WATERFORD UNION HIGH SCHOOL DISTRICT

Budget Memo to the Board of Education

2026-27 Budget Update — July 1 State Aid Estimate | July 2026

Purpose: *To update the Board on the 2026-27 budget following the Department of Public Instruction's July 1 general aid estimate, and to confirm the resulting tax levy, mill rate, and fund position.*

1. July 1 State Aid Came In Above Budget

The District's July 1 general aid estimate is **$4,784,635** — an increase of **$167,342, or 3.62%**, over the prior year, and approximately **$860,000 above** the amount included in the preliminary budget. As a precaution, the budget had assumed aid at the 85% hold-harmless floor; the state formula instead produced an increase. The binding certification arrives October 15 and typically lands very close to the July 1 estimate.

2. Effect on the Levy and Tax Rate

Under Wisconsin's revenue limit, additional state aid reduces the local property tax levy dollar-for-dollar — the District receives the same total revenue, simply more from the state and less from local taxpayers. The ~$860,000 in additional aid therefore lowers the Fund 10 levy automatically. Administration has **held the overall tax rate flat at 4.15 mills** and redirected the freed capacity into the debt-service fund (Fund 39) to pre-fund future debt payments, which will help reduce levies in coming years:

Levy Component	Preliminary	Updated (July 1 aid)
Fund 10 (general operations)	$9,990,085	$9,130,149
Fund 39 (debt service)	$3,670,433	$4,530,369
Fund 80 (community service)	$779,014	$779,014

Total levy is unchanged at **$14,439,532**, holding the mill rate at **4.1500**. Fund 39 now builds approximately **$868,000** toward future debt reduction. (Alternatively, the Board could pass the savings to taxpayers and lower the rate to roughly 3.90 mills; administration recommends the debt-reduction approach for multi-year rate stability.)

3. Budget Position and Reserves

With the actual aid recorded, the general fund moves from the previously projected ~$139,000 fund-balance draw to a small **operating surplus of about $86,000** — no use of fund balance is required. The budget remains balanced across all funds at the flat 4.15 mill rate. General-fund reserves stand at roughly **$6.8 million (about 38% of spending)**, well above the Wisconsin best-practice range of 20–25%.

4. Remaining Variables

Several figures will be finalized over the coming months and may adjust the result modestly: the **October 15 aid certification** (binding), the **Fall 2026 equalized property valuation** (which sets the final rate), and the **official September student and open-enrollment counts**. Current-year (2025-26) results are tracking as budgeted; the mid-year gap between revenue collected and expenses reflects the timing of tax and aid settlements, not a shortfall.

5. Recommendation

Administration recommends the Board adopt the 2026-27 budget as presented — balanced across all funds, at a flat 4.15 mill rate, with the July 1 aid increase directed toward debt reduction — and revisit any further adjustments once the October certification, valuation, and enrollment counts are confirmed.