

Turning the Tide: Anatomy of a Successful School Tax Increase Vote

By Gail M. Zeman

Massachusetts is a small but vocal state. Citizens pride themselves on maintaining as much local control of their government entities as possible. Thus, there are many small school districts in the Bay State. Ipswich, with about 2,200 students, is one of them.

Located 26 miles from Boston on the northeastern shore of Massachusetts, this beautiful oceanfront community is home to 13,300 residents (see Table 1). The public schools are highly regarded in the town and region, especially since a new combined high school–middle school was opened in 1999.

Ipswich is governed by an open town meeting at which every registered voter may speak and vote. Day-

to-day affairs are conducted by an elected five-member board of selectmen, which employs a professional town manager. The school department, which spends about 60% of the town budget, is headed by a seven-member elected school committee and a superintendent of schools. Both boards meet regularly with a highly regarded finance committee composed of nine appointed citizen members. The finance committee tends to be the arbiter of financial disputes between town departments and provides a recommendation on every financial article to come before the town meeting.

In 1980, the state passed so-called Proposition 2½, effectively limiting increases in property taxes to 2½% per year of the total assessed value of property in each



Table 1. Ipswich by the Numbers

Population—2007 MA-DOR	13,245
Assessed value of avg. single family home—2008 ^{MA-DOR}	\$504,300
Average single family tax bill—2008 ^{MA-DOR}	\$4,655
School enrollment—2008 ^{IPS}	2,200
FY09 school budget (includes debt service) after override ^{IPS}	\$21.2 million
FY09 outside funding dedicated to fixed costs ^{IPS}	\$1.6 million
Ipswich cost per pupil (from all funding sources, FY07) ^{MA-ESE}	\$9,734
State average cost per pupil (same basis) ^{MA-ESE}	\$11,819

Note: MA-DOR = Massachusetts Dept. of Revenue, Division of Local Services; IPS = Ipswich Public Schools; MA-ESE = Massachusetts Department of Elementary and Secondary Education.

municipality. At the time it was passed, residents of “Taxachusetts” carried the second-highest property tax burden in the United States, in addition to income, sales, and many other taxes.

To buy additional local services, citizens must vote to tax their real property at a higher rate by passing an operating budget tax override or a debt exclusion override. The operating budget override mechanism allows a designated amount of money to be added to the total levy in perpetuity. Debt exclusion overrides fund major capital projects, and the tax increase ends when the bond debt is paid.

Ipswich residents passed a bond debt override to build the new school, but with a few exceptions have not been willing to pass other overrides.

In 1993, the Massachusetts legislature passed the Education Reform Act, calling for increased funding for education and a significant increase in student performance standards. Performance is measured by numerous statewide tests administered under the Massachusetts Comprehensive Assessment Standard. Some increased funding was realized, but an additional provision disallowing new educational mandates without supporting funds was not.

Ipswich worked hard in bringing a majority of students to Proficient or Exceeds Expectations levels under the Massachusetts assessment standards and in maintaining a very high success rate under the No Child Left Behind requirements.

As the tax-limiting laws squeezed the community’s ability to tax itself for nearly three decades, and especially with the recession that began in 2002, downward pressure increased on all municipal budgets, including the schools’ budgets. In 2008, the Ipswich cost per pupil was considerably below the state average. Teacher pay was below the state average and substantially below that of like districts. And maintenance and operating expenses were at their lowest reasonable level because of bond-funded upgrade projects and conservation measures already in place. The municipality’s health

insurance cost share with employees was already the lowest in the state.

The school department had met funding limitations for at least five years by making cuts to programs and by using a spaghetti of other means:

- Increased fees
- Raised funds
- Competitive grants
- Entitlement and targeted purpose grants
- Gifts
- Special programs with local businesses
- Tuitions from extended day, prekindergarten, summer, and facility rentals
- Tuitions from students choosing to attend school in Ipswich rather than in their home districts, through the Massachusetts School Choice program.

In addition, the school committee aggressively pursued funding from a trust left for the benefit of the “Grammar School” in 1660. The proceeds of the trust were garnered from the rents of mostly seasonal residents of 167 “cottages” located on a neck of land overlooking Ipswich Bay and the Atlantic Ocean beyond.

The Little Neck homeowners own the structures they inhabit but rent the land beneath them from the trust. The revenues had been very small because rents were nominal for many generations, until 2002. During the ensuing few years, school committee members pushed the trustees to increase the rents; the residents disputed the increase formula; and in 2007, the matter went to court and payments to the school department ceased.

By 2008, about 10% of nondiscretionary spending came from these outside sources. (They included entitlement and targeted-purpose state and federal grants, such as Title I and Massachusetts Special Education Circuit Breaker funding.) State funding for pre-K–12 programs in the town covered less than 12%. (It included only Chapter 70 direct state education aid to cities and towns that had to be appropriated.) That left 78% of the budget to be funded by local taxes.

The Storm Gathers

Much like the storm that hit this region in October 1991, the perfect school funding storm developed as the school administrators, school committee, and other town officials tried to craft the fiscal year 2008–2009 budget.

1. All discretionary expenditures had already been removed from the budget, and the schools were relying heavily on non-tax-base funding to support basic instruction and operations.
2. The assessor's office determined and the town manager informed the school committee that because of the contraction in the housing market and other factors, tax revenues would support only about a 1% increase over the prior year's spending. (The budget called for a 3% increase in collectively bargained wage increases, which accounted for approximately 80% of the budget.)
3. The loss of about \$500,000 in anticipated land grant revenue tipped the balance. This represented about 18.5% of essential outside funding.

The superintendent and administrative team drafted an initial level-services budget that could not be funded. Long-standing needs that had gone unfunded for several years, such as computer replacement, professional development, and school libraries, were not included in the level-services budget nor was rainy-day funding for uncertain new costs in energy, insurance rates, and special education. All that was left to cut was core staff and instructional programs.

Budgets in Ipswich are highly detailed public documents in which every salary, classroom, and operating expenditure is identified.

At its initial budget hearing in January 2008, the school committee instructed the superintendent to bring back a budget that could be funded and to identify clearly what would be lost. After cutting the number of teachers at every school level (increasing class sizes), world language programs, and classes for non-college-bound students, the mandate was met. The sacrifice, however, would be the quality of instructional programs in the classrooms that the community held dear, and that students from surrounding communities paid to obtain.

The FY09 school budget needed \$23.3 million from all revenue sources; local and state taxes (local aid through Mass. Chapter 70 distribution) were projected to cover only \$21 million. Without the land grant funds,

Table 2. Organizational Structure of Turn the Tide

Leadership

Cochairs
Treasurer
Secretary

Committee Chairs

Field Operations
Web Site
Electronic Communications
Data Development and Production
Voter Registration
Senior Citizen Outreach
Public Relations

Support

Public meeting facilitator

nonappropriated revenues would cover only about \$2.2 million. After cuts, the schools were \$1.5 million short of a viable budget.

Budgets in Ipswich are highly detailed public documents in which every salary, classroom, and operating expenditure is identified. The budget book provides overviews, summaries, charts, and analyses, as well as plenty of information for individuals to argue for or against. Citizens began to become aware of the crisis as budget details were explained and publicized at televised meetings and in the press. The school administration spelled out clearly what would be lost. Soon, a core group of parents and businesspeople brought forth a call for "override" and the school committee agreed, though recent history suggested it would be unsuccessful.

Turning the Tide

As budget hearings and revisions continued, the small group of citizens started holding rallies to get out the word and gather support. The school committee passed a budget within funding parameters at the end of February with a strong statement that the amount was insufficient to provide the quality of education the town expected.

The school committee went to the finance committee and the selectmen to place an override question on the town meeting warrant and support it. They agreed, and with that, the foundation to prevail was laid.

The message of insufficient funding then went to citizens. Rallies turned into a highly organized campaign, led by a legally established political action committee carrying the name Turn the Tide. Its clear and stated purpose was to reverse the multiyear trend of lost educational programs in Ipswich and increase property taxes to support school expenditures at a more appropriate level. A 12-member leadership team (Table 2) included two residents with extensive experience in organizational structure and behavior, and in state and national political campaign development (Table 3).

Table 3. Key Elements to a Successful Tax Override Vote

1. Tap into the knowledge and strength of community members with political savvy.
2. Demonstrate that every reasonable effort to cut costs has been made, without severely hurting instructional progress.
3. Develop clear, concise, factual information about what will be lost if the override fails, and what will be gained if it succeeds.
4. Include something for every major interest group. For example, elementary class sizes, athletic programs, transportation services, technology gurus, high school academic programs, and so forth.
5. Stick to the facts.
6. Identify the override cost increase in a way that voters can calculate the effect on their own tax bill. Then, reduce it to a cost per week for the average homeowner.
7. Explain why the failure of the override will affect homeowners adversely.
8. Count voters and determine the necessary number needed to win. Then, go after only the yes and undecided voters.
9. Don't waste time trying to convince the no voters.
10. Bring out the yes voters to cast their ballots.

The school committee and members of the school administration who resided in the town were asked to be highly visible in the community and to work from a strictly factual basis. A commitment was made to the public to identify the specific programs and expenditures to be funded and to be fully transparent and accountable for doing what was promised.

Turn the Tide developed and produced clear, succinct fact sheets, counted registered voters to determine the exact number of yes votes necessary to win, raised funds to support the campaign, and made sure to include something for every major interest group.

Families of tuition students from outside the town gathered to support the effort and pledged additional donated funds to the schools if the override passed. Seemingly endless statistics and analyses flowed from the offices of the superintendent and finance and operations director, to clarify all that had already been done to save money and the programs and classes that had been lost in prior years. Teams of phone callers went to work from local small business offices to reach every citizen, to identify those in support and still undecided, and to encourage them to review the facts. No time was wasted on definite no votes.

When the town meeting opened the evening of May 13, the high school auditorium was packed and residents overflowed into the parking lot outside. With the Turn the Tide message already out and seemingly reinforced by every yard sign and grocery store conversation, the town meeting vote overwhelmingly placed the question of an override of \$1.49 million for the school department on the next election ballot.

Then, the intense activity increased. The next election was to be held in one week. Phone banks were reenergized, volunteers handed out more information flyers at

every event and on street corners all over town, and babysitting and rides-to-the-polls teams were put on alert. Students contacted their older siblings away at college to vote by absentee ballot. And on voting day, rotating teams held signs at the one polling location in town . . . and waited when the polls closed for the tally.

Late that evening, it came: 2,831 for and 2,268 against with only 41 blank ballots. Turn the Tide had done just that. The years of budget cuts and program losses would finally be reversed.

The Tide Comes In

School opened the day after Labor Day with all programs intact and average class sizes back at the voted maximum for each grade level. Enrollment of choice students increased and for FY09 and FY10, the district will be able to adequately fund its programs. The land grant court battle continues.

Meanwhile, taxpayers are digging deeper into their pockets this year and, given current national and global economic news, many aren't happy about it. Massive local efforts to increase taxes can't be a standard MO for funding school budgets. This kind of effort produces a temporary fix, though a most appreciated one.

Like towns and cities everywhere that want to support their children, Ipswich is waiting and working for a permanent solution to the long-term problem: the cost of public education as currently delivered exceeds the available resources to support it.

Gail M. Zeman recently retired as director of finance and operations in the Ipswich Public Schools and is currently the president of the Massachusetts ASBO affiliate. A licensed school business administrator in Massachusetts, she works as a consultant in the field and is a member of the ASBO International Editorial Advisory Committee. Email: zmang@verizon.net.