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2026-27

Budget Hearing

September 14, 2026 | 6:00 p.m.

Welcome to the 2026-27 Annual Budget Hearing

- **Key Factors in This Year's Financial Results**
 - Strategic Plan, Transparency, & Accountability
 - Celebrations
- **Long-Range Planning**
 - Facilities
 - Finances
- **2025-26**
 - Budget Recap
- **2026-27**
 - Budget Planning
 - Budget Highlights



SDMF Strategic Plan 2024-2029

Menomonee Falls Schools Strategic Plan 2024-2029

Vision	The relentless pursuit of excellence, one person at a time			
Mission	Engage	Learn	Improve	
	Our Students	Our Parents & Families	Our Employees	Our Finance & Facilities
Goals	We prepare our graduates to be college, career and life ready	We engage with our parents and families in effective, 2-way communication to support student learning	We recruit, retain and engage effective employees in all roles	We steward our finances and facilities to maximize student learning while remaining fiscally responsible



Transparency and Accountability



School District of Menomonee Falls 2026-27 Budget Development Calendar - Working Draft

V. 2.16.26

13

Public Discussion Opportunities

<u>General Target Date</u>	<u>Target Date</u>	<u>Description</u>	<u>X = Public Discussion</u>	<u>Responsibility</u>
Months of Dec./Jan.	<i>Some dates are tentative, or set by committee, and subject to change</i>			
Months of Dec./Jan.		Develop Budget (Base) Forecast Assumptions & Projection		Dir. Finance & Ops/Cabinet/BoE
		Frame Budget Scorecard & Strategic Leverage Priorities		Cabinet/Leadership
<u>January</u>		<i>Budget Assumptions & Forecast to BoE, Leadership, Staff, & Community</i>		Supt./Dir. Finance & Ops
January Board Meeting	January 12, 2026	BoE Discussion of Open Enrollment Seats & BoE Approval of Open Enrollment Seats	X	Dir. Finance & Ops/BoE
<u>February</u>		<i>Middle School/High School Registration & Staffing</i>		MS/HS Principals
PFASC	February 16, 2026	PFASC Committee Meeting - Budget Assumptions, Budget Planning Calendar	X	Dir. Finance & Ops
	February 28, 2026	Retirement Declaration Due (Certified Staff)		Potential Retirees
<u>March</u>				
PFASC	March 2026	PFASC Committee- Budget Forecast Projection, Preliminary Staffing Plan	X	Dir. Finance & Ops/Dir. HR/BoE
	March 2026	Division/Building/Department Budget Documents & Worksheets Issued		Business Services
March Board Meeting	March 15, 2026	Preliminary Budget Presented for Community Feedback & Preliminary Staffing Plan and Budget/Projected Non-renewal Notices (closed session)	X	Supt./Dir. Finance & Ops & HR/BoE
	March 18-April 17, 2026	Preliminary Non-renewal Notices due to Staff		Human Resources/Leadership

The full calendar can be seen on page 3 in the packet.

Celebrations



- Managed operations to end with a positive budget variance in the General Fund in 25-26 (~1.0% of expenses)
- Independent financial audit opinion continues as unqualified ('clean audit opinion')
- "Exceeds Expectations" on the DPI School District Report Card



Celebrations

- Tackled Space Issues at Riverside, Creating Separate & Secure Building from Community Center
- Completed Community Ed & Recreation Center Expansion while Maintaining Flat Levy and Mill Rate utilizing Community Service Fund



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Celebrations



Fund 80 is the Community Service Fund. **These dollars are restricted by law solely for community recreation activities.** These dollars cannot be used for school operations, staff pay, or other facility needs.



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Celebrations

- Maximized SDMF Facility Efficiency with District Office Renovations/Move into Ben Franklin Elementary
- Annual Savings of approximately \$200,000 by Eliminating Lease



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Celebrations

- NEW Facility Sponsorship Program



8x4' LOGO SIGNAGE*

	Annual Cost**
Football Field	\$6,000
Soccer Complex	\$4,000
New Community Center Gym	\$4,000
North Middle School Gym	\$3,000
Tennis Courts	\$1,000

MFHS Burgundy Gym Scorer's Table \$500

SCOREBOARD SIGNAGE*

	Annual Cost**
Football Field	\$7,000
Soccer Complex	\$5,000
New Community Center Gym	\$4,000
High School Burgundy Gym	\$4,000
High School Pool	\$1,000

EMPOWER THE FUTURE

NAMING RIGHTS*

	Annual Cost**
Soccer Complex	\$25,000
New Community Center Gym	\$25,000
North Middle School Auditorium	\$25,000

TURF STITCHING*

	Annual Cost
Soccer Complex	\$10,000
Football Field	\$10,000

*MULTIPLE YEAR COMMITMENT
**15% PAY-AHEAD DISCOUNT

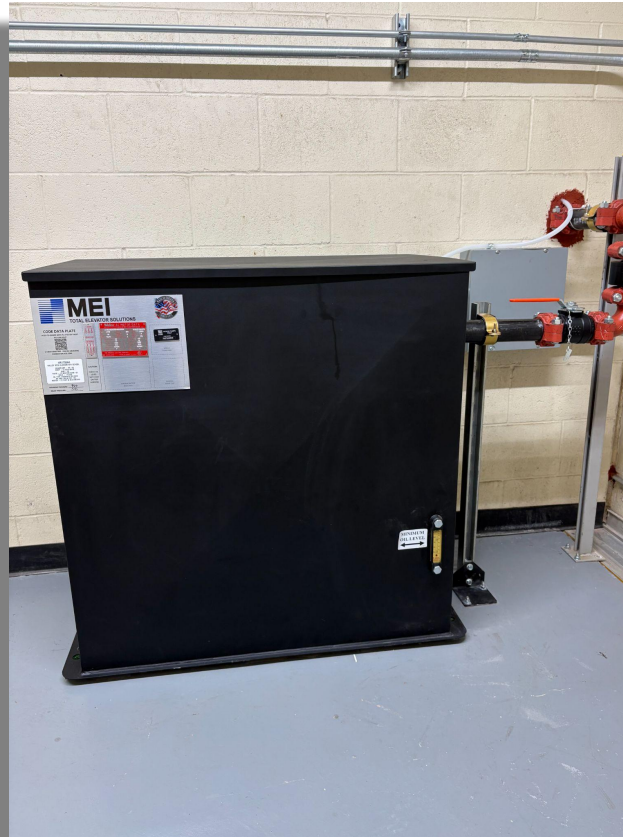
Long-Range Facility Planning



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Long-Range Facility Planning: 26-27 CIP Project



Valley View Elevator

Long-Range Facility Planning

- Facility Condition Assessment
- Educational Adequacy Assessment
- Capacity Analysis
- Long-Range Facilities Plan

BRAYARCHITECTS



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Long-Range Financial Planning



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Long-Range Financial Planning

5-Year Budget Forecast as of August 2026				Current Model Scenario			
		Budget Year		Forecast			
		2026 - 2027		2027 - 2028	2028 - 2029	2029 - 2030	2030 - 2031
Fund 10 Revenues		\$57,510,206		\$58,550,069	\$59,613,137	\$60,508,874	\$61,202,007
Fund 10 Expenditures		\$57,510,206		\$62,650,950	\$65,119,038	\$67,137,498	\$69,011,211
Surplus (Deficit)		\$0		(\$4,100,881)	(\$5,505,901)	(\$6,628,624)	(\$7,809,204)
Fund Balance		\$18,268,176		\$14,167,295	\$8,661,394	\$2,032,770	(\$5,776,434)
Fund Balance as % of Expenditures		31.77%		22.61%	13.30%	3.03%	-8.37%



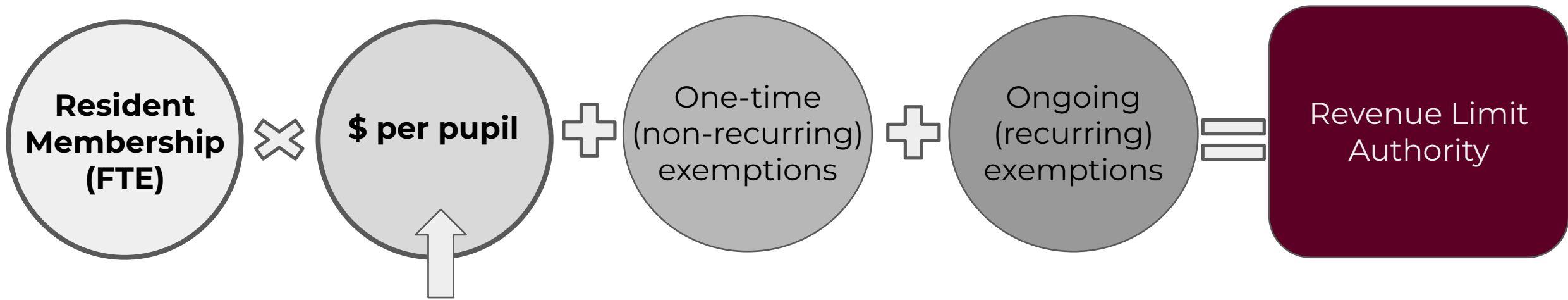
Long-Range Financial Planning: Why are we here?

Why are we here?

- **Years of Inadequate State Funding**
 - The legislature has gone more than 17 consecutive years without increasing school district revenue enough to keep up with inflation.
- **Declining Enrollment**
 - As result of the State's revenue limit formula, this results in reduced revenue at a rapid pace. Over 82% of WI School Districts are in this boat.
- **Inadequate Special Education Revenue**
 - The State's budget for 25-26 included a 42% special education reimbursement rate. However, only 38% was provided due to inadequate funding of this state budget line item.

Long-Range Financial Planning: Why are we here?

The Revenue Limit Formula is the Fundamental Funding Formula for WI Public School Districts.
It **limits revenue** per the equation below.

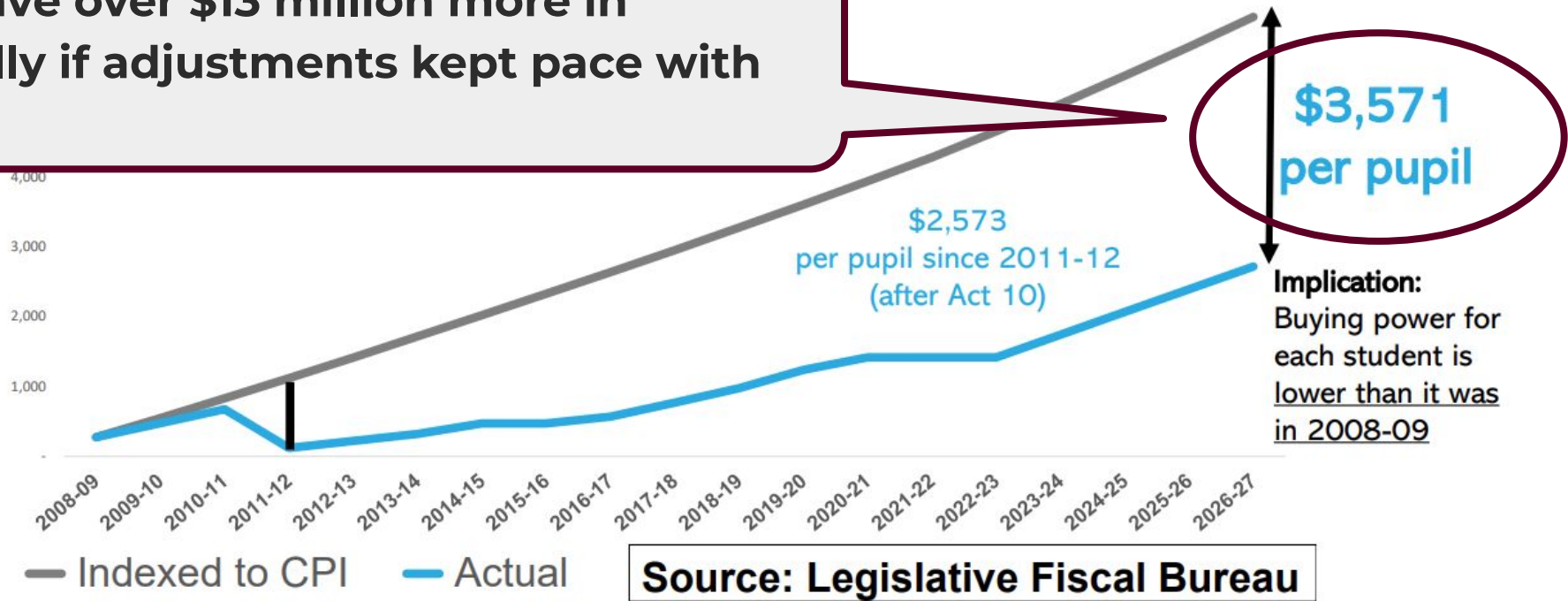


The increase in the per-pupil value has been less than inflation for over 17 years now. This is what is depicted in the next slide.

Long-Range Financial Planning: Why are we here?

Cumulative annual adjustments in general **school district** **revenues per pupil** lag inflation by nearly \$3,600 since 2009

SDMF would have over \$13 million more in revenue annually if adjustments kept pace with inflation.



Long-Range Financial Planning: Savings over Time

SDMF makes reductions every year to balance the budget.

In fact, since 2023, SDMF has made cost reductions/avoidance totaling over \$5 Million.

These savings come mainly from a combination of reductions in staffing, salary budgets, benefits, and contracts.



Long-Range Financial Planning: Savings over Time

History of Reductions: 26-27 Fiscal Year

Fiscal Year	Category	Reduction:	
26-27	Staffing/Wages	New Hire/Retiree Budget Adjustment	\$661,433
26-27	Staffing/Wages	Reduce Leadership Positions (Facilities, Tech, etc.)	\$250,000
26-27	Staffing/Wages	Reduce 2.0 High School Teacher FTE and Educational Assistant FTE	\$236,000
26-27	Staffing/Wages	Reduce 1.0 Program Support Teacher FTE	\$105,000
26-27	Staffing/Wages	Reduce 1.0 Instructional Coaching FTE	\$60,000
26-27	Staffing/Wages	Reduce 0.5 FTE Business Office	\$20,000
26-27	Budget Reduction	Reduce Capital Improvement Projects	\$525,000
26-27	Revenue Increase	21 High School Open Enrollment Seats	\$231,000
26-27	Budget Reduction	Credit Card Processing fee: Change from Flat \$1.50/Transaction to Full Fee Cost	\$20,000



Long-Range Financial Planning: Savings over Time

History of Reductions: 25-26 Fiscal Year

Fiscal Year	Category	Reduction:	
25-26	Budget Reduction	Move to Smith Rx for Pharmacy Benefits Manager Approximate Savings	\$600,000
25-26	Staffing/Wages	New Hire/Retiree Budget Adjustment	\$266,675
25-26	Staffing/Wages	2.0 Net Elementary FTE Reduction based on Enrollment Projections	\$160,000
25-26	Staffing/Wages	1.5 Net MS/HS FTE Reduction based on Course Registrations	\$120,000
25-26	Revenue Increase	New Open Enrollment Seats- 5 Freshman Seats, 5 Sophomore Seats at MFHS	\$89,620
25-26	Budget Reduction	Move SROs entirely to Fund 80	\$100,000
25-26	Budget Reduction	Move NMS Athletics and Activities to Fund 80	\$40,000



Long-Range Financial Planning: Savings over Time

History of Reductions: 23-24 & 24-25 Fiscal Years

Health Insurance Plan Redesign 2024 (Tiered Nexus ACO Plan) Approximate Savings	\$489,000
Vendor Contract Renewal Savings (Bus Company, Over Five Year Period)	\$401,000
Reduction of Director Position	\$189,971
Reduction of 4.0 Regular Ed Educational Assistant Full-Time Equivalency (FTE) through Attrition	\$112,756
Administrators and Professional/Technical Wage Increase- 2.0% instead of 4.12% in 24-25	\$101,000
Reduction of 1.0 FTE in District Office	\$80,000
Reduction of NMS/MFHS Department Budgets (Art, Tech Ed, FCE, Science, Music, Etc), Shifting Budget Discretion to Principals	\$80,000
Reduction of Summer School Budget	\$60,000
Utilize Special Education Alternative Placement Transportation Options	\$30,000
Eliminate Gallup Assessment and FMLA Source (Resulting in In-house FMLA)	\$25,000
Elimination of Department Manager Positions	\$21,000
Eliminate Google Workspace for Education Subscription	\$19,000
Replace Forecast 5 with Baird Budget and Analytics Model	\$10,000
Reduction of Support Staff Evals through Frontline (Resulting in In-house Evaluation System)	\$7,000

Long-Range Financial Planning: Savings over Time

History of Reductions: Other Significant Long-Term Cost Control Strategies

Other Significant Long-Term Cost Control Strategies
Annual Work of Aligning Average Class Sizes with Board-approved Optimal Ranges across All Levels
Partner Schools: K-2nd/3-5th- Created Efficient Model to Achieve Class Size Targets, Reducing Positions through Attrition
Reduced and Eliminated Cash-Flow Borrowing Need- Eliminated additional Interest Payments Associated with Borrowing
Self-Funded Health Insurance- Avoided Increases for Six Years, Managing Local Trend below Regional Trend
Energy Cost Reductions and Avoidance
Debt Refinance/Defeasance- Eliminated Fund 38 debt, Eliminated over \$7M in Fund 39 Interest Savings (Direct Taxpayer Savings)

Long-Range Financial Planning: Next Steps



Survey window: October 21 - November 9, 2026

Watch for the survey in mailboxes October 21/22.

2025-26 Budget Recap



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2025-26 Fiscal-Year-End Recap (Unaudited)

2025-26 Fiscal-Year-End Recap

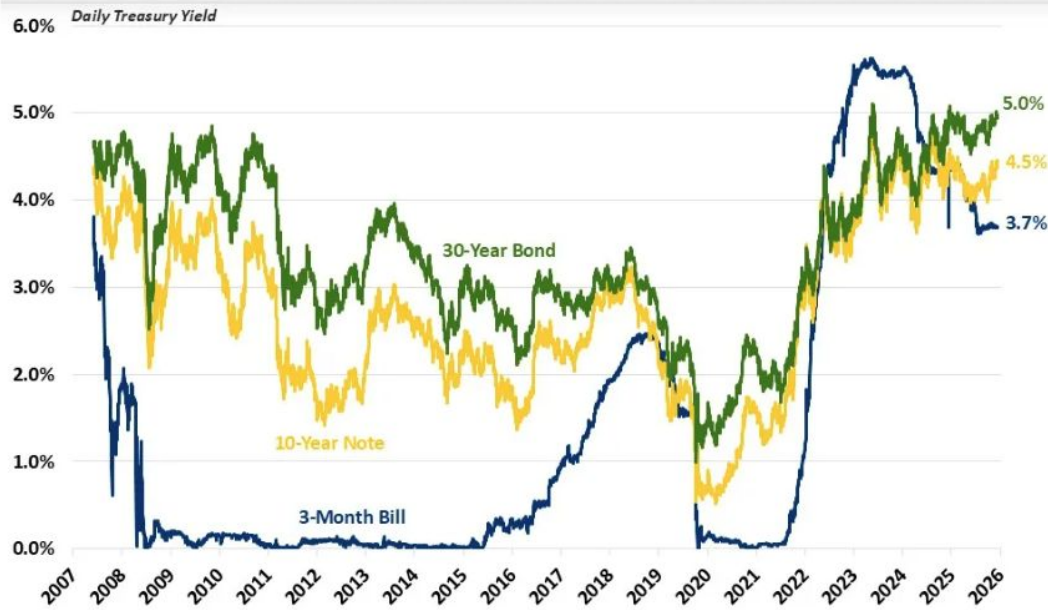
Fund 10: General Fund

	<u>Budget</u>	<u>Actual</u>	<u>\$ Difference</u>	<u>% Difference</u>
Total Revenues	\$ 56,998,307	\$ 59,174,173	\$ 2,175,866	103.82%
Total Expenditures	\$ <u>58,610,388</u>	\$ <u>57,556,627</u>	\$ <u>(1,053,761)</u>	98.20%
Net Change to Fund Balance	\$ <u>(1,612,081)</u>	\$ <u>1,617,546</u>	\$ <u>3,229,627</u>	



2025-26 Fiscal-Year-End Recap (Unaudited)

Interest Rates Are on the Rise



Source: Department of the Treasury

Keys to Financially Successful Fiscal Year-End

- A. Interest Earnings Exceeded Budget due to Sustained Higher Interest Rates, Conservative Budget Planning
- B. Additional Revenues from State and Federal Grant Reimbursements, including Energy Efficiency Rebate
- C. Timing Differences: Revenues or Expenditures falling into Prior or Next Fiscal Year
- D. Budget vs Actual - Expenditures Managed under Budget, Cost Controls



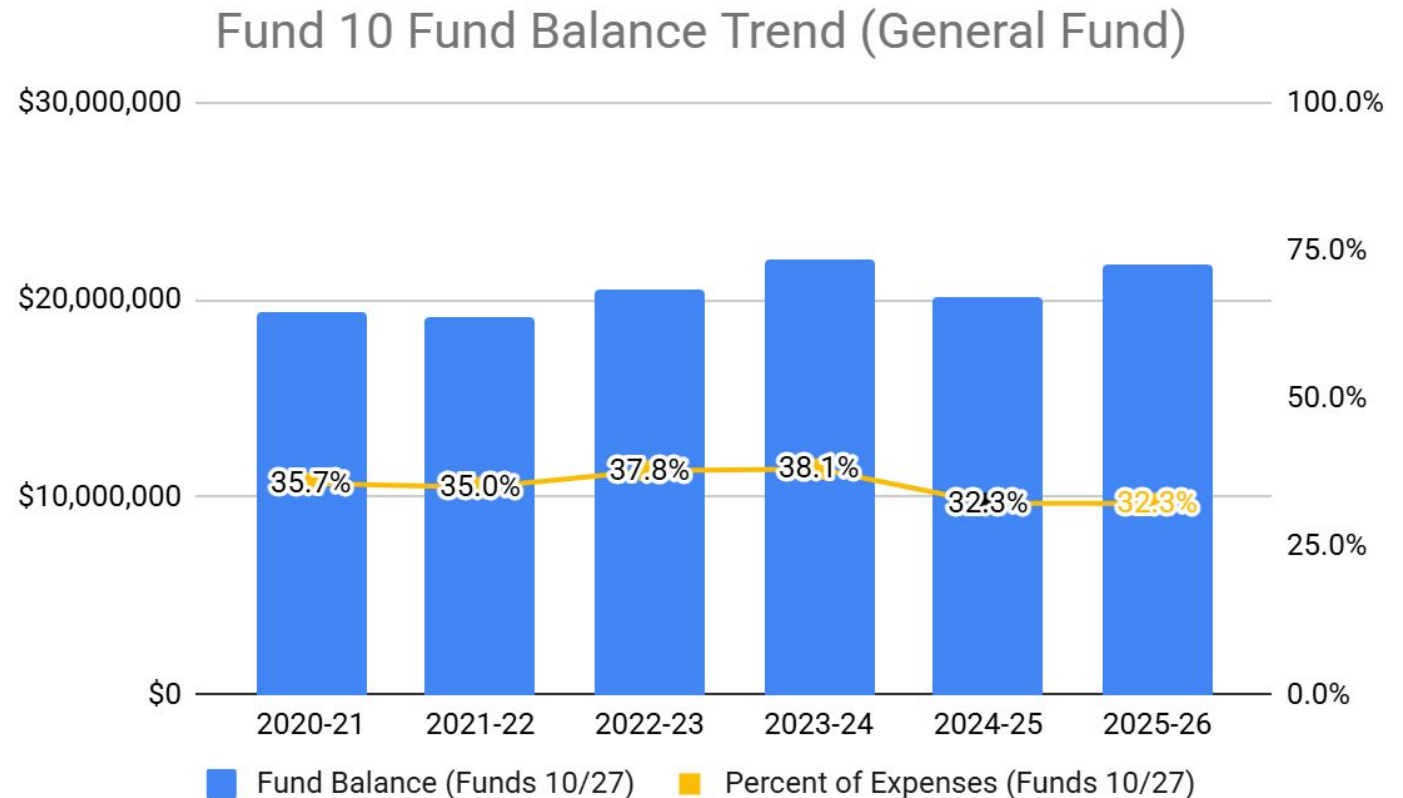
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2025-26 Fiscal-Year-End Recap: Fund Balance

Fund Balance is the District's Net Equity as of June 30 of Each Year

- Helps to maintain/strengthen district bond rating (Aa2)
- Reduces cash-flow borrowing need and interest expense
- Allows for allocation to long-range capital planning projects
- Provides security for years with unfavorable self-funded health claims
- Provides stability in budgeting with unknown future state revenues

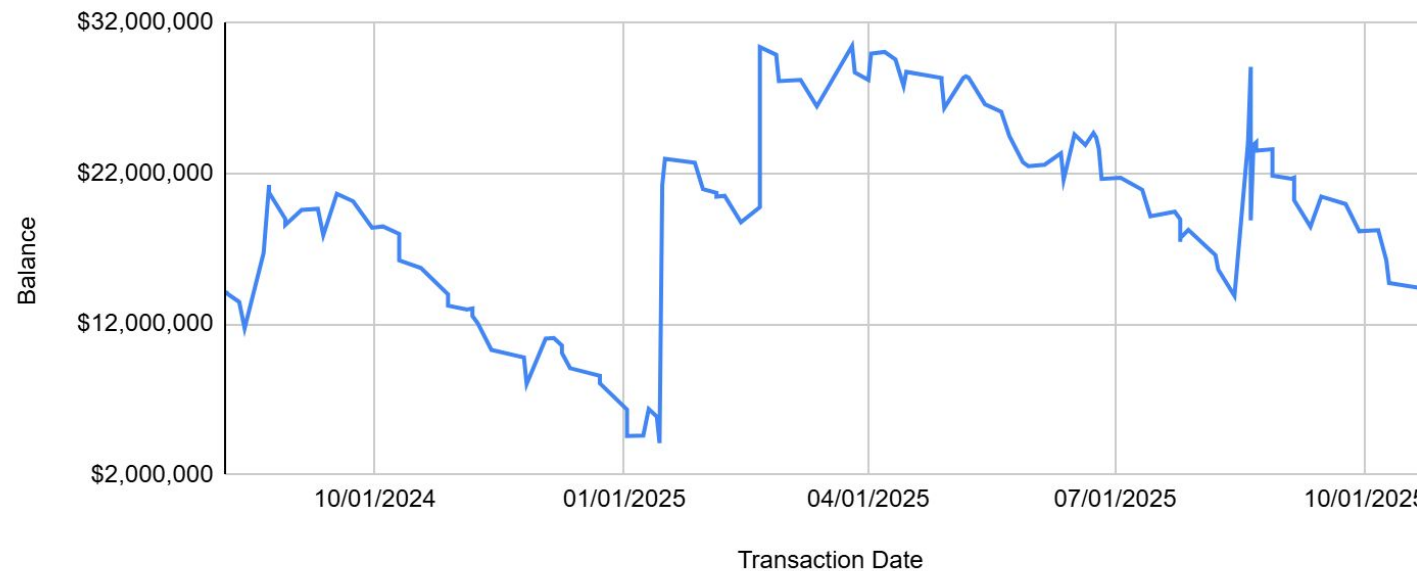


2025-26 Fiscal-Year-End Recap: Fund Balance

A district with an appropriate fund balance can:

- Avoid excessive short-term borrowing thereby avoiding associated interest cost;

Cash Flow Balance Throughout the Fiscal Year



2025-26 Fiscal Year-End Recap

Other Funds

Fund 21 - Gift and Student Activities Fund

Fund 27 - Special Education Fund

Fund 39 - Referendum Debt Fund

Fund 41 - Capital Project Fund

Fund 46 - Long-Term Cap Improvement Trust

Fund 50 - Food Service Fund

Fund 73 - OPEB Trust Fund

Fund 80 - Community Services Funds

Highlights

Revenues and Expenses consistent from year to year

State SPED Aid Increased to 38% (short of 42% planned in State Budget), resulting in increased aid of \$750,000. Expenses increased by only 0.5% due to fewer alternate placements.

Planned P&I payments

No activity

No activity; Five year "timer" initiated 4/2/2024

Continued planned use of fund balance on equipment that was end-of-life;
Inflationary increases in food costs, reduction in federal revenues in post-pandemic era
Operational revenues and expenses were balanced

Funds held in trust for future use; retiree health benefit fully satisfied on August 31, 2021
Planned use of 15% of funds for SDMF TSA retirement benefit in 26-27 fiscal year

CE & Rec expansion project complete, within budget; \$3.5 million levied for the project in 25-26

2026-27 Budget Summary



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2026-27 Preliminary Budget & Tax Levy

September 14th, 2026
Budget Hearing

Caitlin Windler,
Director of Finance & Operations

Jeff Gardon,
Finance Manager

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Page 17	Budget FAQs
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Annual Budget Timeline

- **June-August**
 - Update strategic progress
 - Close previous fiscal year
- **September-November**
 - Final budget approval & levy certification
 - Update enrollment projections and budget forecast
- **December-February**
 - Align strategic priorities with budget planning
 - Communicate budget forecast & strategic priorities
- **March-May**
 - Communicate budget plan & approve staffing levels
 - Prioritize summer infrastructure projects

2026-27 Budget Highlights

Fund 10 – General Operations

- **Balanced Budget**
- Over \$1 million in reductions to wage expenses via reduced positions, new hire/ retiree adjustments
- Budgeted for wage increases of 2.63% - equivalent to the Consumer Price Index (CPI) - across all employee groups
- Budgeted for 8% increase in health insurance expense from prior year
- Budgeted increases to student transportation, utilities, supplies, and materials
- Capital Improvement Projects paused (aside from Valley View Elevator)
- Balancing remaining budget shortfall of \$1.9 million with healthcare reserves and retirement fund reserves.

2026-27 Budget Highlights

Fund 73 – Other Post Employment Benefit Trust Fund

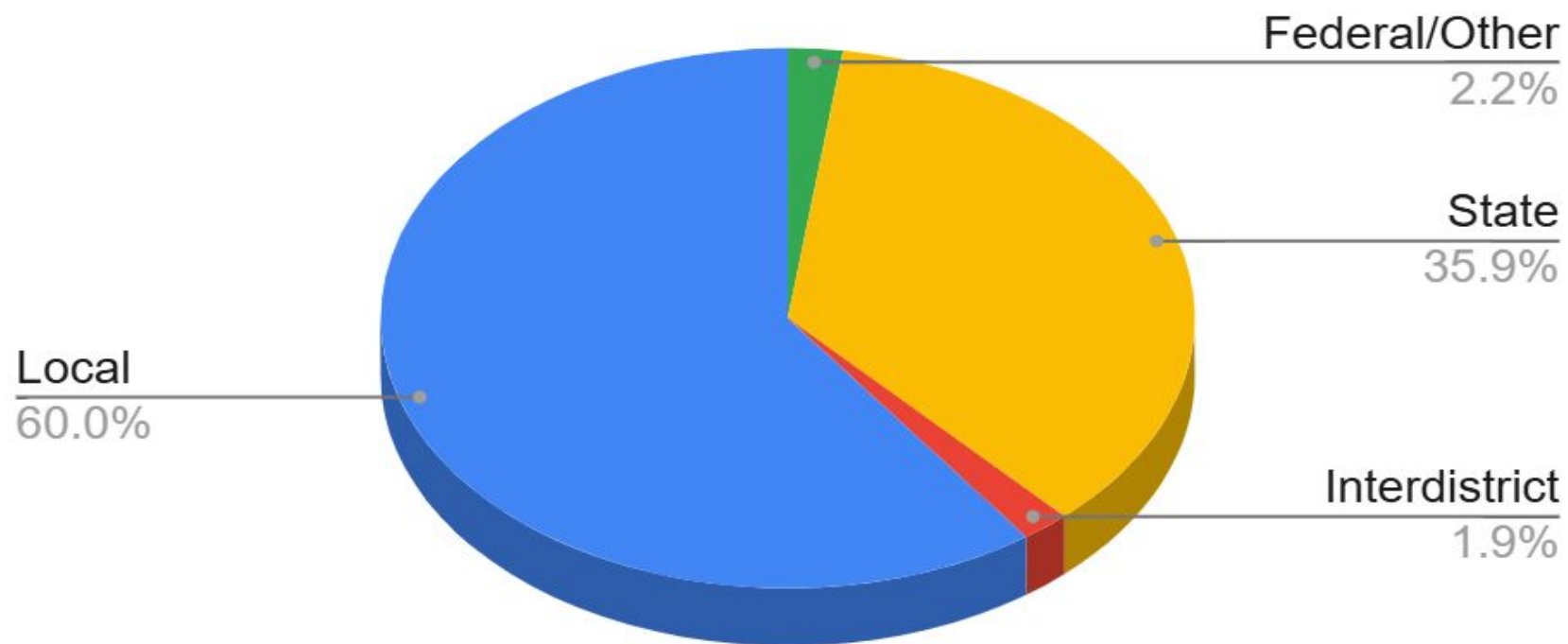
- Planned use of \$400,000, or approximately 15%, of trust funds for SDMF TSA retirement benefit
- As of 7/1/26, new employees are no longer eligible for this benefit.

Fund 80 – Community Service Fund

- CE&Rec expansion project is complete and within budget. Funded by Fund 80 levy over two years; no new debt created. Fund 80 levy is now back to “normal.”

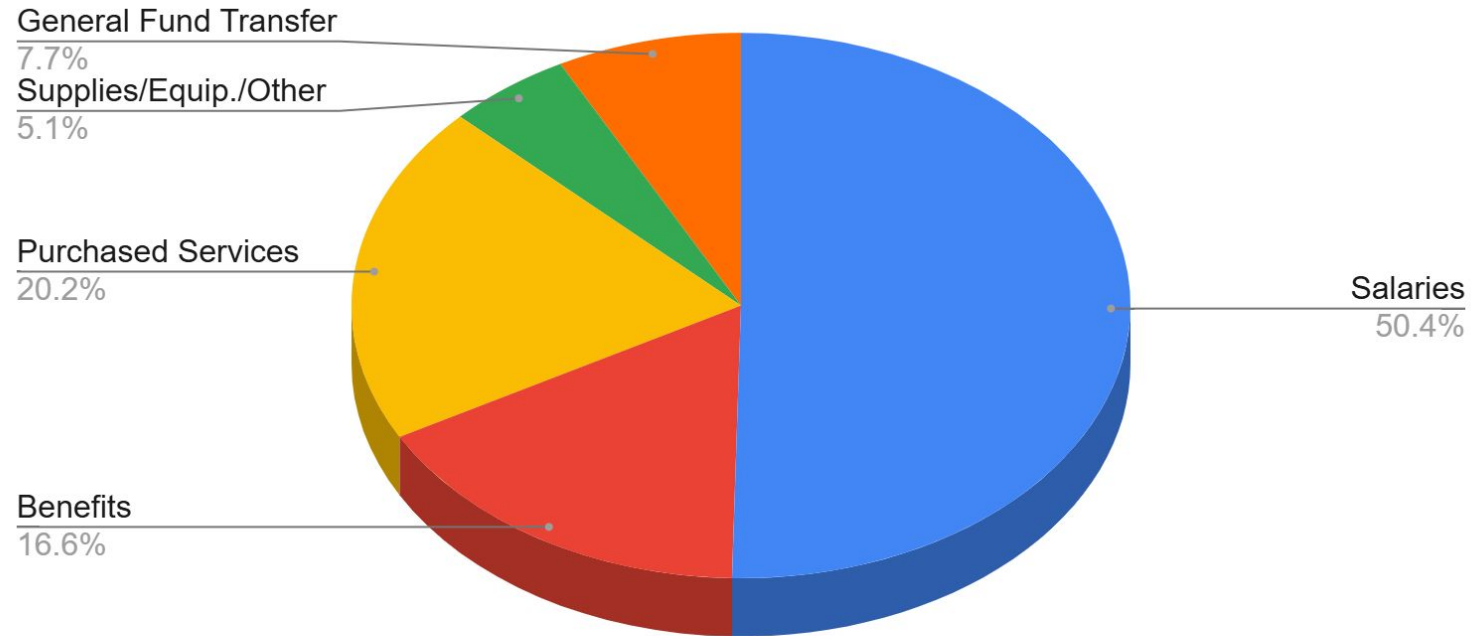
2026-27 Revenues

Funds 10/27 Revenue Sources



2026-27 Expenditures by Object

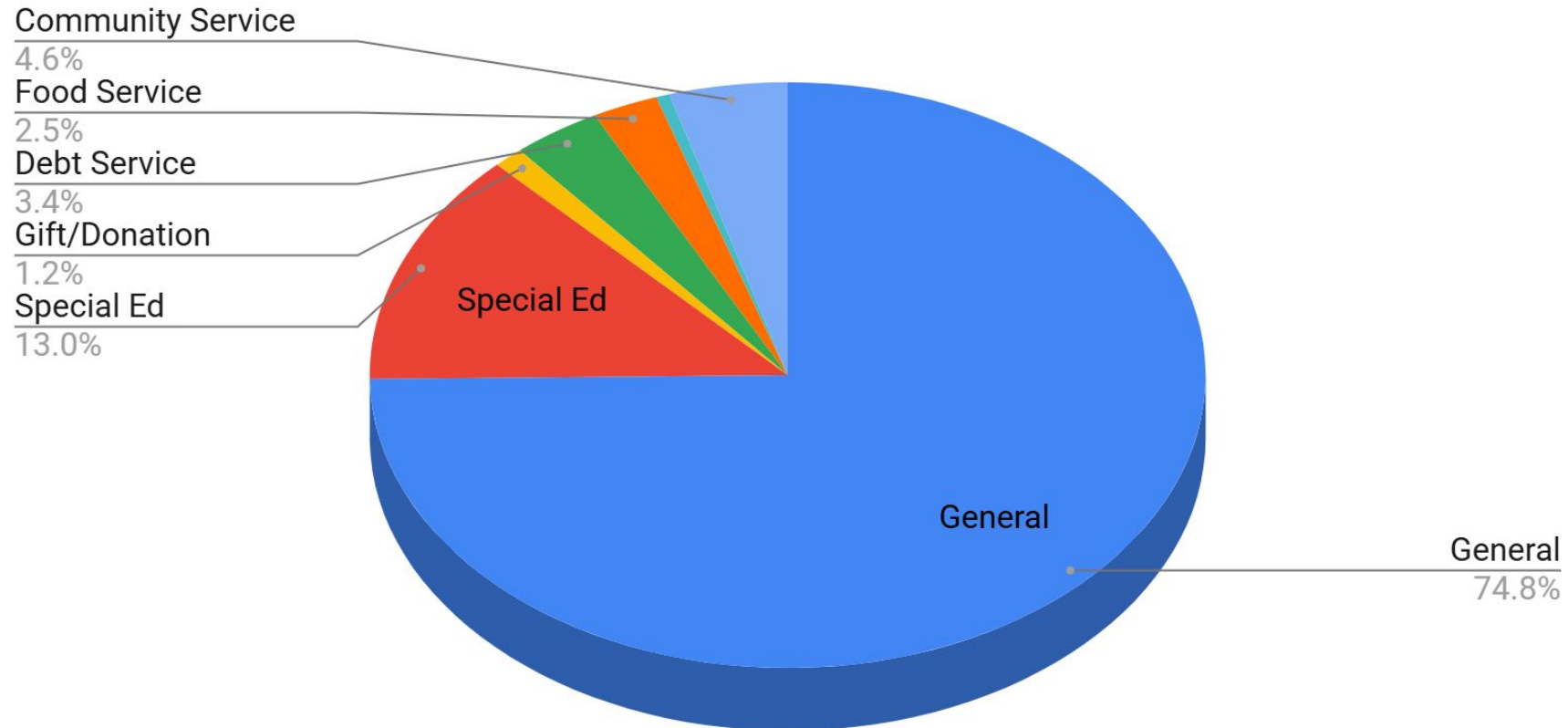
Funds 10/27 Expenditures by Object



Salary and Benefit Expenditures total approximately 70% of the Budget.
(General Fund Transfer includes Salary and Benefit Expenses for Special Education programming.)

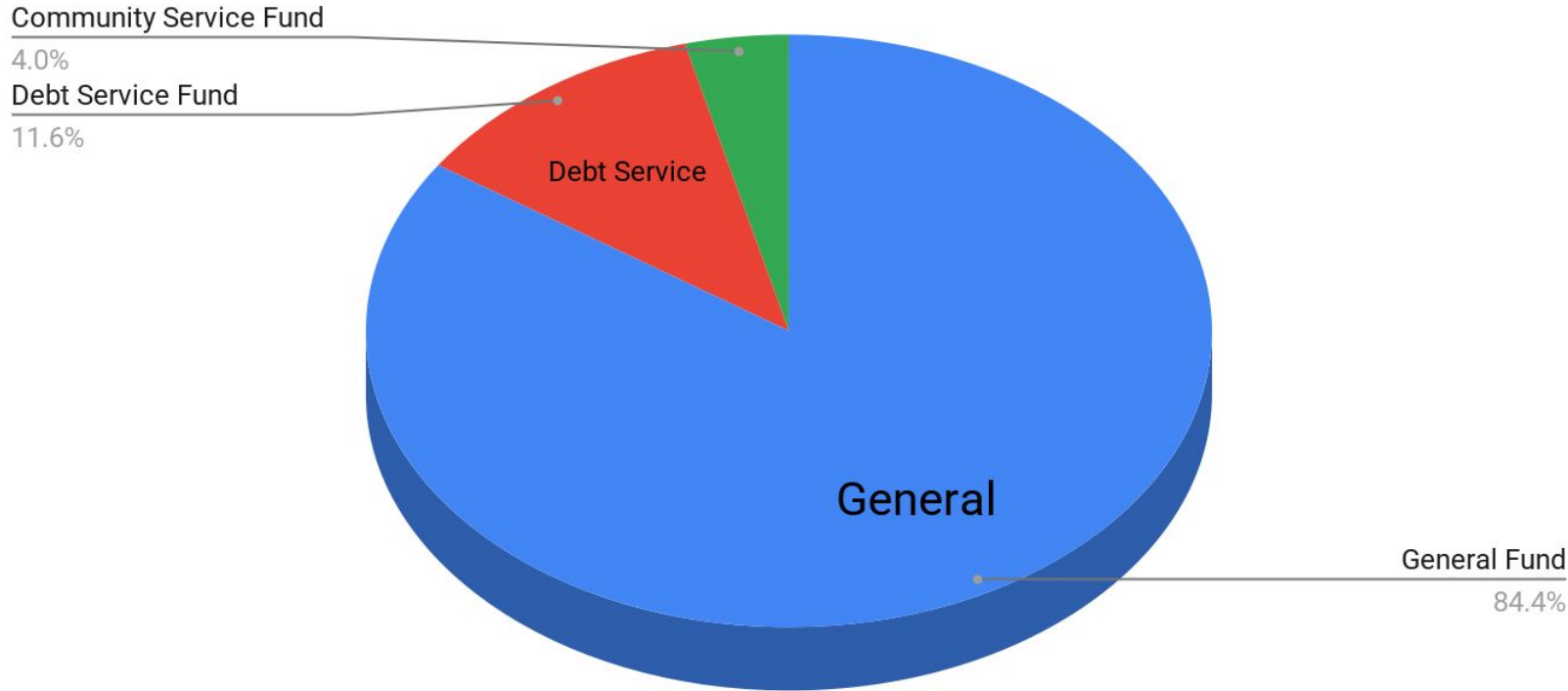
2026-27 Total Expenditures by Fund

26-27 Total Expenditures by Fund



2026-27 Property Tax Levy

2026-27 Property Tax Levy by Fund



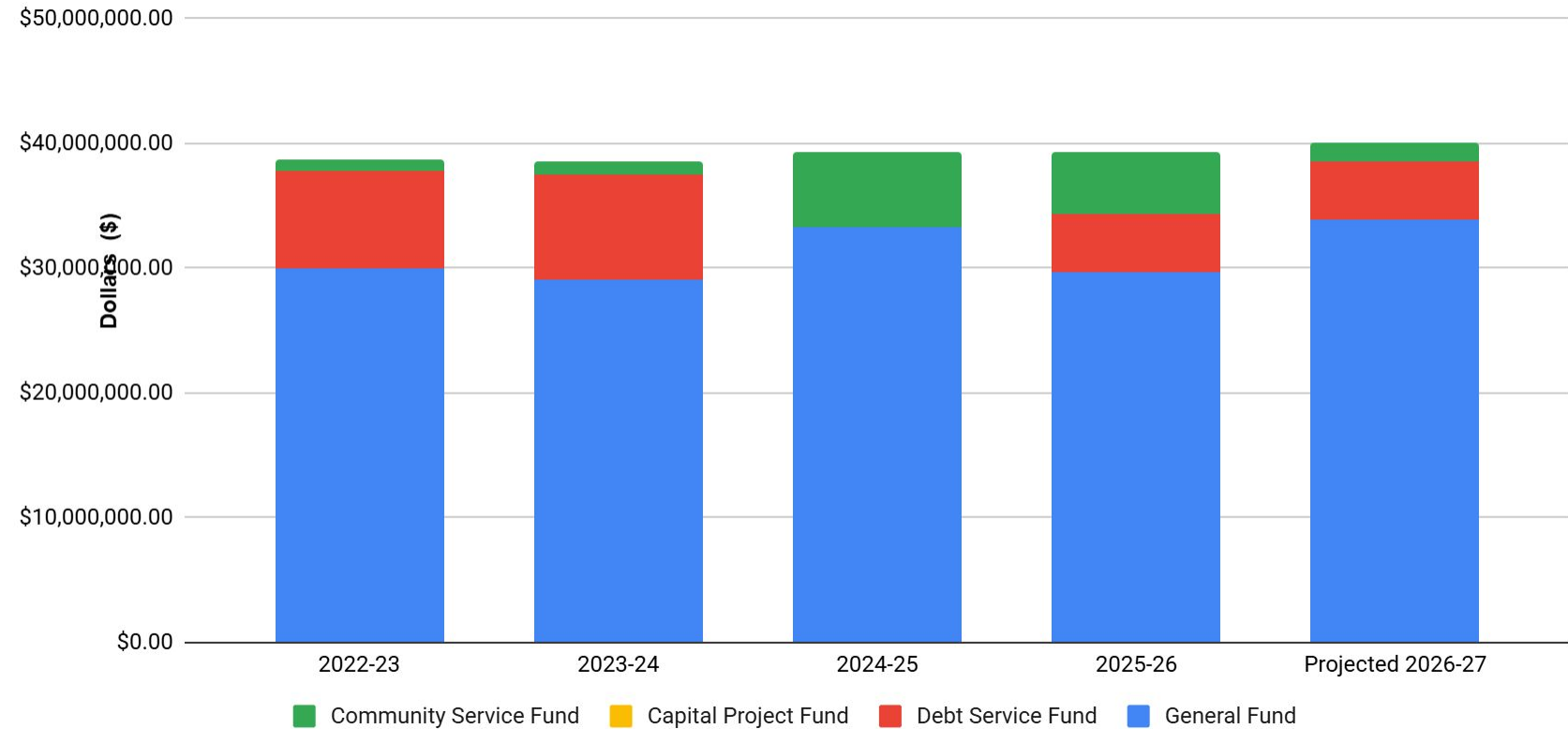
General Fund Levy is 84.4% of the Total Levy.

General Fund Levy is impacted most by changes in State Aid funding levels and per-pupil increases (revenue limit, charter, voucher/choice)

The Debt Service Levy (Fund 39) and the Community Service Levy (Fund 80) are back to “normal” following the completion of the CE & Rec expansion project.

Property Tax Levy History

Property Tax Levy Trend



- **Projected Tax Levy and Tax Mill Rate**

- Levy maintenance with minimal fluctuations over the years
- Lowest tax mill rate in over three decades

2026-27 Total Projected (All Funds) Tax Levy - \$39,614,368



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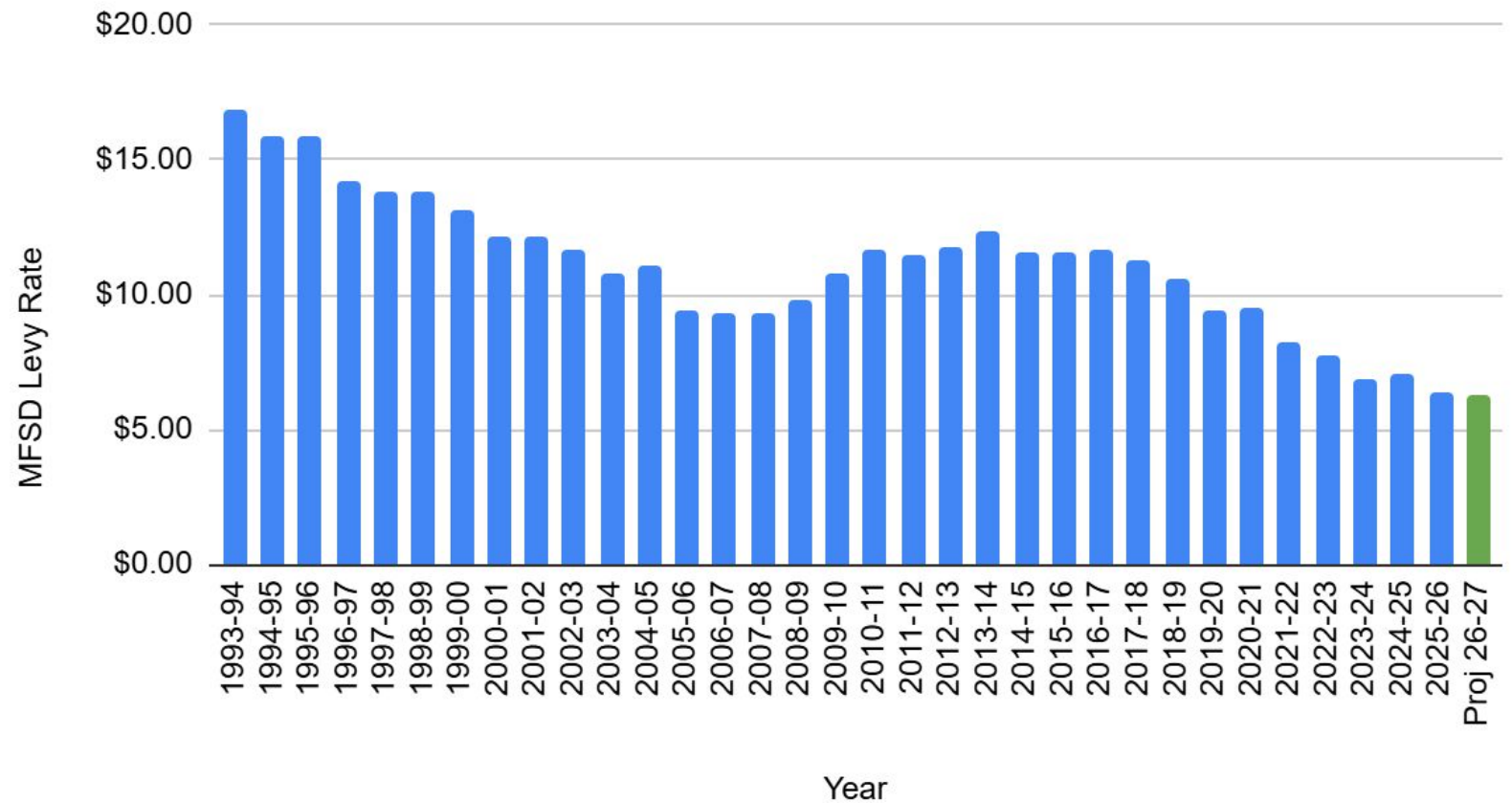
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Tax Mill Rate History

- **Projected Tax Levy and Tax Mill Rate**

- Levy maintenance with minimal fluctuations over the years
- Lowest tax mill rate in over three decades

SDMF Tax Mill Rate History



Property Tax Levy Rate Calculation

2026-27 Total Projected (All Funds) Mill Rate Estimate - \$6.29 per \$1,000 of Property Value

<u>Equalized Calculations - Total Tax Base</u>	<u>Audited 2023/24</u>	<u>Audited 2024/25</u>	<u>Budget 2025/26</u>	<u>Budget 2026/27</u>
Total Tax Levy	\$ 38,476,200	\$ 39,324,455	\$ 39,225,295	\$ 39,614,368
Equalized Value (Estimate until October 15th)	\$ 5,565,167,837	\$ 5,546,194,986	\$ 6,177,595,022	\$ 6,301,146,922
Percent Change fr Previous Year	11.64%	-0.34%	11.38%	2.00%
Tax Mill Rate Per \$1,000	\$ 6.91	\$ 7.09	\$ 6.35	\$ 6.29
Percent Change fr Previous Year	-10.79%	2.55%	-10.45%	-0.99%

For Example-A Home Valued at \$400,000:

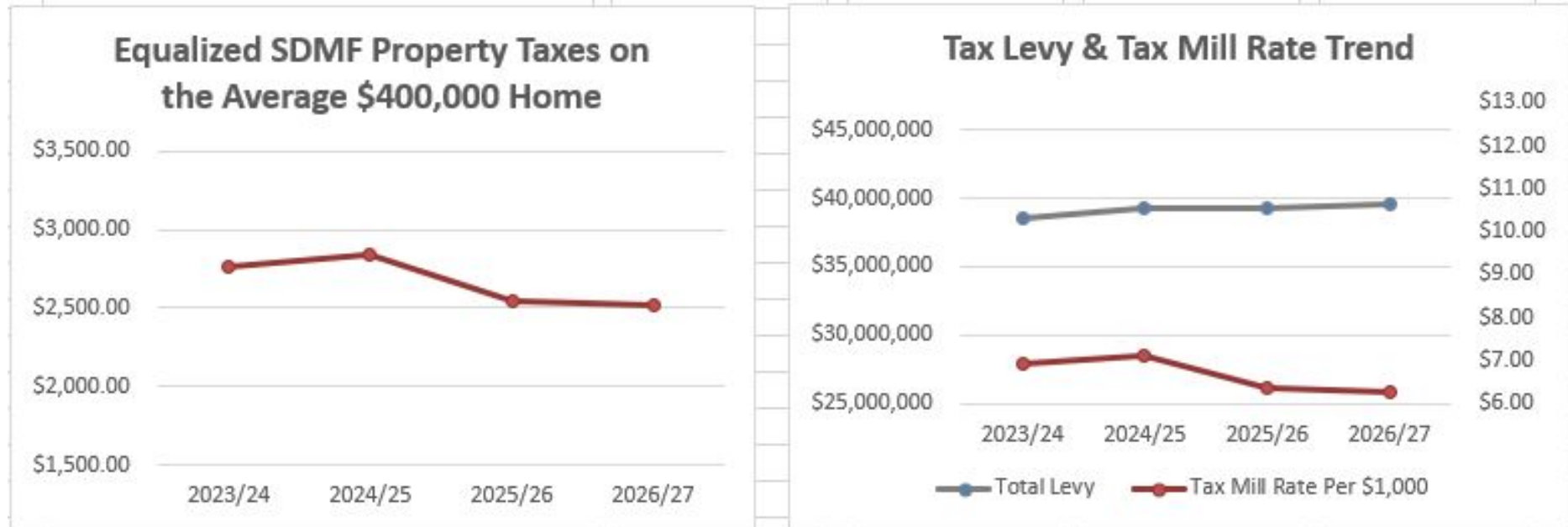
Equalized Property Taxes (SDMF only)	\$ 2,765.50	\$ 2,836.14	\$ 2,539.84	\$ 2,514.74
Dollar Change fr Previous Year	\$ (334.50)	\$ 70.64	\$ (296.30)	\$ (25.10)



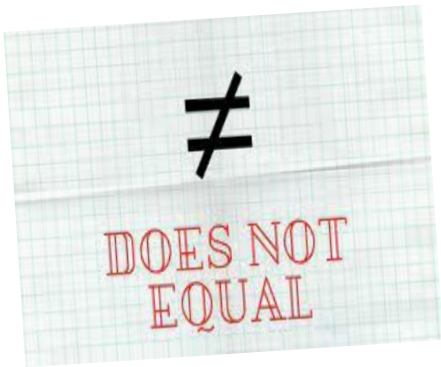
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Property Tax Levy/Rate Trend



Property Tax Levy/Rate Trend



Property Taxes - Equalized vs. Assessed?

School districts are required by statute to calculate a levy and divide that levy amount into the **equalized** property valuation (WI DOR FMV) of the district to calculate a tax rate (as is shown in the previous slides and in your handout).

Municipalities are then required by statute to take their prorated share of the total levy and distribute it across the municipalities' tax base based on an **assessed** valuation - which is what is shown on actual property tax bills that come out in December.

Property Tax Levy/Rate Trend

ASSESSED VALUES			
Tax Year:	2025	Exempt:	NO
Assessment Type:	FULL	Use Value Assessment:	NO
Assessment Ratio:	86.69%	Prior Taxes Due To:	
Values	Assessed	Est. Fair Market	
Land	\$102,300.00	\$118,000.00	
Improvement	\$187,900.00	\$216,700.00	
Total	\$290,200.00	\$334,700.00	
LINE ITEMS			
Line Item Description	Tax Amount	Tax Rate Per \$1000 of Assessed Value	
COUNTY OF WAUKESHA	\$423.86	1.4605700	
MENOMONEE FALLS VLLGE	\$1,174.42	4.0469256	
WAUKESHA TECH COLLEGE	\$82.27	0.2834820	
MENOMONEE FALLS 3437	\$2,154.71	7.4249191	
GROSS GENERAL TAXES	\$3,835.26	13.2158967	
SCHOOL TAX CREDIT	(\$422.43)	-1.4556642	
FIRST DOLLAR CREDIT - 3437	(\$57.15)		
NET GENERAL TAXES	\$3,355.68	11.7602325	
GARBAGE / RECYCLING	\$179.34	N/A	
TOTAL SPECIAL ASSESSMENTS	\$179.34	N/A	
TOTAL TAX BILL	\$3,535.02		
2025 TAX BILL PAYMENT OPTIONS			

Property Tax Levy/Rate Trend

ASSESSED VALUES		
Tax Year:	2025	Exempt: NO
Assessment Type:	FULL	Use Value Assessment: NO
Assessment Ratio:	86.69%	Prior Taxes Due To:
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SCHOOL TAX CREDIT	(\$422.43)	-1.4556642
FIRST DOLLAR CREDIT - 3437	(\$57.15)	

Fair Market Value

×

School Tax Mill Rate

projected 2025 mill rate: \$6.29 → \$0.00629

=

School Levy Tax Credit

=

Individual's School-Portion of Tax Bill

Key Takeaways for Future Budget Planning

- Planning cautiously and resourcefully
- Realized significant financial benefits of previous cost control strategies
- Continue to work annually to reduce expenditures in order to balance budget each year
- Despite reductions, increasing annual deficits grow to nearly \$8 million by 2031 due to inadequate state funding

Key Takeaways for Future Budget Planning

- Board of Education seeking community feedback through Community Survey to guide next steps
 - In Mailboxes October 21/22
 - Survey window closes November 9



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Thank you for attending the 2026-27 Budget Hearing