

## **Someone wants your money and it's not me.**

**This informational letter contains the following items:**

- A. Questions - Answers**
- B. Backup data and charts**
- C. Town of Paris \$23 million letter**
- D. Unofficial Write-in Advisory Referendum**
- E. Summary Sheet**

### **Why am I sending out this informational letter?**

The Paris school board has passed a referendum asking to raise the revenue limit (how much money they can get from us). The referendum vote takes place Tuesday April 7, 2009. I'm against this referendum because I'm tired of my property taxes going up.

My property taxes will increase \$682. That's a 24% property tax increase. It's a 36.5% tax increase on the amount for Paris school. Ten-year cost would be \$6,820. Since 2002, Paris school's portion of my tax bill has increased from \$1380 to \$1870, an increase of 35%. Add another \$682 to this bill and since 2002 Paris school's taxes will have increased 84.9%. Enough is enough. Time to fight property tax increases.

### **Why do I compare Paris and Brighton in my charts?**

As of 2007 Paris Township has 1,532 residents, Brighton geographically right next door has 1,516 residents. Both towns are largely rural. Paris has more industry notably Waste Management and Kenosha Beef. For FY2007-08 Paris school has 194 students (members in school jargon), 31 staff members, and 19 teaching staff. Brighton has 167 students, 31 staff members, and 19 teaching staff. Paris has on average 21.5 members per class and Brighton has 18.5. On average, Paris and Brighton schools are very similar. With all these similarities, the two schools and school boards achieve similar test results with totally different costs. These cost differences have led to this referendum.

### **What's the story on Paris support staff paying part of their insurance cost and salary freezes?**

Benefits saving are about \$3,000. Future salary increases would have been about \$15,000 for 10 staffers or \$1,500 per employee. The 600lb gorilla in the room is teacher salaries and benefits at \$1,297,000. The average salary for fourteen full-time Paris teachers is \$68,400 and their benefit package costs \$24,300. Total teacher compensation is \$92,700 for nine months (**see FY2008-2009 Supply Expense table on backside**).

### **What I learned at the March 30 Informational Meeting?**

The reason for the referendum is because the fund balance has dropped below 17% of expenses. The Fund Balance is a "reserve" fund to help with cash flow problems. Taxpayer money comes mainly from state-aid and property taxes. Revenue limit = state-aid + property taxes. With a revenue cap, as state-aid goes down property taxes go up (**see Paris Educational Revenue and Cost table on backside**). The Fund Balance has decreased due to excessive spending on salaries, health insurance, and Annual Supplemental Pension Costs. Annual Supplemental Pension Costs of \$149,000 are part of Paris teacher contracts, but not part of Brighton's.

The Fund Balance in the Paris forecast projects a shortfall. But the Paris forecast assumes equalized property values of 3% not actual of 7.4%. It also assumes decreased enrollment, but with a new subdivision in Paris school district, enrollment should increase. The recent cost reductions of \$200,000 are also not included. Revenue is low, costs are high which all leads to a pessimistic forecast, perfect for a referendum justification.

If the referendum fails, dissolution is threatened due to Fund Balance shortfall. Before scaring residents with dissolution talk, consolidation with Brighton or more spending reductions should be considered. Why is the solution always to ask for more money? Cut all salaries \$150,000, all benefits \$100,000, and annual supplemental cost \$147,000 for \$397,000 savings. Paris residents also pay \$369,485 for health care insurance for employee and entire families at no cost to employees. Why?

General Motors is in the news. The US Government is making GM get more concessions from bondholders and the union before they agree to more bailout money. 'Problems such as union contracts and the costs of paying for retirement healthcare' led to this point. Government also fired the CEO and the entire board of directors for a new perspective going forward. The board was fired for 'loyalty to Mr. Wagoner above the duty to shareholders'. President Obama also stated GM 'couldn't depend on unending taxpayer loans'.

Sound familiar. Change board 'loyalty to Mr. Wagoner above the duty to shareholders' to board '**loyalty to teachers above the duty to taxpayers**' and we have the Paris school situation. **Time for change.**



# FY2008-2009 Supply Expense, Benefits, Retirement, and Salary Costs

Supply Expenses, Paris Data, YTD, Retirement, and Salary Costs													
Supply Expenses		dpi	Paris Data	YTD	Benefits		Total	SS	Health	Benefits	2%- 5%	SS+Health	
110-410	General Supplies	27,000	27,000	18,027	110-220	Social Security	61,100	61,100				61,100	
110-470	textbooks	1,000	1,000	28	110-240	Health Insurance	205,200		205,200	205,200		205,200	
110-400	total 110	28,000	28,000	18,055	110-290	Other Benefits	6,000		6,000	6,000		6,000	
120-410	General Supplies	4,000	4,000	253	120-220	Social Security	1,912	1,912				1,912	
140-410	General Supplies	2,700	2,700	3,397	120-240	Health Insurance	27,000		27,000	27,000		27,000	
213-410	General Supplies	400	1,500	184	140-220	Social Security	6,300	6,300				6,300	
214-410	General Supplies	400	400	334	140-240	Health Insurance	28,000		28,000	28,000		28,000	
222-410	General Supplies	3,150	3,150	577	160-220	Social Security	765	765				765	
240-410	General Supplies	3,500	3,500	95	213-220	Social Security	995	995				995	
240-490	other	18,000	18,000	5,964	213-240	Health Insurance	1,000		1,000	1,000	1,000	20	1,000
240-400	total 240	21,500	21,500	6,060	230-220	Social Security	413	413				413	
253-490	other	13,000	13,000	7,800	240-220	Social Security	9,754	9,754				9,754	
257-410	General Supplies	25,000	25,000	12,419	240-240	Health Insurance	28,000		28,000	28,000	28,000	1,120	28,000
257-420	milk	15,000	15,000	5,100	240-290	Other Benefits	5,000		5,000	5,000	5,000	500	5,000
257-400	total 257	40,000	40,000	17,519	252-220	Social Security	3,060	3,060				3,060	
Total Supply Exp		113,150	114,250	54,180	252-240	Health Insurance	2,500		2,500	2,500	2,500	50	2,500
					252-290	Other Benefits	4,800		4,800	4,800	4,800	240	4,800
					253-220	Social Security	6,200	6,200				6,200	
110-211	Paid by Employer	47,050			253-240	Health Insurance	28,000		28,000	28,000	28,000	560	28,000
110-212	Employer Share	47,050	47,050	47,050	253-290	Other Benefits	5,400		5,400	5,400	5,400	270	5,400
120-211	Paid by Employer	1,500			290-220	Social Security	3,740	3,740				0	0
120-212	Employer Share	1,500	1,500	1,500	290-240	Health Insurance	145,000		145,000			0	0
140-211	Paid by Employer	4,920			27E-150-220	Social Security	6,733	6,733				6,733	
140-212	Employer Share	4,920	4,920	4,920	27E-150-240	Health Insurance	27,000		27,000	27,000		27,000	
160-211	Paid by Employer	60			27E-150-290	Other Benefits	300		300	300		300	
160-212	Employer Share	60	60	60	50E-257-220	Social Security	2,295	2,295				2,295	
213-211	Paid by Employer	780			50E-257-240	Health Insurance	600		600	600	600	30	600
213-212	Employer Share	780	780	780	80E-253-220	Social Security	600	600				600	
240-211	Paid by Employer	5,670			80E-253-240	Health Insurance	685		685	685	685	34	685
240-212	Employer Share	5,670	5,670	5,670	Total Benefits		618,352	103,867	514,485	369,485	75,985	2,824	469,612
290-100	Salary	48,900	48,900		Salaries		dpi	w/o other	Paris Data	Paris w/o	5% Inc	4% Inc	
290-200	Benefits	148,740	148,740		110-100	Undiff Curr	806,500	806,500	806,500	806,500			
27E-150-211	Paid by Employer	4,140			120-100	Reg Curr	40,000	40,000	25,000	25,000			
27E-150-212	Employer Share	4,140	4,140	4,140	140-100	Physical	82,000	82,000	82,000	82,000			
Total Retirement		325,880	261,760	64,120	160-100	Co-Curr	10,000	10,000	10,000	10,000			
		Budget	YTD		213-100	Guidance	13,000	13,000	13,000	13,000	13,000	650	520
Total Salaries		1,309,207	1,309,207		230-100	Gen Admin	5,400	5,400	5,400	5,400	5,400	270	216
Total Benefits		469,612	469,612		240-100	Build Admin	129,800	129,800	129,800	129,800	129,800	6,490	5,192
Total Retirement		325,880	325,880		252-100	Fiscal	40,000	40,000	40,000	40,000	40,000	2,000	1,600
Total Supply Exp		114,250	54,180		253-100	Operation	72,000	72,000	72,000	72,000	72,000	3,600	2,880
		2,218,949	2,158,879		290-100	Other Salaries	48,900	0	48,900	0			
					27E-150-100	Spec-Ed	88,007	88,007	88,007	88,007			
					50E-257-100	Food Service	30,000	30,000	30,000	30,000	30,000	1,500	1,200
					80E-253-100	Operation	9,000	9,000	7,500	7,500	7,500	375	300
					Total Salaries		1,374,607	1,325,707	1,358,107	1,309,207	297,700	14,885	11,908
					12 full timers, PE, Spec ED								
					Salary								
					12 full timers, PE, Spec ED								
					Benefits								
					Total Salary 14 full timers								
					Salary and benefits / full timer								

## Paris Educational Revenue and Cost in Dollars

http://dpi.wi.gov/sfs

	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	% increase '98-'99/'07-'08
Paris Members	189	192	204	206	207	213	208	194	194	
Revenue State	451,598	477,153	588,468	711,478	648,020	666,561	809,586	757,428	667,608	148%
Revenue Federal	31,796	32,465	37,199	30,421	80,425	44,013	43,186	76,539	121,223	381%
Property Taxes	1,056,254	1,170,318	1,182,087	1,161,561	1,306,333	1,361,685	1,285,829	1,530,832	1,638,206	155%
Other Local	45,022	46,998	212,050	178,146	178,952	182,341	244,873	296,020	220,966	491%
Revenue Total	1,584,669	1,726,934	2,019,724	2,081,607	2,213,730	2,254,600	2,383,474	2,660,820	2,648,003	167%
Revenue Increase		109.0%	117.0%	103.1%	106.3%	101.8%	105.7%	111.6%	99.5%	106.8%
Current Educ Cost	1,360,798	1,511,053	1,538,555	1,827,973	1,887,167	2,074,338	2,112,283	2,295,742	2,530,822	186%
Trans + Facilities	170,749	74,535	84,520	84,662	86,027	92,694	99,341	250,399	252,641	148%
Food + Comm Serv.	49,526	53,529	57,996	64,682	76,416	72,420	65,208	88,315	69,972	141%
Total Cost	1,581,072	1,639,117	1,681,071	1,977,317	2,049,609	2,239,452	2,276,832	2,634,456	2,853,436	180%
QEO	1,360,798	1,412,508	1,466,184	1,521,899	1,579,731	1,639,761	1,702,071	1,766,750	1,833,887	135%
Cost Increase		103.7%	102.6%	117.6%	103.7%	109.3%	101.7%	115.7%	108.3%	107.8%

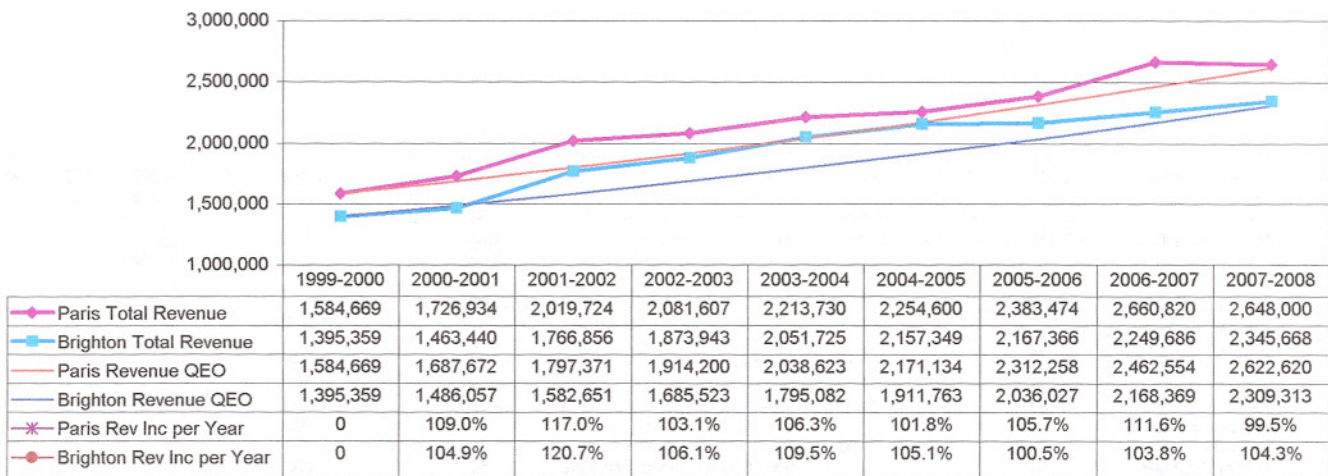
## Brighton Educational Revenue and Cost in Dollars

http://dpi.wi.gov/sfs

	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	% increase '98-'99/'07-'08
Brighton Members	165	160	181	181	166	159	182	175	167	
Revenue State	717,932	722,267	717,520	891,032	857,605	760,274	680,588	981,818	865,604	121%
Revenue Federal	18,370	20,463	13,284	39,467	51,458	54,093	57,979	62,095	56,711	309%
Property Taxes	620,064	657,456	845,893	752,037	847,719	998,477	1,141,904	823,143	1,067,790	172%
Other Local	38,993	63,253	190,160	191,407	294,943	344,505	286,894	282,629	355,563	912%
Revenue Total	1,395,359	1,463,440	1,766,856	1,873,943	2,051,725	2,157,349	2,167,366	2,249,686	2,345,668	168%
Revenue Increase		104.9%	120.7%	106.1%	109.5%	105.1%	100.5%	103.8%	104.3%	106.9%
Current Educ Cost	1,224,368	1,125,264	1,308,058	1,423,864	1,443,821	1,530,633	1,536,665	1,682,315	1,645,261	134%
Trans + Facilities	81,080	73,481	181,569	325,129	211,309	242,512	223,213	244,265	251,369	310%
Food + Comm Serv.	54,054	47,903	42,333	42,747	49,370	55,881	69,198	70,977	66,323	123%
Total Cost	1,359,501	1,246,648	1,531,960	1,791,740	1,704,500	1,829,026	1,829,077	1,997,556	1,962,953	144%
QEO	1,224,368	1,270,894	1,319,188	1,369,317	1,421,351	1,475,362	1,531,426	1,589,620	1,650,026	135%
Cost Increase		91.7%	122.9%	117.0%	95.1%	107.3%	100.0%	109.2%	98.3%	105.2%

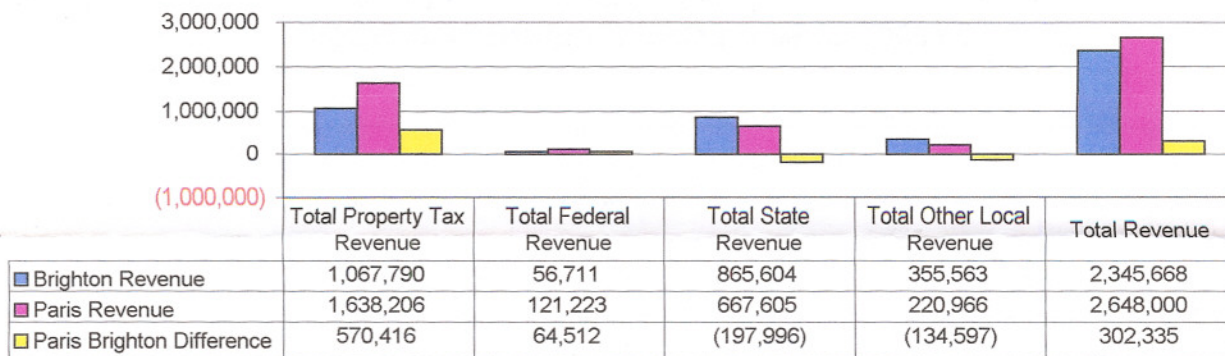


### FY 2000-08 Paris Brighton REVENUE at 6.5% increase per Year



Paris Total Revenue increased 6.8% over last 8 years.

### FY2007-08 Paris Brighton REVENUE Comparison In Dollars



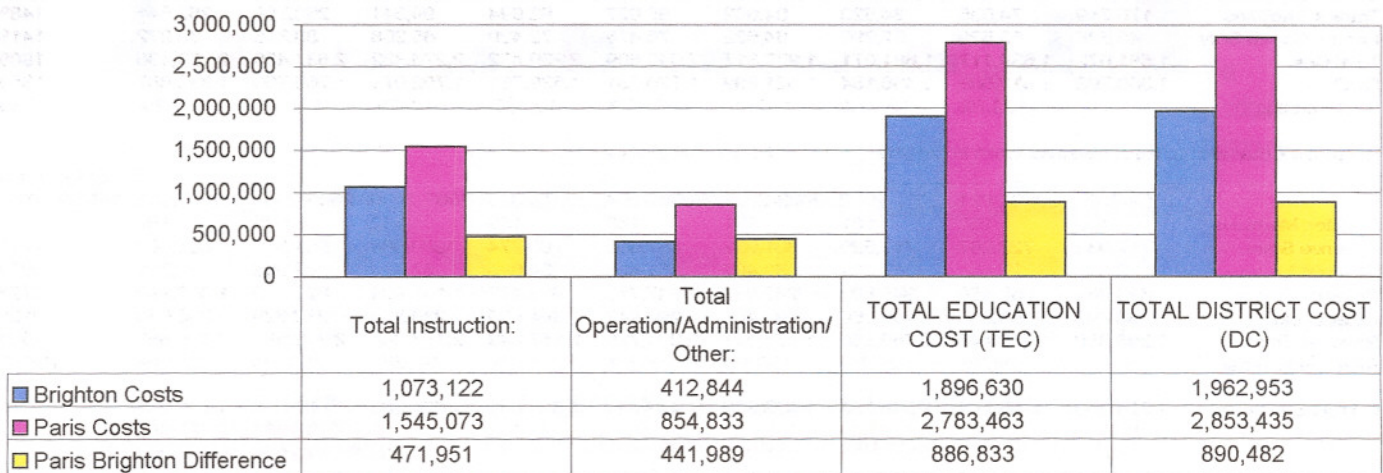
Paris Property taxes were \$570,416 higher than Brighton.

\$600,000 divided by \$1,638,206 would be a 36.6% property tax increase.

Estimated new revenue per student ( $\$2,648,000 + \$600,000 = \$3,248,000$ ) per 185 students is

**\$17,556**

### FY2007-08 Paris Brighton COST Difference in Dollars



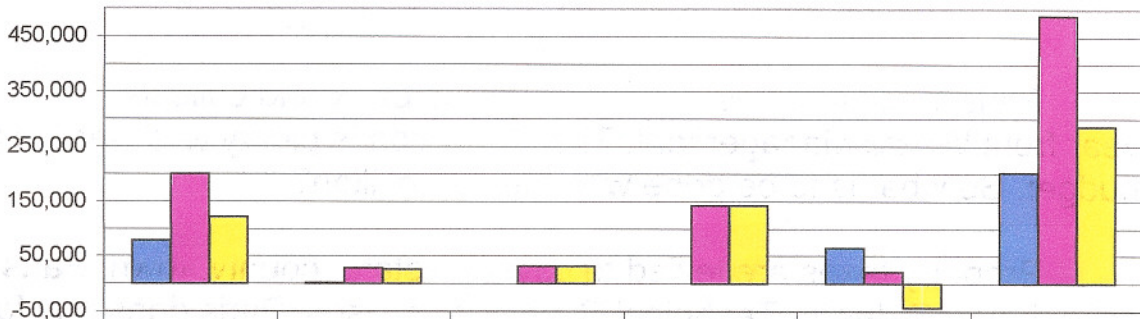
Paris' Cost were \$890,482 higher than Brighton's, Total Instruction (teachers) was \$471,951 higher.

Estimated new cost per student ( $\$2,853,435 + \$600,000 = \$3,453,435$ ) per 185 students is

**\$18,667**



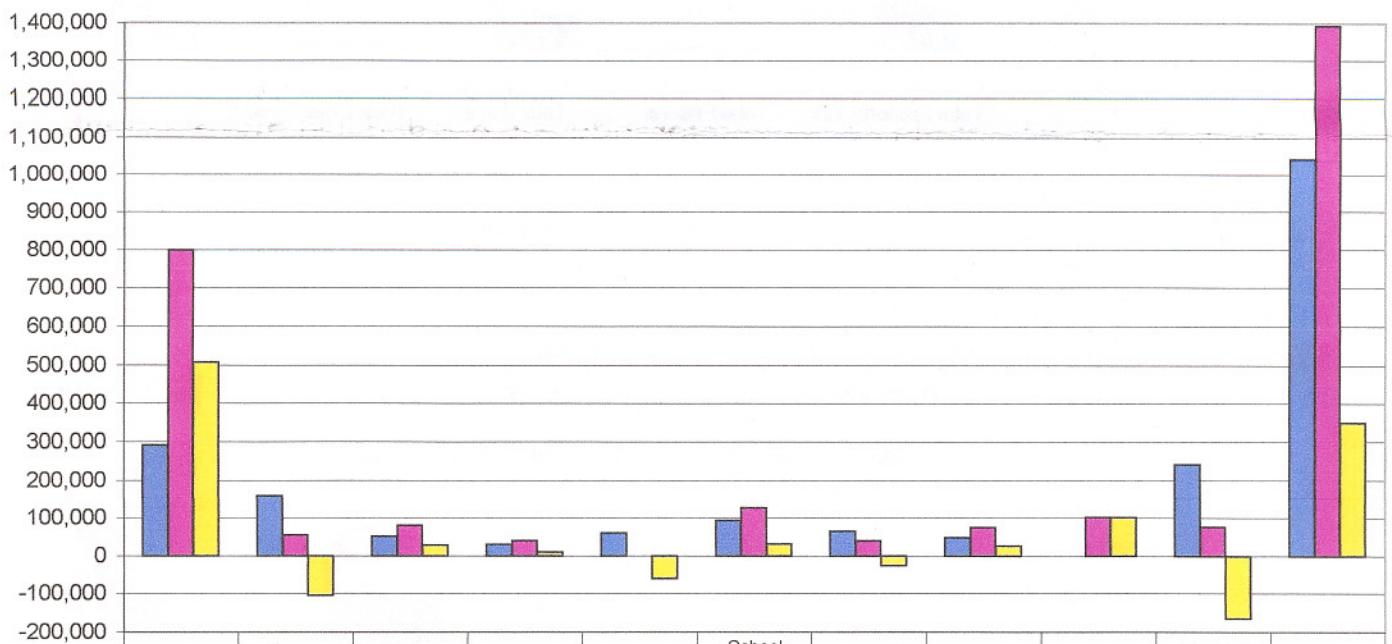
### FY2007-08 Health Insurance Cost Comparison in Dollars



Brighton Cost	78,322	1,887	389	0	63,986	202,360
Paris Cost	200,325	28,369	32,180	142,830	20,779	488,521
Paris Brighton Difference	122,003	26,481	31,790	142,830	(43,208)	286,161

Paris spent \$122,003 more than Brighton for teachers' health insurance and \$286,161 overall.

### FY2007-08 Salary Cost Comparison in Dollars



Brighton Costs	291,804	159,074	51,563	29,810	60,609	94,129	65,540	48,681	0	241,525	1,042,736
Paris Costs	799,603	55,193	79,395	39,053	0	126,237	40,104	74,637	101,354	77,007	1,392,583
Paris Brighton Difference	507,798	(103,881)	27,832	9,243	(60,609)	32,109	(25,437)	25,956	101,354	(164,518)	349,847

Health insurance cost for Paris' Other Support Services was \$142,830 and salaries were \$101,354.

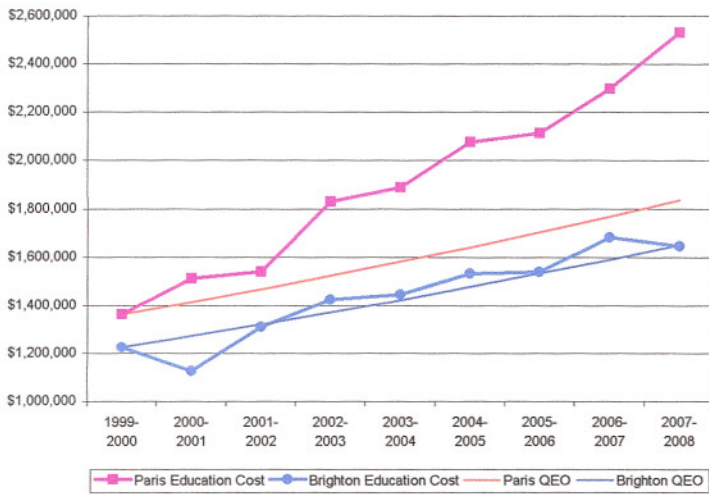
For FY2007-08, \$244,184 for other retirement health care and salaries.

Brighton's was \$0.



## YOU CAN'T FIX SPENDING PROBLEMS BY SPENDING MORE

FY 2000-08 Paris Brighton Cost vs QEO



### 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?

### What does a "YES" vote mean?

\$600,000 / \$2,648,000 = 22.7% revenue increase  
 36.4% Paris property tax increase  
 Salary and benefits over 70% of budget  
 \$600,000 \* 70% = \$420,000 for salary and benefits  
 Revenue per staff, \$420,000 / 21 staff = \$20,000  
 Rewards out of control spending habits

### What does a "NO" vote mean?

Dissolution is a scare tactic  
 Money available from federal stimulus package  
 Chance to get spending under control  
 Consider consolidation with Brighton  
 Adopt Brighton's financial discipline  
 Don't renew teachers' contracts  
 Offer new contracts based on QEO numbers in chart  
 Chance to reduce \$469,600 benefit costs  
 Chance to reduce \$326,000 retirement costs  
 Chance to reduce \$1,309,000 salary costs  
 Chance to reduce \$14,708 per student cost  
 Consider a Charter school  
 St Joseph's Junior High tuition is \$6,750 per student  
 Paris school needs to live within its means. We do.

### What is the cost to Taxpayers?

Property Value	Property Tax Increase
\$100,000	\$2,200 over ten years
\$150,000	\$3,300 over ten years
\$250,000	\$5,500 over ten years
\$350,000	\$7,700 over ten years
\$450,000	\$9,900 over ten years

Data from <http://www.dpi.wi.gov/sfs/>

### How about costs?

The chart tells a pretty bleak story on cost control  
 Total costs increased 180% since 1999  
 FY2008-09 retirees, \$48,900 salary and \$148,700 in benefits  
 Benefit cost \$469,600 / 21 full timers = \$22,362 per member  
 14 full time teachers, avg salary \$68,400, avg benefits \$24,300  
 FY2007-08 Paris education cost is \$13,045 per student  
 FY2007-08 Brighton education cost is \$9,852 per student  
 FY2007-08 Paris - Brighton cost difference is \$3,193 per student  
 FY2007-08 Paris Total cost is \$14,708 per student  
 FY2007-08 Paris Total cost is \$2,853,436 Brighton's \$1,962,953

**THE DIFFERENCE IS \$890,483, MORE THAN THE  
 THE AMOUNT OF THE REFERENDUM.**

**Estimated Revenue per student \$17,556. Cost per student \$18,667**

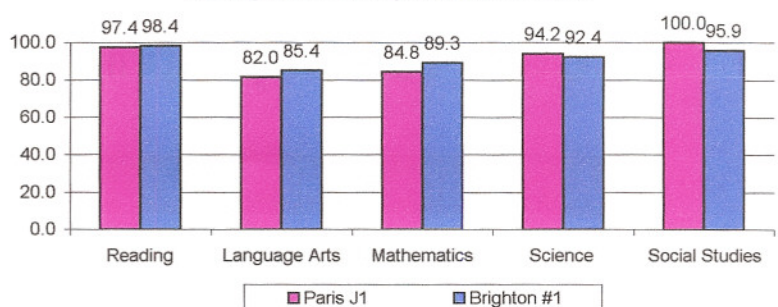
### How about enrollment?

Paris' revenue has increased 6.8% over past eight years not 3%  
 New subdivision in Paris school district, enrollment will increase

### What about cost - benefits?

Brighton's cost are 45% lower than Paris'  
 Brighton gets better test results for less money  
 If Brighton can accomplish this, why can't Paris?

5 Yr Avg Test Score Comparison Nov-03 - Nov-07



Teacher contract negotiations are under way for FY2009-10 and FY2010-11.  
 It would be smarter to negotiate teacher salaries before considering a referendum.  
 There is more leverage on the teachers' union to make major concessions  
 if this referendum fails.

Northwestern Mike  
PO Box 291  
Somers, WI 53171

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



**Vote** Tuesday, April 7, 2009

**Make an informed decision**

**For more information:**

Visit [www.dpi.wi.gov](http://www.dpi.wi.gov)

Email [Northwesternmike@yahoo.com](mailto:Northwesternmike@yahoo.com)

**Attend** Annual Town Meeting On **Tuesday, April 14,**  
**2009 at 7:30 pm**