

# 2026-2027 Budget Draft Overview



Investing in Students, Strengthening Our Future

March 5, 2026

# Mission



The mission of the Highland Falls-Fort Montgomery Schools is to provide enriching, safe and meaningful educational experiences that builds a strong foundation for our diverse student body.

# Vision



The HFFMCSD is a school community focused on developing students as lifelong learners equipped with critical thinking and problem solving skills necessary to navigate and shape the future.

# Core Beliefs



*We will consistently and effectively achieve our vision and accomplish our mission if in all of our work we demonstrate the following core beliefs:*

- Focus on the needs of each student and create opportunities to ensure equity
- Foster engagement, collaboration and a sense of belonging for all school community members
- Take collective responsibility and make thoughtful decisions based on best practices
- Uplifting all student voices is fundamental to creating a welcoming and nurturing environment
- Promote safety, health and wellness for the developmental growth of our community
- Consistently prioritize efficiency and affordability, while also striving for excellence
- Embrace curiosity, connection and critical thinking

# Context for 26-27 Budget Planning



- In line with the district's core beliefs, budget planning is done in a fiscally responsible manner
- Factors outside of our control present unique challenges for our district:
  - Rate of inflation
  - Inability to tax more than 7% of district land
  - Federal Funding Flat over the last 10+ years → Not keeping up with inflation
  - Tuition based revenue has decreased in the last 5 years
- These factors continue to lead to budget constraints across the district.



# Budget Overview

# Budget Development Process



- November - February
  - Develop expenditure budgets with Building & Departmental Teams
  - Governor's Executive Budget projection is released
- February & March
  - Budget Presentations
  - Refinement of the budget
- April
  - NYS Enacted Budget is due by April 1<sup>st</sup>
  - Board of Education adopts the proposed 2026-2027 budget
    - Deadline is April 27, 2026 → Target is the April 21<sup>st</sup> Board Meeting
- May
  - Adopted Budget details are shared with the community
  - 2026-2027 Budget Vote on May 19, 2026



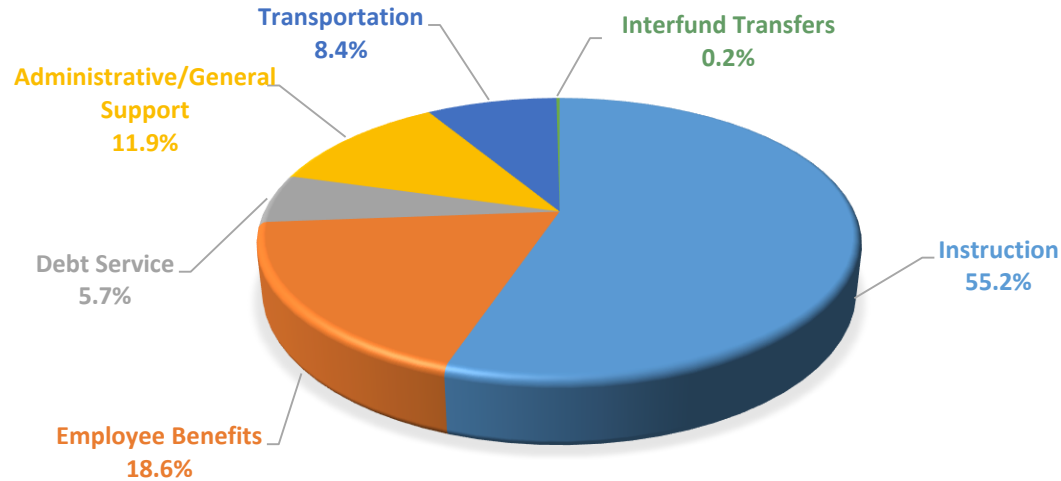
# Expenditure Assumptions

- Known Inputs:
  - Settled contractual expenses
  - Retirement system rates
  - Transportation contract increase
  - Health insurance premium increase
  
- Anticipated Budgetary Increase Drivers:
  - Transportation contract increase - 3% this year
  - Facility maintenance & operations costs
  - Health Insurance premium increase - 7%
  
- Unknowns:
  - Contracts that will be open as of 6/30/26:
    - Town of Highlands Teachers Association
    - THTA-Aides/Monitors Unit
  - NYSIR Insurance cost increase



# DRAFT Expenditure Chart

## 2026-2027 ESTIMATED EXPENDITURES





# DRAFT Expenditure View

| DRAFT Expenses                 | 2025-2026<br>Adopted Budget | 2026-2027<br>Proposed Budget | \$ Change          | % Change     |
|--------------------------------|-----------------------------|------------------------------|--------------------|--------------|
| Instruction                    | \$22,412,534                | \$23,154,016                 | \$741,482          | 3.31%        |
| Employee Benefits              | \$7,507,356                 | \$7,965,873                  | \$458,517          | 6.11%        |
| Debt Service                   | \$2,335,859                 | \$2,385,859                  | \$50,000           | 2.14%        |
| Administrative/General Support | \$4,824,971                 | \$5,031,953                  | \$206,982          | 4.29%        |
| Transportation                 | \$3,619,862                 | \$3,557,140                  | (\$62,722)         | -1.73%       |
| Interfund Transfers            | \$62,000                    | \$87,000                     | \$25,000           | 40.32%       |
| <b>TOTAL</b>                   | <b>\$40,762,582</b>         | <b>\$42,181,841</b>          | <b>\$1,419,259</b> | <b>3.48%</b> |



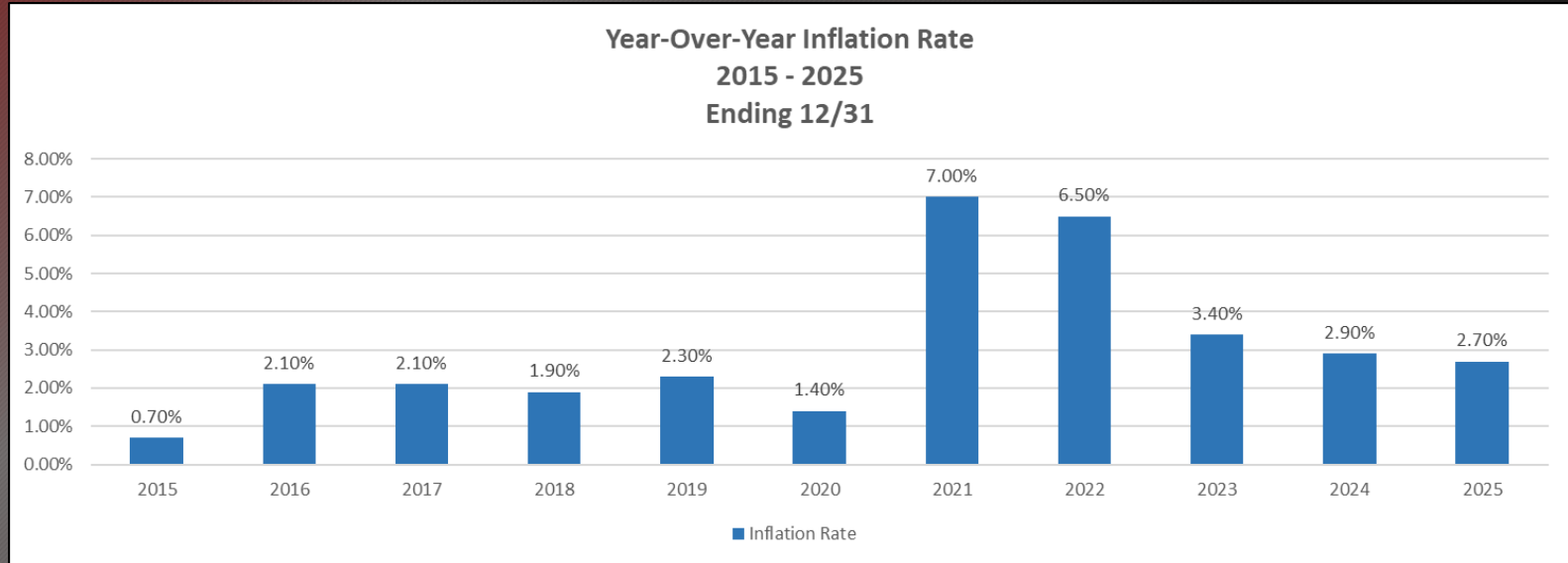
# Historical Budget to Budget Changes

| Budget Year | Adopted Budget | % Change |
|-------------|----------------|----------|
| 2025-2026   | \$40,762,582   | 1.92%    |
| 2024-2025   | \$39,995,141   | 2.46%    |
| 2023-2024   | \$39,036,276   | 8.57%    |
| 2022-2023   | \$35,953,900   | 3.99%    |
| 2021-2022   | \$34,573,467   | 3.97%    |
| 2020-2021   | \$33,251,722   | 3.63%    |
| 2019-2020   | \$32,087,219   | 4.84%    |
| 2018-2019   | \$30,606,772   | 2.15%    |
| 2017-2018   | \$29,759,008   | 4.23%    |
| 2016-2017   | \$28,550,987   | 1.31%    |

- Over the last 10 years, the average budget to budget increase = 3.71%



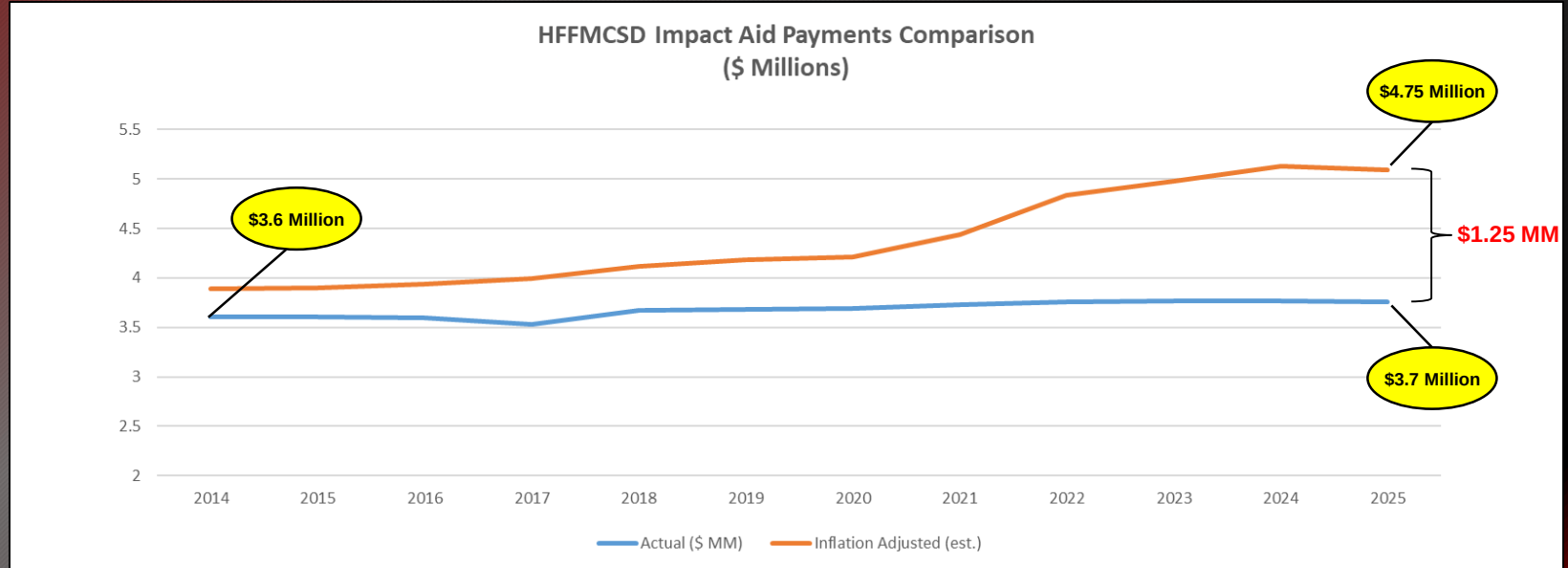
# Inflation Rate - Last 10 years



- Post-pandemic, the US Inflation Rate has been at least double what it was pre-pandemic
- While trending down now, prices continue to rise on top of severe increases in 2021 and 2022.



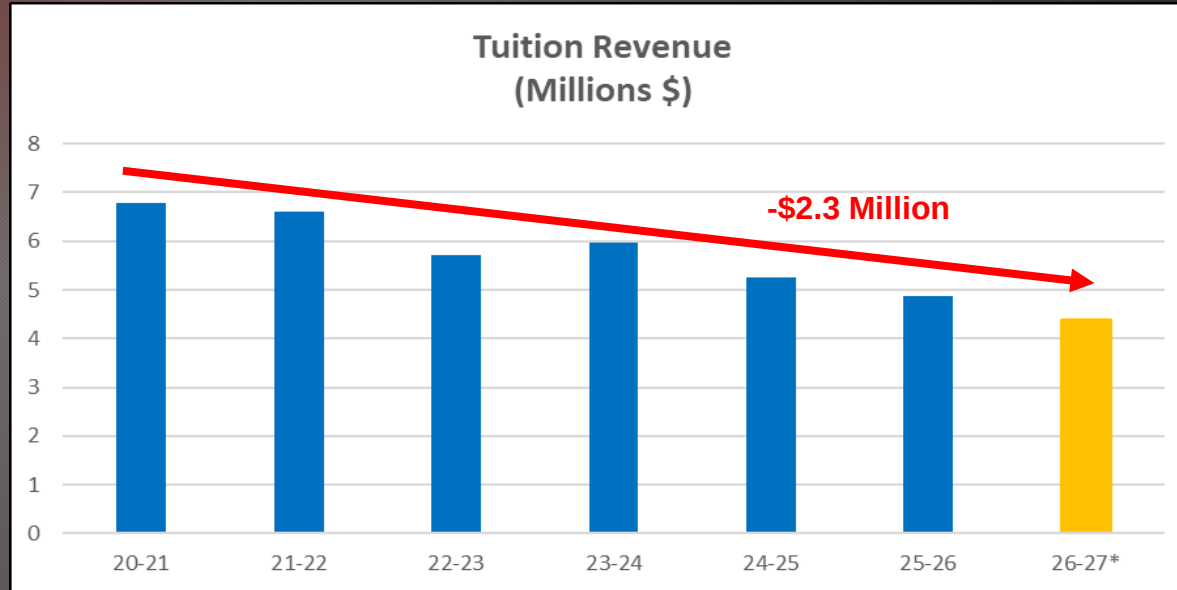
# Federal Funding of Impact Aid has not kept up with Inflation



- In 2025 alone, there is a gap of over \$1.3 Million between actuals and the inflation adjusted estimate
  - Additional funds could have been realized by the district in preceding years
- This only accounts for the current Impact Aid funding level, not potential payments if it were fully funded.



# Tuition Based Revenue Declining



\*26-27 based on March 2026 Budget Estimate

- Contract changes and declining enrollment have driven this down in recent years



# Revenue Assumptions

- Uncertainty Remains with Revenue
  - Preliminary view based on the Governor's Executive Budget Proposal
  - Tax Levy still to be finalized
- State Aid:
  - Foundation Aid: Minimum 1% increase vs. PY
  - Legislative Budget due April 1st, but this is not a set date
- Tuition paying student enrollment is not final:
  - West Point enrollment
  - Garrison enrollment
- Impact Aid will be estimated conservatively as in prior years



# Tax Levy Limit Calculation

- Tax Base Growth Factor = 0.17%
- Allowable Levy Growth capped at 2%
- Tax Levy Limit = 2.03%\*\*
- Final Tax Levy TBD - not final

|                                                                      |                      |
|----------------------------------------------------------------------|----------------------|
| <b>A. Total Real Property Tax Levy for Base Year (2025/26)</b>       | <b>\$ 11,912,078</b> |
| B. Excess Levy in Reserve                                            | \$ -                 |
| <b>C. Tax Levy subtotal (A - B)</b>                                  | <b>\$ 11,912,078</b> |
| D. Tax Base Growth Factor (Minimum of 1.0)                           | 1.0017               |
| <b>E. Adjusted Tax Levy subtotal (C x D)</b>                         | <b>\$ 11,932,329</b> |
| F. Base Year PILOTS                                                  | \$ -                 |
| G. Base Year Levy plus PILOTS                                        | \$ 11,932,329        |
| H. Base year Torts and Judgements > 5%                               | \$ -                 |
| I. Base year Capital Expenditures (Net of Aid)                       | \$ 870,691           |
| <b>J. Total base year Torts and Capital Expenditures</b>             | <b>\$ 870,691</b>    |
| <b>K. Levy less base year Torts and Capital Expenditures (G - J)</b> | <b>\$ 11,061,638</b> |
| L. Allowable Levy Growth Factor based on CPI (2.4% for 12 mths*)     | 1.02                 |
| <b>M. Levy including levy Growth Factor</b>                          | <b>\$ 11,282,870</b> |
| N. Budget year PILOT receivables                                     | \$ -                 |
| <b>O. Levy less budget year PILOTS (M - N)</b>                       | <b>\$ 11,282,870</b> |
| P. Eligible Carryover from base year budget                          | \$ -                 |
| <b>Q. Tax Levy Limit - before Exclusions (O + P)</b>                 | <b>\$ 11,282,870</b> |
| <b>U. Total Budget Year Exclusions</b>                               | <b>\$ 870,590</b>    |
| <b>Total Tax Levy including Exclusions (Q + U)</b>                   | <b>\$ 12,153,460</b> |
| <b>Tax Levy % Increase Cap</b>                                       | <b>2.03% **</b>      |
| <b>Tax Levy \$ Increase Cap</b>                                      | <b>\$241,382</b>     |

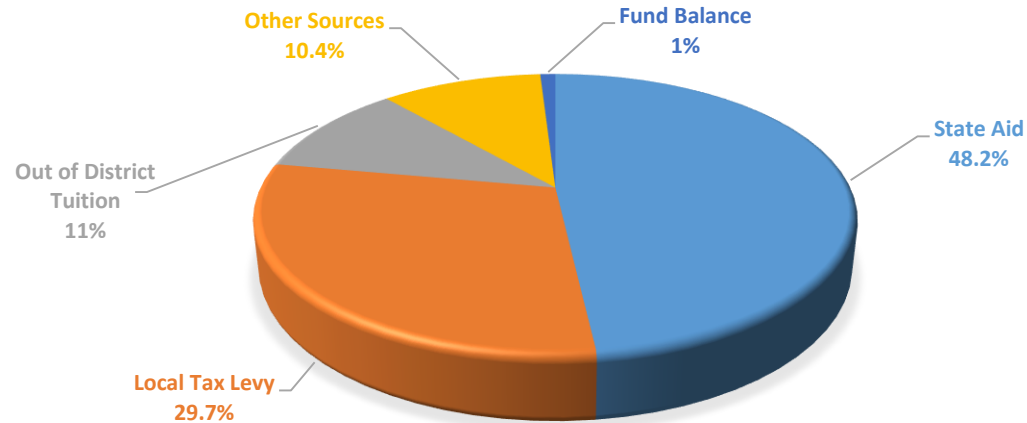
\*CPI is as of January 2026, driven by increase in Food (+2.9%), Electricity & Gas (7.2%), Shelter (+3.0%), and Medical Care Services (3.9%).

\*\*Levy increase up to this amount would require only a simple majority vote



# DRAFT Revenue Chart

## 2026-2027 ESTIMATED REVENUES





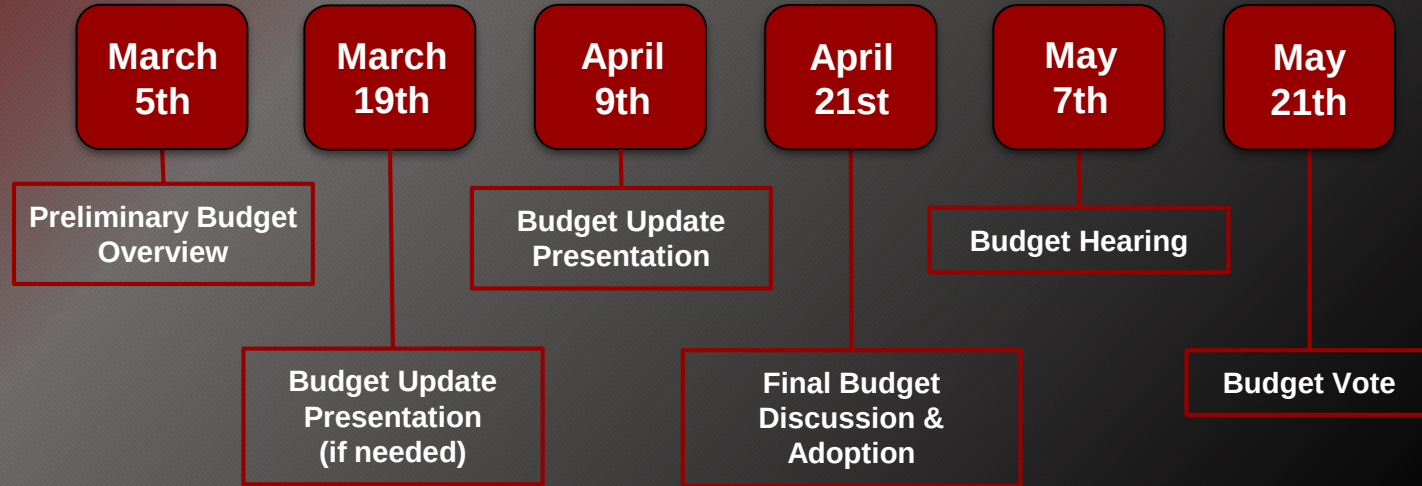
# DRAFT Revenue View

| DRAFT Revenues                             | 2025-2026<br>Adopted Budget | 2026-2027<br>Proposed Budget | \$ Change        | % Change     |
|--------------------------------------------|-----------------------------|------------------------------|------------------|--------------|
| State Aid                                  | \$19,293,929                | \$19,720,360                 | \$426,431        | 2.21%        |
| Local Tax Levy                             | \$11,912,078                | \$12,153,460                 | \$241,382        | 2.03%        |
| Out of District Tuition                    | \$4,871,461                 | \$4,388,567                  | (\$482,894)      | -9.91%       |
| Other Sources<br>(Federal, Interest, etc.) | \$4,285,114                 | \$4,274,931                  | (\$10,183)       | -0.24%       |
| Reserves/Fund Balance                      | \$400,000                   | \$400,000                    | \$0              | 0.00%        |
| <b>TOTAL</b>                               | <b>\$40,762,582</b>         | <b>\$40,937,318</b>          | <b>\$174,736</b> | <b>0.43%</b> |

- State Aid Estimate includes:
  - Foundation Aid minimum 1% increase
  - Increases in Cost-related aids; primarily Transportation & Building Aid
  - Estimated Tax Levy increase of 2.03%. This is NOT final.



# Budget Development Calendar



Board of Education candidate petitions can be obtained from the District Clerk in the District Offices at James I. O'Neill High School starting March 10, 2026. They will be due back to the District Clerk on April 17, 2026.