

# ACTIVE CITIZENS FOR EDUCATION

## WHITE PAPERS ON EDUCATION

**Purpose:** to present independent information and analyses for key educational issues facing the Madison Metropolitan School District and the community-at-large. The reader is requested to understand that as new information becomes available these papers will be updated.

**Objective:** to inform the public and district officials about issues concerning curriculum, instruction, administration and operation of the Madison Metropolitan School District.

## COMMUNITY SERVICE FUND (FUND 80)

**Background:** The Community Service Fund is used to account for activities such as adult education, community recreation programs such as evening swimming pool operation and softball leagues, elderly food service programs, non-special education preschool, day care services, and other programs which are not elementary and secondary educational programs but have the primary function of serving the community. Expenditures for these activities, including cost allocations for salaries, benefits, travel, purchased services, etc. are to be included in this Fund to the extent feasible. The district may adopt a separate tax levy for the Fund. Building use fees charged for utilities and other operational costs must be recorded in the General Fund if no cost allocation was made for these to the Community Service Fund.

Statutory Authority: 120.13(19) Community Programs and Services – “A school board may establish and maintain community education, training, recreational, cultural or athletic programs and services, outside the regular curricular and extracurricular programs for pupils, under such terms and conditions as the school board prescribes. The school board may establish and collect fees to cover all or part of the cost of such programs and services. Costs associated with such programs and services shall not be included in the school district’s shared cost under 121.07(6).”

The Fund 80 levy was removed from revenue limit control starting in the 2000-01 school year (121.91(2m)(e)1). It has never been a factor in the equalization aid calculation.

**Description:** It is NOT “Community Service” if

1. ...in general, it involves any activities that provide instruction and supporting services to K-12 pupils
2. It is part of a regular instructional program
3. It is only open to pupils enrolled in the district
4. It includes operational costs that support K-12 educational activities
5. It incurs costs not specifically identified with community service activities

**Analysis:**

Year	Expense/ Budget*	Property Tax Revenue	Tax Revenue: Equalized Budget Ratio	Valuation Base	Mil Rate
00-01	\$3.8 m				
01-02	\$5.4 m	\$3.3 m	61%	\$13.5 b	12.27
02-03	\$7.3 m	\$5.2 m	71%	\$14.9 b	11.96
03-04	\$9.0 m	\$7.4 m	82%	\$16.1 b	12.18
04-05	\$8.2 m*	\$7.7 m	93%	\$16.8 b	11.89

1. The expenditures for the Community Services Fund (80) have grown from \$3.8 million to \$8.2 million in five years.
2. The percent of the expenditures supported by the property tax levy (outside the statutory revenue cap) has grown from 61% to 93% in four years.
3. While the mil rate has decreased, the tax revenues increase due to the continuing rise of the equalized property valuation base.

**Questions to Consider upon Reviewing the Data:**

1. If the answer is “yes” to all of these questions, the program can be considered in Fund 80
  - a. Are individual programs outside the usual instructional timeframe?
  - b. Is each program open to everyone in the community (age appropriate)?
  - c. Is a program supported by fees?
  - d. Are costs directly related to the activity included?
2. What criteria is used to determine a program or service should be included in Fund 80 and not in the regular district budget?
3. Does the Board fulfill its responsibility to “make a policy decision that program operations should be subsidized by a separate community tax levy”?
4. What oversight and policy direction is provided by the MMSD Board of Education?
5. What programs and services have been transferred from the MMSD general fund to Fund 80?
6. To what is attributed the growth in Fund 80 over the past five years?
7. What is the impact of the separate tax levy for Fund 80 over and above the tax levied under the revenue cap?
8. Are programs evaluated on an annual basis? By whom? To whom reported?
9. Does the DPI review or monitor the District’s use of Fund 80?
10. Are programs “community programs” or part of MMSD’s instructional program?
11. Should the District utilize property tax revenues to provide after school child care?
12. Should the District subsidize rent, utilities and custodial services for private child care providers to provide after school child care in school facilities?

13. Should the District use tax revenues to purchase after school services from private providers for students eligible for fee waivers?
14. Do fees charged for the Madison School and Community Recreation (MSCR) program cover all of the costs associated with the program?
15. Should the school district continue to run the MSCR program? Should the district examine how a partner relationship with the city and county might better serve the community?

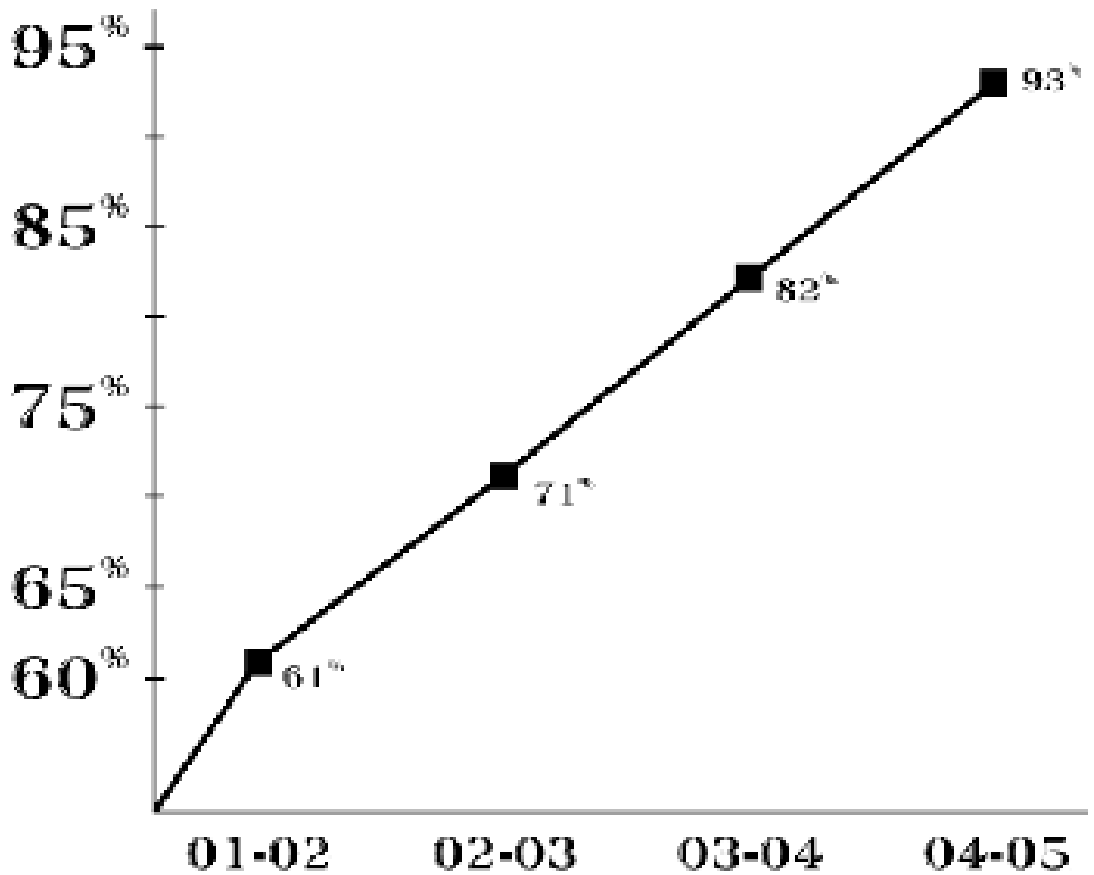
**Notes:**

1. Information was obtained from the web sites of the Department of Public Instruction (DPI) and the Madison Metropolitan School District (MMSD). The address for the DPI web site for the Community Services Fund is [www.dpi.state.wi.us/dpi/dfm/sfms](http://www.dpi.state.wi.us/dpi/dfm/sfms) then click on “Community Service Fund” on the left-hand side bar.  
The address for the MMSD web site is [www.madison.k12.wi.us](http://www.madison.k12.wi.us)
2. Active Citizens for Education (ACE) is a Madison based non-profit, non-partisan organization committed to identifying, analyzing and presenting reliable information about issues concerning curriculum, instruction, administration and operation of the Madison Metropolitan School District. It is expected this information will assist in stimulating widespread public debate and increasing enlightened decision-making by the public and policy-makers to enhance the effectiveness, efficiency and performance of the Board of Education, administration, staff and pupils of the District. Contact: ACE, Don Severson, President at P.O. Box 2153, Madison, WI 53701; 608/238-8300; [donleader@aol.com](mailto:donleader@aol.com)

Revised: 08/20/04

# MADISON SCHOOLS FUND 80

## DOUBLE TAXATION WITHOUT LIMITS



**% OF BUDGET SUPPORTED BY TAX REVENUES**

**MADISON SCHOOLS BUDGET  
FUND 80**

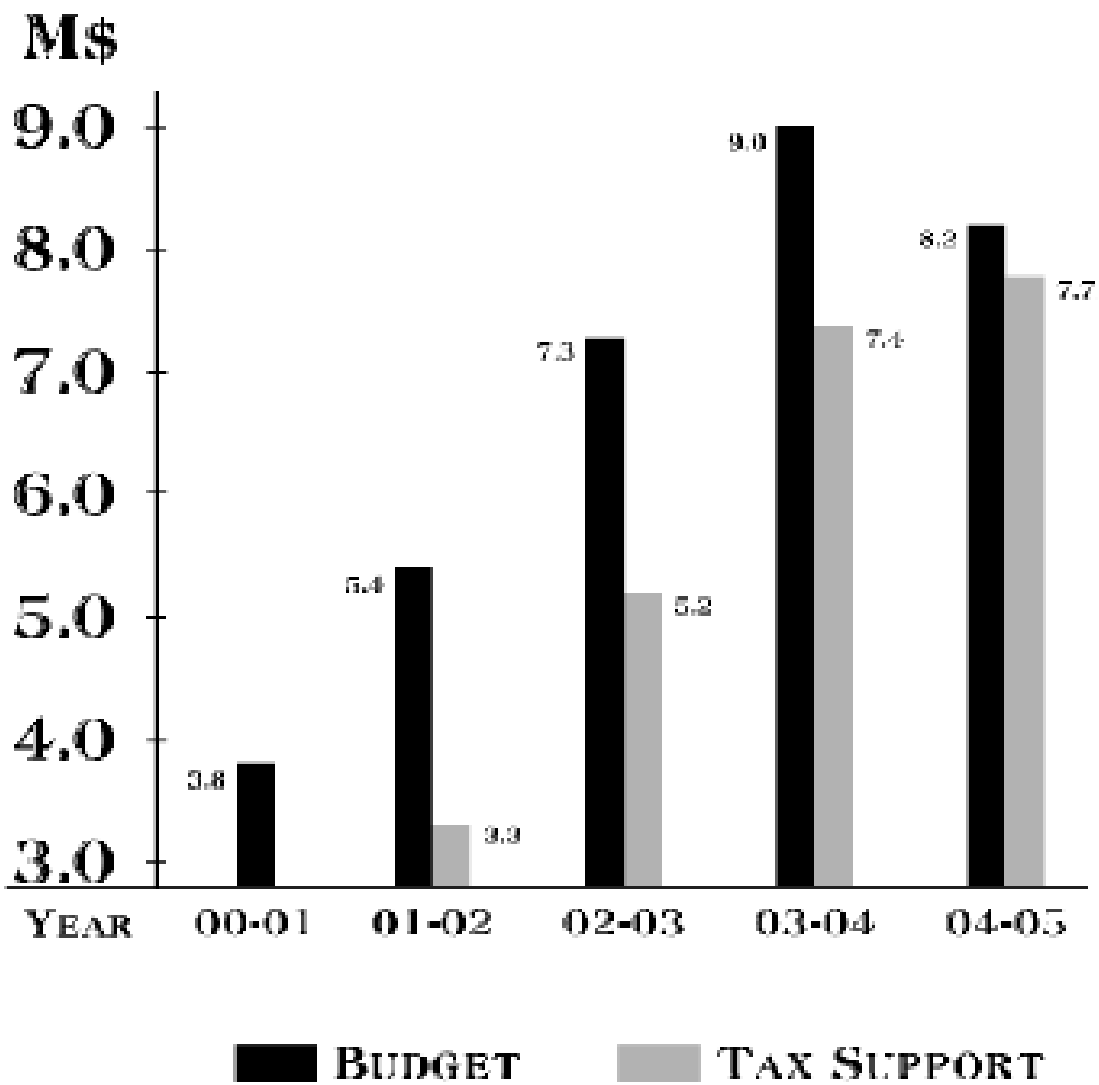
**216<sup>%</sup>  
INCREASE  
IN 5 YEARS**

**\$3.8 MILLION**

**TO**

**\$8.2 MILLION**

# MADISON SCHOOLS FUND 80





The Madison Metropolitan School District provides a variety of programs and services through an administrative department called Madison School and Community Recreation. The State Legislature provided statutory authority for local school boards to establish a community service fund and removed it from revenue limit control starting in the 2000-01 school year. This Community Service Fund, commonly referred to as Fund 80, is used to account for activities such as adult education, community recreation programs, non-special education preschool, day care services and other programs which are not elementary and secondary educational programs but have the primary function of serving the community. The district adopts a separate tax levy for the fund. The State Department of Public Instruction provides no oversight of local school program inclusions in Fund 80, nor provides for any state level audit or accountability for tax levies and other sources of revenue.

Parents, taxpayers, private non-profit program and service providers and various community groups, such as our Active Citizens for Education, have been asking questions and requesting specific information from school district officials about the decision-making, budgeting/accounting, administration and accountability of Fund 80 for several months. Responses from the district have been sporadic, piecemeal and confusing at best. Reviews of the information and budget reveal “accounting ploys” and a consistent lack of transparency as to line item expenses attributable to specific

programs and services. The Board of Education has established no policies regarding program operations and evaluation. The board has routinely given ‘carte blanche’ approval to the administration’s budget proposals and tax levy requirements. The board has not established criteria for determinations as to whether a program or service should be included in the regular budget or in Fund 80. The budget for Fund 80 has increased 216% in five years from \$3.8 million to \$8.2 million. The percent of the Fund 80 budget supported by the separate tax levy outside the state mandated revenue cap has grown from 61% in 2001-02 to 93 percent in 2004-05. Please refer to the ACE ‘White Paper’ and charts entitled “Community Service Fund (Fund 80)”

Active Citizens for Education, therefore, calls upon the Madison Metropolitan School District Board of Education (BOE) to initiate an outside, independent audit of the Community Service Fund (80). This audit should be conducted with no ‘strings’ attached and a report, with recommendations, made to the Board of Education and the community not later than January 3, 2005. The audit should include, but not limited to:

- Does the BOE make a policy decision that program operations should be subsidized by a separate community tax levy?
- What criteria has the board established to determine a program or service should be included in Fund 80?
- What programs and services have been transferred to Fund 80 and by what authority?
- To what is attributed the growth in Fund 80 over the past five years?



- What is the impact of the separate tax levy for Fund 80 on property taxes in district?
- What programs and services have been evaluated, by what means and reported to whom?
- Are individual programs outside the usual instructional time frame?
- Is each program open to everyone in the community and what is the differentiated enrollment data for these programs and services over the past five years?
- What is the cost analysis for providing each program and service?
- To what extent (dollars and percentage) do fees cover the costs of individual programs and services?
- Do the accounting procedures and mechanisms provide for a transparency and an understanding of program goals, costs and benefits?

The Board of Education and the community deserves and has the right to know the important information and recommendations provided by such an audit. The audit information will help everyone conduct more informed discussions and make more enlightened decisions about the stewardship and accountability of priority programs and services in affordable and effective results-oriented approaches.

The goals of this audit request are to

- Obtain facts that are reliable
- Build trust among the Board, administration parents and the community
- Engage the Board and community interactively in communications and decision-making processes
- Identify accountabilities for personnel, policies, processes, procedures and decisions

Active Citizens for Education is pleased to announce a radio campaign which will begin inform the public about Fund 80, raise awareness of the impact of recent district actions regarding after school care programs and urging the community to contact board members about their concerns.

Thank you.

**Notes:**

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FUND 80  
:60

Had about enough (cash register ring) of higher property taxes in the Madison School District?

Well, now the Madison School Board has a way to charge you (2 cash register rings) twice. In addition to your tax bill, which is limited by spending caps, the school district created a Fund – Fund 80, to finance projects that they can't get into your regular tax bill.

And guess who's filling this Fund 80 cash register – that's right – you are.

NOW the school board's using Fund 80 to replace the YMCA and Wisconsin Youth Company after school program with a more expensive, and unlicensed one instead. Imagine – kicking the YMCA out of our children's lives.

It's so bad the Wisconsin State Journal editorialized that Fund 80 is “shady” and contains “accounting ploys.”

Sound a little crazy to you? Call the Madison School Board members – today – and ask them to come clean on Fund 80.

Authorized and paid for by Active Citizens for Education – James Reeves, Treasurer.

Remember – taxing you twice and kicking the YMCA out of the schools isn't what we need. Call your Madison school board member today.

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