

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 = 9,581
- Per-pupil revenue amount = \$11,441 (\$325 Increase for 2024-25)
- 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>2023-24</u>	<u>2024-25</u>	<u>+/-</u>	<u>% +/-</u>
3 rd Friday Sept. Student FTE	9,502	9,471*	-31	-0.3%
Summer School Student FTE	65	58	-7	-10.8%
Total FTE	9,567	9,529	-38	-0.4%
3-Year Membership Average	9,641	9,581	-60	-0.6%
Revenue Per Member	\$11,116	\$11,441	+\$325	+2.9%
Categorical Aid (outside revenue cap)	\$742	\$742	\$0	0%
Total Increase:			+\$325	+2.7%

*Pupil count 99 students over projection

Consumer Price Index Increase: +4.1%



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

	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
2020	9,747		
2021	9,708	9,708	
2022	9,647	9,647	9,647
2023		9,567	9,567
2024			9,529
3-Year Average	9,701	9,641	9,581



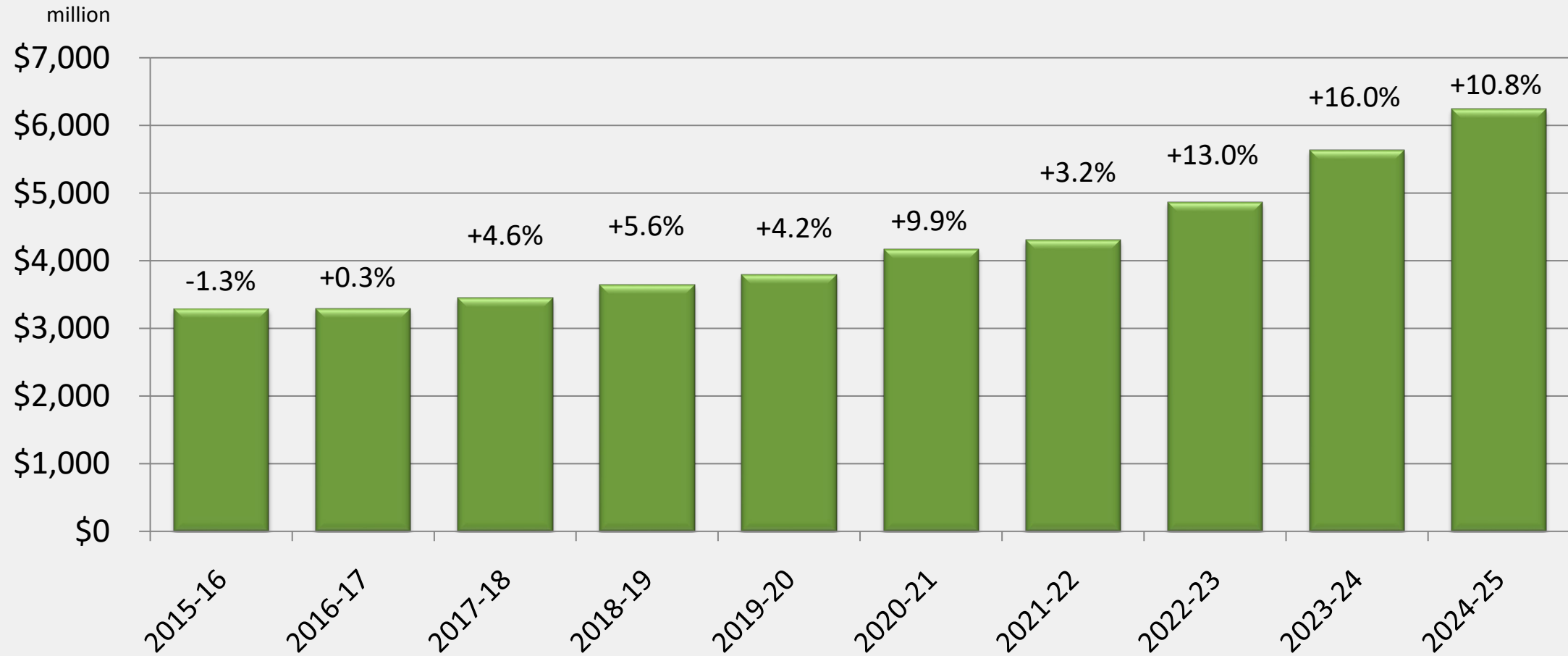
Property Values and General State Aid

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

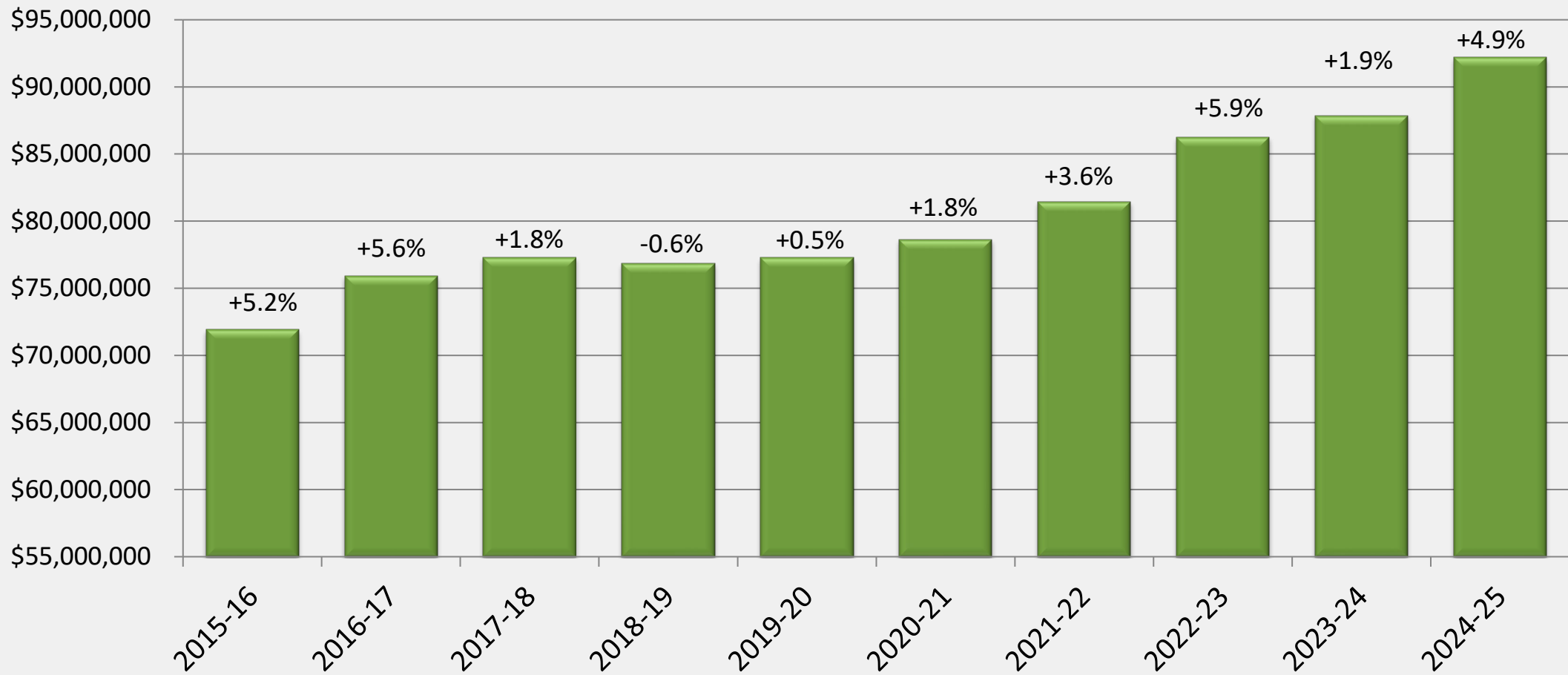
	<u>2023-24</u>	<u>2024-25</u>	<u>% Change</u>
Equalized Property Value	\$5,635,267,369	\$6,245,301,660	+10.8%
		State-wide Average:	+8.0%
General State Aid	\$87,854,987	\$92,186,717	+4.9%



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.

79% of the funding under the revenue cap is from State aid

21% 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.

2024-25 Total Revenue Cap \$116,961,703

Local Property Tax

21%
\$24,291,450

General State Aid

79%
\$92,670,253*

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



Tax Levy and Mill Rate

	2023-24	2024-25	\$ Change	Percent Change
Tax Levy for SASD Budget With Passed Referendum	\$28,100,801	\$26,154,482 \$27,403,542	\$1,946,319 Decrease \$697,259 Decrease	-6.9% -2.5%
Tax Levy for Private School Voucher Program	\$6,226,286	\$6,573,317	\$347,031 Increase	+5.6%
Total Tax Levy With Passed Referendum	\$34,327,087	\$32,727,799 \$33,976,859	\$1,599,288 Decrease \$350,228 Decrease	-4.7% -1.0%
Equalized Mill Rate – Per \$1,000 With Passed Referendum	\$6.09	\$5.24 \$5.44	\$0.85 Decrease \$0.65 Decrease	-14.0% -10.7%



Tax Levy History

	General Fund	Private School Vouchers	Debt Service	Capital Expansion	Community Service	Total Tax Levy	Percent Change
2024-25	\$16,343,133	\$6,573,317	\$7,079,821	\$1,375,000	\$1,356,528	\$32,727,799	-4.66%
Passed Ref.			\$8,328,881			\$33,976,859	-1.02%
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%

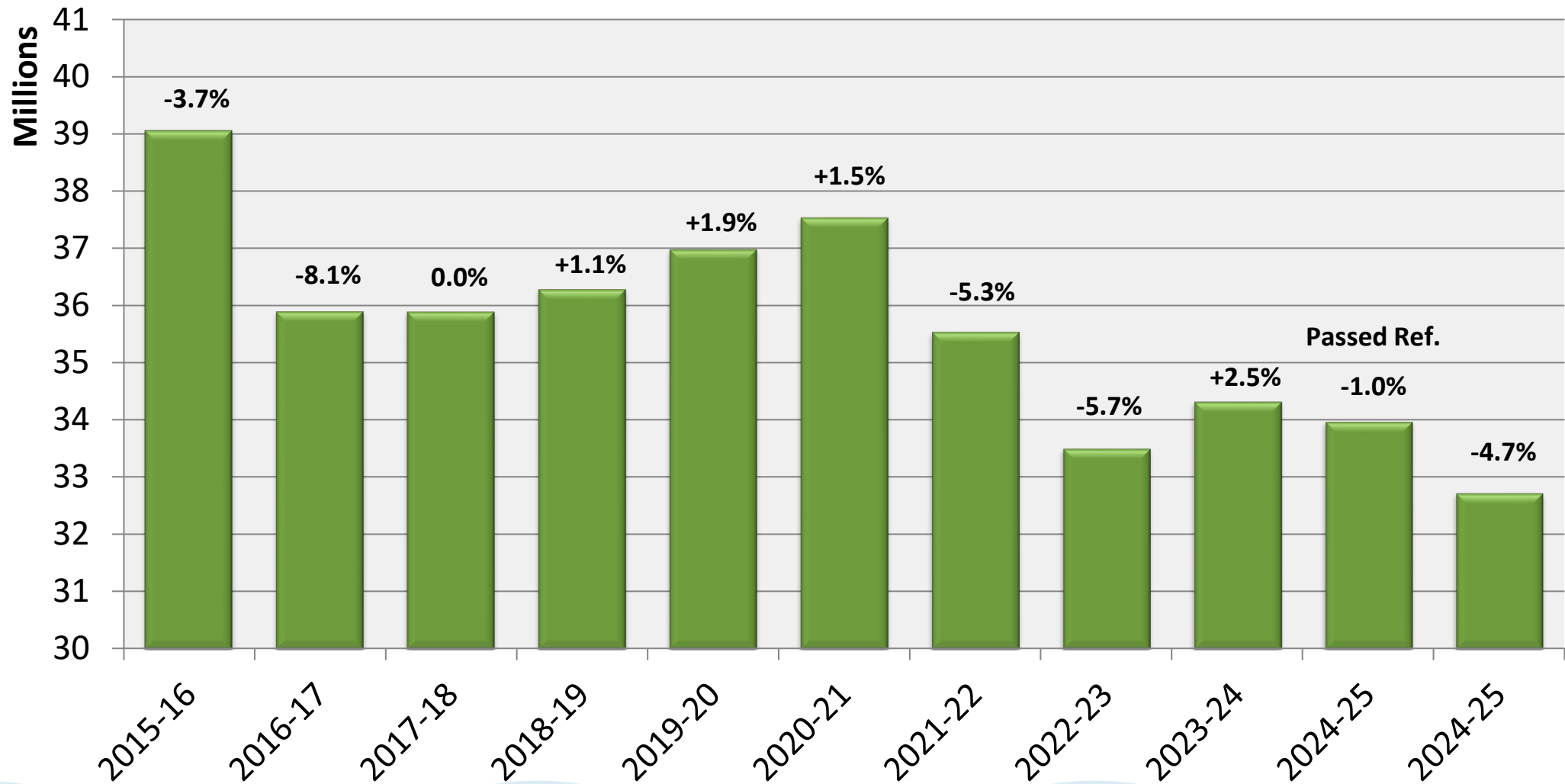


Tax Levy History for SASD and Private School Vouchers

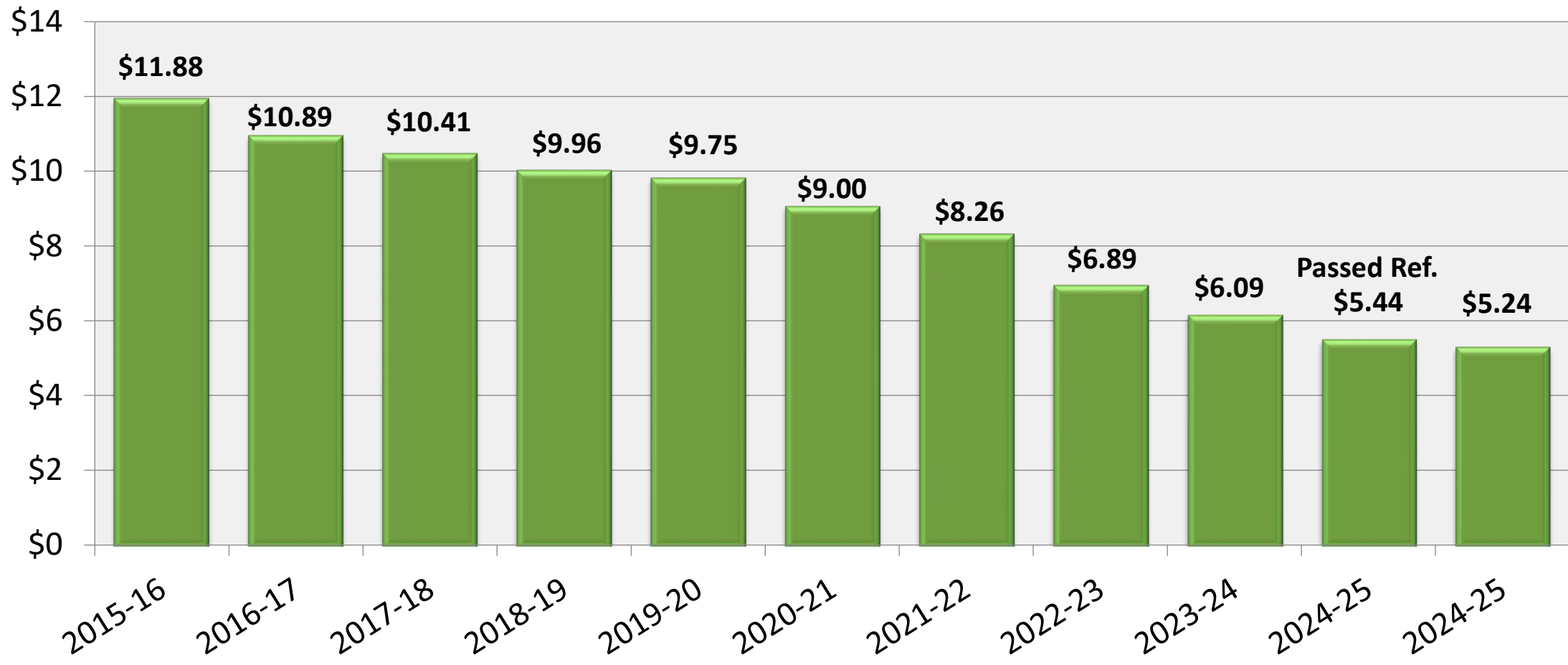
	SASD Levy	SASD Levy Percentage Decrease	Private School Voucher Levy	Private School Voucher Levy Percentage Increase
2024-25 Passed Ref.	\$26,154,482 \$27,403,542	-6.9% -2.5%	\$6,573,317	+5.6%
2023-24	\$28,100,801	-2.7%	\$6,226,286	+34.8%
2022-23	28,884,529	-7.5%	4,620,626	+7.4%
2021-22	31,240,685	-8.6%	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	



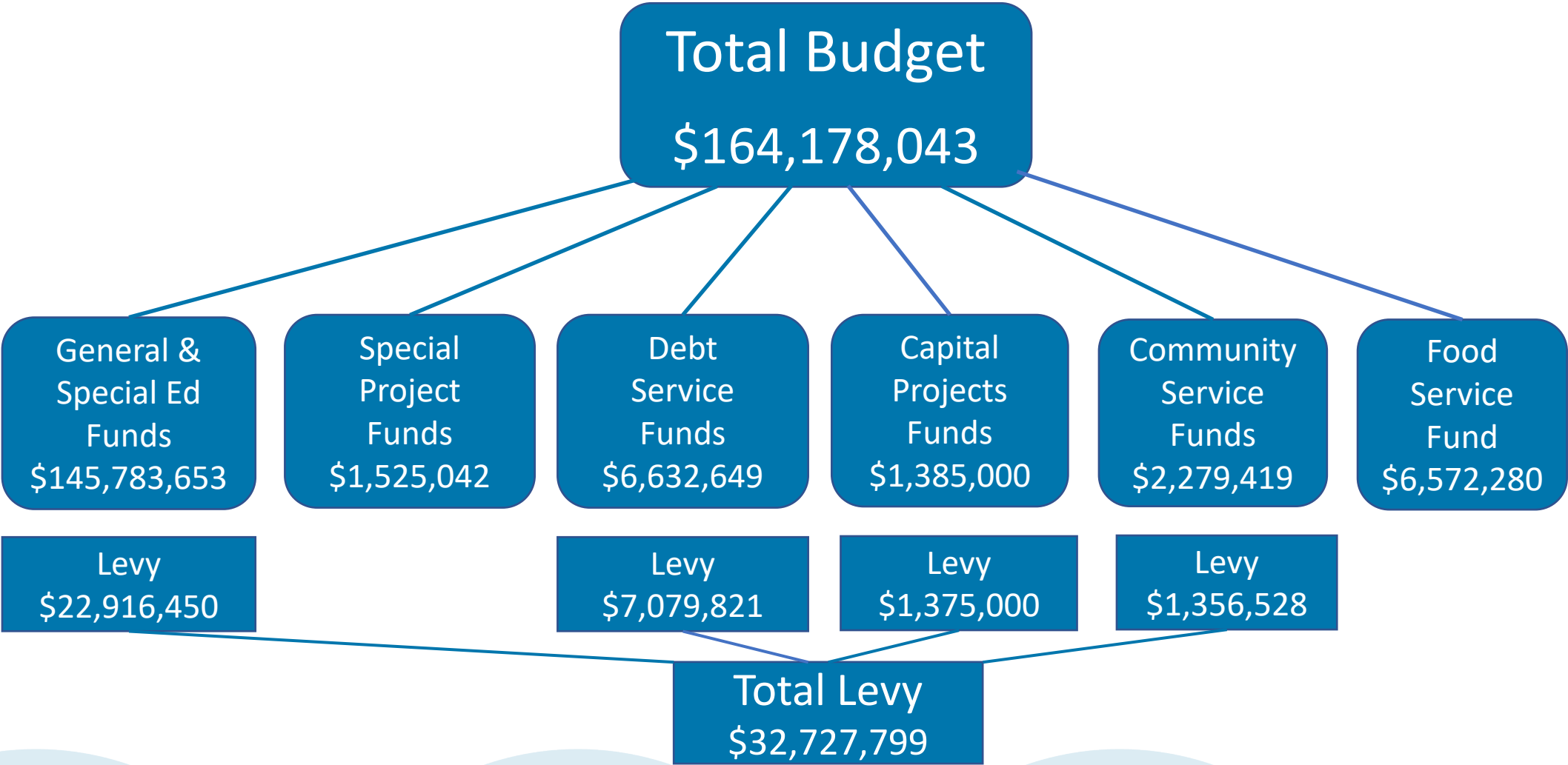
Tax Levy Trend



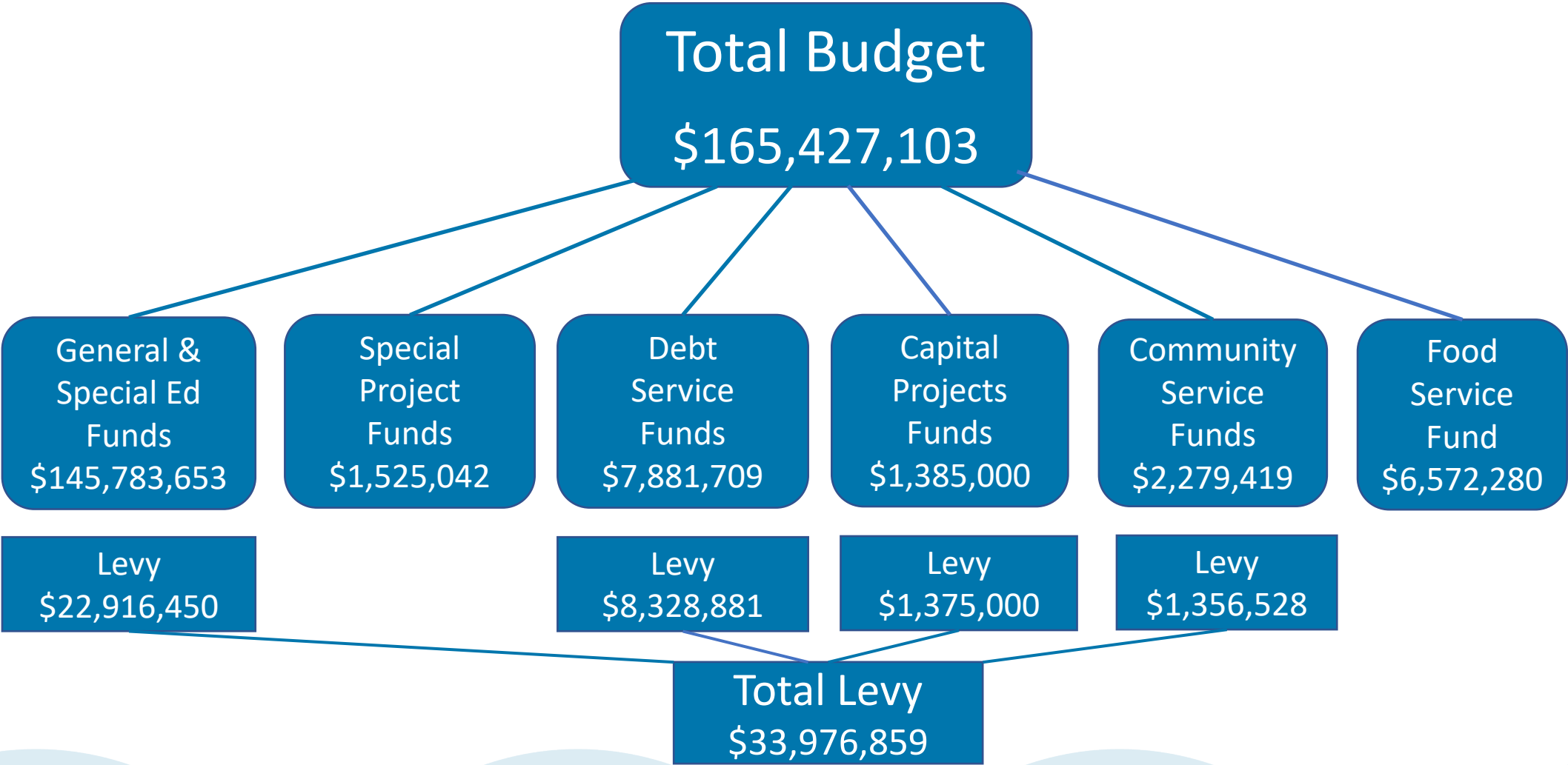
Equalized Mill Rate Trend



Summary of All Budgets – 2024-25 with no referendum

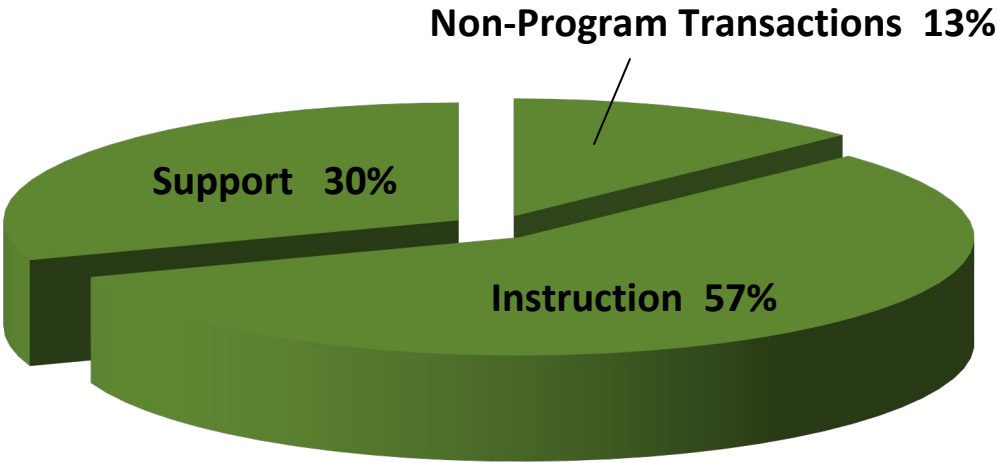


Summary of All Budgets – 2024-25 with referendum

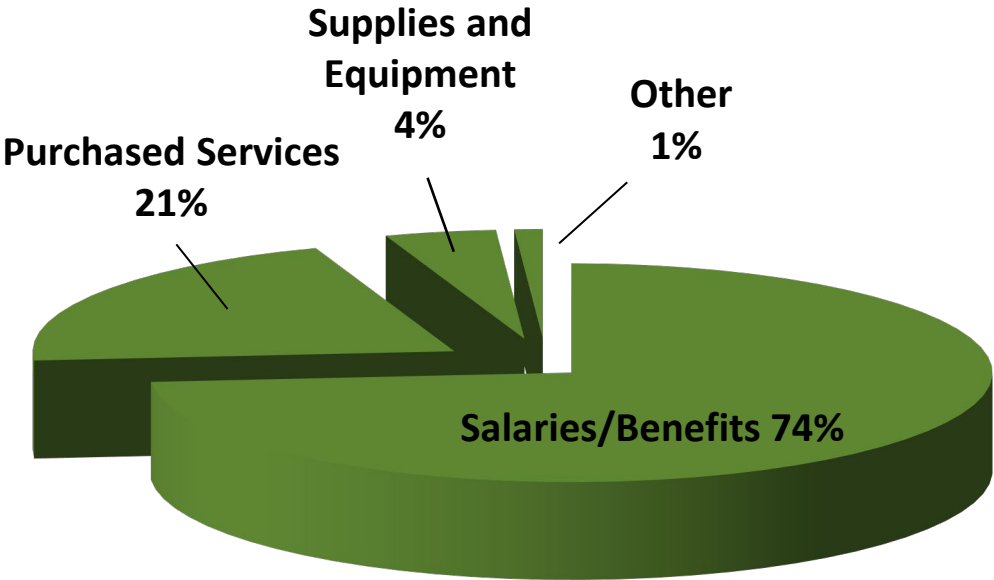


2024-25 General and Special Education

Expense Budget by Function



Expense Budget by Object



2024-25 Budget Highlights

- \$531,085 of ESSER grant funds were spent through the month of September for teacher salaries and HVAC projects. The deadline to spend ESSER grant funds was September 30, 2024.
- Enrollment based reduction of 14.3 FTE teacher positions.
- 9.75% medical insurance premium increase for 2025. Premium increase is comparable to 7.4% medical and 10.4% pharmacy inflation.



2024-25 Budget Highlights

- Total teacher group salary increase of 4%
- 4% increase for administrators and support staff
- \$111,160 budget increase for moving the 4K programming to a 5-day schedule
- Total education fund (10&27) budget increase of 0.4%



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 4% 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 it's retiree health care benefit.

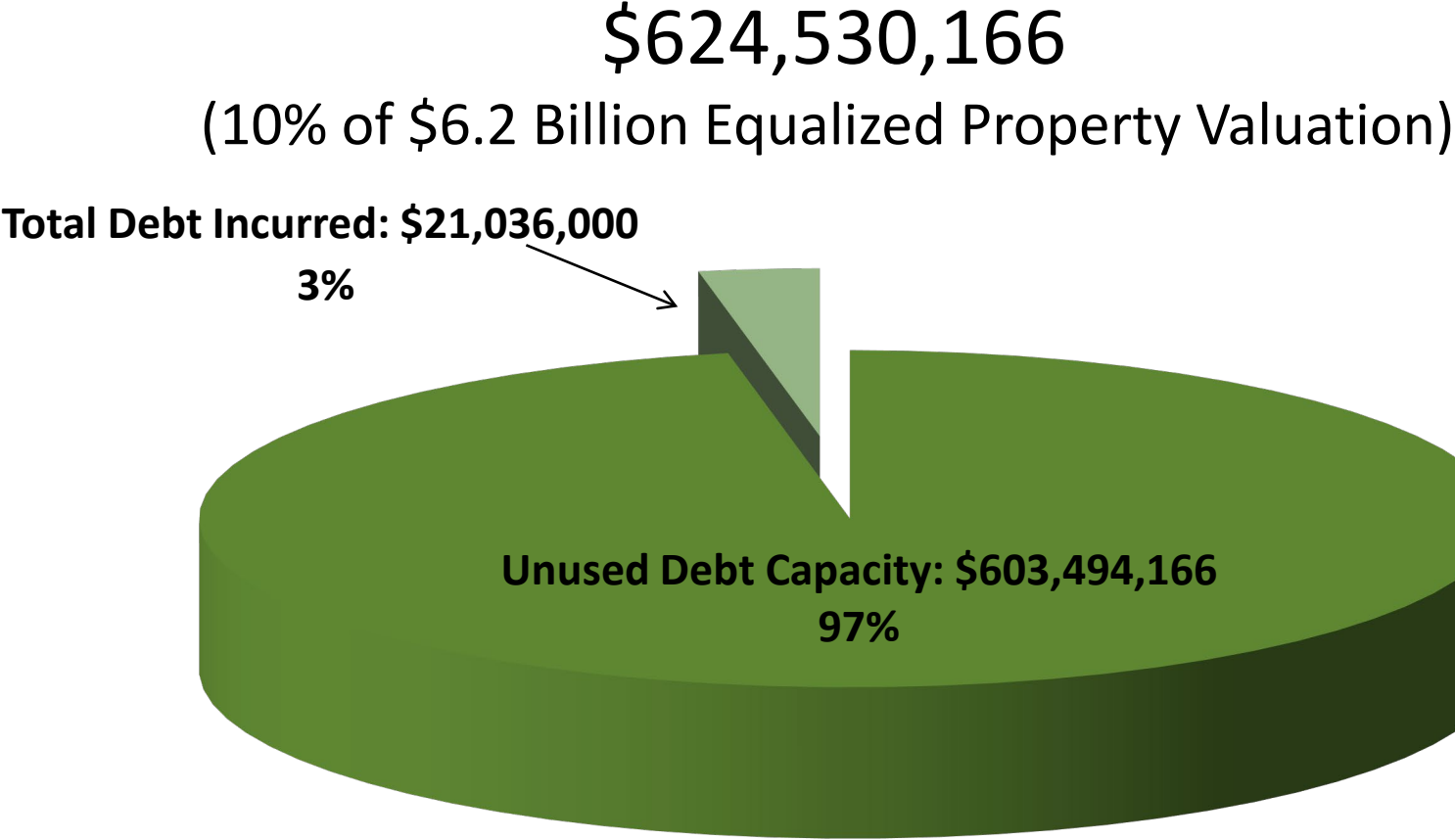


District Debt Service

- As of 6-30-24 the District has four bonds with maturity schedules from 2024-2035
- As of 6-30-24 the District has \$21,036,000 in remaining long-term bonded debt
- Statute allows for debt up to 10% of the \$6,245,301,660 equalized value of the District



District's Legal Debt Capacity



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.



Key Points

- State budget included a \$325 per-student revenue increase for 2024-25
- The revenue increase is less than inflation
- State general aid increased by 4.9%
- Increases in state aid go towards local tax levy relief and do not increase the amount of revenue to the District
- Even with a passed referendum, the tax levy would decrease by 1.0% and the tax mill rate would decrease by 10.7%



Key Points

- \$6,573,317 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 (5.6%) increase from the previous year.
- In 2023-24, local private schools that participate in the voucher program had a total enrollment of 1,405 students, with 699 students (49.8%) receiving vouchers.
- In 2024-25, total enrollment for those private schools is 1,405 (no increase), with 717 (+18) students receiving vouchers (51%).



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.

