



SHEBOYGAN AREA

— SCHOOL DISTRICT —

2023-24
Budget Report

Sheboygan Area School District

Revenue Cap Limits

- State imposed revenue caps limit the revenue a school district can generate between general state aid and local tax levies.
- District has never gone out to referendum to exceed revenue cap.
- Revenue caps are calculated by multiplying a district's 3-year resident enrollment average by the per-pupil revenue amount.
- Sheboygan Area School District enrollment average = 9,641
- Per-pupil revenue amount = \$11,116 (\$325 Increase for 2023-24)
- State allows for a declining enrollment exemption if the 3-year enrollment average is less than the previous year.



Resident Enrollment and Per-Pupil Revenue

	<u>2022-23</u>	<u>2023-24</u>	<u>+/-</u>	<u>% +/-</u>
3 rd Friday Sept. Student FTE	9,581	9,502	-79	-0.8%
Summer School Student FTE	66	65	-1	-1.5%
Total FTE	9,647	9,567	-80	-0.8%
3-Year Membership Average	9,701	9,641	-60*	-0.6%
Revenue Per Member	\$10,791	\$11,116	+\$325	+3.0%
Categorical Aid (outside revenue cap)	\$742	\$742	\$0	0%
Total Increase:			+\$325	+2.8%

*District qualifies for declining enrollment exemption

Consumer Price Index Increase: 8.1%

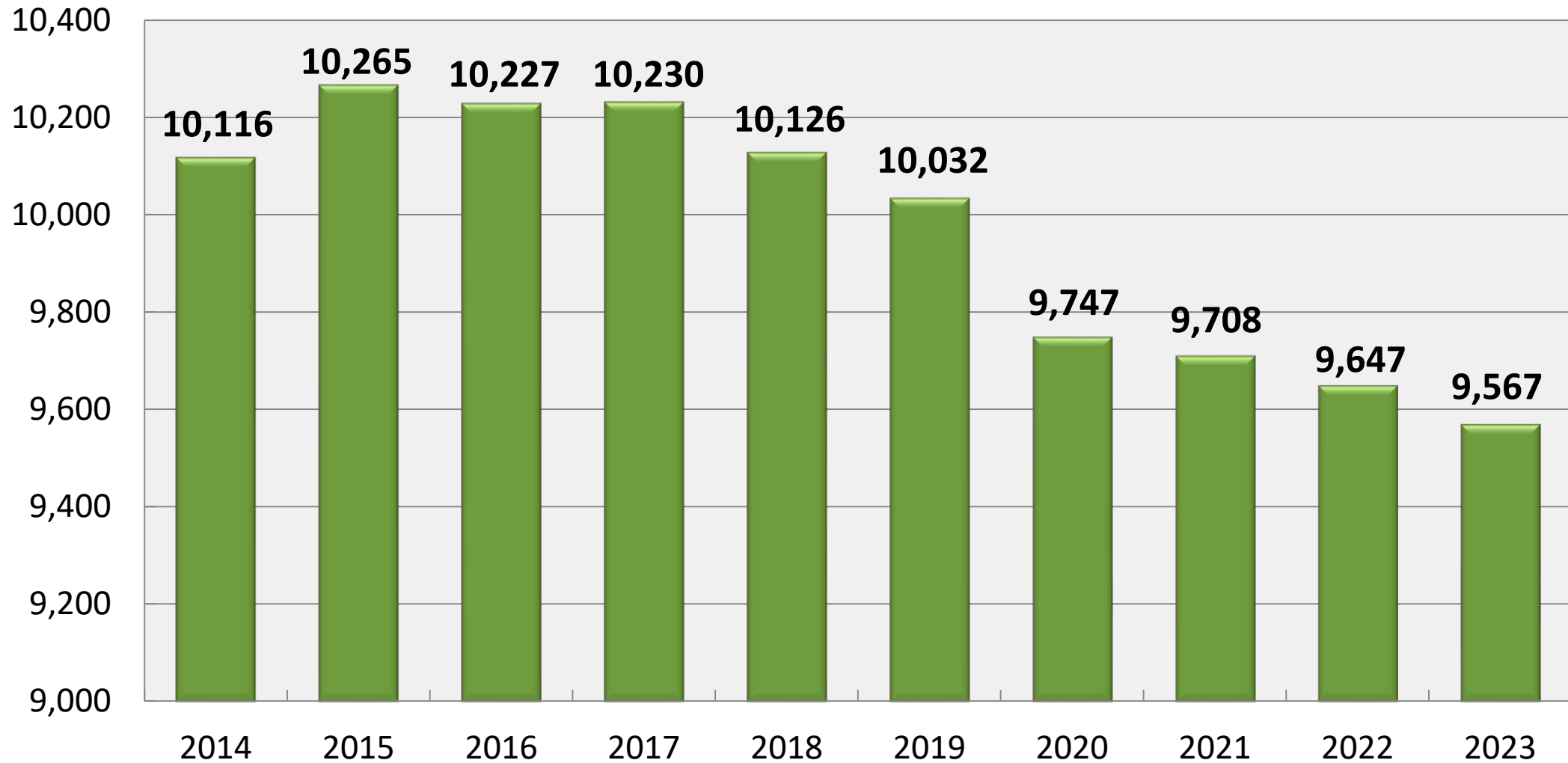


Change to Per Pupil Payment by School Type

2023-25 State Budget



Resident FTE Enrollment Trend



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

	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
2019	10,032		
2020	9,747	9,747	
2021	9,708	9,708	9,708
2022		9,647	9,647
2023			9,567
3-Year Average	9,829	9,701	9,641



Property Values and General State Aid

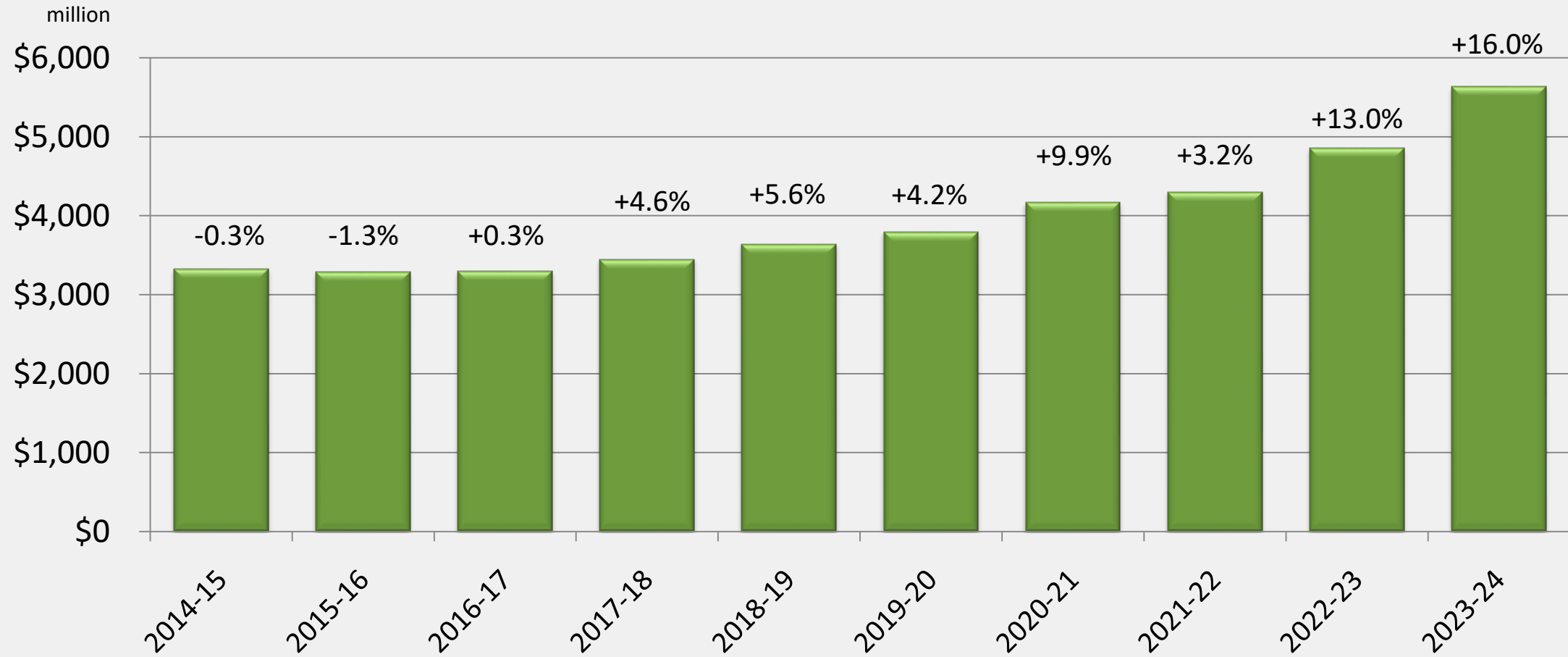
Property value per-student is a key factor in determining the amount of general state aid.

	<u>2022-23</u>	<u>2023-24</u>	<u>% Change</u>
Equalized Property Value	\$4,859,580,859	\$5,635,267,369	+16.0%
		State-wide Average:	+13.1%
General State Aid	\$86,239,155	\$87,854,987	+1.9%
State Aid to High Poverty Districts	\$542,135	\$0	

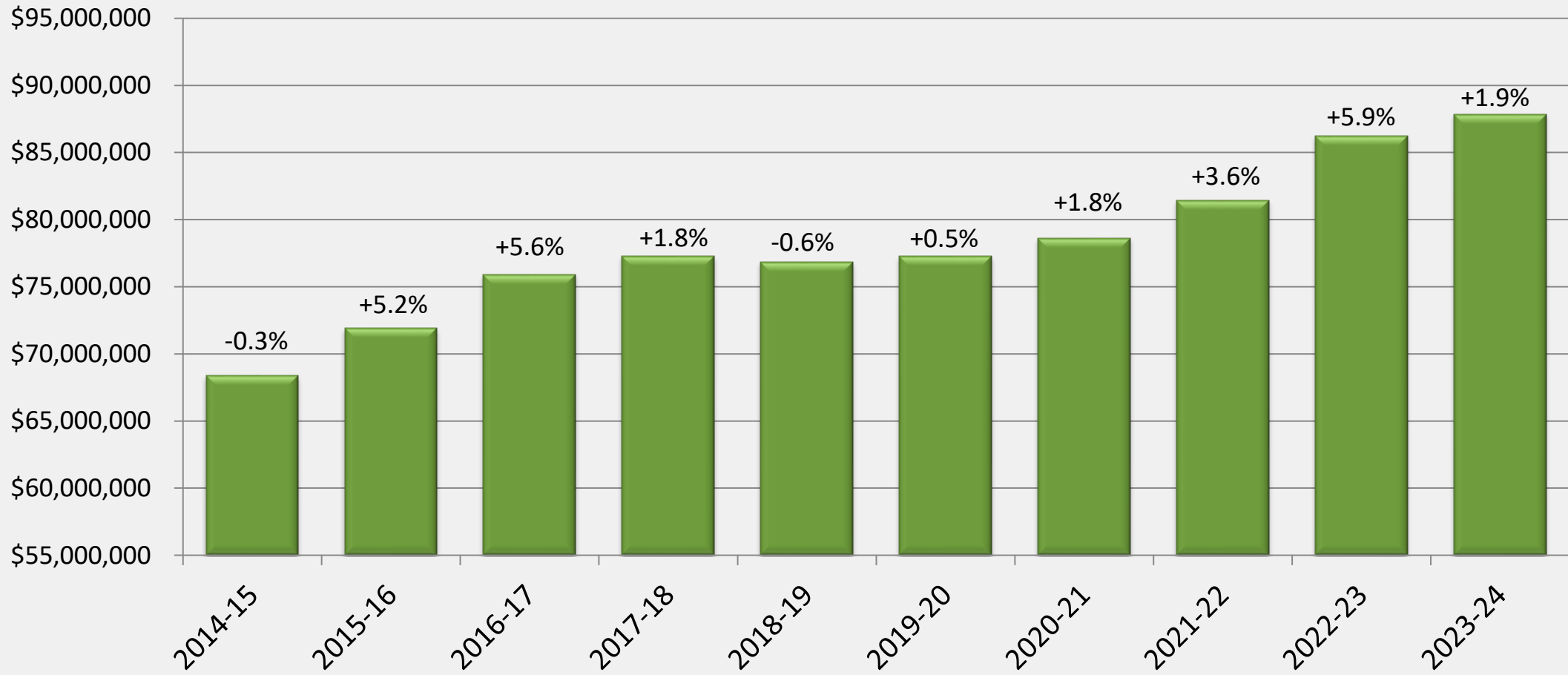
An additional \$1.35 million in School Levy Tax credit will be given to property owners within our district directly on their tax bill. Property owners within our district would have seen greater property tax relief had this money been added to general state aid.



Equalized Property Valuation Trend



General State Aid Trend



State Aid and Tax Levy

Because the Sheboygan Area School District's property value per-student is below the State average, the District is more heavily funded through State aid than from local property tax levy.

77% of the funding under the revenue cap is from State aid

23% of the funding under the revenue cap is from local tax levy



State Aid Offsets Tax Levy

Increases in State Aid do not increase the revenue for the district.

2023-24 Total Revenue Cap \$114,228,590

Local Property Tax

23%
\$25,890,738

General State Aid

77%
\$88,337,852*

*Includes \$482,865 in state aid for exempt computer and personal property.



Tax Levy and Mill Rate

	2022-23	2023-24	\$ Change	Percent Change
Tax Levy for SASD Budget	\$28,884,529	\$28,100,801	\$783,728 Decrease	-2.7%
Tax Levy for Private School Voucher Program	\$4,620,626	\$6,226,286	\$1,605,660 Increase	+34.8%
Total Tax Levy	\$33,505,155	\$34,327,087	\$821,932 Increase	+2.5%
Equalized Mill Rate – Per \$1,000	\$6.89	\$6.09	\$0.80 Decrease	-11.6%



Tax Levy History

	General Fund	Private School Vouchers	Debt Service	Capital Expansion	Community Service	Total Tax Levy	Percent Change
2023-24	\$18,289,452	\$6,226,286	\$7,079,821	\$1,375,000	\$1,356,528	\$34,327,087	+2.45%
2022-23	16,076,440	4,620,626	10,151,561	1,300,000	1,356,528	33,505,155	-5.73%
2021-22	22,313,380	4,302,937	6,270,777	1,300,000	1,356,528	35,543,622	-5.30%
2020-21	26,881,320	3,354,207	4,642,377	1,300,000	1,356,528	37,534,432	+1.50%
2019-20	26,973,163	2,555,244	4,843,981	1,250,000	1,356,528	36,978,916	+1.91%
2018-19	27,287,100	1,701,012	4,825,784	1,200,000	1,272,528	36,286,424	+1.09%
2017-18	27,102,300	797,218	5,524,145	1,200,000	1,272,528	35,896,191	-0.01%
2016-17	27,653,555	445,409	5,427,368	1,100,000	1,272,528	35,898,861	-8.08%
2015-16	31,779,003		4,952,073	1,050,000	1,272,528	39,053,604	-3.66%
2014-15	34,281,926		3,981,199	1,000,000	1,272,528	40,535,653	+3.70%

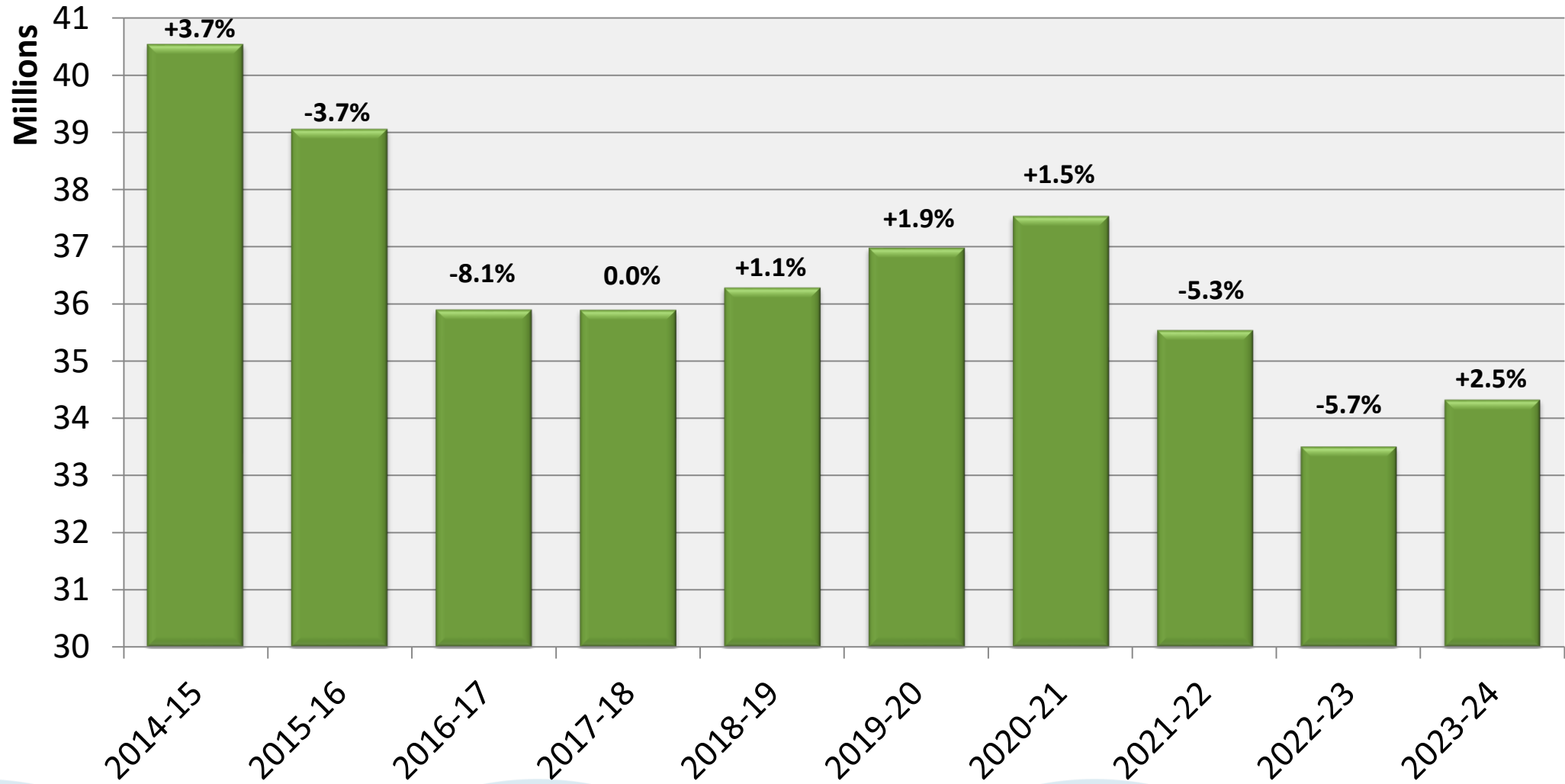


Tax Levy History for SASD and Private School Vouchers

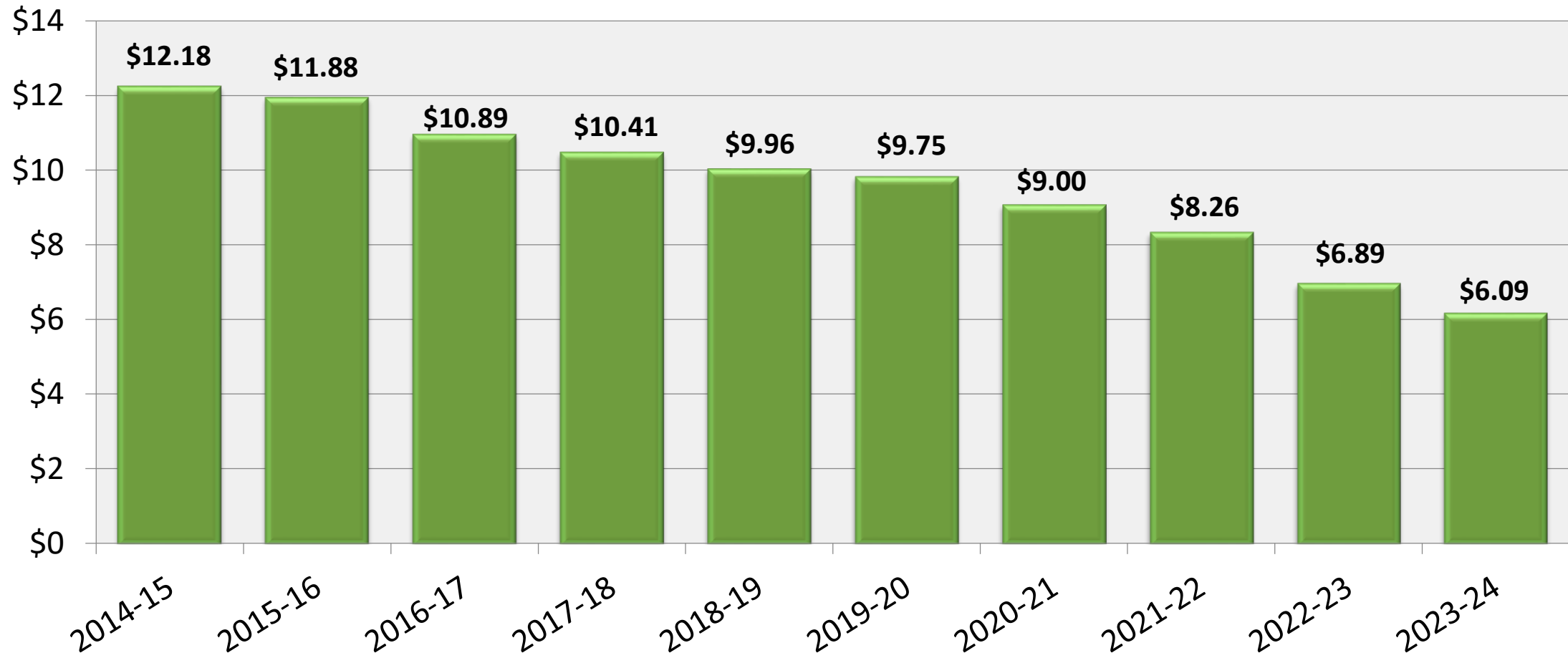
	SASD Levy	SASD Levy Percentage Decrease	Private School Voucher Levy	Private School Voucher Levy Percentage Increase
2023-24	\$28,100,801	-2.7%	\$6,226,286	+34.8%
2022-23	28,884,529	-7.5%	4,620,626	+7.4%
2021-22	31,240,685	-8.6%	4,302,937	+28.3%
2020-21	34,180,225	-0.7%	3,354,207	+31.3%
2019-20	34,423,672	-0.5%	2,555,244	+50.2%
2018-19	34,585,412	-1.5%	1,701,012	+113.4%
2017-18	35,098,973	-1.0%	797,218	+79.0%
2016-17	35,453,452		445,409	



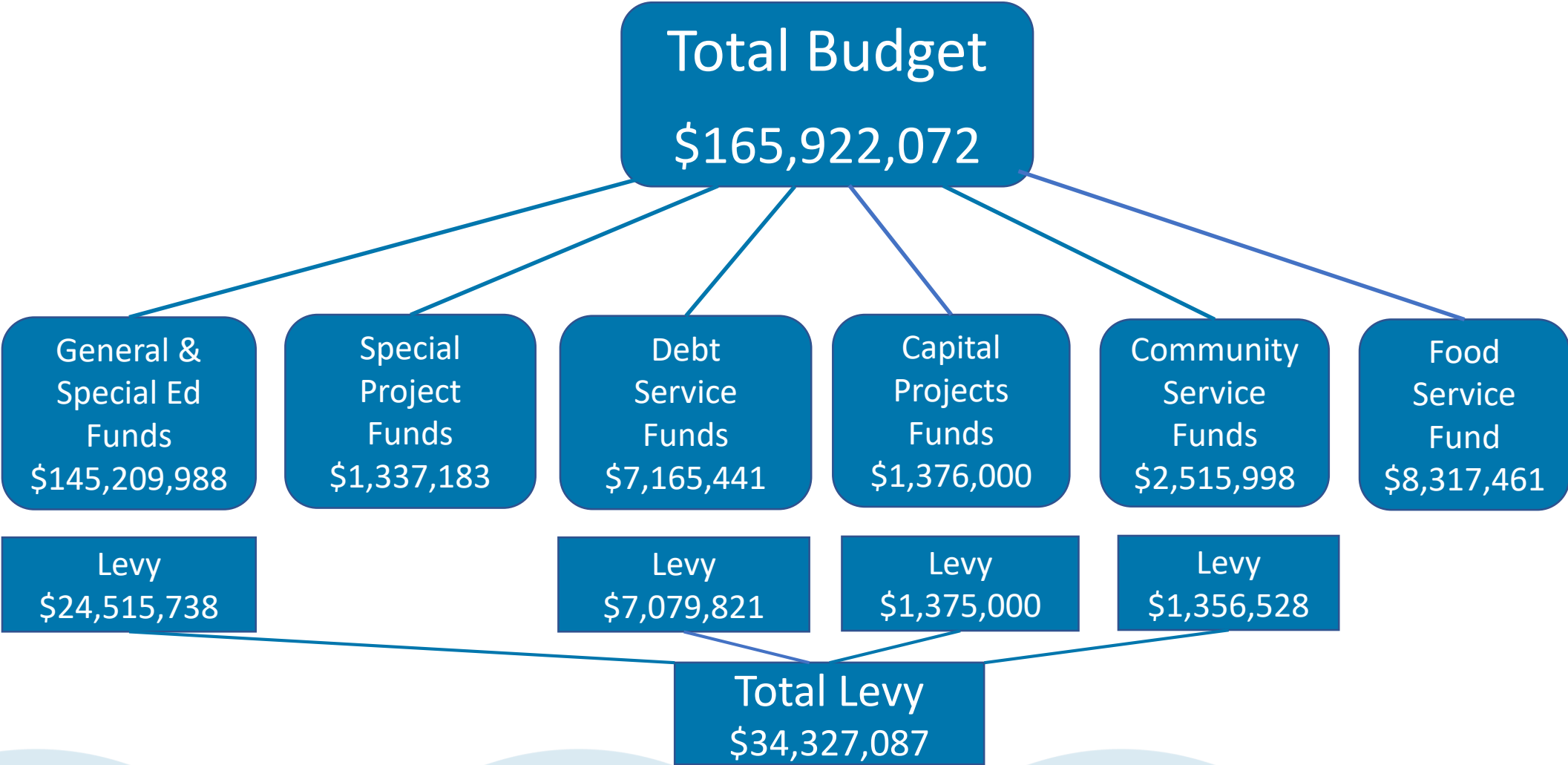
Tax Levy Trend



Equalized Mill Rate Trend



Summary of All Budgets – 2023-24



General Fund and Special Education Fund Budget

GENERAL FUND (FUND 10)	Audited 2021-2022	Unaudited 2022-2023	Budget 2023-2024	% Change	SPECIAL EDUCATION (FUND 27)	Audited 2021-2022	Unaudited 2022-2023	Budget 2023-2024	% Change
Beginning Fund Balance	55,484,329	55,995,106	57,128,981	2.0%	Beginning Fund Balance	0	0	0	
ENDING FUND BALANCE	55,995,106	57,128,981	57,128,981	0.0%	Ending Fund Balance	0	0	0	
REVENUES					TOTAL REVENUES	21,506,898	20,954,767	24,140,043	15.2%
Local Sources	27,703,456	24,036,833	27,184,383	13.1%	EXPENDITURES				
Interdistrict Payments Within Wisconsin	1,852,604	1,783,164	1,973,522	10.7%	Instruction	17,916,817	17,261,569	19,831,007	14.9%
Intermediate Sources	4,000	0	0	0.0%	Support Services	3,452,066	3,443,670	4,165,736	21.0%
State Sources	92,809,423	97,722,974	98,091,974	0.4%	Non-Program Transactions	138,016	249,528	143,300	-42.6%
Federal Sources	11,279,654	12,615,116	8,139,824	-35.5%	TOTAL EXPENDITURES	21,506,898	20,954,767	24,140,043	15.2%
Other Financing Sources	565,920	583,583	0	-100.0%					
Other Revenues	535,506	1,042,210	444,048	-57.4%					
TOTAL REVENUES	134,750,564	137,847,095	135,882,719	-1.4%					
EXPENDITURES									
Instruction	62,505,630	61,011,735	62,630,869	2.7%					
Support	43,444,099	45,924,501	40,828,477	-11.1%					
Non-Program Transactions	28,290,057	29,776,985	32,423,373	8.9%					
TOTAL EXPENDITURES	134,239,786	136,713,221	135,882,719	-0.6%					



Other Funds

SPECIAL PROJECT FUNDS (FUNDS 21,22,25)	Audited 2021-2022	Unaudited 2022-2023	Budget 2023-2024	% Change
900 000 Beginning Fund Balance	1,413,866	1,487,243	1,421,232	-4.4%
900 000 Ending Fund Balance	1,487,243	1,421,232	84,049	-94.1%
TOTAL REVENUES	1,126,563	1456,199	0	-100.0%
100 000 Instruction	815,642	1,170,694	837,297	28.5%
200 000 Support Services	153,940	351,515	494,637	40.7%
400 000 Non-Program Transactions	83,604	0	5,250	-
TOTAL EXPENDITURES	1,053,186	1,522,210	1,337,183	-12.2%

CAPITAL PROJECTS FUND (FUNDS 41, 46, 49)	Audited 2021-2022	Unaudited 2022-2023	Budget 2023-2024	% Change
900 000 Beginning Fund Balance	7,146,006	7,716,024	9,860,864	27.8%
900 000 Ending Fund Balance	7,716,024	9,860,864	9,885,864	0.3%
TOTAL REVENUES	1,369,737	3,445,280	1,401,000	-59.3%
200 000 Support Services	799,720	1,300,439	1,376,000	5.8%
TOTAL EXPENDITURES	799,720	1,300,439	1,376,000	5.8%

COMMUNITY SERVICE FUNDS (FUNDS 85, 87)	Audited 2021-2022	Unaudited 2022-2023	Budget 2023-2024	% Change
900 000 Beginning Fund Balance	1,003,641	1,123,755	1,124,402	9.0%
900 000 Ending Fund Balance	1,123,755	1,224,402	1,124,402	0.0%
TOTAL REVENUES	2,347,523	2,535,547	2,515,998	-0.8%
200 000 Support Services	361,658	381,486	4,076	9.6%
300 000 Community Services	1,865,751	2,053,414	2,095,385	2.0%
400 000 Non-Program Transactions	0	0	2,537	-
TOTAL EXPENDITURES	2,227,409	2,434,900	2,515,998	3.3%

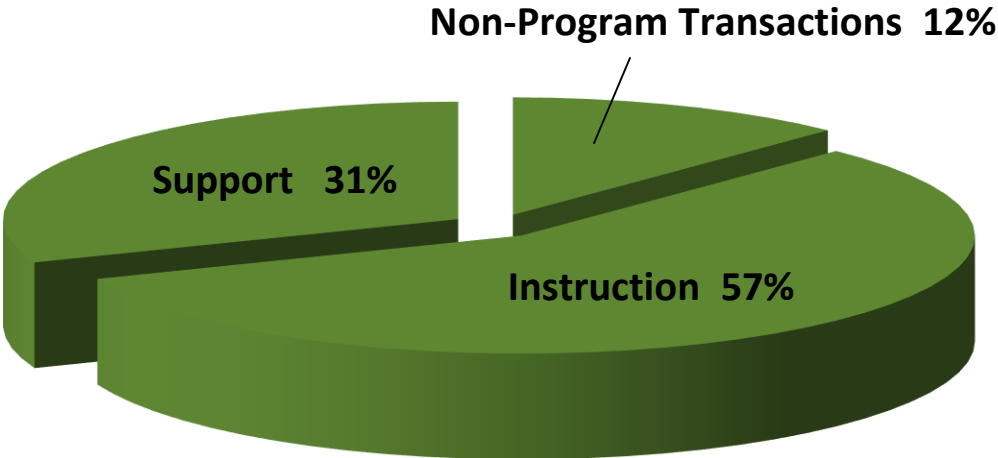
DEBT SERVICE FUNDS (FUNDS 38, 39)	Audited 2021-2022	Unaudited 2022-2023	Budget 2023-2024	% Change
900 000 Beginning Fund Balance	851,478	861,586	695,836	-19.2%
900 000 Ending Fund Balance	861,586	695,836	610,216	-12.3%
TOTAL REVENUES	6,317,634	10,364,781	7,079,821	-31.7%
281 000 Long-Term Capital Debt	3,250,462	8,248,052	7,165,441	-13.1%
285 000 Post Employment Benefit Debt	3,057,065	2,282,480	0	-100.0%
TOTAL EXPENDITURES	6,307,526	10,530,532	7,165,441	-32.0%

FOOD SERVICE FUND (FUND 50)	Audited 2021-2022	Unaudited 2022-2023	Budget 2023-2024	% Change
900 000 Beginning Fund Balance	1,989,973	4,072,679	3,377,076	-17.1%
900 000 Ending Fund Balance	4,072,679	3,377,076	2,003,265	-40.7%
TOTAL REVENUES	7,275,545	5,611,376	6,943,650	23.7%
200 000 Support Services	5,191,216	6,306,979	8,317,461	31.9%
400 000 Non-Program Transactions	1,622.94	0	0	-
TOTAL EXPENDITURES	5,192,839	6,306,979	8,317,461	31.9%

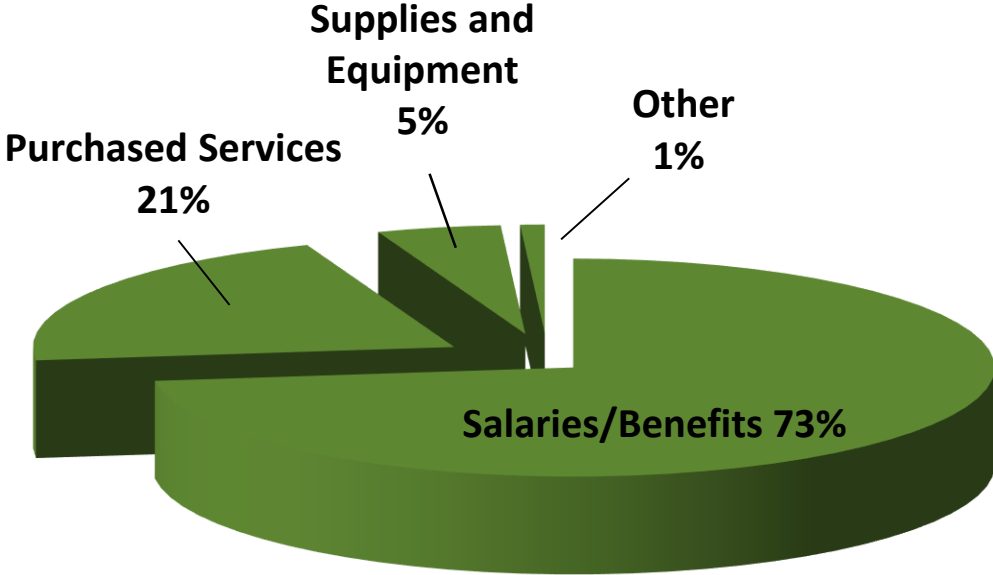


2023-24 General and Special Education

Expense Budget by Function



Expense Budget by Object



2023-24 Budget Highlights

- 11 teacher positions will continue to be funded out of ESSER grant funds for 2023-24. ESSER grant funds will not be available for these positions in 2024-25.
- Enrollment based reduction of 3 FTE teacher positions.
- 5% medical insurance premium increase for 2024. Premium Increase is well below 7.4% medical and 9.8% pharmacy inflation.



2023-24 Budget Highlights

- Total teacher group salary increase of 4%
- 4% increase for administrators and support staff
- Additional 4% stipend for all non-casual employee groups paid out of fund balance. Stipend is in lieu of salary increases falling short of 8% CPI increase.
- Total education fund (10&27) budget increase of 2.3%



Fiscal Responsibility Through Controlling Benefit Costs

- Employee Wellness Program recognized as a model program around the state.
- Over the last 10 years annual medical inflation has averaged 8% per year.
- During that same time SASD health insurance premium increases have averaged 2.8% per year.
- By changing from a defined retiree health care benefit to a defined retiree health care contribution, a 2019 *Wisconsin Taxpayer* publication noted that among the states 15 largest school districts, only the SASD had fully funded its retiree health care benefit.



District Debt Service

- As of 6-30-23 the District has four bonds with maturity schedules from 2023-2036
- As of 6-30-23 the District has \$27,508,000 in remaining long-term bonded debt
- Statute allows for debt up to 10% of the \$5,635,267,369 equalized value of the District



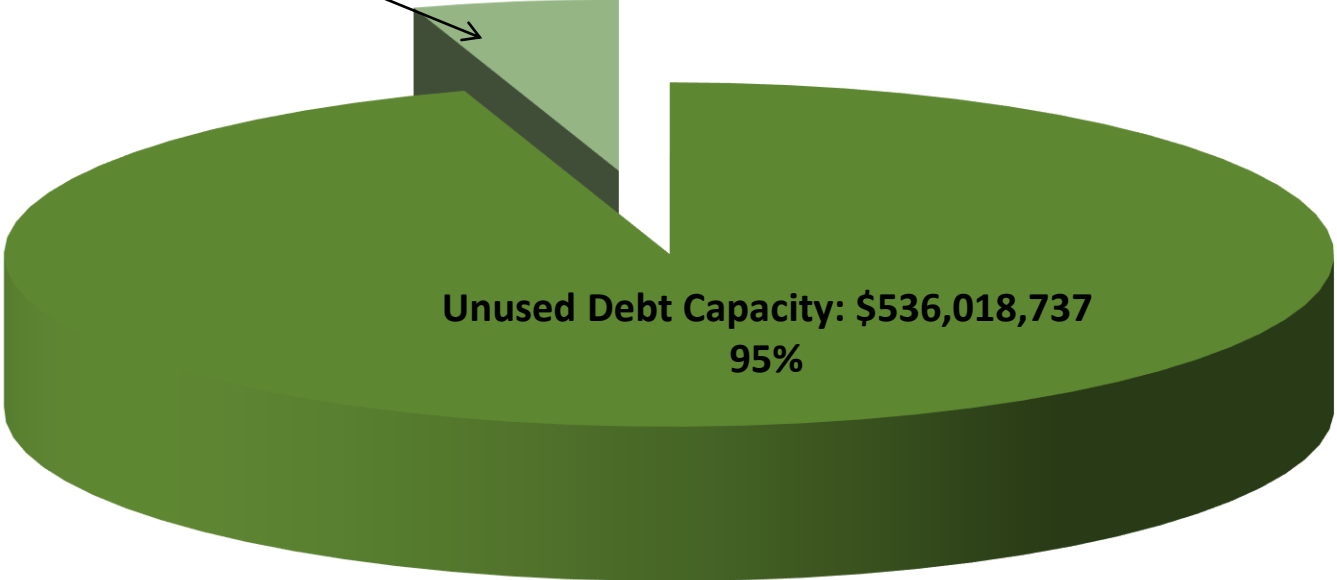
District's Legal Debt Capacity

\$563,526,737

(10% of \$5.6 Billion Equalized Property Valuation)

Total Debt Incurred: \$27,508,000

5%



Unused Debt Capacity: \$536,018,737

95%

District's Moody's Rating: Aa2



Fiscal Responsibility and Debt Management

- Moody's Bond Rating of Aa2
- Moody's report states that the SASD credit position is very good and that the Aa2 rating is stronger than the median rating of Aa3 for US school districts.
- Moody's also references a healthy financial position and small debt burden for SASD.
- In April of 2023, the district prepaid \$4m of debt service principal, resulting in the savings of \$1.96m in future interest payments.



Key Points

- State budget included a \$325 per-student revenue increase for 2023-24 and 2024-25
- State general aid increased by 1.9%.
- Increases in state aid go towards local tax levy relief and do not increase the amount of revenue to the District.
- During the school career of a 2023 High School Graduate (4K to 12th Grade) the cumulative amount of per pupil funding from the state is behind inflation \$3,235.
- $9,701 \text{ students} \times \$3,235 = \$31 \text{ million}$ in district budget reductions just to keep up with inflation.
- The tax levy is increasing by 2.5% and the mill rate is decreasing by 11.6%



Key Points

- \$6,226,286 of the tax levy is used to fund the State private school voucher program. This amount will be deducted from the state aid received by the District. This is a \$1,605,660 (34.8%) increase from the previous year.
- In 2022-23, local private schools that participate in the voucher program had a total enrollment of 1,370 students, with 637 students (47%) receiving vouchers.
- In 2023-24, total enrollment for those private schools is 1,405 (+35), with 699 (+62) students receiving vouchers (50%).
- 18% of the district levy goes towards the private voucher program.



Thank you!

The District is committed to being fiscally responsive to local taxpayers while maintaining quality educational programs for students.

Thank you for your time and interest in the District's budget and finances.

