (0.4%)	106 (0.5%)
Caucasian	14,858 (69.1%)	14,841 (67.9%)	14,667 (66.0%)	14,491 (64.2%)	14,214 (62.4%)	13,998 (61.3%)
DISTRICT	21,504	21,859	22,216	22,585	22,769	22,836

The following sections are included in the Appendices:

APPENDIX 1 – Official Enrollment School Year 2008-09

- Total district enrollment by grade span
- Total enrollment by grade level, including all students
- Overall average class sizes for elementary, middle, and high school programs
- Total enrollment by school, including all students

Historical information is also included from the five (5) prior school years, beginning with school year 2003-04.

APPENDIX 2 – Total Enrollment by School

- Enrollment by building, category, and grade level, grouped by Elementary, Middle, High, and Special Schools
- Summary recapitulation by category and grade span, with five (5) years of data

Please note that starting in 2007-08, all special education students were counted in the special education category, whereas prior to that year, only students classified as Autistic (A), Cognitive Disabled Borderline (CDB), Cognitive Disabled Severe (CDS), Emotional Behavioral Disability (EBD), Hearing Impaired (H), and Early Childhood (EC) were counted. Therefore it is not valid to compare counts from 2007-08 and 2008-09 to prior years.

APPENDIX 3 – Class Size Averages by School

- Average class sizes by school and program, grouped by Elementary, Middle, High, and Special Schools
- Summary of average class sizes by grade span and program

Administrative Recommendations

At its October 14, 2008 meeting, the School Board Personnel/Policy Standing Committee reviewed and accepted the 2008-09 Official Third Friday Enrollment Report and recommended that it be forwarded to the full Board for review and acceptance. Administration recommends that the School Board review and accept the 2008-09 Official Third Friday Enrollment Report. The Office of Educational Accountability will continue to monitor enrollment and submit the 2009-10 Official Third Friday Enrollment Report to the School Board Personnel/Policy Standing Committee in October of 2009.

Dr. Joseph Mangi
Superintendent of Schools

Ms. Sonya Stephens
Executive Director of Educational
Accountability

Ms. Linda Langenstroer
Coordinator of Research

Ms. Renee Blise
Research Analyst

LINK TO COMPLETE REPORT WITH APPENDICES

KENOSHA UNIFIED SCHOOL DISTRICT NO. 1
Kenosha, Wisconsin

October 28, 2008

FOUR-YEAR GRADUATION RATE – COHORT ANALYSIS

(School Year 2007-08)

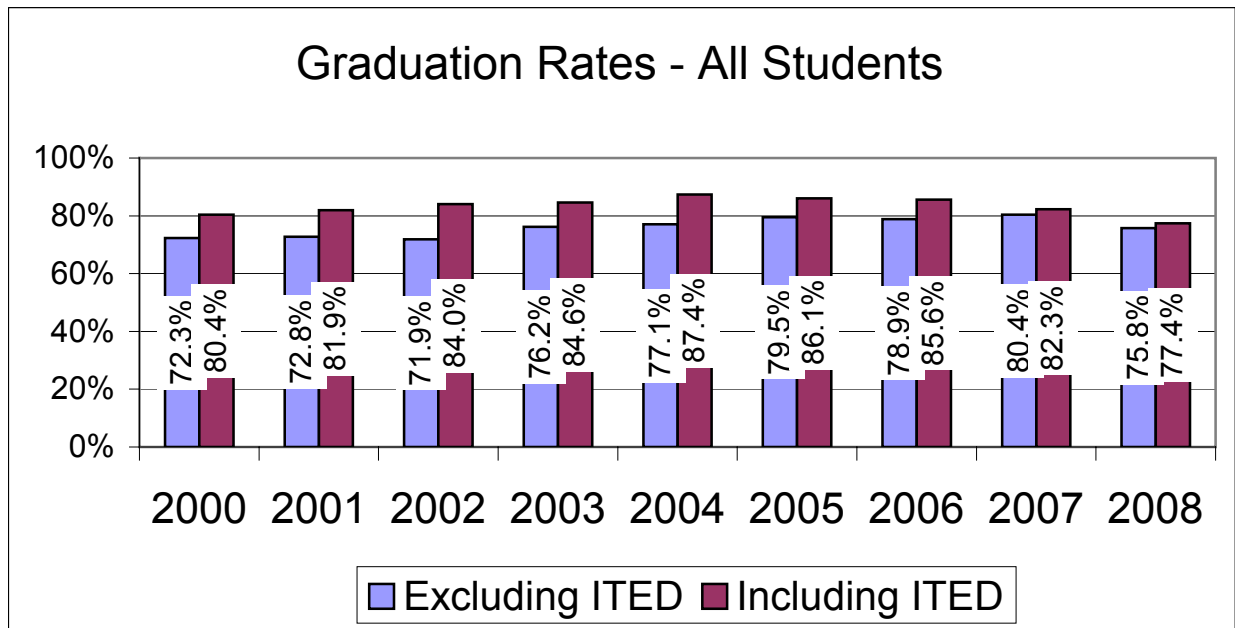
Executive Summary

Administration presented the first cohort analysis of graduation trends to the Kenosha Unified School Board beginning with school year 1994-95. This cohort analysis is the thirteenth annual report to the Kenosha Unified School Board. It provides a “base cohort” illustrating the progress of students from their initial assignment in the ninth grade until the end of summer school four school years later. Additionally, graduation “base cohort” groups were examined in terms of their progress during the year following their designated graduation year (fifth year). The following is a list of significant findings based on the review of the cohort analysis:

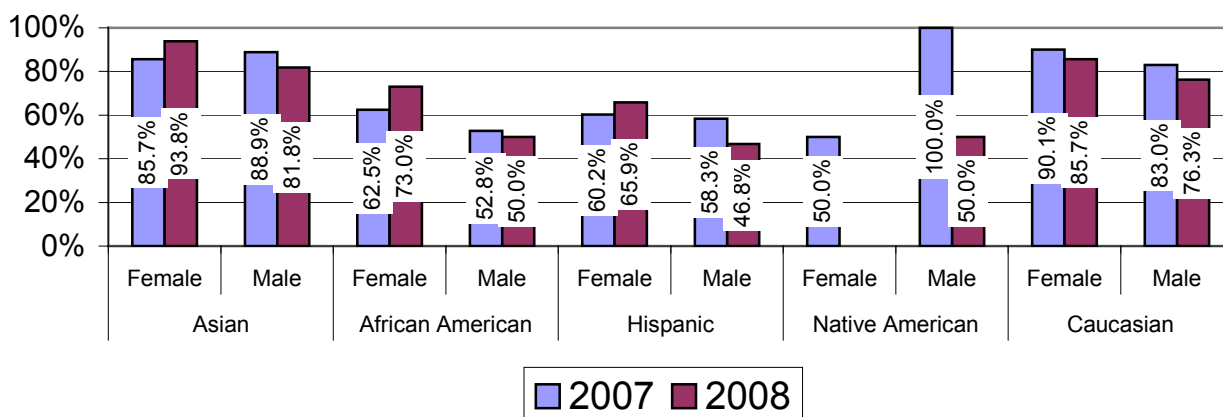
SIGNIFICANT FINDINGS

Four-Year Cycle (Class of 2008)

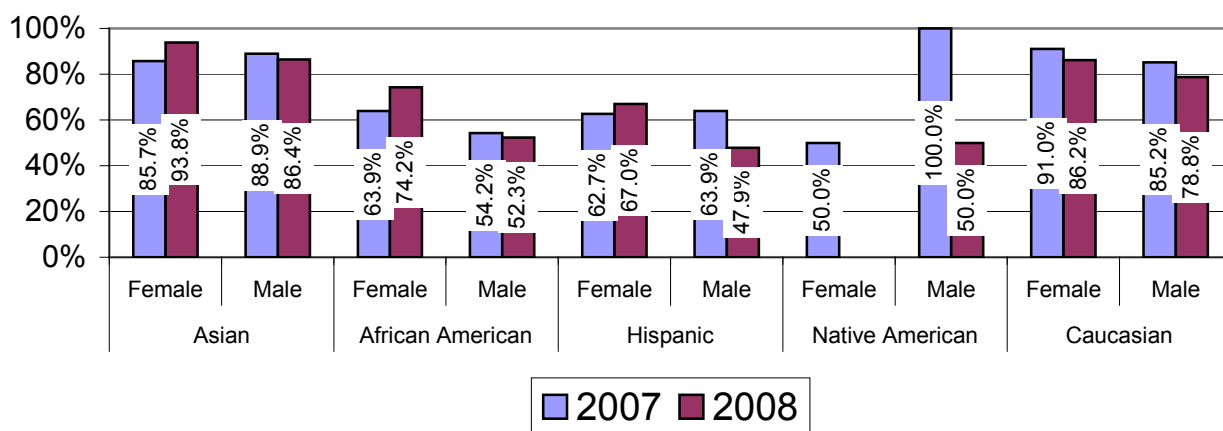
1. At the end of the four-year cycle, KUSD achieved an overall graduation rate of **75.8%**, a decrease of -4.6% over last year’s rate of 80.4% when excluding “ITED” graduates, and **77.4%** when including “ITED” graduates, a decrease of -4.9% when compared to last year’s rate of 82.3%.



Ethnic Groups - Excluding ITED



Ethnic Groups - Including ITED



- As in previous years, African American and Hispanic students graduated at a rate lower than their Caucasian counterparts, both when excluding “ITED” graduates and including them.
- African American Females reported significant increases in their graduation rates when compared to the previous year, from 62.5% to 73.0% (+10.5%) when excluding “ITED” graduates, and from 63.9% to 74.2% (+10.3) when including them.
- Hispanic Females also reported increases in their graduation rates when compared to the previous year, from 60.2% to 65.9% (+5.7%) when excluding “ITED” graduates, and from 62.7% to 67.0% (+4.3) when including them.
- African American Males and Hispanic Males experienced decreases in their graduation rates when excluding “ITED” graduates, from 52.8% to 50.0% (-2.8%) and from 58.3% to 46.8% (-11.5%) respectively. Similar patterns were evident when including “ITED” graduates.

6. Both Caucasian Males and Females reported decreases in their graduation rates when excluding “ITED” graduates, from 83.0% to 76.3% (-6.7%) and from 90.1% to 85.7% (-4.4%), respectively. The rates for both groups also decreased when including “ITED” graduates.
7. The graduation rates for students with disabilities and economically disadvantaged students also decreased, from 64.0% to 50.2% (-13.8%) and from 63.6% to 56.1% (-7.5%), respectively, when excluding “ITED” graduates.
8. African American, Hispanic, and Caucasian female students graduated at a higher rate than male students of the same ethnicity.
9. With the exception of African American Females, the gap between the graduation rates (excluding “ITED graduates) of minority students and the rates of non-minority students of the same gender has increased when comparing the rates of the previous four years: African American Males from 21.7% to 26.3%, Hispanic Males from 21.5% to 29.5%, and Hispanic Females from 13.7% to 19.8%.
10. The greatest disparity in graduation rates exists between students who are economically disadvantaged and students not economically disadvantaged and between students with disabilities and students not disabled, with gaps of 31.9% and 29.8%, respectively.
11. African American and Hispanic students are “transferring out” or “dropping out” of KUSD at a rate higher than Caucasian students. However, the dropout rate for Hispanic Males decreased when compared to the prior year, from 19.4% to 11.7% when “ITED” graduates were included in the dropout rate. Additionally, the transfer rates for African American Males, Hispanic Females, and Hispanic Males decreased from 27.3% to 20.4%, 11.7% to 9.3%, and 24.2% to 10.0%, respectively.
12. The number of “ITED” graduates in the 2008 Cohort Graduation Class after four years was 24, a decrease of 2 students when compared to 26 “ITED” graduates in the 2007 Cohort Graduation Class.

Five-Year Cycle (Class of 2007)

13. At the end of the five-year period, 1,210 students (84.7%) graduated when excluding “ITED” graduates and 1,264 students (88.5%) graduated when including “ITED” graduates, resulting in an additional +4.3% and +6.2% of students, respectively, when compared to the end of the fourth year.
14. The graduation rate for all of the reported student sub-groups increased when measured at the end of the fifth year as compared to the rate reported at the end of the fourth year, both when excluding and including “ITED” graduates.
15. The percent of “Credit Deficient” students in the 2007 graduation cohort group decreased at the end of the fifth year, from 13.0% to 2.5%; however, the percent of “Dropout” students increased, from 6.6% to 12.8% when including “ITED” graduates as dropouts and from 4.7% to 9.0% when including “ITED graduates as graduates.

16. The number of “ITED” graduates in the 2007 graduation cohort group after five years was 54 students, an increase of 28 students when compared to the same cohort group after four years.

Recommendations

At its October 14, 2008 meeting, the School Board Personnel/Policy Standing Committee reviewed and accepted the 2007-08 Four Year Graduation Rate-Cohort Analysis Report and recommended that it be forwarded to the full Board for review and acceptance. Administration recommends that the School Board review and accept the 2007-08 Four Year Graduation Rate-Cohort Analysis Report. The Office of Educational Accountability will continue to monitor graduation patterns and submit the 2008-09 Four-Year Graduation Rate-Cohort Analysis Report to the School Board Personnel/Policy Committee in October of 2009.

Dr. Joseph Mangi
Superintendent of Schools

Ms. Sonya Stephens
Executive Director of Educational Accountability

Ms. Linda Langenstroer
Coordinator of Research

LINK TO COMPLETE REPORT WITH APPENDICES

KENOSHA UNIFIED SCHOOL DISTRICT NO. 1
Kenosha, Wisconsin

October 28, 2008

POLICY 6456 – GRADUATION REQUIREMENTS

Kenosha Unified School District Policy 6456, Graduation Requirements, addresses methods to attain a Kenosha Unified School District Diploma. The high school principals agree to allow students that are at least 17 years of age prior to their cohort graduation date to participate in the competency graduation requirements. For example, a student with a July birthday would be able to take the exam with the June testing group if they attended high school for four years with their peers.

Additionally, juniors and seniors may be allowed to have one release per quarter or semester. This was previously agreed upon but never changed in policy. We request that this change be made to be consistent with procedures already in place.

Administration Recommendation

At its October 14 meeting, the Curriculum/Program Committee moved to forward the changes made to Policy 6456 to the full Board for a first and second reading. Administration recommends Board approval of revisions to Policy 6456 as a first reading this evening and as a second reading on November 25, 2008.

Dr. Joseph T. Mangi
Superintendent of Schools

Kathleen Barca
Executive Director of School Leadership #1

Daniel Tenuta
Principal, Reuther High School

POLICY 6456
GRADUATION REQUIREMENTS

Academic credits shall be awarded for successful completion of class requirements in grades nine through twelve. Graduation credit requirements are based on Carnegie credits earned. A student must earn 26 high school credits to graduate from the Kenosha Unified School District No. 1. Beginning in the fall of 2004, a student must also complete one of the following:

1. Earn a score of basic or above in three of five subtests on the high school Wisconsin Knowledge and Concepts Exam (WKCE)
2. Earn a cumulative grade point average (GPA) of at least 1.0 on an unweighted scale through the seventh semester of high school; i.e., January of senior year
3. Meet one of the following test scores requirements:
 - a. ACT Assessment - 18 or above
 - b. SAT I Exam - 870 or above
4. Successfully complete an approved Individual Education Plan (IEP), Limited Language Plan (LLP), and/or Section 504 Plan

A credit deficient student who is at least ~~18~~ **17** years of age **who has been in a high school cohort group for all four years (a student with a July birthday would be able to take the exam with the June testing group if they attended high school for four years with their peers)** may also successfully complete the District Competency Graduation Requirements or a comparable program to earn a District diploma. In addition, a District diploma may be earned by a transfer student through an academic review of the student's transcript by a building administrator.

A high school team comprised of a building administrator, a counselor, and representative high school teachers shall constitute the review board for any contested decisions concerning graduation. Continued appeals shall be submitted to the ~~Assistant Superintendent of Instruction~~ designee for a final decision.

All students shall be required to take a full schedule except **junior and** senior year when students may be allowed to have one release per quarter or semester. In addition, four years of high school attendance shall be required unless early graduation is applied for and approved pursuant to established District procedures. Students are eligible for early graduation when they have completed the requirements for receipt of a diploma.

The Board may award a high school diploma to certain veterans, notwithstanding District and statutory high school graduation standards. To be awarded a diploma, a person must be at least 65 years of age, attended high school in the District or attended high school in Wisconsin and resides in the District, left high school before graduation to join the U.S. armed forces during a war period as defined in state law, and served on active duty under honorable conditions in the U.S. armed forces or in forces incorporated as part of the U.S. armed forces. War periods include, among others, World War II, the Korean Conflict, Vietnam War, and Persian Gulf War. The Board may also award a high school diploma to a person who received a high school equivalency diploma after serving on active duty in the U.S. armed forces or in forces incorporated as part of the U.S. armed forces if the person meets the other conditions outlined in this paragraph and to a veteran who has died, but who before dying, has satisfied the conditions outlined in this paragraph.

LEGAL REF.: Wisconsin Statutes

Sections	115.787	[Individualized education programs]
	115.915	[Program or curriculum modifications for school-age parents]
	118.15(1)(b)-(cm)	[16 and 17 year old student participation in program leading to high school graduation or high school equivalency]

POLICY 6456
GRADUATION
REQUIREMENTS

Page 2

LEGAL REF.: Wisconsin Statutes, continued

- 118.153 [Programs for children at risk of not graduating]
- 118.30 [Student assessment; state requirements]
- 118.33 [High school graduation standards]
- 118.35 [Programs for gifted and talented students]
- 118.52(3)(d)2 [Part-time public school open enrollment]
- 118.55 [Youth Options Program]
- 120.13 [Board power to do all things reasonable for the cause of
education]
- 120.13(37) [Board power to issue diplomas to veterans]
- 121.02(1)(p) [School district standard; graduation requirements]
- PI 18 Wisconsin Administrative Code [High school graduation
standards]
- PI 40 [Determining and awarding high school credit for Youth Options
Program courses]

CROSS REF.: 5110, Equal Educational Opportunity/Student Discrimination Complaint

5118.1, Promotion

5120, Student Enrollment Reporting

5240, Accommodation of Private School and Home-Based Private Education
Program Students

5260, Full-Time Public School Open Enrollment

5270, Part-Time Public School Open Enrollment

5310, Student Attendance

6423, Talent Development Program

6460, Testing Programs

Youth Options Programs

Special Education Program and Procedure Manual

ADMINISTRATIVE REGULATIONS: None

AFFIRMED: August 13, 1991

REVISED: August 22, 1995
May 28, 1996
July 30, 1996
September 11, 1996
June 17, 1997
June 9, 1998
August 11, 1998
September 14, 1999
October 23, 2001
May 27, 2003
November 22, 2005
August 26, 2008

RULE 6456
GRADUATION REQUIREMENTS

A. Credit Requirements

1. Specific **26** Course Credits Required

~~The following minimum credit requirements must be met by students in order for them to graduate in the Class of 2003 and beyond:~~

SUBJECT AREA	Class of 2003 and 2004 26 Credits Required	Class of 2005 and Beyond 26 Credits Required
ENGLISH	4 credits	4 credits
SOCIAL STUDIES	3 credits	4 credits 3 credits of required courses- 1 credit U.S. History 9 th grade, 1 credit World History 10 th grade, ½ credit U.S. Government & Politics or 1 credit Advanced Placement Government & Politics 11 th or 12 th grade, ½ credit Behavioral Science; plus 1 credit elective course
MATHEMATICS	4 credits	4 credits
SCIENCE*	4 credits	4 credits: 2 credits of required courses including one credit of Biology or Biotechnology in grade 9 and one credit in a course that incorporates physical science (e.g., Chemistry, Physics, or Matter and Energy), plus 2 credits of elective courses.
PHYSICAL EDUCATION	1 ½ credits**	1 ½ credits**
HEALTH	½ credit	½ credit
CONSUMER EDUCATION	½ credit***	½ credit***
ELECTIVES	8 ½ credits	7 ½ credits
SPECIAL DIPLOMA REQUIREMENTS	For Honors with Distinction Diploma: 16 credits in honors courses are required along with completion of all other specified requirements.	For Honors with Distinction Diploma: 16 credits in honors courses are required along with completion of all other specified requirements.
<p>*The required science course sequence does not apply to those in the honors program.</p> <p>**Unless exempted pursuant to Wisconsin Statutes, exemption shall be granted for medical reasons upon presentation of a physician's statement. Students excused from physical education for all four years of high school for medical reasons shall be required to make up ½ credit in another elective subject for each semester excused from physical education.</p> <p>***Waived for students who successfully complete ½ credit Honors Economics, ½ credit Economics, 1 credit Advanced Placement Economics, or 1 credit Marketing.</p>		

RULE 6456
GRADUATION REQUIREMENTS
Page 2

2. The District will provide access to honors, advanced placement, and post-secondary courses in accordance with state law requirements and established District procedures.
3. Summer school credit is awarded on the basis of one-half credit for each class successfully completed in classes equivalent to 80 clock hours per class scheduled. Prior approval by the principal is required to earn credit for summer school courses taken outside of the District.
4. ~~No credit is earned for completion of driver education.~~
4. Credit deficient students who are ~~18, 19, or 20~~ **at least 17** years of age **who have been in a high school cohort group for all four years (a student with a July birthday would be able to take the exam with the June testing group if they attended high school for four years with their peers)** and are current residents of the District may be issued a District diploma if they satisfy the following Competency Graduation Requirements
 - a. Are enrolled members of a District cohort group, which means that students must have been enrolled members of a particular Kenosha Unified School District graduating class (i.e. Class of 2005). Eligible students must have been enrolled in the District prior to the end of their cohort year graduation date. Non-KUSD cohort students 18 yrs of age or older whose graduation year has expired will not be eligible to participate in the program.
 - b. Score at or above the fourth stanine on all predetermined subtests including core areas of the District's adopted standardized achievement tests.
 - c. Demonstrate competency in writing, which can be accomplished by scoring at a level 4.0 or higher on the WKCE writing assessment or scoring at a level 3.0 or higher on the WorkKeys writing assessment.
 - d. Complete consumer education/economics, health, government and politics, or approved comparable courses.
 - e. Meet employability standards in one of the following ways:
 - Successful employment for a six-month period of time and can provide validation; or
 - Meet an employability component established by the District in the form of a work readiness portfolio.
 - f. Students will be required to assume any associated costs for the administration and scoring of District adopted standardized assessments.
5. Accelerated/alternative high school credit attainment is an option for high school students aged 16 and above who may earn high school credit based upon satisfactory completion of individual portions of a District or state-approved criterion referenced test at 85 percent mastery or on norm referenced tests at the 4th stanine or above, normed at 12th grade, 7th month, independent of length of time required; completion of performance-based assignments, and attainment of minimum required credits.

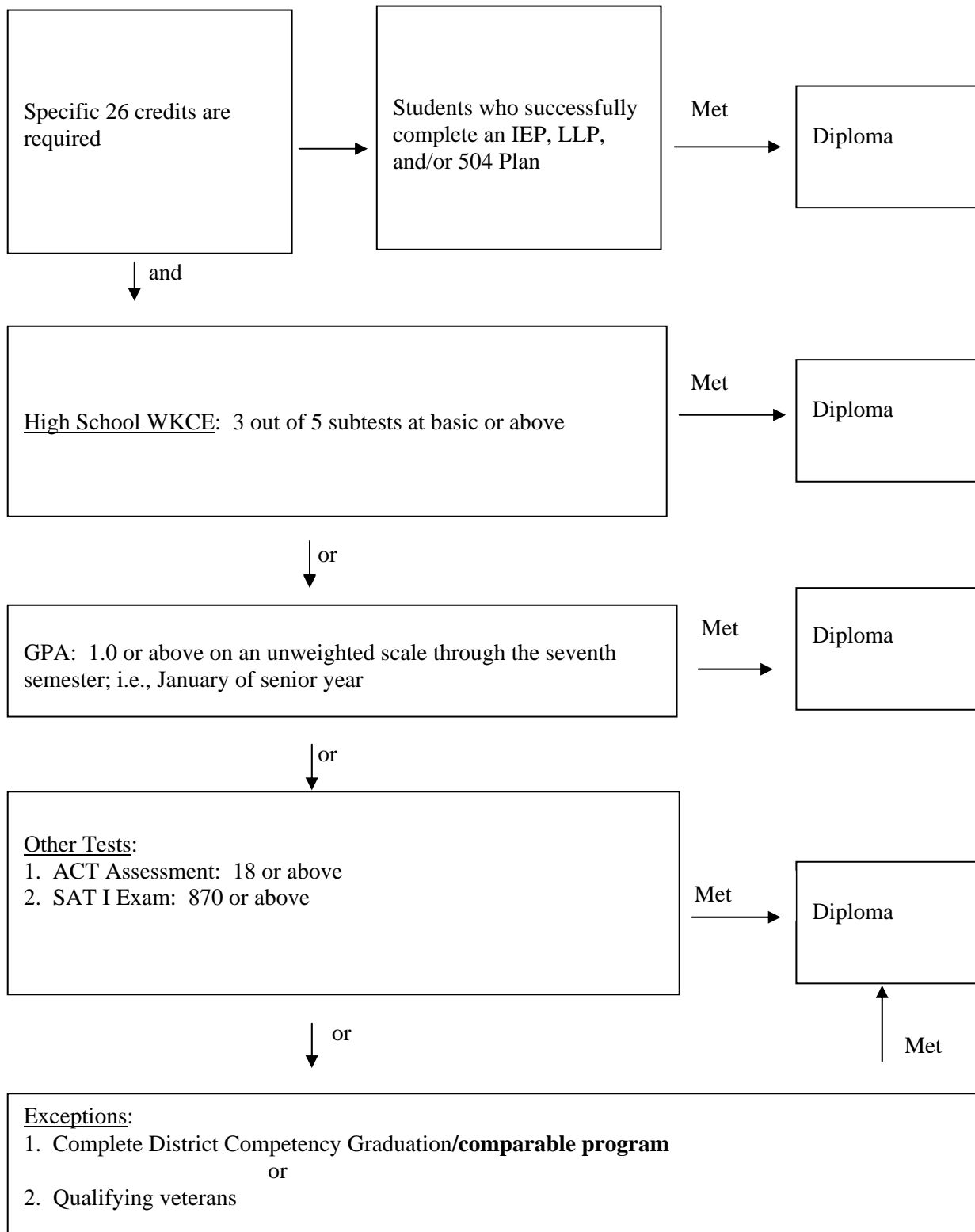
B. Early Graduation

To be considered for early graduation, the student and the parent/guardian shall submit a written request to the principal no later than the end of the first marking period of the school year in which the student plans to graduate early.

The student's course of study, earned grades in such courses, grade point average, and other performance indicators shall be made part of the student's transcript.

RULE 6456

GRADUATION REQUIREMENTS
Page 3



Kenosha Unified School District No. 1
Kenosha, Wisconsin

October 28, 2008

Use of District Facilities by Driving Schools

Background

Kenosha Unified School District eliminated Driver's Education in the 2003-2004 school year after the State eliminated the Driver's Education categorical aid. One of the factors for eliminating the District operated program was that several driving schools were already in operation outside the District using their own facilities.

Last year, a situation arose where a driver's education company indicated that they were not allowed to utilize classroom space for the classroom component of the driver's education program at Bradford High School the prior year (2006-2007), but that another driver's education company was allowed in last year (2007-2008). At the time, it was Administration's understanding that no classroom space was being leased to outside driver's education companies.

When this issue came to light, Administration reviewed the issues with all high school principals and learned that Tremper had been allowing driver's education companies to use space at Tremper High School. Tremper indicated that there had been issues in the past with one of the companies regarding the upkeep of the classrooms used and security issues of students in the building at night with limited KUSD personnel supervision.

It was learned that only one driver's education company did not have their own space and that was the reason they leased space at the high schools. Since one driver's education company was utilizing District space, other driver's education companies felt they needed to lease space to stay competitive with access to the students.

The High School Principals acknowledged that there had been some issues and agreed that the current building use requests should not be renewed for the next school year. The High School Principals also agreed that the use of Bradford should be extended to the driver's education company that was denied last school year for the balance of this school year.

This decision was communicated to all driver's education companies that rent KUSD classroom space and the rationale for this decision. The company that did not have their own facility countered that they hire KUSD employees and off duty police officers to teach the classroom component of the driver's education program, so any security concerns should not be an issue. They also indicated that they provide additional services in the form of education on drinking and driving and also support fundraising efforts at both schools. They requested that this issue be reviewed and re-evaluated by the District and the Board of Education.

This issue was discussed at the April 8th Audit, Budget and Finance Committee. Representatives from one of the driver's education companies were in attendance and stated their case to the Committee. The Committee directed Administration to develop criteria that that would allow driver's education companies to continue to use the District's facilities. They also agreed to extend the existing rental agreements through the end of the summer.

The High School principals discussed this issue at their May 15th meeting and still reiterated concerns over the driver's education high school rental. It was indicated that the current driver's education programs are becoming more demanding for securing room space by wanting immediate attention and not recognizing the number of other issues that face a major high school near the end of the school year. They have also requested special equipment be made available for the classrooms. All of these logistical issues, not to mention the principals concern over security, still lead them to the recommendation that driver's education programs not be allowed in our schools.

At the June 10th Audit, Budget and Finance Committee, the criteria that was developed was presented to the Committee as Administration's recommendation requiring all Driver's Education companies to comply with prior to be eligible to lease classroom space and any violation of the above criteria will result in cancellation and forfeiture of all deposits and rents paid. At the meeting, a second Driver's Education company made a suggestion that only one Driver's Education company be allowed into a school at a time and that there would be an established rotation of schools so one Driver's Education company would not be at one high school more than one year at a time. The Committee asked that Administration review this option and make a recommendation to the Committee at a future meeting.

At the August 12th Audit, Budget and Finance Committee meeting, a Committee Member indicated that he wanted to review it further and would bring back a recommendation to the Committee.

Recent Discussions

At the October 14th Audit, Budget and Finance Committee, a recommendation was presented by the Committee Member. At the meeting, a discussion occurred regarding the recommendation and the impact on the outside driver's education programs. The driver's education schools were concerned about the timing of the new procedures since they typically schedule their classroom courses four to six months in advance. The Committee recommended approved of the below recommendation with the addition of dates that this process would be concluded prior to the next school semester.

Recommendation

Administration requests that the Board of Education concur with the Audit, Budget and Finance Committee recommendation to modify the Building Use practice regarding the rental of District classroom space to Driver's Education companies in the following manner. If approved, the procedures outlined on the next page will be implemented for the 2nd semester of the 2008-2009 school year.

At the sole discretion of the High School Building Principal, the building facilities may be leased to an outside entity for the sole purpose of offering automobile driving lessons to students of the High School whose facilities are to be used. Students not enrolled in the High School being used and without proper IDs being used will not be allowed in the class. The following conditions will be adhered to:

- ☐ No more than 2 classes to be allowed during any one semester; all classes must be held on a regular school day; one class to be held no earlier than the end of the school day; one class to be started no later than 6PM. All time slots and classrooms are at the sole discretion of the building Principal.
- ☐ A Driving School may only apply in writing to the District for one time slot per semester. In the case of multiple entities applying for any one time slot per semester, a lottery will take place to determine which entity wins which slot. This lottery will be run by the District's Financial Office. The District will provide written responses on all applications.
- ☐ Normal rental costs will apply. Driving Schools must prepay for the entire duration of the rental period.
- ☐ A \$1,000 bond or deposit is required and will be forfeited if any of the conditions are not met.
- ☐ Driving Schools will be responsible for security of their classroom and general cleanup of the classroom. Failure to do so will disqualify that Driving School from applying for slots in the future. Students must be supervised at all times including hallways, classrooms and outside the school building. A Company staff member must remain with the students until all students are picked up by parents or guardians.
- ☐ District audio visual equipment and technology will not be provided.
- ☐ All students in each class must wear their school identification.
- ☐ All materials used in the classrooms or distributed must be approved by the District prior to distribution.
- ☐ These driving lessons are not endorsed by the District and any literature must state that KUSD does not support their program. In addition, any endorsements by KUSD employees during their regular employment duties, in the employ of any Driving School will face disciplinary action.
- ☐ Application to utilize space must be made 3 months prior to the start of the beginning of the next semester.

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Kenosha Unified School District No. 1
Kenosha, Wisconsin

October 28 2008

Formal Adoption of the 2008-2009 Budget

The Public Hearing on the 2008-2009 Budget and the Annual Meeting was held on Monday, September 8, 2008, in the Mahone Middle School Auditorium. In addition, the Board of Education has reviewed the District's budget changes and received public input at their meetings held in June and July. The Board adopted the preliminary budget assumptions on July 28, 2008.

Attached are the following budget supporting documents that have been shared with and reviewed by the Board of Education throughout this process.

- ❑ 2008-2009 Budget Assumptions (Attachment A)
- ❑ 2007-2008 Summary of Carry-over by Site/Department (Attachment B)
- ❑ Recommended DPI Format for Budget Adoption (Attachment C – to be distributed at meeting)
- ❑ Certification of the Tax Levy (Attachment D)
- ❑ Historical Tax Levy Comparison (Attachment E)

Budget Assumptions

The Budget Assumption document that was reviewed and approved by the Board and the electors has been updated to reflect the actual Third Friday enrollment and other revenue/expenditure amounts that have either been updated or added since July (Attachment A). As has been previously communicated, the actual Third Friday student enrollment numbers ended up approximately 170 less than originally projected. With the conversion of enrollment to membership (full time equivalents), this equates to a decrease of 122 less students for membership and budgeting purposes.

- ❑ The projected increase to the revenue budget is currently \$9,609,711, a decrease of \$767,276 from the Public Hearing on the Budget in September.
- ❑ The projected increase to the expenditure budget is currently \$9,606,992, a decrease of \$559,243 from the Public Hearing on the Budget.
- ❑ An unallocated difference of \$2,719 exists after all of the anticipated revenues and expenditures have been added to the final budget. Administration recommends that this amount be added to the District's contingency budget to be used for unforeseen needs or new initiatives.
- ❑ These assumptions create a balanced budget that includes a contingency of \$1 million per Board policy to assist in replenishing the District's fund balance. In the final budget, this amount will reduce the District's General Fund expenditures by the \$1 million.

The net effect of the lower enrollment to the District's proposed Budget was a decrease of only \$178,921, as a result of the lower than projected membership number. This is a result of several budget assumptions that were added to the Annual Meeting budget that have been removed from the budget at this time due to the lower than projected enrollment. These consisted of an increase to the substitute budget and the instructional technology budget.

Administration met several times in October to review the status of the budget, based on the revised Revenue Limit and by removing \$850,000 of added assumptions from the budget, Administration was able to balance the budget. The following items are also recommended to be added to the final budget.

- ☐ Added \$15,000 to the four (4) year old Kindergarten program to provide administrative and clerical support when the planning for the next year's program expansion begins. The expense for this year ended up only being \$166,128 and included the cost of hiring teachers for each class and not adding the administration position that was previously approved by the Board.
- ☐ Added \$115,000 to complete the renovation of the Bradford Auditorium sound system. Please recall that in 2005, the Board approved starting the sound system project by approving the purchase of a soundboard. This funding is one time funding and will complete the project.
- ☐ Increase the Health and Physical Education Secretary's allocation to full time (from 0.5 FTE) primarily due to the changes in the immunization laws that require additional documentation for school districts in the amount of \$21,657.
- ☐ Add \$185,000 to the teacher substitute budget with the remaining available dollars.

This leaves \$1,035,976 of other budget assumptions that Administration and the Board felt were significant enough to be added to the budget, if budget dollars were available. At this time, these assumptions are not being included in the 2008-2009 budget.

Carryover

An integral part of the budget development process is the disposition of unspent budget dollars at the end of the fiscal year. Historically, Kenosha Unified School District (KUSD) has prohibited the carryover of any administrative budget dollars to the next fiscal year. Starting in the 2002-2003 budget year, the Board approved the elimination of all discretionary carryover dollars from site budgets.

As a result of the outstanding purchase orders that were encumbered and not fully expended as of June 30, 2008, the following encumbered funds have been requested by sites or departments to be carried over to the 2008-2009 budget. Column 2 of Attachment B delineates the encumbrances per site or department.

School Encumbrance Carryover	\$ 10,642
Department Encumbrance Carryover	93,701
	\$ 104,343

If a site budget was over expended and had an outstanding purchase order, the funds for that outstanding purchase order are not being recommended for carry over. Likewise, a purchase order carryover may be reduced if the site carryover funds are not sufficient to cover the purchase order amount.

In addition to the encumbrance carryover items delineated above and identified in Board Policy 3323, there are several additional items that Administration is requesting be carried over to the 2008-2009 fiscal year. Some of these have been previously approved by the Board or a Committee.

Charter School Carryover	\$ 439,821
SAGE Carryover	167,554
Donation/Unspent Mini-Grant Carryover	114,688
Site Bank Carryover	30,000
Department Carryover	84,060
Energy Savings Carryover	226,279
	\$1,062,402

Charter Schools

As stipulated in all of the contracts with our charter schools, Charter Schools are allowed carryover of any unspent General fund budgets, due to the unique funding of the school, the responsibility they have for the entire school budget, and their responsibility for future major maintenance issues or technology replacement not funded by the District.

SAGE Grant

The Department of Public Instruction (DPI) provides all SAGE grant dollars to the eligible districts during the grant period. This is dissimilar from most grants that only provide grant funding based on submitted grant claims. At the end of the 2007-2008 fiscal year, the SAGE schools had not expended \$167,554 of the SAGE funding received in 2007-2008. DPI requires that these funds be carried over to the next fiscal year for use by these schools.

Donations to Sites

During the 2007-2008 school year, several schools received cash donations or grants from outside organizations, most notably from the Education Foundation of Kenosha. These funds were added to their discretionary budget, but segregated so they would not be commingled with the site's discretionary budget. Not all of the donated funds were completely expended by the end of the school year. The sites have requested that these funds be carried over to be fully expended in the next school year.

Site Bank Carryover

In the 2005-2006 budget, the Board of Education approved a revision to the Capital Appropriations section of the Budget Administration policy (Policy 3112) which established a process for schools and departments to "bank" budgeted dollars to build up a capital expenditure fund for future capital projects or expenditures. At this time, only Mahone Middle School has dollars "banked" for future use. Mahone Middle School allocated \$10,000 of their discretionary budget in 2005-2006, \$10,000 in 2006-2007, and \$10,000 in 2007-2008 for a total of \$30,000 in the Capital Expenditure Bank to be carried over to this year where \$10,000 will be used on a Career and Tech Ed Lab and \$20,000 will be used on computers.

Administrative Department Carryover Requests

The majority of the recommended Departmental Carryover from 2007-2008 to 2008-2009 is \$58,556 of unspent Common School Library Funds. In 2007-2008 the District received \$905,561 of which only \$847,005 was spent. The Department of Public Instruction requires that all these funds be fully expended specifically for Library purposes, therefore Administration is recommending that the full amount of unspent dollars be carried over and used on the new Library system project.

The Department of Curriculum and Instruction has requested that \$20,000 be carried over from unspent 2007-2008 Talent and Development budget dollars to fund a new, more instructionally sound English Festival/Writing Celebration being planned at the Middle School level.

The remaining \$5,504 being requested for Administrative Department Carryover is related to the District's Carpentry Program. This program, run through the Career and Tech Ed Department, allows students to participate in the construction of a home. The carryover amount represents the revenue from the sale of the completed home (\$12,377) less overages in the expenditure budget of \$91,000 per year (\$6,873).

Energy Savings

During the 2007-2008 school year, savings due to energy conservation was approximately \$452,559. The Facilities department provided the results of that program to the Planning/Facilities/Equipment Committee in August. Previous Board action had established that a percentage of the energy savings be provided back to the schools as discretionary dollars for use in the next year's budget. It was also established that a percentage be retained by the Facilities Department to offset costs to run the program and to further energy conservation projects. This year, the Facilities Department recommended and the Committee agreed to provide \$113,092 back to the schools that met the energy savings guidelines and to retain \$113,187 in the Facilities Department for future energy savings projects.

Site Budget Revisions

The site enrollment information was distributed to each school location on October 8th and returned to Finance by October 17th. With revised Third Friday count information, sites had the opportunity to reallocate individual line items within their discretionary and grant budgets. The grant and department budget updates were also sent out October 8th and returned by October 17th.

Recommended DPI Format for Budget Adoption

The fiscal year 2008-2009 budget (Attachment C) in the format recommended by the Department of Public Instruction (DPI) will not be finalized until the day of the School Board meeting and will be presented at the meeting for the Board to formally adopt.

Certification of the Tax Levy

A school district's property tax levy includes levies for general operations, debt service and community services. Property values are equalized to reflect market value rather than local assessed value. The tax levy rate is the total property tax levy divided by the current year equalized property value with any tax incremental financing (TIF) value excluded. Levy rates are shown in "mills" or property tax dollars levied per \$1,000 of equalized property value.

The attached budget includes the following tax levies.

General Fund	\$70,705,450	(Includes Chargeback Levy)
Debt Service Fund	\$12,264,373	
Community Service Fund	\$1,881,240	
	\$84,851,063	

The General Fund levy is comprised of \$70,686,880 in the operating levy and \$18,570 in chargeback levy. State law allows a district to levy the following year any levy refunded back to a municipality based on the levy being uncollectable by the municipality. The debt service levy is comprised of \$10,173,538 of referendum debt and \$2,090,835 of non-referendum debt. The community service levy is comprised of \$356,819 to operate the Recreation Department and \$1,524,421 for the Community Service fund.

The 2008-2009 equalized property value of \$9,630,246,263 represents a 1.37% increase over the previous year. The total mil rate is \$8.81 and represents a 3.96% increase over the previous year. The increase is due, in part, to the lower than anticipated equalized property value for this year. If the equalized property value had increased by the anticipated increase of 4%, the 2008-2009 mil rate would have been \$8.59 or only a 1.35% increase over last year. The higher tax levy and corresponding mil rate is also due to the reduction in the percentage increase of the State General Aid for this year. The tax on property valued at \$100,000 increased by only \$33.58, from \$847.51 to \$881.09. Attachment E delineates the last fifteen (15) years equalized values and tax levies.

Summary

The Kenosha Unified School District's budget for 2008-2009 continues to support all of the current instructional programs of the district. As always, the budget is developed and implemented with the ultimate goal of meeting the needs of all our students.

The budget has been prepared in accordance with the policy of budgeting and financial operations for the District and conforms to existing State of Wisconsin requirements as set forth by the state constitution, state statutes, and the Department of Public Instruction. It is always the desire of Administration to present the Board of Education an appropriate balanced budget, taking into consideration the beliefs, parameters and objectives of the Strategic Plan and the ongoing instructional and fiscal responsibilities.

Recommendation

It is requested that the Board of Education accept the following recommendations:

1. Approval of the 2008-2009 Budget Assumptions as presented in Attachment A;
2. Formally adopt the District's 2008-2009 budget using the accompanying budget adoption motion in Attachment D;
3. Direct Administration to prepare a class one legal notice to be published within ten (10) days of the modification whenever this adopted budget is modified;
4. Direct the Clerk of the Kenosha Unified School District, No. 1 to certify the property tax levy to be collected from the municipalities within the School District in the amount of \$70,705,450 for the General Fund, \$12,264,373 for the Debt Service Fund and \$1,881,240 for the Community Service Fund;
5. Direct Administration to increase the above tax levy for the General Fund, the Revenue Budget and the Expenditure Budget to the amount allowable by law based on the final revision of the third Friday pupil count to take place by October 31, 2008 with the certification of the tax levy to occur on or before November 6, 2008; and
6. Designate the portion of the General Fund's fund balance at June 30, 2008 as Reserved for Working Capital that is not Reserved for Encumbrances.

Dr. Joseph T. Mangi
Superintendent of Schools

William L. Johnston, CPA
Executive Director of Business

Tarik Hamdan
Budget & Financial Analyst

Kenosha Unified School District, No. 1
2008-2009 Budget Assumptions
Budget Position as of
October 28, 2008

	Revenue	2008-2009 Projected Initial Budget Position 02/26/08	2008-2009 Preliminary Budget Adoption Meeting 07/22/08	2008-2009 Budget Adoption Meeting 10/28/08	Assumption Explanation
Required Budget Assumptions					
1	Projected Increase in Revenue Limit - Additional Students	2,236,613	2,227,113	1,631,696	It is estimated that the district will increase by 475 152 full time equivalent (FTE) pupils based on 234 new students. In order to calculate the effect of this increase on the district's revenue limit, the difference between the 2008-2009 Current 3 year average and 2008-2009 Base 3 year average is multiplied by the 2007-2008 base revenue per pupil of \$9,319.22. DPI has indicated that the District will not be allowed to continue to count our 4K students (128) if a full 4K program is not implemented. The equates to a reduction of 77 FTE (239,674). The State Budget Repair Bill allows for a phase in of a 4K program, so the existing students can continue to be counted. Actual FTE increase is an increase of 15 from last year and Summer School enrollment increased by 15 for a net increase of 30 (including the implementation of the 4K program).
2	Projected Increase in Revenue Limit - Increase in Rate	5,967,915	6,066,874	6,048,471	This budget is built using an allowable per pupil inflationary increase at \$270.72 \$274.68 (Based on a 2.5% Estimated CPI Increase). In order to calculate the effects on district's revenue, the current 3 year average is multiplied by the 2008-2009 projected per pupil revenue limit increase. (Increases to Fund 38 debt repayments have been subtracted).
3	Transfer of Service Revenue Limit Exemption	1,000,000	1,000,000	1,559,063	Conservative estimate based on prior years' exemptions. The 2006/07 and 2007/08 amounts were \$2,268,104 and \$1,730,103 respectively. The actual 2008/09 amount will not be known until August.
4	Prior Year Carryover of Revenue Limit	36,937	92,344	92,344	Unused Revenue Limit Authority based on additional students eligible for the count on 3rd Friday from the 2007/08 budget will be added to the 2008/09 budget. (Initially a difference of 12 FTE, but revised to 37 FTE).
5	Add'l Revenue due to 4K Implementation		306,910	278,137	469 144 new 4K students at: 6 FTE each = 96 86 FTE.
	Proposed Required Revenue Change Total	9,241,465	9,693,241	9,609,711	
Expenditures					
Required Budget Assumptions					
20	Increase Salary and Benefits for current staff	8,401,975	7,801,893	7,801,893	Based on contractual obligations for settled contracts and projecting a 3.0% total salary increase for unsettled groups. Budgeting Health and Dental Insurance costs at 10% increase for WEA and 5% increase for UHC. Updated to show that the UHC health is projected to now be 0% instead of 5% (\$600,082).
23	Transportation - City Bus Pass Rate Increase	54,420	54,420	54,420	District transportation costs have been increased by an amount equal to the City of Kenosha's reduced subsidy of student bus passes (10% increase for 2008, 5% for each of the next 4 years of the 5 year contract).
24	Transportation - "First Student" Contract Rate Increase	124,575	124,575	124,575	Increase Laidlaw Bus transportation cost based on contractual increase of 2.49% in 2008-2009.
25	Transportation - Additional Routes	99,900	99,900	99,900	Increase to route transportation based on adding 3 routes due to enrollment in 2008-2009.
26	Property Insurance Increase	13,152	13,152	13,152	Increase estimated at 6%.
27	Increase Liability Insurance	11,497	11,497	11,497	Increase estimated at 6%.
28	Electric Utilities Increase	194,270	194,270	194,270	Increase electric budget by 7.5% District-wide to offset a 15% rate increase taking effect January 2008.
29	Gas Utilities Increase	78,518	78,518	78,518	Increase gas budget by 4% District-wide to offset annual increases in gas rates.
30	Increase Water Utilities	23,629	23,629	23,629	Increase water budget to cover an 18% increase to Clean Water Utilities Fees.
31	School Leadership - Police Liaison Officers	13,784	13,784	13,784	Projected increase in the City of Kenosha Police Liaison Contract.
32	Site Discretionary Increase	(2,262)	(2,262)	(2,262)	Increased movement from Regular Schools to Charter Schools will decrease site discretion funds at Middle and High Schools.
33	Increase in Savings From Voluntary Buy Back Days	(2,532)	(2,532)	(2,532)	Additional savings on buy-back days based on a 3% increase in salaries of those currently contributing. New savings is \$84,413.
34	Increase in Nursing Contract	35,911	35,911	35,911	Anticipated increase in cost of School Nursing Services from the County at 6%.
35	Savings from Durkee/Lincoln	(646,628)	(646,628)	(646,628)	Projected savings from the consolidation of Durkee and Lincoln Elementary (02/27/07 Report to Board).
36	Fund 38 Debt Service Repayment	620,938	620,938	620,938	Repayment of the debt service for the non-referendum borrowing to construct the Brass Community School.
37	Everyday Math Annual Expenses	34,000	34,000	34,000	On-line resources supporting the Everyday Math Adoption. Funding for this assumption was approved along with the books.
67	Bradford High School/9th Grade Leadership	113,672	113,672	113,672	To keep the current Administration structure at Bradford High School with one of the four Assistant Principals specifically assigned to oversee the Freshman Academy. Board approved the candidate on 04/28/08.
	Proposed Required Expenditure Change Total	9,168,818	8,568,736	8,568,736	
	Current Budget Position with Required Budget Assumptions	72,647	1,124,505	1,040,975	

Kenosha Unified School District, No. 1
2008-2009 Budget Assumptions
Budget Position as of
October 28, 2008

Expenditures	2008-2009 Projected Initial Budget Position 02/26/08	2008-2009 Preliminary Budget Adoption Meeting 07/22/08	2008-2009 Budget Adoption Meeting 10/28/08	Assumption Explanation
Recommended Budget Assumptions				
21' Reduce Classroom Staff due to enrollment shift	364,940	(364,940)	(364,940)	It is projected that 5 classroom FTE that are currently budgeted will not be needed next year due to a shift in student enrollment from district schools to charter schools and from elementary grades to middle and high school grades.
22' Additional Support Staff	437,928	437,928	437,928	Salaries and Benefits for an additional 6 FTE - Special Ed (2 FTE), Support (1 Psy & 1 SW) and Bilingual/ESL (2 FTE).
22a' Additional Staff to support Charter Schools		72,988	72,988	Salaries and Benefits for 1 additional Special Ed position to support the special education population in Harborside charter school.
50' Elementary Science Teacher Consultant	72,988	72,988	72,988	Add an Elementary Science Teacher Consultant to support the number of elementary schools and new teachers in the implementation and integration of elementary Science instruction.
61' I/S District Technology Support	86,202	86,202	86,202	I/S Dept requests 2 FTE for Computer Technicians based on growth of computers in the District. Only 1 to be funded.
63' I/S Technical Writer/Trainer	86,202	86,202	86,202	I/S Dept & Prof. Development request 2 FTE for Technical Writers/Trainers (AST). Only 1 12 month FTE to be funded.
65b' Community Liaison Position - Tremper	54,739	54,739	54,739	New Community Liaison (MISC) position at Tremper to create a safer more secure environment
70' School Outreach Liaisons	83,000	83,000	83,000	The cost of staffing school Outreach Liaisons at the middle and high school level is increasing and the District's budget for this purpose has not increased.
71' Transfer funding to Community Services Fund	(83,000)	(83,000)	(83,000)	Current funding for Outreach Liaisons is contained in Fund 83 and this additional funding should be added to the current funding.
72' AODA Prevention Staff Funding	58,727	58,727	58,727	40% of one position and 50% of another position is currently funded from our AODA grant. The grant funding is being reduced next year and in order to continue the AODA programming, other funding is necessary.
72' Transfer funding to Community Services Fund		(58,727)	(58,727)	This is a community based position and should be contained in Fund 83.
69' Increase in the Plato Software Support	36,509	37,859	37,859	The cost of maintaining the PLATO licenses has increased dramatically this year from \$12,930 to \$49,438 annually.
78' Eliminate the Substitute Budget Contingency		(350,000)	(350,000)	Due to the expending of sub dollars considerably higher than the budget for the last three (3) years, the budget is being increased.
78' Increase the Substitute Budget		350,000	350,000	Due to the expending of sub dollars considerably higher than the budget for the last three (3) years, the budget is being increased.
79' Pre-school 4k Implementation Costs		227,819	181,128	Cost associated with initial Implementation of 4k (Pre-school Coordinator Teacher and support staff Costs, Service Provider Costs, etc) plus \$15,000 for administrative and clerical support to gear up for the next year.
80' Add'l Tremper High Asst Principal		60,715	60,715	Hire an additional Assistant Principal at Tremper starting second semester. (Annual cost est. \$121,430)
83' Bradford Theater Arts Program			115,000	Additional dollars needed to complete the Bradford Theater sound system.
77' Health and Phy Ed Secretary I Increase			21,657	Additional .5 FTE to Present Position. Increasing support responsibilities within the Health/PE department regarding the new Immunization law requesting additional documentation.
81' Increase the Sub Budget			185,000	Due to the expending of sub dollars considerably higher than the budget for the last three (3) years, the budget is being increased.
Requested Budget Assumption Total	1,198,234	772,499	1,038,256	

Budget Position with All Funded Budget Assumptions	(1,125,587)	352,006	2,719	
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Unfunded Assumption Priority				
77' Health and Phy Ed Secretary I Increase		21,657		Additional .5 FTE to Present Position. Increasing support responsibilities within the Health/PE department regarding the new Immunization law requesting additional documentation.
81' Increase the Sub Budget		500,000	315,000	Due to the expending of sub dollars considerably higher than the budget for the last three (3) years, the budget is being increased.
58' Funding for replacement Instructional Hardware	325,000	325,000	325,000	Additional funds are necessary to purchase hardware required for refresh purchases, expanding wireless capabilities, and exploring new technologies.
82' Create a fuel contingency budget		250,000	250,000	Due to the increasing cost of fuel, create an additional contingency for any fuel overruns to operate the Districts vehicles or Transportation contract
65a' Increase Math Staffing at Bradford	72,988	72,988	72,988	Bradford would like to expand more time and support to 9th grade students struggling in the Algebra IA and IB course. Requesting an additional 2.0 Teacher FTE. Administration is only recommending that one be funded
65c' School Social Worker - Hillcrest	70,520	72,988	72,988	Add a school social worker to the staff at the Hillcrest TIME and Bridges Center.
Unfunded Budget Assumption Total	145,508	395,976	1,035,976	

Time Limited Assumptions				
Strategic Planning Team 1	18,000	18,000	18,000	Strategy Team 1 has scheduled several surveys to be conducted on climate and communication (3 years 06/07, 07/08, 08/09).
Student Information System	241,217	241,217	241,217	Budget for the new Student Information System per Board action on 02/14/06 for five (5) years starting 2006-2007.
Reduce Substitute Staff Contingency	350,000			Contingency budget assumption in 2005-2006, but renewed for 350,000 in 2006-2007 (originally a \$850,000 contingency).
Contingency for Emergency Textbook needs	17,414	17,414	17,414	Establish in 07/08 : With the transition of many students to new schools this year (Nash, Harborside, KTEC) a contingency budget is being established.
Fund Balance Replenishment		1,000,000	1,000,000	Set aside \$1 million a year until the general fund's fund balance is greater than 15%
District Contingency		744,343	744,343	Annual amount designated as the District's contingency for unforeseen issues
Time Limited Budget Assumption Total	626,631	2,020,974	2,020,974	

Kenosha Unified School District, No. 1
2008-2009 Budget Assumptions
Budget Position as of
October 28, 2008

Expenditures	2008-2009 Projected Initial Budget Position 02/26/08	2008-2009 Preliminary Budget Adoption Meeting 07/22/08	2008-2009 Budget Adoption Meeting 10/28/08	Assumption Explanation
Funded in Other Ways				
40 Career and Technical Education Modular Lab Completion	85,000	85,000	85,000	Complete the last middle school lab (Family and Consumer Education) at McKinley Middle School. (\$85,000 - modules plus electric, data and construction for a total of \$85,000). Use year end funds.
41 Service Learning Facilitator (.49 FTE) and Teacher Service Learning Staff Development. Fund using Strategic Planning dollars.	21,510	21,510	21,510	Service Learning Facilitator (.49 FTE) and Teacher Service Learning Staff Development. Fund using Strategic Planning dollars.
43 Athletics - Transportation	3,000	3,000	3,000	Increase in transportation budget due to negotiated contract with Laidlaw Transportation Services. Transportation Assump.
44 Athletics - Game Management	15,000	15,000	15,000	Add additional dollars for game management salaries and security. Part of Line 20 (Miscellaneous Salary Schedule).
45 Athletics - SEC Officials Pay	3,000	3,000	3,000	Increase High School Officials pay by \$5.00 to cover SEC Athletic Directors vote to increase officials pay across the board. Current budgets will cover this expense.
46 Increase the Textbook Emergency Fund	50,000	50,000	50,000	Increase the funding for textbooks that must be purchased out of cycle due to new students, new schools, and new sections. Funded via 08-09 811 textbook budget (\$200,000).
47 Instructional Materials for AP Music Theory	4,000	4,000	4,000	Funding is requested to purchase the instructional materials for the new AP Music Theory course approved by the board at its October 23, 2007 meeting. \$100 per student (with an anticipated enrollment of 20 students at Bradford and 20 students at Tremper -
48 Instructional Materials for AP Statistics	15,000	15,000	15,000	Funding is requested to purchase the instructional materials for the new AP Statistics course approved by the board at its October 23, 2007 meeting. Funded via 08-09 811 textbook budget (\$200,000).
49 Instructional Materials for Math Applications	70,000	70,000	70,000	Funding is requested to purchase the instructional materials for the new Math Applications course approved by the board at its October 23, 2007 meeting. Funded via 08-09 811 textbook budget (\$200,000).
53 Talent Development Teacher Consultant	72,988	72,988	72,988	1.0 FTE for Talent Development Teacher Consultant is needed to support the number of schools, growth of AP programs and expectations of the Long Range Talent Development Plan. Use 1 FTE at Harvey due to 4th split. Use Fed. Class Size.
54 World Language Italian Program Instructional Materials	16,400	16,400	16,400	Requesting \$16,400 for new Italian textbooks. Funded via 08-09 811 textbook budget (\$200,000).
55 Fine Arts Curriculum Writing	10,000	10,000	10,000	This request is for 450 hours (\$10,000) for the purpose of writing curriculum. Funded via 08-09 811 textbook budget (\$200,000).
56 Music Software Licensing	4,500	4,500	4,500	This request is for \$4,500 for district-wide music writing and assessment software license. Funded via 08-09 811 textbook budget (\$200,000).
59 Instructional Software Licenses	125,000	125,000	125,000	Additional software funding to support hardware purchase at the school and district level. Class Action Suit or Year End.
64 Reuther Exterior Wall Repair	900,000	900,000	900,000	This budget assumption is being submitted as a placeholder in case the Board would like to use the Budget Assumption process to identify and approve additional funding to support the extensive repairs needed to the exterior facade at Reuther Central High School. District Contingency budget.
68 Read 180 Lab at Bradford High School	162,988	162,988	162,988	To add an additional READ 180 Lab-American's Premier Reading Intervention Program, and add an additional READ 180 staff member to support the READ 180 additional class offerings each block. Partially funded by Disproportionally dollars.
73 Funding for Minority Academic Affairs	58,539	58,539	58,539	Funding increase to implement initiatives to close the achievement gap. Due to receipt of \$25,000 from UW-Madison for scholarships, only need to fund \$33,539 and will use Disproportionally dollars and Leadership budgets.
75 Lakeview Civil Engineering and Architecture	6,750	6,750	6,750	Startup equipment and supplies for new courses. Funded via 08-09 811 textbook budget (\$200,000).
76 Lakeview Biomedical Science/Engineering	28,700	28,700	28,700	Startup equipment and supplies for new courses. Use 809 Budget (Project Lead the Way/Carl Perkins) and 428 budget.
Funded in Other Way Assumption Total	1,652,375	1,652,375	1,652,375	
Not Funded Assumptions				
42 Tremper Auto Lab Remodel	128,000	128,000	128,000	Build a classroom to improve safety and classroom management, tool and equipment control.
51 Talent Development Administration of AP Tests	10,000	10,000	10,000	\$10,000 for the administration of the AP tests.
52 Talent Development AP Tests	64,500	64,500	64,500	Additional \$64,500 for AP Tests.
57 Increase Elementary Library Part Time Clerical Hours	16,827	16,827	16,827	Increase the elementary library part time clerical hours from a total of 240 hours per week to 288 hours per week.
60 High School Full-Time Library Media Specialists	72,988	72,988	72,988	Increase the Library Media Specialist staffing by 0.51 FTE at Bradford and Tremper High Schools to create 2 full time Library Media Specialist at those schools. Current staffing is 1.49 FTE.
61a I/S District Technology Support	86,202	86,202	86,202	I/S Dept requests 2 FTE for Computer Technicians (AST Level 2) based on growth of computers in the District. Only 1 position to be funded.
62 I/S District Technology Support	157,626	157,626	157,626	I/S Dept requests 3 FTE for Computer Support Technicians (MISC) based on growth of computers in the District.
63a I/S Technical Writer/Trainer	86,202	86,202	86,202	I/S Dept & Prof. Development request 2 FTE for Technical Writers/Trainers (AST). One 1 position to be funded.
65d Additional Staffing Requests from the schools	437,928	437,928	164,225	Human Resources received requests from the schools for additional staffing (on top of the current formula) that total 6 FTE.
65e Increase Math Staffing at Bradford	145,975		72,988	Bradford would like to expand more time and support to 9th grade students struggling in the Algebra I/A and IB course. Requesting an additional 2.0 Teacher FTE. Only 1 position to be funded.
66 Family and Consumer Science Lab - Bradford	40,000	40,000	40,000	To update and remodel the Family and Consumer Sciences foods laboratory (Room 126).
74 Lakeview Extra Curricular Activities (Robotics, and Science & Engineering Fair)	4,292	4,292	4,292	Compensation for the advisor (\$1,500) and assistant (\$1,000) for the Lakeview Legends Robotics Team, and the advisor (\$1,200) for the Regional Science & Engineering Fair.
Not Funded Assumption Total	1,250,539	903,849	903,849	

Kenosha Unified School District No. 1
Recap of Carryover for Open Purchase Orders
For Year Ended June 30, 2008

Attachment B

Loc #	Location	Site Open Purchase Order Carryover	Site Donation/ Grant Budget Carryover	SAGE Budget Carryover	Other Budget Carryover	Total of Carryover from 2007-2008
142	Columbus	-	600	-	-	600
144	Durkee	-	-	-	-	-
145	Forest Park	-	-	-	-	-
146	Frank	-	-	-	-	-
147	Grant	-	-	-	-	-
150	Harvey	-	-	-	-	-
153	Jefferson	-	-	-	-	-
154	Lincoln	-	-	-	-	-
155	McKinley	-	1,133	17,720	-	18,853
156	Pleasant Prairie	-	-	-	-	-
157	Prairie Lane	-	-	-	-	-
158	Roosevelt	-	-	988	-	988
160	Somers	-	-	-	-	-
161	Southport	-	2,252	-	-	2,252
162	Strange	-	-	-	-	-
163	Grewenow	-	12,660	-	-	12,660
164	Vernon	-	300	41,136	-	41,436
165	Brass	-	909	-	-	909
166	Whittier	-	-	-	-	-
167	Wilson	-	641	43,971	-	44,612
168	Bose	-	-	4,387	-	4,387
169	Stocker	-	-	-	-	-
170	Jeffery	-	5,268	-	-	5,268
173	Edward Bain S of LA	-	6,307	59,352	-	65,659
Elementary Subtotal		-	30,070	167,554	-	197,624
330	Lance	-	-	-	-	-
331	Lincoln MS	-	1,004	-	-	1,004
332	McKinley MS	-	-	-	-	-
333	Washington	-	-	-	-	-
334	Bullen	-	-	-	-	-
337	Mahone	-	-	-	30,000	30,000
Middle School Subtotal		-	1,004	-	30,000	31,004
421	E-School	-	-	-	-	-
422	Harborside	-	14,567	-	37,194	51,761
424	Indian Trail	10,642	139	-	-	10,781
425	Bradford	-	-	-	-	-
426	Tremper	-	-	-	-	-
427	Reuther	-	589	-	-	589
428	Lakeview	-	-	-	-	-
High School Subtotal		10,642	15,295	-	37,194	63,131
102	Brompton	-	13,718	-	45,276	58,994
112	DOL	-	-	-	145,473	145,473
113	KTEC	-	-	-	42,426	42,426
201	Paideia	-	-	-	169,452	169,452
852	Hillcrest	-	-	-	-	-
871	Headstart	-	-	-	-	-
Other Schools Subtotal		-	13,718	-	402,627	416,345
Total Schools		\$10,642	\$60,087	\$167,554	\$469,821	\$708,104

Kenosha Unified School District No. 1
Recap of Carryover for Open Purchase Orders
For Year Ended June 30, 2008

Loc # Location		Site Open Purchase Order Carryover	Site Donation/ Grant Budget Carryover	SAGE Budget Carryover	Other Budget Carryover	Total of Carryover from 2007-2008
801	Board of Education	-	-	-	-	-
802	Superintendent	-	-	-	-	-
803	Special Projects	-	-	-	-	-
804	Human Resources	-	-	-	-	-
805	Information Services	-	-	-	-	-
806	Exec. Director of Business	-	-	-	-	-
807	Facilities Department	68,719	-	-	-	68,719
808	Finance Department	-	-	-	-	-
809	School To Career	-	-	-	5,504	5,504
810	Athletics/PE/Health	-	-	-	-	-
811	Dept. of Instruction	24,982	-	-	20,000	44,982
812	Fine Arts	-	-	-	-	-
815	Special Ed Instruction	-	-	-	-	-
816	Title 1/P-5/Bilingual	-	-	-	-	-
817	Instructional Media Center	-	-	-	58,556	58,556
818	Student Services	-	-	-	-	-
819	Staff Development	-	46,322	-	-	46,322
820	Purchasing	-	-	-	-	-
822	Transportation & Safety	-	-	-	-	-
823	Distribution and Utilities	-	-	-	226,279	226,279
824	Food Service	-	-	-	-	-
825	Copy Center	-	-	-	-	-
838	Public Information	-	-	-	-	-
839	Instruc. Leadership #2	-	-	-	-	-
840	Instruc. Leadership #1	-	-	-	-	-
851	Educational Accountability	-	8,279	-	-	8,279
874	Education Support Center	-	-	-	-	-
880	Recreation	-	-	-	-	-
999	Summer School	-	-	-	-	-
Total Departments		\$93,701	\$54,601	\$0	\$310,339	\$458,641
GRAND TOTAL		\$104,343	\$114,688	\$167,554	\$780,160	\$1,166,745

Kenosha Unified School District No. 1
Kenosha, Wisconsin

October 28, 2008

2008-2009 Budget Adoption Motion

_____ moved that the 2008-2009 Budget for Kenosha Unified School District, No. 1, as presented, for all funds to show expenditures, other revenues, and tax levies in summary form as follows:

	Tax Levy	Other Revenues	Total Revenues	Expenditures	Variance
General Fund (10)	\$70,705,450	See Below	See Below	See Below	
Special Projects Fund (20)					
Debt Service Fund (30)	\$12,264,373				
Capital Projects Fund (40)					
Food Service Fund (50)					
Pupil Activities Fund (60)					
Expendable Trust Fund (71)					
Community Service Fund (80)	\$1,881,240				
	\$84,851,063	\$ 0	\$ 0	\$ 0	\$ 0

be adopted as set forth in the attached budget (Attachment C) in the format recommended by the Department of Instruction (DPI).

_____ seconded the motion.

NOTE: These amounts will be filled in and provided to the Board prior to the Meeting.

KENOSHA UNIFIED SCHOOL DISTRICT NO.1 TAX LEVY COMPARISON

School Year	Equalized Valuation	% Change	Fund 10		Fund 30		Fund 80		Total Mil Rate	% Tax Levy Change	% Mil rate Change
			Fund 10 Levy	Chargeback Levy	Debt Service Levy	Mil Rate	Community Service Levy	Mil Rate			
1994/95	3,455,569,800	3.50%	51,331,841			14.85	356,819	0.10	56,667,260	16.40	-3.14%
1995/96	3,755,180,100	8.67%	50,315,315			13.40	356,819	0.10	55,650,734	14.82	-1.79%
1996/97	3,921,012,700	4.42%	36,427,524			9.29	356,819	0.09	44,369,480	11.32	-20.27%
1997/98	4,139,444,953	5.57%	35,335,564			8.54	356,819	0.09	43,333,949	10.47	-2.33%
1998/99	4,467,982,803	7.94%	36,271,419	5,328		8.12	356,819	0.08	44,164,129	9.88	1.92%
1999/00	5,090,465,630	13.93%	36,283,929	-		7.13	356,819	0.07	43,991,404	8.64	-0.39%
2000/01	5,446,360,813	6.99%	43,083,094	3,651		7.91	356,819	0.07	50,662,664	9.30	15.16%
2001/02	5,834,033,123	7.12%	44,633,981	336,613		7.71	962,626	0.17	54,268,974	9.30	7.12%
2002/03	6,292,405,445	7.86%	45,906,765	14,972		7.30	962,626	0.15	56,620,526	9.00	4.33%
2003/04	6,811,019,618	8.24%	49,743,299	18,126		7.31	1,142,626	0.17	61,560,509	9.04	8.72%
2004/05	7,410,704,207	8.80%	54,890,144	35,809		7.41	1,142,626	0.15	67,137,077	9.06	9.06%
2005/06	8,158,321,427	10.09%	54,800,909	19,431		6.72	1,142,626	0.14	66,553,032	8.16	-0.87%
2006/07	8,948,360,876	9.68%	61,386,666	15,075		6.86	1,653,564	0.18	74,667,216	8.34	12.19%
2007/08	9,499,722,109	6.16%	66,465,447	7,369		7.00	1,714,513	0.18	80,510,905	8.48	7.83%
#2008/09	9,630,246,263	1.37%	70,686,880	18,570		7.34	1,881,240	0.20	84,851,063	8.81	5.39%

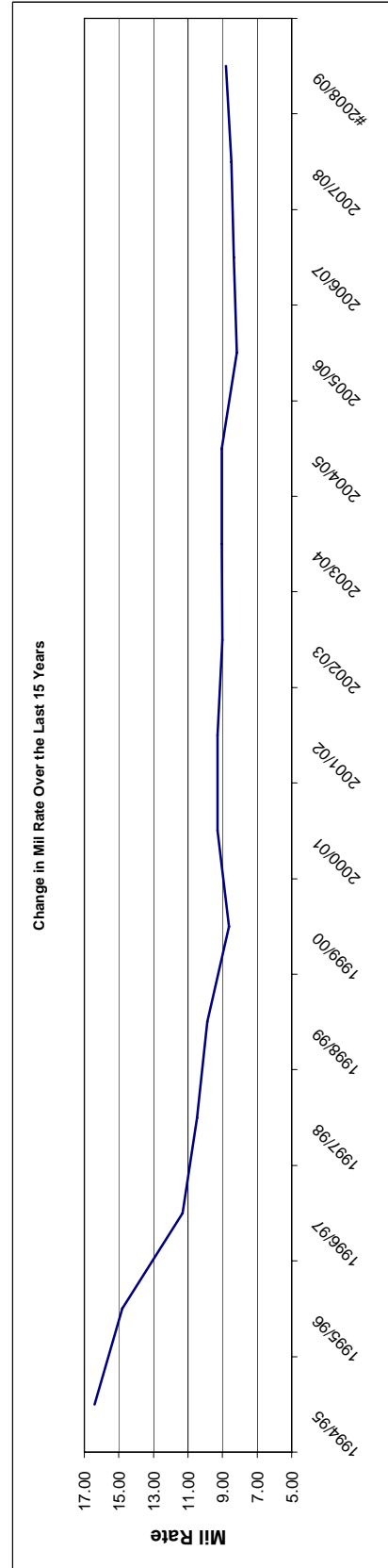
Last five (5) years growth has been 8.60%, estimated at 4%
(actual growth provided on October 1, 2008)

Average 15 Year Change in Equalized Valuation
Average 15 Year Change in Mil Rate

7.91%
-4.64%

Tax on \$100,000 Property

07/08 Property Tax	847.51
08/09 Property Tax	881.09
Increase (Decrease)	33.58
% Increase (Decrease)	3.96%



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Kenosha Unified School District No. 1
Kenosha, Wisconsin

October 28, 2008

**Resolution for Inclusion under the State of Wisconsin Deferred
Compensation Plan**

In 2007, the Internal Revenue Service (IRS) issued final regulations pertaining to 403(b) plans. These regulations require that all 403(b) plan employers establish a written plan by January 1, 2009. Because of these recent changes in the Internal Revenue Code (IRC) regulations, the Department of Employee Trust Funds (ETF) will discontinue its IRC Section 403(b) additional contributions (also known as tax deferred or tax-sheltered additional) to the Wisconsin Retirement System (WRS) 403(b) plan effective December 31, 2008. This will mean that participants in the 403(b) program can retain their 403(b) deferral balances in their WRS account (which will continue to earn interest), but they will no longer be allowed to make any additional pre-tax contributions.

The Wisconsin Deferred Compensation (WDC) program was created by Wisconsin law in 1981 as a voluntary supplemental tax-deferred retirement savings program authorized under IRC Section 457 and by Wis. Stat. §40.80, 40.81 and 40.82. Because the WDC plan is a Section 457 plan, the final IRC regulations for Section 403(b) plans are not applicable to the WDC program. Participation in the WDC plan does not replace or reduce any of the employee's Wisconsin Retirement System benefits.

The District can offer both a 457 and a 403(b) plan. Employees can participate in the 457 plan and the 403(b) plan without compromising the limits under each plan. Employees may save and invest pre-tax monies through salary deferrals in the 403(b) plan and in a 457 plan up to a maximum of 100% of their includible compensation. This contribution cannot exceed the annual IRS legal limit of \$15,500 (in 2008) or a total of \$31,000.

Additionally, the WDC 457 plan is not subject to the 10% early withdrawal penalty. Employees can choose to withdraw their money from their 457 balance once they terminate public employment without being subject to the 10% penalty; this is an advantage over a 403(b) plan. Some of our employees might be more inclined to invest in their retirement if they know they can pull their funds out (should they need them) once they terminate public employment. It should be noted that federal and state tax withholding still applies when a participant requests a distribution from either plan.

Wisconsin State Statutes grant specific powers and responsibilities to the Wisconsin Deferred Compensation Board (Board). The powers and duties of the WDC Board are located in Wisconsin Administrative Code Chapter ETF 70. The Board and the ETF have fiduciary responsibility for the WDC. The Board and ETF provide complete oversight of the WDC Plan, including program administration and investment option selections. The Board contracts for all administrative services (e.g., marketing, record keeping, and daily program administration) through a competitive bid process. The WDC Plan is currently administered by Great-West Retirement Services.

The WDC program offer:

- No cost to sponsoring employers;
- Low cost to participating employees;
- Board and Department oversight, including allocation of fiduciary responsibility;
- Wide variety of low-cost investment options selected and monitored by the Board;
- Written Plan and Trust Document;
- Written Investment Policy Statement; and
- Seven local, salaried representatives dedicated to providing on-site education.

Employers who elect to participate in the WDC program under §40.80 Wisconsin Statutes must agree to the terms and conditions of the WDC Plan and Trust Document.

In order to participate in the WDC plan, the District's Board will need to pass the attached Board Resolution. The Audit, Budget and Finance Committee reviewed the WCD 457 Plan materials and resolution, and recommended that it be forwarded to the full Board for approval.

Recommendation

Administration requests that the Board of Education review the Wisconsin Deferred Compensation 457 Plan materials and approve the attached resolution so the District can begin offering this deferred compensation plan to our employees.

Dr. Joseph T. Mangi
Superintendent of Schools

William L. Johnston, CPA
Executive Director of Business

Judy Ashley
Payroll Manager

**RESOLUTION FOR INCLUSION UNDER
THE STATE OF WISCONSIN DEFERRED COMPENSATION PLAN**

BE IT RESOLVED by the Board of Education of the Kenosha Unified School District that
(Governing Body) (Employer)
pursuant to the provisions of Section 40.81(1), Subchapter VII of Chapter 40 of the Wisconsin Statutes which provides in part as follows:

"An employer other than the State may provide for its employees the Deferred Compensation Plan established by the Board under Section 40.80. Any employer, including this state, who makes the Plan under Section 40.80 available to any of its employees, shall make it available to all its employees under procedures established by the department under this chapter."

Such Board of Education hereby determines to be included under the State
(Governing Body)
of Wisconsin Deferred Compensation Plan provided by Section 40.80 Subchapter VII of Chapter 40 of the Wisconsin Statutes and regulated by Chapter ETF 70 of the Wisconsin Administrative Code for its eligible personnel, and

BE IT FURTHER RESOLVED, the proper officers are herewith authorized and directed to take all actions and make such reductions and submit such deferrals as are required by the Department of Employee Trust Funds of the State of Wisconsin pursuant to Subchapter VII of Chapter 40 of the Wisconsin Statutes, and

BE IT FURTHER RESOLVED, that Kenosha Unified School District agrees to be bound by the
(Employer)

Terms and conditions of the contracts between the State, its investment providers, and its Plan Administrator, and the "Plan Document" and "Procedures To Be Followed By Employer" as amended from time to time. The employer certifies it has received a copy of the Plan and Procedures.

BE IT FURTHER RESOLVED, that the Kenosha Unified School District representative submit a
(Employer)
certified copy of this Resolution and "Notification Memo" to the State of Wisconsin, Department of Employee Trust Funds and the Plan Administrator.

BE IT FURTHER RESOLVED, that the Board of Education recognizing the Deferred
(Governing Body)
Compensation Board's responsibility for maintaining the integrity of the Plan, the Board of Education hereby resolved that the proper officers of Kenosha Unified School District
(Governing Body) (Employer)
are hereby authorized and directed to cooperate fully with the Plan Administrator in accordance with procedures established by the Department of Employee Trust Funds in processing requests for withdrawal in case of an unforeseeable emergency as defined in the Internal Revenue Section 457(d)(1)(A)(iii) and Treas. Regulation 1.457-6(c)(1) of the Regulations. The designated agent is directed to acknowledge on a form authorized by the Department of Employee Trust Funds, that relevant unforeseeable emergency information has been given and received.

Dated this _____ day of _____, 2008.

Employer: Kenosha Unified School District

Governing Body: Board of Education

(Authorized Signature)

51

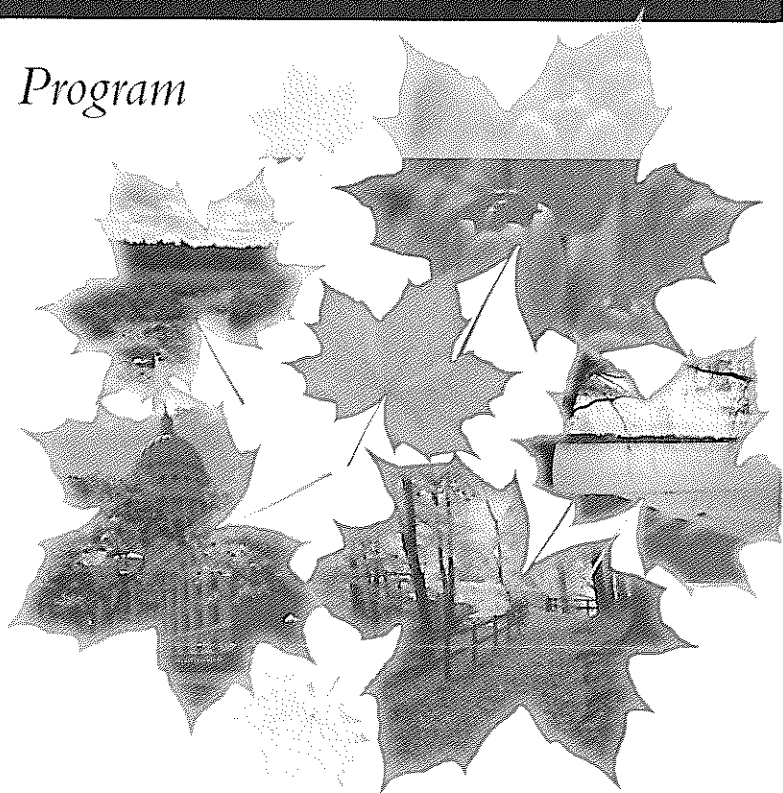
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Wisconsin Deferred Compensation Program

The WDC Program

An Alternative to Your 403(b) Plan

Are you concerned about complying with the additional regulations for section 403(b) retirement savings plans? Consider the Wisconsin Deferred Compensation (WDC) Program. It is a well-established retirement savings program that may be a great alternative for both you and your employees.



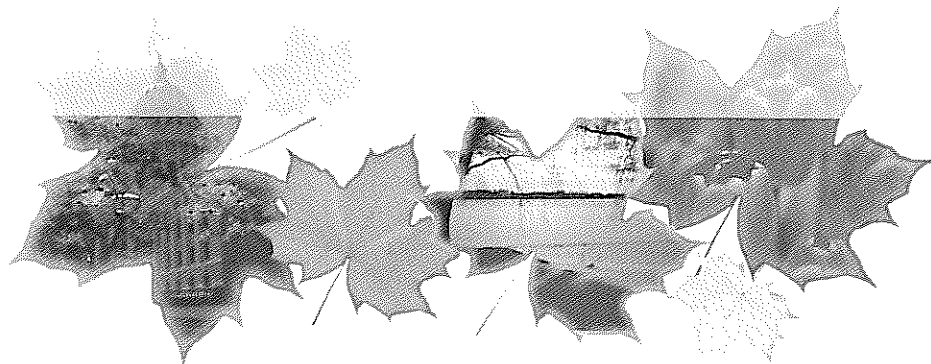
The WDC was established in 1982 and is governed under section 457 of the Internal Revenue Code. Fiduciary responsibility for the WDC lies with the State of Wisconsin Deferred Compensation Board. The WDC has a written Plan and Trust Document, as well as an Investment Policy Statement already in place. All administration of the WDC, including marketing and education, is handled by the Board and its recordkeeper, Great-West Retirement Services®. If your school district were to offer the WDC to your employees, its only responsibility would be employee payroll deductions.

The WDC Program offers:

- ★ No cost to school districts and other plan sponsors
- ★ WDC Board oversight, including fiduciary responsibility
- ★ Written Plan and Trust Document and Investment Policy Statement
- ★ Competitive participant fees
- ★ A wide variety of low-cost investment options selected and monitored by the WDC Board
- ★ Seven local salaried representatives dedicated to providing on-site service to WDC participants and employers
- ★ Educational materials and online courses, on-site group seminars and one-on-one consultations¹
- ★ Quarterly participant statements and newsletters
- ★ A full-service Web site at www.wdc457.org, where participants may view and make changes to their accounts, including adjusting deferral amounts and updating investment options²

¹ Representatives of GWFS Equities, Inc. are not registered investment advisers, and cannot offer financial, legal or tax advice. Please consult with your financial planner, attorney and/or tax adviser as needed.





How much does it cost participants?

Participants pay a monthly administrative fee, which is deducted from their accounts. Collectively, these monthly fees cover the cost of the Program. The current fees are noted below.

Account Balance	Monthly Fee
\$0 to \$5,000	\$0
\$5,001 to \$25,000	\$1.00
\$25,001 to \$50,000	\$2.00
\$50,001 to \$100,000	\$4.00
\$100,001 or more	\$5.50

How can participants monitor their accounts?

There are four ways:

1) Paper Quarterly Statements

Quarterly account statements are mailed to participants showing their account balance and activity for the previous quarter.

2) Online Quarterly Statements

Participants who want to receive statements electronically instead of paper statements in the mail may sign up on the Web site for the Online File Cabinet[®] option. Participants who choose this option will receive quarterly e-mails notifying them of the online

availability of their statements.

3) Online via the WDC Web Site

Participants can review their accounts on the WDC Web site at www.wdc457.org using their self-selected Username and Personal Identification Number (PIN).^{2,3} Account balances are updated online daily, and participants can customize their WDC account Web page to display the information they are most interested in seeing.

4) On the Telephone via KeyTalk[®]

It's quick and easy for participants to check account balances, move money among investment options and more by calling the WDC toll free at (877) 457-WDCP (9327).²

How much can participants defer?

There is no minimum deferral amount required. Participants can defer a maximum of 100% of their includible compensation, not to exceed the annual IRS limit of \$15,500 in 2008.

Individuals age 50 or older during the 2008 calendar year may defer an additional \$5,000. That amount is expected to be indexed for inflation in \$500 increments in subsequent years. Participants within three years of their normal retirement age may use the Standard Catch-Up

provision, which allows an additional contribution of up to \$15,500 in 2008. This amounts to a total possible deferral of \$31,000. Note: The Age 50+ Catch-Up provision and the Standard Catch-Up provision cannot be used in the same calendar year.

How and when will participant distributions be taxed?

One advantage of section 457 plans over 403(b) plans is that the 10% early withdrawal penalty does not apply to section 457 plan withdrawals. However, tax withholding still applies when a participant requests a distribution. Generally, the mandatory 20% federal income tax withholding will apply to distributions unless a participant elects a direct rollover of the entire amount, chooses periodic payments that last longer than 10 years, takes a minimum required distribution, or if any other exceptions apply.

When do participants receive statements?

Quarterly statements are mailed in January, April, July and October. E-mail notifications are sent to those who elect the Online File Cabinet option.

What is on the statements?

In addition to the account balance, statements include at-a-glance graphics of the participant's individual asset allocation, his or her personal rate of return and an account summary by contribution source.

To discuss the benefits of the WDC Program further, please call the WDC office in Madison toll free at (877) 457-9327, option 2, or (608) 241-6604.

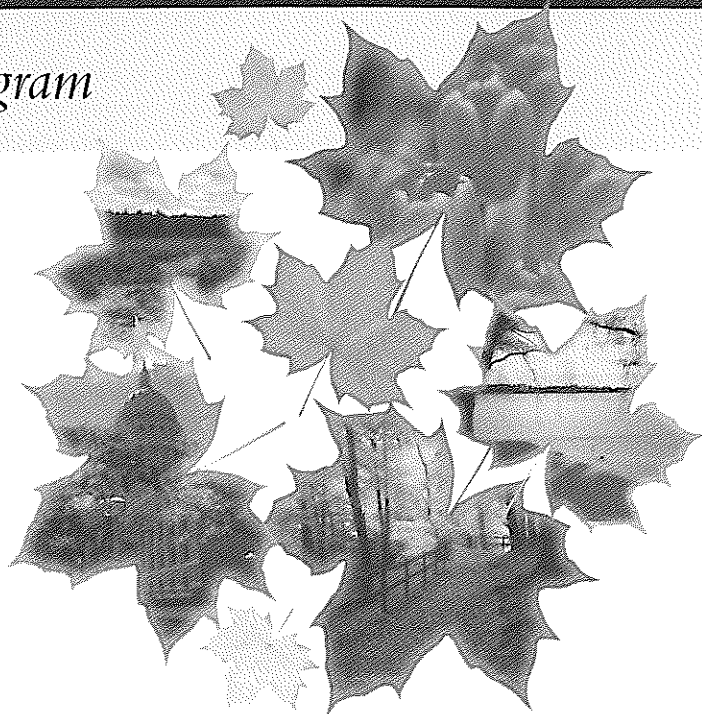
² Access to KeyTalk and the Web site may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons. Transfer requests made via the Web site or KeyTalk received on business days prior to close of the New York Stock Exchange (3:00 p.m. Central Time or earlier on some holidays or other special circumstances) will be initiated at the close of business the same day the request was received. The actual effective date of your transaction may vary depending on the investment option selected.

³ The account owner is responsible for keeping the assigned PIN confidential. Please contact Great-West Retirement Services immediately if you suspect any unauthorized use. FOR PLAN SPONSOR USE ONLY. Not for Use with Plan Participants.

Securities (except the SDBA), when offered, are offered through GWFS Equities, Inc., a wholly owned subsidiary of Great-West Life & Annuity Insurance Company. Securities available through the SDBA are offered by Charles Schwab. Additional information can be obtained by calling Charles Schwab at (888) 393-7272. Great-West Retirement Services[®] refers to products and services provided by Great-West Life & Annuity Insurance Company and its subsidiaries and affiliates. Not intended for use in New York. Great-West Retirement Services[®], KeyTalk[®] and Online File Cabinet[®] are service marks of Great-West Life & Annuity Insurance Company. All rights reserved. Form# CB1080EM (2/08)

Program Highlights

*Learn More about Your Section 457
Deferred Compensation Program*



What is a section 457 deferred compensation program?

A number of voluntary retirement programs are defined in the Internal Revenue Code (IRC). These include Section 457 programs, commonly called 457 deferred compensation programs. Deferred compensation programs allow eligible employees to save and invest before-tax dollars through voluntary salary deferrals, supplementing any existing retirement/pension benefits. Employee contributions and any earnings grow tax deferred until the money is withdrawn, usually at retirement when the participant is typically receiving less income and is in a lower federal income tax bracket than while working. Withdrawals are subject to ordinary federal income tax. For information on how to enroll in the Wisconsin Deferred Compensation (WDC) Program, call the WDC toll free at (877) 457-WDCP (9327) and press "2"; you will be connected to the local office in Wisconsin.¹ You may also log in to the WDC Web site, www.wdc457.org, as a guest, print an enrollment form, and mail it in.

Who is eligible to participate?

The WDC is a voluntary supplemental retirement savings program for all active State and university employees. Active local government and school district employees may also be eligible if their employer has elected to offer this optional benefit program.

Does participation in the WDC affect my pension or reduce my Wisconsin Retirement System benefits?

No. The WDC is a voluntary supplemental retirement plan and does not replace or reduce any of your Wisconsin Retirement System benefits.

Why should I participate?

Having a WDC account may help provide a more comfortable and secure financial future. Not only can you save and invest on a tax-deferred basis, but you also receive quality investment options, low fees, access to local service representatives, local call center support, financial education services and planning tools that can help you better prepare for retirement.

What are the advantages of tax-deferred savings?

With tax-deferred savings, you pay no income taxes on any contributions or their earnings until you withdraw the money. This leads to the benefit of compounding—that is to say, generating returns on money that you would have paid in income taxes if those taxes were not deferred. Your earnings are reinvested in your account, where they have the potential to grow faster because they are not reduced by taxes each year.

How much can I contribute?

There is no minimum contribution amount required. You can contribute a maximum of 100% of your includible compensation, not to exceed the annual IRS legal limit of \$15,500 in 2008.

Individuals who are age 50 or older during the 2008 calendar year may contribute an additional \$5,000. That amount is expected to be indexed for inflation in \$500 increments in subsequent years.

If you are within three years of your normal retirement age, you may use the Standard Catch-Up provision

Are there any other fees I should know about?

Yes, there are investment management fees (also known as expense ratios) that vary by investment option. These fees are deducted by each investment option's management company (not by the WDC) before the daily price or performance is calculated. Expense ratio fees are used to pay for securities trading in the underlying funds and other management expenses. You can find the WDC's investment option expense ratios on the Web site at www.wdc457.org or in the WDC's annual investment performance report. Funds may impose redemption fees on certain transfers, redemptions or exchanges if assets are held for less than the period stated on the fund's prospectus. For more information, please refer to the fund's prospectus.

Charles Schwab Personal Choice

Retirement Account (PCRA)—There is no extra fee to participate in the Charles Schwab PCRA option, however, additional transaction fees may also apply. For more information on the PCRA option, visit the Web site at www.wdc457.org and click on the "Fund Options" link.

What fees do I pay to participate in the managed account service?

Online Investment Guidance Tool—If you choose to utilize the online investment guidance tool, there are no fees.

Online Investment Advice Tool—If you choose to utilize the online investment advice tool, the annual fee is \$25. It will be deducted from your account quarterly approximately one week prior to quarter end (\$6.25 per quarter).

Managed Account Service—If you choose to have AAG manage your

WDC account for you, the annual fee is based on your account balance as follows:

Participant Account Balance	Annual Managed Account Fee
Less than \$100,000	0.60%
Next \$150,000	0.50%
Next \$150,000	0.40%
Greater than \$400,000	0.30%

For example, if your account balance is \$50,000, the annual Managed Account fee is 0.60% of the account balance, or \$300. If your account balance is

\$500,000, the first \$100,000 will be subject to an annual fee of 0.60%, the next \$150,000 will be subject to an annual fee of 0.50%, the next \$150,000 will be subject to an annual fee of 0.40%, and any amounts over \$400,000 will be subject to an annual fee of 0.30%.

Participation in the Managed Account service is voluntary. You may opt out at any time. If you cancel participation in the Managed Account, the fee is based on your account balance on the date of cancellation and will be deducted within five to seven business days of the cancellation date.

Is there any reason why I should not participate in the WDC?

Participating may not be advantageous if you are experiencing financial difficulties, have excessive debt, do not have an adequate emergency fund (typically in an easy-to-access account), or if you expect to be in a higher tax bracket during your retirement. For questions, please contact the WDC office at (877) 457-9327, option 2.



1 Access to KeyTalk and the Web site may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons. Transfer requests made via the Web site or KeyTalk received on business days prior to close of the New York Stock Exchange (3:00 p.m. Central Standard Time or earlier on some holidays or other special circumstances) will be initiated at the close of business the same day the request was received. The actual effective date of your transaction may vary depending on the investment option selected.

2 The account owner is responsible for keeping the assigned PIN confidential. Please contact Great-West Retirement Services immediately if you suspect any unauthorized use.

3 Withdrawals are subject to ordinary income tax. A 10% early withdrawal penalty may apply to withdrawals made prior to age 59½. The 10% early withdrawal penalty does not apply to section 457 plan withdrawals.

Securities (except the SDBA), when offered, are offered through GWFS Equities, Inc., a wholly owned subsidiary of Great-West Life & Annuity Insurance Company. Securities available through the SDBA are offered by Charles Schwab. Additional information can be obtained by calling Charles Schwab at (888) 393-7272.

Managed account, guidance and advice services are offered by Advised Assets Group, LLC (AAG), a federally registered investment adviser. AAG is a wholly owned subsidiary of Great-West Life & Annuity Insurance Company. Representatives of GWFS Equities, Inc. are not registered investment advisers, and cannot offer financial, legal or tax advice. Please consult with your financial planner, attorney and/or tax adviser as needed. Great-West Retirement Services refers to products and services provided by Great-West Life & Annuity Insurance Company and its subsidiaries and affiliates. Not intended for use in New York. Great-West Retirement Services®, KeyTalk®, Reality Investing® and Online File Cabinet® are service marks of Great-West Life & Annuity Insurance Company. All rights reserved. Form# CB1080PH (7/08)

graphics of your asset allocation, your personal rate of return and an account summary by contribution source.

Can I combine assets from my other retirement plans into the WDC?

Yes. Individuals may consolidate approved balances retirement accounts (section 401(a), 401(k), 403(b), governmental 457(b) and Individual Retirement Account (IRA)) into the WDC at any time. However, all retirement assets transferred into the WDC, other than governmental 457(b) accounts transferred, remain subject to the early withdrawal penalty that does not apply to section 457(b) assets.

May I transfer or roll over my account balance if I leave public employment?

Yes, although transferring your account balance is not required. You have three choices when you leave employment:

1. You can leave your money in the WDC and continue to take advantage of the WDC's low fees, diverse selection of investment options, account management tools and dedicated service representatives.
2. You can transfer or rollover your account balance to another eligible governmental section 457 program, if your new employer accepts this type of transfer and/or rollover.
3. You can roll over your account balance to a section 401(a), 401(k) or 403(b) program or IRA. Remember that your section 457 assets may be subject to an early withdrawal penalty if distributed from your new plan prior to age 59½. Also, be aware that some services in the WDC may not be available in another plan.³

How does my participation in the WDC affect my taxes?

Because your contributions are taken out of your paycheck before taxes are calculated, you pay less in current income tax. You do not report any

current earnings or losses on your account on your current income tax return, either. Your account is tax-deferred until you withdraw money, usually at retirement.

Distributions from the WDC are taxable as ordinary income during the years in which they are distributed or made available to you or your beneficiary(ies) at your then-current tax rate.

When can I withdraw money from my account?

Withdrawals may be made when you:

- Retire
- Terminate public employment
- Die (your designated beneficiary(ies) will receive your benefits)
- Experience an unforeseeable financial emergency within the rigorous federal Internal Revenue Code and WDC guidelines (see your WDC representative for additional details)
- Attainment of age 70½

What are my distribution options?

When you are eligible for a distribution, you may:

- Leave the value of your account in the WDC until a future date
- Receive:
 - ★ Periodic payments
 - ★ A lump sum
 - ★ A partial lump sum
- Roll over or transfer to another eligible plan (but be aware that some services in the WDC may not be available in another plan)

How will my distribution be taxed?³

Withholding taxes will vary depending on the type of distribution you request. Generally, the mandatory 20% federal income tax withholding will apply to

distributions unless you elect a direct rollover of the entire amount, periodic payments that last longer than 10 years or the payment is a minimum required distribution. If you reside in a state with mandatory state income tax when taking distributions, state income tax may also be withheld. By January 31 of the year(s) following the year(s) in which you receive a distribution, you will receive a 1099-R.³

If the federal or state tax withholdings are less than your actual tax liability, you may be responsible for payment of estimated tax.

What happens to my money when I die?

Your designated beneficiary(ies) will receive the remaining value of your account, if any. Your beneficiary(ies) should contact the WDC to discuss the available distribution options and apply for a distribution. If no beneficiary designation is on file, beneficiaries are determined according to standard sequence as defined in Wisconsin statutes and detailed in the WDC Plan and Trust Document.

What administrative fees will I pay?

A monthly fee is deducted from your WDC account to cover the cost of administering the WDC. You will see this fee detailed on your quarterly statement. The current fees are noted below.

Account Balance	Monthly Fee	Annual Fee
\$0 to \$5,000	\$0.00	\$0.00
\$5,001 to \$25,000	\$1.00	\$12.00
\$25,001 to \$50,000	\$2.00	\$24.00
\$50,001 to \$100,000	\$4.00	\$48.00
\$100,001 and higher	\$5.50	\$66.00

that allows you to save an additional \$15,500 in 2008. This amounts to a total possible contribution of \$31,000. Note: The Age 50+ Catch-Up provision and the Standard Catch-Up provision cannot be used in the same calendar year.

How can I increase or decrease my deferral amount?

You can increase, decrease, start or stop your deferral amount by calling the WDC toll free at (877) 457-WDCP (9327) or by accessing your account through the Web site at www.wdc457.org.¹

What are my investment option choices and how do I know which investments are right for me?

You can choose from the current array of 21 investment options or the Self-Directed Brokerage Account (SDBA):

- Five lifecycle portfolios
- One stable value option
- One FDIC insured bank option
- Ten mutual fund options
- Four commingled trust options

The menu of investments is selected and monitored by the Deferred Compensation Board. The Governor-appointed members of the Board ensure that the WDC offers a well diversified array of high-quality, low cost investment opportunities over time. Current investment options are described in the investment option fund overviews. Investment option information is also available through the WDC Web site at www.wdc457.org and at (877) 457-WDCP (9327). Both services are available to you 24 hours a day, seven days a week.¹ We recommend you request and review current prospectuses before making investment decisions.

Please consider the investment objectives, risks, fees and expenses carefully before investing. For this and other important

information, you may obtain prospectuses for mutual funds, any applicable annuity contract and the annuity's underlying funds and/or disclosure documents from your registered representative. Prospectuses can also be obtained online at www.wdc457.org. For prospectuses on the SDBA, contact Charles Schwab at (888) 393-7272. Read them carefully before investing.

What if I don't know what investments to choose?

Additional investment information may be found on the WDC Spectrum of Investment Options or through the WDC Web site at www.wdc457.org. Lifecycle funds are a good option to consider because they are based on age and adjust your funds based on your risk tolerance and retirement date. The WDC also offers a suite of investment advisory services called Reality Investing® through Advised Assets Group, LLC (AAG). These services include: *Online Investment Guidance*, *Online Investment Advice* and the *Managed Account* service. For more detailed information about these services, please visit the Web site at www.wdc457.org or call (877) 457-WDCP (9327).

How do I make investment option changes?

Simply use your Personal Identification Number (PIN) and Social Security number to access your account either online or on the telephone.² Upon your initial login you will be required to create a custom username to be used for future logins.²

Both services enable you to:

- Move all or a portion of your existing balances between investment options (subject to WDC rules and fund redemption fee policies, if any)¹
- Change how your future deferrals are allocated among your investment options

How do I keep track of my account?

There are three easy ways to keep track of your WDC account:

1) On Paper through Your Quarterly Statement

A quarterly account statement will be mailed to you showing your account balance and activity for the previous quarter.

If you would rather receive your statements electronically and no longer wish to receive a paper statement in the mail, sign up on the Web site for the Online File Cabinet® option.

2) Online via the WDC Web Site

You can review your account on the WDC Web site at www.wdc457.org using your self-selected Username and PIN.² Your account balance is updated daily online, and you are able to customize your WDC account web page to display the information you are most interested in seeing.

3) On the Telephone via KeyTalk

It's also quick and easy to check your account balance, move money between investment options and more by calling KeyTalk toll free at (877) 457-WDCP (9327).¹

What if I can't remember or lose my PIN?

You can order a new PIN online at www.wdc457.org or by calling the WDC toll free at (877) 457-WDCP (9327).^{1,2}

You may also personalize your PIN and Username to make it easier to remember.

When will I receive my statement?

Statements are mailed to you on a quarterly basis every January, April, July and October. If you choose to receive your statements electronically, you will receive quarterly e-mails notifying you that your statement is available online. In addition to your account balance, your statement will include at-a-glance

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Kenosha Unified School District No. 1
Kenosha, Wisconsin

October 28, 2008

**Resolutions of the Board of Kenosha Unified School District
To Adopt the Kenosha Unified School District 403(b) Employee
Retirement Savings Plan**

Final 403(b) regulations published July 26, 2007 by the Internal Revenue Service caused a shift in non-ERISA and governmental (K-12) employers' responsibilities for the administration and compliance of 403(b) Tax Sheltered Annuity plans ("403(b)"). Previously, individuals (employees) controlled their accounts exclusively. Under the new regulations, a 403(b) plan will be established and maintained by the employer. As a result, employers will have to take a much more active role in plan oversight and management.

Employers who offer a 403(b) plan are required to adopt a written plan by January 1, 2009 that conforms to the new regulations. All 403(b) plans must be operated in accordance with the terms of the employer's written plan document and all 403(b) vendors must adhere to the District's plan. This has meant that some current vendors have voluntarily decided to not participate anymore, resulting in some employees being required to change plans.

Kenosha Unified School District ("District") will maintain a savings plan for the benefit of eligible employees, known as the Kenosha Unified School District 403(b) Employee Retirement Savings Plan ("Plan"). The Plan is a tax-sheltered annuity program intended to meet the requirements of section 403(b) of the Internal Revenue Code of 1986, as amended and is a defined contribution plan. The Plan is Kenosha Unified School District's written plan document as required by the Internal Revenue Service.

The Audit, Budget and Finance Committee reviewed the 403(b) Employee Retirement Savings Plan document and recommended that it be forwarded to the full Board for approval.

Recommendation

Administration requests that the Board of Education review the Kenosha Unified School District Employees 403(b) Employee Retirement Savings Plan document and approve the attached resolution so the District can begin offering this 403(b) plan to our employees.

Dr. Joseph T. Mangi
Superintendent of Schools

William L. Johnston, CPA
Executive Director of Business

Judy Ashley
Payroll Manager

**RESOLUTION OF
THE BOARD OF KENOSHA UNIFIED SCHOOL DISTRICT**

WHEREAS, the adoption or modification of any benefit plan for employees of Kenosha Unified School District (the “District”) must be approved and adopted by the Board of Kenosha Unified School District (the “Board”);

WHEREAS, the Board desires to amend its current plan providing employees with a mechanism to accumulate additional funds for retirement through salary reduction contributions;

WHEREAS, the Kenosha Unified School District 403(b) Employee Retirement Savings Plan (the “Plan”) is a plan designed for qualification under Section 403(b) of the Internal Revenue Code of 1986, as amended (the “Code”), and has been presented for approval;

WHEREAS, the Board believes that the adoption of the amended and restated Plan is in the best interests of the District.

NOW, THEREFORE, BE IT RESOLVED, that the adoption by the District of the Plan is hereby approved;

FURTHER RESOLVED, that the proper officers of the District are hereby authorized and directed to take any and all further actions as they deem necessary or advisable to implement and maintain the Plan in accordance with its respective terms and applicable law;

FURTHER RESOLVED, that the proper officers of the District are hereby authorized to adopt such amendments to the Plan as they deem necessary or advisable to effectuate or carry out fully the purpose and intent of the foregoing resolutions;

FURTHER RESOLVED, that the proper officers of the District are hereby authorized to perform all such acts, and to execute and deliver all such agreements, undertakings, documents, instruments or certificates in the name and on behalf of the District or otherwise as each such officer may deem necessary, advisable or appropriate to effectuate or carry out fully the purpose and intent of the foregoing resolutions; and

FURTHER RESOLVED, that any and all actions taken by any one or more of the officers of the District, in the name of or otherwise on behalf of the District prior to the effective date of these resolutions, which actions would have been authorized by the foregoing resolutions, except that such actions were taken prior to the adoption of the foregoing resolutions, are hereby ratified, approved, and confirmed.

IN WITNESS WHEREOF, the undersigned, being all of the members of the Board of Kenosha Unified School District, have executed these resolutions this 28th day of October, 2008.

Name:

Title: Board President

Kenosha Unified School District 403(b) Employee Retirement Savings Plan

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Article 1. The Plan

1.1 The Plan

Kenosha Unified School District (“District”) maintains a savings plan for the benefit of eligible employees, known as the Kenosha Unified School District 403(b) Employee Retirement Savings Plan” (“Plan”).

The Plan is a tax-sheltered annuity program intended to meet the requirements of section 403(b) of the Internal Revenue Code of 1986, as amended and is a defined contribution plan. The Plan shall be interpreted and administered to meet the requirement of such laws. Nothing contained in this Plan shall be deemed to constitute an employment contract or agreement for services between an employee who becomes a Participant and the District, nor shall it be deemed to give an employee any right to be retained in the employ of, or under contract to, the District. Nothing herein shall be construed to modify the terms of any employment contract or agreement for services between an employee and the District. The District intends that the Plan shall continue to be maintained by it for the above purposes indefinitely, subject always, however, to the rights of the School Board or the Administrator to amend and terminate this Plan as herein set forth below.

1.2 Applicability of the Plan

The provisions of this Plan shall be effective as of the Effective Date of the Plan, as indicated on the Plan’s signature page. The provisions shall be applicable only to the employees of the District in current employment on or after the Effective Date, except as specifically provided herein.

Article 2. Definitions and Construction

2.1 Definitions

Whenever used in the Plan, the following terms shall have the respective meanings set forth below unless otherwise expressly provided, and when the defined meaning is intended, the term is capitalized.

- (a) **“Account”** means the account or accumulation maintained for the benefit of any Participant or Beneficiary under an Annuity Contract or a Custodial Account.
- (b) **“Account Balance”** means the bookkeeping account maintained for each Participant which reflects the aggregate amount credited to the Participant’s Account under all Accounts, including the Participant’s Elective Deferrals, the earnings or loss of each Annuity Contract or a Custodial Account (net of expenses) allocable to the Participant, any transfers for the Participant’s benefit, and any distribution made to the Participant or the Participant’s Beneficiary. If a Participant has more than one Beneficiary at the time of the Participant’s death, then a separate Account Balance shall be maintained for each Beneficiary. The Account Balance includes any account established under Section 6 for rollover contributions and plan-to-plan transfers made for a Participant, the account

established for a Beneficiary after a Participant's death, and any account or accounts established for an alternate payee (as defined in section 414(p)(8) of the Code).

- (c) **“Active Participant”** means an Employee who satisfies the requirements of section 3.1 and currently makes elective deferrals to the Plan.
- (d) **“Administrator”** means the District, or the person or entity selected by the District pursuant to section 9.1 to administer the Plan.
- (e) **“Annuity” or “Annuity Contract”** means an individual, nontransferable contract as defined under Code section 403(b)(1) established for each Participant by the Employer, or by each Participant individually, that is issued by an insurance company qualified to issue annuities in Wisconsin and that included payment in the form of an annuity.
- (f) **“Beneficiary”** means the person described in who is entitled to receive benefits under the Plan after the death of a Participant, subject to rules as may be set forth in the Individual Agreements.
- (g) **“Custodial Account”** means the group or individual custodial account(s), as defined under Code Section 403(b)(7), established for each Participant by the Employer, or by each Participant individually, to hold assets of the Plan.
- (h) **“Code”** means the Internal Revenue Code of 1986, as now in effect or as amended. All citations to sections of the Code are to such sections as they may from time to time be amended or renumbered.
- (i) **“Compensation”** means an Employee's total regular salary or wages, plus overtime pay, fees, commissions and bonuses, paid by the Employer to the Participant for employment services that is includible in the Employee's gross income for the calendar year before reduction by any compensation reduction agreements under Code sections 125, 132(f), 403(b) or 457(b) (including an election under Section 4 made to reduce compensation in order to have Elective Deferrals under the Plan.
- (j) **“Disabled”** means the definition of disability provided in the applicable Individual Agreement.
- (k) **“District”** means the Kenosha Unified School District.
- (l) **“District-Approved Vendor”** means those Vendors who are eligible to receive contributions under the Plan in accordance with the terms of Article 8 of this Plan. Such current Vendors are listed in Appendix A.
- (m) **“Effective Date”** means the date on which the provisions of this restated Plan become effective and enforceable.
- (n) **“Elective Deferral”** means an Employer contribution made to the Plan at the election of the Participant in lieu of receiving cash compensation. Elective Deferrals are either pre-

tax salary reduction contributions or Roth after-tax salary reduction contributions, as permitted under Section 4.

(o) **“Eligible Employee”** means an Employee who satisfies the conditions of section 3.1(a).

(p) **“Employee”** means –

(1) a common-law employee of the Employer, where the employee’s compensation for performing services for the Employer is paid by the Employer, or

(2) a Leased Employee of the District to the extent required by Code Section 414(n)

A school board member is not an Employee for purposes of the Plan unless that individual is otherwise a common-law employee compensated for performing services for the Employer and paid as such by the Employer.

The term Employee shall not include any individual designated by the District as an independent contractor, a consultant or an individual performing services for the District other than as an Employee, provided, however, that if such an individual is later reclassified as a common-law employee, such individual shall be eligible to participate in the Plan only as of the date of his or her reclassification prospectively, and upon completion of any applicable eligibility requirements described herein.

(q) **“Employer”** means the District, for purposes of the Plan.

(r) **“Funding Vehicles”** means the Annuity Contracts or Custodial Accounts issued for funding amounts held under the Plan and specifically approved by Employer for use under the Plan.

(s) **“Includible Compensation”** The term "Includible Compensation" means an Employee’s actual wages in box 1 of Form W-2 for a year for services to the Employer, but subject to a maximum of \$200,000 (or such higher maximum as may apply under section 401(a)(17) of the Code) and increased (up to the dollar maximum) by any compensation reduction election under section 125, 132(f), 401(k), 403(b), or 457(b) of the Code (including any Elective Deferral under the Plan). The amount of Includible Compensation is determined without regard to any community property laws.

(t) **“Individual Agreement”** means the agreement(s) between a Vendor and the Employer or a Participant that constitutes or governs an Annuity Contract or a Custodial Account.

(u) **“Leased Employee”** means any employee described in Code Section 414(n)(2).

(v) **“Participant”** means an individual for whom Elective Deferrals are currently being made or have previously been made under the Plan, and who has not received a distribution of his/her entire benefit under the Plan.

(w) **“Plan”** means the Kenosha Unified School District 403(b) Employee Retirement Savings Plan.

- (x) **“Plan Year”** means the calendar year.
- (y) **“Pre-tax Elective Deferral”** means a Participant’s Elective Deferrals which are not includible in the Participant’s gross income at the time deferred and have been irrevocably designated as Pre-tax Elective Deferrals by the Participant in his or her deferral election. A Participant’s Pre-tax Elective Deferrals will be separately accounted for, as will gains and losses attributable to those Pre-tax Elective Deferrals.
- (z) **“Qualified Loan”** means a loan which meets the requirements of section 5.5.
- (aa) **“Related Employer”** means the Employer and any other entity which is under common control with the Employer under section 414(b) or (c) of the Code. For this purpose, the Employer shall determine which entities are Related Employers based on a reasonable, good faith standard and taking into account the special rules applicable under Notice 89-23, 1989-1 C.B. 654.
- (bb) **“Roth Elective Deferrals”** means a Participant’s Elective Deferrals that are includible in the Participant’s gross income at the time deferred and have been irrevocably designated as Roth Elective Deferrals by the Participant in his or her deferral election. A Participant’s Roth Elective Deferrals will be separately accounted for, as will gains and losses attributable to those Roth Elective Deferrals, in a Roth Elective Deferral account.
- (cc) **“Salary Reduction Agreement”** means the same as a Contribution Reduction Agreement as described in Section 3.3 of the Plan.
- (dd) **“School Board”** means the School Board of the Kenosha Unified School District.
- (ee) **“Severance from Employment”** means Severance from Employment with the Employer and any Related Entity. However, a Severance from Employment also occurs on any date on which an Employee ceases to be an employee of a public school, even though the Employee may continue to be employed by a Related Employer that is another unit of the State or local government that is not a public school or in a capacity that is not employment with a public school (e.g., ceasing to be an employee performing services for a public school but continuing to work for the same State or local government employer).
- (ff) **“Student Teacher”** means a person providing service as a teacher’s aid on a temporary basis while attending a school, college or university.
- (gg) **“Vendor”** means the provider of an Annuity Contract or Custodial Agreement. Vendors approved by the District are listed in Appendix A.
- (hh) **“Valuation Date”** means each last day of the Plan Year.

2.2 **Applicable Law**

The Plan will be construed, administered and enforced according to the Code and the laws of the State in which the Employer has its principal place of business.

2.3 **Incorporation of Individual Agreements**

The Plan, together with the Individual Agreements, is intended to satisfy the requirements of section 403(b) of the Code and the Income Tax Regulations thereunder. Terms and conditions of the Individual Agreements are hereby incorporated by reference into the Plan, excluding those terms that are inconsistent with the Plan or section 403(b) of the Code.

Article 3. Eligibility and Participation

3.1 **Active Participation**

(a) **Eligibility.**

(1) **In General.** An individual shall be eligible to be an Active Participant in the Plan if the individual is not excluded under paragraph (2) and if the individual-

- (A) is Employee of the District,
- (B) is not a non-resident alien,
- (C) earns sufficient income to be eligible to contribute at least \$200 per year,

(2) **Exclusions.** An individual shall not be eligible to participate in the Plan if the individual is-

- (A) a Student-Teacher or Employed Student,
- (B) a Leased Employee,
- (C) a person who is employed as, or performs services as, an independent contractor as determined by the District, or employed pursuant to a supplier agreement, or any other contract or agreement under which such individual agrees or acknowledges that he or she is not eligible for benefits, or
- (C) a person otherwise excludable under Section 403(b)(12) of the Code.

(b) **Date of Entry.** An Eligible Employee shall become an Active Participant in the Plan on the first day of the first payroll period which begins on or after the date the Employee first satisfies the conditions of subsection (a) and which is administratively feasible.

3.2 **Duration of Active Participation and Reemployment**

A person shall cease to be an Active Participant on the date the person ceases to be an Eligible Employee, or fails to contribute in excess of \$200 per year. If an Employee terminates employment with the District and the Employee is subsequently reemployed as an Eligible Employee, the Employee's status as an Active Participant shall be immediately reinstated upon the filing of a new Compensation Reduction Agreement.

3.3 **Compensation Reduction Election**

- (a) **In General.** An Eligible Employee shall not become an Active Participant in the Plan unless the Employee has filed a Compensation Reduction Agreement with the Administrator. A Compensation Reduction Agreement shall mean a written agreement between the Eligible Employee and the District under which the District reduces the Participant's Compensation with respect to employment services rendered after the effective date of the Agreement and the District agrees to contribute a Compensation Reduction Contribution to the Plan on behalf of the Eligible Employee equal to the amount of the reduction in the Employee's Compensation. The effective date of the Agreement shall be determined under the rules of the Administrator, provided that such date may not precede the first day of the first payroll period beginning immediately after the date the Agreement is filed with the District. By signing the Compensation Reduction Agreement, the Employee agrees to be bound by all the terms and conditions of the Plan. The Compensation Reduction Agreement must specify the Funding Vehicle and/or Vendor therein to which Elective Deferrals are to be made. Only an individual who performs services for the Employer as an Employee and who meets the Eligibility requirements specified above may reduce his or her Compensation under the Plan.
- (b) **Amount of Reduction in Compensation.** The amount of the reduction in Compensation shall be that whole percentage or flat-dollar amount of the Employee's Compensation on each payday specified by the Employee in his or her Compensation Reduction Agreement. The annual minimum deferral amount must be at least \$200. However, the amount specified by the Employee shall not exceed an amount that would cause the contributions on behalf of the Employee to exceed the limitations specified in section 4.3(a).
- (c) **Individual Agreements.** An Employee will become a Participant in accordance with the terms and conditions of the Individual Agreements. A Participant must designate a Beneficiary and may be required to further designate specific investment choices of their Annuity Contract or Custodial Account with their chosen Funding Vehicle and/or Vendor. A change in Beneficiary or investment choice shall take effect when the election is accepted by the Vendor.
- (d) **Changes in the Compensation Reduction Agreement.**
 - (1) **In General.** A Participant's election shall remain in effect until a new election is filed with the Administrator.
 - (2) **Election Changes.** Subject to the provisions of the applicable Individual Agreements, an Active Participant may change his or her Compensation Reduction Agreement at such time and such manner as provided under the

rules of the Plan under Article 4 and such change will be effective as soon as administratively feasible after it is communicated to the Administrator. However, such change shall not be applied retroactively to any Compensation that is currently available to the Active Participant without substantial limitations. If an Active Participant has a Compensation Reduction Agreement in effect for a Plan Year, the Active Participant shall be deemed to have elected to continue the same level of Compensation reduction until the Active Participant files a new Agreement.

(3) **Other Terminations of the Agreement.** If an Employee ceases to be an Active Participant on account of a termination of employment, the Compensation Reduction Agreement shall be discontinued as of the date of the termination of employment. If an Active Participant is absent from active employment on account of an unpaid leave of absence (including a leave of absence on account of a disability (as defined by the Social Security Administration)), Elective Deferrals under the Plan shall continue to the extent that Compensation continues unless elected otherwise by the Participant.

3.4 **Information Provided by the Employee.**

Each Employee enrolling in the Plan should provide to the Administrator at the time of initial enrollment, and later if there are any changes, any information necessary or advisable for the Administrator to administer the Plan, including any information required under the Individual Agreement(s).

3.5 **Termination of Employment**

The date on which an Employee is considered to have terminated his or her employment shall be determined pursuant to the rules and/or policies of the Employer.

3.6 **No Enlargement of Employee Rights**

Nothing contained in this Plan shall be deemed to give any Employee the right to be retained in the service of the District or an Affiliate or to interfere with the right of the District or Affiliate to discharge or retire an Employee at any time (subject to the provisions of the Age Discrimination in Employment Act, to the extent applicable).

Article 4. Contributions and Limitations

4.1 **Elective Deferrals**

- (a) **Contributions.** Each participant may elect to contribute through payroll reduction an amount consistent with the terms and limitations described in this Article 4. The District shall provide each Participant with the necessary forms to elect the amount of Elective Deferrals as described under Article 3. Such election shall provide that a Participant may elect to reduce his or her Compensation by such amounts and the Participant shall grant permission for the District to remit said amounts to the District-Approved Vendor of the Participant's choice. Such Elective Deferrals shall be paid over to the applicable Vendor within 15 business days following the end of the month in which the amount

would otherwise have been paid to the Participant, or within thirty (30) days of the deduction from the Participant's paycheck, whichever is sooner. All Participants shall have a fully vested and nonforfeitable interest in his or her Elective Deferral account.

Elective Deferral contributions may be made as follows:

- (1) Pre-tax Elective Deferrals;
- (2) Subject to the provisions of the applicable Individual Agreements, Roth Elective Deferrals are permitted and shall be treated in the same manner for all Plan purposes as Pre-tax Elective Deferrals except as provided in Article 5.

The amounts contributed pursuant to this section shall be credited to the Elective Deferral account together with the gains, losses and earnings (if any) attributable thereto.

- (b) **Elections.** As of the day a Participant meets the Eligibility requirements set forth in Article 3, and in accordance with the Date of Entry requirements set forth in Article 3, he or she may elect to contribute to the Plan. Subsequent to that date, a Participant may elect to start his or her election pursuant to this Article 4 at any time. Subsequent to the Participant's beginning election date, he or she may increase or decrease his or her election amount at any time. A Participant may totally suspend his or her election at any time during the Plan Year. The District may reduce or totally suspend a Participant's election if the District determines that such election may cause the Plan to fail to satisfy any of the requirements of Article 4 or any qualifying provisions of Code Section 403(b).
- (c) **Post-Severance Elective Deferrals.** Employee deferral contributions may be made following severance if all of the following requirements are met: (1) Post-Severance Elective Deferrals must be made by the later of 2 ½ months following severance from employment or the end of the year in which severance occurs; (2) The total amount deferred for the calendar year, including Elective Deferral contributions, cannot exceed the annual maximum limit under Code Sections 402(g) or 415(c) that is in effect for the calendar year the deferral is made into the Plan; (3) The deferral contributions described in this paragraph must be directed by an agreement to defer that must be initiated prior to the deferral being made; and (4) the Post-Severance Elective Deferral must represent pay that employees would have received, or leave that could have been taken (bona fide sick, vacation or other accrued leave) if the employee had continued to work for the District.

4.2 Employer Contributions

- (a) **Non-Elective Contributions.** Subject to the limits described in this Article 4, the District may, in its sole discretion, make Non-elective Contributions to the Plan on behalf of each eligible Participant. Non-elective Contributions shall be allocated to the Non-elective Contribution accounts of each eligible Participant.
- (b) **Post-Severance Non-Elective Contributions.** Subject to the limits described in this Article 4 and in this subsection, the District may, in its sole discretion, make Non-elective Contributions to the Plan on behalf of each eligible retired participant following

severance with the District. Such Post-Severance Non-Elective Contributions shall solely be funded with employer contributions into the former employee's account and not accomplished via a Salary Reduction Agreement. No cash election is available to former employees. Post-Severance Non-Elective Contributions shall be based on includible compensation for that employee's last year of service and subject to the limits under Code Section 415, as amended, for each year of the contribution. Post-Severance Non-Elective Contributions must cease after the fifth year following the employee's severance from employment with the District.

- (c) **Matching Contributions.** Subject to the limits described in this Article 4, the District may, in its sole discretion, contribute to the Plan an amount to be determined by the District to the accounts of those Participants who make an Elective Deferral consistent with the terms of this Article 4. Matching Contributions shall be made to the Plan and allocated to the Matching Contribution accounts of Participants who meet the requirements of this subsection (b) as soon as administratively feasible after the end of the Plan Year.

4.3 **Plan Investments**

- (a) **Manner of Investments.** All Elective Deferrals or other amounts contributed to the Plan, all property and rights purchased with such amounts under the Funding Vehicles, and all income attributable to such amounts, property, or rights shall be held and invested in one or more Annuity Contracts or Custodial Accounts. Each Custodial Account shall provide for it to be impossible, prior to the satisfaction of all liabilities with respect to Participants and their Beneficiaries, for any part of the assets and income of the Custodial Account to be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries. A Participant's interest in such an Annuity and/or Custodial Account shall be nonforfeitable at all times and shall be nontransferable. The Individual Agreement shall not contain any provision which is inconsistent with the provisions of this Plan. Fees and other charges associated with the Participant's investment choice shall be determined by the Funding Vehicle and/or Vendor chosen by the Participant. The Vendor shall maintain records disclosing the status of each Participant who has a contract under the Plan and, at least quarterly, shall advise each Participant of the value of his or her account.
- (b) **Investment of Contributions.** Each Participant or Beneficiary shall direct the investment of his or her Account among the investment options available under the Annuity Contract or Custodial Account in accordance with the terms of the Individual Agreements. Transfers among Annuity Contracts and Custodial Accounts may be made to the extent provided in the Individual Agreements and permitted under applicable Income Tax Regulations. A Participant's investment elections may be changed by the Participant at any time by notifying the vendor of such change in the manner prescribed by the Vendor. Such change shall be effective as soon as administratively feasible after accepted by the Vendor.

4.4 **Limits on Elective Deferral Contributions**

Except as provided under Sections 4.5 and 4.6, the maximum amount of the Elective Deferral under the Plan for any calendar year shall not exceed the lesser of (a) the applicable dollar amount or (b) the Participant's Includible Compensation for the calendar year. The applicable dollar amount is the amount established under Code section 402(g)(1)(B), which is \$15,500 for 2007, and may be adjusted for cost-of-living after 2007 to the extent provided under Code section 415(d).

4.5 Special Catch-up Limitation for Employees with 15 Years of Service

Because the Employer is a qualified organization (within the meaning of § 1.403(b)-4(c)(3)(ii) of the Income Tax Regulations), the applicable dollar amount under Section 3.1(a) for any "qualified employee" is increased (to the extent provided in the Individual Agreements) by the least of:

- (a) \$3000;
- (b) The excess of:
 - (1) \$15,000, over
 - (2) The total special 403(b) catch-up elective deferrals made for the qualified employee by the qualified organization for prior years; or
- (c) The excess of:
 - (1) \$5,000 multiplied by the number of years of service of the employee with the qualified organization, over
 - (2) The total Elective Deferrals made for the employee by the qualified organization for prior years.

For purposes of this Section 4.5, a "qualified employee" means an employee who has completed at least 15 years of service taking into account only employment with the Employer.

4.6 Age 50 Catch-up Elective Deferral Contributions.

An Employee who is a Participant who will attain age 50 or more by the end of the calendar year is permitted to elect an additional amount of Elective Deferrals, up to the maximum age 50 catch-up Elective Deferrals for the year. The maximum dollar amount of the age 50 catch-up Elective Deferrals for a year is \$5,000 for 2007, and is adjusted for cost-of-living after 2007 to the extent provided under the Code.

4.7 Coordination

Amounts in excess of the limitation set forth in Section 4.4 shall be allocated first to the special 403(b) catch-up under Section 4.5 and next as an age 50 catch-up contribution under Section 4.6. However, in no event can the amount of the Elective Deferrals for a year be more than the Participant's Compensation for the year.

4.8 Special Rule for a Participant Covered by another Code Section 403(b) Plan

For purposes of this Article 4, if the Participant is or has been a participant in one or more other plans under section 403(b) of the Code (and any other plan that permits elective deferrals under section 402(g) of the Code), then this Plan and all such other plans shall be considered as one plan for purposes of applying the foregoing limitations of this Section 3. For this purpose, the Administrator shall take into account any other such plan maintained by any Related Employer and shall also take into account any other such plan for which the Administrator receives from the Participant sufficient information concerning his or her participation in such other plan. Notwithstanding the foregoing, another plan maintained by a Related Entity shall be taken into account for purposes of Section 3.2 only if the other plan is a § 403(b) plan.

4.9 Correction of Excess Elective Deferrals

If the Elective Deferral on behalf of a Participant for any calendar year exceeds the limitations described above, or the Elective Deferral on behalf of a Participant for any calendar year exceeds the limitations described above when combined with other amounts deferred by the Participant under another plan of the employer under section 403(b) of the Code (and any other plan that permits elective deferrals under section 402(g) of the Code for which the Participant provides information that is accepted by the Administrator), then the Elective Deferral, to the extent in excess of the applicable limitation (adjusted for any income or loss in value, if any, allocable thereto), shall be distributed to the Participant. Corrective distributions must generally be made within 2 ½ months after the end of the calendar year.

4.10 Total Contribution Limitation

The Total Contributions for a Plan Year on behalf of an Active Participant shall not an amount equal to the lesser of-

- (a) \$45,000 (adjusted for increases in the cost-of-living as specified by the Code); or
- (b) 100 percent of the Active Participant's Includible Compensation for the Plan Year.

4.11 Recalculation of Limits. The Administrator may, at his or her discretion, establish a procedure to limit contributions by taking into account the following:

- (a) for the purpose of applying subsection (a) and Code section 402(g), elective contributions by a Participant under a plan maintained by another employer pursuant to Code section 401(k) or 403(b); and
- (b) for the purpose of applying the limitation of subsection (b) and Code section 415(c)(1), contributions made by or on behalf of a Participant under a qualified defined contribution plan maintained by a Controlled Employer.

4.12 Protection of Persons Who Serve in a Uniformed Service

An Employee whose employment is interrupted by qualified military service under section 414(u) of the Code or who is on a leave of absence for qualified military service under section 414(u) of the Code may elect to make additional Elective Deferrals upon resumption of employment with the Employer equal to the maximum Elective Deferrals that the Employee could have elected during that period if the Employee's employment with the Employer had continued (at the same level of Compensation) without the interruption or leave, reduced by the Elective Deferrals, if any, actually made for the Employee during the period of the interruption or leave. Except to the extent provided under section 414(u) of the Code, this right applies for five years following the resumption of employment (or, if sooner, for a period equal to three times the period of the interruption or leave).

Article 5. Loans

5.1 Qualified Loans

Loans shall be permitted under the Plan to the extent permitted by the Individual Agreements controlling the Account assets from which the loan is made and by which the loan will be secured.

5.2 Information Coordination Concerning Loans

Each Vendor is responsible for all information reporting and tax withholding required by applicable federal and state law in connection with distributions and loans. To minimize the instances in which Participants have taxable income as a result of loans from the Plan, the Administrator shall take such steps as may be appropriate to coordinate the limitations on loans set forth in Section 5.3, including the collection of information from Vendors, and transmission of information requested by any Vendor, concerning the outstanding balance of any loans made to a Participant under the Plan or any other plan of the Employer. The Administrator shall also take such steps as may be appropriate to collect information from Vendors, and transmission of information to any Vendor, concerning any failure by a Participant to repay timely any loans made to a Participant under the Plan or any other plan of the Employer.

5.3 Terms and Conditions of Loans

A Participant who is an Employee of the District or an Affiliate may file a written application for a Qualified Loan. A loan shall be a Qualified Loan if the following conditions are satisfied:

- (a) **Loans.** A Participant may only have one (1) loan outstanding at any time.
- (b) **Maximum Loan Amount.** No loan to a Participant under the Plan may exceed the lesser of:
 - (1) \$50,000, reduced by the greater of (i) the outstanding balance on any loan from the Plan to the Participant on the date the loan is made or (ii) the highest outstanding balance on loans from the Plan to the Participant during the one-year period ending on the day before the date the loan is approved by

the Administrator (not taking into account any payments made during such one-year period); or

- (2) one half of the value of the Participant's vested Account Balance (as of the valuation date immediately preceding the date on which such loan is approved by the Administrator) .

For purposes of this section 5.3, any loan from any other plan maintained by the District shall be treated as if it were a loan made from the Plan, and the Participant's vested interest under any such other plan shall be considered a vested interest under this Plan; provided, however, that the provisions of this paragraph shall not be applied so as to allow the amount of the loan to exceed the amount that would otherwise be permitted in the absence of this paragraph.

- (c) **Minimum Loan Amount.** No loan to a Participant under the Plan shall be issued for less than \$1,000. Participants under the Plan must have an Account Balance of at least \$2,000 to request and receive a loan.
- (d) **Term of Loan.** The term of a Qualified Loan shall not exceed five years. The preceding sentence shall not be applicable to a loan used to acquire any dwelling unit which within a reasonable time is to be used (determined at the time the loan is made) as the principal residence of the Participant.

A loan may be treated as used for the acquisition of a principal residence to the extent of the expenditures to acquire the residence made within 90 days before or after the date of the loan. The rules of the Administrator may treat a loan used to repay a loan from a third party as principal residence loan if the plan loan qualifies as a principal residence loan without regard to the loan from the third party.

- (e) **Level Amortization.** Except as permitted by Treasury regulations, a Qualified Loan shall provide for substantially level amortization of the loan over its term, with payments not less frequently than quarterly. If a Participant fails to make a required loan payment, the rules of the Administrator may allow a grace period before declaring the loan to be in default. However, such grace period shall not extend beyond the last day of the calendar quarter following the calendar quarter in which the required loan payment was due.

The rules of the Administrator may suspend a Participant's obligation to make required loan payments during a period while the Participant is on a leave of absence without pay up to one year. Pursuant to Code section 414(u)(4), the Administrator may suspend a Participant's obligation to make required loan payments during a period during which an Employee is performing service in the uniformed services, whether or not qualified military service.

- (f) **Interest Rate.** The interest rate shall be established by the Vendor and shall be a reasonable rate in light of other loans involving comparable risks. If, per the

terms of the Individual Agreement, the Vendor does not determine the rate of interest, the default interest rate shall be equal to the Prime Rate at the time the loan application is accepted.

- (g) **Security.** The loan shall be secured by the amounts accumulated under the Account Balance.
- (h) **Administration Charge.** The Participant shall be responsible for any administration charge by the Vendor to issue and/or maintain a requested Qualified Loan. Such charges may or may not be non-refundable and are payable as permitted by the Vendor.

Article 6. Distributions

6.1 Distribution Upon a Severance from Employment or Other Distribution Event

Except as permitted under Section 4.9 (relating to excess Elective Deferrals), Section 6.4 (relating to withdrawals of amounts rolled over into the Plan), Section 6.5 (relating to hardship), or Section 10.2 (relating to termination of the Plan), distributions from a Participant's Account may not be made earlier than the earliest of the date on which the Participation has a Severance from Employment, dies, becomes Disabled, or attains age 59½. Distributions shall otherwise be made in accordance with the terms of the Individual Agreements. If the Participant severs employment with the District prior to age 55, that Participant may be subject to an early withdrawal penalty if his or her distribution is received in cash and not rolled into a qualified IRA or qualified plan.

6.2 Distribution Upon Retirement

A retired Participant may receive a distribution pursuant to Section 6.1 only upon complete Severance from employment from the District. If the retired Participant is rehired by the District, that rehired retired Participant must stop receiving distributions while employed by the District.

6.3 Distribution Prior to Severance from Employment

Prior to a Participant's severance from employment with the District, the portion of the Participant's account attributable to Elective Deferrals and all other vested accounts shall be available for distribution only after the Participant attains the age 59 ½, attains disability status (as determined by the Social Security Administration) or suffers a financial hardship.

6.4 Required Minimum Distributions

(a) **Required Minimum Distributions.** Each Individual Agreement shall comply with the minimum distribution requirements of Code Section 401(a)(9) and the regulations thereunder. For purposes of applying the distribution rules of Code Section 401(a)(9), each Individual Agreement is treated as an individual retirement account (IRA) and distributions shall be made in accordance with the provisions of Income Tax Regulations Section 1.408-8, except as provided in Section 1.403(b)-6(e) of the same Regulations. The required beginning date of a Participant for purposes of the Plan is the April 1 of the calendar year following the later of (i) the calendar

year in which the Participant attains age 70 ½, or (ii) the calendar year in which the Participant retires from the District. Vendor contracts shall be required to include, and Vendors shall be required to administer, track, notify and distribute at the participant's request, the applicable requirements and distributions imposed by Code Section 401(a)(9). No payout option shall be permitted that fails to provide for the Participant or any Beneficiary to receive for each calendar year at least the amounts required to be distributed in accordance with Section 401(a)(9) of the Code. In addition, any distribution required under the incidental death benefit rule of Code Section 401(a)(9)(G) shall be treated as a distribution required under this section 6.4.

(b) Minimum Distribution Amount.

(1) **In General.** A Participant who has attained the required beginning date shall receive a distribution for each calendar year commencing with the First Distribution Year which shall not be less than the Minimum Distribution Amount described in paragraph (2). The First Distribution Year shall be the later of the calendar year described in section 5.4(a). The Minimum Distribution Amount with respect to the First Distribution Year must be paid not later than the required beginning date. The Minimum Distribution Amount with respect to a calendar year which follows the First Distribution Year must be paid not later than December 31 of such calendar year.

(2) **Minimum Distribution Amount.** The minimum distribution rules applicable to individual retirement annuities described in Code section 408(b) and individual retirement accounts described in Code section 408(a) apply to Code section 403(b) contracts. The minimum amount first distribution year and continuing through the year of death, shall not be less than the quotient obtained by dividing the value of the 403(b) account as the end of the preceding year by the distribution in the Uniform Lifetime Table in Code section 1.401(a)(9)-(9) using the individuals' age as of his or her birthday year. The surviving spouse of a Participant is not permitted to treat a Code section 403(b) contract as the spouse's own Code section 403(b), even if the spouse is the sole beneficiary.

6.5 Small Account Balances and Automatic Distributions

The terms of the Individual Agreement may permit distributions to be made in the form of a lump-sum payment, without the consent of the Participant or the Beneficiary, but no such payment may be made without the consent of the Participant or the Beneficiary unless the Account Balance does not exceed \$5,000 (determined without regard to any separate account that holds rollover contributions) and any such distribution shall comply with the requirements of Code Section 401(a)(31)(B) (relating to automatic distribution as a direct rollover to an individual retirement plan for distributions in excess of \$1,000).

6.6 In-Service Withdrawals

(a) **Limitation on Withdrawal.** No distribution or withdrawal of a Participant's Elective Deferral Contribution Account or Non-elective Contribution Account shall be allowed before termination of employment unless the Participant has attained age 59½ or has

incurred a disability (as determined by the Social Security Administration), or the Participant needs to make a withdrawal to alleviate a hardship as described in Section 6.7.

- (b) **In-Service Distributions From Rollover Account.** In-service distributions from rollover accounts are not permitted under the Plan.

6.7 Hardship Distributions

Hardship distributions shall be permitted under the Plan to the extent permitted by the Individual Agreements controlling the Account assets to be withdrawn to satisfy the hardship.

- (a) **Suspension of Elective Deferral Contributions.** If applicable under the Individual Agreement, no Elective Deferrals shall be allowed under the Plan during the 6-month period beginning on the date the Participant receives a distribution on account of the hardship. The Individual Agreements shall provide for the exchange of information among the Employer and the Vendors to the extent necessary to implement the Individual Agreements, including, in the case of a hardship withdrawal that is automatically deemed to be necessary to satisfy the Participant's financial need (pursuant to § 1.401(k)-1(d)(3)(iv)(E) of the Income Tax Regulations), the Vendor notifying the Employer of the withdrawal in order for the Employer to implement the resulting 6-month suspension of the Participant's right to make Elective Deferrals under the Plan. In addition, in the case of a hardship withdrawal that is not automatically deemed to be necessary to satisfy the financial need (pursuant to § 1.401(k)-1(d)(3)(iii)(B) of the Income Tax Regulations), the Vendor shall obtain information from the Employer or other Vendors to determine the amount of any plan loans and rollover accounts that are available to the Participant under the Plan to satisfy the financial need.
- (b) **Financial Hardship.** A financial hardship will be deemed to exist only if a distribution is necessary in light of the immediate and heavy financial needs of a Participant as described paragraph (1) of this subsection and only if the Participant has no other resources reasonably available to satisfy the Participant's financial needs as provided in paragraph (2) of this subsection. A Participant's request for a withdrawal on account of a hardship shall be accompanied by such evidence of hardship as the Administrator shall request. Approval of the request shall be within the sole discretion of the Administrator. No earnings on Elective Deferrals shall be distributable on account of a hardship.
 - (1) **Hardship.** A financial hardship shall be limited to the following circumstances:
 - (A) uninsured expenses incurred on account of sickness, accident, or disability in the Participant's immediate family,
 - (B) the purchase of a primary residence for the Participant,

(C) tuition payments for the next semester or quarter of post-secondary education for the Participant, or for a member of the Participant's immediate family,

(D) the need to prevent the eviction of the Participant from his or her principal residence or foreclosure on the mortgage of the Participant's principal residence,

(E) payments for burial or funeral expenses for the participant's deceased parent, spouse, children or dependents, and

(F) expenses for repairing damages to the participant's principal residence that would qualify for a casualty deduction under Code Section 165 without regard to whether the loss exceeds 10 percent of the participant's adjusted gross income.

- (2) **Alternative Resources.** The Administrator may reasonably rely upon a Participant's representation that a need cannot be relieved-

(A) through reimbursement or compensation by insurance or otherwise,

(B) by reasonable liquidation of the Participant's assets to the extent that such liquidation would not itself cause an immediate and heavy financial need,

(C) by suspension of the Participant's contributions under this Plan or other plans in which he or she participates, or

(D) by other distributions or nontaxable loans from plans.

A Participant's resources shall be deemed to include those assets of his or her spouse and minor children that are reasonably available to the Participant.

6.8 Rollover Distributions

(a) Direct Rollovers.

- (1) **In General.** In the case of a distribution (or a withdrawal) that would be an eligible rollover distribution within the meaning of Code section 402 if made to the Participant or Beneficiary ("distributee"), the distributee may elect to the extent required by law and regulation and in the manner prescribed by the Administrator, to have such distribution paid directly to an eligible retirement plan, as described in Code section 402(c)(8)(B). The amount of such direct rollover shall be limited to the amount of the eligible rollover distribution that would otherwise be includible in the distributee's gross income in the absence of a direct transfer and without regard to the rollover rules of Code sections 402 and 403. In the case of a distribution to

- (2) **Notice.** The Vendor shall furnish to a distributee a written notice at the time prescribed in paragraph (3) which describes-

(A) the rules under which the distributee may elect to have an eligible rollover distribution paid in a direct rollover to an eligible retirement plan;

(B) the rules that require withholding of tax on the eligible rollover distribution if it is not paid in a direct rollover; and

(C) the rules under which the distributee will not be subject to tax if the distribution is contributed to an eligible retirement plan within 60 days of the distribution.

- (3) **Notification Period.** The notice required by paragraph (2) shall be furnished to the distributee not more than 180 days and not less than 30 days before the Annuity Starting Date. The Plan shall make no payment for 30 days following the date the Participant has been furnished with the notice unless the Participant, after receipt of the notice, has affirmatively elected to waive the 30-day period and to make or not to make a direct rollover. However, in no event shall the Plan make a distribution before the later of the eighth day after the notice has been furnished or the day benefits are otherwise payable under the rules of the Administrator. The Participant shall be permitted to revoke a waiver of the 30-day period until the day specified in the preceding sentence.

- (b) **Withholding.** In the case of an eligible rollover distribution which is not directly transferred to an eligible retirement plan pursuant to subsection (a), the Plan shall reduce the amount of the distribution by the amount of the tax required to be withheld by law and regulations.

Article 7. Rollovers to the Plan, Exchanges and Transfers

7.1 Eligible Rollover Contributions to the Plan

- (a) **Eligible Rollover Contributions.** To the extent provided in the Individual Agreements, an Employee who is a Participant who is entitled to receive an eligible rollover distribution from another eligible retirement plan may request to have all or a portion of the eligible rollover distribution paid to the Plan. Such rollover contributions shall be made in the form of cash only. The Vendor may require such documentation from the

distributing plan as it deems necessary to effectuate the rollover in accordance with section 402 of the Code and to confirm that such plan is an eligible retirement plan within the meaning of section 402(c)(8)(B) of the Code. However, in no event does the Plan accept a rollover contribution from a Roth elective deferral account under an applicable retirement plan described in section 402A(e)(1) of the Code or a Roth IRA described in section 408A of the Code.

- (b) **Eligible Rollover Distributions.** For purposes of Section 7.1(a), an eligible rollover distribution means any distribution of all or any portion of a Participant's benefit under another eligible retirement plan, except that an eligible rollover distribution does not include (1) any installment payment for a period of 10 years or more, (2) any distribution made as a result of an unforeseeable emergency or other distribution which is made upon hardship of the employee, or (3) for any other distribution, the portion, if any, of the distribution that is a required minimum distribution under section 401(a)(9) of the Code. In addition, an eligible retirement plan means an individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, a qualified trust described in section 401(a) of the Code, an annuity plan described in section 403(a) or 403(b) of the Code, or an eligible governmental plan described in section 457(b) of the Code, that accepts the eligible rollover distribution.
- (c) **Separate Accounts.** The Vendor shall establish and maintain for the Participant a separate account for any eligible rollover distribution paid to the Plan, subject to the ability of the Vendor and the terms and conditions of the Individual Agreement.

7.2 Contract and Custodial Account Exchanges

- (a) A Participant or Beneficiary is permitted to change the investment of his or her Account Balance among the Vendors under the Plan, subject to the terms of the Individual Agreements. However, an investment change that includes an investment with a Vendor that is not eligible to receive contributions under Section 2 (referred to below as an exchange) is not permitted unless the conditions in paragraphs (b) through (d) of this Section 7.2 are satisfied.
- (b) The Participant or Beneficiary must have an Account Balance immediately after the exchange that is at least equal to the Account Balance of that Participant or Beneficiary immediately before the exchange (taking into account the Account Balance of that Participant or Beneficiary under both section 403(b) Annuity Contracts or Custodial Accounts immediately before the exchange).
- (c) The Individual Agreement with the receiving Vendor has distribution restrictions with respect to the Participant that are not less stringent than those imposed on the investment being exchanged.
- (d) The Employer enters into an agreement with the receiving Vendor for the other contract or custodial account under which the Employer and the Vendor will from time to time in the future provide each other with the following information:

(1) Information necessary for the resulting contract or custodial account, or any other contract or custodial accounts to which contributions have been made by the Employer, to satisfy section 403(b) of the Code, including the following:

- (i) the Employer providing information as to whether the Participant's employment with the Employer is continuing, and notifying the Vendor when the Participant has had a Severance from Employment (for purposes of the distribution restrictions in Section 6.1);
- (ii) the Vendor notifying the Employer of any hardship withdrawal under Section 6.7 if the withdrawal results in a 6-month suspension of the Participant's right to make Elective Deferrals under the Plan; and
- (iii) the Vendor providing information to the Employer or other Vendors concerning the Participant's or Beneficiary's section 403(b) contracts or custodial accounts or qualified employer plan benefits (to enable a Vendor to determine the amount of any plan loans and any rollover accounts that are available to the Participant under the Plan in order to satisfy the financial need under the hardship withdrawal rules of Section 6.7); and

(2) Information necessary in order for the resulting contract or custodial account and any other contract or custodial account to which contributions have been made for the Participant by the Employer to satisfy other tax requirements, including the following:

- (i) the amount of any plan loan that is outstanding to the Participant in order for a Vendor to determine whether an additional plan loan satisfies the loan limitations of Section 4.3, so that any such additional loan is not a deemed distribution under section 72(p)(1); and
 - (ii) information concerning the Participant's or Beneficiary's after-tax employee contributions in order for a Vendor to determine the extent to which a distribution is includible in gross income.
- (e) If any Vendor ceases to be eligible to receive Elective Deferrals under the Plan, the Employer will enter into an information sharing agreement as described above to the extent the Employer's contract with the Vendor does not provide for the exchange of information described in Section 7.2(d)(1) and (2).

7.3 Permissive Service Credit Transfers

- (a) If a Participant is also a participant in a tax-qualified defined benefit governmental plan (as defined in section 414(d) of the Code) that provides for the acceptance of plan-to-plan transfers with respect to the Participant, then the Participant may elect to have any

portion of the Participant's Account Balance transferred to the defined benefit governmental plan. A transfer under this Section 6.5(a) may be made before the Participant has had a Severance from Employment.

- (b) A transfer may be made under Section 6.5(a) only if the transfer is either for the purchase of permissive service credit (as defined in section 415(n)(3)(A) of the Code) under the receiving defined benefit governmental plan or a repayment to which section 415 of the Code does not apply by reason of section 415(k)(3) of the Code.
- (c) In addition, if a plan-to-plan transfer does not constitute a complete transfer of the Participant's or Beneficiary's interest in the transferor plan, the Plan shall treat the amount transferred as a continuation of a pro rata portion of the Participant's or Beneficiary's interest in the transferor plan (e.g., a pro rata portion of the Participant's or Beneficiary's interest in any after-tax employee contributions).

Article 8. Approved Vendors

The Administrator shall maintain a list of all eligible Vendors under the Plan, known as District-Approved Vendors. Such list is hereby incorporated as part of the Plan, may be amended at any time and is attached as Appendix A. Each Vendor and the Administrator shall exchange such information as may be necessary to satisfy section 403(b) of the Code or other requirements of applicable law. In the case of a Vendor which is not eligible to receive Elective Deferrals under the Plan (including a Vendor which has ceased to be a Vendor eligible to receive Elective Deferrals under the Plan and a Vendor holding assets under the Plan in accordance with Section 7.2), the Employer shall keep the Vendor informed of the name and contact information of the Administrator in order to coordinate information necessary to satisfy section 403(b) of the Code or other requirements of applicable law.

Article 9. Administration

9.1 The Administrator

The District shall be the Administrator, unless the School Board, at its sole discretion, selects another person to serve as the Administrator.

The Administrator shall hold office until the School Board appoints another person to serve in the Administrator's place or until he or she resigns. The Administrator may resign at any time on giving written notice to the District and he or she shall be deemed to have resigned upon leaving the employ of the District. In the event of a vacancy in the position of Administrator, any officer of the District shall have authority to act as the Administrator.

9.2 Power of the Administrator

The Administrator shall administer the Plan in accordance with its terms and shall have all powers necessary to carry out the provisions of the Plan. The Administrator shall interpret the Plan and shall determine all questions arising in the administration, interpretation, and application of the Plan. Any such determination shall be binding and conclusive upon all

persons. The Administrator does not make any attempt to adhere to the duties prescribed under ERISA, nor does the Plan attempt to qualify as a Title 1 ERISA plan.

Article 10. Amendment and Termination

10.1 Amendments

To the extent permitted by law, the District reserves the right to change the Plan by amendment (including retroactive amendments) if necessary or advisable for the purpose of conforming the Plan to the Code, or any other present or future laws relating to plans of this type. The District may also amend the plan to make discretionary changes as it sees fit, subject to the terms of any applicable labor agreement or collectively bargained agreement.

10.2 Discontinuance of Contributions and Termination

The District has adopted the Plan with the intention and expectation that contributions will be continued indefinitely. However, the District has no obligation or liability whatsoever to maintain the Plan for any length of time and may discontinue all contributions under this Plan at any time without any liability hereunder for any such discontinuance. Furthermore, the District reserves the right to terminate the Plan at any time.

10.3 Distribution upon Termination of the Plan

The Employer may provide that, in connection with a termination of the Plan and subject to any restrictions contained in the Individual Agreements, all Accounts will be distributed, provided that the Employer and any Related Employer on the date of termination do not make contributions to an alternative section 403(b) contract that is not part of the Plan during the period beginning on the date of plan termination and ending 12 months after the distribution of all assets from the Plan, except as permitted by the Income Tax Regulations.

Article 11. Miscellaneous

11.1 Non-Assignability

Except as provided in Section 11.2 and 11.3, the interests of each Participant or Beneficiary under the Plan are not subject to the claims of the Participant's or Beneficiary's creditors; and neither the Participant nor any Beneficiary shall have any right to sell, assign, transfer, or otherwise convey the right to receive any payments hereunder or any interest under the Plan, which payments and interest are expressly declared to be non-assignable and non-transferable.

11.2 Domestic Relations Orders

Notwithstanding Section 11.1, if a judgment, decree or order (including approval of a property settlement agreement) that relates to the provision of child support, alimony payments, or the marital property rights of a spouse or former spouse, child, or other dependent of a Participant is made pursuant to the domestic relations law of any State ("domestic relations order"), then the amount of the Participant's Account Balance shall be paid in the manner and to the person or persons so directed in the domestic relations order. Such payment shall be made without regard to whether the Participant is eligible for a distribution of benefits under the Plan. The

Administrator shall establish reasonable procedures for determining the status of any such decree or order and for effectuating distribution pursuant to the domestic relations order.

11.3 IRS Levy

Notwithstanding Section 9.1, the Administrator may pay from a Participant's or Beneficiary's Account Balance the amount that the Administrator finds is lawfully demanded under a levy issued by the Internal Revenue Service with respect to that Participant or Beneficiary or is sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary.

11.4 Tax Withholding

Contributions to the Plan are subject to applicable employment taxes (including, if applicable, Federal Insurance Contributions Act (FICA) taxes with respect to Elective Deferrals, which constitute wages under section 3121 of the Code). Any benefit payment made under the Plan is subject to applicable income tax withholding requirements (including section 3401 of the Code and the Employment Tax Regulations thereunder). A payee shall provide such information as the Administrator may need to satisfy income tax withholding obligations, and any other information that may be required by guidance issued under the Code.

11.5 Payments to Minors and Incompetents

If a Participant or Beneficiary entitled to receive any benefits hereunder is a minor or is adjudged to be legally incapable of giving valid receipt and discharge for such benefits, or is deemed so by the Administrator, benefits will be paid to such person as the Administrator may designate for the benefit of such Participant or Beneficiary. Such payments shall be considered a payment to such Participant or Beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

11.6 Mistaken Contributions

If any contribution (or any portion of a contribution) is made to the Plan by a good faith mistake of fact, then within one year after the payment of the contribution, and upon receipt in good order of a proper request approved by the Administrator, the amount of the mistaken contribution (adjusted for any income or loss in value, if any, allocable thereto) shall be returned directly to the Participant or, to the extent required or permitted by the Administrator, to the Employer.

11.7 Procedure When Distributee Cannot be Located

The Administrator shall make all reasonable attempts to determine the identity and address of a Participant or a Participant's Beneficiary entitled to benefits under the Plan. For this purpose, a reasonable attempt means (a) the mailing by certified mail of a notice to the last known address shown on the District's or the Administrator's records, (b) notification sent to the Social Security Administration or the Pension Benefit Guaranty Corporation (under their program to identify payees under retirement plans), and (c) the payee has not responded within 6 months. If the

Administrator is unable to locate such a person entitled to benefits hereunder, or if there has been no claim made for such benefits, the funding vehicle shall continue to hold the benefits due such person.

11.8 Severability

If a provision of this Plan shall be held invalid, the invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the invalid provision had not been included in the Plan.

11.9 Headings

The headings of this Plan are inserted for convenience or reference only, and they are not to be used in the construction of the Plan.

11.10 Gender and Number

Except as otherwise indicated by the context, any masculine terminology shall also include the feminine, and the definition of any term in the singular shall also include the plural.

* * * * *

The provisions of this Plan shall be effective as of this Effective Date: _____.

IN WITNESS WHEREOF, the Employer has caused this Plan to be Approved and Executed on this _____ day of _____, 20_____.

KENOSHA UNIFIED SCHOOL DISTRICT

By: _____
(Sign Name)

(Print Name)

Title: _____

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KENOSHA UNIFIED SCHOOL DISTRICT NO. 1
Kenosha, Wisconsin

October 28, 2008

**RATIFICATION OF THE KUSD/KEIA (KENOSHA EDUCATIONAL
INTERPRETERS ASSOCIATION) COLLECTIVE BARGAINING AGREEMENT**

The District Negotiations Team has reached a tentative agreement with the KEIA (Kenosha Educational Interpreters Association). The Union has ratified the agreement.

ADMINISTRATIVE RECOMMENDATION:

It is recommended that the Board of Education ratify the proposed agreement between the District and the KEIA (Kenosha Educational Interpreters Association).

Dr. Joseph T. Mangi
Superintendent of Schools

Sheronda G. Glass
Executive Director of Human Resources

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KENOSHA UNIFIED SCHOOL DISTRICT NO. 1
Kenosha, Wisconsin

October 28, 2008

DONATIONS TO THE DISTRICT

The District has received the following donations:

1. OfficeMax donated classroom supplies worth over \$1,000.00 to Ms. Dombkowski at McKinley Middle School. OfficeMax is the national sponsor of the Adopt-A-Classroom organization.
2. Grand Lodge Knights of Pythias of Wisconsin donated \$1,000.00 to the Special Education Department to assist Kenosha Unified School District's handicapped children.
3. Denise Gifford donated a red oak tree valued at \$500.00 to Stocker Elementary School.
4. Terry Ehiorobo donated \$150.00 to Hillcrest School.
5. Dustin Ankney donated a shipment of food (cereal) valued at approximately \$100.00 to Stocker Elementary School.
6. Glen Hannaman donated \$27.58 through Abbott Laboratories Employee Giving Campaign to Stocker Elementary School.
7. The following organizations made donations to the Back to School Family and Community Celebration:
 - Community Insurance = \$1,000.00 donation
 - Jelly Belly = 3,000 sample packs valued at \$400.00
 - Burkwald & Associates = three iPods with iTunes gift cards valued at \$250.00
 - AM Community Credit Union = two \$100.00 savings bonds
 - Pacetti Music = three gift certificates valued at \$75.00
 - Arvasi Spa Medica = gift basket with gift certificate for a teen facial valued at \$61.00
 - RecPlex = family day pass valued at \$50.00
 - Tinseltown USA = four movie passes valued at \$32.00
 - Piasecki Althaus Funeral Home = gift card for Lou Perrine's Gas & Groceries valued at \$25.00
 - Gemini Salon & Spa = gift certificate
 - Kenosha YMCA = 3 month family membership (value unknown)
 - CDW = digital video camera (value unknown)
 - Cost Cutters = three certificates for free haircuts (value unknown)
 - Congo River Golf = three certificates for four rounds of golf each (value unknown)
 - Corporate Express = various school supplies (value unknown)
 - Prime Outlets = various school supplies (value unknown)
 - The Salon Professional Academy = face painting, nail art, temporary tattoos (value unknown)

Administrative Recommendation

Administration requests the Board of Education approve acceptance of the above listed gift(s), grant(s) or bequest(s) as per Board Policy 3280, to authorize the establishment of appropriate accounts to monitor fiscal activity, to amend the budget to reflect this action and to publish the budget change per Wisconsin Statute 65.90(5)(a).

Dr. Joseph T. Mangi
Superintendent of Schools

KENOSHA UNIFIED SCHOOL DISTRICT NO. 1
Kenosha, Wisconsin

October 28, 2008

**Tentative Schedule of Reports, Events,
and Legal Deadlines for School Board
October-November**

October

- October 14, 2008 – Standing Committee Meetings in ESC Board Meeting Room and Room 190B
- October 15, 2008 – Professional Inservice – Half Day of School for Students
- October 28, 2008 – Regular School Board Meeting at Educational Support Center
- October 30-31 – Teacher Convention – No School for Students or Staff

November

- November 5, 2008 – First Quarter Ends – Half Day of School for Students
- November 11, 2008 – Standing Committee Meetings
- November 25, 2008 – PR/Goals/Legislative Standing Committee Meeting and Regular Board of Education Meeting at Educational Support Center
- November 27-28, 2008 – Thanksgiving Recess – Schools & Departments Closed

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