

CITIZEN'S BUDGET: INTRODUCTION

The Citizen's Budget is intended to give an overview of the Madison school district's annual budget. It will not provide answers to detailed questions about expenditures and revenues; for that information the entire budget is available on the district's website, www.mmsd.org (under Board of Education, click on Budget and then on the new page find the 2006-07 Budget).

The district's total enrollment in 2006-7 (25,476) is slightly higher than it was in 1993-94 (24,452). However, the demographics of that enrollment have changed significantly:

- Students from low income families have increased from 21.6% to 40.4%
- Students whose first language is not English have increased from 4.4% to 14.5%
- Students needing special education services have increased from 11.6% to 17.1%

As the Wisconsin Supreme Court indicated in its decision on school finance in *Vincent v. Voight*, 2000, the needs of disabled students, economically disadvantaged students, and students with limited English language skills require additional expenditures.

REVENUE CAPS

All school districts in the state have been under revenue caps since 1993. In 1993 every school district's budget was frozen – and districts were allowed to increase expenditures by a specified amount per pupil. In 2006-07, that amount is \$254.94 about 2.6%; however, increased costs would require an increase of \$408.78 (about 4.2%). The difference between those two numbers is the structural deficit that the district faces each year.

In 1993 the state also froze the amount of money it was providing as reimbursement for special education services. The original state law, in 1974, committed the state to reimbursing local districts for 63% of their costs of providing special education. The actual amount allocated never reached that level. When the freeze went into effect in 1993, the state was reimbursing 45% of local special education costs. Because of the freeze (increased only slightly in the 1999-2001 state budget) and because of growth in the number and severity of disability, the current reimbursement rate is estimated to be less than 28%.

In 1993, the state also affected teacher collective bargaining by adopting the Qualified Economic Offer (QEO) law which eliminates the right of teacher unions to go to binding arbitration IF the district offers a salary and benefit package of at least 3.8%. The 3.8% is the total cost for **BOTH** salary and benefits. The option to "impose the QEO" also prohibits the district from changing health care insurance and requires continued negotiation on all non-salary items. In practical terms this means that most districts have had to offer at least a 3.8% package increase.

Some district spending is exempt from the revenue caps. State categorical aid (funds for special education, for English as a Second Language, for SAGE¹ and for transportation) is not under the cap. Federal funds, grants from public or private sources, fees and expenditures for community services (Madison School-Community Recreation) are also not under the caps. A district can go to referendum to get voters permission to exceed the revenue caps - for a single year, for several years, or permanently.

¹SAGE is the state program which provides funds to reduce class size to 15 to 1 for schools that serve a concentration of low-income students.

In 1996 the state substantially increased funds for the general aid schools receive from the state (called Equalization Aid) – but because the revenue caps restricted what districts could spend, this additional aid served to reduce property taxes, which was the intent. To illustrate: in 1996, the average-priced house in the district was valued at **\$123,838** and paid a school property tax of **\$2310**. In 2006, the average-priced house increased in value to **\$222,938** (an increase of 80%) and paid **\$2324** in school property tax, a total increase of \$14, or 1%.

**Changes in School Tax Levy and Consumer
Price Index 1994-95 through 2006-07**

Budget Year	School Tax Levy	% Chg	CPI *	% Chg
1994-95	\$ 164,088,143		148.2	
1995-96	174,020,237	6.1%	152.4	2.8%
1996-97	156,252,537	-10.2%	156.9	3.0%
1997-98	159,575,585	2.1%	160.5	2.3%
1998-99	158,646,124	-0.6%	163.0	1.6%
1999-00	158,641,375	0.0%	166.6	2.2%
2000-01	161,047,497	1.5%	172.2	3.4%
2001-02	166,233,073	3.2%	177.1	2.8%
2002-03	178,741,994	7.5%	179.9	1.6%
2003-04	196,238,103	9.8%	184.0	2.3%
2004-05	202,446,418	3.2%	188.9	2.7%
2005-06	200,363,255	-1.0%	195.3	3.4%
2006-07	209,206,079	4.4%	201.6	3.2%
12 Year Change	\$ 45,117,936	27.5%	53.40	36.0%

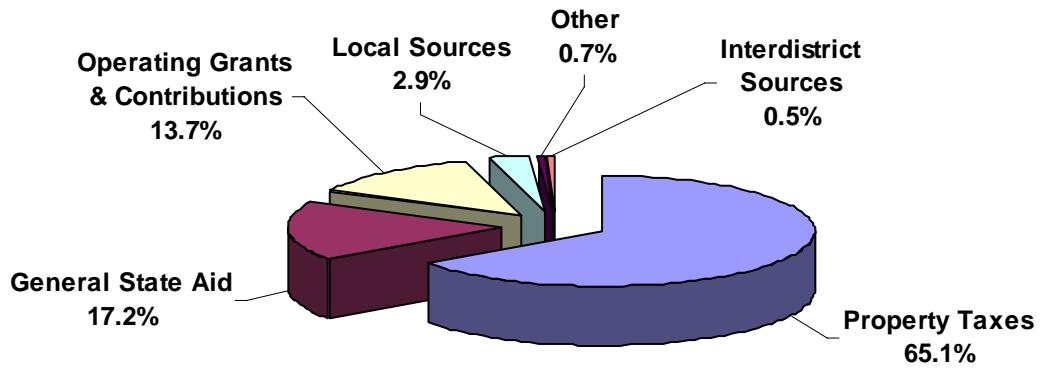
* Source: US Bureau of Labor Statistics

MANDATED PROGRAMS

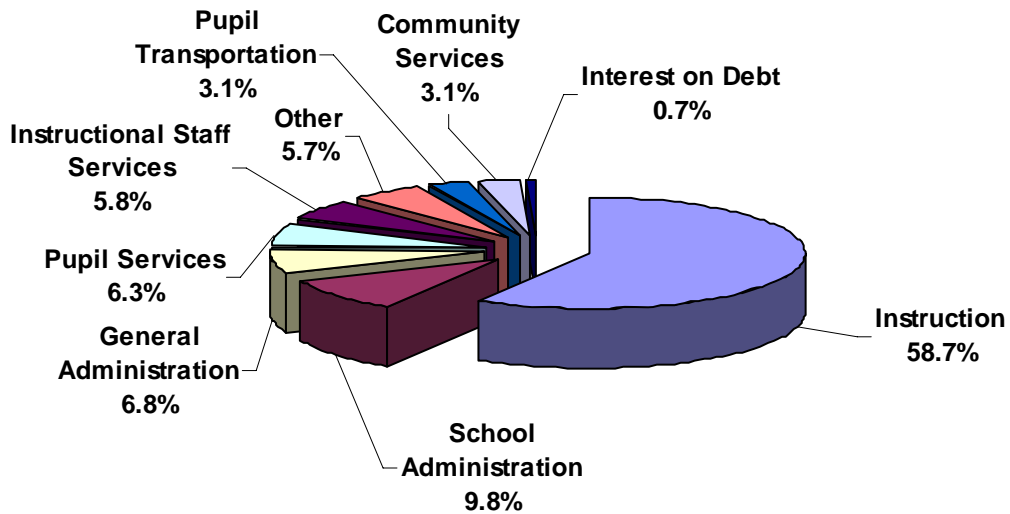
Education is a state function that the state delegates to the local districts. Both state and federal government, however, require schools to provide certain programs and services. Among these are: special education services (including Occupational and Physical Therapy, Speech and Language, and nursing care, where required), English as a Second Language and/or Bilingual Education, services and transportation for homeless children, transportation for children in private schools. The state also requires that districts negotiate with unions representing their employees concerning the wages, benefits and working conditions.

OVERVIEW OF INCOME AND EXPENDITURES:

Fiscal Year 2005 Revenue Sources



Fiscal Year 2005 Expenditures



Staffing Changes by Position

Position Type	2006-07 Cost-to- Continue Budget Staffing	2006-07 Balanced Budget Staffing	FTE Change	% Change
District Administrators	58.50	56.50	(2.00)	-3.42%
Principals	46.00	46.00	-	0.00%
Assistant Principals	23.00	22.00	(1.00)	-4.35%
Clerical	236.62	228.51	(8.11)	-3.43%
Coordinators	10.75	10.75	-	0.00%
Custodians	198.25	196.25	(2.00)	-1.01%
Educational Assistants	533.31	503.73	(29.58)	-5.55%
Food Service Workers	105.89	105.89	-	0.00%
Trades / Maintenance	36.00	34.00	(2.00)	-5.56%
Nursing Staff	49.17	48.22	(0.95)	-1.93%
Professionals	13.50	12.50	(1.00)	-7.41%
Security Assistants	14.00	14.00	-	0.00%
Social Worker / Psych	72.70	70.70	(2.00)	-2.75%
Supervisors	11.00	12.00	1.00	9.09%
Teachers	2,343.93	2,298.47	(45.46)	-1.94%
TOTAL	3,752.62	3,659.52	(93.10)	-2.48%

REDUCTION IN COSTS – PAST ACTIONS

Since 1993, the district has taken many steps to reduce costs; it has:

- reorganized its business wing to become more efficient, 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 (16 since 2000-01)
- created a grant development department that provides the district \$4+ 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;
- changed school start/end times to reduce busing cost by having one bus able to serve two schools;
- instituted fees for instructional materials and increased fees for athletic participation.

**CITIZEN'S BUDGET EXPENDITURES
2006-07 REVISED AND 2007-08 ADOPTED**

THIS REPORT CANNOT BE RECONCILED TO THE PUBLISHED DISTRICT BUDGET

	Expenditures 2006-07 Revised Budget	Sub-Totals/ Totals	Percent of Total	Expenditures 2007-08 Adopted Budget	Sub-Totals/ Totals	Percent of Total
I. IN-SCHOOL OPERATIONS						
a. Administration	8,957,558		2.69%	9,319,505		2.91%
Total Administration		8,957,558	2.69%		9,319,505	2.91%
b. Teachers						
i. Regular Curriculum (includes sabbatical)	103,956,449		31.21%	107,366,483		33.57%
ii. Special Education	52,115,838		15.65%	51,197,429		16.01%
iii. English as a Second Language	12,298,045		3.69%	12,091,134		3.78%
iv. Alternative programs	3,510,098		1.05%	3,607,696		1.13%
v. Summer School	1,900,957		0.57%	2,306,927		0.72%
Total Teachers		173,781,387	52.17%		176,569,669	55.21%
c. Support Staff						
i. Guidance	2,806,507		0.84%	2,649,411		0.83%
ii. Nurses, Nurse Assistants	3,706,279		1.11%	3,555,575		1.11%
iii. Social Workers & Psychologists	6,830,220		2.05%	6,621,855		2.07%
iv. Library	5,309,945		1.59%	5,539,564		1.73%
v. Clerical, Ed. Assts., Spec. Ed. Assts.	6,794,030		2.04%	7,734,181		2.42%
vi. Alternative Programs	4,895,608		1.47%	4,378,062		1.37%
vii. Lunch Room Supervision	605,570		0.18%	599,108		0.19%
Total Support Staff		30,948,159	9.29%		31,077,756	9.72%
d. Substitutes	7,230,086		2.17%	5,465,885		1.71%
Total Substitutes		7,230,086	2.17%		5,465,885	1.71%
e. Custodians	12,332,038		3.70%	13,038,861		4.08%
Total Custodians		12,332,038	3.70%		13,038,861	4.08%
f. Security	1,053,041		0.32%	1,090,674		0.34%
Total Security		1,053,041	0.32%		1,090,674	0.34%
g. Extra Curriculars (all levels)						
i. Non-Athletics	256,518		0.08%	261,682		0.08%
ii. Athletics	1,698,180		0.51%	1,595,458		0.50%
iii. Transportation	210,152		0.06%	212,891		0.07%
Total Extra-Curriculars		2,164,850	0.65%		2,070,031	0.65%
h. Books, supplies & equipment	5,081,689		1.53%	5,269,830		1.65%
Total Books, Supplies, Equipment		5,081,689	1.53%		5,269,830	1.65%
TOTAL IN-SCHOOL OPERATIONS		241,548,808	72.51%		243,902,211	76.26%
II. CURRICULUM & TEACHER DEVELOPMENT & SUPPORT						
a. Staff	4,170,279		1.25%	4,474,170		1.40%
b. Books, supplies and equipment	1,748,177		0.52%	1,743,851		0.55%
TOTAL CURRICULUM & TEACHER DEVELOPMENT & SUPPORT		5,918,456	1.78%		6,218,021	1.94%
III. FACILITIES, OTHER THAN DEBT SERVICE						
a. Staff, other than in-school custodians	3,882,811		1.17%	4,000,728		1.25%
b. Maintenance & repair	10,056,858		3.02%	8,394,065		2.62%
c. Utilities	6,442,716		1.93%	6,808,339		2.13%
d. Equipment & custodial supplies	1,746,288		0.52%	1,745,771		0.55%
TOTAL FACILITIES, OTHER THAN DEBT SERVICE		22,128,673	6.64%		20,948,903	6.55%
IV. TRANSPORTATION						
a. Elementary	2,718,195		0.82%	2,639,764		0.83%
b. Secondary (Madison Metro & Yellow Bus)	2,032,639		0.61%	1,819,334		0.57%
c. Special Education	3,335,272		1.00%	3,463,072		1.08%
d. Private School	342,746		0.10%	172,095		0.05%
e. Parent contracts, shuttles, homeless transportation	508,779		0.15%	702,834		0.22%
f. Summer School	196,900		0.06%	207,180		0.06%
TOTAL TRANSPORTATION		9,134,531	2.74%		9,004,279	2.82%
V. FOOD SERVICE						
a. Staff	5,019,422		1.51%	5,515,555		1.72%
b. Supplies, equipment and food	3,500,993		1.05%	3,775,788		1.18%
TOTAL FOOD SERVICE		8,520,415	2.56%		9,291,343	2.91%
VI. BUSINESS SERVICES						
a. Financial services, including accounting, purchasing, risk management, grant development, transportation administration	3,848,743		1.16%	3,837,815		1.20%
b. Technology & Support	2,696,787		0.81%	2,774,775		0.87%
TOTAL BUSINESS SERVICES		6,545,530	1.97%		6,612,590	2.07%
VII. HUMAN RESOURCES						
a. Human resources administration	2,898,554		0.87%	3,049,982		0.95%
b. Post-retirement benefits and payments (Teacher Emeritus Retirement Plan, Administrator Retirement Plan)	7,008,259		2.10%	7,184,725		2.25%
c. Unemployment Compensation	164,957		0.05%	167,101		0.05%
TOTAL HUMAN RESOURCES		10,071,770	3.02%		10,401,808	3.25%

**CITIZEN'S BUDGET EXPENDITURES
2006-07 REVISED AND 2007-08 ADOPTED**

THIS REPORT CANNOT BE RECONCILED TO THE PUBLISHED DISTRICT BUDGET

	Expenditures 2006-07 Revised Budget	Sub-Totals/ Totals	Percent of Total	Expenditures 2007-08 Adopted Budget	Sub-Totals/ Totals	Percent of Total
VIII. GENERAL ADMINISTRATION						
a. Board of Education and related staff	174,520		0.05%	184,469		0.06%
b. Superintendent and related staff	1,658,804		0.50%	1,674,491		0.52%
c. Elementary Education Administration	792,466		0.24%	825,224		0.26%
d. Secondary Administration	569,792		0.17%	698,677		0.22%
e. Special Education & ESL Administration	1,527,126		0.46%	1,313,656		0.41%
f. Alternative Program Administration	347,698		0.10%	365,564		0.11%
g. Public Relations & Communication	1,028,706		0.31%	1,083,268		0.34%
h. Legal	612,892		0.18%	601,614		0.19%
i. Government / Co-op programs	878,478		0.26%	892,564		0.28%
j. Research & Evaluation	1,602,018		0.48%	1,610,355		0.50%
TOTAL GENERAL ADMINISTRATION		9,192,500	2.76%		9,249,882	2.89%
IX. DEBT SERVICE	11,011,557		3.31%	10,427,030		3.26%
TOTAL DEBT SERVICE		11,011,557	3.31%		10,427,030	3.26%
X. DISTRICT-WIDE						
a. Salary Savings / Budget changes	(3,905,518)		-1.17%	(609,693)		-0.19%
b. Insurance	1,041,516		0.31%	1,122,011		0.35%
c. Open Enrollment / Refunds / Formula Adjustment	1,610,990		0.48%	2,250,786		0.70%
d. Expenditures Funded by Gifts & Donations	370,989		0.11%	303,900		0.10%
TOTAL DISTRICT-WIDE		(882,023)	-0.26%		3,067,004	0.96%
XI. MSCR						
a. Administration	3,430,051		1.03%	2,660,461		0.83%
b. Adult Programs	807,281		0.24%	1,295,631		0.41%
c. Youth Programs	5,674,316		1.70%	6,606,681		2.07%
TOTAL MSCR		9,911,648	2.98%		10,562,773	3.30%
TOTAL NET EXPENDITURE BUDGET	333,101,865	333,101,865	100.00%	339,685,844	339,685,844	100.00%
INTERFUND TRANSFERS						
a. General Fund to Special Education Fund	46,010,663			46,502,580		
b. Building Fund to Debt Retirement Fund	959,000			-		
c. Community Service Fund to General Fund	620,000			400,000		
TOTAL INTERFUND TRANSFERS	47,589,663			46,902,580		
TOTAL GROSS EXPENDITURE BUDGET	380,691,528			386,588,424		

CITIZEN'S BUDGET EXPENDITURES AND REVENUE ALLOCATION

THIS REPORT CANNOT BE RECONCILED TO THE PUBLISHED DISTRICT BUDGET

	Expenditures			Revenue Sources				
	2007-08 Adopted Budget	Sub-Totals/ Totals	Percent of Total	Local Non-Tax Revenue	Equalized & Categorical State Aid	Direct Federal Aid	Direct State Aid	Property Taxes
I. IN-SCHOOL OPERATIONS								
a. Administration	9,319,505		2.91%	190,416	1,560,602	72,831		7,495,656
Total Administration		9,319,505	2.91%					
b. Teachers								
i. Regular Curriculum (includes sabbatical)	107,366,483		33.57%	2,193,710	18,280,043	4,441,763	6,639,500	75,811,467
ii. Special Education	51,197,429		16.01%	1,578,057	22,281,930	600,000		26,737,442
iii. English as a Second Language	12,091,134		3.78%	247,046	3,671,032			8,173,057
iv. Alternative programs	3,607,696		1.13%	73,712	604,128		85,471	2,844,384
v. Summer School	2,306,927		0.72%	112,135	386,308			1,808,484
Total Teachers		176,569,669	55.21%					
c. Support Staff								
i. Guidance	2,649,411		0.83%	55,948	490,446			2,103,017
ii. Nurses, Nurse Assistants	3,555,575		1.11%	86,568	954,102			2,514,905
iii. Social Workers & Psychologists	6,621,855		2.07%	162,533	1,810,673			4,648,649
iv. Library	5,539,564		1.73%	113,184	1,650,849			3,775,530
v. Clerical, Ed. Assts., Spec. Ed. Assts.	7,734,181		2.42%	158,025	1,295,131			6,281,025
vi. Alternative Programs	4,378,062		1.37%	89,452	733,130		103,723	3,451,756
vii. Lunch Room Supervision	599,108		0.19%	-	100,324			498,784
Total Support Staff		31,077,756	9.72%					
d. Substitutes	5,465,885		1.71%	111,679	915,292			4,438,914
Total Substitutes		5,465,885	1.71%					
e. Custodians	13,038,861		4.08%	266,410	2,183,429			10,589,022
Total Custodians		13,038,861	4.08%					
f. Security	1,090,674		0.34%	22,285	182,639			885,750
Total Security		1,090,674	0.34%					
g. Extra Curriculars (all levels)								
i. Non-Athletics	261,682		0.08%	261,347	335			
ii. Athletics	1,595,458		0.50%	311,538	267,168			1,016,751
iii. Transportation	212,891		0.07%	4,350	35,650			172,891
Total Extra-Curriculars		2,070,031	0.65%					
h. Books, supplies & equipment	5,269,830		1.65%	2,899,863	728,204	1,641,763		-
Total Books, Supplies, Equipment		5,269,830	1.65%					
TOTAL IN-SCHOOL OPERATIONS		243,902,211	76.26%	8,938,258	58,131,415	6,756,357	6,828,694	163,247,486

CITIZEN'S BUDGET EXPENDITURES AND REVENUE ALLOCATION

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	Expenditures			Revenue Sources				
	2007-08 Adopted Budget	Sub-Totals/ Totals	Percent of Total	Local Non-Tax Revenue	Equalized & Categorical State Aid	Direct Federal Aid	Direct State Aid	Property Taxes
II. CURRICULUM & TEACHER DEVELOPMENT & SUPPORT								
a. Staff	4,474,170		1.40%	91,416	582,507	3,800,247		-
b. Books, supplies and equipment	1,743,851		0.55%	35,630	230,346	1,477,874		-
TOTAL CURRICULUM & TEACHER DEVELOPMENT & SUPPORT		6,218,021	1.94%	127,047	812,854	5,278,121	-	-
III. FACILITIES, OTHER THAN DEBT SERVICE								
a. Staff, other than in-school custodians	4,000,728		1.25%	81,743	669,944			3,249,041
b. Maintenance & repair	8,394,065		2.62%	171,507	1,405,632			6,816,925
c. Utilities	6,808,339		2.13%	139,108	1,140,094			5,529,137
d. Equipment & custodial supplies	1,745,771		0.55%	35,670	292,339			1,417,763
TOTAL FACILITIES, OTHER THAN DEBT SERVICE		20,948,903	6.55%	428,028	3,508,009	-	-	17,012,867
IV. TRANSPORTATION								
a. Elementary	2,639,764		0.83%	53,936	580,043			2,005,785
b. Secondary (Madison Metro & Yellow Bus)	1,819,334		0.57%	37,173	304,657			1,477,504
c. Special Education	3,463,072		1.08%	101,019	1,359,696			2,002,357
d. Private School	172,095		0.05%	3,516	28,818			139,761
e. Parent contracts, shuttles, homeless transportation	702,834		0.22%	14,360	117,693			570,780
f. Summer School	207,180		0.06%	4,233	34,693			168,253
TOTAL TRANSPORTATION		9,004,279	2.82%	214,236	2,425,602	-	-	6,364,441
V. FOOD SERVICE								
a. Staff	5,515,555		1.62%	2,749,171	105,778	2,660,606		-
b. Supplies, equipment and food	3,775,788		1.11%	1,736,841	72,413	1,966,535		-
TOTAL FOOD SERVICE		9,291,343	2.91%	4,486,012	178,191	4,627,140	-	-
VI. BUSINESS SERVICES								
a. Financial services, including accounting, purchasing, risk management, grant development, transportation administration	3,837,815		1.20%	78,414	642,663	625,986		2,490,752
b. Technology & Support	2,774,775		0.87%	56,694	464,651		1,547,910	705,520
TOTAL BUSINESS SERVICES		6,612,590	2.07%	135,108	1,107,314	625,986	1,547,910	3,196,271
VII. HUMAN RESOURCES								
a. Human resources administration	3,049,982		0.95%	62,317	510,736			2,476,929
b. Post-retirement benefits and payments (Teacher Emeritus Retirement Plan, Administrator Retirement Plan)	7,184,725		2.25%	146,798	1,203,122			5,834,805
c. Unemployment Compensation	167,101		0.05%	3,414	27,982			135,705
TOTAL HUMAN RESOURCES		10,401,808	3.25%	212,530	1,741,840	-	-	8,447,439

CITIZEN'S BUDGET EXPENDITURES AND REVENUE ALLOCATION

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	Expenditures			Revenue Sources				
	2007-08 Adopted Budget	Sub-Totals/ Totals	Percent of Total	Local Non-Tax Revenue	Equalized & Categorical State Aid	Direct Federal Aid	Direct State Aid	Property Taxes
VIII. GENERAL ADMINISTRATION								
a. Board of Education and related staff	184,469		0.06%	3,769	30,890			149,810
b. Superintendent and related staff	1,674,491		0.52%	34,213	280,403			1,359,875
c. Elementary Education Administration	825,224		0.26%	16,861	138,188			670,175
d. Secondary Administration	698,677		0.22%	14,275	116,997			567,404
e. Special Education & ESL Administration	1,313,656		0.41%	26,841	219,979			1,066,837
f. Alternative Program Administration	365,564		0.11%	7,469	61,216			296,879
g. Public Relations & Communication	1,083,268		0.34%	22,133	181,399			879,736
h. Legal	601,614		0.19%	12,292	100,744			488,578
i. Government / Co-op programs	892,564		0.28%	18,237	149,465			724,862
j. Research & Evaluation	1,610,355		0.50%	32,903	269,663			1,307,789
TOTAL GENERAL ADMINISTRATION		9,249,882	2.89%	188,993	1,548,943	-	-	7,511,945
IX. DEBT SERVICE	10,427,030		3.26%	213,045	1,746,063			8,467,922
TOTAL DEBT SERVICE		10,427,030	3.26%	213,045	1,746,063	-	-	8,467,922
X. DISTRICT-WIDE								
a. Salary Savings / Budget changes	(609,693)		-0.19%	566,511	73,988			(1,250,191)
b. Insurance	1,122,011		0.35%	22,925	187,887			911,199
c. Open Enrollment / Refunds / Formula Adjustment	2,250,786		0.70%	1,487,416	376,906		386,464	-
d. Expenditures Funded by Gifts & Donations	303,900		0.10%	303,900			-	-
TOTAL DISTRICT-WIDE		3,067,004	0.96%	2,380,752	638,781	-	386,464	(338,992)
XI. MSCR								
a. Administration	2,660,461		0.78%					2,660,461
b. Adult Programs	1,295,631		0.38%	1,014,844				280,787
c. Youth Programs	6,606,681		1.94%	733,562		247,115		5,626,004
TOTAL MSCR		10,562,773	3.30%	1,748,406	-	247,115	-	8,567,252
TOTAL NET EXPENDITURE BUDGET	339,685,844	339,685,844		19,072,415	71,839,012	17,534,719	8,763,068	222,476,630
INTERFUND TRANSFERS								
a. General Fund to Special Education Fund	46,502,580							
b. Building Fund to Debt Retirement Fund	-							
c. Community Service Fund to General Fund	400,000							
TOTAL INTERFUND TRANSFERS	46,902,580							
TOTAL GROSS EXPENDITURE BUDGET	386,588,424							