



# RIVER VALLEY SCHOOL DISTRICT

*Home of the Blackhawks*



BRIAN KREY  
Business Manager

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TO: River Valley Budget/ERC Committee

FROM: Brian Krey, Business Manager

DATE: January 31, 2025

SUBJECT: FEBRUARY 10, 2025 BUDGET/ERC COMMITTEE MEETING AGENDA ITEMS

## **2. 2024-2025 Budget Update**

In the last biennial state budget (2023-2025), the state budget provided a 33% reimbursement rate for special education expenditures that qualify for the reimbursement. A one page summary of the [2023-2025 state budget is here](#). It's important to note that qualified expenditures are primarily special education staff salary and benefits and special education transportation.

Unfortunately, the state budget considers special education aid "sum certain", not "sum sufficient". Sum certain is a fixed amount of money in a budget while sum sufficient means there is budget money available for as much funding is necessary. Due to the state budget having a sum certain formula, the reimbursement rate for 2024-2025 is now estimated to be 29.9%, not 33% as was budgeted. This will result in a decrease of approximately \$100,000 in Fund 27 Special Education revenue for the current school year budget.

The reason School Districts are becoming aware of the decrease at this time is due to the process by the State. School Districts are required to submit audited financial documents to the Wisconsin Department of Public Instruction (DPI) by December 15. Once DPI receives these final documents, a final calculation for special education aid is completed. Districts then receive special education aid in the current fiscal year (2024-2025), based upon prior year (2023-2024) audited expenditures.

Please see the budget change/amendment document on the webpage that shows this adjustment for the 2024-2025 budget.

Administration is seeking a motion to approve for full Board consideration and action.

## **3. 2025-2026 Insurance**

Administration met with the District broker (M3) the last week of January. Initial numbers for the District's health insurance renewal are hovering in the "lower double digits". Dental and vision renewals are currently running at a 2-4% increase for renewal.

M3 plans to have initial renewal numbers and are looking into the CESA 3 cooperative for the meeting in March.



No action needed at this time.



#### **4. 2025-2026 Budget Update**

First, we have good news regarding the projected referendum mill rates. You may be aware that we utilize the Baird Budget Forecast Model to project future budgets. Baird is able to conduct extensive research to improve estimates for the upcoming budget year (and beyond), and I receive updates every month. Baird sent updated estimates for state equalization aid at the end of January. This estimate is based on data submitted to DPI from school districts (audited financial documents, enrollments, equalized values).

The previous forecast had a decrease in State aid. The updated information from Baird shows that the District will still see a decrease, but not as much. What this does is lower the estimated mill rate for River Valley taxpayers.

The mill rates presented last month (January 2025), which includes the referendum passing were:

2025-26: \$7.99

2026-27: \$8.65

2027-28: \$9.34

With the update from Baird, the updated projected mill rates (February 2025) are:

2025-26: \$7.74

2026-27: \$8.40

2027-28: \$9.09

Next, a preliminary budget for 2025-2026 is on the webpage. This budget assumes the three year operating referendum passing.

No action is needed, as these items are informational.

#### **5. FEMA BRIC Grant**

The District continues to explore alternative funding and revenue-generating opportunities, including the potential support provided by the FEMA BRIC grant. The authorization on the webpage would allow the District to continue moving forward with the application process.

Administration is requesting approval of the resolution authorizing execution of sub-grant agreements for the FEMA Bric grant.

#### **6. Employee Handbook Language, if need**

No updates recommended at this time.

#### **7. Strategic Plan and Correlation to Committee's Work**

##### **Finance and Operations**

#4: Correlate District staffing to student enrollment numbers, student interests, and goals to maintain comprehensive educational programming and moderate class sizes.

#6: Pursue operating referenda to maintain moderate class sizes and comprehensive educational programming across subjects.

#### **8. Set Next Meeting Date**

- Monday, March 10, 2025 at 5:00 pm in the Middle School Library

