



# Understanding School Funding and Local Tax Information

Recently, community members, myself included, received property tax information that has understandably raised questions about how school funding works and how local school taxes are determined. School funding is complex, and changes in taxes are often influenced by multiple factors beyond any single decision or program including local property valuation and state legislative priorities. The purpose of this document is to provide clear, accurate, and transparent facts about school funding. If you'd like to have a conversation about this information please contact me at 608-862-3135.

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Albany School District Superintendent

## Key Terms

### Revenue Limit - General State Aid - Tax Levy

- **Revenue Limit.** A district's revenue limit is the maximum amount of revenue that may be raised through state general aid and property taxes. **This amount is set by the state, not the district.**
- **General State Aid:** State aid, which is not limited to any specific program, purpose, or target population, but which may be used in financing the general educational program as seen fit by the recipient district.
- **Levy (tax):** The total dollar amount a district is allowed (by state law) to collect from local property taxes each year. The levy answers the question, "How many total dollars does the district need to raise locally?"

$$\text{Revenue Limit} = \text{General State Aid} + \text{Local Taxes (levy)}$$

*In Wisconsin, general state aid and local property taxes work together. When state aid increases, it reduces the amount that may be raised through local property taxes. When state aid decreases, a greater portion of the school costs is shifted to local property taxes. However, the actual tax impact depends on revenue limits and property values.*

## Looking at the Numbers

Albany School District: Revenue, State Aid, & Local Taxes			
	Revenue Limit	General State Aid	Local Taxes (Levy)
2021-2022	\$5,685,616.00	\$2,636,158.00	\$3,049,458.00
2022-2023	\$5,591,408.00	\$2,630,590.00	\$2,960,818.00
2023-2024	\$5,299,730.00	\$2,629,293.00	\$2,670,437.00
2024-2025	\$6,637,073.00	\$2,978,972.00	\$3,658,101.00
2025-2026	\$6,747,221.00	\$2,624,596.00	\$4,122,625.00
<b>Change from 2024-2025 to 2025-2026</b>	<b>Plus 1.5%</b>	<b>Minus 12.22%</b>	<b>Plus 12%</b>

Albany School District: Percentage of All Revenue				
	% General State Aid	% Local Taxes	% Federal Aid	% Other Local
2021-2022	43.2%	44.8%	8.9%	3.1%
2022-2023	43.6%	43.9%	8.0%	4.5%
2023-2024	46.6%	42.0%	5.1%	6.3%
2024-2025	43.8%	47.3%	4.2%	4.6%
2025-2026	39.4%	52.5%	3.6%	4.5%

## The facts about current state funding for public schools ([DPI 2025-2026 Certification - General Aid](#))

- **General State Aid to public schools stayed flat** (5.58 B) and was **redistributed** among school districts.
- **71.5%** of districts saw a **decrease** in state general aid.
- **26.4%** of districts saw an **increase** in state general aid.
- **2.1%** of districts remained the same.

**Albany's** general state aid **decreased** by **-12.22%**

## Equalized Property Value - Assessed Property Value - Mill Rate


- **Equalized Property Value:** Is the **total value of ALL property** in the district as determined by the [Wisconsin Department of Revenue](#). This amount includes all municipalities attached to the district (See Below). Each municipality pays a percentage of the total school district tax levy.
  - Equalized property value is **used to determine the mill rate (see below)**.
  - Link to [Equalized Values](#)

Municipality	2025-2026 Tax Apportionment Equalized Value	Equalized Property Value Change from 2024-2025	Percentage of School District Tax Levy Paid
Township of Albany	\$212,266,386.00	+2.10%	46%
Village of Albany	\$92,886,100.00	+17.36%	20%
Town of Brooklyn	\$73,198,917.00	+7.57%	16%
Town of Decatur	\$10,933,775.00	+8.41%	2%
Town of Mount Pleasant	\$37,089,417.00	+8.86%	8%
Town of Sylvester	\$26,941,449.00	+8.76%	6%
Town of Magnolia	\$3,654,205.00	+7.25%	Less than 1%

- **What is Mill Rate?** Tells us how the dollars are divided among taxpayers. The mill rate answers the question, "How much tax is charged per \$1,000 of assessed property value?"
- **Assessed Property Value:** Is the value of individual property. It is used to calculate individual taxes.


5 Year Summary of Mill Rate	
2021-2022	11.66
2022-2023	10.24
2023-2024	8.29
2024-2025	9.51
2025-2026	9.85

### Calculating the Mill Rate




Total Tax (Levy)

\$5,000,000




Mill Rate

$$\frac{\$5,000,000}{\$500,000,000} \times 1,000 = 10.00$$




Total Equalized Property Value

### Determining Your Basic Tax Bill




Assessed Property Value

\$250,000



Tax Bill

$$\frac{\$250,000}{1,000} \times 10.00 = *\$2,500$$



Mill Rate

(\*minus state credits & special assessments)

### What impact would increased state general aid have on the mill rate?

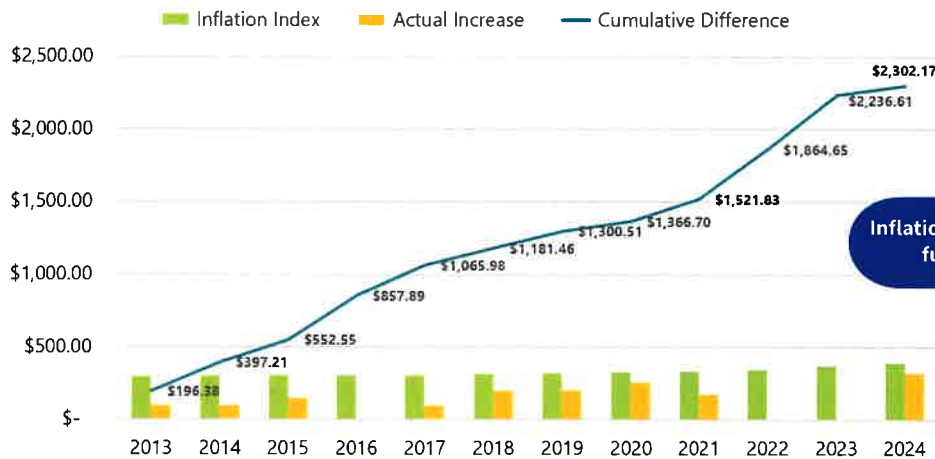
State Aid Level	Current Amount	24-25 Amount	24-25 Amount +1%	24-25 Amount +2%	24-25 Amount +3%
<b>General State Aid</b>	\$2,604,345.00	\$2,966,942.00	\$2,996,611.42	\$3,026,280.84	\$3,055,950.26
<b>Total Tax Levy</b>	\$4,522,625.00	\$3,780,279.00	\$3,750,609.58	\$3,720,940.16	\$3,691,270.74
<b>Mill</b>	<b>9.85</b>	<b>9.06</b>	<b>9.00</b>	<b>8.93</b>	<b>8.87</b>

**The State of Wisconsin ended the last fiscal year with a \$4.6 billion budget surplus.**

School funding is not a local problem. It is a state-level issue that needs to be addressed through legislation.

## Inflation is Outpacing Public School Funding

**Revenue Limit Per Pupil Adjustment Under Prior Inflation Indexing Compared to Actual Change**



Inflation has outpaced per-student funding for many years.

## Special Education Funding

**What costs does special education funding cover (“aidable”)?** These dollars help cover the additional costs of serving students with disabilities beyond those of educating a general education student. This includes special education teachers, paraprofessional, occupational therapy, physical therapy, vision, and deaf and hard of hearing.

**What costs are not covered by the state (non-aidable)?** Specialized equipment (handicap van), classroom supplies, software programs, some contracts with outside services, and membership dues.

**What percentage of special education cost to the district is funded?** The state typically reimburses special education costs at **30% - 35%**. Most recently, the Albany School District was reimbursed at **approximately 32%** of allowable aidable costs.

Important funding concepts

Sum Certain Funding	Sum Sufficient Funding
<p>A <b>fixed amount of money</b> for all public school districts.</p> <p>Sum certain funding doesn't meet the needs but splits a set amount of funding among districts.</p> <p><u>This method creates a persistent underfunding issue.</u></p>	<p>The amount of <b>funds necessary</b> to fulfill the obligation to fund special education.</p> <p>Sum sufficient funding allows the funding to meet the need.</p> <p><u>It provides funding stability for districts and local taxpayers.</u></p>

This table shows the amount of **money transferred from the general operating fund to the special education fund** to cover the **costs not reimbursed** by the State of Wisconsin. This is a result of the "sum certain" funding model.

Fiscal Year	Transfer Amount
June 30, 2023 (FY 22-23)	~\$493,765
June 30, 2024 (FY 23-24)	~\$526,255
June 30, 2025 (FY 24-25)	~\$546,570

The gross cost of special education services in the Albany School District is approximately **\$900,000 per year.**

## Other Important Information

- Private school vouchers are funded as **sum sufficient** - the state commits to paying whatever the cost is.
- Meanwhile, public school special education is funded **sum certain** - a fixed pool of money for all public school districts.
- Under Wisconsin's Special Needs Scholarship Program (the voucher program for students with disabilities), private schools can receive reimbursement from the state **at approximately 90%**.
- Wisconsin Parental Choice Program (WPCP) is funded by reducing general state aid to public schools and shifting that cost onto local taxpayers. Statewide, taxpayers share the cost of approximately \$1.8 billion in voucher funding.
- Since 1993, Wisconsin public schools have operated under cost controls/revenue limits and have been funded below the rate of inflation.

## Frequently Asked Questions

### Do school districts raise property taxes because they choose to spend more than inflation?

School districts can only raise revenue through state-imposed revenue limits. To spend more than those limits requires voter approval via an operating referendum.

### Didn't the state allow for a per-pupil increase in the revenue limit?

Yes, they increased the per-student revenue limit by \$325, but didn't fund that increase. Therefore, the increase must be placed on the taxpayers. In addition, the \$325 increase is less than the rate of inflation.

### How is the district trying to save money or generate money?

#### Supplemental Funding Options

- Grants are used to provide or supplement funding to improve or maintain programs that serve students.
- Local donations from community groups or individuals assist with improvements and to support programs.

#### Cost Saving Measures

- Renegotiating contracts and/or contracted services
- Changes to insurance plans (consortium)
- Staffing considerations

#### Fixed Costs

- Heating
- Busing
- Facility maintenance
- State mandated services

#### Contracted Services

Are used when the district cannot provide the specialized services itself (transportation, specialized education services, etc.). The contracts with outside agencies are used on as limited a basis as possible.

### Why can't we cut staff and/or programs?

#### Enrollment changes are spread across grades.

- No single grade lost enough students to eliminate a classroom.
- No department lost enough students to eliminate a teacher.
- No program could be reduced without eliminating access entirely.

#### Programming and staffing are not excessive.

- One teacher per content area
  - MS/HS: Agriculture, Technology Education, Family & Consumer Science, Spanish, Business Education, Physical Education/Health, Instrumental Music, Choral Music, English, Math, Science, & Social Studies at middle and high school levels
- Elementary section sizes are designed to allow students to receive the academic and social attention they need.

**Costs remain largely fixed while funding declines.**