



**Manitowoc Public School District**

2902 Lindbergh Drive  
 Post Office Box 1657  
 Manitowoc, WI 54221-1657  
 (920) 686-4777 ◊ Fax (920) 686-4780

# MEMORANDUM

**DATE:** Friday, October 20, 2023  
**TO:** Manitowoc Public School District Board of Education  
 Superintendent, James G. Feil  
**FROM:** Angela M Erdmann  
 Executive Director of Business & Operations  
**RE:** MPSD 2023-24 Proposed Budget and Tax Levy

The Manitowoc Public School District School Board will be setting the property tax levy and adopting an original budget on Tuesday, October 24, 2023. This meets the requirement of setting the property tax levy be set annually by November 1<sup>st</sup>, and the certification of the levy to the municipalities on or before November 6<sup>th</sup>. On October 15<sup>th</sup>, the final information necessary to set the tax levy became available. Below you will find the changes that will impact the Proposed Budget presented at the October 10<sup>th</sup> budget hearing. Updated budget books will be available after the October 25<sup>th</sup> meeting (by November 15th) and will be shared with the board via email and the public via the website/social media. A summary of the updated budget is attached to this memo.

- **Overall Revenue Limit /Levy Changes**
  - State Aid was increased \$4,031 (+0.01%) from the original estimate. The overall revenue limit increased \$525,442 (+0.70%). This increase was primarily due to the increase in payments to private schools for vouchers.
  - The local levy has increased to \$25,247,086 ( +\$874,030/3.59%) from the preliminary budget. This increase is a result of increase in voucher, and open enrollment expenses (+\$284,422), categorical aid (+7,042), addition of \$65,000 for food service expenses, and other minimal budget adjustments. Health care expenses were also reduced \$220,000 after August experience review for a 6% increase over the calendar year, rather than an 8% increase.

Certified Revenue Limit	2023-24 Preliminary Budget	2023-24 Adopted Budget	Change	% Change
State Aid	\$38,623,857	\$38,627,888	\$4,031	0.01%
Local Tax Levy	\$24,373,056	\$25,247,086	\$874,030	3.59%
Total Available Revenue	\$66,762,735	\$67,288,177	\$525,442	0.79%

- **Recurring/Non-Recurring Revenue Limit Exemptions**

- Below is a break-down of the recurring and non-recurring portions of the revenue limit calculation.
- Declining enrollment exemption (hold harmless) increased due to a change of -10 compared to the preliminary budget.

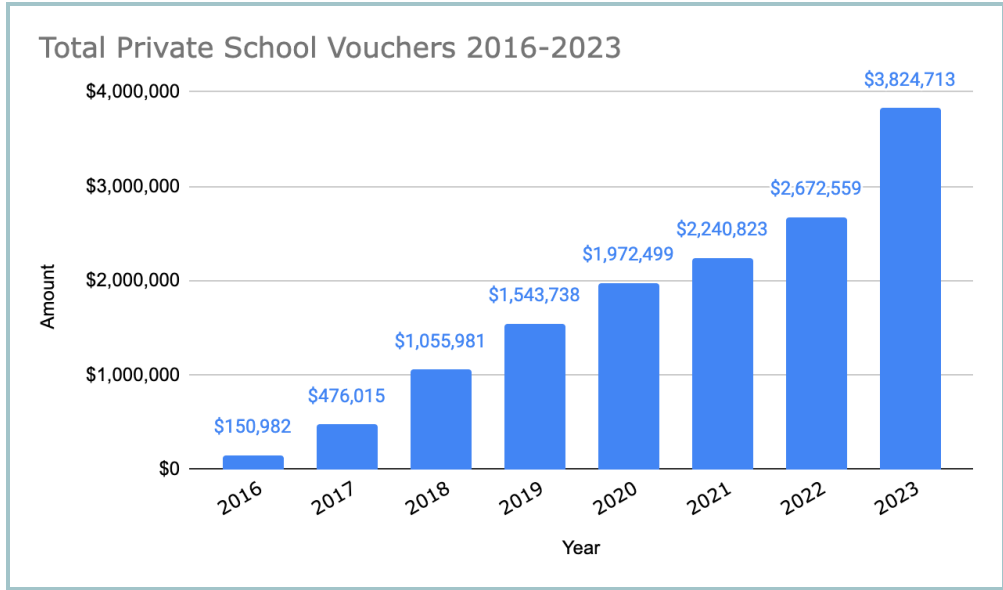
Other Recurring/Non-Recurring Exemptions within the Revenue Limit	2023-24 Preliminary Budget	2023-24 Adopted Budget	Change	% Change
<b>Recurring (Continues)</b>				
Transfer of Service	\$0	\$0	\$0	n/a
<b>Non-Recurring (Variable Annually)</b>				
Declining Enrollment	\$363,000	\$473,000	\$110,000	30.30%
Adjustment for Refunded and Rescinded Taxes	\$0	\$163	\$163	n/a
Prior Year Open Enrollment (Uncounted Pupils)	\$0	\$62,851	\$62,851	n/a
WPCP and RPCP (Private School Vouchers) Aid Deduction	\$3,172,012	\$3,553,994	\$381,982	12.04%
Special Needs Scholarship Program (SNSP)	\$190,723	\$270,719	\$79,996	41.94%
<b>Voucher Totals</b>	<b>\$3,362,735</b>	<b>\$3,824,713</b>	<b>\$461,978</b>	<b>13.74%</b>

- **Private School Voucher SNSP Aid Expense**

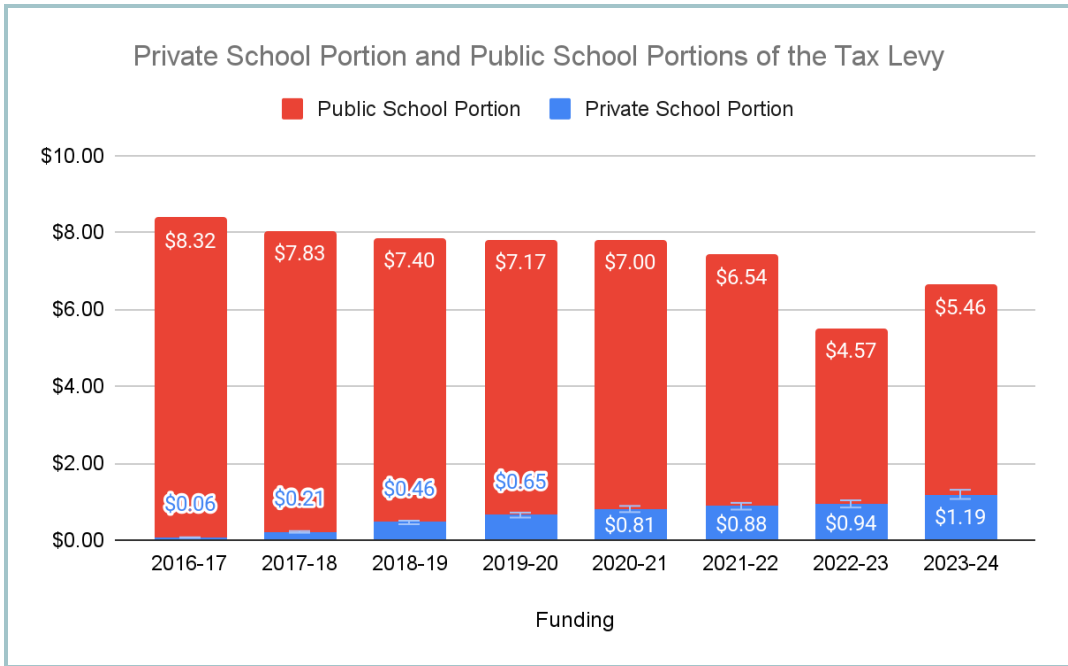
- Private School Voucher and SNSP Aid expenses increased to over \$1.1 million this year. While MPSD is aided on the voucher expense, the expense, while listed in our budget, is directly deducted from our budget so the revenue and expenses from vouchers is essentially the same.

<b>MPSD Historical Trends in Voucher Aid</b>			
Year	Amount	Net Change	%Change
2016	\$150,982		
2017	\$476,015	\$325,033	215.28%
2018	\$1,055,981	\$579,966	121.84%
2019	\$1,543,738	\$487,757	46.19%
2020	\$1,972,499	\$428,761	27.77%
2021	\$2,240,823	\$268,324	13.60%
2022	\$2,672,559	\$431,736	19.27%
2023	\$3,824,713	\$1,152,154	43.11%

- Below represents the increase in vouchers over time.



- Below is a representation of the amount of the mill rate attributed to private school vouchers. The increase in the mill rate is \$0.257 from the previous year.



- **Revenue Limit Impact on the Budget**

- As the voucher program is included in the revenue limit, it can be challenging to understand the actual budget impact when all data is considered. Below is the information regarding the change in the revenue limit less the voucher aid which is not within the MPSD budget.
- The majority of the change in the district’s revenue limit authority is in voucher expenses (+\$461,978/+13.74%). \$63,464 (12%) of the change is related to other revenue limit factor impacts in relation to the total revenue limit.

Revenue Limit Impact Change on the Budget	2023-24 Preliminary Budget	2023-24 Adopted Budget	Change	% Change
Total Revenue Limit	\$66,762,735	\$67,288,177	\$525,442	0.79%
Total Deductions for Vouchers/SNSP	\$3,362,735	\$3,824,713	\$461,978	13.74%
Revenue Available to MPSD Budget	\$63,400,000	\$63,463,464	\$63,464	0.10%

- **Equalized Value/Mill Rate**

- All factors considered, the proposed mill rate (amount per \$1,000 assessed value) with the proposed tax levy will be \$6.65 for the 2024 calendar year.

Mill Rate Calculation Estimate	2023-24 Preliminary Budget	2023-24 Adopted Budget	Change	% Change
Local Tax Levy	\$24,373,056	\$25,247,086	\$874,030	3.59%
Equalized Land Value	\$3,799,460,687	\$3,796,172,650	-\$3,288,037	-0.08654%
Mill Rate	\$6.41	\$6.65	\$0.24	3.68%

**Comparison of Rate/Equalized Value Increase and the Tax Bill**

Certified Equalized Value Increase/(Decrease) 2023		13.90%
Home EV	Tax Rate	Tax Amount
\$ 100,000	\$ 7.20	\$ 720
\$ 113,900	\$ 6.32	\$ 720
\$ 113,900	\$ 6.65	\$ 757

- **Categorical Aid**

- With updated enrollment counts, our three-year average for our current enrollment is 4,857. We receive \$742 for each student in the current year average. The amount we will receive in Categorical Aid is slightly less than initially estimated.

Categorical Aid	2023-24 Preliminary Budget	2023-24 Adopted Budget	Change	% Change
(\$742 Per Student of Current Year Average)	\$3,611,314	\$3,603,894	-\$7,420	-0.21%

- **Changes in Open Enrollment**

- Below are changes in budgeted Open Enrollment In/Out expenses from the preliminary budget to the adopted budget. Expense increased \$284,422 for the proposed adopted budget.

Open Enrollment (OE)	2023-24 Preliminary Budget	2023-24 Adopted Budget	Change	% Change
OE In (Revenues)	\$941,534	\$1,025,000	\$83,466	8.86%
OE Out (Expenditures)	\$2,900,000	\$3,100,956	\$200,956	6.93%
Net OE In/Out	\$1,958,466	\$2,075,956	\$284,422	14.52%

**Additional Budget Notes**

- In addition to changes mentioned previously, all grant revenues were verified and updated from the preliminary budget. Due to timing in claiming/verifying carry-over amounts, amounts in the budget reflect confirmed grant revenues for the 2023-24 fiscal year and are tied to expenses.
- ESSER III revenues were increased from the original amount of \$800,000 to \$1,229,965 to cover additional purchases required to implement the curriculum. Less revenues were claimed in 2022-23 for ESSER III to accommodate this adjustment, this change does not impact the general fund and also positioned the district to receive more aid from the 2022-23 year. Federal grant revenues are called “unaidable receipts.” What this means is that we do not receive aid on federal grant dollars. Spreading the grant revenue over to the current year allowed us to receive more aid based on 2022-23 expenditures.

**Full Revenue Limit Authority**

- MPSD’s full revenue limit authority provides the ability to limit up to a total of \$67,288,177 between state aid and tax levy. With State Aids totaling \$38,864,713, the total limited revenue to be used for the levy is \$28,423,464. The proposed budget under-levies \$3,176,378. This provides a net savings to the tax payer of \$96 from the district had the ability to levy. The proposed levy is \$37 higher than initial projections. While the district works diligently to keep the mill rate close to projections, factors such as vouchers and open enrollment expenses leaves several factors out of our control that impact the final rate.

Utilization of Revenue Limit Authority		
Certified Equalized Value Increase/(Decrease) 2023		13.90%
Home EV	Tax Rate	Tax Amount
\$ 100,000	\$ 7.20	\$ 720
\$ 113,900	\$ 6.32	\$ 720
\$ 113,900	\$ 6.65	\$ 757
\$ 113,900	\$ 7.49	\$ 853
Net Impact on the Taxpayer (Savings) of Under-Levy		\$ 96

### **Proposed Original Budget for Adoption**

In accordance with the provisions of Wisconsin Statute 65.90, the school board shall adopt a budget at a school board meeting scheduled after the public hearing on the proposed budget and no later than the meeting in which the school board sets the annual tax levy amount. This adopted budget is commonly referred to as the legally adopted original budget. Please approve the 2023-24 Manitowoc Public School District budget as follows:

<b>General Fund</b>	
Total Revenues – General Fund	\$75,894,932
Total Expenditures – General Fund	\$76,162,008
General Fund Balance - Increase (Decrease)	\$(267,076)
<b>All Funds</b>	
Total Revenues – All Funds (Exclusive of Tax Levy)	\$68,781,743
Total Expenditures – All Funds	\$95,880,089
Total Tax Levy - All Funds	\$25,247,086
Total Revenues - All Funds (Inclusive of Tax Levy)	\$94,038,829
Fund Balance - All Funds Increase (Decrease)	\$(1,851,260)

### **Proposed Tax Levy for Approval**

In addition, the Manitowoc Public School District seeks approval from the Board of Education to establish the 2023-24 property tax levy of **\$25,247,086**. Apportionment of the total tax levy is outlined below.

<b>3290 - Manitowoc Public School District Final, October 1, 2023 Valuation</b>							
District	County	Muni Code	Municipality	TIDIN Equalized Values	TIDOUT Equalized Values	Percentage by Municipality of the Full Levy	Total by Municipality
Manitowoc (3290)	Manitowoc	36 251	C. Manitowoc	3,084,234,600	2,927,798,300	77.13%	\$19,471,816
	Manitowoc	36 286	C. Two Rivers	25,575,520	25,575,520	0.67%	\$170,094
	Manitowoc	36 004	T. Centerville	46,587,663	46,587,663	1.23%	\$309,839
	Manitowoc	36 014	T. Kossuth	123,530,757	123,530,757	3.25%	\$821,562
	Manitowoc	36 018	T. Manitowoc	139,318,000	139,318,000	3.67%	\$926,558
	Manitowoc	36 020	T. Manitowoc Rapids	231,213,344	231,213,344	6.09%	\$1,537,723
	Manitowoc	36 028	T. Newton	271,909,192	271,909,192	7.16%	\$1,808,378
	Manitowoc	36 036	T. Two Rivers	30,239,874	30,239,874	0.80%	\$201,115
	<b>Total:</b>			<b>3,952,608,950</b>	<b>3,796,172,650</b>	<b>100.00%</b>	<b>\$25,247,086</b>