

Date: June 6, 2019

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Background: Act 10 restrictions limit collective bargaining to base wages up to the rate of inflation, also known as a cost-of-living increase. This year's cost-of-living increase has been set at a maximum of 2.44 percent.

There are three ways for our staff to receive pay raises: base wage increases, which are the only pay increase received by every staff member; step adjustments that provide small, annual or biennial pay bumps to some employees; and lane adjustments that reward some staff for greater educational attainment. Not all staff are on a salary schedule that provides step and lane pay increases. Not all staff are on a salary schedule that provides step and lane pay increases, nor do all staff with such schedules receive step increases every year. Over 1,000 MMSD staff members—including many of our lowest-paid education assistants and special education assistants, substitute teachers and others—will only receive the base wage increase in 2019-20.

MMSD built a 0.5 percent cost-of-living base wage adjustment into the 2019-2020 draft budget. The district is arguing that when you combine step and lane increases with this base wage increase, employees will receive an average 2.5 percent total increase in compensation. This average is misleading, however. In addition to the many staff who will only get the half-percent base wage increase, many more staff will receive a total compensation increase below the 2.44 percent they need just to maintain their current rate of pay. This is because the salary schedule for teachers is front-loaded, with the largest step increases in the first seven years of MMSD employment.

This [MTI bargaining update](#) provides more background about why a 0.5 percent base wage adjustment is problematic.

Providing all staff with a 2.44 percent cost-of-living adjustment to base wages will allow MMSD to attract and retain quality staff. Furthermore, this investment in our staff will keep starting salaries competitive and ensure that all staff salaries keep up with inflation.

Last week, I submitted three budget amendments (below) to provide all staff with the full cost-of-living base wage adjustment. The second and third amendments recommend possible budget cuts to support the full 2.44 percent adjustment. I worded these amendments to avoid any cuts that would result in larger class sizes or reductions in student services, including special education. Some of the base wage increase comes out of anticipated per-pupil revenue increases that are not in our preliminary budget. These figures are taken from the most recent K-12 education budget coming out of the Joint Finance Committee.

The board will discuss the budget at the June 10 Operations Work Group meeting, and we will vote on the budget at the June 24 regular school board meeting. The board's

[meeting schedule](#), and [contact information for board members](#), are on the MMSD website.

I want to get your feedback on these amendments. You can reach me directly at cecarusi@madison.k12.wi.us. Thank you!

Amendment #1

Amend the 2019-20 MMSD Preliminary Budget by immediately allocating \$2,256,000 from purchased services, non-capital, and other central office budgeted expenditures, and strategic equity investments, for an additional 0.94 percent base wage increase for staff, **and**

If total increases in per-pupil revenue in the biennial Wisconsin State budget equal \$200 or more, allocate \$2,400,000 of unbudgeted revenue for an additional 1.0 percent base wage increase for staff, bringing the total base wage increase to 2.44 percent.

Amendment #2

Amend the 2019-20 MMSD Preliminary Budget by reducing expenditures in purchased services, non-capital objects, miscellaneous spending and the central office by \$1,769,000 to partially fund the base wage increase for staff.

Please provide an analysis of these possible areas for cost savings:

Personal services: \$500,000 suggested reduction
Employee travel: \$300,000 suggested reduction
Communication: \$100,000 suggested reduction
Supplies: \$600,000 suggested reduction
Space rental for meetings: \$50,000 suggested reduction
Miscellaneous: \$44,000 suggested reduction
Unfilled administrative or non-union professional positions: \$175,000 suggested reduction

Justification: These suggested reductions are focused on budget lines where we have seen substantial growth over the past two years, and/or where spending in the current fiscal year indicates that a cut may be feasible.

Amendment #3

Amend the 2019-20 MMSD Preliminary Budget by reducing the following Strategic Equity Investments by \$487,000 to partially fund the base wage increase for staff:

- Delay the advanced learning non-union professional position to FY21: \$110,000

- Delay the new Family, Youth and Community Engagement administrative position to FY21: \$120,000
- Delay general fund investments in additional mental health and special education supports until we have the final state budget: \$70,000
- Eliminate the feeder pattern social worker: \$87,000
- Delay half of new investments in BEP professional development until we have the final state budget: \$100,000

Justification: Hold off on investment in the two new administrative positions to provide more time to clarify roles and responsibilities. The additional investments in mental health, special education supports and BEP professional development can be paid out of anticipated Fund 10 savings resulting from additional special education funding, supplemented with unbudgeted per-pupil revenue, in the Wisconsin state budget.

This document is also available on Google Docs:

<https://docs.google.com/document/d/1kq3lqVri6W0ZWZcuG0pMp8T3ym7FV7NYrop872G3dDQ/edit>