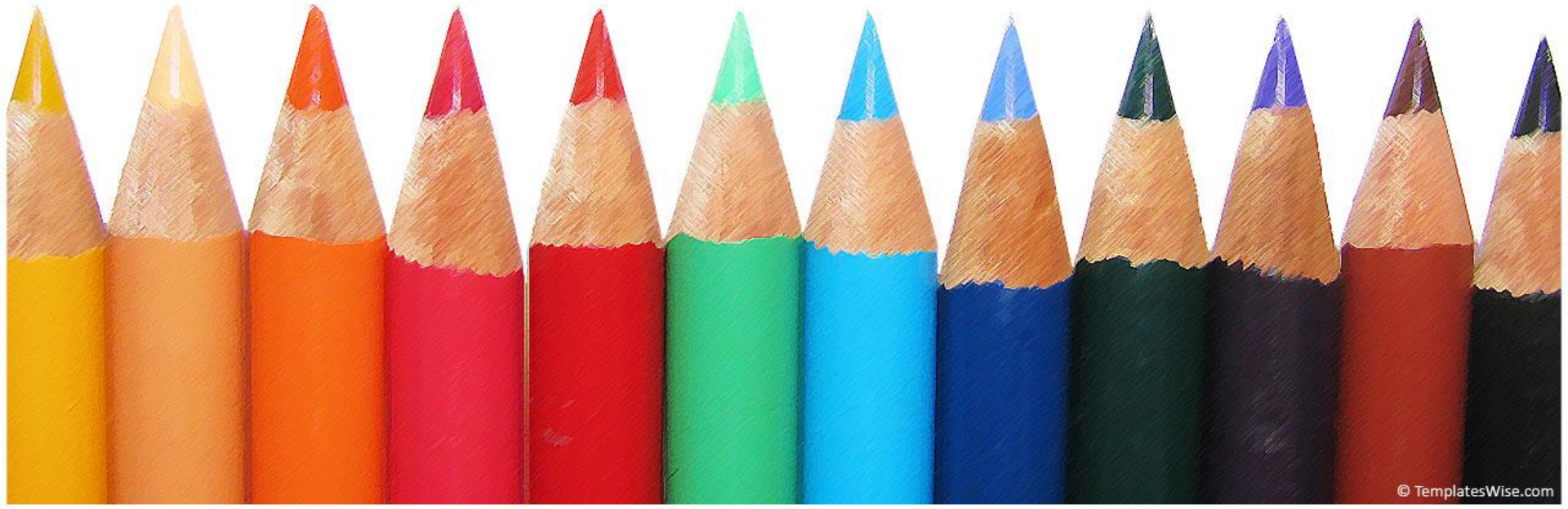




2023-24 Public Budget Hearing

Manitowoc Public School District
October 10, 2023



Goals of the Presentation....

- Share MPD's Primary Funding Calculation Factors:
 - Revenue Limit (a. k. a. Revenue Caps)
 - Equalized Land Value
 - Membership/Enrollment Calculations
- Highlight the 2023-24 Preliminary Budget
- Share key factors that will impact MPD's financial position/future.

Revenue Limits In a Nutshell...

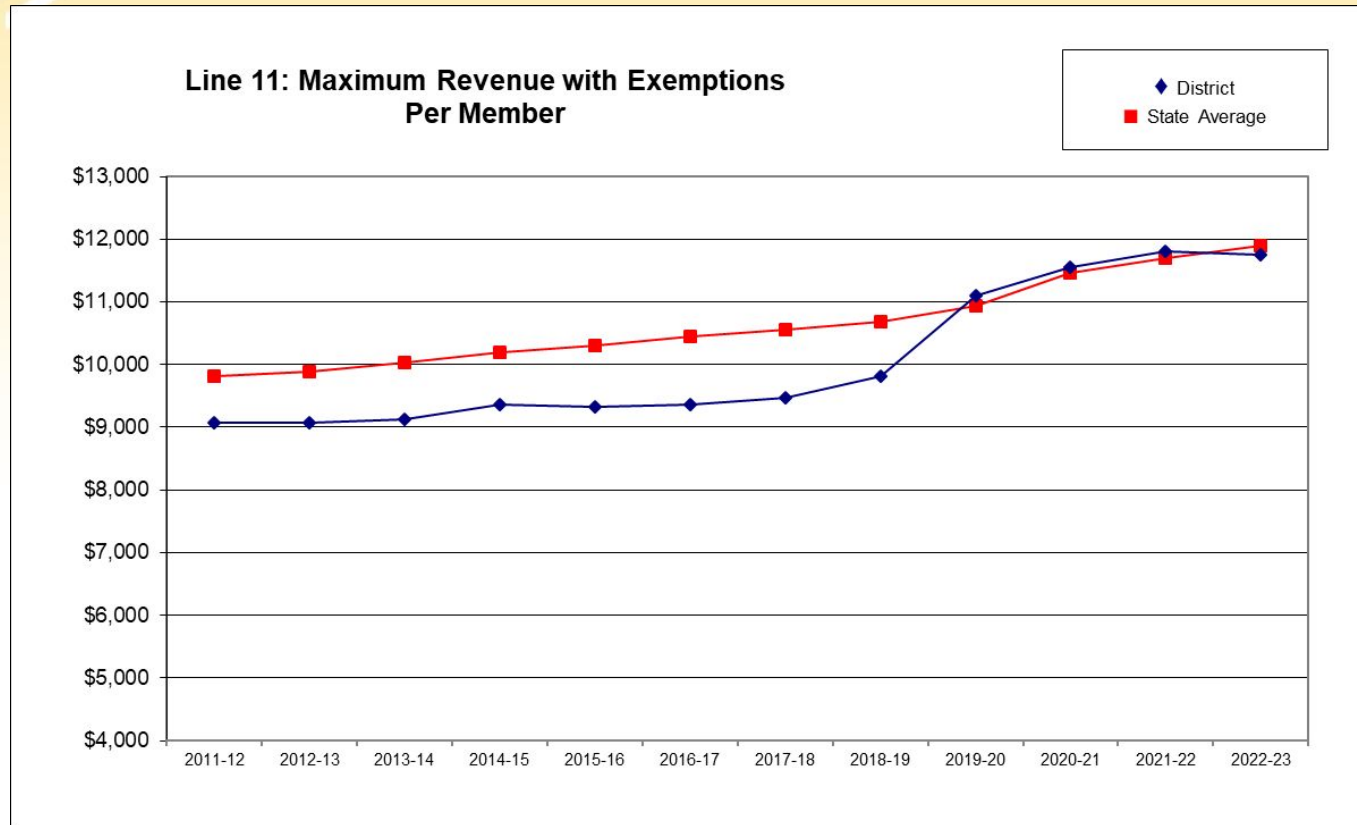
- Provides the Primary Funding for School Districts Statewide.
- Control the revenue a school district can generate between general state aid and local tax levies.
- Driven by a state formula which uses a 3-year enrollment average by a per pupil revenue amount.
- 2023-25 State Biennium Budget
 - The 2023-25 State Biennium Budget provided a per pupil increase of \$325 per pupil through the revenue limit along with increasing the per-pupil low-revenue ceiling by \$1,000 per pupil to \$11,000.

MPSD 3-year Resident Enrollment Average = 4,857

State Determined Per Pupil Revenue Amount = \$11,000

*MPSD's Per Pupil Revenue is at the lowest level (low revenue ceiling) for the state – often we are referred to as a low-spending school district.

Revenue Limit History



- *As a low spending district, MPSPD's Revenue Limit has consistently been below the state average, nearing the state average in the last four fiscal years.*

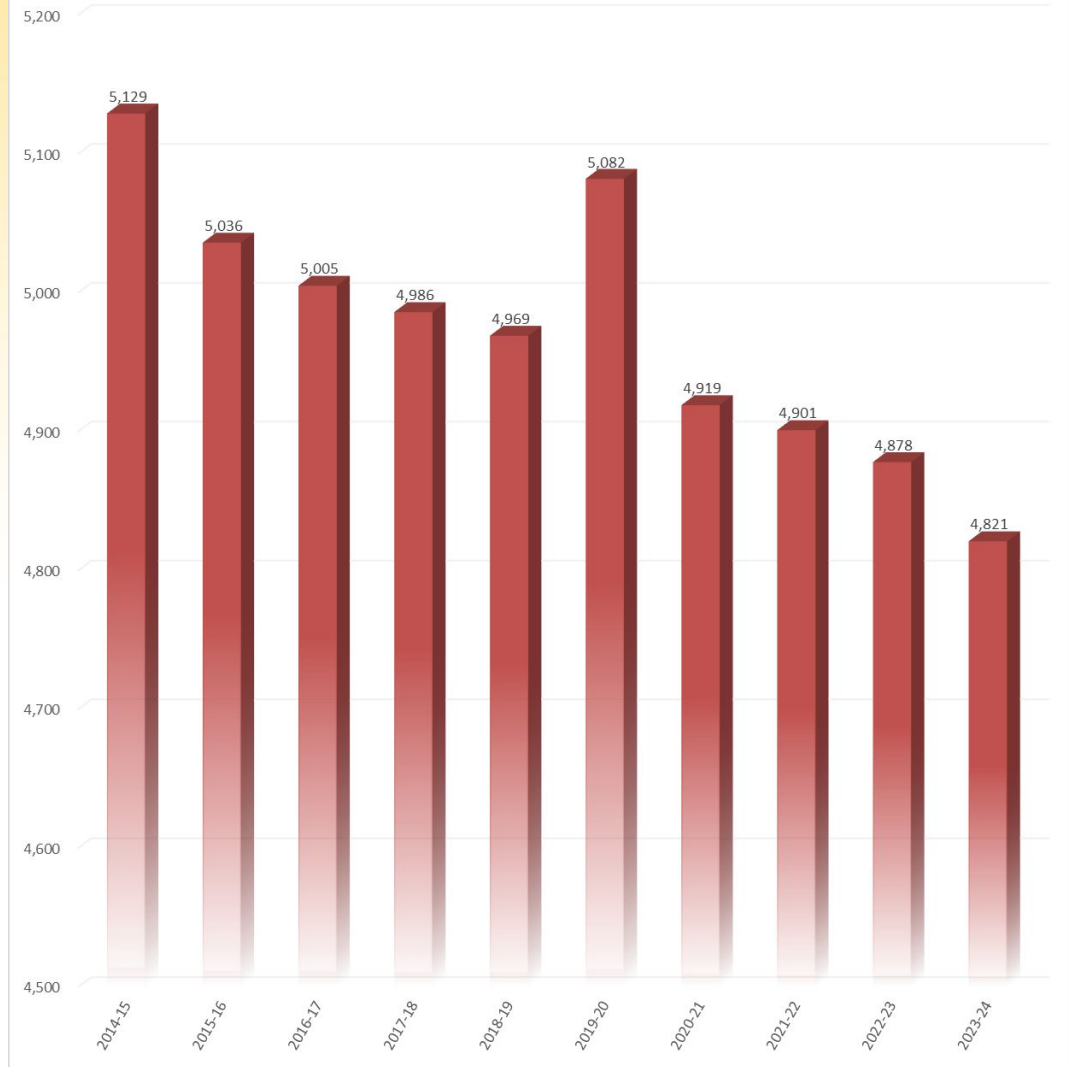
Enrollment - Year-to-Year Comparison

	2023-24	2022-23	Change	%
Summer School FTE	100	118	-18	-15.254%
Summer School FTE 40% Count	40	47.2	-7	-15.254%
Membership Count	4781	4823	-42	-0.871%
Current Year Average	4821	4873	-52	-1.067%
<i>Base Year/Current Year - Membership Average Change</i>	4867	4897	-30	-0.613%
Revenue Per Member	\$11,000.00	\$10,000.00	1,000	10.000%

- Enrollment is funded on a three-year average.
- The change between the Base/Current Year Membership Average Drives Funding through the Hold Harmless Provisions. This allows changes in declining enrollment to be smoothed over time.

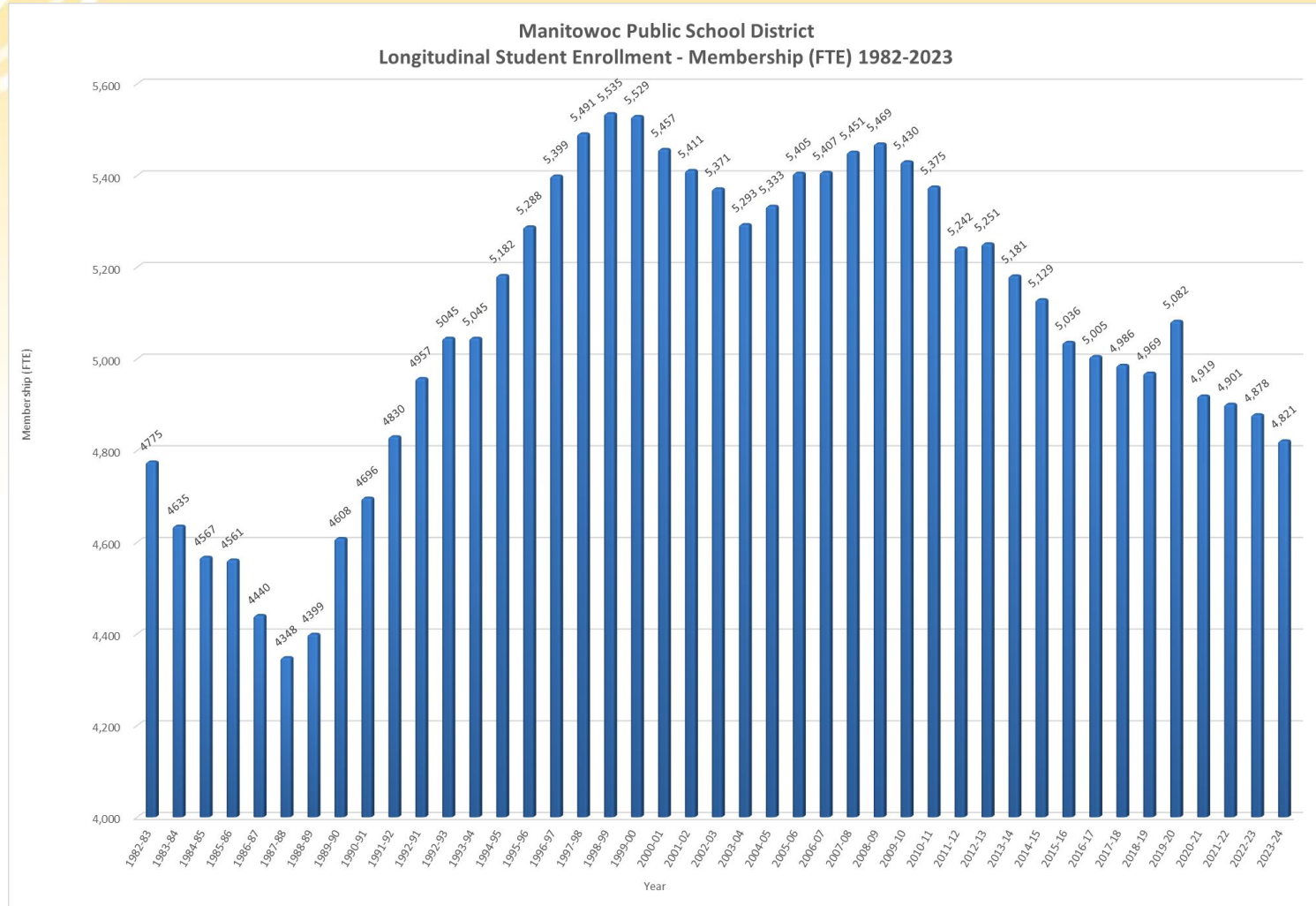


MANITOWOC PUBLIC SCHOOL DISTRICT 10-YEAR STUDENT ENROLLMENT - MEMBERSHIP (FTE)



Enrollment Trends -
Total Resident FTE
Membership
Membership is down 57
students
for 2023-24.

Historical Enrollment Trends



MPSD's current enrollment is comparable to that of the 1991-92 School Year.

District's 3-Year Average Resident Membership- Used for the Revenue Cap Calculation

(Combines September and Summer School Counts)

	2021-22	2022-23	2023-24
2020	5082		
2021	4919	4919	
2022	4902	4902	4902
2023		4878	4878
2024			4821
3-Year Average	4902	4890	4867
Change		-12	-23

- MPSD's enrollment continues to decline.
- The majority of school districts in Wisconsin are experiencing declining enrollment.



Property Values Per Student

A Key Factor in Determining State Aid

Because the MPSD value per student is below the State average, the District receives a higher percentage of Equalization Aid from the State.

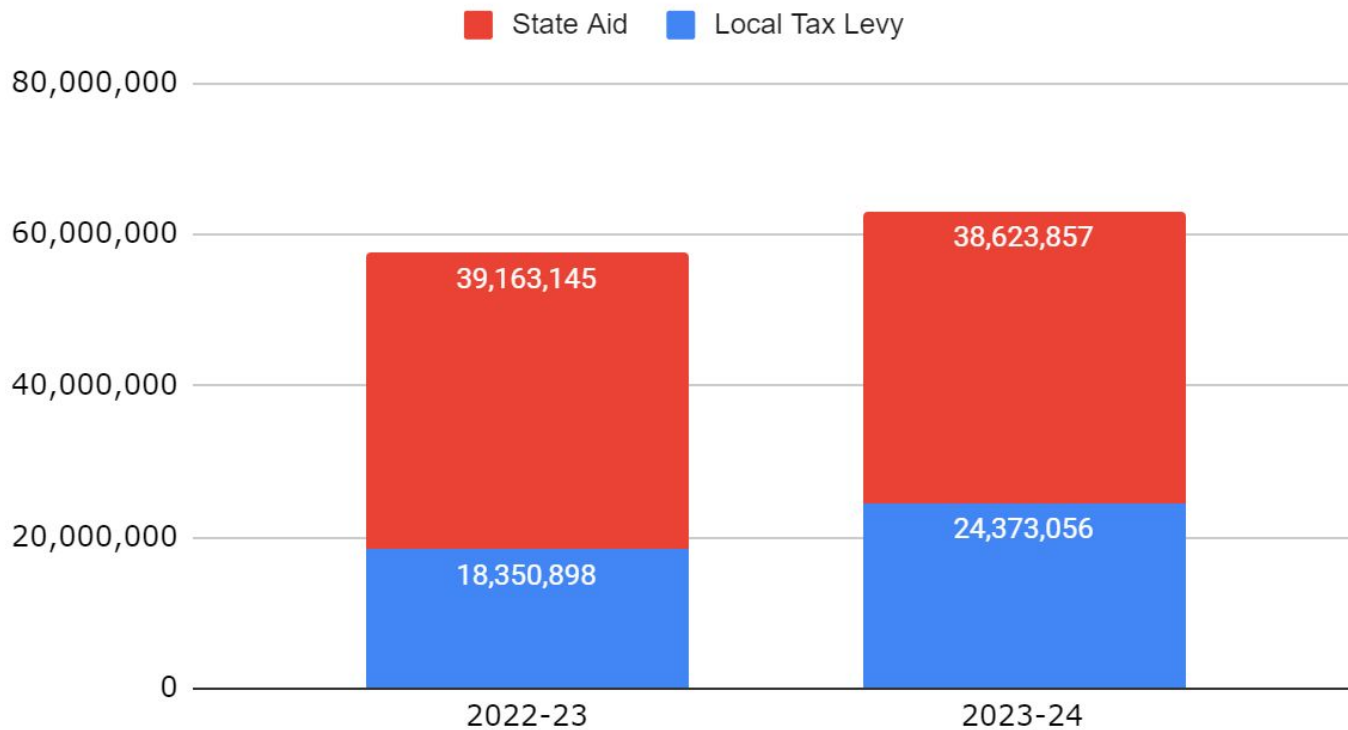
- 61.31% of the funding under the revenue cap is from state aid.
- 38.69% of the funding under the revenue cap is from local tax levy.

This is a change from 68.09% State Aid/31.91% Local Tax Levy in the 2022-23 Budget

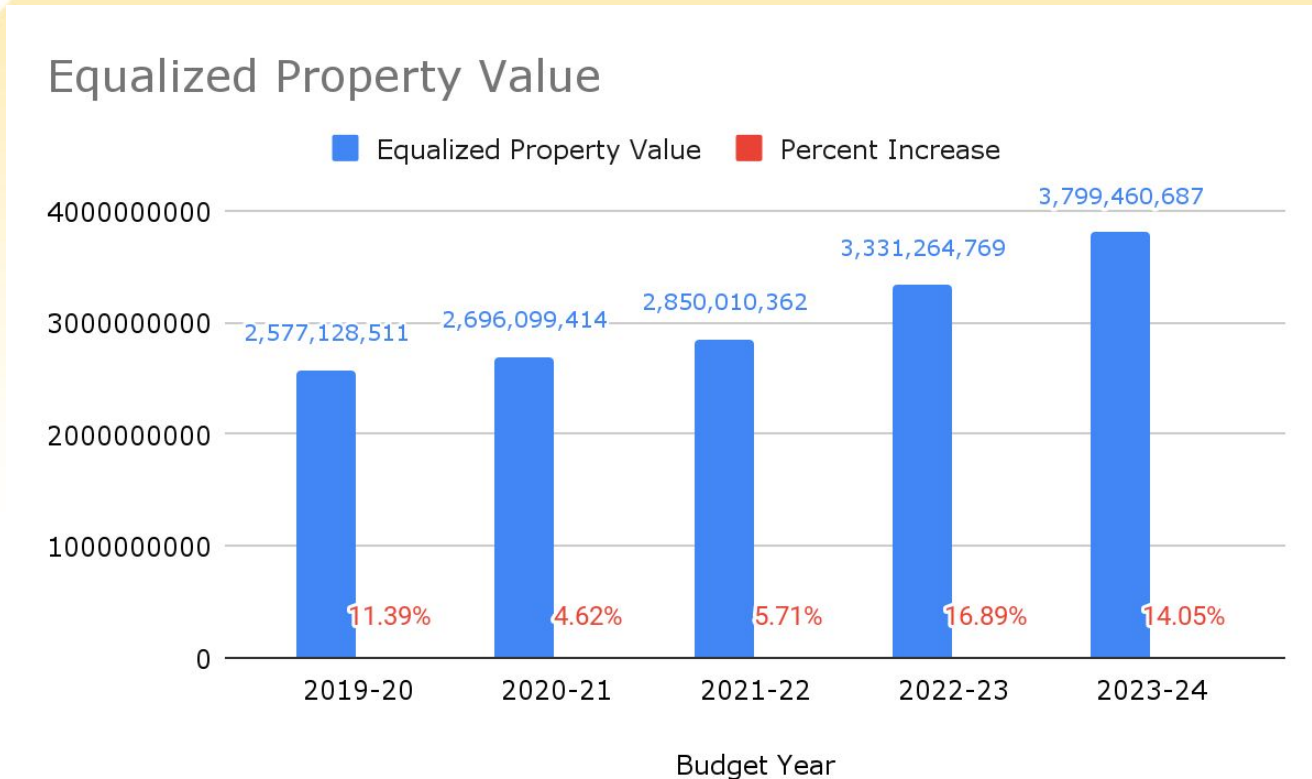


Revenue From Local Property Tax and General State Aid Are Not Allowed to Exceed the Revenue Limit

Balance of State Aid/Levy for District Revenues



Equalized Property Valuation History



- The amount we levied is divided by the Equalized value to determine the mill rate.
- Percent increases in the past two years are at record levels and primarily inflationary.

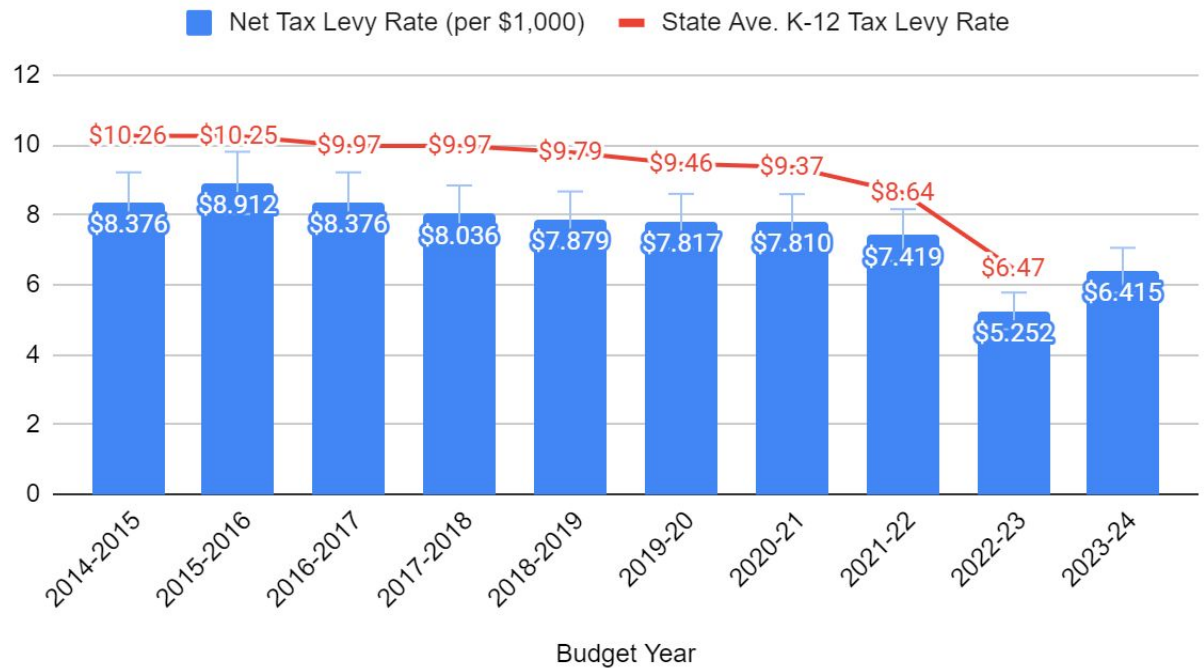
Summary – Revenue Limit

	2022-23 Actuals	Proposed 2023-24 Budget
Revenue Limit	\$57,750,868	\$66,762,735
Equalized Valuation	\$3,331,264,769	\$3,799,460,687
General State Aid	\$39,163,145	\$38,623,857
General State Aid Change Amount		-\$539,288
Aid Change %		-1.38%
Tax Levy	\$18,350,898	\$24,373,056
Levy Change Amount		\$6,022,158
Levy Change %		32.82%
Mill Rate – Per \$1,000	\$5.51	\$6.41
Mill Rate Change Amount		\$0.90
Mill Rate Change %		16.42%

Tax Levy Mill Rate History

- MPSD's mill rate historically has been under the state average.

Net Tax Levy Rate (per \$1,000) and State Ave. K-12 Tax Levy Rate



2023-24 Budget - Fund 10 (General Operations)

Fund 10 - General Operations	2022-23	2023-24	Change	% Change
Revenues	\$72,679,656	\$74,639,542	\$1,959,886	2.70%
Expenditures	\$72,679,656	\$74,906,618	\$2,226,962	3.06%
Surplus/Deficit	\$0	-\$267,076	-\$267,076	-0.37%

- Revenues
 - Revenues were increased through two major areas:
 - The operational referendum (tax levy impact)'s increase in revenue limit authority.
 - Increase in the low-revenue ceiling through the state biennium budget.
 - Federal revenues are decreased substantially as a result of utilizing the majority of ESSER III funding during the 2022-2 fiscal year.
- Expenditures
 - 4.5% CPI increase for all staff
 - Increases to meet Strategic Objectives in the Following Areas:
 - Technology (\$400,000 transfer to Fund 46 for Technology Improvements)
 - \$300,000 for Technology Replacement Plans
 - \$200,000 additional for Curriculum and Development
 - \$500,000 for buildings and grounds projects).
 - The increases in these areas, as shared during the referendum total \$1.4 million dollars).
 - Other increases are inflationary in nature.



2023-24 Budget - Fund 27 (Special Education)

Fund 27 - Special Education	2022-23	2023-24	Change	% Change
Revenues	\$13,750,137	\$15,127,802	\$1,377,665	10.02%
Expenditures	\$13,750,137	\$15,127,802	\$1,377,665	10.02%

- Fund 27 Notes:
 - Staff compensation and benefits coded to Fund 27 to support Special Education programs (4.5%, similar to all staff groups), and increases in transportation costs related to special education.
 - Slight decreases in aids at the state level.
 - The district is required to balance the Special Education fund with General Fund 10 revenues.
 - Aid for special education qualifying expenses was 31.4% for 2022-23 expenditures, and will increase to 33.3% in next year's budget based on this year's expenditures.
 - Below is the amount of the special education transfer.

Fund 27 Transfer			
2022-23	2023-24	Change	% Change
\$7,922,603	\$9,777,055	\$1,854,452	23.41%



2023-24 Budget - Fund 38 (Debt Service)

Fund 38 - Debt Service	2022-23	2023-24	Change	% Change
Revenues	\$1,022,622	\$0	-\$1,022,622	-100.00%
Expenditures	\$1,035,250	\$0	-\$1,035,250	-100.00%

- Fund 38 Notes:
 - MPSD's Debt is paid off as of the end of Fiscal Year 2022-23
 - Statute allows 10% of the \$3,799,460,687 district equalized property valuation (\$379,946,068).



2023-24 Budget - Fund 46 (Long-Term Capital Improvements Trust)

Fund 46 - Long-Term Capital Improvements Trust	2022-23	2023-24	Change	% Change
Revenues	\$500	\$415,000	\$414,500	82900.00%
Expenditures	\$326,400	\$2,300,920	\$1,974,520	604.94%

- Fund 46 Notes:
 - MPSD will transfer \$400,000 to Fund 46 annually to set-aside funds for Capital Technology Improvements
 - Projects for 2023-24
 - \$892,000 - Wired/Wireless Capital Technology Upgrades
 - \$375,000 - JFK Indoor Track Replacement
 - \$579,000 - Jefferson Playground Project
 - \$485,000 - Critical Elevator Upgrades at Lincoln, Washington, Wilson
 - Projects for 2024-25
 - Phone/Public Address System Upgrades to improve safety in our schools.



2023-24 Budget - Fund 50 (Food Service)

Fund 50 - Food Service	2022-23	2023-24	Change	% Change
Revenues	\$2,801,371	\$2,498,561	-\$302,810	-10.81%
Expenditures	\$2,880,052	\$2,928,563	\$48,511	1.68%

- Fund 50 Notes:

- Revenues:

- The decrease is due to the district's shift from providing meals to all students through the Community Eligibility Provision (CEP) to a full Free-Reduced-Paid meal program structure. As we were serving more meals while we were a CEP district, less meals/volume served will equate to a lower reimbursement rate amounts.

- Expenditures:

- The high cost of food and higher labor costs with less meals sold attributes to this increased cost.

- Ending equity for Fund 50 was \$1,078,363. We will be working to tighten budgeting for food service over the course of this year and find ways to reduce the fund deficit.

- The budget is built based on many unknowns with shifting the program back to the Free-Reduced-Paid structure.
- While it is not a concern at this time, looking down the road when our fund balance is lower, we will have to keep in mind that it is required to cover any shortages in Fund 50 with a transfer from Fund 10.



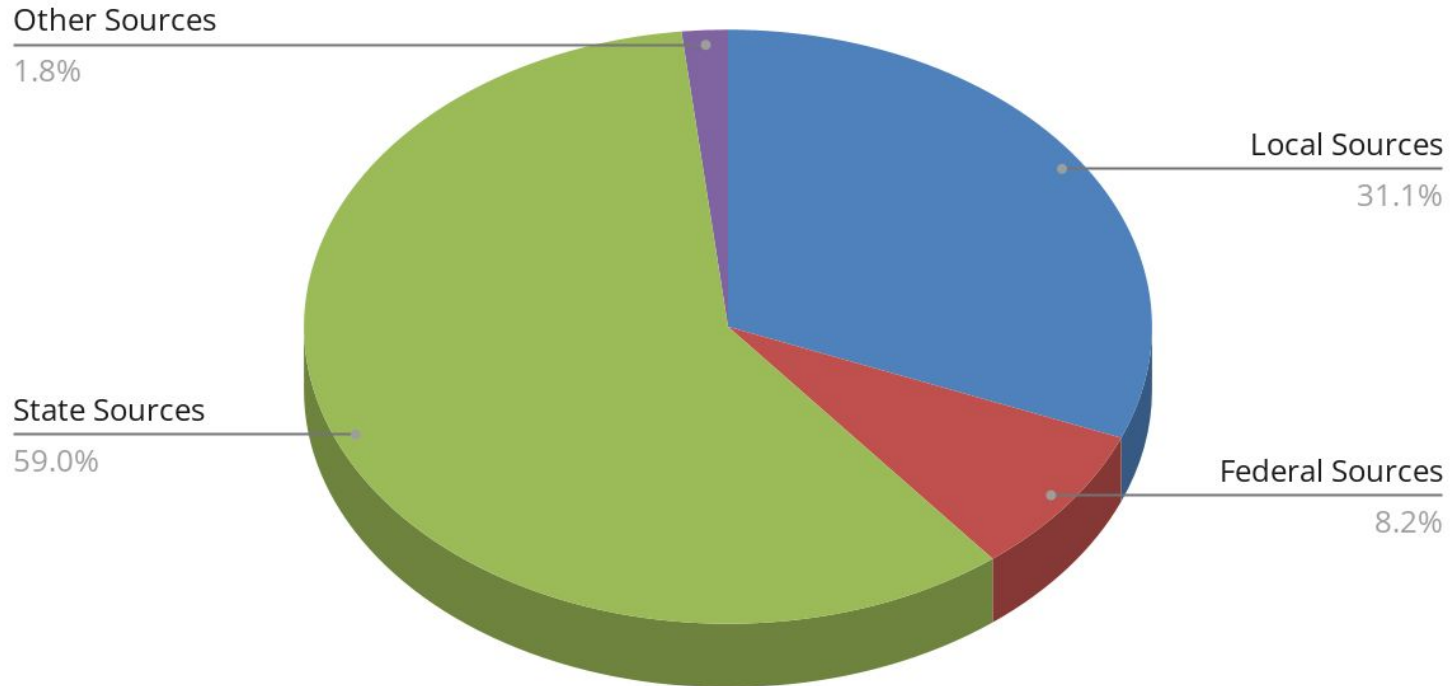
2023-24 Budget - All Funds/ General Financial Position

	2023-24	2022-23	Change	% Change
General Operations - Fund 10				
Revenues	\$74,639,542	\$72,548,898	\$2,090,644	2.88%
Expenditures	\$74,906,618	\$71,581,822	\$3,324,796	4.64%
Beginning Fund Balance	\$20,801,168	\$19,834,092	\$967,076	4.88%
Difference (Use of Fund Balance)	-\$267,076	\$967,076	-\$1,234,152	-127.62%
Ending Fund Balance	\$20,534,092	\$20,801,168	-\$267,076	-1.28%
All Funds				
Total Revenues	\$92,693,705	\$90,892,520	\$1,801,185	1.98%
Total Expenditures	\$90,472,116	\$88,923,656	\$1,548,460	1.74%
Overall Use of Fund Balance	\$2,221,589	-\$793,661	\$3,015,250	-379.92%



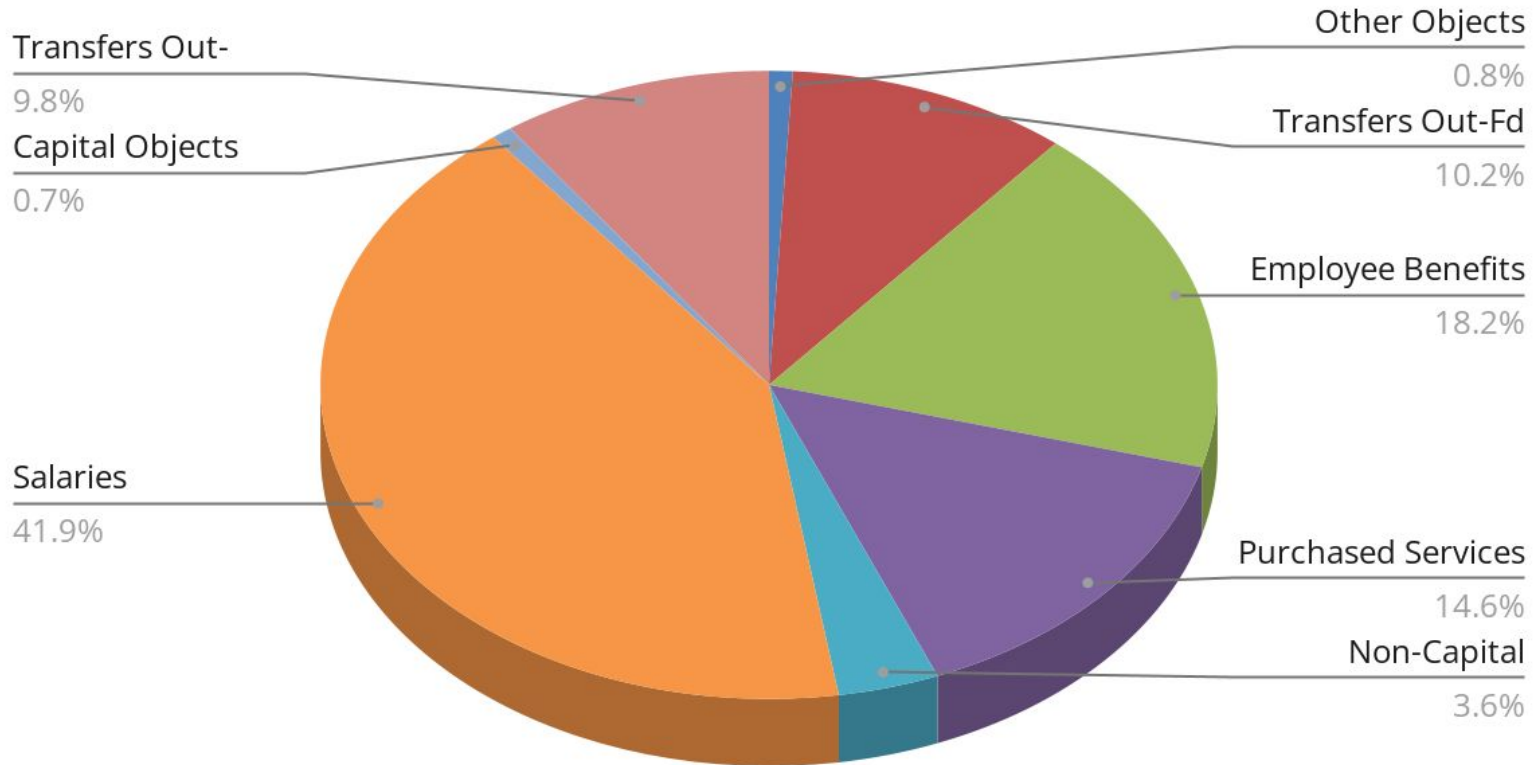
2023-24 General and Special Education Revenue Budget by Source

Total \$80,267,189



2023-24 General and Special Education Expense Budget by Source

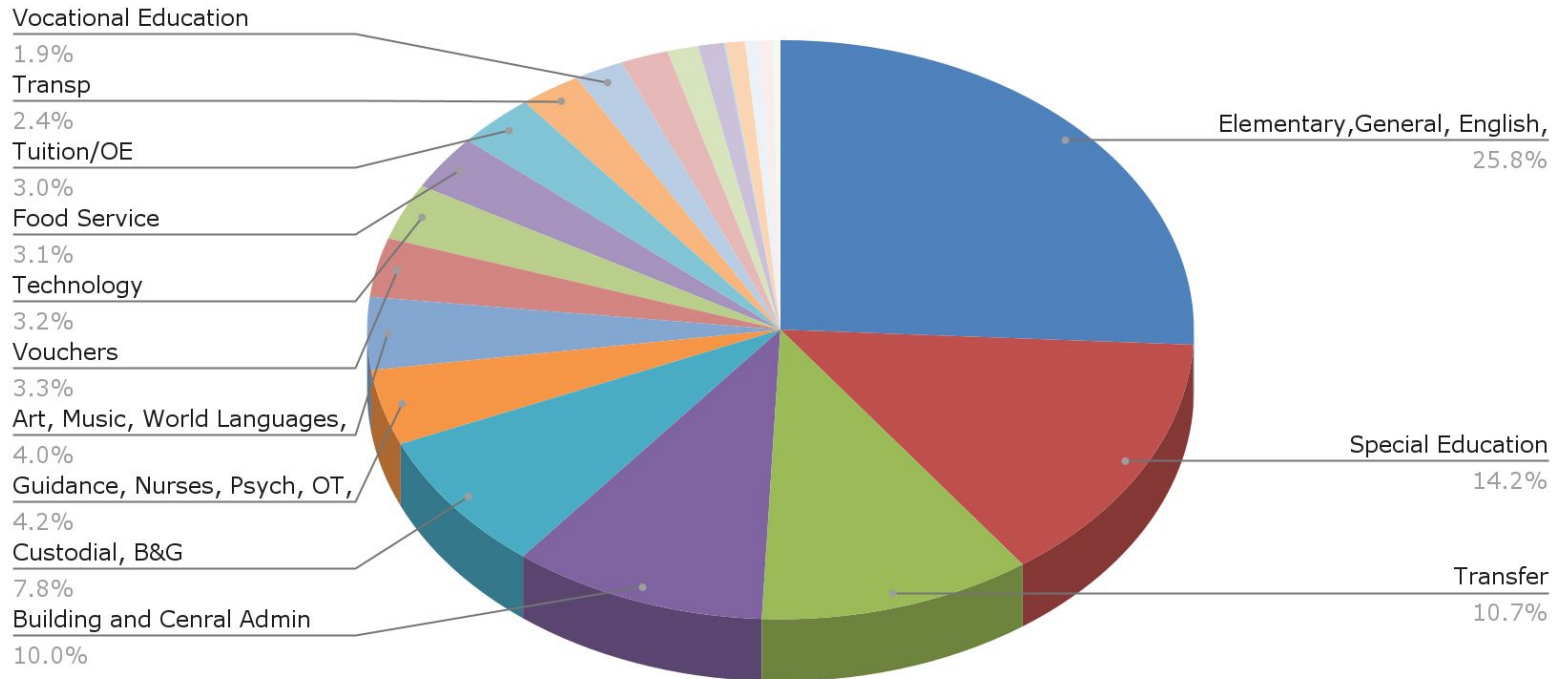
Total \$90,034,420



2023-24 Budget Expenditures by Educational Function

Gross Total Expenditures \$95,293,877

MPSD 2023-24 Expenditures by Function



Other Key Factors - Open Enrollment

- Open Enrollment is related to the number of students attending other public schools).
- We are net negative (lose money) as we have more students that Open Enroll Out of the District.
- Open Enrollment Expenses to the District are Outside of the Revenue Limit.

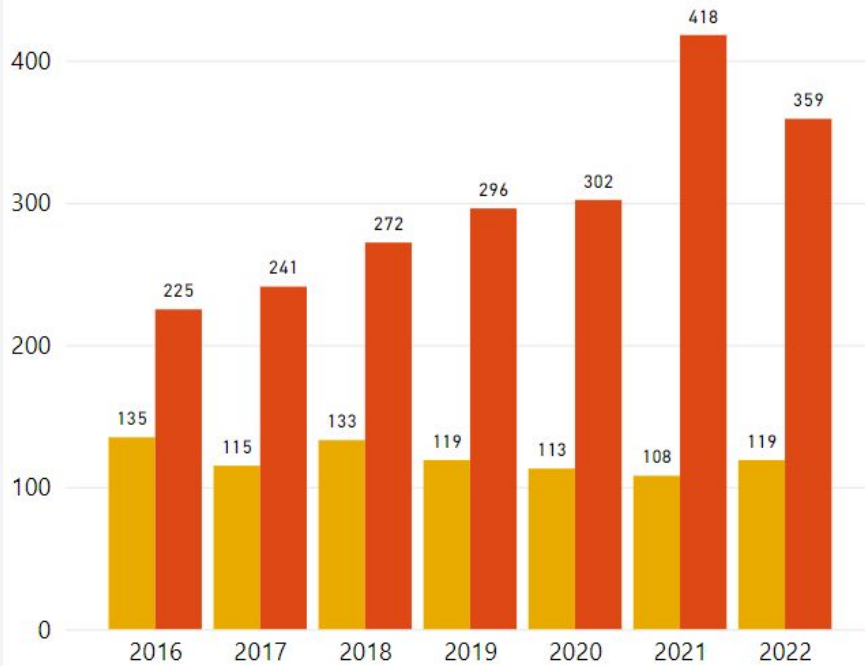
2023-24	# of Students	Amount Per	Cost
Open Enrollment In (Gain)			
OE In Regular Education	103	\$ 8,618	\$ 887,654
OE In Special Education	4	\$ 13,470	\$ 53,880
Total OE In	107		\$ 941,534
Open Enrollment Out (Loss)			
OE Out Regular Education	327	\$8,224	\$2,689,248
OE Out Special Education	21	\$13,076	\$274,596
	348		\$2,963,844
Net OE In/(Out)	-241		-\$2,022,310

Other Key Factors - Open Enrollment

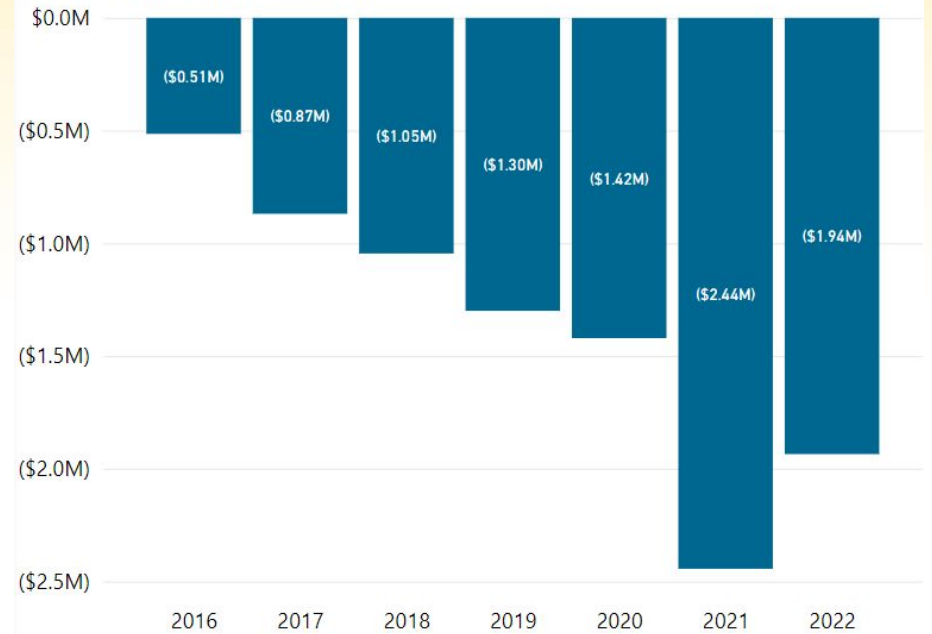


Open Enrollment

● Pupil Transfers In ● Pupil Transfers Out



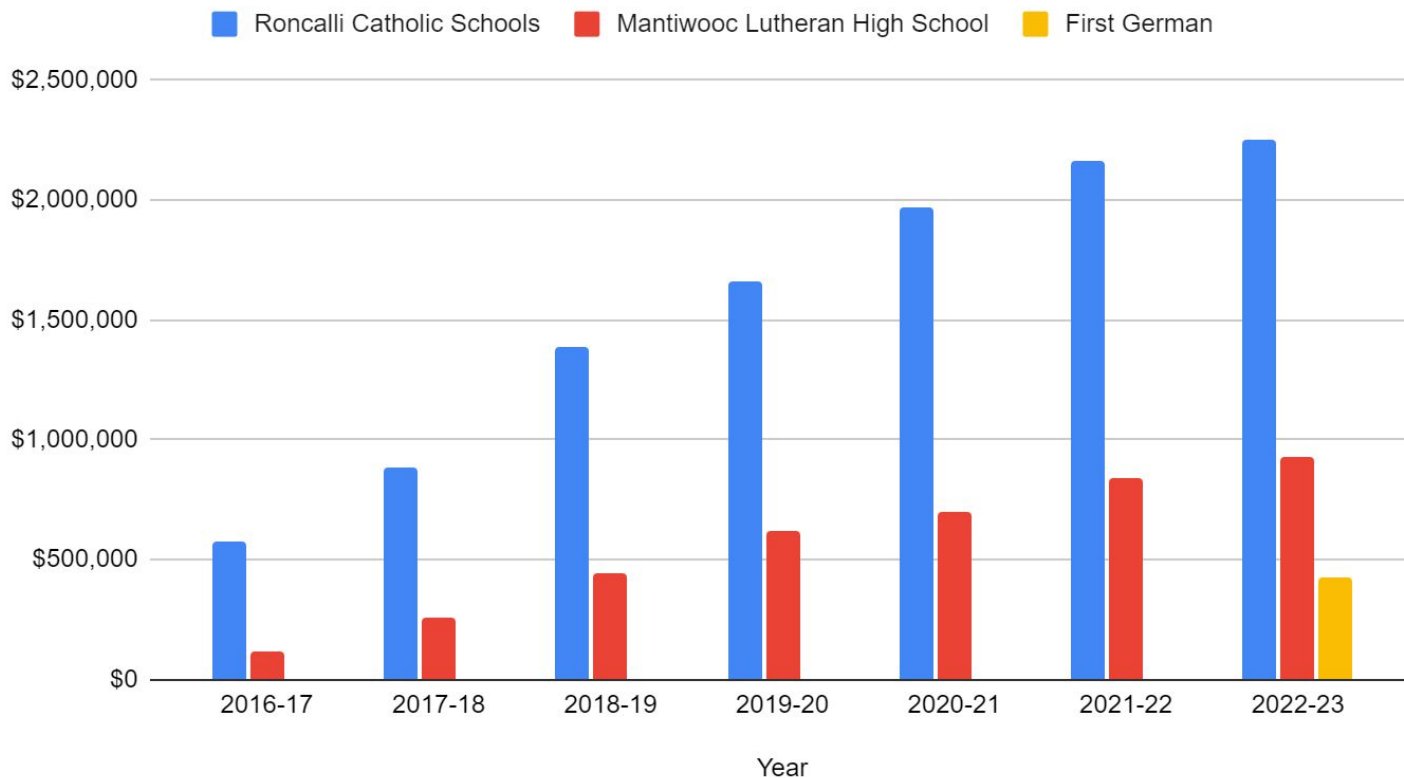
Net Open Enrollment Aid Transfer



Other Key Factors - Private School Vouchers

- Payment to Private Schools is Provided from the State for Private School Vouchers.
- While the district does not budget for this expenditure, it is a substantial, growing portion of the local tax levy.

Wisconsin Parental Choice and Special Needs Scholarship Program Summaries (Source: DPI)

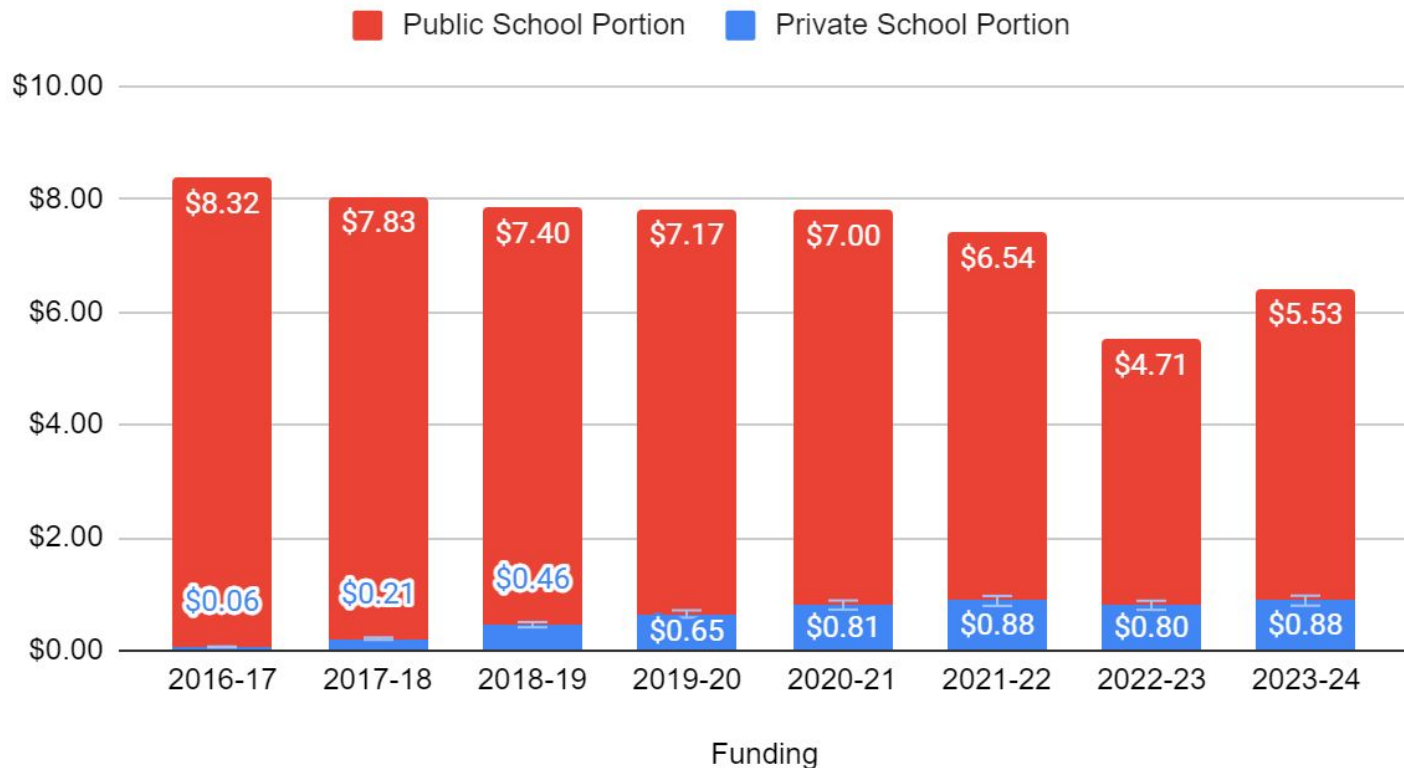


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Private School Portion and Public School Portions of the Tax Levy



Key Summary Points

Revenue Limits

- The district's revenue limit authority provides the main source of funding to the school district. Total available authority for 2023-24 is: \$66,762,735
- The Revenue Limit Calculation is finalized annually on October 15th and provides information for final budget related to:
 - General State Aid
 - Transfer of Service
 - Revenue for Uncounted Pupils
 - Wisconsin Parental Choice (Vouchers)
 - SNSP Private School Voucher aid, and State aid have yet to be finalized and will be finalized on October 15th, 2023 (Friday, October 13).
- The 2023-25 State Biennium Budget provided increases in the low-revenue ceiling and per pupil aid (2024-25 only).
- With the additional revenue limit authority through both the operational referendum and Biennium Budget, the Board of Education can decide to utilize its full authority, or a portion.

Key Summary Points

Enrollment

- Our District Enrollment continues to decline.

Other Key Factors

- The growing cost of Open Enrollment net expense continues to be a concern that the district will need to address in strategy.
- Federal Stimulus Funds (ESSER Funding) that allowed the district to balance its 2022-23 budget, is no longer available, this has made it necessary to increase our tax levy.
- Every year, the District's tax levy is used to fund the State Private School Voucher Program. This is mandated by the state.
- The passage of the Operational Referendum in the Spring of 2023 will allow the district the ability to strategically plan to ensure a high-quality education for our students.

Manitowoc Public School District is committed to being fiscally responsive to local taxpayers while maintaining quality educational programs for students!

Thank you!

The Board of Education and the Manitowoc Public School District administration thanks you for your time and interest in the district's financial position!

Questions: Please contact Angela Erdmann, Director of Business Services at 920-686-4795 or erdmannan@mpsd.school

