

East Troy Community School District

Quick Facts – 2008-09 Tax Levy January 2009

<u>Facts:</u>	<u>Levy \$</u>	<u>Tax Rate (Mill Rate)</u>
Our total tax levy this year is:	\$12,415,233	\$7.66/\$1,000
Last year's total levy was:	\$11,217,217	\$7.53/\$1,000
Total Increase (+10.68%):	\$1,198,016	\$0.13/\$1,000 (+1.7%)

Question:

Why did the tax levy increase over 10% when the district's General Fund expenditures increased at less than 3% and the tax rate increased at less than 2%?

Answer:

School districts in Wisconsin are funded, as a whole, with 2/3 State Aid and 1/3 local property taxes. Very few districts are actually funded by the State at exactly 2/3, some are more and some are less. The formula that determines local levels of State Aid is heavily weighted to fund districts with a low property wealth per student. This formula is not beneficial to East Troy Schools because we have a high property value per student – therefore receive much less than 2/3 of our funding from the State. As we continue to outpace most of the rest of the state in property valuation growth, we received \$280,000 less in State Aid than last year.

As part of our budgeting for 2008-09, we have a large transition of costs from the Walworth County run Lakeland School. In the past, special education staffing in our buildings was managed by Lakeland School. These staffing costs are being transferred over a 10-year transition plan to become East Troy costs. For the current tax year, we transferred over \$350,000 of special education costs to our district taxpayers. Next year, the impact will be offset by receipt of 27% of additional State Aid.

The items above are the realities of the current school funding formulas. Even though there was approximately a \$1,200,000 increase to the local tax levy, the district had budgetary reductions to staffing, programs and operations of over \$350,000.

Also, with a levy increase of 10%, our tax rate increased less than 2%. The tax rate is the total tax levy divided into the total property value of the district. As the property valuation grows (and we did grow overall at 5% in 2008 according to the Wisconsin Department of Revenue) there is a larger number to divide the levy into and that accounts for the difference. Depending on where you live (which municipality you are in) makes a

significant difference in your decrease or increase in your local School Tax. Because we have eight taxing municipalities, the total levy amount is divided ratably among all taxing authorities based upon total equalized value. Each municipality must then ratably allocate to all individual taxpayers. Taxing municipalities with growing tax bases will have a higher number to divide their share into so the individual taxpayer burden will be less (or even reflect a reduction in dollars of taxes from one year to another). Areas with less growth will get the opposite effect. In our case, this is what accounts for the difference of smaller school tax increases for the Village residents and a larger increase for the Town of East Troy residents. Charts showing the taxing municipalities with the 1-year change in allocation, Tax Rate history, and 2008 tax allocation are shown below.

Question:

What is the First Dollar Credit shown on my 2008 property tax bill?

Answer:

You will notice a line on your tax bill that is new for 2008 called the First Dollar Credit. This credit exempts the first \$4,135 of assessed value from the property tax bill for schools and applies only to property that is owned and improved. The credit saves the average Wisconsin homeowner \$35 in school property tax.

Fiscal Philosophy:

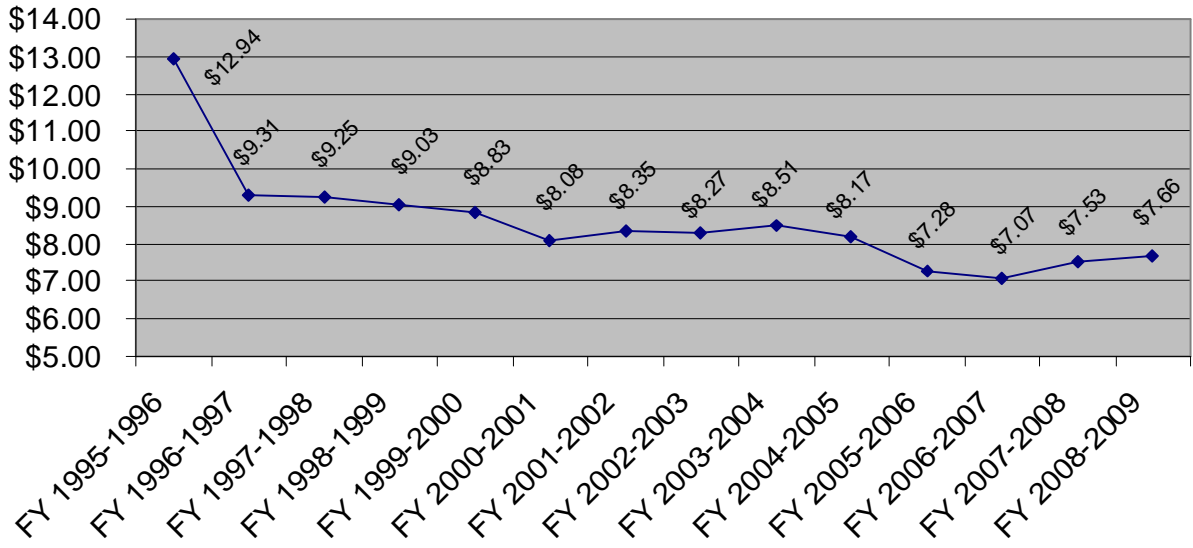
The Board of Education and School District Administration will continue efforts to control costs while providing a quality education to all our students. While analysis of many data sources strongly suggest that we are maintaining an efficient and high quality district, we always welcome input from our community in assisting us become more efficient and effective in serving both the students and community.

Contact Us:

Questions regarding any of this information can be directed to the Board of Education or Dr. Christopher Hibner, District Administrator or Keith Brightman, Business Manager by calling (262) 642-6710.

	<u>2008 Taxes</u>	<u>2007 Taxes</u>	<u>1-Year Change</u>
Town of East Troy	\$6,348,769	\$5,616,098	13.05%
Town of La Fayette	\$548,445	\$533,701	2.76%
Town of La Grange	\$214,436	\$211,025	1.62%
Town of Spring Prairie	\$465,232	\$443,408	4.92%
Town of Troy	\$2,106,233	\$1,907,955	10.39%
Village of East Troy	\$2,567,386	\$2,399,494	7.00%
Village of Mukwonago	\$98,013	\$43,828	123.63%
Town of Eagle	\$66,718	\$61,708	8.12%
Total	\$12,415,233	\$11,217,217	10.68%

Tax Rate History



2008-09 Tax Levy By Municipality

