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Growth, levy limits impact Oconomowoc schools budget

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Oconomowoc Area Schools — Growing enrollment and declining state aid are factors in an estimated 2.92-percent increase in the tax levy, according to the preliminary budget proposal for the 2013-14 school year.

According to an overview of the proposed document presented recently to the School Board by Assistant Superintendent of Business Services Mike Barry, the tax base is expected to increase slightly, and the tax rate will rise by 2.61 percent from $10.96 per $1,000 to $11.25 per $1,000.

The tax levy estimate will be updated at the annual meeting in August; a final levy will be certified in November.

Barry explained that the financial framework of the school district budget is determined primarily by the State of Wisconsin budget, which is still pending in the state legislature.

Due to the uncertainty of the state budget proposal, the district budget is based on the best estimates of key financial conditions.

The assistant superintendent noted that the revenue limit formula, through which the state indirectly controls K-12 spending, will remain flat next year.

"This scenario, contained in Gov. Walker's 2013-15 budget proposal, will hold down statewide property taxes, but will create challenging financial conditions for school districts," Barry reported

In 2012-13, school districts received a one-time-only state categorical aid of $50 per pupil, for a total of $255,000, which is

not available for 2013-14.

State equalization aid, which is OASD's largest funding source other than local property taxes, is expected to decrease by 15 percent. A decrease in state aid shifts more of the funding burden to the local property tax levy.

Under Wisconsin Act 10, school boards were granted much greater authority ("tools") to manage school operations, costs and personnel. For purposes of building the 2013-14 OASD budget, Act 10 is presumed to be in effect.

Meanwhile, legal challenges to Act 10 are expected to continue.

Barry noted that enrollment is expected to increase by 40 to 50 students by next September.

"The interim count in January showed an increase of 39 students. That is 10 consecutive years of enrollment growth, an increase of almost 1,000 students in 10 years," Barry explained.

"The staffing plan is moving in tandem with enrollment," he said.

The board has requested additional information on other budget areas including: student fees, OAC staffing and event rental rates; the re-locatable classroom plan, the Affordable Care Act, and fuel cost analysis.

The budget proposal is on the agenda for the May 21 meeting.

To view the document, visit the district website at, https://eboard.eboardsolutions.com/Meetings/Attachment.aspx?S=140001&AID=1439&MID=104

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