



October 29, 2025

Dear Oakfield Families and Community,

At the October 27, 2025 Board of Education meeting, the Board discussed the possible use of defeasance as a financial strategy for the district.

What is Defeasance?

Defeasance is a tool school districts can use to help stabilize the tax (mill) rate when an operational referendum does not pass. Typically, when a referendum fails, the mill rate decreases significantly. Defeasance helps prevent large swings in the mill rate—either up or down—creating a more stable and predictable amount for taxpayers. Using defeasance reduces future interest costs and provides long-term savings to taxpayers. Defeasance can only be used to pay down existing debt; it cannot be used for operating expenses, salaries, or classroom needs.

In Oakfield the school district portion of the mill rate for 2024–2025 was \$8.99. With the spring referendum not passing, the mill rate for 2025–2026 is projected to drop to \$6.14.

Due to the failed referendum the Board explored the use of defeasance to help stabilize the mill rate and potentially save money by reducing interest payments. The Board reviewed several options for using defeasance to reduce district debt:

- Not to utilize defeasance resulting in no interest savings and the mill rate at \$6.14.
- A defeasance amount of \$500,000 would save \$372,930 in interest and set the mill rate at \$7.29.
- A defeasance amount of \$750,000 would save \$542,266 in interest and set the mill rate at \$7.86.

Board Decision and Community Considerations

The Board has decided not to use defeasance and will maintain the mill rate at \$6.14. We deeply value and support our taxpayers and recognize the financial challenges many are experiencing. This decision reflects our shared commitment to respect, understanding, and partnership within our community.

District Financial Status

It's important to note the overall financial status of the district remains unchanged. Our operating budget has decreased by approximately \$1.1 million for the 2025–2026 school year. While we have made cost reductions in several areas, these measures are not sustainable long-term. To continue the current quality of education and opportunities for students, additional funding is needed.



School funding in Wisconsin has not kept pace with the actual cost of educating students. The state currently provides \$11,709 per student, and special education reimbursements fall short of covering full expenses. This persistent funding gap is why many districts—including Oakfield—have relied on operational referendums to sustain quality educational programs and services. Since 2006, Oakfield taxpayers have supported the district through such referendums.

If state funding had kept pace with inflation, the need for referendums would be significantly reduced. Nevertheless, we remain committed to transparency, fiscal responsibility, and open communication with our community.

As we move forward, it will be necessary to revisit an operational referendum to ensure we can keep our schools open, retain dedicated staff, and provide the high-quality education Oakfield students deserve.

Thank you for your continued support and engagement with our schools. We will continue to share updates on the district's financial status and next steps in the coming months. Please do not hesitate to reach out to me with any questions or concerns.

With appreciation,

Sarah Poquette
District Administrator