

## New property tax bills for 2013-14 (I): School levies total \$4.7 billion

Property tax levies in Wisconsin's 424 school districts are up 0.8% to \$4.69 billion. Over the three years since 2011, total school taxes have grown less than 0.1%. State-imposed revenue limits play a key role in limiting the tax increases, so changes are relatively uniform: 185 districts raised or lowered their levies by 2.5% or less. Only 31 districts (7.3%) reported increases of more than 10%.

Once local government and school district budgets are approved in the fall, December property tax bills follow. The largest share of that bill typically goes to K-12 education. School taxes this year will total \$4.694 billion (b), 0.8% more than last year's levy of \$4.656b.

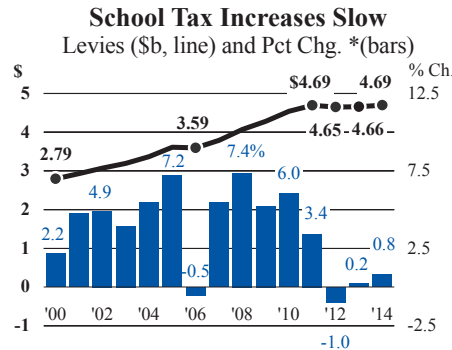
### Recent school tax trends

Operating under tight, state-imposed revenue limits, schools have changed their levies little in recent years, as the line graph (above, right) shows. In fact, the total to be collected in 2013-14 is only \$1.44 million (m), or 0.03%, more than the \$4.693b collected in 2010-11.

As the graph also shows, annual school tax increases (bars) have generally been slowing since 2008. In the most recent three years, yearly changes have been modest, ranging from -1.0% to +0.8%. The average annual increase for the most recent five years (2010-14) is under 0.9%—noticeably less than the average annual increase (6.0%) for the prior five years ending in 2009-10.

A major factor contributing to the slowdown in recent years has been state finances. As recessionary budget problems worsened, regular growth in state aid to local school districts stalled. Total aid funding was cut 2.7% in 2009-10 and even more (8.1%) in 2011-12. These were the first aid cuts recorded.

Under state revenue limits, if state aid is scaled back, school districts may compensate with local property taxes.



Aware of this and not wanting to be blamed for local tax increases, state leaders of both parties paired aid cuts with tightened (2009) or reduced (2011) revenue limits. For 2013-14, revenue limits are growing an average of 0.8%.

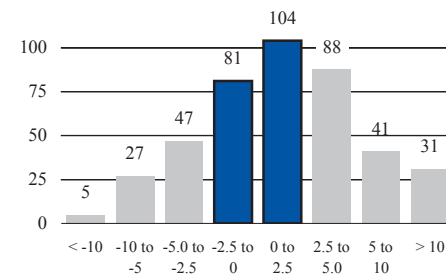
### Tax changes in 2013-14

As is usually the case, modest changes in statewide averages do not mean similar results at the local level. As the graph below reveals, 185 (44%) of 424 school districts raised or lowered their levies by 2.5% or less (dark blue bars). But, about one in six (72) had an increase of over 5%; and 7% (31) approved a double-digit tax hike.

Possible reasons for above-average tax increases vary. Under state revenue

### Number of Dist's by Pct. Tax Change

No. of Dist's with Chgs. < +/- 2.5% (Dark Blue)



caps, a district with significant enrollment growth would be allowed a larger levy increase than the norm. Voter approval of referenda to exceed state revenue limits, or to borrow and tax for building projects, would have the same effect. Districts that had not levied the maximum amount in the past would also have some extra room under their revenue limits to raise taxes.

### District specifics

■ **Largest Districts.** How school levies vary in 2013-14 is illustrated in the table below for the 25 districts enrolling the most students: 13 have increases;

### Tax Increases in Large Enrollmn't Dist's

Levies (\$m) and Pct. Chg. in 25 Largest Districts

District	'12-'13	'11-'12	% Ch.
Appleton	64.1	63.3	1.2
Beloit	13.9	13.8	1.0
DC Everest	24.2	23.4	3.4
Eau Claire	54.6	56.4	-3.2
Elmbrook	72.7	72.2	0.7
Fond du Lac	33.8	32.8	3.3
Green Bay	79.9	80.6	-0.8
Janesville	35.8	36.1	-0.7
Kenosha	93.3	92.4	1.0
La Crosse	48.5	45.5	6.7
Madison	257.7	249.3	3.4
Middleton	61.1	59.1	3.4
Milwaukee	308.9	311.3	-0.8
Neenah	30.9	31.6	-2.0
Oak Creek	31.8	32.4	-1.6
Oshkosh	43.2	41.7	3.7
Racine	78.8	84.4	-6.7
Sheboygan	39.1	39.5	-0.9
Stevens Pt.	33.6	32.0	4.9
Sun Prairie	47.3	46.2	2.5
Waukesha	77.4	82.2	-5.9
Wausau	40.4	40.5	-0.2
Wauwatosa	43.5	45.3	-4.0
West Allis	42.7	44.8	-4.5
West Bend	38.2	37.2	2.5

12 have decreases. Changes range from +6.7% in La Crosse to -6.7% in Racine. In the four districts with the most students, taxes are rising 3.4% in Madison and 1.0% in Kenosha, while falling 0.8% in both Milwaukee and Green Bay.

■ **Largest Changes.** Of all 424 districts, the 15 with the largest increases saw school taxes rise between 15.9% and 50.1%. Niagara (50.1%), Blair-Taylor (38.4%), Mercer (30.2%), Lake Holcombe (26.3%), and Rio (25.1%) were the five districts where levies grew more than 25%.

**Districts with Largest Increases (l.), Decreases (rt.)**  
2013-14 School Tax Levy (\$000) and Pct. Chg. from 2012-13

Largest Increases			Largest Decreases		
District	\$000	% Ch	District	\$000	% Ch
Niagara	1,171.9	50.1	Walworth J1	1,728.3	-19.0
Blair-Taylor	3,557.0	38.4	Boscobel	2,085.4	-17.3
Mercer	2,735.9	30.2	Bristol #1	3,473.8	-15.0
L. Holcombe	3,984.1	26.3	Wabeno	4,428.9	-12.3
Rio	2,222.7	25.1	Pittsville	2,980.7	-11.5
Cassville	1,836.1	21.1	Plum City	1,288.1	-9.7
Gillett	3,127.9	19.8	Neillsville	3,814.3	-8.2
N'land Pines	19,951.8	19.5	Dover #1	593.7	-7.7
Shullsburg	1,453.5	18.8	L. Geneva J1	15,552.0	-7.6
Alma Center	2,018.1	18.4	Greenfield	23,114.8	-7.4
Marshall	4,695.1	17.5	Rubicon J6	570.6	-7.4
Cashton	2,216.9	16.4	Richland Ctr.	4,798.1	-7.1
Hilbert	2,310.3	16.3	New Richm'd	13,084.6	-7.1
Wauzeka-St.	938.2	16.3	Portage	10,937.9	-6.8
River Ridge	2,853.8	15.9	Richfield J11	1,836.3	-6.8

In the 15 districts with the largest tax cuts, reductions ranged from 6.8% to 19.0%. In five, levies fell more than 10%: Walworth J1 (-19.0%), Boscobel (-17.3%), Bristol #1 (15.0%), Wabeno (-12.3%), and Pittsville (-11.5%).

**Where next?**

Statewide, school levies have been flat since 2010-11, helped in part by 2011 Act 10. Total revenues that may be spent are still below 2009 levels. How long these levels can be sustained is unclear. The decision will be up to voters in 2014 and state officials in 2015. □



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*Capital Notes*

■ *New members of the Wisconsin Assembly elected in November special elections are Jessie Rodriguez (R-21st) and Bob Kulp (R-69th). Both succeed Republican incumbents.*

■ *State Sen. John Lehman (D-Racine) is the first Democrat to announce his candidacy for Lt. Governor.*

■ *Business Day in Madison is scheduled for Thursday, Feb. 6 at Madison's Monona Terrace Convention Center.*

■ *Wisconsin's new state budget director is Michael Heifetz, who replaces Brian Hayes. Heifetz's background includes 11 years in health industry government affairs work and 10 years in state government, including five in the budget office.*

■ *The University of Wisconsin System granted a total of 26,178 bachelor's degrees in 2011-12, of which 14,206 (54.3%) went to women. That percentage was highest at UW-Green Bay (65.6%) and UW-Eau Claire (61.2%). The only*

*campus where men received a majority of degrees was UW-Platteville (60.5%). (Source: UW System)*

■ *As part of the state's 2013-14 budget, New York state tax authorities may now suspend the driver's licenses of anyone owing at least \$10,000 in back taxes; commercial licenses are excluded.*

■ *Wisconsin Lottery sales per capita ranked 33rd among the 50 states in 2010. (Source: Legislative Audit Bureau)*