May 9, 2013

TO: Board of Education

FROM: Steve Hartley, Chief of Staff

RE: BOE Budget Questions

Attached is a spreadsheet listing questions received from BOE members to date and some of our responses. Over the course of the next two months, we will continue to collect your questions and respond at both Operational Support and Regular Board meetings.

Attachment
<table>
<thead>
<tr>
<th>Status</th>
<th>Date Rec’d</th>
<th>Person Requesting</th>
<th>Assigned</th>
<th>Category</th>
<th>Question</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Open</td>
<td>4/24/2013</td>
<td>Mary Burke</td>
<td>Bob</td>
<td>Donna</td>
<td>Budget</td>
<td>Could the board receive a breakdown by major employee classifications of how much pay increase is included in the CBA step increases for 2013/14? If this could include the % of staff in that classification receiving an increase along with what the average % increase for those receiving an increase would be? I have looked at the CBA and it appears to me that most people are getting approximately a 2% increase but I would like to have that analyzed.</td>
</tr>
<tr>
<td>2 Open</td>
<td></td>
<td>Thomas Mertz</td>
<td>Bob</td>
<td>Rachel</td>
<td>Budget</td>
<td>How many employees have received step increases?</td>
</tr>
<tr>
<td>3 Open</td>
<td></td>
<td>Thomas Mertz</td>
<td>Bob</td>
<td>Rachel</td>
<td>Budget</td>
<td>With additional contributions to WRS, how does that (step increases) affect the bottom line?</td>
</tr>
<tr>
<td>4 Open</td>
<td>4/27/2013</td>
<td>Thomas Mertz</td>
<td>Donna</td>
<td></td>
<td>Budget</td>
<td>The Governor’s budget proposal includes funding for implementing the Educator Effectiveness System: What costs related to the implementation are in the Draft Preliminary Budget (and where in the Budget)?</td>
</tr>
<tr>
<td>5 Open</td>
<td>4/27/2013</td>
<td>Thomas Mertz</td>
<td>Brad</td>
<td>Donna</td>
<td>Budget</td>
<td>The Governor’s budget proposal includes funding for implementing the Educator Effectiveness System: If this provision is enacted, how much does MMSD anticipate receiving? (One reason for question number two is to determine if this would be an under-funded mandate.)</td>
</tr>
<tr>
<td>6 Open</td>
<td>4/27/2013</td>
<td>Thomas Mertz</td>
<td>Donna</td>
<td></td>
<td>Budget</td>
<td>The Governor’s budget proposal includes funding for implementing the Educator Effectiveness System: Is the proposed State funding included in the Draft Preliminary Budget?</td>
</tr>
<tr>
<td>7 Open</td>
<td>4/24/2013</td>
<td>Thomas Mertz</td>
<td>Bob</td>
<td>Donna</td>
<td>Budget</td>
<td><a href="http://watchdog.org/81383/madison-budget-shows-taxpayers-could-pay-the-price-of-act-10-free-world/">http://watchdog.org/81383/madison-budget-shows-taxpayers-could-pay-the-price-of-act-10-free-world/</a> It says (among other things) that “the district estimates increases of as much as 30 percent [health insurance cost increases] come 2014.” The only reference I can find to projected increases is an 8% per year increase in the PMA materials. Can someone direct me to the relevant place and if this is accurate explain the increase?</td>
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# 2012-2013 BOE Budget Questions

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<tr>
<th>Status</th>
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<th>Question</th>
<th>Response</th>
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<tbody>
<tr>
<td>Open</td>
<td>4/24/2013</td>
<td>Thomas Mertz</td>
<td>Donna</td>
<td>Budget</td>
<td>This news release projects $11 M in savings due to increased WRS payments. This news story projects total savings for the first year at $15.5M and for the second year at $18.6M. It appears that those figures include savings from the salary freeze and changes in Health Insurance providers. Is this correct? Is there anything else included in those figures?</td>
<td>WI State Retirement payment shift to the employee share was a savings to the district of $11,732,010 in 2011-12 and would continue in 2012-13 at $12,896,293. The health insurance change from WPS to other carriers is an annual savings of $4,500,000 which is harder to say the exact amount from year to year based on the number of employees taking health insurance each month/year or which plan. What we do know is that WPS is no longer an option.</td>
</tr>
<tr>
<td>Open</td>
<td>4/24/2013</td>
<td>Thomas Mertz</td>
<td>Donna</td>
<td>Budget</td>
<td>Have these savings (from question #8) been realized? Would you provide me a breakdown of the savings that have been realized?</td>
<td>The Salary Freeze had a savings in 2011-12 of $4,812,891 and $3,093,925 in 2012-13.</td>
</tr>
<tr>
<td>Open</td>
<td>5/1/2013</td>
<td>Thomas Mertz</td>
<td>Donna</td>
<td>Budget</td>
<td>I would like to have contextual information to discuss the budget and tax situation as soon as possible. This would include five-year histories and trends along with projected 2013-14 (where possible) of the following: - Federal Funding in dollars and as percent of MMSD budget. - State Funding, in dollars and as a percentage of MMSD budget. - State Funding by category (equalization and categoricals). - MMSD member counts. - MMSD total budget. - MMSD per member. - Residential assessment changes (the changes for individual homeowners, not the aggregate). - Gross and Net MMSD tax levies (Net = without levy credits) in dollars and mill rates. - CPI. - Mill rates for surrounding or Dane County districts.</td>
<td>Response will be ready for May 20 meeting.</td>
</tr>
<tr>
<td>Open</td>
<td>5/3/2013</td>
<td>Mary Burke</td>
<td>Donna</td>
<td>Budget</td>
<td>Additional report requested: Add to all overview reports columns for Actuals 2011-12. I think it is misleading to have the only historical comparison be 2012-13 because we received a big bump up in state funding.</td>
<td>Response will be ready for May 20 meeting.</td>
</tr>
<tr>
<td>Open</td>
<td>5/3/2013</td>
<td>Mary Burke</td>
<td>Donna</td>
<td>Budget</td>
<td>How much are we projecting in state funding for 2013/14 compared to 2011/12 actuals?</td>
<td>The answer will be part of item #10.</td>
</tr>
<tr>
<td>Open</td>
<td>5/3/2013</td>
<td>Mary Burke</td>
<td>Donna</td>
<td>Budget</td>
<td>Additional report requested: Have a summary report for revenues, expenses and fund equity that show from 2011-12 actuals, 2012-13 budget, 2013-14 proposed budget, and next two years of PMA model (through 2015-16).</td>
<td>Response will be ready for May 20 meeting.</td>
</tr>
<tr>
<td>Open</td>
<td>5/3/2013</td>
<td>Mary Burke</td>
<td>Donna</td>
<td>Budget</td>
<td>Feedback on option: Decrease capital projects fund from $5.8 million to pre 2012/13 level of $4 million ($1.8 million)</td>
<td>Response will be ready for May 20 meeting.</td>
</tr>
<tr>
<td>Open</td>
<td>5/3/2013</td>
<td>Mary Burke</td>
<td>Donna</td>
<td>Budget</td>
<td>Feedback on option: No increase in non-Permanent salary, supplies, purchased services, pupil transportation ($1.4 million)</td>
<td>Response will be ready for May 20 meeting.</td>
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<tr>
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<tr>
<td>16</td>
<td>5/3/2013</td>
<td>Mary Burke</td>
<td>Donna</td>
<td>Budget</td>
<td>Feedback on option: No increase in staff salary above what is committed in CBA ($1.9 million)</td>
<td>Response will be ready for May 20 meeting.</td>
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<tr>
<td>17</td>
<td>5/3/2013</td>
<td>Mary Burke</td>
<td>Donna</td>
<td>Budget</td>
<td>Feedback on option: No new programs or expansion of Achievement Gap programs ($2.0 million). This allows us to focus on effectiveness of current efforts without burdening staff with new programs or expansion. Please note that I abstain from any voting on AVID program.</td>
<td>Working on a response.</td>
</tr>
<tr>
<td>18</td>
<td>5/3/2013</td>
<td>Mary Burke</td>
<td>Donna</td>
<td>Budget</td>
<td>Feedback on option: Decrease Community Services expenses, Fund 80 by $1 million. This would still be $15 million compared to $13 million in 2011/12</td>
<td>Response will be ready for May 20 meeting.</td>
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<tr>
<td>19</td>
<td>5/3/2013</td>
<td>Mary Burke</td>
<td>Donna</td>
<td>Budget</td>
<td>Feedback on option: Decrease Support Services in General Fund by $1 million (still nearly an 8% increase over 2011/12)</td>
<td>Response will be ready for May 20 meeting.</td>
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<tr>
<td>20</td>
<td>5/9/2013</td>
<td>Thomas Mertz</td>
<td>John Harper</td>
<td>Budget</td>
<td>Can you provide the Board with a chart of changes to BRS allocations by school and language, and the allocation formula used to make these changes?</td>
<td>Working on a response.</td>
</tr>
<tr>
<td>21</td>
<td>5/8/2013</td>
<td>Arlene Silveira</td>
<td>Donna</td>
<td>Budget</td>
<td>There was at least $600,439 of reallocated funding, stating the Board did not have to approve this. The reallocation was to fund part of the middle school literacy coaches, 0.5 mental health coordinator, elementary lead principal, Madison virtual campus 1.5 FTE and Safety Coordinator. Does this mean that if we do not support any of these positions, the $5 amount associated with such position can be cut? Where were we coming up with $600K of reallocation $$?</td>
<td>Response will be ready for May 20 meeting.</td>
</tr>
<tr>
<td>22</td>
<td>5/8/2013</td>
<td>Arlene Silveira</td>
<td>Joe</td>
<td>Budget</td>
<td>The funding of the Literacy Administrator, Middle School Literacy Coaches and 4 High School Coaches totaled $864,222. I will need some justification on why we need to spend this much $$$ for these positions.</td>
<td>Working on a response.</td>
</tr>
<tr>
<td>23</td>
<td>5/8/2013</td>
<td>Arlene Silveira</td>
<td>Lisa W Donna</td>
<td>Donna</td>
<td>Lab Safety Reviewer. Interested in knowing what the OSHA violations were. Also it states MMSD could face monetary and other penalties if compliance not met. What is needed and when is the deadline?</td>
<td>Working on a response.</td>
</tr>
<tr>
<td>24</td>
<td>5/8/2013</td>
<td>Arlene Silveira</td>
<td>Joe Donna</td>
<td>Budget</td>
<td>Toki Expeditionary Learning. Very split reviews on the EL at Toki. What is the recommendation for moving forward? Also, the Toki funding is coming out of fund balance this year but funding is needed through 2015. Is the assumption that funding will come out of fund balance for each year?</td>
<td>Working on a response.</td>
</tr>
<tr>
<td>25</td>
<td>5/8/2013</td>
<td>Arlene Silveira</td>
<td>Jen</td>
<td>Budget</td>
<td>1.0 IRT for Community Schools in Equity and Diversity Department. Could we get a review of the planned overall structure for that department?</td>
<td>Working on a response.</td>
</tr>
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<tr>
<td>26</td>
<td>5/8/2013</td>
<td>Arlene Silveira</td>
<td>Bob</td>
<td>Budget</td>
<td>Why MUST the administrator salary survey be done every 5 years? Is this something needed?</td>
<td>The Board directed we do an administrator salary survey every 5 years. It normally wouldn’t have to be done that often or on a schedule of any kind, but rather when we need it done. However, given that, it really should be done this year since we have updated all of the administrative job descriptions and there have been a number of new jobs added in the last couple of years.</td>
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<tr>
<td>27</td>
<td>5/8/2013</td>
<td>Arlene Silveira</td>
<td>Donna</td>
<td>Budget</td>
<td>Property values in Madison increased by 1% (reported by WSJ). What # assumption did we use in the budget model?</td>
<td>Working on a response.</td>
</tr>
<tr>
<td>28</td>
<td>5/8/2013</td>
<td>Arlene Silveira</td>
<td>Bob</td>
<td>Budget</td>
<td>Do we know the % increase for health insurance yet?</td>
<td>Yes. Unity 6.5%; Dean 5.2%; GHC 4.0%.</td>
</tr>
<tr>
<td>29</td>
<td>5/8/2013</td>
<td>Arlene Silveira</td>
<td>Donna</td>
<td>Budget</td>
<td>Can you please break down the 2% increase to non-permanent salary, supplies, purchased services, pupil transportation, etc. with what is included in each group? Have we received the transportation contract increases for next year?</td>
<td>Working on a response.</td>
</tr>
<tr>
<td>30</td>
<td>5/8/2013</td>
<td>Arlene Silveira</td>
<td>Donna</td>
<td>Budget</td>
<td>Can we get charts showing trends for state aid, tax increases, mill rate, total budget, etc for the last 5 years?</td>
<td>Working on a response.</td>
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BOE Budget Question #2: How many employees have received step increases?

Employees Getting Step/Longevity Increases--Revised 5/3/13

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<thead>
<tr>
<th>Unit</th>
<th>2010-11</th>
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<th>2012-13</th>
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<td># Getting Increases</td>
<td>Total In</td>
<td># Getting Increases</td>
<td>Total In</td>
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<td>Custodian</td>
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<td>Educational Asst</td>
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<td>Food Service</td>
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<td>Non-Rep Clerical</td>
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<td>Clerical/Technical</td>
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<td>Teachers</td>
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