

FAQ from the January 9, 2023 School Board Meeting, Video of the meeting is available on the District Website.

1. How are schools funded from the state and local taxpayers? Wisconsin schools derive their revenues from four major sources: state aid, property tax, federal aid, and other local non-property tax revenues such as gifts, fees and tuition. Under current law, there is a limit on the annual amount of revenue that each school district can raise through the combination of general school aid (defined as equalization, integration and special adjustment aids), computer aid, and select property taxes. State aid reimbursement varies from district to district depending on each district's property valuation per pupil (total equalized valuation of the District divided by pupil enrollment), and school spending. The School District of Monroe state aid reimbursement rate is higher than average due to the equalized property valuation per pupil for the District being less than the state average. This means the state picks up a larger portion of the cost for the District and lowers the local property tax portion when compared to the state average for all school districts.
2. Why does the District use Fair Market Value instead of Assessed Value like other taxing authorities? All public school districts in the state of Wisconsin are required to use equalized valuations set by the Department of Revenue (DOR) for each municipality to apportion school taxes equally between municipalities with different property value assessment ratios. The property value assessment ratio is a municipality's total assessed value divided by the DOR equalized valuation for the municipality. Although the DOR does not assign an equalized valuation for each individual property and the words "equalized valuation" do not appear on your tax bill, when you divide your property's assessed valuation by the assessment ratio, you get what is identified as the Fair Market Value for your individual property which is consistent with the equalized value that is used for school levy rates.

Total Assessed  
\$ 190,400  
Ave Assmt Ratio  
= 932881139  
Equals Total  
Estimated Fair  
Market Value  
\$ 204,100

Same Property  
Next tax year  
↓

Total Assessed  
\$ 190,400  
Ave Assmt. Ratio  
= 779087329  
Equals Total  
Estimated Fair  
Market Value  
\$ 244,400

ASSESSED VALUE LAND 19,800	ASSESSED VALUE IMPROVEMENTS 170,600	TOTAL ASSESSED VALUE 190,400	AVERAGE ASSMT. RATIO 0.932881139	NET ASSESSED VALUE RATE 0.02425556	
ESTIMATED FAIR MARKET VALUE LAND 21,200	ESTIMATED FAIR MARKET VALUE IMPROVEMENTS 182,900	TOTAL ESTIMATED FAIR MARKET VALUE 204,100	<input type="checkbox"/> A star in this box means unpaid prior year taxes.	School taxes also reduced by school levy tax credit 321.05 <small>(Does NOT reflect credits)</small>	
TAXING JURISDICTION	2020 EST. STATE AIDS ALLOCATED TAX DIST.	2021 EST. STATE AIDS ALLOCATED TAX DIST.	2020 NET TAX	2021 NET TAX	% TAX CHANGE
Green County	342,011	353,627	1,000.41	1,000.52	0.0%
City of Monroe	1,966,321	2,205,779	1,826.55	1,853.92	1.5%
Monroe School	12,642,330	12,211,352	1,565.66	1,559.33	-0.4%
BLACKHAWK TECH	726,658	745,390	210.18	204.49	-2.7%
<b>TOTAL</b>	<b>15,677,320</b>	<b>15,516,148</b>	<b>4,602.80</b>	<b>4,618.26</b>	<b>0.3%</b>
<b>FIRST DOLLAR CREDIT</b>			-69.50	-69.02	-0.7%
<b>LOTTERY AND GAMING CREDIT</b>			-170.33	-244.78	43.7%
<b>NET PROPERTY TAX</b>			<b>4,362.97</b>	<b>4,304.46</b>	<b>-1.3%</b>

2021

FOR INFORMATION PURPOSES ONLY • Voter Approved Temporary Tax Increases					
Taxing Jurisdiction	Total Additional Taxes	Total Additional Taxes Applied to Property	Year Increase Ends	Taxing Jurisdiction	Total Addition Taxes
Green County	179,981	42.71	2025		
Monroe School	1,127,251	267.50	2024		
Monroe School	920,036	218.33	2024		

ASSESSED VALUE LAND 19,800	ASSESSED VALUE IMPROVEMENTS 170,600	TOTAL ASSESSED VALUE 190,400	AVERAGE ASSMT. RATIO 0.779087329	NET ASSESSED VALUE RATE 0.02694541	
ESTIMATED FAIR MARKET VALUE LAND 25,400	ESTIMATED FAIR MARKET VALUE IMPROVEMENTS 219,000	TOTAL ESTIMATED FAIR MARKET VALUE 244,400	<input type="checkbox"/> A star in this box means unpaid prior year taxes.	School taxes also reduced by school levy tax credit 319.15 <small>(Does NOT reflect credits)</small>	
TAXING JURISDICTION	2021 EST. STATE AIDS ALLOCATED TAX DIST.	2022 EST. STATE AIDS ALLOCATED TAX DIST.	2021 NET TAX	2022 NET TAX	% TAX CHANGE
Green County	353,627	364,377	1,000.52	1,065.55	6.5%
City of Monroe	2,205,779	2,195,911	1,853.92	1,899.77	2.5%
Monroe School	12,211,352	13,034,197	1,559.33	1,960.16	25.7%
BLACKHAWK TECH	745,390	801,124	204.49	204.93	0.2%
<b>TOTAL</b>	<b>15,516,148</b>	<b>16,395,609</b>	<b>4,618.26</b>	<b>5,130.41</b>	<b>11.1%</b>
<b>FIRST DOLLAR CREDIT</b>			-69.02	-79.30	14.9%
<b>LOTTERY AND GAMING CREDIT</b>			-244.78	-260.29	6.3%
<b>NET PROPERTY TAX</b>			<b>4,304.46</b>	<b>4,790.82</b>	<b>11.3%</b>

2022

FOR INFORMATION PURPOSES ONLY • Voter Approved Temporary Tax Increases					
Taxing Jurisdiction	Total Additional Taxes	Total Additional Taxes Applied to Property	Year Increase Ends	Taxing Jurisdiction	Total Addition Taxes
Green County	185,375	44.31	2025		
Monroe School	2,048,514	489.67	2043		
Monroe School	1,173,618	280.54	2024		
Monroe School	929,266	222.13	2024		

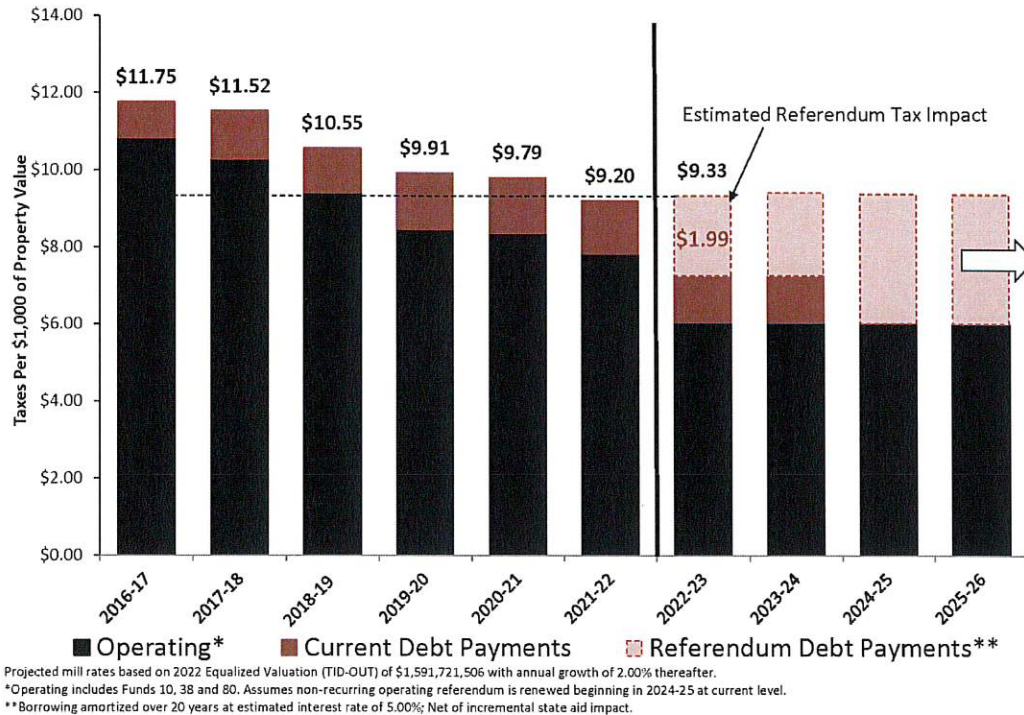
Total Assessed Value, divided by Average Assmt Ratio  
equals Total Estimated Fair Market Value.

3. Who sets the Fair Market Value and how is it determined? The Department of Revenue determines the Equalized Value (which is represented as Fair Market Value on the tax bill) for each municipality as a whole. If you divide your Assessed Value by the assessment ratio you will get the Fair Market Value on your tax bill. The ratio between the municipality's total assessed valuation and the Department of Revenue's Equalized Value for the municipality is the assessment ratio.
  
4. Did other districts in the state experience the same or similar tax impact issues we did in Monroe? Yes, this varies by area of the state and how close each municipality's assessment ratio is to 100% of the fair market values determined at the state level. School districts who have voter approved debt through referendum passage will see an increase in dollars paid for debt related to the passage of the referendum even if the levy rate remains at or near pre-referendum level.

Mill rate impact per \$1,000 of Fair Market Property Value:	\$1.99	
Fair Market Property Value	Estimated Annual	Estimated Monthly
\$100,000 Property	\$199.00	\$16.58
\$200,000 Property	\$398.00	\$33.17
\$300,000 Property	\$597.00	\$49.75

Assumptions | Mill rate based on 2021 Equalized Valuation (TID-OUT) of \$1,349,069,029 with growth of 15.00% in 2022 and 2.00% thereafter. Multi-phased borrowings amortized over 20 years at estimated interest rates of 3.50-4.50%  
 Prepared by Baird Financial Consultants.

Historical and Projected Mill Rate



Prepared by Robert W. Baird & Co. Incorporated S:\school district\monroe s\debt service\2022\ds monroe sd.xlsx #11/01/9/2022

5. If there is extra money collected due to the increased property value, can the district credit this back to taxpayers? There was not “extra money” due to the increase in property valuation. The tax increase is for the cost of debt related to the referendum. The total school tax bill contains all operational money and debt service for passed referendums. There is Annual Meeting budget information available in the October 17, 2022 Board meeting. Final updated numbers after receiving official state aid and equalized valuations are in the October 24, 2022 Regular Board of Education meeting under New Business items B., C., D., and E.
  
6. What can be done in the near future to reduce school taxes after this year? The District is looking at different ways to address future school taxes and

will share information as it becomes available. All areas of the budget are being looked at. The possibility of returning the current high school site for housing development would increase the tax base.

7. Can the referendum results be reversed? There is no legal procedure for reversal of a referendum, passed or failed.
8. Can the BOE pass a new resolution and hold another referendum for a new HS? Yes, but not in place of the currently passed referendum. A new referendum, if passed, would give the Board additional authorization to issue more bonds/debt for whatever reason the referendum would include.
9. Why was the \$88m borrowed so quickly after the vote? The money was borrowed to cover initial expenditures related to the purchase of land and design of the building. Having the funds available also allows the District to earn interest proceeds to use for the project to help offset inflationary increases in costs.
10. How long does the District have to start the project before it becomes null? The authority does not expire in Wisconsin. The referendum was passed and has an established and planned time frame to be within the cost parameters. The District's various user groups meet to develop the details for design, construction, and bid packet information during the winter of 2023. The architect and construction team would work on the design and creation of construction documents throughout the spring and fall of 2023. Excavation and construction would begin either fall of 2023 or spring of 2024 with completion expected fall or winter of 2025. The main reason to start the project as planned is to optimize the tax dollar investment for the proposed project.
11. How much money is lost for the project if it is delayed 6 months? 1 year? 2 years? In normal years, the District plans for an average increase in costs of 2.5 - 3%. A delay of 6 months could have a negative impact on dollars available from the referendum of \$1.1m - \$1.32m. A year would be \$2.2m - \$2.64m. This is a very conservative estimate, last year inflation was above

7% and interest rates have been rising. The sooner the project begins, the more dollars that will be available to address material/physical needs of the projects versus interest or inflation loss of value.

12. What impact will a delay on the project have on our bond rating and interest rate? The municipal bond market is fluid and varies daily based on a number of economic factors so it is uncertain as to the impact delaying would have on the market interest rate at the time of issue. A delay in the project and uncertainty in the project and/or future operations of the District could negatively impact the bond rating that the District would receive. A lower bond rating would result in a higher interest rate and added cost.
13. Why does the BOE go into closed session when discussing the purchase of property? Considering the purchase of property is done in closed session to enable the Board to consider bargaining and negotiating approaches. If the purchasing of property were done public, the district, and in some cases the property owner, would be at a disadvantage to negotiate for a fair price.
14. When is the next meeting of the electors to authorize purchase of land for the new HS? It has not been scheduled yet. Properties around the city are still being considered and cost estimates are being made for comparison before the Board brings a property forward for approval. A Class 2 notification will be published in the local paper prior to the next meeting of electors. A class 2 notification requires two publications in consecutive weeks, the last of which shall be not less than one day nor more than 8 days before the meeting. State Statute 120.08(2)(b). Information will also be posted on our website, District Facebook, and Instagram pages.
15. How is the District going to regain the public's confidence? The District has been fiscally responsible for the last 17 years and will continue working to provide the best possible education in the most financially responsible way. Transparency and accurate communication will continue to be our goals. Confidence will need to be earned back.

Those of you who know people who shared and presented information, also know they are respected, committed community members with high levels of character and integrity. There was no intention to mislead anyone. Had we fully understood the impact of the increase in valuation, we would have communicated it.