

Financial Update & Next Steps

November 19th, we held a community meeting to talk about our financial situation and need to make reductions prior to the 2026-2027 school year. I want to share an important financial update concerning the question and answer session of that meeting. Thank you for your continued support, questions, and engagement, our transparency and collaboration with the community will guide the path ahead.

Our goal is simple: Make thoughtful, sustainable reductions that protect students as much as possible.

Community Connection: Talking Points - November 19th Meeting

1. Overall Financial Picture

- Our expenses next year are projected at \$33 million, but revenue will be \$30 million.
- We must make sustainable reductions to balance the budget, not just for one year, but long-term.
- The state will not allow us to operate with a negative cash balance.
- Years of deficit spending used up our carryover; now we must correct it.

2. Enrollment & State Funding

- School funding is tied directly to the number of enrolled students in real time.
- If a student leaves, we lose funding immediately; if they return, we gain it back.
- EMIS data must be accurate to ensure we receive the correct funding.
- We currently have more students open-enrolled INTO Madison than out.
- Long-term, enrollment will likely plateau at lower numbers, based on county birth trends.

3. Why Staffing Is Part of the Conversation

- About 80% of our expenses are staffing, this is normal for schools.
- The state's simple answer would be "cut \$3 million in staff."
- We are intentionally avoiding that being the primary solution.
- Staff reductions will happen, but we want them to be minimal and strategic.
- Decisions must align staffing with current enrollment and class size needs.

4. Why a Levy Wasn't on the Ballot

- By the time we fully understood the state's concern, the filing deadline had passed.
- A levy large enough to help would require 10+ mills, which has nearly zero chance of passing right now.
- Statewide, new levies are failing at historically high rates.
- We are trying to be responsible stewards of taxpayer dollars and not ask the community for money before exhausting all other options.
- A levy may be a future conversation, but not a current solution.

5. Impact of Property Revaluations

- When property values rise, schools receive a very small increase on inside millage, but not outside millage. .
- School revenue is locked in at the amount the levy originally generated (outside millage).
- This is viewable when you look at our revenues by local levies, which rise slightly each year, and some years fall.

6. Open Enrollment

- We added a close date this year to control numbers.
- Current open-enrolled students stay; new applicants after the deadline are not accepted.
 - Each year we will have an open-enrollment time period to review openings.
- Open enrollment decisions will now be made year by year and grade by grade based on available seats.

7. Transportation

- Transportation costs roughly \$1.3 million per year.
- Bus service is essential in our large township with limited sidewalks.
- Everything is being reviewed, but no final decisions have been made.

8. Special Education

- Special Education services (IEPs, 504s) are required by law.
- Reductions in SPED are possible but very limited as we provide services and support to all students.
- Students with disabilities are a valued part of our school community.

9. CCP (College Credit Plus)

- We receive funding for the student, but the college bills us for CCP classes.
- It does create a cost impact, but CCP provides valuable opportunities we support.

10. Building Consolidation & Facilities

- Closing a building could save around \$250,000+ per year in utilities and operations.
- We could fit all students from North into South if needed.
- Repairs at North and other buildings are costly: e.g., North's roof is \$900,000 to replace.
- Selling a school building is complicated; state law requires us to offer it to community schools first.
- Buildings themselves aren't typically very valuable, the land is what holds value.

11. Extracurriculars, Pay-to-Play & Coaching

- Fewer than 10% of extracurriculars are fully self-funded.
- Most rely on the general funds.

- Pay-to-play fees have been unchanged for years and may need to increase.
- Coaching stipends are not high compared to the time and service coaches provide.
- Cutting extracurriculars is not a primary solution, we know the positive impact on students.

12. Community & Staff Input

- We will share proposals in grouped lists to avoid repeated suggestions.
- Students, staff, and community members all have input through surveys and community meetings.
- Transparency is critical, we will provide financial “buckets” for public review.

13. State Oversight

- We are currently in precaution, not Fiscal Caution.
- If in Fiscal Caution, the state reviews our finances monthly but is not controlling decisions.
- If we fail to meet expectations, oversight increases.
- Eventually, the state could loan money but would require fast repayment and strict oversight.
- We want to remain in control of local decisions.

14. Retirement, Buyouts, and Other Options

- We have not received any official retirement notices yet. If we do, they will factor into reductions.
- We are exploring all possibilities, including buyouts, but funding them is difficult.
- Asset sales would only provide one-time money, not a long-term fix.

15. “Did you know what you were getting into?”

- I understood that financial challenges were coming, but not the speed.
- Unpredictable factors, insurance hikes, county funding shifts, state formula changes, accelerated the issue.
- The community’s involvement and ideas are essential as we navigate this.