

Overview of Parkview Finances for the 2015-2016 School Year

Each year, on or around October 15th, the state of Wisconsin will certify General Aid and communicate to public school districts the amount of state aid they will receive during the current fiscal year. For many school districts, this is the last piece in the puzzle in preparing the tax levy for that year. On October 19, 2015, the Parkview Board of Education voted on and approved the 2015-2016 property tax levy. The total property tax levy that was approved by the Board was \$5,212,469.

Tax Levy

While there are many different factors that make up the property tax levy for school districts, the basic equation is based on a revenue limit imposed by the state on all public school districts. When a school district has determined their revenue limit and state aid figures, they are ready to set the levy and distribute the tax amounts to each municipality in their district. The amount that is distributed to each municipality depends on their property value relative to the total property value for the school district. Once these municipalities receive their tax bill from the school district, they will distribute among the taxpayers based on individual property values.

Municipality	Equalized Value	Tax Levy	% of Tax Levy
Avon	\$18,336,562.00	\$247,427.68	4.75%
Center	\$25,102,794.00	\$338,729.04	6.50%
Magnolia	\$4,735,459.00	\$63,898.76	1.23%
Newark	\$112,801,500.00	\$1,522,107.19	29.20%
Plymouth	\$89,810,600.00	\$1,211,875.38	23.25%
Rock	\$11,816,546.00	\$159,448.67	3.06%
Spring Valley	\$34,696,332.00	\$468,181.16	8.98%
Footville	\$29,177,200.00	\$393,707.76	7.55%
Orfordville	\$59,812,700.00	\$807,093.36	15.48%
Total	\$386,289,693.00	\$5,212,469.00	100.00%

One tool that can be used to estimate the tax impact for an individual taxpayer in the district is the mill rate. The mill rate is a calculation that uses the total tax levy and property value in the district to determine a rate based on individual valuation. For 2015-2016, it is anticipated that the mill rate for the Parkview School District will be \$13.49. Based on this mill rate, a taxpayer can expect to pay \$13.49 for every \$1,000 valuation of their home. For example, a property owner with a home valued at \$100,000 could estimate their property tax bill from Parkview to be \$1,349 for 2015-2016. While the mill rate helps a taxpayer get an idea of how much they could pay on property taxes for the year, there are factors that can change the final number including variances in property values for surrounding homes and the distribution of taxes to the different municipalities. That is why it is important to remember that the mill rate is an estimation, not an exact determining factor for individual property tax amounts.

For 2014-2015, the mill rate for the Parkview School District was \$13.35, which means that the mill rate for 2015-2016 increased by 14 cents over the prior year. The main reason for this increase is due to the new funding structure from the state for the expanded voucher program. For new students in the school voucher program, public school districts will see their revenue limit increased based on the number of

students enrolled. This revenue limit increase is offset by a reduction in state aid to the district, but the end result is an increase to a district's tax levy.

Fiscal Budget

The Parkview School District is projected to have a balanced budget for the 2015-2016 fiscal year. Without the voter approved operational referendum from April 1, 2014, the general fund deficit would have been around \$350,000 for 2015-2016. The Board has taken action to reduce expenses to present a balanced budget for this current fiscal year while still maintaining strong educational programs taught by high quality staff.

One of the major factors impacting the budget each year is the loss of revenue from the state of Wisconsin. While school districts were given more resources to help offset the major funding cuts in 2011 as part of Act 10, it has been difficult to balance the budget without going to referendum. Total funding has increased from year to year after the funding cuts in 2011; however, it has not been enough to keep up with inflation resulting in revenue not keeping pace with expenditures in most cases.

Balancing the Budget

The District is fortunate that the Board of Education has grown its fund balance over the past 10-15 years so that there is a small cushion to offset any emergency expenses this year and potential budget deficits in future years. Having a strong fund balance not only helps cover unplanned expenses that occur during the school year, but it also allows a district to avoid short-term borrowing to cover payroll expenses when state aid payments do not coincide with payroll dates and it typically leads to lower interest rates when a district takes on new debt. At the end of 2015-2016, it is projected that the Parkview School District will have a fund balance percent of 24.11% (\$2,417,816.54).

In order to reduce the District's reliance on fund balance, the Board of Education and administration have been working diligently to find ways to increase revenue and reduce expenses to create a plan for a balanced budget. For 2015-2016, the District was able to reduce expenses by eliminating some staff positions and making changes to employee benefits again. Some of these cuts to expenses were used to balance the budget while others were used to help retain high quality staff by providing salary increases. As the District begins to look at the fiscal budget for 2016-2017 and beyond, the Board of Education and administration will continue to look for ways to present a balanced budget to the community while still maintaining strong educational and extra-curricular programs that align with the District's vision and mission statements and that help support Parkview's current students while helping to attract new ones as well.