

## Communicating Our School District's Needs

Dear Mellen Community,

I wanted to take this opportunity to share with you some information regarding the Mellen School District financial situation.

### Public School Funding

The Wisconsin State Legislature determines the amount of funding the school district receives each year. The 2023-25 biennium budget has been finalized: all districts will receive an increase of \$325 per pupil which equates to a revenue growth of about 2.9%. Of note are the following facts:

- Wisconsin School Districts have not had a per-pupil adjustment aligned to inflation (CPI) in the past 14 years; in fact, there has been **NO** per-pupil adjustment at all in the past 2 years
- The Mellen School District has received one-time funding from the Federal Government intended to address the learning disruption resulting from the COVID-19 pandemic. The ESSER funds were used by the School District to hire additional staff to address the learning loss, complete facilities updates to provide a safe and healthy environment, curriculum to support math and reading interventions, technology to support virtual learning, and support for student's mental health and wellness. These funds will no longer be available in the 2024-25 school year, referred to as a "fiscal cliff."
- While we still have some ESSER funds available for the 2023-24 school year, we are projecting a potential deficit in the amount of \$389,000 at a minimum. The reason is because we need to maintain current staffing levels. Just because the funding has gone away does **not** mean that the needs of our students have. We have created a staffing plan for the upcoming school years in an effort to begin staffing reductions in accordance with our student learning needs.
- Factors that affect our School District budget are
  - Inflation: increasing costs of employee benefits such as health insurance, utilities cost (natural gas prices), food for school meals, to name a few.
  - Teaching and Substitute Shortage: in an effort to attract and retain quality staff we have needed to increase salaries and hiring incentives in order to compete with neighboring districts and the private sector.
  - Enrollment: Student enrollment is directly related to the amount of State funding the District receives. Enrollment projections show a slight decline over the next few years.
  - Special Education Funding: Wisconsin's rate of reimbursement of 30% is the lowest in the country
- At this time we are projecting an increasing deficit for the 2024-25 and 2025-26 school years.

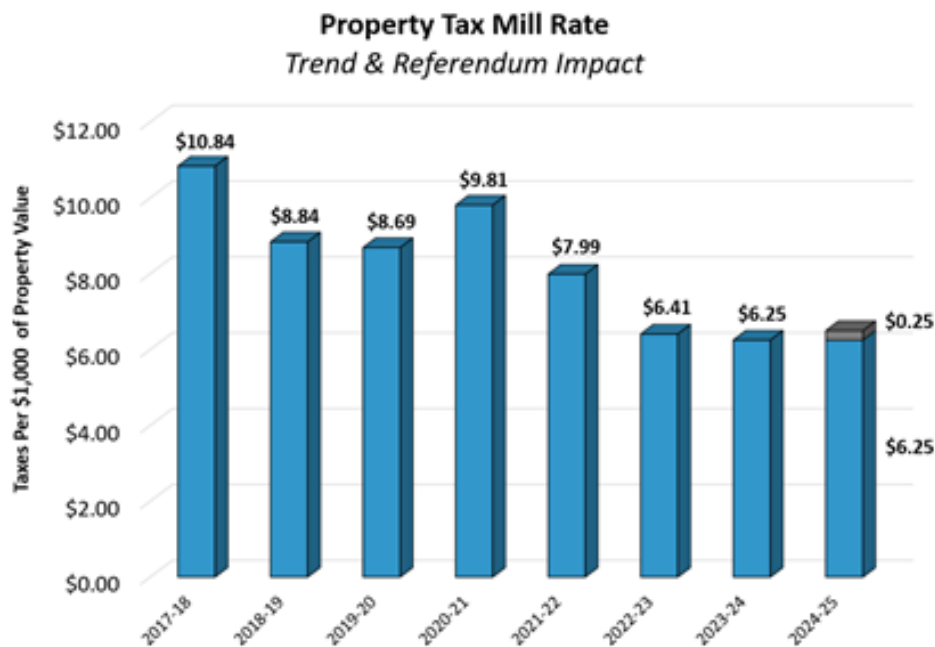
## How will the Operational Referenda Funds be used?

Uses for an operational referendum include:

- Maintain current academic and extra-curricular programming
- Pay employees a fair and competitive wage in order to attract and retain high-quality staff
- Be responsible with our current fund balance in taking care of building maintenance
- Maintain technology needs to ensure that the infrastructure in the district is viable for current and future students

## Referendum Effects on Property Taxes

Overall, the Mellen Community has had a decreasing mill rate since 2017 at \$10.84 to \$6.25 in 2023. Mellen has not gone to referendum since 2000 which was to issue debt for boiler upgrades.



Of note is the fact that each municipality in the District may have a slightly different impact including factors out of the district's control which could contribute to tax bill fluctuations:

- Municipality reassessment
- Equalized value adjustment
- Home sales and improvements
- TIF (tax incremental financing) district establishments
- Land Zoning and conversion

## Managing Financial Challenges

Actions the District has taken to save money:

- Deferred facility improvements and updates
- Engaged contracted service providers to reduce costs
  - Teleservices
  - Shared services for IT
  - Shared services through CESA 12
- Provided less than CPI increases to employees
- Reduced staff
- Energy efficiency projects

## If the Referendum Does Not Pass

Our commitment to create the best possible district and provide for our kids never wavers, whether we're resource rich or poor. If the referendum fails, we will have to discuss reformatting our cost structure. A potential list of budget cuts could include the following:

- Elimination of staff positions - Interventionists, Counseling, Paraprofessionals
- Reduction in staff positions - part-time
- Increased class sizes by combining grade levels
- Elimination of programs and services - Student Mental Health Supports, Academic Intervention, Food Service
- Cuts in supplies, equipment, field trips
- Decreasing the number of bus routes
- Deferral of facility needs
- Technology upgrades put on hold
- Increase fees and costs for services
- Elimination of athletics and extracurricular activities

## Items to Consider

- Providing ongoing communication with the community
- Holding community forums for presentations and Q&A sessions
- Framing a conversation around investment in our schools for our children
- Sharing success stories of our school to build support
- Surveying the community to get a baseline of support for a potential referendum
- Providing budgeting forecasts of the school finances

A community survey will be sent out later in October to gather feedback from district residents regarding a possible operational referendum.

If you have any questions please contact Superintendent Rhonda Elmhorst-Friemoth at 715-274-3601

Respectfully submitted,  
Rhonda Elmhorst-Friemoth  
Superintendent  
Mellen School District