Swallow School District



2025-26 Budget Hearing
September 17, 2025

PRESENTATION OF THE PRELIMINARY 2025-2026 BUDGET

Why are we meeting tonight?

- Per Wisconsin Statute 65.90, school districts are required to develop a proposed budget, hold a public hearing, and formally adopt a budget that outlines anticipated revenues, expenditures and fund balances.
- This hearing provides an opportunity for community members to engage in the budget process - reinforcing our commitment to transparency, accountability, and responsible stewardship of public funds.

Budget Development Timeline

December 2024 through June 2025
- Revenue estimates are developed based on projected enrollment and state budget
- Expenditure estimates are developed based on staffing, programming, and available revenue

July 2025
- Preliminary budget presented to the School Board

August 2025
- Preliminary budget approved by the School Board

September 2025
- Preliminary Budget published
- Annual Meeting & Budget Hearing

September/October 2025
- Adjustments made based on September enrollment counts and property valuation

Late October/Early November 2025
- October 15 – State Equalization Aid certified by Wisconsin DPI
- Late October – School Board final certification of the tax levy and budget

THINGS TO NOTE:

- The information provided at this meeting was current as of August 13, 2025 due to the timing of the Board of Education approval of the preliminary budget on August 20, 2025.
- There are still assumptions and calculated estimates in the presented information.
- An updated and final budget will be brought forward to the Board of Education of October 27, 2025 for action along with a final levy and mill rate.
- A budget is a living document and is subject to change with potential for amended budgets as appropriate.

Factors Affecting 2025-26 Budget

Enrollment

- Largest factor in school finance
- Resident Enrollment -Increasing for first time in 4 years
  - Historical Declining Enrollment impacts 3-year rolling Membership Avg
- Open enrollment - Increased

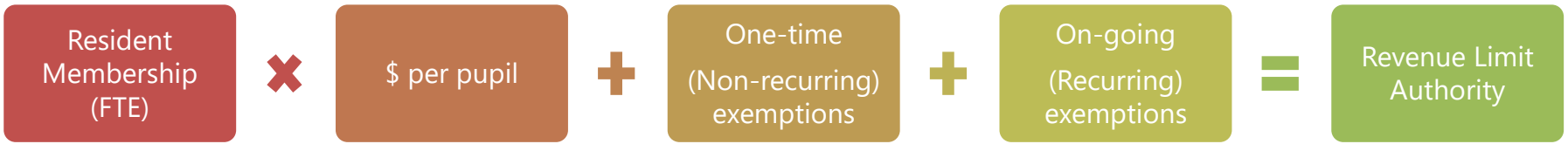
State Budget

- Impact of State of Wisconsin biennial budget: +$325 per pupil in FY26 & FY27
- Special Education Aid : 39%: Still falls short of increased service needs
- No additional aids provided to school shifting financial burden to tax payer

Cost Increases

- Ongoing Inflation
- Unfunded curriculum Mandates – Act 20
- Rising Health Care Costs

What is the Revenue Limit & How is it calculated?



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. It is driven by resident FTE x the district's maximum revenue / member.

Revenue Formulas

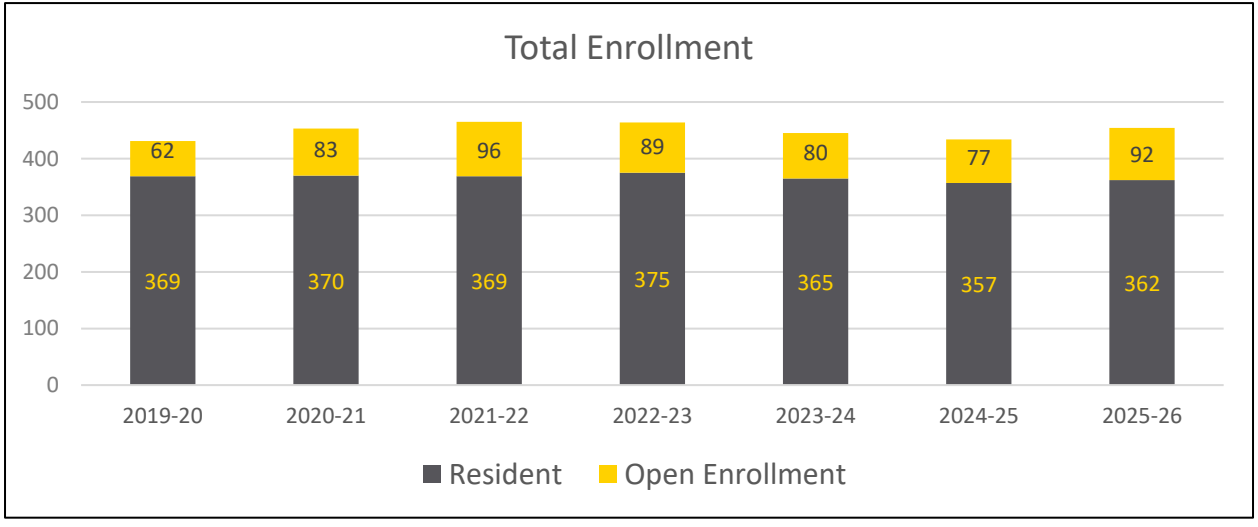


Total Revenue Limit - State Equalization Aid = Local Property Taxes

- When aids increase, property taxes decrease
- When aids decrease, property taxes increase

- Revenue Limit and Equalization Aid each have their own complex formulas

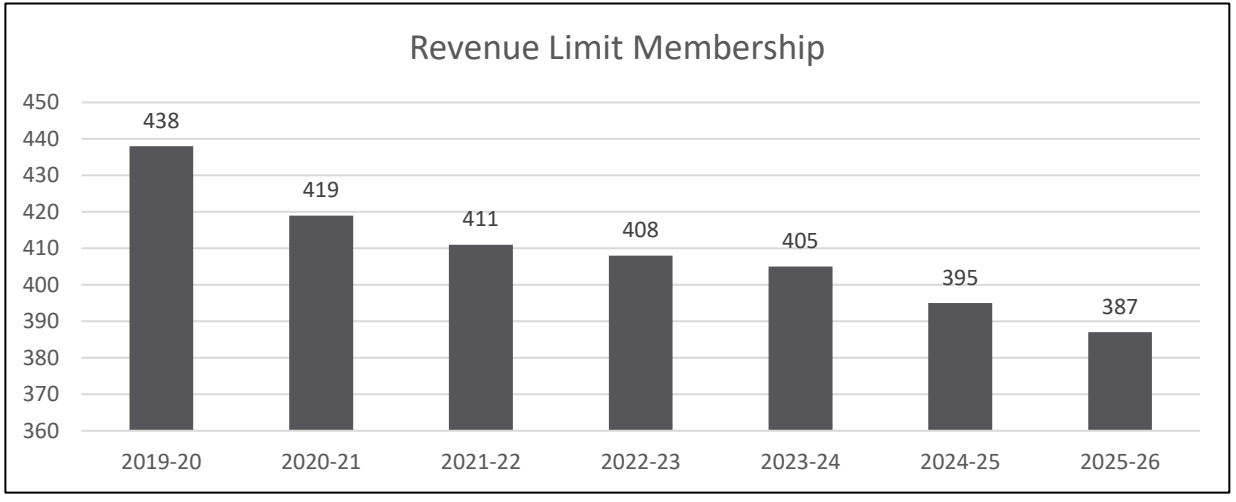
Membership & Enrollment



*2025-26 Enrollment is an estimate

Membership refers to students who reside within Swallow School District and are educated in a public school system and are counted for in revenue limit and state aid purposes. This is different from **Enrollment**, which includes only those students who are actively educated at Swallow School District.

Membership & Enrollment

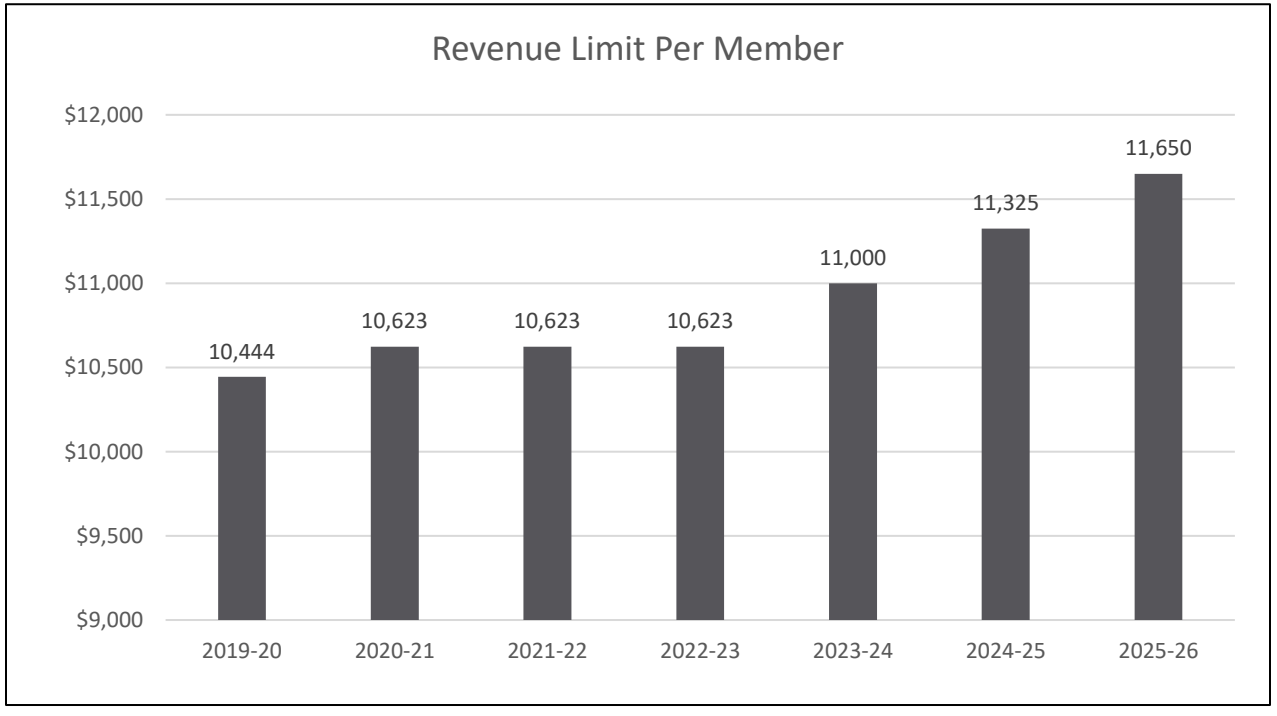


3 Year Average: 387

- 2023 = 395
- 2024 = 384
- 2025 = 381 *(Estimate)*

Membership is one of the key factors in determining our revenue limit. The figures shown are preliminary and will be updated following the official 3rd-Friday in September count, with final numbers presented at the October 27 Board of Education meeting.

Revenue Limit Per Member



2026-28 Biennial Budget:

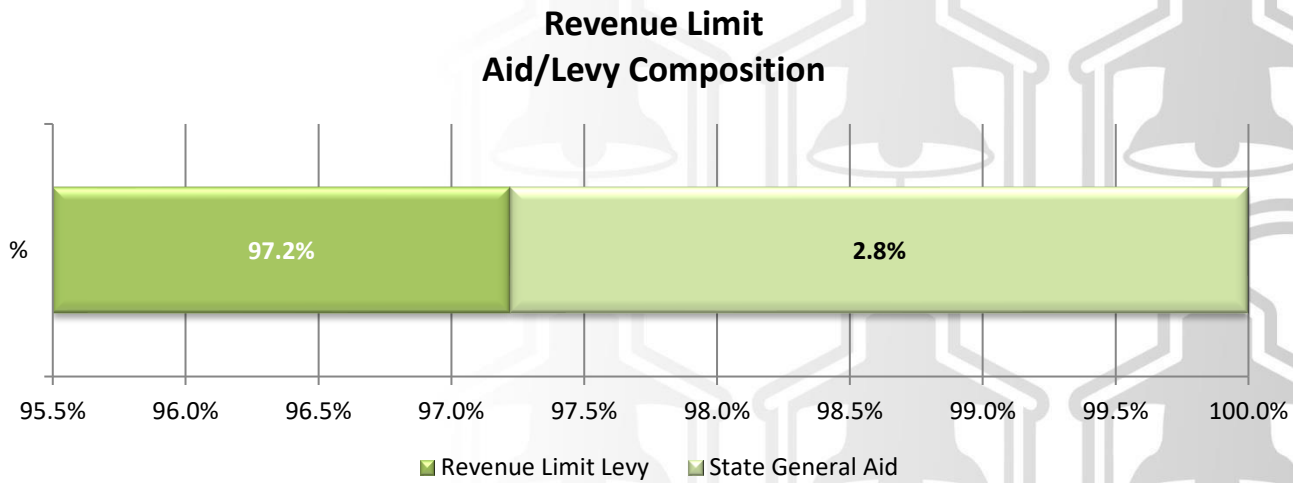
- All districts will get +$325 per pupil per year
- 25-26 Max Revenue/Mem = $11,650

Revenue Limit Per Member is one piece of data used in the complex revenue limit formula calculation

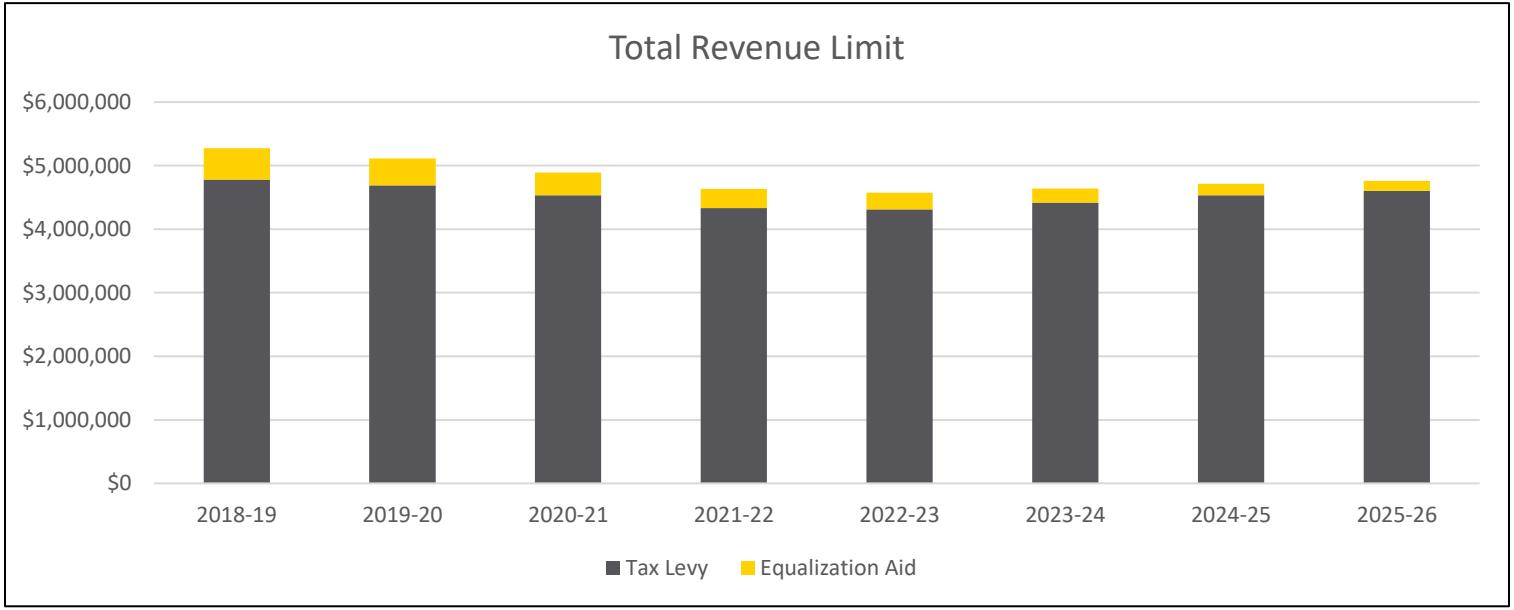
Revenue Limit Formula

- Swallow is heavily dependent on property taxes for funding due to our placement in the aid formula.
- High/Increase in property value per student leads to less state aid.
- Low property value districts receive more state aid.



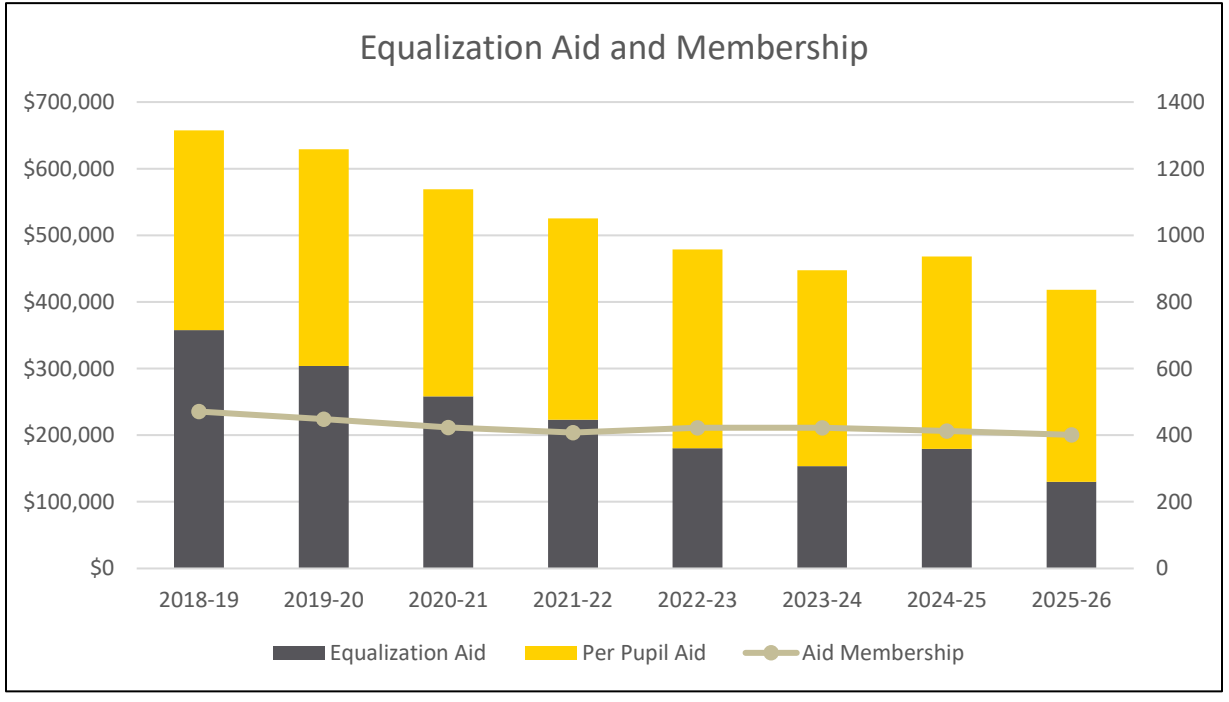


Historical and Estimate Total Revenue Limit



*2025-26 revenue limit is an estimate

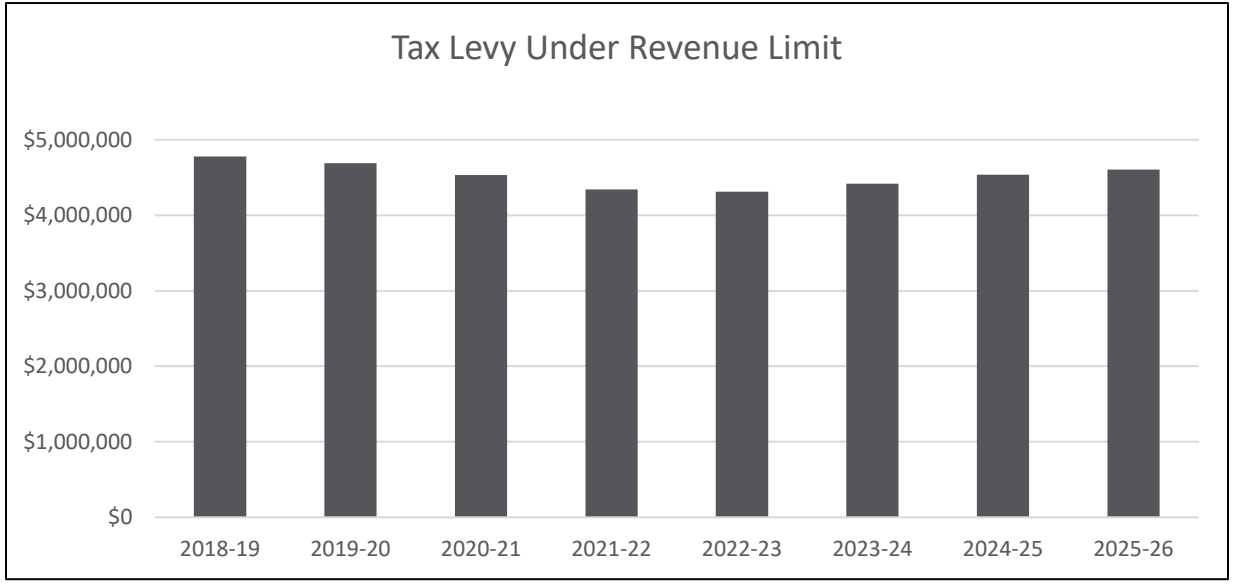
Swallow School District's State Aid History & Estimate



2025-26 amounts are estimates

- Wisconsin's Equalization aid formula allocates less state aid to property-rich districts and more to those with lower property wealth.
- Swallow's Aid has generally decreased due to the rise in property values.

Property Taxes



*2025-26 levy is an estimate

After calculating the revenue limit and recording the estimated General State Aid, Property Taxes are the second remaining large source of revenue in the funding equation for any allowable activity including operations, vouchers, and debt.

Assessed Valuation

*An **assessment** is the value an assessor places on your property that determines what portion of the local property tax levy is covered by a property. An assessed value is the value a local assessor places on taxable property.*

- Assessed valuation is determined by the local municipal assessor on January 1 in any given year ● Not required to be updated each year
- The assessed value is important for maintaining equity among individual taxpayers within the municipality

Equalized Valuation

*An **equalized** value is the estimated value of all taxable real and personal property in a taxation district. The value represents market value, or, the most probable selling price.*

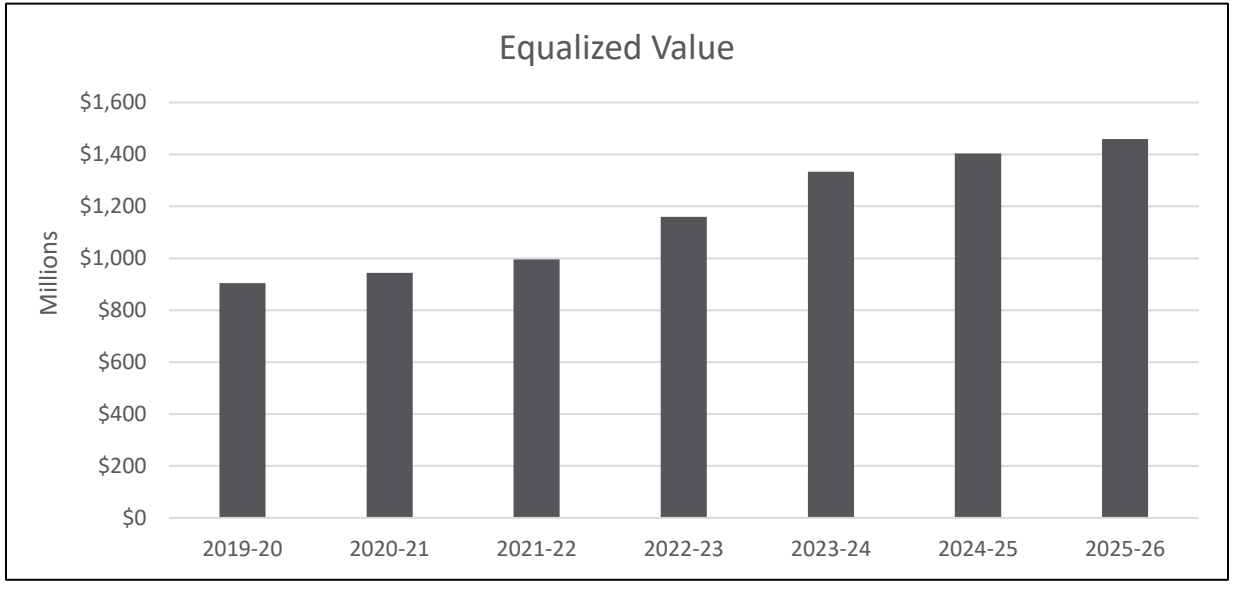
- Equalized valuation is calculated by the WI Department of Revenue (DOR), by applying an adjustment factor to the assessed value, incorporating actual property sales in the municipality during the past year
- It is meant to ensure each type of property has comparable value regardless of local assessment practices
- Equalized values create equity between municipalities

Why Use Equalized Values?

Levy distribution based upon equalized value

- Treats all municipalities as though they had been revalued during the year
- Offsets variances in assessment practices between municipalities
- Updated annually by the State Department of Revenue

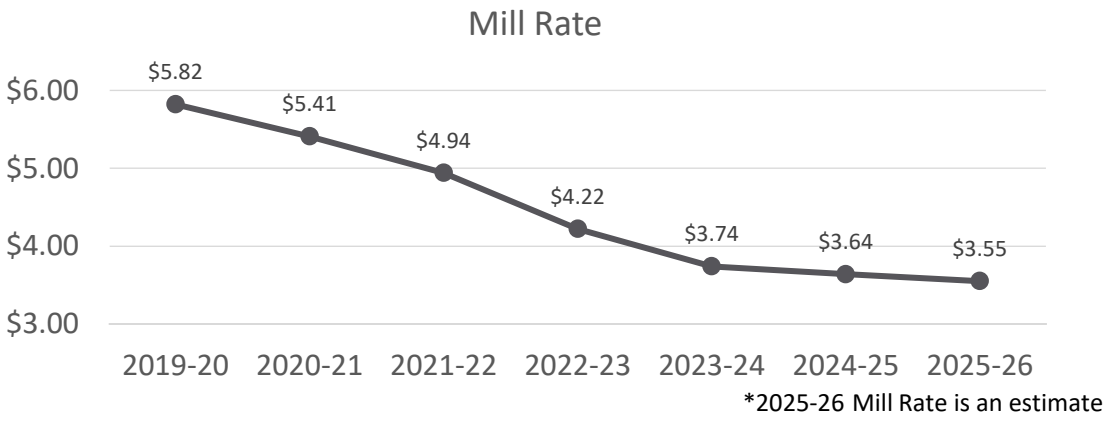
District Equalized Value



*2025-26 Equalized Value is an estimate

As property value increases while enrollment increases as a smaller rate, holds-flat or decreases, SSD is seen as a more property-rich district often adversely impacting general state aid. Property value is also the denominator when calculating the mill (or taxation) rate.

Mill Rate (Tax Rate per $1,000)



*2025-26 Mill Rate is an estimate

The mill rate is determined by dividing the total estimated levy by the District's total estimated property value. This calculation results in the average tax rate per $1,000 of property value, providing a general measure of how school taxes are applied across all parcels and municipalities in the District.

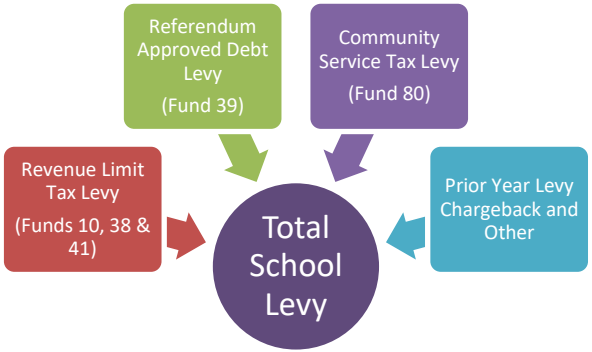
Mill Rate Calculation



Proposed Tax Levy Calculation

Local Property Tax Levy	2024-25 Actual	2025-26 Proposed	% Change
Fund 10 – General Fund	$4,538,291	$4,605,912	
Fund 39 – Debt Service	$573,060	$576,886	
Total Proposed Tax Levy	***$5,111,351***	****$5,182,798***	***1.4%***
Equalized Value	$1,403,429,659	*$1,459,566,845	4%
Mill Rate (Tax Rate per $1,000)	$3.64	*$3.55	-2.5%

*2025-26 amounts are estimates dependent upon enrollment, state aid, and equalized value certifications

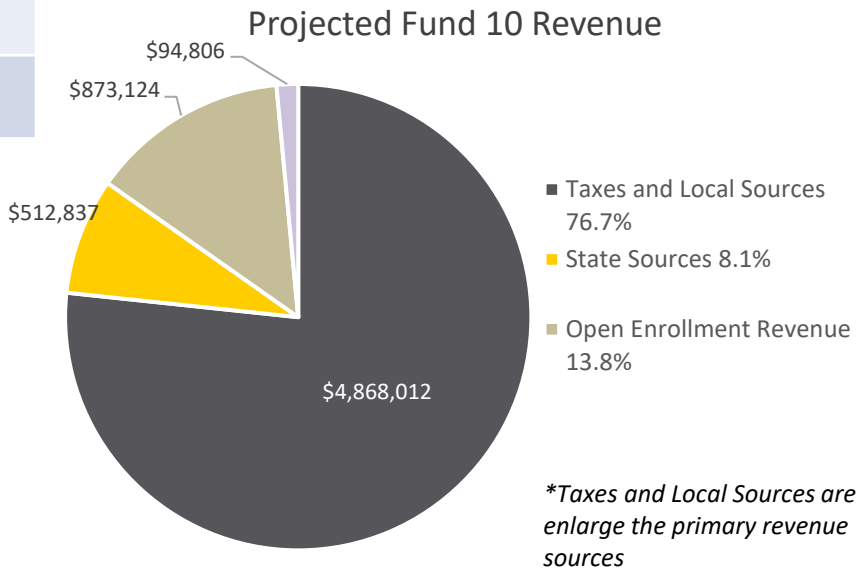


Maximum tax levy allowed based on current projections in state aid and enrollment

2025-2026 Proposed Budget

Revenue Sources - Fund 10

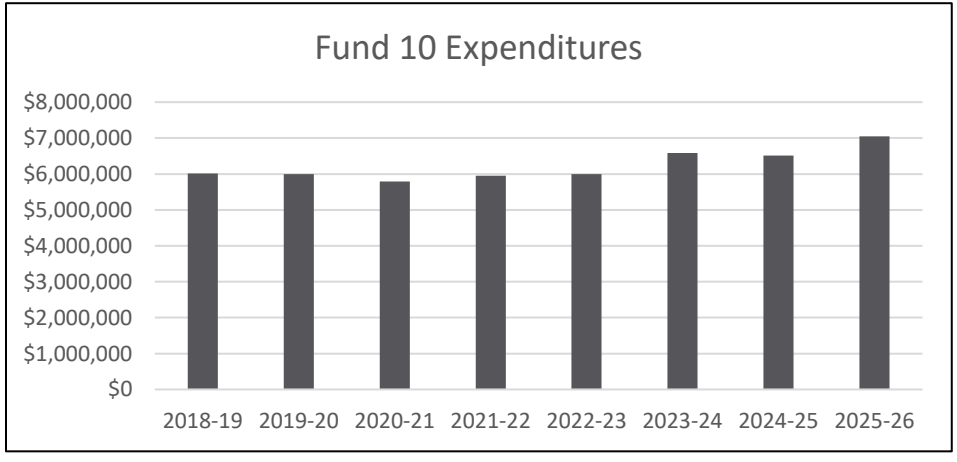
Revenues	Audited 23-24	Unaudited 24-25	Prelim Budget 25-26
Annual Revenue	6,409,066	6,211,941	6,348,779
Percent Change		-3.41%	+2.2%
	Rev. associated w/ insurance claim		Estimated Increase in Open Enroll In



**Taxes and Local Sources are by enlarge the primary revenue sources*

Annual Fund 10 Expenditures

In 24-25: F10 Expenditures came in below estimated and less than expenditures in 23-24
(due to expenditures related to water damage)



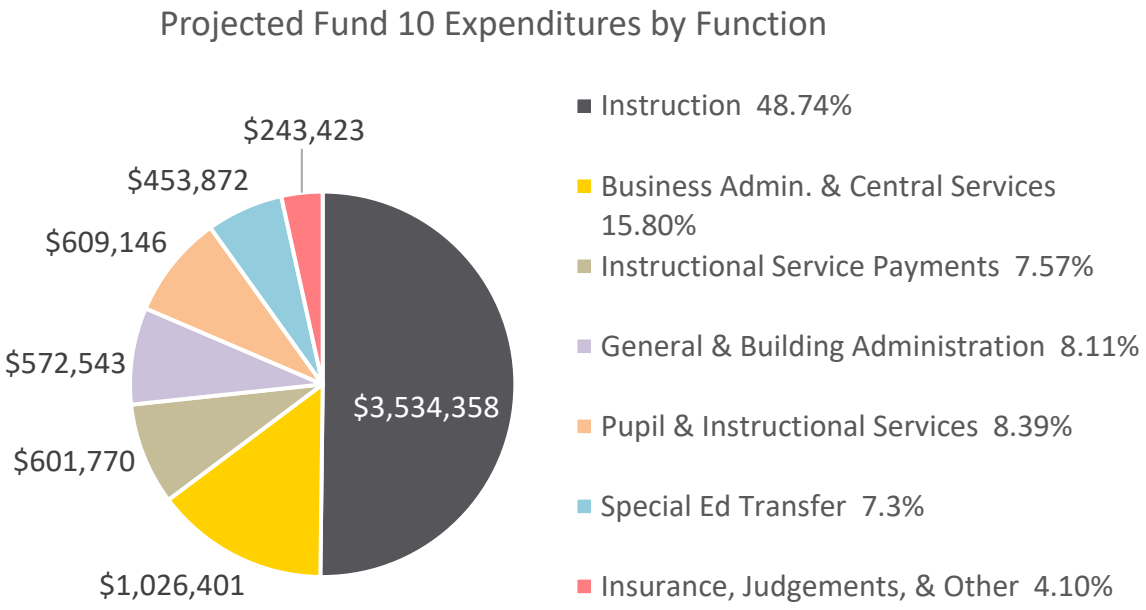
	2024-2025 Unaudited Actuals	2025-2026 Prelim Budget
F10 Expenditures	6,511,140	7,044,336
		+8.5%

2024-25 Expenditures to be finalized with Audit
2025-56 Expenditures are budgeted

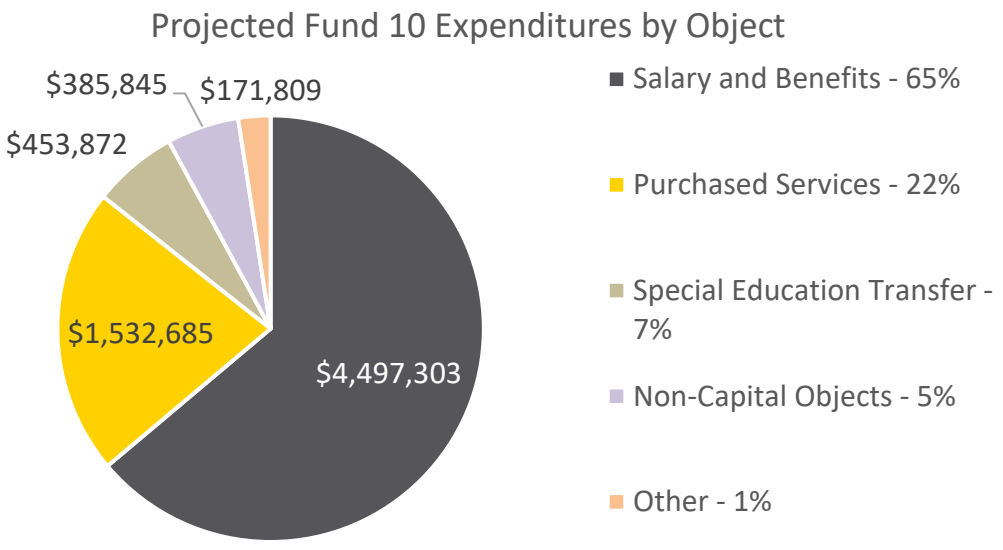
25-26 Budget Impacts

- Staff Salaries + Payroll related expenses to retain high quality instructional staff
- Health Insurance – Conservative Estimate Increase of 15%
  - 2026 Rates will not be finalized until November 2025
- Unfunded Mandates – Act 20
- Completion of postponed technology infrastructure related expenses
- Capital Spending Funded by General Fund (10)

Budgeted Expenditures by Function – Fund 10



Budgeted Expenditures by Object – Fund 10



Salary & Benefits makes up majority of any school district budget and have the greatest impact on the estimated increase in expenses for 25-26

Fund Balance – General Fund

Considered the District's cash equivalent assets minus liabilities

	2023-24 Audited	2024-25 Unaudited	2025-26 Budget
Committed Fund Balance – Retirement	0	0	0
Restricted Fund Balance	0	0	0
Unassigned Fund Balance	5,493,241	5,194,041	4,498,484
Total Fund Balance	5,493,241	5,194,041	4,498,484
Fund Balance as % of Expenditures	83.41%	79.77%	63.86%

- The year-end Fund 10 fund balance shall not fall below 18% of the preceding year's Fund 10 Expenditures

Utilization of Fund Balance

The 2025-2026 proposed budget assumes the use of $695,556 in fund balance > *Temporary Solution*

Board Policy 6235 states:

The Fund 10 fund balance shall be maintained at a level sufficient to:

- minimize or avoid short-term borrowing for cash flow purposes;
- cover unforeseen expenditure needs or unrealized revenue sources; and
- demonstrate financial stability to preserve or enhance the District's bond rating, thereby lowering debt issuance costs.

The Board will reserve adequate funds to maintain a secure financial position. The use of Fund Balance for recurring costs is discouraged.

Other Funds

SPECIAL PROJECTS FUND	Audited 2023 - 2024	Unaudited 2024 - 2025	Budget 2025 - 2026
Beginning Fund Balance	59,910.27	50,578.98	46,763.97
Ending Fund Balance	50,578.98	46,763.97	46,763.97
REVENUES & OTHER FINANCING SOURCES	690,319.96	762,418.37	797,559.92
EXPENDITURES & OTHER FINANCING USES	699,651.25	766,233.38	797,559.92

The special projects fund is used to account for trust funds, such as gifts and donations that are used for district operations. Additionally, student activity accounts are held here.

DEBT SERVICE FUND	Audited 2023 - 2024	Unaudited 2024 - 2025	Budget 2025 - 2026
Beginning Fund Balance	124,485.20	120,374.98	115,648.11
Ending Fund Balance	120,374.98	115,648.11	111,448.11
REVENUES & OTHER FINANCING SOURCES	575,074.78	573,808.13	578,386.00
EXPENDITURES & OTHER FINANCING USES	579,185.00	578,535.00	582,586.00

The Debt Service Fund is used to account for the retirement of long-term debt according to a schedule established when debt was incurred.

CAPITAL PROJECTS FUND	Audited 2023 - 2024	Unaudited 2024 - 2025	Budget 2025 - 2026
Beginning Fund Balance	1,048,543.90	865,907.96	913,431.67
Ending Fund Balance	**865,907.96**	**913,431.67**	**192,431.67**
REVENUES & OTHER FINANCING SOURCES	**57,690.06**	**47,523.71**	**29,000.00**
EXPENDITURES & OTHER FINANCING USES	**240,326.00**	**0.00**	**750,000.00**

The Long-Term Capital Improvement Trust Fund is used to fund capital projects per a district long-term capital improvement plan. Fund 46 is funded with a transfer from fund 10.

FOOD SERVICE FUND	Audited 2023 - 2024	Unaudited 2024 - 2025	Budget 2025 - 2026
Beginning Fund Balance	31,588.76	40,992.89	60,416.47
Ending Fund Balance	**40,992.89**	**60,416.47**	**60,829.26**
REVENUES & OTHER FINANCING SOURCES	**197,595.01**	**198,532.58**	**200,000.00**
EXPENDITURES & OTHER FINANCING USES	**188,190.88**	**179,109.00**	**199,587.21**

The Food Service Fund is currently Self-Sufficient – no tax or budget subsidy from district. Any surplus funds must remain in food service account.

2025-26 Budget Variables Yet-To-Be Certified

Actual September Membership Count
- Occurs on third Friday of September

Actual Apportionment of Equalized Value
- WI Dept. of Revenue certifies on October 1st

Actual Apportionment of State Equalization Aid
- WI Dept. of Public Instruction certifies on October 15th

Tax Levy
- Final approval occurs at October Special School Board meeting

Budget Hearing

Discussion by the School Board Regarding the Preliminary 2025-2026 Budget

Budget Hearing

Adjournment

Motion to Adjourn the 2025-2026 Budget Hearing