

Elect Jeff Daily SKSB District 5

Budget Issues

Dear voters:

As I see it, personnel costs alone will bankrupt the district in either 5 or 6 years without more funding. I assume the legislature figured this out which is why they changed the laws so that the funding problem becomes ours. I can see no way the district can survive without running bonds and levies from here on out just to keep afloat.

Since the union really controls the district, the district will threaten teacher layoffs and the union will rise up and get the community upset so that every bond and levy will pass from here on out. Until folks quit falling for this ploy, it will work until people just run out of money or die.

Not sure how the kids will ever get any money or any buildings will get fixed since payroll costs will outpace any other costs, especially if the new state medical plan costs skyrocket.

Payroll Calculations.

1. This assumes a 6% increase which is in almost all labor contracts. Whether it be pay raise or increased benefits does not matter. I believe the new state insurance plan will greatly increase district costs regardless what the district says. Right now, the budget for the district is \$147 M with personnel costs at \$110 M.

Year 1	110M payroll x 6% costs	116,600 (rounded)
Year 2	116.6M x 6%	123,600
Year 3	123.6M x 6%	131,100

Year 4	131.1M	x 6%	138,900
Year 5	138.9M	x 6%	147,200
Personnel costs now = budget			

2. This assumes 5% increase which the district will probably say is more accurate. I doubt this because medical costs seem to run about 10-15% increase which the district has agreed to absorb due to poor labor contract bargaining.

Year 1	110M payroll	x 5% costs	115,500 (rounded)
Year 2	115.5M	x 5% costs	121,300
Year 3	121.3M	x 5% costs	127,300
Year 4	127.3M	x 5% costs	133,700
Year 5	133.7M	x 5% costs	140,400
Year 6	140.4M	x 5% costs	147,400
Personnel costs now = budget			

3. So, as I see it, the district has no choice but to start with bonds/levies in February or even November. If what Mr. Gay said is true, the money will have to go to payroll to keep it afloat. Obviously, this does not include rising fuel, building, maintenance costs which will have to come from somewhere.

4. So, what will this do for the kids?

