

School budget calls for 8.7% tax hike

Written by STEVE OSTERMANN
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Decreases in state aid, property valuation leave district taxpayers facing increase to support 2013-14 spending

After voicing frustration with a tough fiscal challenge that includes a deep cut in general state aid and a decrease in equalized property valuation, the Grafton School Board on Monday adopted a preliminary budget that calls for a nearly 9% tax-rate increase to support spending for the 2013-14 year.

The board unanimously endorsed a \$23.4 million spending package that includes a total levy of \$17.3 million, up 7.6% from 2012-13.

Under that plan, the tax rate would increase 8.7%, from \$11.10 to \$12.07 per \$1,000 of assessed property valuation.

Based on the new rate, the owner of a \$250,000 house would pay \$3,017 in school taxes, up \$241 from last year. The owner of a \$300,000 house would pay \$3,620 in school taxes, up \$289.

"There are a lot of school districts in our boat. We wish it wasn't the case," Supt. Mel Lightner told the board as it reviewed the budget projections.

The budget package, which will be presented at the district's annual meeting next month, comes one year after a 2012-13 budget that required no levy increase from the previous year. However, Grafton officials have been bracing for the likelihood of a less favorable scenario this fall.

In July, Grafton officials were told to expect an 11.8% cut in general state aid for 2013-14, meaning a loss of \$657,312 in revenue.

The aid decrease was the largest among Ozaukee County school districts, though several others also face sizeable cuts. Among them are Northern Ozaukee (11.1%) and Cedarburg (8%).

After Grafton deferred a large part of debt service last year, an additional \$900,000 has been included in the 2013-14 budget. The debt includes \$438,565 to upgrade school facilities.

Board members were hoping the budget shortfall would be partially offset by an increase in the district's property tax base. However, Director of Business Services Kristin Kollath told the board that the equalized value is expected to fall to \$1.43 billion, a decrease of 1%, or \$15 million.

The valuation decrease is expected to raise the tax rate from 7.6% to at least 8.7%, Kollath said.

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Board members Paul Lorge and Mike Holloway said they were disappointed by the valuation figure projected by the state Department of Revenue. Lorge said property values throughout Ozaukee County appear to be rising and didn't understand how Grafton could be taking a hit.

"It doesn't seem to make sense, but I don't know what we can do, either," Lorge said.

Holloway suggested the district contact state officials for an explanation on how total valuation is determined.

"This is one of the biggest levers in the budget. Our biggest concerns are equalized value and structural costs," he said.

Lightner said the district has limited cost-cutting options for the 2013-14 year but will explore a variety of alternatives in the near future. He suggested determining more cost-effective ways to use school facilities and sharing staff as possibilities.

"Your hands are tied because you've got facilities issues," Lightner told the board. "Looking forward, we will study other things we can do."

Despite the pending levy increase to support 2013-14 spending, the board has held the levy in check the previous two years, Lightner said.

"There's an increase of 7% to 8%, but last year it was 0%," he said. "So over two years, the increase is half as much. That's a big story to tell."

In a presentation to the board, Kollath said that if board had levied the full amount of debt service last year, the tax rate to support the 2013-14 budget would be up only 2.9%.

She noted that the budget could change based on several variables, including final certifications of enrollment, state aid and equalized valuation, salaries and benefits, utility costs and debt refinancing.

The annual meeting will be held at 7 p.m. Monday, Sept. 23, in the high school library. After a budget presentation, district residents will provide an advisory vote on the levy and approve board members' salaries.

The board retains the power to adopt the final budget, which is expected to be done Oct. 28.

In other action Monday, the board approved a three-year lease for new computer equipment for classroom use.

The \$199,000 lease with Providence Capital Network will provide 100 Samsung Chromebooks, 144 iPads and 285 laptop computers for students.

The lease calls for the district to make three annual payments of \$69,836.

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Last year, the district entered into a two-year, \$92,000 lease for technology upgrades that included 40 computers and monitors for office and administrative staff in all buildings, 170 networks for eighth-graders at John Long Middle School and 25 computers and monitors for the Grafton High School English lab.