



December 22, 2016

Dear community members of the Southwestern Wisconsin School District:

Over the past couple of weeks you probably received your tax bill and noticed the school district taxes increased. I am also sure you are asking why...

Explanation:

From 2005 to 2015, the Southwestern Wisconsin School District mill rate range stayed pretty consistent with little or moderate increases. The lowest mill rate in 2006 was at \$7.29 compared to the highest in 2014 at \$8.38. The state average mill rate for school districts in the state of Wisconsin during the exact same time frame climbed each year for 10 consecutive years with the lowest mill rate (state average) in 2006 at \$8.31 to the highest mill rate (state average) in 2015 at \$10.46.

Previous administration and school board worked extremely hard and did a great job utilizing district funds/budgets to make the necessary improvements and upgrades to the facilities. However, over the past 10 years school funding has changed, enrollment has declined, and there is less money in the budget to address the necessary capital projects. There comes a tipping point as to when the budget can continue to absorb these projects and not take away from the education of our students. We are at that point.

The current school board and administration are working to address these projects for the long term where we will make upgrades and create a more conducive learning environment for all our students as we prepare them to be college and career ready. I hope this explains the reasons why you saw a significant increase in your taxes, and I am here to answer any questions. I am also willing to provide district tours, sit down and discuss or meet for coffee so I can provide you with the information and understanding of the School District needs.

In closing, no one enjoys their taxes increasing; however, with the increases to the school district taxes you will see these improvements first hand and know that your money is staying in the community, improving the facilities of our districts and positively impacting all the students of our School District.

Further explanation:

- District secured \$5.5 million dollars in October for facility upgrades on heating, lighting, roofing, air conditioning, unit ventilators, drop ceilings, boilers, piping, insulation, electrical upgrades, fire alarms, and some vestibules for energy savings. This is all ACT 32.
- These projects are currently on hold depending on which option the board decides to go with for a referendum. We do not want to start these projects only to have them redone with any type of improvements covered in a referendum.
- The previous mill rate was \$8.11 and rose to \$10.32. This is per thousand of equalized value of a home in the district, an increase of 27%. So on a \$100,000 home, the increase would be \$221/year, .61 cents a day. This increase to \$10.32 includes a "POTENTIAL" referendum up to \$7,000,000. So if the board decides to make improvements that total \$7,000,000, the district tax will stay the same. If the board decides to go for additional monies above the \$7,000,000, the taxes will increase. State average mill rate is \$10.46
- Example of tax increases if a referendum was to pass – (again only an example): The Board decides to run a referendum for \$10,000,000 - the tax increase will be an additional .69 cents on the current mill rate of \$10.32 - so a tax rate of \$11.01, which is an increase of \$69/year from the current 2016 mill rate. This increase would seem minimal compared to the 27% increase this year since \$7,000,000 has already been accounted for.
- If the board decides to go for a referendum and it "fails" then the taxes will decrease after next year.

Sincerely
John Costello
Superintendent
Southwestern Wisconsin School District