

## Media Release - Levy Rates 10/13/23

Dear Community,

With the upcoming annual meeting on October 25, I thought it would be beneficial to provide some information regarding levy rates.

The School District of Mellen (SDM) only has the authority to certify a total tax levy within the limits of the law and then provide each municipality with the amount that reflects their portion of the total based on property values of the municipality that lie within the district as a percent of all property values.

Two goals of the Board of Education for 2023-2024 in determining the total tax levy:

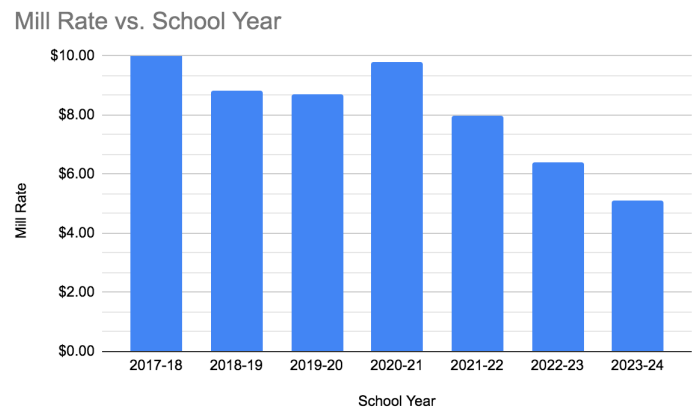
1. Maintain a consistent mill rate
2. Levy according to MSD financial needs

✓ The MSD meets neither of these objectives with the preliminary levy to be approved by the Board.

Each school district in Wisconsin has the authority to levy up to a specific dollar amount for public schools. This amount is different for every district and is set by the State of Wisconsin in what is known as the "Revenue Limit." The mill rate is calculated by taking the Revenue Limit and then dividing this by the Total Equalized Value for all properties within the school district. This answer is then multiplied by 1,000, to get a mill rate, or rate of tax per \$1,000 of property value.

The Mellen School District mill rate has steadily decreased since 2017-18.

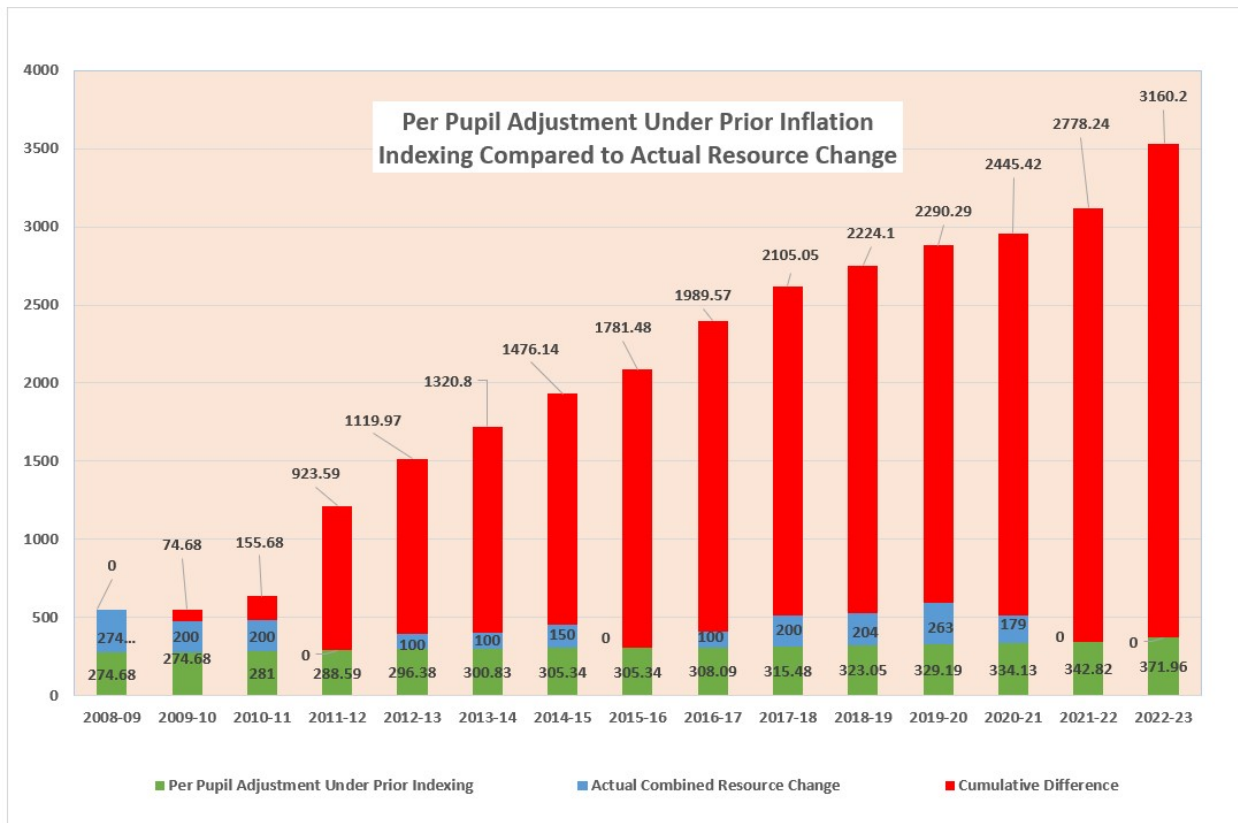
School Year	Mill Rate
2017-18	\$10.84
2018-19	\$8.84
2019-20	\$8.69
2020-21	\$9.81
2021-22	\$7.99
2022-23	\$6.41
2023-24	\$5.11



There are many variables that affect the mill rate. The most apparent one is the “Revenue Limit” and “State General Aid”. A district’s revenue limit is the maximum amount of revenue that may be raised through state general aid and property tax for the General, Non-Referendum Debt and Capital Expansion Funds, also referred to as Funds 10, 38 and 41 respectively. Since the state sets a limit on the maximum amount of revenue, when state general aid increases the levy amount decreases; thereby resulting in a lower mill rate. Other variables affecting the mill rate are the total equalized value of the properties in the district and the paying off of debt.

SDM’s total 2023-24 preliminary tax levy is \$907,585. In simplistic terms, since the total equalized value of property in the District went up by 16.6% and the revenue limit has not, the result is a lower mill rate.

School district property taxes include levies for general operations, debt service, facility needs and community services. Due to inflationary increases in school operation costs, unfunded state mandates and the fact that the state of Wisconsin has not provided an inflationary index in its per pupil adjustment, the District has projected deficit spending for the upcoming years unless the District goes to referendum. The graph below shows the ever increasing gap (red) between what is needed to fund school operations and what the state is providing.



In conclusion, I recommend that you attend the annual meeting and the upcoming board meetings to learn more about the financial future of the District. Our number one priority is to be able to provide the quality educational experience that our children deserve.

Sincerely,

Rhonda Elmhorst-Friemoth  
 Superintendent  
 School District of Mellen