

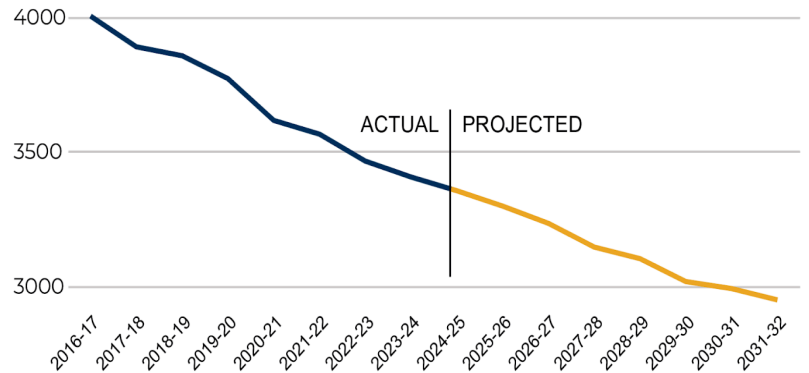


# Building KM's Future:

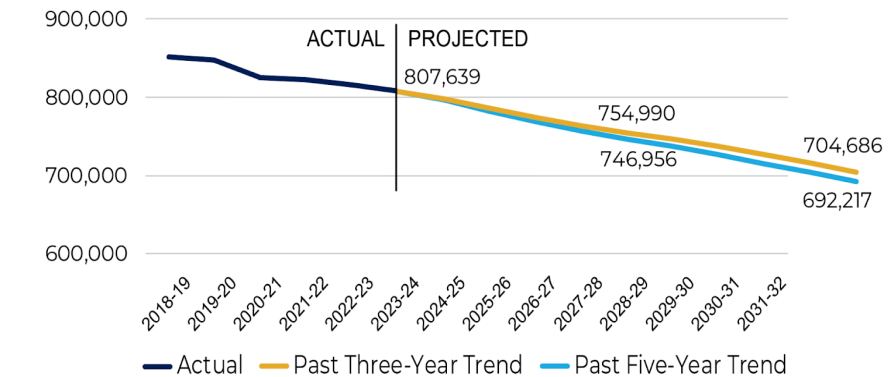
## Determining a Path to Sustainability

Addresses Fall 2026 Elementary School Closure, Updated 6/11/2025

**KM will consolidate into the district's three largest elementary schools beginning with the 2026-27 school year. This consolidation will allow the district to enhance elementary learning opportunities and become more financially efficient to meet the changing needs of our community. With the district prioritizing choice, small class sizes, and focusing on attracting and retaining talented staff, these changes will help sustain our academic excellence.**



KM VS STATE ENROLLMENT DATA



2028/29 4K-12 enrollment projected to decrease an average of 7%, with grade-level declines of K-5 by 8%, 6-8 by 4%, and 9-12 by 7.6%. Source- Applied Population Lab UW-Madison

### 1) The Problem at a Glance

- **\$7.6M projected annual operational funding deficit by 2031-32**, driven by declining student enrollment and state funding that isn't keeping pace with inflation.
- **Per-pupil state funding model** creates a direct correlation between declining district student populations and reductions in funding.
- **About \$7.5 million in annual revenue has been lost** in the past six years, with an additional \$6 million in annual revenue projected to be lost in the next seven years.
- **Deficits begin as early as 2026-27** without intervention. The district will start operating in the red within two years and the gap will only widen.

### 2) The Path to Sustainability

- **The district is being proactive** in addressing financial challenges through strategic budget adjustments prior to pursuing a voter-approved referendum
- **Elementary Restructuring saves \$2.1M annually** in operational costs by consolidating to three elementary schools for the fall of 2026 by closing Magee.
- **Middle/High School Staffing adjustments** based on enrollment bring the **total savings to \$3.6M** annually.
- **Reductions produce a balanced budget through 2028-29**, buying time and stability.
- **All debt is retired by 2030**, positioning KM to propose a **\$4M annual operating referendum with little to no increase in taxes** based on current levels.
- **The combination of the reductions and an operating referendum produce a sustainable budget through 2031-32**, ensuring the district remains debt and deficit free, well into the next decade.

### 3) What We Accomplish

- **Maintain Small Class Sizes** to continue providing personalized attention and support.
- **Promote Academic Choice & Rigor** through diverse pathways that challenge students and prepare them for success beyond the classroom.

- **Attract & Retain High-Quality Teachers and Staff** by investing in top talent and preserving an exceptional learning environment.
- **Remain Responsive to Community Expectations** by demonstrating fiscal responsibility while providing the educational excellence that defines KM.

#### 4) Key Financial Data

- **Among the lowest in administrative costs** in both Waukesha County and the State of Wisconsin
- **Proven fiscal responsibility** KM's shared costs—a key metric in the State Equalization Aid Formula—are **below 90% of the state average** as of the 2023–24 fiscal year.
- **KM is proactive on maintenance**, currently maintaining a rolling 10 year facilities plan with a funding structure which would eliminate future need for a capital debt referendum
- **Retiring all long-term capital debt by 2030**, freeing up future resources to focus on student learning, not interest payments

#### 5) Enrollment Projections

- **Steady decline in enrollment** going from 3,859 in 2018–19 to a projected 3,301 in 2025–26, with further decline below 3,000 expected by 2031–32
- **Smaller incoming classes** with incoming kindergarten classes (170 students) being significantly smaller than outgoing senior classes (310 students) indicating long-term enrollment pressure
- **Lack of affordable family housing** for young families, due to the high cost of living and minimal development in our district over the last 20 years
- **Rising non-resident enrollment** over the last few years (currently about 600 students) indicates a strong demand for a KM education among neighboring communities

#### 6) Why Magee

The Board of Education determined that converting Magee Elementary into a KM Community Center was the most fiscally responsible decision:

- **Least financially efficient to operate** among all district schools, with the highest cost relative to output and enrollment.
- **Lowest revenue per student** as a result of a high number of open enrollment students which are funded about \$5,000 less per student than resident students.
- **Highest staffing cost per student** as lower student density creates disproportionately high ratios of staff per student
- **Smallest facility in the district** with approximately 20,000 fewer square feet and 10 fewer classrooms, Magee cannot support three sections per grade (4K–5), limiting flexibility and efficiency.

#### 7) What's Next

- **Fall 2026: Transition to three elementary campuses**, shifting staff and students as we right-size the district, align best practices at all schools, and lean into One KM
- **Focused outreach to KM families and staff** through personal interactions will help ensure continued engagement and stability throughout the transition.
- **Community-driven programming** will adopt input from our strategic plan and community to ensure continued excellence and educational choice at all of our remaining schools
- **Exploring new uses for the closed elementary school** will emphasize repurposing the building into a community-centered facility, open to all, while preserving potential capacity should the district need more future space
- **Redesigning attendance boundaries and bus routes** to create and equitable access to our schools remains a top priority in the next phase of planning

**KM is committed to informing our state government of the challenges currently faced in education, and advocating for fairer funding for public schools. If you would like additional information, please use the QR code or visit [kmsd.edu/financial-planning](https://kmsd.edu/financial-planning).**

