

Answers to Questions about the MTI Teachers Contract and the June 3, 2003 Referendum

Last spring I voted “no” on labor contracts covering the Madison teachers and other employee groups represented by Madison Teachers, Inc. (MTI) for 2003-2005. I also voted “no” when the Board of Education directed the superintendent to draft an open-ended referendum to take to the voters. Because I was in Japan visiting my daughter during her spring break from teaching, I was not present to vote on the referendum that went to the voters on June 3, asking for authority to raise residential property taxes “up to \$12.6M” for operating expenses for one year. I did not campaign for passage of the referendum but I personally voted “yes”. Here are the facts and reasons behind these actions.

Ruth Roberts, Madison School Board

- **No on MTI contracts for 2003-2005**
 - Locally last year many people lost jobs or were uncertain about their job futures, saw their children graduate from high school or college and have difficulty finding jobs, received 0% or very small wage increases and lost health insurance coverage or paid more for the coverage. Some retirees lost employer-paid health insurance
 - Many people expressed concern about rising residential property taxes to fund local services including the Madison schools.
 - City and county governments were struggling to keep their tax increases under 5%.
 - Teachers received an annual wage increase of 3-3.5% in a contract that provides wage and insurance increases of 4.3% in the first year and 4.92% in the second year. In good economic times, this would make sense. I believe we need to pay our teachers well. They are our most valuable resource. In the past I have voted yes for every MTI contract. But our District's economy and its citizens are reeling from state budget cuts and rising property taxes. These are not the best economic times for any of us.
 - These increases added \$7M of new money to the contract costs for 2003-04, not including the cost of large increases in MMSD payments for post-retirement health insurance.
 - In addition, the teachers' contract committed MMSD to spend approximately \$17.5M in retirement payments of \$30,000 each to the 586 teachers who become eligible for these payments between 2003-2007.
 - The MTI teachers' contract set the pattern for the other MTI contracts, although the dollars involved were much less.
 - Of the \$12.6M “revenue gap” presented to the voters in June, at least \$7M was attributable to these contracts.
 - Options that the Board and administration did not consider included a 0% increase for teachers that would have produced a 1-1.5% average increase due to the annual seniority increases built into the teachers' contract.
 - A smaller wage increase would have generated a much smaller budget gap for 2004-2005. In turn, the pressure to lay off teachers to close the gap would be less. Because I find it unacceptable to lay off 20 teachers for every \$1M in budget gap, I strongly preferred offering a lower wage increase to protect the teacher-student ratio in our classrooms.

- **No on the open-ended referendum**
 - An open-ended referendum is bad public policy. A referendum with no upper limit gives the Board no incentive to control cost increases in 2003-2004 or to improve its process for analyzing which school programs are most effective and cost-effective.

- **No on campaigning for the “up to \$12.6M” referendum**
 - The Board and administration presented the June 3 referendum as though voters were being asked to “fill in the gap” between increases in state aid after passage of the biennial budget and the \$12.6M needed to meet the tentatively approved MMSD budget.
 - ***This was not the case.*** At the time of the referendum, the Board and administration were waiting to see how much the new state budget would increase our authority to increase taxes without permission from the voters. We did not expect and did not receive additional revenues from the state for 2003-04.
 - When it passed, the new state budget allowed the Board to tax an additional \$236 per student (totaling over \$6M) and to tax about \$3 million more for school activities under the category of community outreach programs than we did for the 02-03 school year budget.
 - Once the state budget passed, the Board proclaimed that it “only needed \$3.3M” from the referendum. While it was technically true that MMSD would only receive \$3.3M from the referendum, it would also receive the additional \$9.3M from the same taxpayers as the result of the state budget changes, totaling \$12.6 million in new property taxes for the 2003-2004 school year.
 - In addition, the Board and administration told voters that the referendum would add only \$53 to the taxes on the “average” Madison home valued at \$189,000.
 - ***That was not the whole story.*** For every additional million dollars of MMSD spending, the average homeowner will pay about \$16 in additional taxes.
 - If the MMSD budget increase for 2003-04 had been \$3.3M, then the estimate of an increase of \$53 would have been correct.
 - However, the budget increase was \$12.6M---\$3.3M from the referendum vote plus \$6.3M from increases in per student taxes and another roughly \$3M from paying for community outreach programs from tax dollars.
 - Therefore, the increase in taxes on the average home was about \$202 plus the increase caused by higher assessments.

- **Yes on the referendum as a voter**
 - As the principal at Malcolm Shabazz City High School during periods of teacher lay-off and surplus due to declining high school enrollment, I learned that the impact of lay-off and surplus of staff is negative and far-reaching.
 - I also learned that the later these processes begin, the more disruptive are the impacts on the next school year.
 - When teachers don’t know whether or where they have jobs for the coming fall, planning for the next year is very difficult.
 - Because lay-off and surplus trigger transfer rights based on seniority under the MTI contract, a process that begins even as late as March often results in assigning staff to new schools during the first week of fall classes.
 - Finally, the Board and administration had no plan to prevent or reduce the impact on teacher assignments of a failed referendum in June.