

# REFERENDA

## OPERATING COSTS TO EXCEED REVENUE CAP

### Full Text of Question 2

#### QUESTION NUMBER II

"Shall the following Resolution be approved?

#### RESOLUTION

AUTHORIZING THE SCHOOL DISTRICT BUDGET TO EXCEED REVENUE LIMIT FOR RECURRING PURPOSES

BE IT RESOLVED by the School Board of the Madison Metropolitan School District, Dane County, Wisconsin, that the revenues included in the School District budget be authorized to exceed the revenue limit specified in Section 121.91, Wisconsin Statutes, by up to \$7,400,000 starting in 2005-2006 and continuing thereafter for recurring purposes consisting of operating costs."

Source: <http://www.madison.k12.wi.us/budget/ref05/q1.htm>

#### **Ask these questions before voting:**

Has the Madison Board of Education and administration

- 1) conducted its due diligence in considering alternatives, consequences and financial impacts upon the school budgets and upon the ability of the taxpayer to pay for increasing property taxes?
- 2) responsibly managed the financial resources it has at its disposal?
- 3) been trustworthy in spending District monies effectively and efficiently?
- 4) been accountable for its decisions and communications?
- 5) Can the taxpayer and the community continue to tax and spend more and more money to support the ways in which the majority of the Board of Education and the administration conduct the business of the school district?
- 6) Can the community trust the Board and administration with "blank" checks to spend more and more money, most of which will not go directly toward the instruction of students?

**Consider a few facts:** Overall, the taxing formulas of the state and district require Madison taxpayers to pay a nearly 60% premium in shared revenues to the state for increasing the revenue caps by referenda approval. In dollars and cents, approval of the three referenda for a total of \$48.1 million will actually cost Madison school taxpayers approximately \$76 million. That total adds up to over \$27 million in taxes paid to the state which cannot be used in the Madison school district for the ‘privilege’ of raising the revenue caps in Madison to support the three referenda. Following are specific impacts of the referendum related to issues for Operating Costs to Exceed the Revenue Cap.

The **Referenda 2** proposal to increase revenues for general operating expenses by \$7.4 million will actually cost taxpayers nearly **\$12 million**. This tax levy and expenditure, if approved, will occur each and every year hereafter.

#### The Board

1. has a history of making contract agreements for salaries and benefits with the various units of school staff at higher levels than other school districts and other local, county and state groups
2. is paying over \$4 million to implement a new software system for accounting, payroll, human resources, grade report cards, etc., which is not working and cannot produce a district budget, even though they have proposed budget cuts from a projected “same service” budget for 2005-06
3. has held harmless from meaningful cuts the administration and administrative services expenses
4. within less than one quarter of the school year (04-05), overturned its own 2004-2005 budget decisions on athletics fees and staff positions, fine arts coordination, and administrative staff positions
5. by October 2004, virtually depleted its contingency fund for the year to reinstate staff positions previously eliminated, thereby leaving no money for emergencies
6. did not consider “reduction in force” possibilities of administrative staff, nor conduct functional analyses of business services and staff
7. approved a salary and benefit package for administrators without having sufficient revenue allocation to support the costs
8. allowed administrative rejection of a \$2 million plus federal grant for a “Reading First” program without prior board knowledge, oversight, nor accountability
9. gave final approval to a two year contract with custodian and clerical units for a combined 4.8% salary and benefits increase without knowledge nor discussion of the dollar costs of the contract nor how those expenses will be paid within the budget limitations of the “revenue cap”
10. approved a two-year contract agreement with MTI for teachers for increases in the salary and benefits package at a rate 2.5-3 times the rate of inflation for each year as well as that of agreements within city, county and state governments. In addition, the agreement with MTI was approved at a time when the Board did not have the money to pay for these increases, nor did it know if they would get it through the June 2003 referendum to increase the revenue cap. Without referendum approval, budget cuts would have been even more severe to instructional and curriculum areas.

11. approved a contract agreement with district administrators for increases in the salary and benefits package at a rate 2.5-3 times the rate of inflation for each year and that of agreements within city, county and state governments. In addition, the agreement with administrators was approved at a time when the Board did not know if it would have the money to pay for these increases without making even more severe cuts to instructional and curriculum areas.
12. has shown a lack of follow-up with accountability and performance measures for administrators, i.e., the Board has not evaluated the Superintendent for several years
13. granted the superintendent sole authority to make buy-out settlements with teachers to be fired, with essentially a blank check up to five months of salary and benefits and no oversight or review by the Board
14. has demonstrated no interest in the review, reconsideration and/or renegotiation of the \$10,000 per year for three years early retirement payout through the Teacher Emeritus Retirement Program (TERP)
15. has not given timely and appropriate information to the public regarding the actual costs to taxpayers of an approval to raise the revenue cap for additional spending
16. has not acted to initiate measures for the review and analysis of the effectiveness and performance results of programs, services, staffing and curriculum
17. has refused to make modifications to the Reading Recovery program for about 350 1<sup>st</sup> to 3<sup>rd</sup> grade students at an additional cost of over \$8,000(in 2003 dollars) per student which results in only a 57% performance completion rate for reading at 3<sup>rd</sup> grade level by the end of 3<sup>rd</sup> grade
18. the Board has at least 67 full time equivalent personnel classified as teachers, at a cost exceeding \$3 million, in positions at central administration in roles as resource teachers
19. has taken no action to initiate uniform cost and cost-benefit analyses criteria and standards for programs, services, staffing and curriculum
20. refuses to accept responsibility for planning, identification of alternatives and budgeting to live within the financial means under existing parameters
21. has transferred various services to the Community Services Fund (80), clearing these budget line items from under the revenue cap, but which continue to cause and be a part of the tax burden
22. touts the district as a magnet for special education students, each of whom cost more to serve than the average per pupil costs, with less and less state and federal financial aid (less than 50% combined) to support those special needs student costs
23. has made no significant attempts or measures at cost containment and collaborative partnerships in special education health and social services
24. majority continually focuses discussions about the need for more and more money with the seeming expectation the “community” will support more and more taxation to give more and more money to the district to spend
25. when the board is presented with suggestions, recommendations and proposals by citizens and others the typical responses from the majority of the board are “we can’t do that” and/or “we are doing all we can” and/or “we aren’t interested in looking at doing things any differently, because...”

26. decided to schedule balloting for proposed 2005 referenda questions on a special date (May 24, 2005) from a regularly scheduled county-wide election at an additional cost of over \$90,000

The intentions of this listing are to be instructive and constructive. Active Citizens for Education is committed to working together with all members of the Board and with other citizens to move forward in positive ways to improve

The above information is intended to be instructive and constructive. Active Citizens for Education is committed to working together with all members of the Board of Education and with the citizens of the school district to move forward in positive ways to improve the effectiveness and results of the education of our students in this community; the operations of the district; and, communications with and the engagement of the community in the educational enterprise.

For more information, or to make comments, contact Active Citizens for Education, Don Severson, President, [info@activecitizensforeducation.org](mailto:info@activecitizensforeducation.org) or call 608/238-8300.  
Web site: [www.activecitizensforeducation.org](http://www.activecitizensforeducation.org)

For additional information and comments on the referenda and other school issues connect with  
[www.schoolinfosystem.org](http://www.schoolinfosystem.org)  
[www.madison.k12.wi.us](http://www.madison.k12.wi.us)