

School Budget Facts



WINTER 2010

What's New with my School Property Tax?

You may be wondering why changes in your individual tax bill do not seem to match the school levy increase. Here's why:

- ✓ **Enrollment growth and decreasing state aid have led to property taxes increases**
- ✓ **Individual school tax bills vary by municipality**
- ✓ **OASD's tax rate remains below county and state averages (see chart at right)**
- ✓ **OASD is committed to fiscal responsibility and careful long-term management of resources**

Where does school funding come from?

Our schools are funded by a combination of state and local taxes. With state revenue from income and sales taxes diminished by the economic downturn, a greater share of OASD's budget is shifting to the local property tax.

This trend has been in place for over a decade. State general aid to OASD was almost \$2,300 per student in 2000-01. This year, OASD will receive \$1,175 per student in state general aid, or about half of the amount it received at the beginning of the decade.

The result of this diminishing state aid means that school levies are up 7.2 percent across the state this year and 8.9 percent in OASD. This is above the range the School Board had hoped for, and in spite of the Board's use of over \$600,000 in reserves to hold the levy down.

Why are tax bills so different?

The variation in school tax bills from home to home within the OASD can be confusing. An individual tax bill is simply not an accurate indicator of OASD budget decisions, whether it's an increase or decrease.

The school tax levy is divided among 13 local municipalities by a formula administered by the Wisconsin Department of Revenue. Through this formula, each municipality is assigned a share of the OASD tax bill. It is based on annual property sales data, which can result in a volatile shifting of tax burdens among the municipalities.

For example, this year, one municipality in the OASD will see a 5 percent decrease in school taxes while another will see a 20 percent increase, both resulting from an annual shift in each municipalities' relative share of the OASD tax bill. It is difficult to explain to a taxpayer why their tax bill increased 20 percent when OASD's levy increased 8.9 percent.

Equalized Tax Rates 2009-2010	
School District	Tax Rate per \$1,000
Menomonee Falls	\$10.80
Arrowhead/Hartland Lakeside	10.35
Muskego	10.29
Pewaukee	10.20
Elmbrook	10.04
New Berlin	9.88
Hamilton	9.54
Oconomowoc	9.17
Arrowhead/Lake Country	9.02
Kettle Moraine	8.99
Waukesha	8.96
Arrowhead/Stone Bank	8.78
Mukwonago	8.58
Watertown	8.39
State Average	9.18

Decreasing State Aid	
General state aid 2000-2001	\$2,300/student
General state aid 2009-2010	\$1,175/student

What can we expect for the future?

OASD is in a cycle of long-term enrollment growth, which reflects the overall development of western Waukesha County. Enrollment growth leads to higher school costs. When this trend is combined with less state aid, upward pressure on local taxes follows. Even with increases in school taxes, OASD's tax rate remains below average for the county and state.

Whether the economy is weak or strong, OASD pledges to manage carefully for the long-term; provide accurate financial information; maintain a tax rate below the county average; and provide one of Wisconsin's best and highest achieving school districts.

Oconomowoc Area School District

W360 N7077 Brown Street
Oconomowoc, WI 53066
Ph: 262.560.1115
www.oasd.k12.wi.us