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Deerfield Community School District – Property Tax Levy Questions & Answers

Deerfield, WI – As property tax bills have been distributed over the past week, the school district has received several questions regarding the school portion of the 2012 property tax bills. In an effort to explain the changes to the property tax bills for those within the Deerfield Community School District, below are a series of frequently asked questions regarding the school district budget and tax levy the district released at the time the tax levy was approved. In response to several specific inquiries regarding changes to health insurance for Deerfield Community School District employees, we have included an additional response in the question set below.

Q: I thought that there were cuts to school funding?

A: Yes, there were decreases to school funding. The state biennial budget reduced state aid to school districts by over \$800 million. This year the reduction to state aid in Deerfield was \$500,449. In an effort to minimize the impact on local property taxpayers, the state budget also lowered the revenue limit by 5.5% per student, thereby decreasing the amount a school district can levy. Due to the revenue limit decrease and 9.98% reduction in state aid, the district was forced to make significant cuts. The district balanced its 2011-12 budget through several strategies, including: a 5.8% employee contribution to WRS, employee health care contributions, employee salary freeze, staff reductions and line-item budget reductions.

Q: Why did the taxes increase this year?

This year school taxes increased because of two factors: a state aid decrease and an equalized valuation decrease. When state aid decreases, the school tax levy increases to make up the difference under the revenue limit. This year, the Department of Revenue reported equalized valuation of property in the five district municipalities totaling \$368,532,324. This is a 4.5% decrease over the 2010-11 valuation of \$385,891,181. The mill rate is inversely related to the equalized valuation, which results in the increased school mill rate of \$13.35 per \$1,000 in equalized property value.

Q: Why can't the district just cut its costs like businesses and households do during difficult times?

A: The general operating budget adopted for 2011-12 reflects a decrease of \$349,422.86. While the district continues to become more and more efficient and to stretch every tax dollar invested in it, the simple fact is that it cannot cut costs in the same way that households and businesses do. The district has a legal obligation to provide an education

to all students. Costs for fuel, utilities, insurance and essential items like learning materials continue to rise. With the help of a taxpayer approved referendum, the district has been able to move forward in areas of technology and curriculum and also address the most critical facility upgrades including our current roofing project. The district continues to work diligently on being fiscally responsible and transparent in its fiscal operations.

Q: Did the school district change health insurance providers and see great savings due to Act 10?

This past year some districts in the state boasted great savings due to health insurance plan changes. When Act 10 eliminated collective bargaining agreements, school boards were able to make changes to benefits without approval from the employee unions. Deerfield made those insurance cuts many years ago, through collaboration with our employee unions. In 2004, our employee unions agreed to switch from the WEA health plan to a lower cost health insurance plan and in 2007 switched to an even lower HMO plan. Our employee unions also agreed to switch to a lower dental insurance plan in 2008. They willingly made these changes in order to maintain quality programs and small class sizes for the benefit of students.

Based on the average state health insurance plan premiums published for 2012, Deerfield's current premium rates are **30.49% lower** for a single plan and **23.91% lower** for a family plan as compared to the state health care plan. This past year the district implemented employee health care contributions of 9% to offset a portion of the loss in state aid. Deerfield could not achieve the same level of savings as those districts with high cost plans, since we did not have a high cost health insurance plan to eliminate and our current rates are significantly lower than the state plan.

For additional information or questions please contact Jonathan Mitchell, Business Manager at 764-5431 or visit the district website www.deerfield.k12.wi.us under District Services to view the 2011-2012 district budget documents.