

What is the referendum all about?

The school board (board) and the Yes committee would have you believe its either vote Yes to raise Paris taxes or be dissolved by the board and pay higher taxes to another school district.

The choice is tax or tax.

The Yes flier says, "Your taxes will increase whether Paris school survives or not".
WRONG!!!

I will show you a third choice the board won't tell you about. I call it the three NOs.
NO TAX INCREASE, NO LAYOFFS, NO DISSOLUTION.

Let's avoid the scare tactic of dissolving the school and leave this emotional argument alone for now.

THERE IS NO REASON TO DISSOLVE THE SCHOOL.

It is the cart before the horse.

The budget deficit can be eliminated by the Three Nos.

The process never needs to get to dissolution which makes it a scare tactic.

ALL THE FOLLOWING DATA COMES FROM PARIS SCHOOL, BAIRD, or <http://www.dpi.wi.gov/sfs>

This is the Paris Forecast used to justify the referendum and to consider dissolving the school district (district).

The blue cell in the Paris Forecast is FY2010-11 Fund Balance.

This number is the reason for the referendum and the threat to dissolve the school.

Because it is negative, the board says there are insufficient funds to run the school in FY2010-11.

They are partly correct, but they leave out a lot.

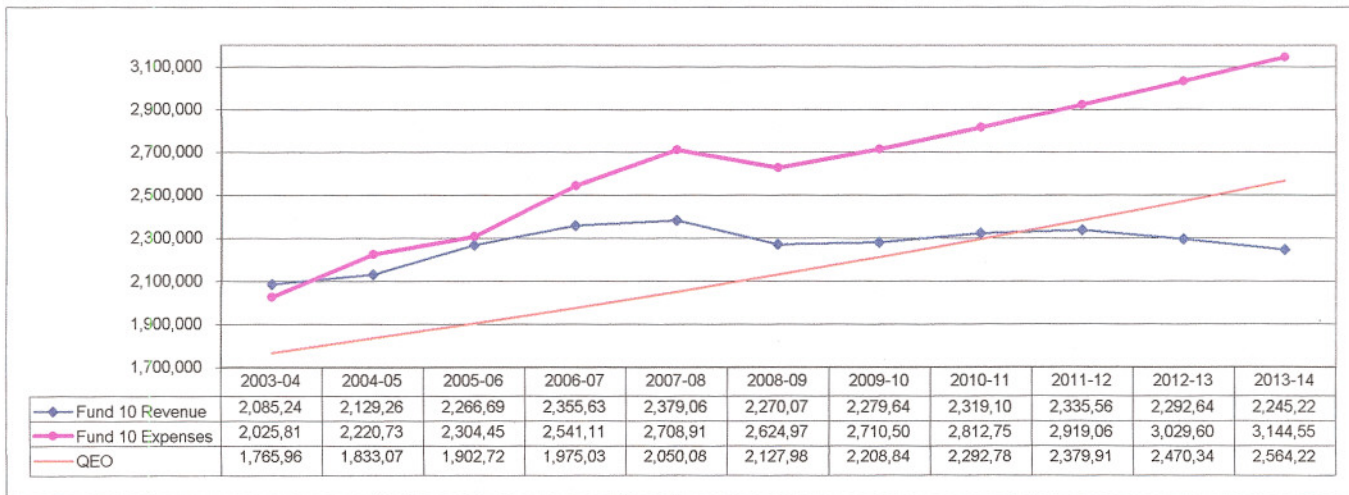
The board has decided to consider dissolving the district.

The referendum is their solution to this budget shortfall.

Contrary to a VOP article the referendum is NOT a vote to dissolve the school, it is a vote about a tax increase

The board must pass a resolution to dissolve the school, not the voters. More later.

Paris Forecast	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	% Inc
Fund 10 Revenue	2,085,243	2,129,264	2,266,694	2,355,631	2,379,064	2,270,070	2,279,640	2,319,104	2,335,564	2,292,641	2,245,223	-1.1%
Fund 10 Expenses	2,025,818	2,220,735	2,304,454	2,541,115	2,708,919	2,624,973	2,710,508	2,812,754	2,919,065	3,029,606	3,144,553	19.8%
Revenue - Expense	59,425	(91,471)	(37,760)	(185,484)	(329,855)	(354,903)	(430,868)	(493,650)	(583,501)	(736,965)	(899,330)	
Fund Balance (FB)	1,308,985	1,217,514	1,179,753	994,269	664,415	309,512	(121,356)	(615,006)	(1,198,507)	(1,935,472)	(2,834,802)	
FB as % of Expenses	64.62%	54.82%	51.19%	39.13%	24.53%	11.79%	-4.48%	-21.86%	-41.06%	-63.89%	-90.15%	
QEO	1,765,964	1,833,071	1,902,727	1,975,031	2,050,082	2,127,985	2,208,849	2,292,785	2,379,911	2,470,347	2,564,221	
Enrollment	207	213	208	194	194	196	185	175	170	165	160	
Cost per Student	9,787	10,426	11,079	13,099	13,964	13,393	14,651	16,073	17,171	18,361	19,653	



What is this table and chart telling me?

The real issue is expenses greater than revenue.

The magenta Expense line in FY2009-10 and beyond is \$430,868 or higher than revenue.

It is spiralling out of control.

This forecast or educated guess is based on several assumptions.

One assumption is revenue decreases 1.1% from FY2008-09 to FY2013-14 and expenses grow 19.8% or 3.8% per year.

A second assumption is enrollment will decrease from 196 in FY2008-09 to 160 in FY2013-14.

As a consequence of this declining enrollment revenue drops off.

Without spending control Cost Per Student increases to \$19,653 in FY2013-14.

FY2013-14 expenses are \$580,332 above the QEO line.

You can see the overgenerous salary and benefits raises in FY2005-2007.

More is needed to get costs under control.

The Fund Balance decreased from \$1,308,985 in FY2003-04 to -\$615,006 in FY2010-11.

This is a \$1,923,991 decrease in 7 years, chewed up by salary, benefits, and retirement expenses.

ON top of this, this forecast shows the board considering dissolving the school while at the same time offering raises of \$80,000 in FY2009-10 and \$83,000 raise in FY2010-11.

There is something wrong with this picture.

This is why you cannot fix spending problems by spending more.

What are these expenses and how did they get so large?

Below are the salaries and benefits of the full time teachers in the collective bargaining unit.

The average full time salary is \$63,253 with average fringe benefits of \$32,092 for a average total compensation of \$95,345.

The total full time compensation range is from \$72,800 to \$125,151 and the salary range is from \$38,400 to \$81,723.

Teacher raises are based on total compensation not just the salary part in private industry.

The school district (district) pays full health insurance for the teacher and the teacher's family if they so choose.

Teachers have three retirement packages, Social Security, a teacher pension that the district pays employee and employer portions, and Supplemental retirement benefits (post employment benefits) paid for by the district.

Teachers who have between 20-25 years of service with Paris school are paid 4 years of health, dental, and long term care insurance by the district.

Teachers with more than 25 years of service are paid 8 years of health, dental, and long term care insurance along with a 3 year stipend of 1/5 of the highest last three years of employment.

Three recently retired teachers cost the district \$123,827 per year for at least three years due to the stipend and benefits.

Three year cost of \$371,481 and an additional five years of benefits at approximate cost of \$415,000 over five years.

Total cost over eight years is around \$750,000.

This is all paid for by the district and is not in the forecast. It is a future promise that is an unfunded liability.

The district is also paying two retired administrators a salary of \$48,900 and benefits of \$145,000.

Other school districts like Brighton do not offer this for obvious reasons. Cost.

FY2008-2009 Salaries and Benefits

#	Full time	Wages	+Wages	Employee	Soc Secur	Health Ins	Total	Health Saving
1	Teacher	77,233	4,490	9,643	6,293	27,492	125,151	14,879
2	Teacher	73,278		8,647	5,642	27,334	114,901	14,721
3	Teacher	67,209		7,931	5,175	27,189	107,503	14,576
4	Teacher	77,233	10,751	9,113	6,775	3,022	106,895	
5	Teacher	64,571		7,619	4,972	27,416	104,579	14,803
6	Teacher	59,007		6,963	4,544	26,850	97,363	14,237
7	Teacher	53,859		6,355	4,147	27,089	91,451	14,476
8	Teacher	52,807		6,231	4,066	27,070	90,174	14,457
9	Teacher	64,571		7,619	4,972	12,613	89,776	
10	Teacher	60,686		7,161	4,673	12,578	85,098	
11	Teacher	56,941	10,751	6,719	5,212	1,320	80,943	
12	Teacher	38,400		4,531	2,957	26,961	72,849	14,348
13	Teacher	50,503		5,959	3,889	12,449	72,800	
		796,298	25,992	94,493	63,316	259,384	1,239,483	116,496
		61,254	1,999	7,269	4,870	19,953	95,345	
	Avg Full time Comp	63,253	Avg Benefits	32,092	Avg Total Compensation	95,345		

Steps(1-11) changes are down, Lane changes are across.

Teachers get a step increase for each year of service.

For 6 credit hours a teacher gets a lane change.

Teachers must take extra classes paid for by the district for teacher credits.

BA+6 is a Bachelors degree with 6 additional educational credits.

A teacher with a Bachelors degree get step raises of between 4.1% to 6.8%.

A teacher with a Masters degree get step increases from 4.6% to 4.8%.

For 6 credit hours teachers with a Bachelor degree gets an additional increase of 2% to 7.7%.

For 6 credit hours teachers with a Masters degree gets an additional increase of 2.6% to 2.7%.

A teacher earning a Masters degree gets an 6.7% to 12% increase.

A teacher at \$50,503 who gets a Master degree would get a step increase of 4.1% in addition to a 10.1% for a 14.2% increase.

At BA+12, one teacher recently received a step increase of 4.1% and a lane change of 5.5% for a total raise of 9.6%.

This makes Paris Teachers the highest paid in Kenosha.

PARIS SALARY SCHEDULE

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y
Step	BA	%	BA+6	%	BA+12	%	BA+18	%	BA+24	%	BA+30	%	MA	%	MA+6	%	MA+12	%	MA+18	%	MA+24	%	MA+30	%
1	36888		37626		39683		40477		41286		42112		44950		46105		47299		48517		49779		51073	
2	38400	4.1%	39168	4.1%	41311	4.1%	42137	4.1%	42980	4.1%	43840	4.1%	47018	4.6%	48235	4.6%	49483	4.6%	50766	4.6%	52087	4.6%	53445	4.6%
3	39975	4.1%	40774	4.1%	43005	4.1%	43865	4.1%	44742	4.1%	45637	4.1%	49188	4.6%	50465	4.6%	51776	4.6%	53125	4.6%	54511	4.7%	55936	4.7%
4	41614	4.1%	42446	4.1%	44768	4.1%	45663	4.1%	46577	4.1%	47508	4.1%	51466	4.6%	52807	4.6%	54185	4.7%	55600	4.7%	57054	4.7%	58550	4.7%
5	43320	4.1%	44186	4.1%	46604	4.1%	47536	4.1%	48486	4.1%	49456	4.1%	53859	4.6%	55267	4.7%	56712	4.7%	58198	4.7%	59727	4.7%	61297	4.7%
6	45096	4.1%	45998	4.1%	48514	4.1%	49485	4.1%	50474	4.1%	51484	4.1%	56371	4.7%	57849	4.7%	59367	4.7%	60927	4.7%	62532	4.7%	64183	4.7%
7	46945	4.1%	47884	4.1%	50503	4.1%	51513	4.1%	52544	4.1%	53595	4.1%	59007	4.7%	60559	4.7%	62152	4.7%	63793	4.7%	65476	4.7%	67209	4.7%
8	48869	4.1%	49847	4.1%	52574	4.1%	53626	4.1%	54698	4.1%	55792	4.1%	61778	4.7%	63407	4.7%	65082	4.7%	66801	4.7%	68570	4.7%	70390	4.7%
9	50873	4.1%	51891	4.1%	54730	4.1%	55824	4.1%	56941	4.1%	58079	4.1%	64685	4.7%	66397	4.7%	68154	4.7%	69960	4.7%	71818	4.7%	73728	4.7%
10	52959	4.1%	54018	4.1%	56973	4.1%	58113	4.1%	59275	4.1%	60461	4.1%	67740	4.7%	69536	4.7%	71380	4.7%	73278	4.7%	75228	4.7%	77233	4.8%
11	55130	4.1%	56359	4.3%	60686	6.5%	61981	6.7%	63276	6.7%	64571	6.8%												

	B to D	D to F	F to H	H to J	J to L	L to N	N to P	P to R	R to T	T to V	V to X
1	2.0%	5.5%	2.0%	2.0%	2.0%	6.7%	2.6%	2.6%	2.6%	2.6%	2.6%
2	2.0%	5.5%	2.0%	2.0%	2.0%	7.2%	2.6%	2.6%	2.6%	2.6%	2.6%
3	2.0%	5.5%	2.0%	2.0%	2.0%	7.8%	2.6%	2.6%	2.6%	2.6%	2.6%
4	2.0%	5.5%	2.0%	2.0%	2.0%	8.3%	2.6%	2.6%	2.6%	2.6%	2.6%
5	2.0%	5.5%	2.0%	2.0%	2.0%	8.9%	2.6%	2.6%	2.6%	2.6%	2.6%
6	2.0%	5.5%	2.0%	2.0%	2.0%	9.5%	2.6%	2.6%	2.6%	2.6%	2.6%
7	2.0%	5.5%	2.0%	2.0%	2.0%	10.1%	2.6%	2.6%	2.6%	2.6%	2.6%
8	2.0%	5.5%	2.0%	2.0%	2.0%	10.7%	2.6%	2.6%	2.6%	2.6%	2.7%
9	2.0%	5.5%	2.0%	2.0%	2.0%	11.4%	2.6%	2.6%	2.6%	2.7%	2.7%
10	2.0%	5.5%	2.0%	2.0%	2.0%	12.0%	2.7%	2.7%	2.7%	2.7%	2.7%
11	2.2%	7.7%	2.1%	2.1%	2.0%						

One teacher at this salary level

Two teachers at this salary level

THE VOTE YES SOLUTION

What is the board's solution to the Fund Balance deficit?

The board has proposed the referendum you are being asked to vote on June 9. They are proposing the following increases for three years in the chart below.

The tax increases would be 25.7% in 2009, 29.2% in 2010 and 34.6% in 2011 (in gray).

The property tax increase for a \$100,000 property value in the April 7 \$600,000 per year referendum would have been \$220. The \$217.86 increase for \$585,000 in 2011 is right in line with \$220 for \$600,000.

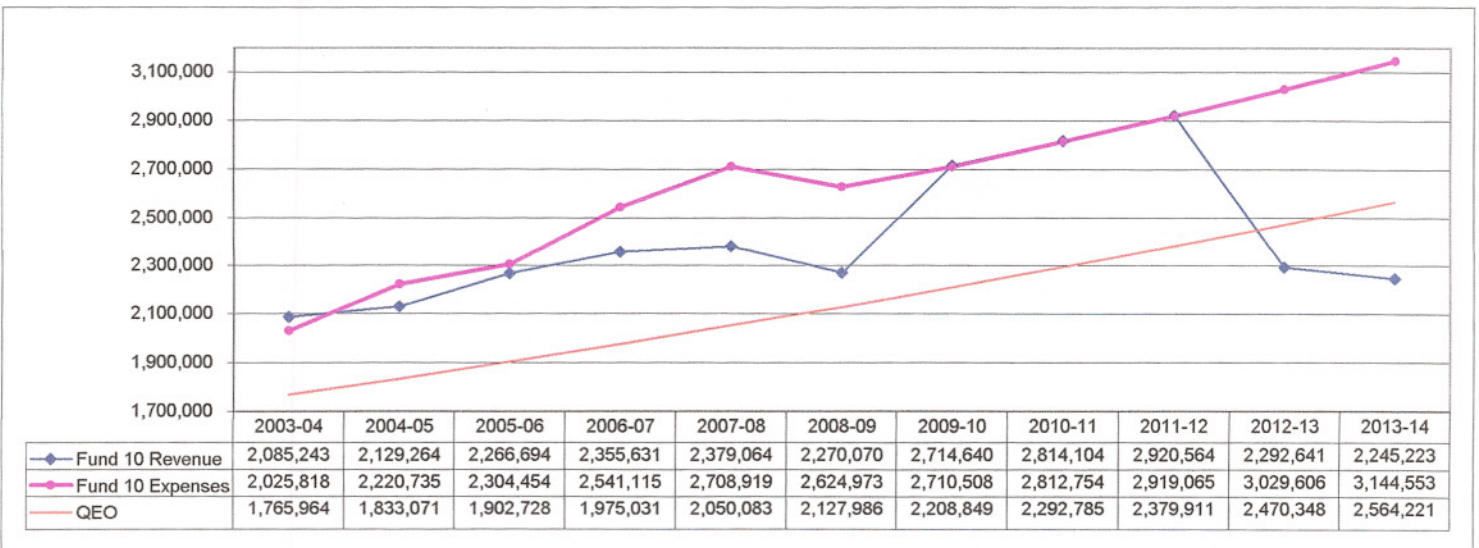
This tax increase would make Paris' school tax rate 9.8099 (in blue) the highest in Kenosha County.

For a \$300,000 property value the 3 year cost would be \$1692.59.

	2009	2010	2011	3 Yr. Total		My Paris Mil rate			
Ref. Amount	\$435,000	\$495,000	\$585,000			0.0063043			
Ref. Increase		1.1379	1.1818			Property			
% Increase Yr to Yr		13.79%	18.18%			Tax	2009	2010	2011
Property Value							\$792.43	\$814.77	\$848.29
\$100,000	\$162	\$184.34	\$217.86	\$564.20	\$100,000	\$630.43	25.7%	29.2%	34.6%
\$150,000	\$243	\$276.51	\$326.78	\$846.29	% Tax Increase				
\$200,000	\$324	\$368.68	\$435.71	\$1,128.39					
\$250,000	\$405	\$460.85	\$544.64	\$1,410.49					
\$300,000	\$486	\$553.02	\$653.57	\$1,692.59					
\$350,000	\$567	\$645.19	\$762.50	\$1,974.69					
\$400,000	\$648	\$737.36	\$871.42	\$2,256.78					
\$450,000	\$729	\$829.53	\$980.35	\$2,538.88					
	Paris	Paris	Brighton	Bristol	Somers	Salem	Kenosha		
		New Rate							
Tax rate	8.1899	9.8099	8.9077	7.6647	8.4237	6.9247	7.5529		
		8.1899+1.62							

All other local school districts have a lower school tax rate that Paris' new Tax Rate

Paris Forecast	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Fund 10 Revenue	2,085,243	2,129,264	2,266,694	2,355,631	2,379,064	2,270,070	2,714,640	2,814,104	2,920,564	2,292,641	2,245,223
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Revenue - Expense	59,425	(91,471)	(37,760)	(185,484)	(329,855)	(354,903)	4,132	1,350	1,499	(736,965)	(899,330)
Fund Balance (FB)	1,308,985	1,217,514	1,179,753	994,269	664,415	309,512	313,644	314,994	316,493	(420,472)	(1,319,802)
FB as % of Expenses	64.62%	54.82%	51.19%	39.13%	24.53%	11.79%	11.57%	11.20%	10.84%	-13.88%	-41.97%
QEO	1,765,964	1,833,071	1,902,728	1,975,031	2,050,083	2,127,986	2,208,849	2,292,785	2,379,911	2,470,348	2,564,221
Enrollment	207	213	208	194	194	196	185	175	170	165	160
Cost per Student	9,787	10,426	11,079	13,099	13,964	13,393	14,651	16,073	17,171	18,361	19,653



How does this affect the forecast?

Revenue increases in FY2009-10 thru 2011-12 have solved the FY2010-11 Fund Balance deficit. The deficit is back in FY2012-13 at -\$420,472.

The Fund Balance in FY2013-14 is an eye popping -\$1,319,802.

Since there would be insufficient funds in FY2012-13 another referendum would be needed or spending cuts would be required.

In addition, the district is in the middle of a two year teacher contract not at the beginning of one.

Costs are still out of control and Cost per Student in FY2013-14 is \$19,653/student.

The board will be back for more money.

NO TAX INCREASE, NO LAYOFFS, NO DISSOLUTION

What was left out from the initial forecast?

There has been a significant cost saving that was not reflected in the initial forecast.
 There was the retirement of three teachers and the hiring of three new ones for a cost savings.
 There was also the elimination of two computer positions whose responsibilities were filled with existing personnel.
 The FY2008-09 cost for these teachers was \$533,887 and the FY2009-10 cost for the new teachers will be \$425,970 for a cost saving of \$107,917.

There is also Federal stimulus money of \$78,468 available for use, half for two year (lime)
 These savings are totalled on the right and plugged in under FY2009-10 Expenses (Dk gray)

Total cost saving for one year is -\$386,173 FY2013-14 Cost/student is \$16,528

The time value of money or compounding $FV = PV(1+i)^{**n}$ can make a big difference.
 I tried to get savings as early as possible to minimize the effect of compounding.

THERE IS NO ELIMINATION OF ANY PROGRAMS OR TEACHERS.

Arguments about property values decreases and harm to children are nonsense. School standing not effected.

School does not close and the community is not effected except there is NO tax increase.

Show fiscal responsibility and the town may consider making a donation to the school, but to expect the town to fund the school is utter madness.

Consider it a small financial boost, not long term funding.

Cost per Student in FY2013-14 is \$2,837/student less than the board's alternative.

The Revenue per Student (on the right) in FY2008-09 is \$11,582 vs \$13,252 in FY2010-11.

The Cost per Student in FY2008-09 was \$13,393.

If the board can't educate children with Revenue of \$13,252/student we have a real problem.

In FY2013-14 Expenses are \$80,000 above the QEO line.

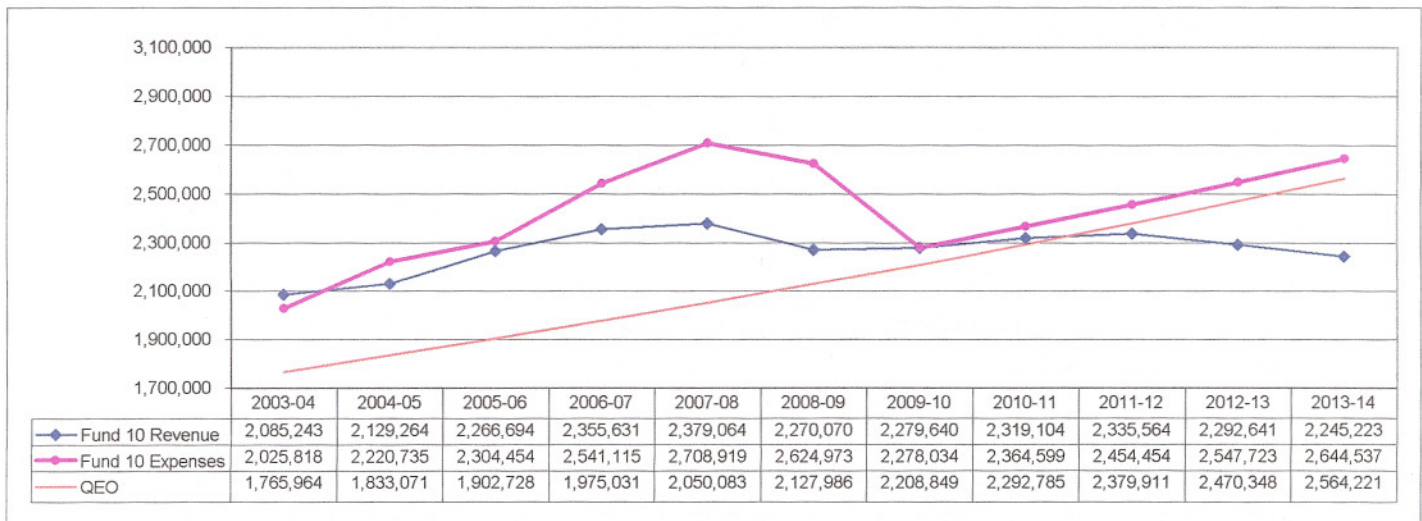
FY2010-11 Fund Balance is positive(blue).

NO REASON TO DISSOLVE THE SCHOOL, NO LAYOFFS, NO TAX INCREASE!!!

FY2009-10 Savings	
2008-09 Expenses	\$2,624,973
1/2 \$78468	\$39,234
Retire Savings	-\$107,917
5% salary reduction	-\$63,623
20 % co-pay Health Ins	-\$103,729
10 % co-pay Retire.	-\$10,904
Foundation/Site repair	-\$100,000
	\$2,278,034
Total Savings	-\$386,173

	FY2008-09	FY2010-11
Revenue/ Student	\$11,582	\$13,252
Stimulus \$		\$78,468

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Revenue - Expense	59,425	(91,471)	(37,760)	(185,484)	(329,855)	(354,903)	1,606	(45,495)	(118,890)	(255,082)	(399,314)
Fund Balance (FB)	1,308,985	1,217,514	1,179,753	994,269	664,415	309,512	311,118	265,623	146,733	(108,349)	(507,663)
FB as % of Expenses	64.62%	54.82%	51.19%	39.13%	24.53%	11.79%	13.66%	11.23%	5.98%	-4.25%	-19.20%
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Cost per Student	9,787	10,426	11,079	13,099	13,964	13,393	12,314	13,512	14,438	15,441	16,528



What is the Paris School Foundation?

It is a tax exempt structure to accept tax deductible contributions.

It can offer grants to the school for expenses defined by it's purpose statement and by-laws.

Funds from the Foundation cannot be used for salary/benefits or post-employment retirement benefits.

What is a QEO?

A QEO is a Qualified Economic Offer defined in Wisconsin State Statute 111.70.

During a collective bargaining session of teacher negotiations the district and the union exchange proposals and bargain.

After bargaining with no agreement, mediation may be pursued.

If mediation does not yield a compromise, the district can make a QEO to prevent collective bargaining entering interest arbitration.

A QEO is 3.8% of total compensation. It is not automatic and it is not guaranteed.

What about dissolution?

Wisconsin State Statute 117.10 Dissolution of a School District defines this process.

(1) the board considers dissolution

(2) By August 1 the board adopts a resolution ordering dissolution or they can hold no vote and dissolution won't happen.

(3.1) the board directs an advisory referendum to vote on dissolving the school or

(3.2) 10% of electors can file a petition before 2nd Tuesday of September to hold an advisory referendum.

Contrary to the Yes flier and the board statements, if this referendum does not pass, the board does NOT need to file for dissolution.

Alternatives to a tax increase could be arrived at between June 9 and August 1 that would make it unnecessary for the board to vote to dissolve.

Alternatives could include a Foundation donation, additional spending cuts, contract concessions, and as a last resort a planned layoff for FY2010-11 to get teachers to make concessions.

The school board votes to dissolve the district, not the results of this referendum.

Why do I not trust this school board?

Here is a quote from the dpi website on Building Trust in a Community, "Trust is built on how the community feels you are using their money".

How did the board use our money? I would say poorly.

Big raises in salary and benefits. Supplemental Retirement Benefits that are out of sight.

A Fund Balance that was \$1,308,985 in 2003 to -\$615,006 in 2010. A drop of \$1,923,991 in 7 years.

Gail Gentz asked at the last school board meeting how this happened and what was the plan going forward.

The board never answered her question. They don't listen and respond.

The board president had to be corrected by a resident when she said the union can make a QEO offer to the board.

Only the employer, the district, can make a QEO.

Another board member stated in the last school board meeting that "a 3.8% teacher raise is automatic".

A 3.8% QEO offer can be made by the district to prevent going into interest arbitration. It's not automatic.

I emailed the Three NO solution to Roger who said he reviewed it with the board. They chose a tax increase instead.

Silver Lake/Riverview School chose to cut spending through layoffs instead of a referendum to reduce their Fund deficit.

They didn't need to dissolve.

Threatening to dissolve the school is a scare tactic plan and simple.

Why should this referendum to fail?

Teacher contract negotiations begin June 2, yet no mention is made of this in the Yes committee's flier, post card, or the Paris school flier.

Why? Salaries and benefits along with Special Education expenses are 80% of the Paris budget.

Now is a perfect opportunity to get spending under control.

The reason for this referendum and to dissolve the school is there is insufficient money in the Fund Balance.

Yet during collective bargaining with the teacher's union, the union always says

'there is money in the Fund Balance, you can afford to give raises'.

Now the board can say 'there is no money for raises, make concessions or the school will be dissolved'.

So why would we want to pass a referendum to alter this leverage. We don't.

If spending is controlled, the Fund Balance problem is SOLVED and the district will not be DISSOLVED, and LOCAL CONTROL is maintained.

To all those with Yes signs who so passionately care about the school, contribute passionately and yearly to the Paris School Foundation which is now taking contributions, but don't try to achieve your goals with other people's money.

Everyone on the Paris school staff makes more money than me, yet they are asking me for a tax increase. NO, HECK NO!!!

What does this chart show?

Paris data in red

QEO - Qualified Economic Offer

QEO is a 3.8% increase every year

QEO lines are the straight ones

Paris education cost was \$696,935 above QEO

Paris education cost is out of control

Brighton data in blue

Brighton education cost is in control

Paris and Brighton very similar schools

If Brighton can control costs why can't Paris?

Who has been watching this? Who knows?

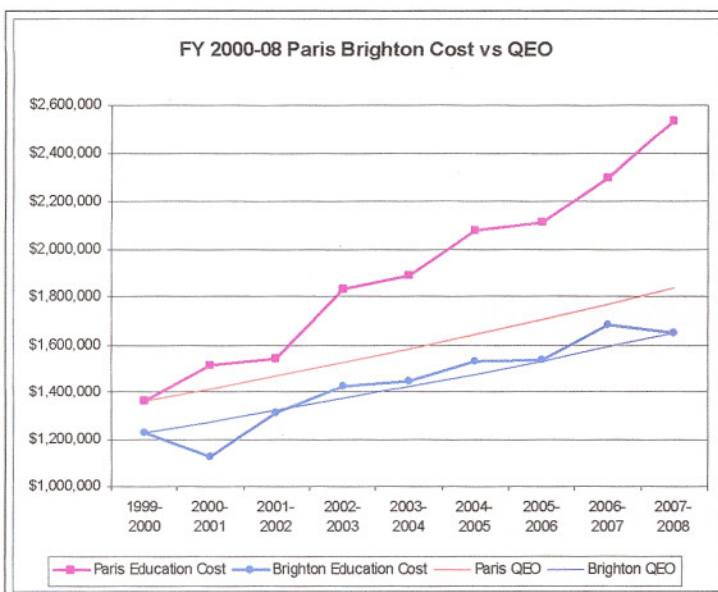
We do NOT need this referendum.

Paris teachers highest paid in Kenosha County

Pay teachers for results, not degrees or seniority

No bailout for excessive school spending

Raise taxes during a recession. Are you nuts?



Northwestern Mike
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When does the minority control the majority?
On school issues, the minority votes.



Vote Tuesday June 9, 2009

VOTE NO – SAVE OUR SCHOOL

For more information:

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