



District Administrative Center

925 16th Avenue, Suite 3
Monroe, WI 53566

"Preparing for the Future, One Child at A Time"

December 22, 2022

Dear School District of Monroe Taxpayers,

In recent weeks, several taxpayers have come forward with questions about the increase in school district taxes due to the recently passed referendum. We are writing to follow up on these questions.

Early in our referendum communication, we spoke of the \$1.99 per \$1,000 impact of the new debt service for the new high school and updates to Abraham Lincoln Elementary School if the referendum were to pass. We also communicated the District's tax levy rate has been decreasing recently. To make this point, we showed a graphic illustrating the anticipated reduction in the levy rate without the referendum and what adding that \$1.99 for new debt would do to our levy rate.

Initially, we projected that the District's levy rate would increase by \$0.50 per \$1,000 of equalized property valuation if the referendum passed. Later, based on new information from the state, we updated this impact number to \$0.35 per \$1,000 of equalized property valuation, and ultimately, \$0.13 per \$1,000 of equalized property valuation.

At that time, numerous community members expressed confusion over the discussion of the cost of debt and its difference from the levy rate increase. As a result, in our referendum communication, the District began focusing more on the levy rate increase, as that is what most school districts focus on, and it is what people are used to discussing as part of the annual budget process.

In communicating about the levy rate increase, we did not include individual tax impacts for the referendum, which are impacted by increases in state-assigned equalized property valuations, which are represented on your tax bill as Fair Market Value.

Each year in August, the State Department of Revenue provides an estimate of equalized valuation to every district. In October final equalized valuations for each municipality are published so that school taxes can be spread equally across municipalities in the District based on total municipal property values. However, this year we saw an unprecedented change in the state equalized valuation for the school district. The state increased our District equalized valuation this year at a historic rate of 18%. This is more than 10% higher than the highest increases in the past 25 years. Equalized valuation generally increases by 2% to 4% annually. These unprecedented valuation increases resulted in a larger impact to an individual's property taxes than expected by the District.

The District shared the standard methodology of providing the year over year increases in the levy rate of \$.13 per \$1,000, which was accurate. However, we failed to adequately recognize, and therefore communicate, the impact of property valuations for net individual tax increases. The large valuation increase reduced the District's levy rate and levy rate increase, making the new debt from the referendum appear to have little or no impact on property taxes.

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In hindsight, the impact to individual property owners was unexpected and not well understood until taxpayers began receiving their property tax bills. In our referendum communications, we failed to capture the potential net impact for property owners with large valuation increases. For this, we apologize. This was not intentional; we value transparency and honesty. Had we fully understood the impact the unprecedented increase in valuation had on the mill rate, we would have communicated that.

The School District of Monroe exists to serve our community. For an organization that exists to create opportunities, prepare children for their future, and demonstrate accountability, failing to adequately recognize the individual tax increases was a mistake. We are profoundly saddened as the impact is felt by those in the community we exist to serve and have disappointed our students, employees, supporters, and, most importantly, our community. We will continue to work hard for our community and students and hope this communication helps you better understand what happened.

Sincerely,

Rodney Figueroa, Superintendent
Monroe School District

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