

Dear Parents & Caregivers,

Happy New Year! A reminder to all that a full day of classes is scheduled to resume Thursday, January 2, 2025. For our high school students, Friday, January 17, 2025, marks the end of the first semester, making this date the midway point of the school year. The start of the second semester provides high school students an opportunity to take some new elective courses in the second half of the school year. Parents, I encourage you to have ongoing conversations with your children about their future career aspirations, as students often can change their minds. The courses they take must ensure they possess the academic skills to succeed beyond high school. As I frequently do, I want to emphasize the importance of students demonstrating consistent attendance. As easy as it may sound, students who demonstrate regular attendance and participate in athletics or clubs often have an overall grade point average nearly a point higher than students who have spotty attendance and don't participate in any school activities. After transitioning to the second semester for our high school students, our elementary students will mark the 100th day of the school year by celebrating this milestone in their math classes.

### **2025-26 BUDGET FORECAST & SPECIAL EDUCATION FUNDING**

The district will begin outlining the 2025-26 budget forecast in late January. Without a healthy increase in state aid, the district is anticipated to demonstrate a budget shortfall. As such, the district is currently planning to make some budgetary adjustments and use some fund balance set aside during the previous three-year cycle. It was projected that this would likely be the case during the final year of the four-year operating referendum cycle. What is unknown at this time is what the State of Wisconsin's biennium budget for 2025-27 will look like.

Inside the development of the state's biennium budget, one topic that will take place inside the state capital building is the reimbursement rate for special education services the district is required to provide to students. While the district's overall student enrollment numbers have pulled back in the past two years, the number of special education students the district has been serving has increased by 48 students since the 2021-22 school year. I mention the 2021-22 school year because it was prior to the district's current passage of the four-year non-recurring referendum. In short, the services provided to these students were not accounted for when planning the current referendum cycle. The current special education reimbursement rate hovers around 33% of the actual amount to provide special education services. This means that at the end of each fiscal year, the amount the district spends in Fund-27 (Special Education Fund) has to be balanced, resulting in transferring the balance from Fund-10 (General Fund). At the end of 2023-24, the district had 276 students who received special education services. Ultimately, the district transferred \$3,058,319.00 from Fund-10 to Fund-27 to balance the special education fund. Thus, if the state would increase special education funding in the next biennium budget cycle, it would provide a greatly needed increase in revenue for the district. For example, if the special education reimbursement rate were to increase to 50%, the district would see an increase of a little more than \$500K in revenue. This is an item the district will be communicating to our state legislative representatives and state senators when they negotiate the next biennium budget.

To close out this section, one of the very first business items the board of education will take up at the first board meeting of 2025 on Wednesday, January 8, 2025, is to set the number of open enrollment seat allocations. As I mentioned in a previous edition of the newsletter, the district's enrollment has pulled back by roughly 47 students in the past two years. As such, the district will look to attract some new students by further opening up the number of open enrollment seats available to students for the 2025-26 school year. This past fall, the district reduced its open enrollment deficit to -4 students, with 160 open enrolling out (OEO) and 156 open enrolling in (OEI). It would be great to have a surplus of open-enrollment students as it would

generate some additional revenue for the district. In 2023-24, the amount was \$8,224 for a regular education student and \$13,076 for each special education student open enrolling into the district.

### **FUTURE PLANNING LONG TERM PLANNING**

In closing, in February 2025, the district will resume long-term planning for the district. Based on survey feedback received last spring, the district will focus on several pathways. Please allow me to foreshadow one pathway: developing a concept for a middle school on the Brew Farm Campus. Without getting too deep into the details, it would be possible to see the repurposing of Wisconsin Dells Middle School and Spring Hill Elementary. It would also see the retirement of Lake Delton Elementary School but retain a four-school pathway. A second option is to reduce to a three-school pathway with extensive remodeling at SHES and WDMS and retire LDES. Before any long-term plan is put into motion, the district will need to pass/renew an operating referendum, most likely to be on the ballot in April of 2026.

### **END of CALENDAR YEAR GRATITUDE & REFLECTION**

Before we get too far into 2025, now is a good time to take a few moments to reflect on 2024 and share gratitude for a number of milestones achieved at the district level. First, thank you to our constituents for approving the safety and security referendum this past November. These investments will improve the safety of our students and staff, as well as the efficiency of the parking lots when parents are transporting students. I am thankful for the continued service of our employees, who often go above and beyond to serve our students. Whether it's safely transporting our students, keeping our schools clean, healthy, and safe, serving them nutritious meals, or serving students in the classroom to prepare them for graduating ready for post-high school success, our staff is very dedicated to meeting our students' needs. Last but not least, I am thankful for our students' daily efforts. They often do many good things, including a handful of students who come in on weekends and over the holidays to volunteer in "The Market ." Our students are busy people and do so many good things! Keep up the good work in 2025!

Finally, as I traditionally do, please allow me to close out this newsletter by saying thank you for the opportunity to serve the children of our community! For they are our highest priority, and it is our privilege to do so!

Happy New Year, and have a great month!

*Terrance R. Slack*