We received the updated property valuation for the school district, which can be viewed positively or negatively. The valuation went up from $282M to $318M. The negative aspect of this for the school district is that the percentage of state aid we receive is based on how “rich or poor” the district is in property value per student. The more property value per student, the less state aid that is received, meaning a larger portion of our operational funds come from local taxes to get us up to our revenue limit. When property values per student are lower, more state aid is received and the mill rate, or tax rate, goes down. It is actually a very good system in balancing tax rates across the state when only considering operational revenues up to the revenue limit.

The positive aspect of increased property valuation is that it increases our ability to borrow money. Wisconsin school districts are capped for borrowing at 10% of their property valuation. So last year when we started looking at a potential building project, we knew we could only borrow $28.2 million which would not be enough to build an entirely new MS/HS. However, now that we can borrow $31.8M, we may be getting close to considering a whole new structure. While in my opinion, our MS/HS gym, metals shop and commons are “good enough” for us well into the future, there would be an excessive cost to build fire walls between the new and old sections of a potential building as well as the extra costs of selective demolition and building a new west wall along all of these rooms after the old structure is demolished. Financially it may make more sense to build a whole new building if we can afford to do so.