

Levy Supporters Arguments and Our Counterarguments

As a service to our members and the community at large, the Westlake Republicans organization has compiled some facts about the school district in material that was handed out at the last Westlake Republicans meeting on October 17, 2013, that is distributed with this letter, and that can be found at www.westlakerepublicans.com . Please review this information, and do not hesitate to contact us with any comments or suggestions.

In anticipation of the expected attacks that we often see from a subset of the more aggressive levy supporters, this letter will respond to the substance of such attacks with reasoned, fact-based arguments. We will take their arguments on one at a time.

The Citizens for Westlake Schools provides their case for the levy at <http://www.westlakelevy.com/> and the administration of the Westlake School district provide their case at <http://www.westlake.k12.oh.us/levyinfo/Pages/default.aspx>.

A good discussion for the counter view can be found at www.educatewestlake.com which has a very good series of daily facts that may surprise the average voter.

Arguments

Excellent Schools are Why People Choose to Live in Westlake, so if you oppose the Levy you hurt the city

This is a common attack by the levy supporters, in that they argue that if we don't raise the taxes that they say that they need, then we are hurting the city of Westlake. But they ignore a number of other facts that argue the other way.

For example, low taxes are also a primary attraction to both residents and citizens. Since most of the households in Westlake do not have children attending schools in the school district, they do not see direct benefits in public school spending, although they may recognize indirect benefits (such as higher community educational levels). Furthermore, the issue supporters argue that good schools increase home values, which to some extent is a true indirect benefit, but high tax rates tend to decrease home values, and make the city unaffordable to many potential residents, thereby counteracting the benefits of good schools when taxes rise too high.

Furthermore, potential home buyers who see that the Westlake school budget is growing at an unsustainable rate will hardly feel confident purchasing a home in this city. Fiscally responsible spending is also a strong attraction for those considering where to live, and in particular those who want to purchase more expensive housing or start businesses.

Thus, the argument should be, how do we keep the schools excellent in a reasonably cost-effective manner. More spending does not necessarily equate to better school performance. Currently, **98.5%** of Ohio school districts spend less, on average, on teacher salaries than does Westlake. The vast majority of districts rated excellent in education spend thousands less for their average teacher than does Westlake. This would support the argument that Westlake has plenty of room to keep the schools performing at an exceptional level without spending even more money.

Westlake is a rich city with low tax rates and hence can afford to pay more.

But not every homeowner in Westlake is “rich”. The number of retirees in Westlake on fixed incomes has grown over the years, and furthermore there are many Westlake neighborhoods with taxpayers in the lower to middle middle class, who struggle daily to make ends meet.

Their argument conveniently bypasses the issue of fiscal responsibility, and instead tries to impose feelings of guilt on the taxpayers. The argument implies that we are greedy if we want to **keep** our taxes low, because we are all well-off and can afford it. Many of us chose Westlake as our home *because* of the low taxes. The pro-levy group doesn’t propose just raising taxes on the rich, they want to raise taxes on *every* homeowner in the city. It is not being greedy to desire keeping taxes reasonably low.

Furthermore, there is nothing wrong with even the rich asking that their tax dollars be spent wisely. Considering that the Westlake School District has among the highest average salaries in the state, and at the start of 2013 there were about 80 employees of the school district making **at least \$90,000** per year (see <http://www.buckeyeinstitute.org/teacher-salary>), is it really unfair to ask for proof that the district will utilize new taxes in a fiscally responsible manner before we give them even more? In a bad economy, is it too much to expect that the district impose some fiscal restraint?

Disclosing that Teachers’ Salaries and benefits are well above average is being *anti-teacher*.

This is a common argument of the levy supporters: that if you question the current relatively high salaries of Westlake teachers, that you are somehow being anti-teacher. They want to raise feelings of guilt on the taxpayers who demand fiscal responsibility. We all love our children’s teachers, and we don’t want to see them punished. But no matter how much we like our teachers, should we continue unsustainable expenses and steady increases in this weak economy?

Nobody blames our teachers for seeking the highest salaries that they can get under the current system. We all seek to maximize our incomes, and there is nothing wrong with that. But it is the responsibility of the Westlake **School Board** to ensure that fiscal responsibility and

reasonable restraint is applied during negotiations with the teachers' union. The school board should ensure that union demands are balanced by considerations of fiscal restraint. Requiring that our teachers be paid a **fair** salary that is commensurate with the market is the community's responsibility. Making sure that we don't promise them more than the district can afford is the responsibility of the school board.

We need to pay more as a district to ensure we get excellent Teachers.

Their argument is that if we don't pay teachers a premium, then we won't get excellent teachers to teach in Westlake. But this argument just isn't supported by facts or common sense. Teachers care about far more than just money.

Do they really want to argue that Westlake is such an undesirable community for a teacher to work in that we need to pay them more than other Ohio communities? In Westlake, students are motivated, parents are involved, and the community is supportive. Westlake is a great city to live and work in. There should be no reason to pay teachers a **premium** in order to attract the best of them to teach in our school district. Do they expect us to believe that the teachers in Westlake are so superior to those of neighboring districts (also rated excellent) that we need to pay them much more than they do? Do we really believe that teachers value money far more than a good community with good students and good parents? Shouldn't the fact that Westlake is a desirable place to live and teach actually mean that we should **not** have to pay them more?

Cleveland: now there is a district where you would expect to pay more to attract excellent teachers. What teacher would want to work in a district where few parents get involved, many students aren't well-behaved, and education is often not valued. Westlake, in contrast, is quite the desirable community to work, live, and, yes, teach in. Any teacher should prefer to teach in Westlake over many, if not most, other communities. Hence, their argument that we need to pay teachers more than others just doesn't make sense. Teachers flock to submit resumes to Westlake when the district is hiring.

It is also argued that we need to pay our teachers more because Westlake is an expensive community to live in. This ignores the fact that there is an ample supply of affordable housing in the city, and that Westlake is also surrounded by communities with affordable housing just a short drive from the city schools. But the fact that the median Westlake teacher's salary (about \$81,000 for a single wage earner) is substantially higher than the median **household** income in Westlake (about \$70,000 including multiple wage earners) makes clear that this argument is false.

If you don't support the levy, you are against the students.

This is another guilt-inducing argument. The levy supporters argue that we aren't supporting our students if we oppose a new tax levy. But that presumes that the money added

by new taxes will somehow go to improving the lot of the students. This is not traditionally the case. Currently, about 85% of the operating revenue goes toward employee salaries and benefits. Hence, if history is any guide, the vast majority of the additional revenue provided by increased taxes will go into the pockets of the district employees. Nothing the district or levy supporters have said contradicts this assumption. In fact, the district has stated that cuts that have already been made (such as cuts in bussing) will *not* be restored if the levy passes.

Hence, the true purpose of this levy is to *maintain* the high salary and benefits levels of the district, not to improve the education or status of the children in the district. I would like to hear the arguments of the levy supporters as to why spending more and more money every year to get the same product is a pro-student approach. Instead, it is an approach designed to keep the status quo, not make the schools better. Arguing that the status quo is not fiscally sustainable is not an attack on our children, it is a demand for sound management.

If the levy fails, it will result in disastrous cuts in teacher and services.

This is the common mantra used to scare taxpayers into supporting school tax levies. They argue that they will have no choice but to drastically cut the numbers of teachers and services if the levy doesn't pass, that there are no other options. The problem with this argument is that it is just not true.

Already, the Westlake School district has made cuts in services supposedly because of a money crunch. But as of June 30 of this year, the district had over **\$15 million in the bank** (see the district forecast). So why were busing and other services cut over two years ago? Why were teachers let go? Why does the district want to inflict pain on the students and their parents now when there is no actual shortage of money? The district has not grown in size for over a decade, so if they could do without some teachers now, why not years ago? Why wait until now to negotiate a short-term contract with teachers (it expires in June) supposedly reducing wages by 2.5% (actually, most teachers still received a raise, and personnel expense went up)? Shouldn't such questions be answered before the district is granted yet more of our taxpayer dollars?

They will argue that if the levy fails, that there is **no other choice** than to cut the number of teachers and drastically cut services, thereby hurting both students and parents. But what they will not tell you is that if Westlake just paid its personnel the average salary of its neighboring district Rocky River, the Westlake district would have run a **surplus** this year, rather than a deficit. Or that if the teachers paid **half** of the cost of their fringe benefits, rather than just 15%, the deficit would nearly disappear. There are alternatives to cutting teachers and services, if the district has the will and desire to do so.

The scare mongering is the traditional approach to selling a new tax levy. Instead of making the hard choices and negotiating a fair but fiscally responsible contract with the teachers, they will cut services and teachers in order to inflict pain on the students and their

parents. Do you think that they will negotiate a hard bargain in June if the levy passes and they are flush with new tax dollars? Will rewarding fiscally irresponsible behavior with more money encourage its opposite? Passing the levy likely just gives the district a pass on making the hard choices necessary to stop this unsustainable growth in spending.

You don't understand how school districts are financed; they can't be run like a business.

This is the “you are too stupid to understand how things work” argument that is used repeatedly against those who question district financial operations. They argue that because the district has a fixed annual income, and because tax collections for school districts are fixed at the time of the levy and can't rise with increased housing values, that you can't run a school district like a business. This argument is ludicrous on its face. Some businesses may have a bit more leeway to go after additional revenue by increasing marketing efforts, but plenty of businesses have very stable income streams, or even income that may **drop** precipitously in a bad economy. For example, automobile purchases tend to be relatively stable in good times, and often *fall* in bad economic times. Food sales tend to be relatively stable over time, too. Hence, many businesses are quite adept at responding to income constraints, and they have lessons to teach the district, if the district would only listen.

Furthermore, their argument seems to imply that typical business practices such as restraining the growth of personnel salaries to reasonable levels and limiting the growth of fringe benefits (such as being transitioning to defined contribution retirement plans as most private businesses already have done) do not apply to school systems. Certainly, school districts appear to have operated these systems under those assumptions, which is why school district personnel expenses have grown far faster than they have in the private sector. Yes, school districts don't tend to be operated like businesses, as history has shown. But that is not a fact to be proud of. We need to be very wary of the “we are different and hence the rules that apply to others don't apply to us” argument.

Westlake has high teacher salaries because its teacher workforce has more seniority and hence more experience.

The facts actually don't support this argument. The average experience level of Westlake teachers is far less than Rocky River, despite Westlake's higher average salary. For example, the percentage of teachers having more than 10 years of experience is about 64% in RR, vs. 47% in Westlake. Similarly, for teachers having 4-10 years experience, the percentages are 18% vs 16%. Instead, Westlake wins on percentage of teachers having 0-4 years experience, at 36% vs. RR's 18%. (from the 2012 Cupp report). Yet, Rocky River pays less.

Furthermore, district policies lead to hiring teachers at higher salaries than is necessary. The superintendent has stated that his goal is to hire teachers that fall in the bottom of the top

1/3 of salaries. That approach keeps salaries high and it fails to take into account the lower salaries that can be obtained by hiring teachers with some, but not extensive, experience. If Westlake truly does have a glut of higher experience teachers, then the district should use that experience to mentor and train teachers with less experience, thereby saving money and taking advantage of the situation.

The district hasn't asked for an operational levy in over 7 years, so they are clearly being fiscally responsible.

It is quite true that the Westlake school district has not asked for an operating levy for over 7 years. But it is also true that just three years ago the district asked for and received increased taxes to support a bond levy for replacing schools in the district, and that an additional bond levy will likely be required sometime in the next few years to complete this task. It is also true that even if the current levy passes, the district will likely need to pass an **additional** operating levy within the next 4 years because even with the increase in taxes, the district will again be operating at a deficit by 2015.

Hence, one reason that the last operating levy has lasted as long as it did is that the district had neglected maintaining the schools to such an extent that they needed to be torn down and replaced. Do we really think that with proper maintenance, the high school could not have been utilized for a few more decades? Yes, the school had deteriorated to such an extent that repair would have been very expensive. But that is because the buildings had not been properly maintained over the years. They bled the district's greatest assets in order to preserve the high personnel costs and avoid the hard choices. This is not a fact to celebrate.

Had the district asked for a much smaller levy to maintain the buildings at an earlier time, the bond levy could have been avoided, and hence taxes would have remained low enough to make a request for more operational money more reasonable. Furthermore, the Board could have shown its resolve to never allow this to happen again by including the money necessary to maintain the new buildings in the first bond request, rather than put off asking for that money until the second request, a far more risky approach which means that there may be insufficient funds to maintain these new buildings should the community refuse to fund the second issue. Yet again, they put expediency above fiscal responsibility.

It is true that these problems are not necessarily the result of the current administration or the current school board, but they are surely the result of similar thinking and fiscal approaches. This current Board has not shown the wherewithal to change past practices. Have they admitted to these past mistakes and fully explained how they will avoid them in the future? Isn't that a question that they should answer before asking for more money from the taxpayer?

All school districts have to ask for new levies over time because their income is fixed, and Westlake is no different.

It is quite true that school districts must ask for more money as expenses rise, because as discussed above, revenues tend to stay relatively flat. But this does not explain why Westlake salaries have risen far faster than the vast majority of other school districts in the state. It may be true that other districts have similar problems as Westlake, but they seem to be doing a better job reining in personnel costs than Westlake does (considering that 98.5% of Ohio districts have lower average teacher salaries). Furthermore, it is hardly a reasonable defense to argue that we do as bad a job in managing district finances as the other guys do.

Furthermore, those districts that have challenged traditional ways of doing business have shown more success in reining in costs. For example, the Brecksville/Broadview Heights district also has extraordinarily high average salaries (worse even than Westlake), but when a number of school levies failed, and that district negotiated a new teacher contract under that financial restraint, they tried some new tactics, like publishing contract offers of both sides during negotiation, which disclosed the unreasonable demands of the union. As a result, they were able to reduce education salary bumps and stop other salary increases sufficiently to greatly reduce increases in personnel costs and make ends meet despite not having any tax increases approved. This proves that when districts take a hard line, they can effectively reduce the constant salary increases that have been the norm in the past.

The state has cut its contributions to the district, and hence the levy is needed to make up for that shortfall.

It is true that the state has cut some of its funding to the Westlake, and there is no doubt that over the long run, the district must find ways to deal with these decreases. But this loss of funding has long been anticipated, and it represents only a relatively small fraction of the district income (ranging from about 2% in prior years to a projected maximum of about 8% in the near future). This loss of state funding only exacerbates an already existing problem of expenses growing far faster than necessary, but it isn't the underlying cause.

The District is constrained in what it can do because of unfunded mandates and collective bargaining laws.

It is absolutely true that there are many constraints over local control of the school district that restrain boards of education from having the authority to make desirable changes or pay for unfunded mandates. But the Westlake School Board is fully able to lobby both state and national governments for changes in the rules, mandates, and laws imposed on them. Furthermore, this board has decided to accept the unfunded mandates imposed by Common Core. Ask the Board members whether they have petitioned the state legislature, the governor, or their congressional representatives for changes to these rules and regulations that

would enable the flexibility to make the hard choices necessary to run the district in an economical manner. You are likely to find that other than lobbying the state for more money, they have not taken advantage of their public positions to push for such reform.

Conclusion.

Considering the facts, one can reasonably make the case for supporting the school levy, but one can also reasonably make the case for not supporting the levy as well. Far too often, however, those who ask for proof that the district is being fiscally responsible before they will support tax increases are demonized for any number of the reasons discussed above, among others. We need a frank and open discussion on these and other issues, and thus we have provided financial facts about the district that we think should be considered in order to make a fully informed decision. The Westlake Republicans takes a neutral position on the school levy, as reasonable minds may differ on this issue. All we ask is that each side respect the other, and that all voters take the time to fully understand the facts and circumstances prior to casting their votes.