

# Ripon Area School District

## News Release

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For Immediate Release

### **State Cuts Ripon School Aid by \$396,000; Loss of Aid Shifts Financial Support to Local Property Tax**

State aid to the Ripon Area School District is dropping by \$396,000 for the 2009-10 school year. The state's decision to fund only 60% of the cost of K-12 public education instead of continuing to fund 66.6% of the cost is shifting more of the school district's budget onto local property taxes. Instead of the planned 1.79% tax increase for the current fiscal year, the Ripon Board of Education must consider an 8.41% increase in the tax levy to make up for the state's shortfall. The amount that local tax bills will increase depends on local property values in the eleven municipalities that comprise the school district.

School district officials and board members expressed frustration with a state funding system that informs them of such shifts in aid on October 15 when state law requires the fiscal year to begin on the previous July 1 and staff contracts to be issued several months earlier by March 15.

"By the time we are told of our final state aid, we've already had students in school for six weeks and contracts issued to staff for seven months. We're locked in, and there's not much we can do at this point except try to explain to our local taxpayers why their bills are increasing," said Business Manager Rick Ketter.

As the state worked its way through its financial issues last spring, the Ripon school board made cuts in programs and laid off staff to reduce spending equal to estimated aid reductions. However, the October 15 final announcement by the state took another \$176,000 in aid away from the district.

"This is another example of the broken state funding model that we have in Wisconsin," stated Superintendent Dr. Richard Zimman. "When the state gives us a target, we can hit it. We proved that with the careful budget we developed. But, when the state moves the target after one-third of the fiscal year is gone, that unfairly penalizes Ripon taxpayers who get stuck paying for the state's share."

The Ripon school board is scheduled to meet on October 26 to finalize the tax levy that will appear on the December 2009 property tax bills. The board is already under-spending its taxing authority by \$234,000 according to the revenue limit law which resulted in program cuts, staff layoffs, and larger class sizes. If the board used its full taxing authority, as it has in past years, the local tax levy would increase by over 12%. One consequence of not using its full taxing authority is that state aid, which is always calculated on the previous year's expenditures, will decrease again for 2010-11.

"The state aid formula rewards districts that spend more and penalizes districts that spend less," explained Ketter. "Our board is being very responsible in these tough economic times, and the result is less aid from the state this year and again next year. Less aid means more of the budget is shifted to local taxpayers. If we act responsibly, our taxpayers lose. If we act irresponsibly, our taxpayers get a break. The school funding system is backwards."

An 8.41% tax levy increase will increase the equalized tax rate to \$10.018 per thousand dollars of equalized property value. Municipal mill rates will differ according to their own assessment formulas.

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