

Operating Referendum

22 March 2005

Recurring Increases to Cover Recurring Budget Gaps

- This ballot item seeks authority for a recurring levy increase . That is, this would raise the property tax rate in each of the next two or three years.
- The levy would increase each year to raise \$7.4 million to cover that year s budget gap .
- That s \$7.4 million the first year above the current levy. That increase is carried forward into the second year, when the levy is increased again to cover another \$7.4 million gap. If there s a third year the previous two levies would continue and there would be a third increase to cover a third budget gap of about the same size.

Year 2004/05	\$7.4 million	=	7.4 million*
Year 2005/06	\$7.4 million from year before + new levy for \$7.4 million	=	\$14.8 million*
Year 2006/07	\$14.8 million from previous years + another \$7.4 million	=	\$22.2 million*

*over 2005 taxes.

Costs

- This item will raise taxes on the average homeowner by \$83 in the first year, \$212 the second year, and \$331 the third year, over 2005 taxes. Any gap in the fourth year will either have to be filled by yet another referendum or eliminated through budget cuts.
- The School Board is also considering a two-year option using the same numbers.

Causes of Recurring Budget Gaps

- Each increase is designed to erase that year s budget gap. Budget gaps happen every year, as a direct result of state laws.
- Revenue caps
- QEO
- Inflation
- Increasing needs
- Funding system is broken, unjust

Maintain Quality Programs and Avoid Cuts

- These tax increases will allow the district to maintain existing programs and class sizes.
- This referendum will protect the overall quality of our schools.
- If this fails program s will be cut and staff will be laid off.
- The exact cuts are still being debated. The board has committed itself to name the cuts before May 24th special election, so that the public can make a fully informed decision.
- The administration s recommended cuts are listed on the district web site: www.mmsd.org

An Ongoing Problem

- Since revenue caps were implemented in 1993 the District has cut \$38 million from the budget, mainly through more efficient operations. The current budget is \$316 million.
- Classrooms have largely been protected until the last two years.
- From 1993 to 2003 most of the cuts were from downtown and non-instructional areas.
- The district has reduced central office administrators by 20% (from 60 to 48).
- Since 1993, the district has taken many steps to reduce costs; it has:
 - reorganized its business wing to reduce positions and costs;
 - instituted a process to install more energy efficient utility systems (paid for by the savings in utility bills);
 - eliminated central office administrator positions, 10 in the last four years and at least two more in the next budget;
 - created a grant development department that provides the district \$6-8 million in competitive grants each year; the cost for this department comes out of the grants;
 - centralized the assessment process for identifying students with special education needs; this has allowed the district to be more consistent and has reduced the total number of referrals to special education;
 - assessed fees for instructional materials and elementary strings, and increased fees for athletic participation.

Why vote YES?

- Maintains quality programs and services
- Supports continued progress in reducing the achievement gap
- Provides a rich array of experiences for students (planetarium, athletics, strings, drama, advanced courses, etc.)
- Continues investment in the skills of teachers and other staff