

Remarks to Board of Education, Community Unit School District 200, September 23, 2009

Public Hearing on Proposed Budget

My name is Mark Stern and I am a Wheaton resident and taxpayer.

Last year and this year, this Board has run multi-million dollar budget deficits. This is not sustainable. You have funded the excess spending with 15 million dollars from the working cash fund. You did this by borrowing 20 million dollars in new bond debt, resulting in roughly 25 million dollars in additional property taxes for District 200 taxpayers, in the middle of a significant recession. The fact that you were able to do this without a referendum does not make it any less of a tax increase. In Washington, they like to blame the last administration. However, you've all been here for at least 5 years, some of you a lot longer, so you have no one to blame but yourselves.

The second major problem is with the budget process itself, which is reactive rather than proactive. I served on the District's two most recent finance committees. The District's teacher contract represents the majority of spending. However, you never asked the finance committee for any input on it. In fact, we were not even told that the Board planned to extend it with significant raises in the middle of the same recession, which added millions to the deficit we were trying to reduce. You obtained no public input before approving the current teacher contract in May 2006 or the extension in December 2008. Thus, the finance committee, including myself, reluctantly recommended the working cash borrowing because it was impossible to cut enough around the margins otherwise.

Any serious effort for a long term budget solution requires planning before, not after, the spending commitment is made. I urge you to consider the words of Christ in Luke's Gospel, warning us that we must budget before we start to spend, lest we run out of money and be mocked by all.¹

¹ "For which of you, intending to build a tower, sitteth not down first, and counteth the cost, whether he have sufficient to finish it? Lest haply, after he hath laid the foundation, and is not able to finish it, all that behold it begin to mock him, Saying, This man began to build, and was not able to finish." St. Luke 14:28-30

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State law now requires school districts to disclose fringe benefits for their top personnel. But tonight's report does not tell the whole story, because it excludes the subsidy Wheaton and Warrenville taxpayers are sending to Scottsdale, Arizona.

Dr. Gary Catalani retired from District 200 at age 56. This Board had serious concerns about his health – after all, you gave him a total of 329 paid sick days, which is over 8 weeks of sick leave per year he worked here.¹ But he's healthy enough now to serve as superintendent in Scottsdale. He doesn't get medical insurance there, because this Board agreed to give it to him, at our expense, for a full 15 years after his "retirement," even though he was only here 8 years.

Your report says standard family coverage costs the District almost \$23,000 a year. But his plan isn't standard by any means; it's worth much more. He has medical, dental, vision and prescription drug coverage for himself and his wife until he's 71, and coverage for his children up to age 26, all with no deductibles or co-pays. With insurance costs increasing, District 200 taxpayers will easily spend half a million dollars just insuring Dr. Catalani since he left our District, despite the fact that he lives out of state with a roughly \$225,000 a year taxpayer guaranteed pension, plus his \$200,000 annual salary in Scottsdale, plus \$10,000 a year cash he gets from Scottsdale because they don't have to provide him with insurance.

I challenge this Board to disclose the true costs of these golden parachute payments, and whether anyone else is getting a similar deal. I also challenge the Board to ask Dr. Catalani, if he really cares about our District's well being, to waive this provision and make the Scottsdale school district, not us, pay his benefit costs.

¹ See Catalani's District 200 and Arizona employment contracts at www.markostern.com for reference.