

Board of Education Meeting

Wednesday, February 25, 2026

Budget Presentation #3: 2026-27 Draft I Budget, Fringe Benefits, Transportation and Debt Service

Presented by:

John Belmonte, Acting Superintendent for Finance and Management Services

Antonio Santana, Superintendent of Schools

Bringing Credibility Back to the Budget Process

Enhancing the Processes, Controls, Oversight and Monitoring

Strengthening the foundational framework that governs how the budget is developed, reviewed, and maintained to ensure accountability at every level.

Implemented Mid-Year Reductions

Proactively identified and executed targeted spending reductions mid-cycle to keep the budget on track and aligned with fiscal realities.

Identified Opportunities to Enhance Revenues

Conducted a thorough review to uncover and act upon new and existing revenue streams that strengthen the overall financial position.

Concerted Effort to Reduce Costs

Launched a deliberate and organization-wide initiative to scrutinize expenditures and drive meaningful cost savings across all departments.

Outreach to Strategic Partners to Hold Costs or Absorb Outstanding Invoices/Obligations

Engaged key strategic partners in collaborative discussions to freeze costs, defer payments, or absorb outstanding invoices and obligations in support of shared fiscal goals.

Creating a Three-Year Fiscal Recovery Plan & Coordinating Special Act Legislation

Developing a comprehensive three-year fiscal recovery plan to chart a sustainable path forward, while coordinating Special Act Legislation to directly address and resolve the 2024-25 & 2025-26 structural operating deficits.

SOUTH COUNTRY CSD

PROPOSED 2026 - 2027 BUDGET SUMMARY

	<u>2026-27 PROPOSED BUDGET</u>	<u>2025-26 CURRENT BUDGET</u>	<u>INCREASE/ (DECREASE)</u>	
Salaries	62,806,115	65,196,389	(2,390,274)	-3.67%
Fringe Benefits	37,767,632	35,208,721	2,558,911	7.27%
Total Salary & Benefits:	100,573,747	100,405,110	168,637	0.17%
Debt Service	9,555,592	7,653,950	1,901,642	24.85%
Contractual Expenditures (4000 object codes, excluding Trans,BOCES, Text)	12,314,464	10,951,469	1,362,995	12.45%
BOCES	14,512,283	13,563,613	948,670	6.99%
Supplies	1,461,079	1,836,533	(375,454)	-20.44%
Textbooks/Workbooks	256,809	450,777	(193,968)	-43.03%
Transportation	13,170,250	11,617,023	1,553,227	13.37%
Transfers to:				
Cafeteria Fund	25,000	50,000	(25,000)	-50.00%
Special Aided Fund	300,000	250,000	50,000	20.00%
Equipment	354,100	385,802	(31,702)	-8.22%
TOTAL GENERAL FUND BDGT:	152,523,324	147,164,277	5,359,047	3.64%



SOUTH COUNTRY CSD PROPOSED 2026 - 2027 BUDGET SUMMARY

REFERENDUM: REDUCE PRIVATE SCHOOL TRANSPORTATION FROM 25 TO 15 MILES



TOTAL GENERAL FUND BDGT:	152,523,324	147,164,277	5,359,047	3.64%
PROP: REDUCE TRANSPORTATION PRIVATE SCHOOL MILEAGE FROM 25 TO 15 MILES:	(900,000)	0	(900,000)	
TOTAL BUDGET IF PROP PASSES:	151,623,324	147,164,277	4,459,047	3.03%

Our District currently provides transportation to private and parochial school students up to 25 miles from their residence—significantly exceeding New York State's statutory minimum requirement of 15 miles. While this expanded service demonstrates our commitment to supporting all students in our community, it creates substantial budgetary pressure.

- By the Numbers:**
- **25 miles: Current district transportation radius**
 - **15 miles: New York State minimum requirement**
 - **193 students: Total private school transportation**
 - **121 students: Transported beyond state minimum**
 - **\$897,000: Estimated annual cost above minimum**

SOUTH COUNTRY CSD
PROPOSED REVENUE & TAX RATE SCHEDULE FOR 2026-27

	<u>2026-27</u>	<u>2025-26</u>	<u>Difference</u>	<u>Percent</u>
STATE AID	56,328,470	56,278,439	50,031	0.09%
Pilot Payments	7,691,506	7,742,234	(50,728)	-0.66%
<u>OTHER INCOME:</u>				
Use of Facility Fees/Custodial/Security	50,000	0	50,000	0.00%
Other Student Fees/Trips/Charges	10,000	115,000	(105,000)	-91.30%
Admissions/Other Dist. Foster	65,000	50,000	15,000	30.00%
Health Services	70,000	0	70,000	0.00%
Sales of Equipment/Surplus/Materials	25,000	0	25,000	0.00%
Rentals/Organizations/Head Start	74,000	73,272	728	0.99%
Election Rentals/Library Vote	15,000	10,000	5,000	50.00%
Miscellaneous Revenue Rebates/EPC	405,000	0	405,000	0.00%
Interest and Earnings	525,000	943,978	(418,978)	-44.38%
Insurance Recoveries	25,000	0	25,000	0.00%
Medicaid Reimb. - School Age Programs	100,000	100,000	0	0.00%
Refunds - BOCES/Prior Year/Other	1,300,000	505,000	795,000	157.43%
Premium on Obligations (TANS)	10,000	200,000	(190,000)	-95.00%
Miscellaneous Income	25,000	75,000	(50,000)	-66.67%
TOTAL OTHER INCOME	2,699,000	2,072,250	626,750	30.24%
TOTAL STATE AID & OTHER INCOME	66,718,976	66,092,923	626,053	0.95%

SOUTH COUNTRY CSD
PROPOSED REVENUE & TAX RATE SCHEDULE FOR 2026-27

	<u>2026-27</u>	<u>2025-26</u>	<u>Difference</u>	<u>Percent</u>
APPROP. FUND BALANCE	0	5,000,000	(5,000,000)	-100.00%
APPROP. RESERVE FOR ERS	800,000	1,425,000	(625,000)	-43.86%
APPROP. RESERVE FOR TRS	500,000	1,600,000	(1,100,000)	-68.75%
APPROP. RESERVE FOR UNEMPLOYMENT	384,000	150,000	234,000	156.00%
APPROP. RESERVE FOR WORKERS COMP	200,000	650,000	(450,000)	-69.23%
APPROP. RESERVE EMPLOYEE BENEFIT	800,000	750,000	50,000	6.67%
	<u>2,684,000</u>	<u>9,575,000</u>	<u>(6,891,000)</u>	<u>-71.97%</u>
Special Act Legis: Deficit BAN Borrowing	<u>6,970,827</u>	<u>0</u>		
PROPERTY TAXES*	<u>76,149,521</u>	<u>71,496,354 *</u>	<u>4,653,167</u>	<u>6.51%</u>
TOTAL REVENUE/BUDGET	<u>152,523,324</u>	<u>147,164,277</u>	<u>5,359,047</u>	<u>3.64%</u>
	2026-27	2025-26	Difference	Percent
Tax Rate Per \$100	273.704	261.682	12.022	4.59%
Home Assessed @ 40,000	10,948	10,467	481	4.59%

**Property Taxes also include revenue from STAR repayments.*

Understanding Special Act Legislation

The budget deficit note allows the district to legally balance the budget in the current year. However, it represents borrowed funds that must be repaid from future budgets and does not replace the need for ongoing expenditure reductions.

LEGAL FRAMEWORK (BIG PICTURE)

- Special Act legislation provides authority, not a requirement, to issue deficit bonds up to a stated maximum (e.g., \$12.0M).
- The district may:
 - Use BANs first
 - Later convert all or part of the BAN into long-term bonds
 - Or retire the BAN from future operating budgets
- Using a BAN is legally permissible
You are not required to issue bonds immediately

COUNTED AS A BUDGETARY FINANCING SOURCE

- Used to legally balance the budget
- Appears on the revenue/financing side of the budget – but not recognized as revenue
- Allows the district to close an operating deficit in the year issued



Transportation

	2026-27	2025-26	INCREASE/ (DECREASE)
	PROPOSED BUDGET	CURRENT BUDGET	
Transportation	13,170,250	11,617,023	1,553,227 13.37%

- ✓ **South Country contracts out all student bus services;**
- ✓ **The District received a new five- year bid from Towne Bus beginning for the 2025-26 school-year, for 2026-27 price increase at 5%;**
- ✓ **In the current 2025-26 school-year, performed bus route efficiency study reducing spending by approximately \$350K without impacting student transportation. These reductions will carry forward into the 2026-27 school-year;**
- ✓ **Implemented enhanced budgeting strategies/controls to ensure our Transportation budget allocations align with our contractual utilization,**
- ✓ **South Country’s Transportation Aid ration is 56.7% of approved transportation expenses (field trip not aidable).**



Transportation

2026-27 UTILIZATION

We transport approximately 3,092 students during the school year & summer time (not including athletics and field trips)

TYPE	BILLING HOURS/REPORT	# OF BUSES/MATRONS	SUMMARY	
lgbus	5	6	}	42 Large Buses (5-6 Hour Reports)
lgbus	6	36		
van	5	14	}	45 Vans (5-6 Hour Reports)
van	6	31		
w/c	5	7	}	7 Wheel Chair Vans (5 Hour Report)
matron/van	5	18	}	46 Matrons (5-6 Hour Reports)
matron/van	6	24		
matron/lgbus	5	2		
matron/lgbus	6	2		
type	billinghours	# of buses/matrons		
summer vans	4	17	}	25 Vans (4,5,6 Hour Reports)
summer vans	5	7		
summer vans	6	1		
summer w/c	4	3	}	8 Wheel Chair Vans (4-5 Hour Reports)
summer w/c	5	5		
summer matron	4	22	}	39 Matrons Summer (4,5,6 Hour Reports)
summer matron	5	16		
summer matron	6	1		

SCHOOL-YEAR
94 BUSES
AND
46 MATRONS

SUMMER
33 BUSES
AND
39 MATRONS

**SOUTH COUNTRY CSD
FRINGE BENEFIT ANALYSIS**

Total Employee Fringe Benefits represent 24.76% of the Total 2026-27 Proposed District Budget.

Health Insurance continues to be a significant cost driver within the budget.

		2026-27			Percentage
Account	Description	Proposed Budget	2025 - 26 Budget	Incr./Decr.	Change
9010	STATE RETIREMENT:	1,642,730.00	1,445,703.00	197,027.00	13.63%
9020	TEACHERS' RETIREMENT:	4,406,130.00	5,740,675.79	-1,334,545.79	-23.25%
9030	SOCIAL SECURITY:	4,804,700.00	5,209,191.00	-404,491.00	-7.76%
9040	WORKERS' COMPENSATION:	1,016,195.00	450,000.00	566,195.00	125.82%
9045	LIFE INSURANCE:	163,725.00	173,400.00	-9,675.00	-5.58%
9050	UNEMPLOYMENT INSURANCE:	384,098.00	150,000.00	234,098.00	156.07%
9055	DISABILITY INSURANCE:	58,385.00	61,262.00	-2,877.00	-4.70%
A 9060.800-00	HEALTH INSURANCE	19,971,271.00	17,635,176.02	2,336,094.98	13.25%
A 9060.801-00	MEDICARE REIMBURSEMENTS	1,839,717.00	1,536,934.00	302,783.00	19.70%
A 9060.802-00	HEALTH INS OPT OUT	2,027,013.00	1,666,250.00	360,763.00	21.65%
A 9060.803-00	BTAA Health Reimbursement	60,500.00	60,500.00	0.00	0.00%
9060	HOSPITAL & MEDICAL INSURANCE:	23,898,501.00	20,898,860.02	2,999,640.98	14.35%
9070	DENTAL INSURANCE:	593,168.00	579,629.00	13,539.00	2.34%
9090	TERMINAL LEAVE PAYOUTS & SL BUYBACKS:	800,000.00	500,000.00	300,000.00	60.00%
9	EMPLOYEE BENEFITS:	37,767,632.00	35,208,720.81	2,558,911.19	7.27%

← Rate: 17.6% (+1.1%)

← Rate: 8.24% (1.35%)

← W/C: \$800K Funded from W/C Reserve

← Rate now \$829/week for 26 weeks – funded from UE reserve

← Health: Rate +12%, Utilization increases as people retire, As Opt out increases savings realized

← 25-26 MOA to pay incentive from reserves/ 26-27 also funded from reserves

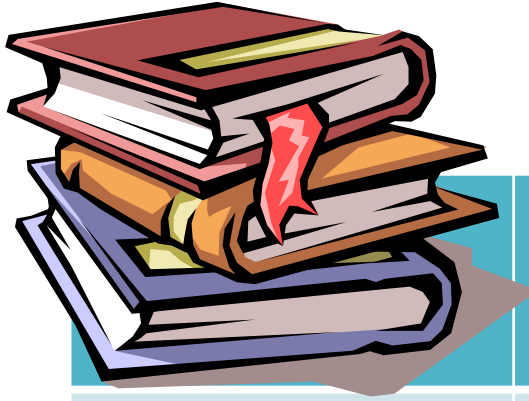
2026-27 Debt Service



	<u>Proposed 2026-27</u>	<u>Current 2025-26</u>	<u>Difference</u>	<u>% Change</u>
School Bond Principal	5,810,000	5,925,000	-115,000	-1.94%
School Bond Interest	590,950	858,950	-268,000	-31.20%
School Bond Principal: Energy Performance Contract (EPC)	1,036,016	0	1,036,016	100.00%
School Bond Interest: Energy Performance Contract (EPC)	514,676	0	514,676	100.00%
<i>Serial Bonds:</i>	7,951,642	6,783,950	1,167,692	17.21%
Special Act Deficit BAN Borrowing	630,000	0	630,000	100.00%
Tax Anticipation Notes (TANS)	973,500	650,000	323,500	49.77%
<i>Notes:</i>	1,603,500	650,000	953,500	146.69%
Total Debt Service:	9,555,142	7,433,950	2,121,192	28.53%

*South Country CSD Current Bond Rating: S&P Global Ratings: "AA"
What will the new rating be going forward: ??????*

PROPOSED DRAFT 2026-27 BUDGET



	BUDGET	BUDGET PERCENTAGE	PROPOSED TAX Levy
2026-27 Proposed Draft Budget	\$152,523,324	3.64%	6.51% <i>(At the Tax Cap)</i>
2026-27 W/Approved Transportation Referendum (Private School Mileage 25 to 15)	\$151,623,324	3.03%	5.25%

????? QUESTIONS / DISCUSSION ??????