

Goal is keep school tax rate stable

Written by CAROL POMEDAY
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Board plans to use fund balance to make up for 4.4% loss in district value

Faced with a 4.4% reduction in the equalized value of the school district — something officials had not expected — the Cedar Grove-Belgium School Board plans to cut \$50,000 from the community service fund, which supports gym and swim programs, and take \$191,000 from its \$2.8 million fund balance to reduce the tax levy.

Those efforts will result in the school tax rate staying the same as last year, \$9.27 per \$1,000 of equalized valuation.

That means the owner of a home with an equalized value of \$250,000 would pay \$2,317 in taxes to the district.

The equalized value of the district dropped from \$597.5 million last year to \$571.1 million, which means there is less value to support the \$13.1 million budget.

Business manager Kris DeBruine had developed a budget based on the valuation staying the same. After the annual meeting last year, the board learned the district's valuation had dropped 1%.

"When this budget was built, it was to be a flat levy," Supt. Steve Shaw said. "The 4.4% (reduction in equalized valuation) is not something anybody could have predicted. It caught me totally off guard. We tried to be conservative."

In the past 10 years, the district's equalized valuation rose from \$343.6 million to \$597.5 million last year before the current downturn.

The board met Tuesday to figure out how to tighten expenses on a budget that is four months into the fiscal year and opted to delve into its fund balances rather than raise taxes or cut educational or extracurricular programs.

"Community service or student education? If we need to cut \$50,000, it's community education," board member Dan Bruhn said. "We need to give the students and teachers what they need."

At this time, no gym and swim or other community programs, which the board had wanted to increase, will be cut. The \$50,000 will be taken from the community service fund balance of \$123,000, which will leave \$73,000 in the fund. Last year, the board put \$100,000 into the community budget to build up a reserve to expand programs.

User fees bring in \$30,000 to offset the fund's \$80,000 budget, which includes personnel costs as well as pool expenses, DeBruine said.

"I'm worried about what will happen if we have an emergency with the pool," Shaw said.

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If a pool repair approaches \$70,000, the board could decide to close it. The decision was made to operate the pool until it dies because it is too costly to bring it into compliance with current codes for swimming pools.

The district's largest expense is for salaries and educational supplies — \$5.9 million.

Shaw said teachers were told to list what is needed in their classrooms and what they would like to have. The principals then developed budgets for their schools.

"The dollars we have this year can't buy the same amount of supplies as it did last year. Everything has gone up," Shaw said.

"We've talked about doing away with textbooks and now may be the time to have that discussion. With the Common Core standards, there will be major changes in textbooks."

Shaw said the district will try to reduce expenses during the year so the fund balance may be tapped for less than currently expected.

State aid is expected to be \$5.9 million, which is almost \$400,000 more than last year. Federal funds are expected to decrease from \$27,000 to \$13,400.

What makes the district's financial situation better is the reduction in debt service from \$1.6 million to \$1.3 million.

The budget that appears in today's Ozaukee Press shows a tax levy of \$5.5 million, which does not reflect the changes the board made Tuesday night. The budget must be published 10 days prior to the annual meeting, which is Monday, Oct. 15.

The board will announce the budget changes at the annual meeting, at which time residents will be asked to set the tax levy.