



SOUTH COUNTRY CENTRAL SCHOOL DISTRICT

BOARD OF EDUCATION MEETING
WEDNESDAY JANUARY 21, 2026

Budget Presentation: Introduction to 2026-27 Budget Process

Antonio Santana, Superintendent of Schools

John Belmonte, Acting Assistant Superintendent for Finance and Management Services

Schedule of Budget Meetings and Presentations

January 21, 2026

- Review of the Budget Process and Long-Term Planning

February 4, 2026

- Tax Cap & Revenue Overview

February 25, 2026

- 1000 General Support, Operation & Maintenance, Security, Utilities
- 5000 Transportation
- 9000 Employee Benefits, Debt Service, Fund Transfers & Capital Expenditures

March 11, 2026

- 2000 Curriculum & Instruction

March 25, 2026

- Staffing Analysis

April 1, 2026

- Expenses and Revenues Update

April 22, 2025

- Budget Adoption

**May 6, 2026
Budget Hearing**

**May 19, 2026
BUDGET VOTE & ELECTION**

PREPARATION OF THE 2026-27 PROPOSED BUDGET

OTHER KEY MILESTONE DATES

'With an eye on the April 22, 2026 budget adoption date'

- March 1, 2026: Submission to State Comptroller, Commissioner of Education and Commissioner of Taxation and Finance calculation information for the Tax Levy Limit.
- April 27, 2026: Submission of Property Tax Report Card to SED (submitted to SED by the close of business after the formal Adoption of the Budget by the Board).
- April 29, 2026: Budget must be completed and ready for distribution a least seven (7) days prior to the Budget Hearing which is May 6, 2026.
- June 16, 2026: Budget revote date (if necessary).

THE BUDGET PROCESS

A collaborative, transparent process designed to ensure fiscal responsibility and educational continuity

Key Stakeholders Involved:

- ✓ Board of Education – policy direction, oversight, and adoption of the proposed budget
- ✓ Superintendent & District Administration – development of the instructional and operational plan
- ✓ Key Professional partners – Attorneys, Bond Counsel, OSC, SED, Professional Educational Organizations
- ✓ Budget Advisory Committee (BAC) – community-based review, feedback, and recommendations
- ✓ School Administrators & Department Leaders – identification of programmatic needs and efficiencies
- ✓ Employee Bargaining Units – dialogue on contractual and staffing considerations
- ✓ Community Members, PTA's & Taxpayers – input through public meetings, forums, and feedback



This collaborative process culminates in a voter referendum, where residents decide on the proposed 2026–27 school budget.

THE 2026-27 BUDGET DEVELOPMENT PROCESS IS PART OF A THREE-YEAR RECOVERY PLAN

New York school districts are not legally permitted to operate with structural operating deficits

Adoption of a multi-year recovery plan to restore long-term fiscal balance

Combination of:

- Targeted expenditure reductions and operational efficiencies
- Phased structural budget corrections restoring budgetary balance
- Deficit financing to stabilize operations while permanent solutions are implemented
- Avoid compounding structural imbalance

STABILIZE
Deficit
Financing

CORRECT
Structural
Adjustments

REPAY
Planned
Repayment

SOUTH COUNTRY CENTRAL SCHOOL DISTRICT

THREE YEAR RECOVERY PLAN - MID YEAR REDUCTIONS

These actions reflect the first phase of the District's three-year recovery plan, grounded in responsible stewardship and thoughtful decision-making to stabilize our finances while maintaining instructional continuity.

Co-curricular adjustments are based on current student enrollment and are being reviewed through a multi-year lens to ensure programs remain sustainable, meaningful, and aligned with district priorities.

Guided by **Clipper PRIDE**—particularly our commitment to being diligent and ethical—we remain focused on preserving the integrity of our academic programs and the quality of learning experiences for our students.

Executive Summary: Staff Reductions

Area	Positions Impacted	Key Rationale
Administration	HS Assistant Principal; STEM Director	Positions collapsed / excess
Instructional Staffing	ENL overages; ENL Teacher; Grade 7 French	Overage reductions; vacancies not filled; FTE adjustment
Instructional Leadership	Lead Teachers; Restorative Practices Coordinator	Elimination of stipends/roles; return to prior assignments
Co-Curricular Programs	HS & MS Club Advisors	Low enrollment; some mid-year prorated
Student Support & Safety	Safety Officers	Vacancies not filled
Support Services	Office Assistant (AP Office); School Nurse	Vacancies not filled



Academic Excellence

Goal: We will provide all students with access to tools, skills, and opportunities needed to succeed in rigorous and relevant coursework by emphasizing 21st century skills, and expanding access to alternative learning pathways to support student interest.



#clipperPRIDE

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS AS OF: 6/30/2025

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
General Fund				
Restricted:				
Workers' compensation	\$ 1,210,338	\$ 2,170,818	\$ (960,480)	(44.25)%
Unemployment insurance	1,288,609	1,307,180	(18,571)	(1.42)%
Retirement contribution				
Teachers' retirement system	1,600,001	2,353,098	(753,097)	(32.00)%
Employees' retirement system	3,873,424	4,828,951	(955,527)	(19.79)%
Employee benefit accrued liability	7,091,668	7,368,701	(277,033)	(3.76)%
Capital	1,819,312	4,089,938	(2,270,626)	(55.52)%
Assigned:				
Appropriated fund balance		4,000,000	(4,000,000)	(100.00)%
Unappropriated fund balance	285,979	783,741	(497,762)	(63.51)%
Unassigned: Fund balance (Deficit)	(1,783,248)	4,755,059	(6,538,307)	(137.50)%
	<u>15,386,083</u>	<u>31,657,486</u>	<u>(16,271,403)</u>	<u>(51.40)%</u>

CHALLENGES TO OVERCOME

In the 'prior' 2024-25 school year:

- Actual Expenditures exceeded the Adjusted Budget by \$3,488,612.
- Actual Revenues were Less than the Revenue Budget by \$1,819,971.
- District's unassigned fund balance has a deficit balance of \$1,783,248

'These trends have continued into the current 2025-26 school-year'

**Multi-year Budget
Deficiencies**

**Revenue
Shortfalls**

**No discretionary Unassigned
Fund Balance to support
revenues in 2025-26 or
upcoming 2026-27 Budget**

CHALLENGES IN DEVELOPING THE 2026-27 PROPOSED BUDGET

- **Restoration of fund balance to rebuild unassigned fund balance due to underbudgeting and overspending.**
- **Evaluation of the district's cost structure to identify areas for reductions with minimum impact to core instructional and support programs.**
- **Prudent budgeting since no unassigned fund balance is available for unforeseen costs – identifying the true costs of both instructional and support programs/needs.**
- **Uncertainty with state aid complicates long-range planning.**
- **Rise in employee cost centers of employee salaries and health benefits, as well as contributions to pension programs.**
- **Impact of external factors such as market trends, economic conditions, and regulatory changes.**
- **Impact of new Debt Service for deficit Bonds/Notes over multiple school years.**

WHAT IS FISCAL STRESS?

How New York State Evaluates Financial Risk in School Districts

Fiscal stress means a school district may face difficulty maintaining balanced budgets over time.

New York State monitors fiscal stress to identify early warning signs and promote timely, responsible planning.

Being identified as fiscally stressed does NOT mean mismanagement — it reflects financial pressures and risk factors.

Fiscal stress monitoring is designed to support transparency, early intervention, and long-term financial stability.

Measurement Category	What It Looks At
Financial Indicators	Deficits, fund balance, cash flow, and budget stability
Environmental Indicators	Enrollment trends, tax base, poverty, and staffing pressures
Systemic Risk	Overall vulnerability based on combined indicators

SOUTH COUNTRY CENTRAL SCHOOL DISTRICT

OSC FISCAL STRESS MONITORING SYSTEM

	Fiscal Stress		Environmental Stress	
FYE	Score	Designation	Score	Designation
2023	6.7	No Designation	38.3	Susceptible Environmental Stress
2024	6.7	No Designation	23.3	No Designation
2025	55.0	Moderate Fiscal Stress	28.3	No Designation

South Country Central School District

Category	Indicator	Scoring	Fiscal Year	End	Data Required	Points	
Year End Fund Balance	1 Unassigned Fund Balance	General Fund 25 Points ≤ 1% 16.67 Points > 1% But ≤ 2% 8.33 Points > 2% But ≤ 3% 0 Points > 3%	2025		Unassigned Fund Balance (codes 916 & 917) Gross Expenditures Calculation Unassigned Fund Balance ÷ Gross Expenditures	-1,497,260 149,670,916 -1.00%	25.00
	2 Total Fund Balance	General Fund 25 Points ≤ 0% 16.67 Points > 0% But ≤ 5% 8.33 Points > 5% But ≤ 10% 0 Points > 10%	2025		Total Fund Balance (code 8029) Gross Expenditures Calculation Total Fund Balance (code 8029) ÷ Gross Expenditures	15,386,092 149,670,916 10.28%	0.00
Operating Deficits	3 Operating Deficit	General Fund 20 Points = Deficits ≤ -1% in 3/3 of the Last Fiscal Years 13.33 Points = Deficits ≤ -1% in 2/3 of the Last Fiscal Years 6.67 Points = Deficit ≤ -1% in 1/3 Last Fiscal Years 0 Points = Deficit ≤ -1% in 0/3 Last Fiscal Years	2023		Gross Revenues Gross Expenditures Calculation (Gross Revenues - Gross Expenditures) ÷ Gross Expenditures	130,812,767 126,128,783 3.71%	13.33
			2024		Gross Revenues Gross Expenditures Calculation (Gross Revenues - Gross Expenditures) ÷ Gross Expenditures	135,667,793 137,456,976 -1.30%	
			2025		Gross Revenues Gross Expenditures Calculation (Gross Revenues - Gross Expenditures) ÷ Gross Expenditures	136,714,512 149,670,916 -8.66%	
Cash Position	4 Cash Ratio	General Fund 10 Points ≤ 50% 6.67 Points > 50% But ≤ 75% 3.33 Points > 75% But ≤ 100% 0 Points > 100%	2025		Cash and Investments (codes 200-223, 450, 451) Net Current Liability (codes 600-626 & 631-668) Calculation Cash and Investments ÷ Net Current Liability	4,311,347 11,857,999 36.36%	10.00
	5 Cash % of Monthly Expenditures	General Fund 10 Points ≤ 33.33% 6.67 Points > 33.33% But ≤ 66.67% 3.33 Points > 66.67% But ≤ 100% 0 Points > 100%	2025		Cash and Investments (codes 200, 201, 450, 451) Average Monthly Gross Expenditures (Gross Expenditures ÷ 12) Calculation Cash and Investments ÷ Average Monthly Gross Expenditures	4,311,347 12,472,576 34.57%	6.67
Reliance on Short-Term Cash-Flow Debt	6 Short-Term Cash-Flow Debt Reliance	All Funds 10 Points ≥ 10% Change in Short-Term Cash-Flow Debt Issued or Current Year Short-Term Cash-Flow Debt Issued and No Prior Year Issuance 6.67 Points ≥ 6.67% But < 10% Change in Short-Term Cash-Flow Debt Issued 3.33 Points ≥ 3.33% But < 6.67% Change in Short-Term Cash-Flow Debt Issued 0 Points < 3.33% Change in Short-Term Cash-Flow Debt Issued or No Current Year Issuance	2024		Short-Term Cash-Flow Debt Issued (Revenue Anticipation Notes, Tax Anticipation Notes, Budget Notes, and Deficiency Notes)	27,000,000	0.00
			2025		Short-Term Cash-Flow Debt Issued (Revenue Anticipation Notes, Tax Anticipation Notes, Budget Notes, and Deficiency Notes)	25,000,000	
					Calculation (Current Year Short-Term Cash-Flow Debt Issued - Prior Year Short-Term Cash-Flow Debt Issued) ÷ Prior Year Short-Term Cash-Flow Debt Issued	-7.41%	
Total¹:						55.0	

Gross Revenues = General Fund's Revenues and Other Sources (Transfer Activity)
Gross Expenditures = General Fund's Expenditures and Other Uses (Transfer Activity) - 9950.9 (Transfers to Capital Project's Fund)

¹Indicator points are rounded to two decimal places. Total points are rounded to one decimal place.

Data as of 12/12/2025

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Point Range (Out of 100 total pts)
Significant Fiscal Stress 65 - 100
Moderate Fiscal Stress 45 - 64.9
Susceptible Fiscal Stress 25 - 44.9
No Designation 0 - 24.9

South Country Central School District

Category	Indicator	Scoring	Year	Points	
Poverty	1 Percentage of Economically Disadvantaged Students	25 Points ≥ 75% 16.67 Points ≥ 65% But < 75% 8.33 Points ≥ 55% But < 65% 0 Points < 55%	2024	Data Required Percentage of Economically Disadvantaged Students 59%	8.33
Student to Teacher Ratio	2 Student to Teacher Ratio	15 Points ≥ 15 10 Points ≥ 13 But < 15 5 Points ≥ 12 But < 13 0 Points < 12	2024	Data Required Student to Teacher Ratio 10.57	0.00
Teacher Turnover	3 Turnover Rate of All Teachers	15 Points ≥ 18% 10 Points ≥ 14% But < 18% 5 Points ≥ 10% But < 14% 0 Points < 10%	2024	Data Required Turnover Rate of All Teachers 5%	0.00
Tax Base	4 Percent Change in Property Value	15 Points ≤ -4% 10 Points ≤ -2% But > -4% 5 Points ≤ -1% But > -2% 0 Points > -1%	2020	Data Required Property Full Value 3,367,753,291	0.00
			2021	Data Required Property Full Value 3,455,182,338	
				Calculation (2021 Property Full Value - 2020 Property Full Value) ÷ 2020 Property Full Value 2.60%	
			2022	Data Required Property Full Value 3,602,354,054	
				Calculation (2022 Property Full Value - 2021 Property Full Value) ÷ 2021 Property Full Value 4.26%	
			2023	Data Required Property Full Value 4,326,077,419	
				Calculation (2023 Property Full Value - 2022 Property Full Value) ÷ 2022 Property Full Value 20.09%	
2024	Data Required Property Full Value 4,972,496,111				
	Calculation (2024 Property Full Value - 2023 Property Full Value) ÷ 2023 Property Full Value 14.94%				
	Calculation (Average) 4 Year Average (Property Full Value - Prior Year Property Full Value) ÷ Prior Year Property Full Value 10.47%				

Budget Support	5 Budget Vote Approval Percent	15 Points ≤ 60% 10 Points ≤ 65% But > 60% 5 Points ≤ 70% But > 65% 0 Points > 70%	2026	Data Required Budget Vote Approval Percent	69.33%	5.00
English Language Learners	6 Percent of English Language Learners	15 Points ≥ 9% 10 Points ≥ 5% But < 9% 5 Points ≥ 3% But < 5% 0 Points < 3%	2024	Data Required Percent of English Language Learners	18%	15.00
Total[†]:						28.3

[†] Indicator points are rounded to two decimal places. Total points are rounded to one decimal place.

Data as of 12/31/2025

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Point Range (Out of 100 total pts)

Significant Environmental Stress	60 - 100
Moderate Environmental Stress	45 - 59.9
Susceptible Environmental Stress	30 - 44.9
No Designation	0 - 29.9

FINAL PIECE IN BUDGET PROCESS: REAL PROPERTY TAXES

Real Property Taxes often generate the most interest to governing board members and taxpayers alike, is the determination of the amount of real property taxes that will be necessary to balance the budget – subject to Tax Cap Calculation each year.



Total Appropriations

Less: Estimated Revenue

Less: Appropriated Reserves

Less: Appropriated Fund Balance

Equals: Amount To Be Raised By Taxation

WHAT'S NEXT: BUDGET & FINANCIAL PLANNING FEBRUARY 2026

Focus Area	What This Means for the Community
Taxes	Review the annual school tax levy limit set by New York State Tax Cap Formula.
Budget	Continue building a balanced 2026–27 school budget.
Oversight	Monitor current-year spending and share information with state oversight agencies to determine the 2025-26 structural deficit.
State Support	Work with legislators and the Governor's Office on state-approved financial solutions – Special Act Legislation coupled with Three-Year Recovery Plan.
Stability	Use best practices to protect/preserve the long-term financial health of instructional and support programs.