DeForest Area School District

Budget Draft - Narrative

July 27, 2026

Based on guidelines accepted by the DeForest Area School District Board of Education on April 13, 2026, the 2026-27 budget draft has been established. Several components rely on estimates due to currently unavailable information, notably enrollment, 2026-27 fiscal year activity, grant allocations, special education aid, equalized value, and equalization aid. A revised version incorporating updated data will be presented in October for final Board approval and levy certification.

The resulting budget remains aligned with the initial parameters from April 13, 2026. For the 2026-27 period, the projected mill rate is estimated at $8.90 per $1,000 of equalized property value, representing a minimal decrease (-1%) compared to the 2025-26 fiscal year. These figures remain subject to modification as property values and final aid counts are confirmed. Furthermore, an allocation of roughly $2M has been designated for debt defeasance to secure mill rate stability and create opportunities for lowering the debt levy starting in the 2027-28 school year, mitigating future revenue limit and aid variations.

A few key developments have emerged since the initial presentation of the budget parameters on April 13, 2026. The following sections outline subsequent information regarding changes in property values, equalization aid estimates, athletic funding, and capital projects planning.

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Equalization Aid

The July 1, 2026 Equalization Aid Estimate came in at $27,469,134. This number will most likely change once the equalization aid calculations are updated in October. This is an increase from the 2025-26 school year. The increase is mostly due to the district's increasing enrollment and stable cost per pupil. This increase in aid stands out from other school districts, of which more than 60% are seeing a decline. The 2025-27 Wisconsin State Biennial Budget did not allocate additional funds for equalization aid. Because total state funding remains unchanged, the increase for our district directly corresponds to reductions elsewhere. Since equalization aid heavily influences local property tax rates, a reduction in aid typically results in an increased tax burden.

Property Value

The equalized value within the boundaries of the school district serves as a critical factor in determining the school tax levy rate (mill rate). Several known and anticipated adjustments are expected to influence the district's overall equalized value. Notably, a recent recertification in the City of Madison designated a property valued at

approximately $100 million as tax-exempt. Because tax-exempt properties are no longer taxable, this value has been removed from the equalized total. Generally, when the taxable property base decreases while the tax levy remains constant, the tax burden potentially shifts upward for the remaining properties. However, this effect can be mitigated by property value growth in other areas or adjustments in equalization aid.

Potential TID closures within the Village of DeForest represent another expected change down the line. One closure, carrying a current valuation of $33.7 million, is predicted to affect 2027 values, while three others with larger valuations are projected to close in 2029. The closure of TIDs distributes the school district's tax burden across a broader base of properties, which effectively reduces the mill rate.

An increase of 5.99% is currently projected for the equalized property value for the 2026-27 school term. This figure will be finalized on October 01.

Capital Projects
The district is planning to complete a variety of capital projects for the 2026-27 fiscal year. Major projects include: Building HVAC retrocommissioning/automation upgrades, tennis court replacement, technology interactive presentation board replacements at the elementaries, and fiber line expansion for athletic spaces. The budget draft includes $2.3m from funds 41 and 46 to support these projects.

Athletic Funding
Over the past year there have been more conversations regarding the costs of athletic programming and related revenue, fundraising, and donations. Since this topic has been more frequent, additional information is being provided on athletic funding in regards to the 2025-26 school year and 2026-27 budget draft. In general there are two main areas of athletic funding utilized to make athletic programming possible (both middle and high school levels): District General Fund and activity/sport fundraising.

General Fund (Fund 10) Athletics* Unaudited 2025-26

- Net Cost (Revenue - Expenses) **$891,144**
- Athletic Revenue (Gate, Passes, Fees): **$149,502**
    - Gate Admissions & Passes: $85,682 *(57.3%)*
    - Student Athletic Fees: $63,620 *(42.6%)*
    - Other Activity Income: $200 *(0.1%)*
- Total Athletic Operating Expenses (General Fund): **$1,040,646**
    - Coaching Stipends, Salaries & Fringe Benefits: $632,522 (60.8%)
    - Athlete Transportation: $147,474 (14.1%)
    - Game Officials & Referees: $90,058 (8.7%)
    - Game Day Event Workers: $55,818 (5.3%)
    - Co-op programs: $37,690 (3.6%)

- Supplies & Uniforms: $35,844 (3.4%)
- Tournament Entry Fees: $25,895 (2.6%)
- Capital Equipment: $15,345 (1.5%)

**Does not include facility/capital project expenses, i.e. utilities, facility repairs, custodial support, and capital projects related to gyms, fields, and other practice spaces/facilities.*

Special Projects Fund (Fund 21) Team Activity Accounts Unaudited 2025-26

Team-led fundraising, sponsorships, and donations made to the district are tracked separately in Fund 21 activity accounts:

- Total Raised: $334,797.41
- Total Spent: $261,376.07
    - Capital Equipment & Facility Upgrades (38%)
    - Uniforms & Custom Apparel (28%)
    - Travel, Hotels, & Summer Camps (20%)
    - Meals, Banquets, & Recognition (14%)

For 2026-27 the General Fund (Fund 10) Athletic Expenditures are currently estimated at: $1,081,391.

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2026-27 Budget Parameters
April 13, 2026

Overview of what is happening statewide

The 2026-27 school year marks the second year of the previously approved biennial budget. A key concern for 2026-27 is that the primary funding stream for special education is projected to fall significantly short of the promised legislative funding. While the biennial budget committed to a 45% funding level for the second year, this is now estimated to be unachievable because the funding source is not sum sufficient (spending the dollar amount necessary so that the 45% threshold is met, versus capping the dollar amount spent which often results in not meeting the percentage promised). This follows an already disappointing outcome in the first year where funding also fell substantially below the legislatively approved 42%.

The Wisconsin Legislature has adjourned its regular session, making the allocation of the state's surplus challenging. However, negotiations between legislative leaders and

Governor Evers are focused heavily on delivering property tax and individual tax relief, as well as fulfilling the state's prior commitment to special education reimbursement funding. Since there is no deadline for lawmakers to return, WI public schools must continue advocating for both special education funding and meaningful property tax relief, as the outcome of these negotiations will impact the 2026-27 budget cycle. Additionally, the close of the legislative session saw some notable retirement announcements from key leaders, including Assembly Speaker Robin Vos and Senate Majority Leader Devin LeMahieu, signaling potential shifts in future legislative priorities.

Governor Evers also has decided not to seek reelection. Evers has been a long time advocate of public schools being a former teacher and superintendent. It is unclear at this point how the November 2026 Governors race may or may not impact Wisconsin public school funding.

Local Factors

Enrollment: Although enrollment in the DeForest Area School District (DASD) continues its upward trend, we have observed a reduction however in incoming class cohorts. We are no longer seeing incoming classes exceeding 300 students in grades K-3. The 2025-26 4K class was the smallest recorded since 2016-17, aligning with a broader trend of decreased 4K enrollment seen across Dane County, Wisconsin, and the Nation. However, birth records suggest that 4K enrollment is projected to increase for the 2026-27 school year. The large classes (300+ students) are now visible as "bubble grades" that are progressing through the different grade levels and school buildings. These specific classes are highlighted in purple below.

September Third Friday Head Count History (Pre- Resident and Non-Resident Adjustments)							
Grade	2021-22	2022-23	2023-24	2024-25	2025-26	Difference From Prior year Same Grade Level	Difference from Grade Progression (i.e. comparing 2nd grade to last year's 1st grade)
Other	13	19	15	10	20	10	N/A
4K	279	293	279	287	264	-23	N/A
K	314	322	290	291	295	4	8
1	289	317	321	298	298	0	7
2	314	297	321	323	300	-23	2
3	322	321	289	332	323	-9	0
4	296	327	323	298	335	37	3
5	296	289	328	331	298	-33	0
6	280	295	296	336	332	-4	1
7	284	272	293	301	337	36	1
8	267	286	275	300	302	2	1
9	285	270	299	293	308	15	8
10	266	285	272	293	285	-8	-8
11	262	266	277	266	297	31	4
12	251	272	269	283	279	-4	13
Year Totals	**4,018**	**4,131**	**4,147**	**4,242**	**4,273**	**31**	N/A

Housing Trends: Home construction continues to be strong in the DeForest area. The Village of DeForest has less single family home permits than in previous years. On the other hand, the Village of Windsor has seen an increase in 2024 and 2025 for single family home permits. Following are the latest housing building permits statistics for both villages.

Figure F: Village of DeForest Housing Units Enabled by Building Permits, 2010-2025

Unit Type	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	TOTALS
Single-family	18	26	35	34	33	25	66	85	59	74	42	84	19	82	76	35	869
Duplex	6	0	0	6	2	2	20	24	28	18	22	32	48	30	52	44	334
Multiple-family	0	0	0	0	0	8	132	68	0	15	0	125	59	132	315	676	1,530
Totals	**24**	**26**	**35**	**40**	**35**	**35**	**218**	**177**	**87**	**107**	**64**	**241**	**126**	**244**	**443**	**755**	**2,657**

Source: Village of DeForest Building Permit Records

Figure G: Village of Windsor Housing Units Enabled by Building Permits, 2010-2025

Unit Type	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	TOTALS
Single-family	34	33	49	52	60	73	82	75	75	64	71	86	79	84	101	102	1,120
Duplex	0	0	0	10	10	0	2	2	24	10	8	26	4	8	2	0	106
Multiple-family	17	0	4	4	0	24	57	107	8	0	0	92	138	50	47	0	549
Totals	**51**	**33**	**53**	**66**	**70**	**97**	**141**	**184**	**107**	**74**	**79**	**204**	**222**	**142**	**150**	**102**	**1,775**

Source: Village of Windsor Building Permit Records; includes limited number of permits outside of the DeForest Area School District

Building the Budget for 2026-27

Major Operating Assumptions:

Second Year of the 2024 Operating Referendum - fully incorporated into budget planning and used for:

- Continuation of existing programming across all levels.
- Maintaining cash flow reserves in alignment with board policy.
- Maintaining district class size goals which are K-3: 22.5 average and 4-12: 25 average.

Revenue Assumptions:

- The majority of the district's operating revenue is determined by the **revenue limit formula**. This formula calculates a cap on the amount the district can levy for Funds 10 (General) and 41 (Capital). The calculation is based on the district's three-year resident average multiplied by the per-pupil dollar limit. Additional factors, such as exemptions (including transfer of service and referenda), are also included.
    - $325 per pupil (current biennium budget - less than CPI)
    - Transfer of Service $600,000 (Based on current understanding for new students with IEP/ELL services). This number will not be fully finalized until the Fall of 2026.
    - Equalization Aid is estimated at $26 million which is a projected increase from current year. Looking forward it projected to decrease in 2027-28. The temporary increase is related to the shared cost per student remaining stable from 2024-25 to 2025-26 (calculation that adds Fund 10 + Debt Service and divides by number of students).
    - Fund 41 Levy of $1,000,000 (same as 2025-26)
- Categorical Aid $742 per pupil (current biennium budget)
- Increase Fund 80 levy to better align costs associated with community use of facilities previously funded from fund 10.
- Interest Revenue reduced to reflect dropping interest rates on investments.
- Preliminary Federal funding allocations were released for Titles 1-IV. Wisconsin's allocation decreased for all title grants due Wisconsin's poverty level decreasing from 11.96% to 11.03%, while other states' poverty level increased. The allocations specific to DeForest decreased by an estimated $19,000. No allocation information has been released yet for Flow-Thru IDEA grants.

Expenditure Assumptions:

Budget/Cost Centers - Services and Supplies

- Majority of budget / cost centers to receive a general inflationary increase (2.65%).
- Larger % increase for the areas of technology and buildings and grounds. These areas have been impacted by several rate fluctuations over this past year. In

some cases equipment pricing has fluctuated by 20-60% from the previous year (and sometimes in the same month).

Staffing decisions will be based on key factors, including:

- Enrollment projections
- Current programming needs
- Building schedules

Planning will incorporate the following class size goal averages: 22.5 students for grades K-3 and 25 students for grades 4-12.

Based on current enrollment forecasts and class size goals we anticipate the need to reduce 2 FTE at Windsor, and 1 FTE at Eagle Point, .5 FTE Elementary PE, and 1 FTE at DAHS. Each of these positions will be reduced utilizing attrition versus laying off existing staff.

We anticipate adding the following staffing positions to accommodate the higher class sizes moving through the higher grades: 1 FTE PE/Health DAMS, 1 FTE Counselor DAHS, 1 FTE PE/Health DAHS, and 1 FTE Art DAHS

We also plan on the reconfiguration of 1 FTE ML Coordinator position to an elementary Dean with ML coordination duties transferred to a principal.

Staff Compensation

Allocations for staff compensation will be included in the 2026-27 budget. The current CPI estimate that is utilized for compensation negotiations is 2.63 %. Conversations with employee groups are anticipated to begin Mid-April 2026.

Benefits for Staff

We will be entering our fifth year with Group Health Cooperative (GHC). We anticipate a renewal at the rate of 6.5%. Since being with GHC we have not experienced the double digit increases that many of our peer districts have been experiencing.

The dental insurance rate will remain the same for 2026-27. The district's dental plan is self-funded allowing us more flexibility in setting rates and savings.

Community Service Fund Re-alignment With Expenditures

For the 2026-27 budget we have identified two existing FTE custodians whose role is to solely support evening/event/weekend facility usage. Since these activities are community service related and not for supporting educational programming, it would be more appropriate to expense them from the Community Service Fund 80 (estimated $160,000). Per DPI, costs associated with such programs and services shall not be included in the school district's shared cost under s. 121.07 (6). Transferring the

expenses from the General Fund 10 to Community Service Fund 80 will remove the costs from the district's shared cost calculation.

During 2026-27 , we plan to continue the process of separating and tracking expenses related to community use of our facilities. This effort may include isolating utility costs, such as those for the community pool and other rented spaces. This work is also related to OE-12 Facilities policy, specifically section 12.6, which mandates the consistent administration and evaluation of facilities using established guidelines for: permitted uses and applicable fee structure.

In addition to the re-alignment of fund 80 related expenditures from fund 10, (an increase will also be necessary to cover inflationary costs) of existing fund 80 programming (community pool and PAC). This increase is currently estimated to be $35,000.

The overall impact of an increase in fund 80 levy to capture these community service related expenses is projected to be minimal and will be offset by a slight adjustment in the debt service levy.

Dane County Fund 80 Comparisons

Community service expenses can vary greatly due to several factors for the district and community it is located in. For example, Cambridge and Oregon schools run their community's recreational programs versus the municipality. Waunakee School district runs additional community service programming such as adult education, community wide middle school level athletics (programming that is open to private school students), and has community resource officers. There are also several other unique offerings that differ among each district. For DeForest we operate our community pool, a portion of the performing arts center, and community facility use (currently mostly funded through fund 10). The following is the fund 80 levy for Dane County school districts 2025-26:

	Fund 80	Sept. FTE
Belleville	$150,000	916
Cambridge	$567,500	825
Deerfield	$20,000	730
DeForest	$130,000	4213
Stoughton	$286,309	2719
Madison	$18,764,524	25667
Marshall	$0	896
McFarland	$532,402	2179

Middleton	$177,000	7039
Monona Grove	$871,640	3256
Mount Horeb	$0	2111
Oregon	$725,549	3820
Sun Prairie	$1,050,000	8261
Verona	$1,156,638	5582
Waunakee	$1,006,300	4061
Wisconsin Heights	$0	772

Capital Projects

Budgeting for capital projects will follow the long-range capital projects plan. The specific projects for 2026-27, once finalized, will be presented to the Board for consideration in a future budget document.

Operational Expectations and Results - Capacity Building

Capacity-building priorities, identified through monitoring reports presented before April 6, 2026, will be reviewed by administration as the 2026-27 budget is developed. These items, along with any further capacity-building needs identified after April 2026, will be incorporated into future budget drafts as appropriate.

Operating Expectation/Results	Capacity Building
R-2 Numeracy	● Maintain and support the current curriculum and professional development budget. ● Continue support of professional development in culturally responsive practices and equity. ● Continue support of the Instructional Coaches. ● Maximize Multilingual programming (formerly ELL) with a focus on professional development, co-teaching, newcomer curriculum, and family engagement. ● Continue to prioritize low caseload ratios for Special Education teachers to allow capacity for co-design. ● Continue support of professional development of the co-design model with regular education teachers and special education or multilingual teachers. ● Increase staffing for intervention.

	● Continue support of our Advanced Learning Coordinator. ● Support professional development and time for staff to continue to learn about digital literacy, focusing on safety and security within a digital setting.
R-2 Literacy	● Continue support for professional development and collaboration on MLSS systems. ● Continue support of the Instructional Coach positions. ● Continue support of the Multilingual program. ● Continue support of the partnership with the Greater Madison Writing Project. ● Continue support of the assessment budget to support work with Eric Larsen. ● Maintain and increase staff to support intervention. ● Support structure for one-to-one assessments at the K-1 level. ● Continue support of professional development of the co-design model with regular education teachers and special education or multilingual teachers. ● Continue to prioritize low caseload ratios for Special Education teachers to allow capacity for co-design.
R-3 Self-Directed Complex Thinkers	● Maintain the professional development budget. ● Continue to work with the Greater Madison Writing Project to support writing. ● Continue to raise awareness and support the ACP graduation requirement. ● Continued support for resources for staff with our Social Emotional Learning curriculum at the Tier 1 and Tier 2 levels. ● Continued support for our partnership with CESA 10 to build and strengthen our PBIS and MLSS structures in the district. ● Continued support for the K-6 Behavior Support Coach and PBIS Coordinator stipend.
R-4 COLLABORATIVE & RESPONSIBLE CITIZENS	● Maintain the professional development budget. ● Continued support for resources for staff with our Social Emotional Learning curriculum. ● Continued support for our partnership with CESA 10 to build and strengthen our PBIS and eMLSS structures in the district. ● Support for the increase in deans at the elementary level. ● Support for the increase in a counselor at the high school.

	● Continued support for community mental health providers. ● Continued support for the district PBIS coordinator. ● Continued support for EA professional development.
OE-4 Personnel Administration	Employee Compensation: While most of the district's 2024-25 compensation measures remain in compliance with the defined indicators, an assessment of our longitudinal data shows that DASD continues to incrementally lose ground to our defined peer group. Compensation decisions relative to a peer group can feel like shooting at a moving target. And, given the lagging nature of these measures, we don't know the outcome of decisions until the following year. We will continue to make data-driven decisions in an effort to proactively "keep up", rather than putting the district in a position of needing to drastically "catch up" in future years.
OE-5 Financial Planning	Long-range planning, with a focus on managing continued growth, will be a key priority in the coming years. As our student population continues to rise and is projected to increase further, we must strategically plan for staffing expansions across all departments while ensuring the efficient use of existing facility spaces to accommodate this growth.
OE-7 Asset Protection	During the 2025–26 school year, collaboration with the Technology Department is underway to develop a consistent system for funding and charging when district materials are damaged.
OE-8 Communicating with the Board	● Continue to utilize a portion of BOE professional development budget allocation to support continued growth and understanding of board roles vs. Superintendent roles.
OE-10 Learning Environment	● Continue supporting the funds for PBIS training (CESA 10), Responsive Classroom training, and verbal de escalation training for staff. ● Funding for the K-6 behavior support coach and the PBIS Coordinator positions. ● Funding for Instructional Services Department support position for the Data Specialist to be freed up to focus on accurate reporting. ● Funding for the materials needed for the positive attendance campaigns.

OE-11 Instructional Programming	● Maintain the professional development budget. ● Continue the professional development plan for next school year. All certified staff will be engaged in PD regarding standards-based grading. There will be additional PD opportunities for Educational Assistants and Student Services staff that are more directly connected to their roles. ● Continue district professional development around systematic implementation of PBIS framework, focusing on culturally relevant practices. ● We will be adding the PBIS Coordinator position to help support the implementation and calibration of our district PBIS systems. ● Continued support to use the budget for teachers and teams to work on curriculum development and standards alignment during the summer months. ● Support for progress monitoring tools for interventions and for a universal screening tool for social-emotional learning at the elementary level. ● We are adding elective teachers at the 7-12 level to continue to support classes that represent the 16 career clusters. This includes the addition of an ACP teacher at the middle school as well as Business/Marketing, FCS (Family Consumer Science)/Health, Tech Ed, and Band at the high school.
OE-12 Facilities	● Continue to support Capital projects funding ● Continue to maintain district safety budget

Update on the 2025-26 Budget Progress

The district is nearing the end of fiscal year 2025-26 (three-quarters complete). While most budget areas are progressing as anticipated, a significant issue has arisen with special education aid funding, which will necessitate a budget amendment this Spring. We anticipated bringing the budget amendment forward at the June BOE meeting.

Next Steps

- Board feedback on budget parameters - April 2026
- Continued budget planning for 2026-27
- Budget amendment 2025-26 - Anticipated June, 2026
- Board approval of budget draft - Anticipated June, 2026
- Publication of budget draft for the annual budget hearing

- Biennial Budget finalization at State level
- Annual Meeting and Budget Hearing TBD
- Final allocations of grants
- Student count
- Levy certification
- Equalization aid certification
- Property values
- Negotiations
- Final staffing hires and changes