

Swallow School District



**2026-27 Budget Hearing
September 30, 2026**

PRESENTATION OF THE PRELIMINARY 2026-2027 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 2025 through June 2026

- Revenue estimates are developed based on projected enrollment and state budget
- Expenditure estimates are developed based on staffing, programming, and keeping in mind available revenue

June 2026

- Preliminary budget presented to the School Board

August 2026

- Preliminary budget revised and brought back to the School Board August 06
- Preliminary budget revised and brought back for approved by the School Board August 18

September 2026

- Preliminary Budget published
- Annual Meeting & Budget Hearing

September/October 2026

- Adjustments made based on September enrollment counts and property valuation

Late October/Early November 2026

- October 15 – State Equalization Aid certified by Wisconsin DPI
- Late October – School Board final certification of the tax levy and budget
- Final tax levy and budget due to DPI by November 2



THINGS TO NOTE:

- ❖ The information provided at this meeting was current as of August 18, 2026 due to the timing of the Board of Education approval of the preliminary budget on August 18, 2026.
- ❖ There are still assumptions and calculated estimates in the presented information.
- ❖ Two updated and final budgets will be brought forward to the Board of Education on October 26, 2026 for action along with a final levy and mill rate. One budget in the event the November 3rd, Referendum passes and one in the event it does not.
- ❖ A budget is a living document and is subject to change with potential for amended budgets as appropriate.



Factors Affecting 2026-27 Budget

Enrollment

- Largest factor in school finance
- Resident Enrollment -Increased
 - Historical Declining Enrollment impacts 3-year rolling Membership Avg – Gap is closing!
- Open enrollment - Increased

State Budget

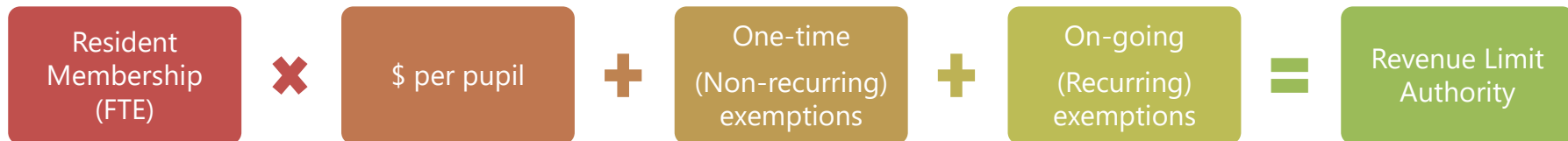
- Impact of State of Wisconsin biennial budget: +\$325 per pupil in FY26 & FY27
- Special Education Aid : 42% Estimate – Closer to 38% Actual: Still falls short of increased service needs
- No additional aids provided to school shifting financial burden to tax payer

Cost Increases

- Ongoing Inflation
- 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



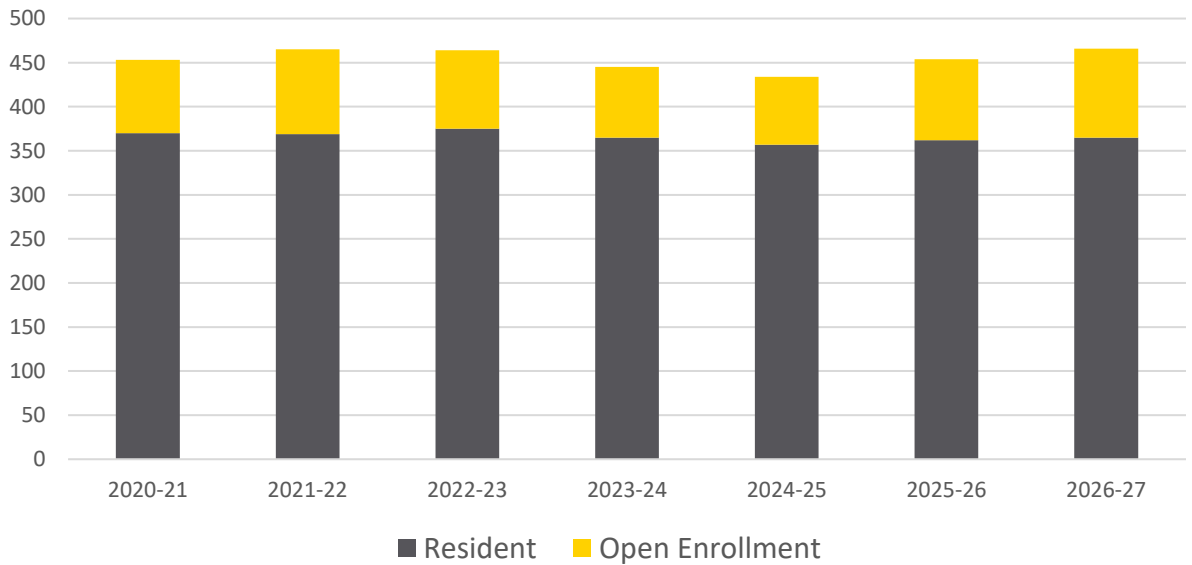
Total Revenue Limit - State Equalization Aid = Local Property Taxes

- 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

Total Enrollment

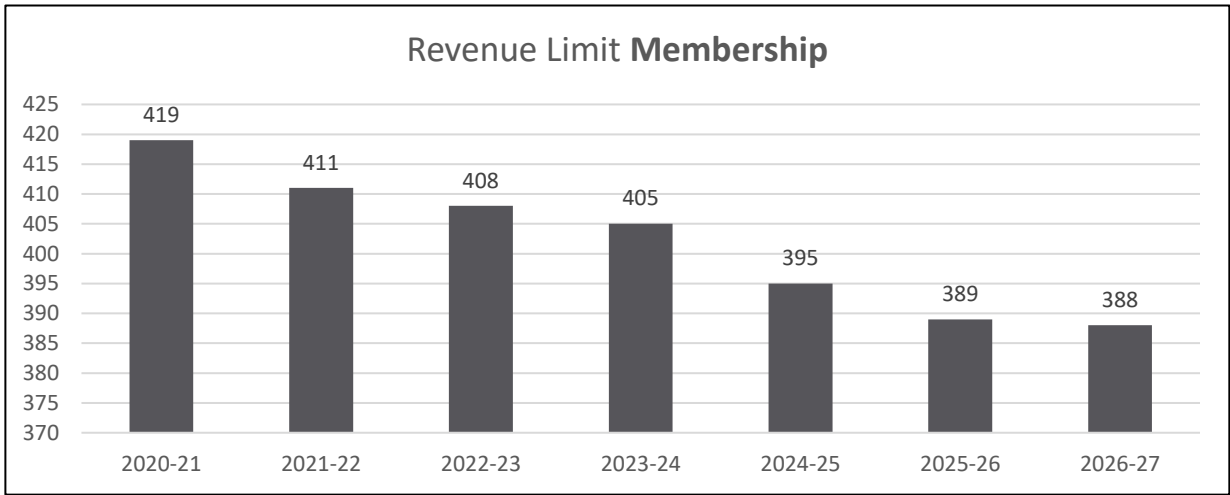


Membership refers to students who reside within Swallow School District and are educated in a public school system and are counted for in revenue limit and state aid purposes. This is different from **Enrollment**, which includes only those students who are actively educated at Swallow School District.

*2026-27 Enrollment is an estimate



Membership & Enrollment



3 Year Average: 388

- 2024 = 384
- 2025 = 388
- 2026 = 392 *(Estimate)*

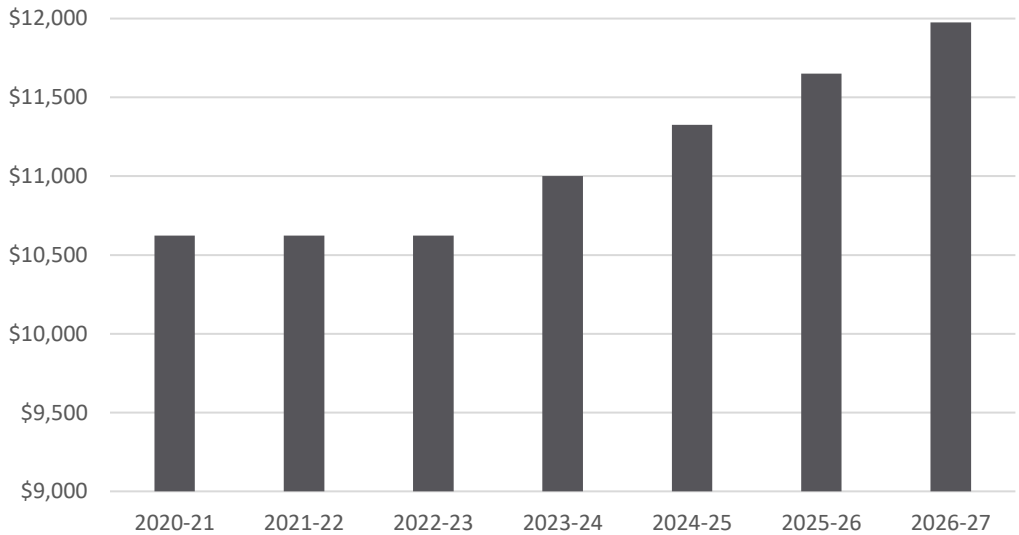
Membership is one of the key factors in determining our revenue limit. The figures shown are preliminary and will be updated following the official 3rd-Friday in September count, with final numbers presented at the October 26 Board of Education meeting.

3 Year Average has been historically trending down due to a decline in resident enrollment. The last two years have seen an increase, leveling off the 3 year average



Revenue Limit Per Member

Revenue Limit Per Member



2026-28 Biennial Budget:

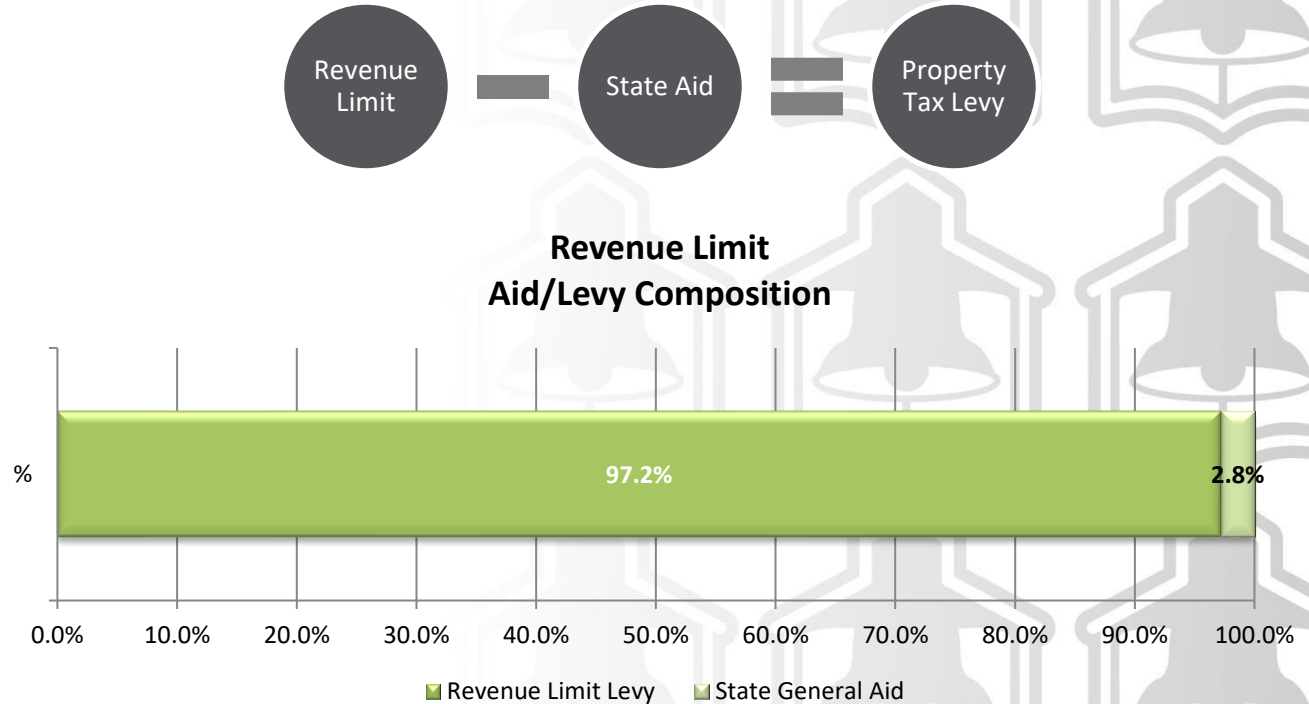
- All districts will get +\$325 per pupil per year
- 26-27 Max Revenue/Mem = \$11,975

- CPI has increased 24.13% in the last 6 years
- Revenue Limit per Member has increased 12.73% in the last 6 years – Not keeping up with the rate of inflation

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

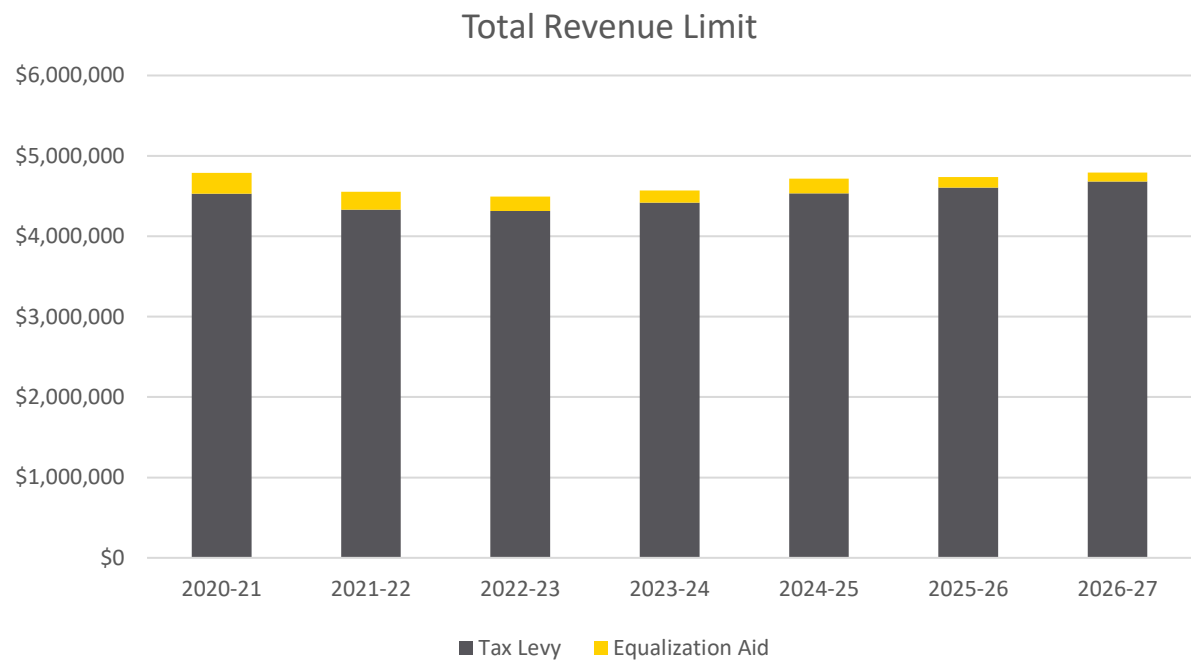
Revenue Limit Formula

- 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.





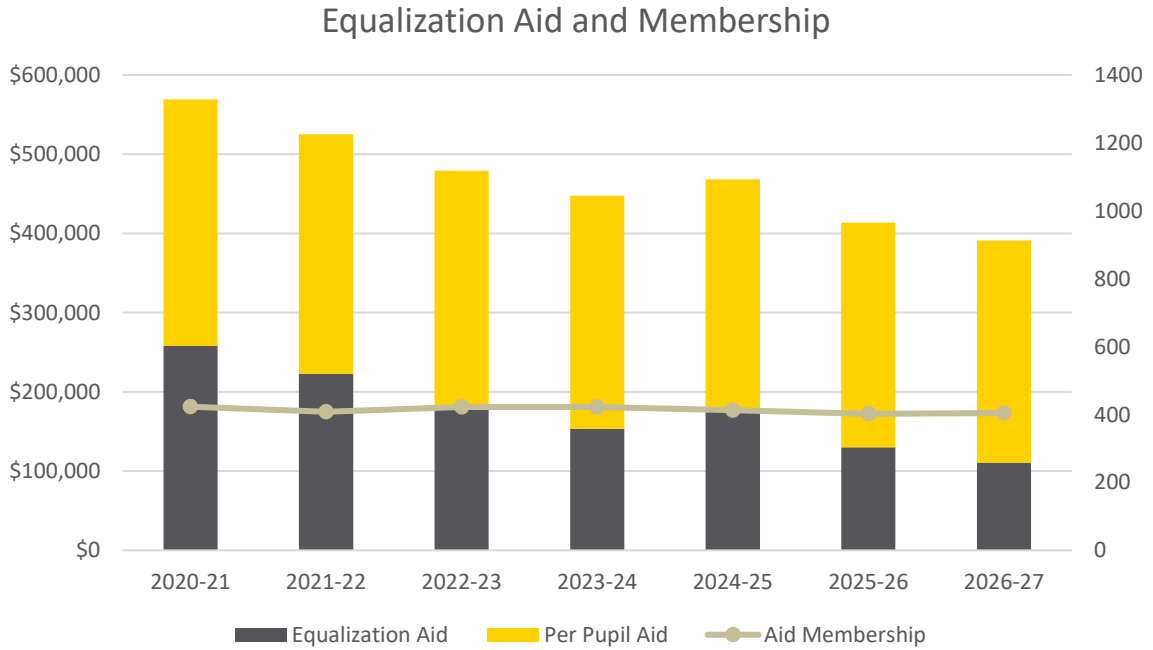
Historical and Estimated Total Revenue Limit



27 revenue limit is an estimate



Swallow School District's State Aid History & Estimate



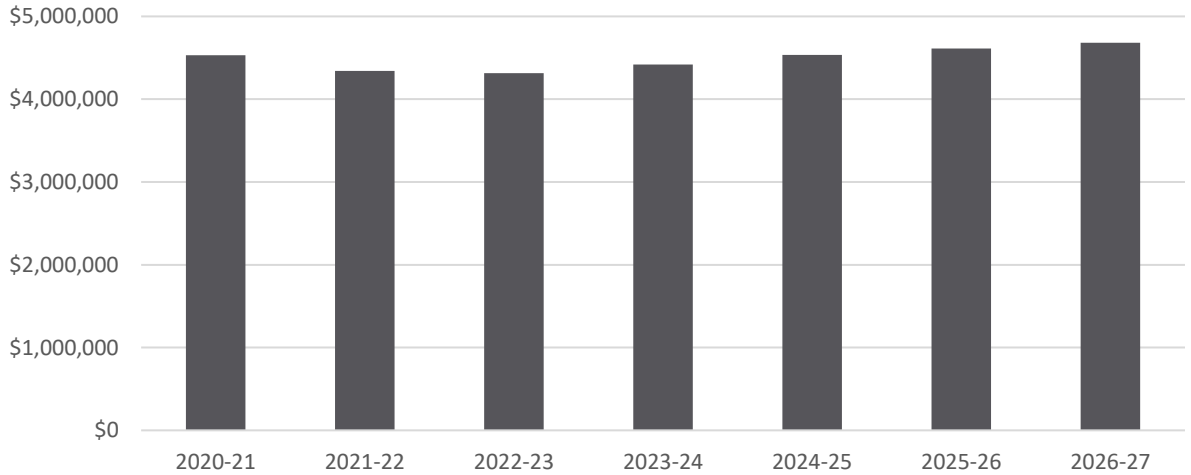
2026-27 amounts are estimates

- 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

Tax Levy Under Revenue Limit



*2026-27 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

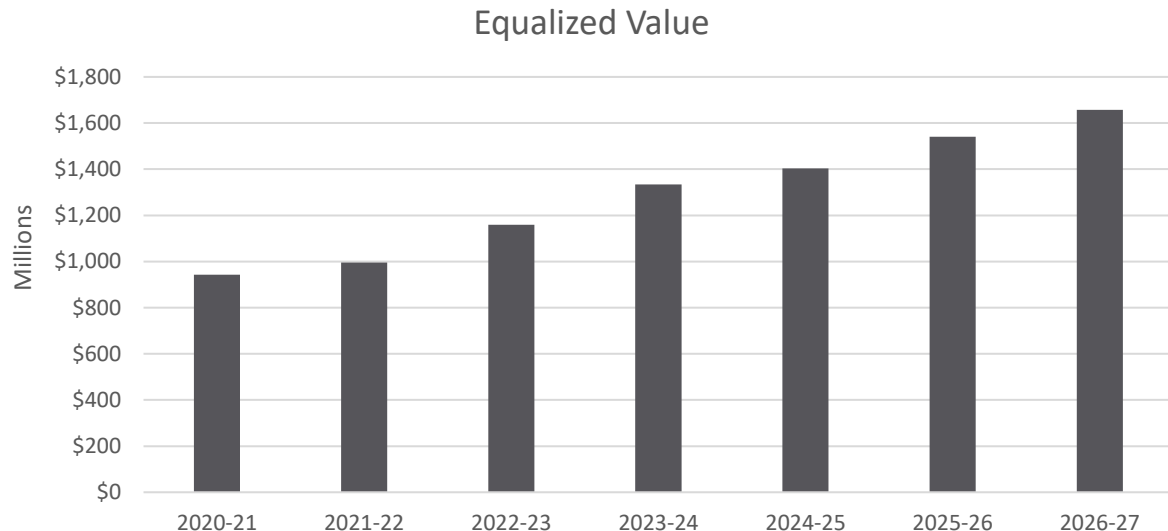
Why Use Equalized Values?

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

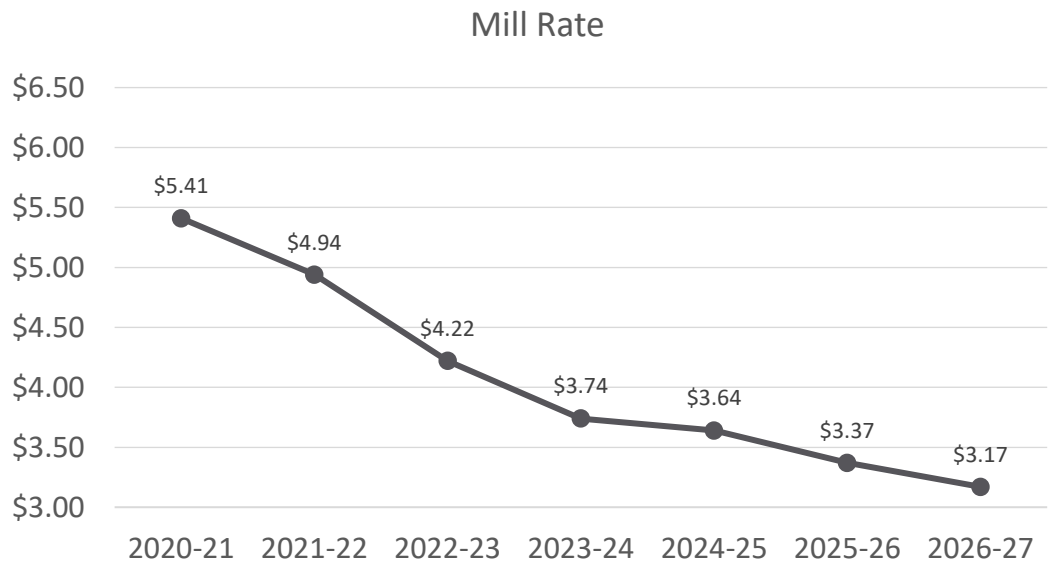


*2026-27 Equalized Value is an estimate

As property value increases while enrollment increases at a smaller rate, holds-flat or decreases, Swallow School District 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)



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.

*2026-27 Mill Rate is an estimate

Mill Rate Calculation



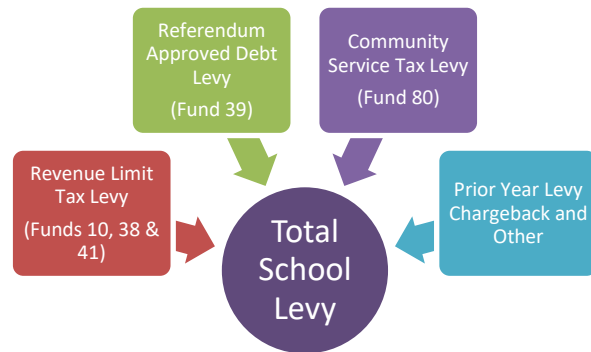
	Total School Tax Levy	Equalized Property Value	X \$1,000	Mill Rate
WITH Referendum	\$5,757,780	\$1,657,545,254	\$1000	\$3.47
WITHOUT Referendum	\$5,257,780	\$1,657,545,254	\$1000	\$3.17



Proposed Tax Levy Calculation

Local Property Tax Levy	2025-26 Actual	2026-27 Proposed	% Change
Fund 10 – General Fund	\$4,610,516	\$4,682,445	
Fund 39 – Debt Service	\$576,886	\$575,335	
Total Proposed Tax Levy	\$5,187,401	*\$5,257,780	1.36%
Equalized Value	\$1,540,556,639	*\$1,657,545,254	7.59%
Mill Rate (Tax Rate per \$1,000)	\$3.37	*\$3.17	-5.8%

*2026-27 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

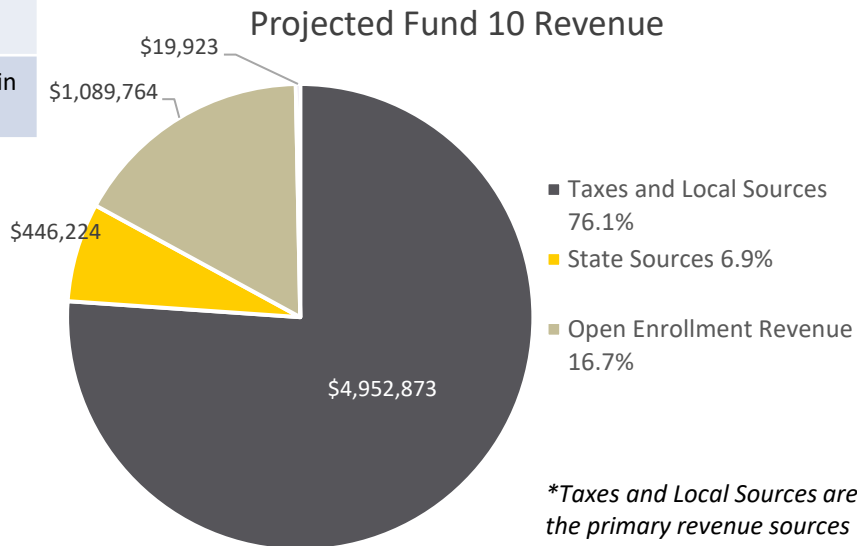
2026-2027 Proposed Budget





Revenue Sources - Fund 10

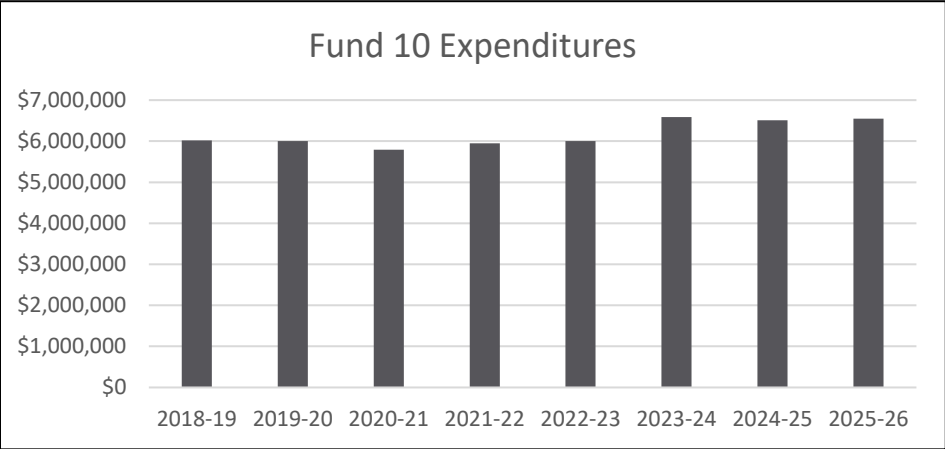
Revenues	Audited 24-25	Unaudited 25-26	Prelim Budget 26-27
Annual Revenue	6,141,706	6,376,911	6,508,784
Percent Change		+3.8%	+2.1%
Driving Factor(s)		Increase in Open Enroll In	Estimated Increase in Open Enroll In





Annual Fund 10 Expenditures

In 25-25: F10 Expenditures came in below estimated



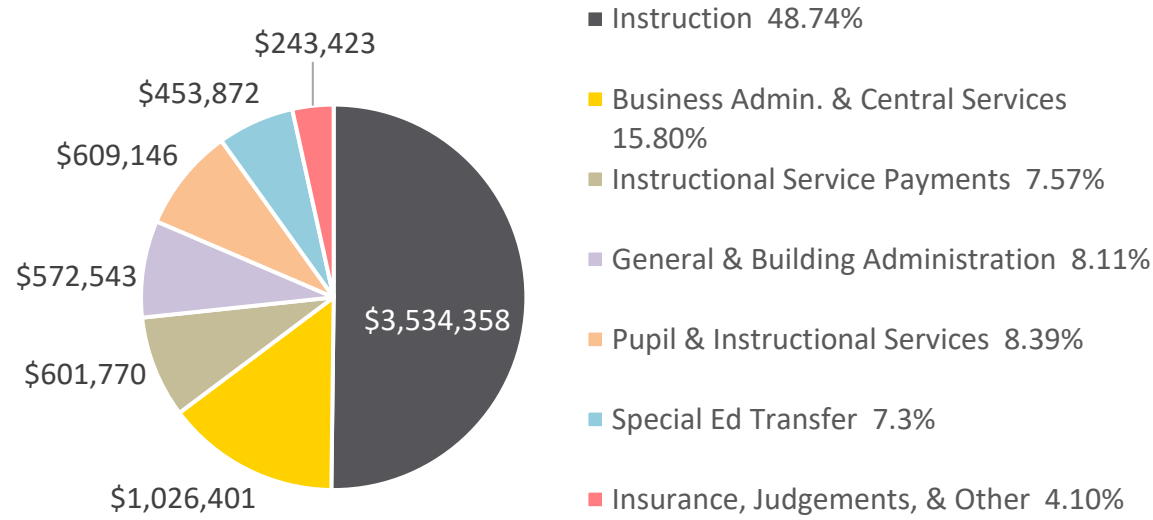
	2025-2026 Unaudited Actuals	2026-2027 Prelim Budget
F10 Expenditures	6,548,875	6,947,539
		+6.09%

2025-26 Expenditures to be finalized with Audit
2026-27 Expenditures are budgeted



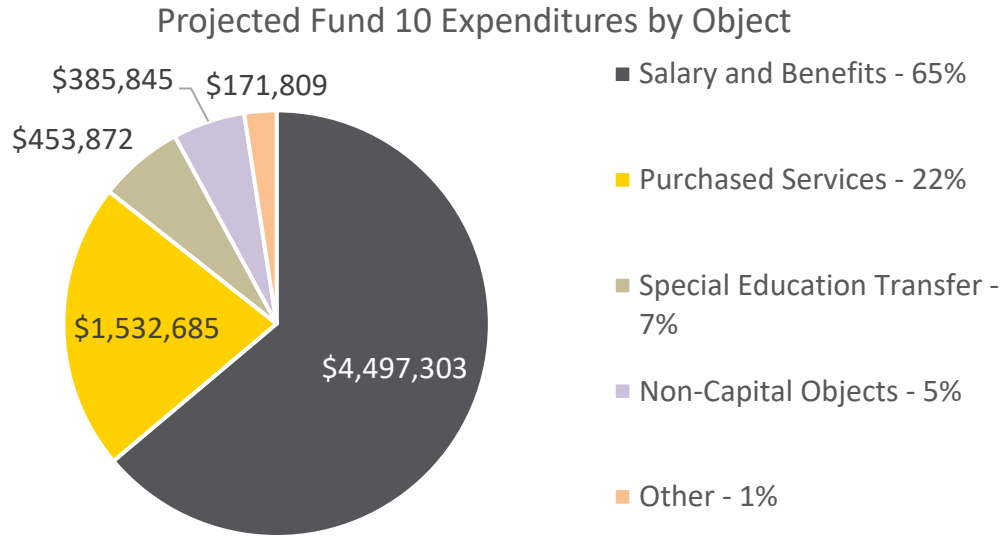
Budgeted Expenditures by Function – Fund 10

Projected Fund 10 Expenditures by Function





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 26-27

26-27 Budget Impacts

- Staff Salaries + Payroll related expenses to retain high-quality instructional staff
- Health Insurance –
 - Conservative Estimate Increase of 15%
 - 2027 Rates will not be finalized until November 2026
 - Planned Stop Loss carrier transition
- Security – New Security Camera System to replace failing system
- Capital Spending Funded by General Fund (10)



Fund Balance – General Fund

Considered the District's cash equivalent assets minus liabilities

	2024-25 Audited	2025-26 Unaudited	2026-27 Budget
Committed Fund Balance – Retirement	0	0	0
Restricted Fund Balance	0	0	0
Unassigned Fund Balance	5,123,743	4,955,446	4,516,692
Total Fund Balance	5,123,743	4,955,446	4,516,692
Fund Balance as % of Expenditures	78.68%	75.60%	64.95%
<i>Cash Position</i>	<i>\$5,123,092</i>	<i>\$4,951,128</i>	<i>\$4,512,374</i>

- 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 2026-2027 proposed budget assumes the use of \$438,755 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 2024 - 2025	Unaudited 2025 - 2026	Budget 2026 - 2027
Beginning Fund Balance	50,578.98	46,763.97	48,722.99
Ending Fund Balance	46,763.97	48,722.99	48,722.99
REVENUES & OTHER FINANCING SOURCES	761,244.01	740,276.08	827,139.30
EXPENDITURES & OTHER FINANCING USES	765,059.02	738,317.06	827,139.30

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.

	Year to Date		
DEBT SERVICE FUND	Audited 2024 - 2025	Unaudited 2025 - 2026	Budget 2026 - 2027
Beginning Fund Balance	120,374.98	115,648.11	110,523.36
Ending Fund Balance	115,648.11	110,523.36	106,173.36
REVENUES & OTHER FINANCING SOURCES	573,808.13	577,460.25	576,836.00
EXPENDITURES & OTHER FINANCING USES	578,535.00	582,585.00	581,186.00

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

	Year to Date		
CAPITAL PROJECTS FUND	Audited 2024 - 2025	Unaudited 2025 - 2026	Budget 2026 - 2027
Beginning Fund Balance	865,907.96	913,431.67	950,036.59
Ending Fund Balance	913,431.67	950,036.59	230,036.59
REVENUES & OTHER FINANCING SOURCES	47,523.71	36,604.92	30,000.00
EXPENDITURES & OTHER FINANCING USES	0.00	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.

	Year to Date		
FOOD SERVICE FUND	Audited 2024 - 2025	Unaudited 2025 - 2026	Budget 2026 - 2027
Beginning Fund Balance	40,992.89	59,251.08	66,309.15
Ending Fund Balance	59,251.08	66,309.15	66,459.45
REVENUES & OTHER FINANCING SOURCES	198,532.58	221,627.42	222,500.00
EXPENDITURES & OTHER FINANCING USES	180,274.39	214,569.35	222,349.70

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



2026-27 Budget Variables Yet-To-Be Certified

Actual September Membership Count

- Occurred on third Friday of September – In process of certifying

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 2026-2027 Budget*



Budget Hearing

Adjournment

*Motion to Adjourn the
2026-2027 Budget Hearing*

