

Officials say loss of property value, drop in state aid forced them to raise school taxes by \$1.81 per \$1,000

The Northern Ozaukee School Board knew the 2010-11 budget picture wasn't pretty heading into Monday annual budget meeting, but things somehow managed to get even worse.

Business Manager Walter Clarke noted that a levy increase estimated at 10.5% grew to 13.2% when the state provided final aid calculations last week.

Clarke noted that the district is receiving 15% less in state aid, dropping from \$3.4 million to \$2.9 million.

Even though spending will be down 12.7% next year, the funding shift toward local taxpayers means the tax levy will increase by \$781,251 — to \$6.6 million.

Making matters worse, Clarke said the district's equalized property value dropped 5.6%.

To support the budget, the tax rate for school spending will increase \$1.81 per \$1,000 of equalized value — to \$10.85 per \$1,000. That comes to roughly a 20% hike in taxes.

Although most home values have fallen, the owner of a home that held its value at \$200,000 will pay \$360 more in school taxes.

"This is the same scenario the Grafton School District went through last year. Unfortunately, this year is our turn. It is a function of the state funding formula," Board President Paul Krause said.

Despite the significant tax impact of the spending plan, only three people attended the budget hearing.

One was Town of Saukville resident Don Bloecher, who has criticized district spending at several recent board meetings.

Bloecher's focus was on the teaching staff. He took strong exception to the current contract which requires teachers to put in 4.5 hours of classroom time per day.

"You have to figure out how to get more work out of your teachers. We have been overstaffed with teachers in the past, and it is obvious we are overstaffed again," Bloecher said.

"In this economy, teachers are a dime a dozen. I don't know what kind of teachers you are hiring, but this budget is in bad shape because of bad decisions."

Board members said the limits on teachers' work days set by the union contract, which is tied up in protracted negotiations.

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Written by Mark Jaeger

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Krause said other parents, especially those of the district's virtual school — Wisconsin Virtual Academy — are "irate" about the lack of teachers.

The on-line program has as many as 120 students assigned to a single teacher.

Another district resident, Margie Becker, said the board should consider the plight of district residents being asked to pay for the levy increase.

"We can't continue to pay 100% or 90% of people's benefits. We don't get those kinds of benefits," Becker said. "The people of Fredonia don't have a lot of money. Half the people in the village can't afford for taxes to go up 10%."

Krause said he sympathized with taxpayers, but insisted there are no easy fixes for the budget.

"I don't think anyone is very happy about it. The problem is, if we have to make \$500,000 in cuts, that is something that can't happen right away. Those are changes that need to be negotiated," he said.

Krause expressed frustration that the budget approval process comes so late in the school year, suggesting the board should be making preliminary spending decisions months earlier.

"It is clear we need to make negotiation changes faster and we need to drive this budget process earlier," he said. "By this point, our hands are pretty much tied. I don't like getting to this point and not being able to do anything."

Longtime board member Francis Kleckner said some perspective is needed in evaluating the current budget.

Even with the latest levy increase, district residents are paying less for their schools than they were prior to 2003.

"The problem is the state takes away the funding and we are the ones who have to make it up," Kleckner said.

The precarious position of the district fund balance was also discussed at the meeting, with officials noting that they ended the 2009-10 school year with just \$68,596 in reserve — .52% of its budget.

The 2010-11 budget will boost that balance to \$174,411 — 1.3% of its budget.

The board made one minor change to the budget, eliminating money from the community service fund for the district newsletter.

The board that voted 6-2 to approve the budget and certify the tax levy.

Board members Stacey Stark and Rick Hamm voted against the approvals.

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