

State aid hike gives PW-S schools a windfall

Written by BILL SCHANEN IV
Wednesday, 29 October 2014 17:57

Largest general aid increase received by any district in county will give residents bigger tax break than expected

An increase in general state aid — the largest received by any school district in Ozaukee County this year — will give Port Washington-Saukville School District taxpayers a significantly greater tax break than expected, according to a 2014-15 budget approved by the school board Monday.

The district will receive \$595,432 more in state general aid this year, a 4.6% increase that brings the total amount of general aid to \$13.5 million.

For the first time in three years, the state is paying more to educate students in the Port-Saukville School District than local taxpayers are.

Why? Because relative to other school districts, the Port-Saukville school system is poorer in terms of property value given the number of students it educates.

The formula used to determine state general school aid is complex, but to a large extent it is based on property value and enrollment.

The property value per student in the Port-Saukville District is \$573,540, the lowest in the county. The second lowest is \$682,646 for the Northern Ozaukee School District in Fredonia.

“That surprises me because when you look at the Northern Ozaukee District, you think we have to be more property rich,” Jim Froemming, the director of business services for the Port-Saukville School District, said.

But, he noted, the Northern Ozaukee District educates far fewer students, 821 compared to Port-Saukville’s 2,611.

And although Fredonia based, the Northern Ozaukee school system includes valuable Saukville industrial property as well as Town of Belgium lakefront properties.

The property value per student is \$731,407 in the Grafton School District, \$754,994 in the Cedarburg School District and \$1.3 million in the Mequon-Thiensville School District, which receives just \$2.2 million in state general aid.

Port-Saukville School Supt. Michael Weber noted that an increase in state aid does not equate to more money for education.

“If we receive more state aid and the revenue limit stays the same, our students realize no benefit,” he said. “But it does result in tax relief, and in a sense we’re getting our fair share of state aid instead of it being distributed elsewhere in the state.”

State aid hike gives PW-S schools a windfall

Written by BILL SCHANEN IV

Wednesday, 29 October 2014 17:57

The school board on Monday approved a 2014-15 tax levy of \$13.8 million, a \$403,856 (2.85%) decrease from last year.

The decrease in the levy, combined with a 4% increase in the district's equalized property value, results in a tax rate of \$9.22 per \$1,000 of property value, a 6.6% decrease that will reduce the tax rate by 66 cents per \$1,000 of value.

That means that the owner of a \$175,000 home, adjusted for appreciation, will pay about \$49 less in school taxes this year.

The actual savings will depend, however, on where that home is located and how the value of that community compares to others in the district.

For instance, in the City of Port Washington, where equalized property values increased 4.4%, the average tax savings is estimated by the district to be \$46.

In the Village of Saukville, however, where property value increased by only 2.7%, the average homeowner can expect to pay about \$72 less in school taxes.

The amount of money residents pay to support schools is controlled by state revenue limits, but there are exceptions that affect the tax levy.

Districts are allowed to exceed those limits if, for instance, voters approve referendums, and in that regard the Port-Saukville School District is an aberration. It is the only district in the county that does not have referendum debt, a fact that officials have noted as they prepare a multi-million-dollar spending plan that will need to be approved by voters if the district is to renovate Port Washington High School and address space concerns at the elementary schools.

Districts are also allowed to tax beyond revenue limits for community service expenses — those attributable to community use of school facilities, such as gyms. The Port-Saukville School District will levy \$252,411 for community service this school year.

The problem for districts is that the state has frozen community service levies. That could be a challenge for the Port-Saukville School District, whose architect has proposed building regulation gyms at Saukville and Lincoln elementary schools, as well as Port Washington High School, to meet not only the needs of students but the increasing demand from the community for gym space. Under the community service levy freeze, the district cannot tax more to cover its costs of providing and maintaining facilities used by the community even if it builds new facilities for that purpose, Froemming said.

“The state is basically saying, if you're going to add these kinds of facilities, you may have to charge the community more in fees (not taxes) to use them,” he said.

Although the district does not have referendum debt, it is repaying a \$1.8 million loan used to finance improvements. Because the improvements will result in verifiable energy savings, state law allowed the district to borrow the money without voter approval.

State aid hike gives PW-S schools a windfall

Written by BILL SCHANEN IV

Wednesday, 29 October 2014 17:57

The district launched the \$2.27 million project in 2012, opting to finance \$1.8 million of that cost to make improvements that ranged from the installation of energy-efficient lighting to new heating and cooling systems.

The improvements resulted in an energy savings of \$57,167 over the last year, \$21,630 of which will be used to reduce this year's debt payment. The payment plan calls for the district to make annual payments of about \$195,000 over 10 years. This year's payment will be \$171,100 because of the savings applied to the debt.