

Board of Education Meeting

Wednesday, MARCH 11, 2026

Budget Presentation #4: Revised 2026-27 Draft II Budget and Transportation Prop. Information

Presented by:

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Budget Development Process

An Ongoing and Evolving Process

The development of the District's annual operating budget is not a static exercise, but rather a dynamic and evolving process that continues throughout the fiscal planning cycle.

Throughout the budget development process the District:

- Continuously reviews expenditure trends and operational needs across all departments
- Monitors changes in State aid projections, mandated costs, and revenue assumptions
- Evaluates opportunities for cost reductions, operational efficiencies, and program sustainability
- Incorporates feedback and input from the Board of Education, administration, and community stakeholders
- Updates projections as new information becomes available

As a result, the proposed budget can be refined and adjusted during the development process to ensure the District presents a:

- ✓ Fiscally responsible
- ✓ Educationally sound
- ✓ Sustainable financial plan



REVIEW

Bringing Credibility Back to the Budget Process

**On February 25, 2026: Intro Draft I Budget, Fringe Benefits,
Transportation and Debt Service**

- Enhancing the Processes, Controls, Oversight and Monitoring**
- Implemented Mid-Year Reductions**
- Identified Opportunities to Enhance Revenues**
- Concerted Effort to Reduce Costs**
- Outreach to Strategic Partners to Hold Costs or Absorb Outstanding Invoices/Obligations**
- Creating a Three-Year Fiscal Recovery Plan & Coordinating Special Act Legislation**

2026–27 Proposed Budget – Key Cost Drivers

Despite cost-reduction measures, several mandated expenses continue to place pressure on the District's budget



Contractual Salaries
& Fringe Benefits



Student Transportation



Special Education
Services



Debt Service
Obligations



Continued challenge:
Building a fiscally responsible 2026–27 Proposed Budget that preserves instructional and student support programs while addressing cost pressures in an environment of limited revenues and constrained reserves

DRAFT II

DRAFT II AS OF 3/11/26
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	63,235,801	65,196,389	(1,960,588)	-3.01%
Fringe Benefits	36,967,130	35,208,721	1,758,409	4.99%
Total Salary & Benefits:	100,202,931	100,405,110	(202,179)	-0.20%
Debt Service	9,555,592	7,653,950	1,901,642	24.85%
Contractual Expenditures (4000 object codes, excluding Trans,BOCES, Text)	12,315,964	10,951,469	1,364,495	12.46%
BOCES	14,512,283	13,563,613	948,670	6.99%
Supplies	1,491,868	1,836,533	(344,665)	-18.77%
Textbooks/Workbooks	256,809	450,777	(193,968)	-43.03%
Transportation	13,158,322	11,617,023	1,541,299	13.27%
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:	152,172,869	147,164,277	5,008,592	3.40%

Draft II Changes:

1. *Addition of Security Staff Salaries: \$1,225,540
ERS: \$215,695
FICA; \$93,754*

2. *Additional Postage/Shipping Student Records Retention: \$9,000*

3. *Addition Instructional STEM Supplies: \$39,789*

4. *Removal of 2nd MS Teams: (\$66,341)*

5. *Phase II Staffing Reductions: (\$1,867,892)*

DRAFT II

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%

DRAFT II

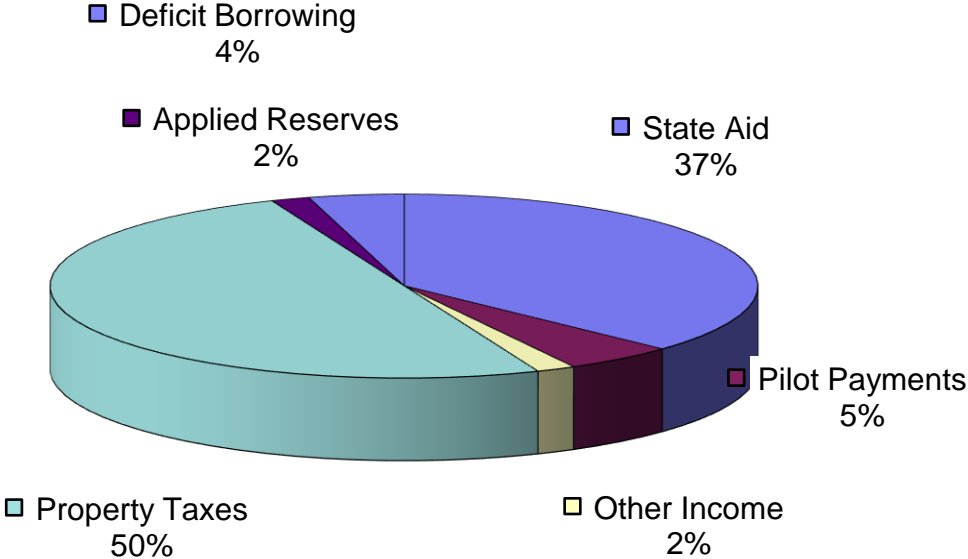
**SOUTH COUNTRY CSD
PROPOSED REVENUE & TAX RATE SCHEDULE FOR 2026-27**

	<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%
	2,684,000	9,575,000	(6,891,000)	-71.97%
Special Act Legis: Deficit BAN Borrowing	6,620,372	0		
PROPERTY TAXES*	76,149,521	71,496,354 *	4,653,167	6.51%
TOTAL REVENUE/BUDGET	152,172,869	147,164,277	5,008,592	3.40%
	2026-27	2025-26	Difference	Percent
Tax Rate Per \$100	272.729	261.682	11.048	4.22%
Home Assessed @ \$2,600	7,091	6,804	442	6.50%
<i>*Property Taxes also include revenue from STAR repayments.</i>				

AS OF 3/11/26 THIS IS THE PROJECTED OPERATING DEFICIT FOR 2026-27



SOUTH COUNTRY CSD Proposed Revenues 2026-27



Proposed Revenues \$152,172,869

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

**SOUTH COUNTRY CSD
FRINGE BENEFIT ANALYSIS**

***Total Employee Fringe Benefits represents 24.29% of the Total 2026-27 Proposed District Budget.
Health Insurance continues to be a significant cost driver within the budget***



Account	Description	2026-27			
		Proposed Budget	2025 - 26 Budget	Incr./Decr.	% Change
9010	STATE RETIREMENT:	1,846,476.00	1,445,703.00	400,773.00	27.72%
9020	TEACHERS' RETIREMENT:	3,991,747.00	5,740,675.79	-1,748,928.79	-30.47%
9030	SOCIAL SECURITY:	4,510,830.00	5,209,191.00	-698,361.00	-13.41%
9040	WORKERS' COMPENSATION:	1,016,195.00	450,000.00	566,195.00	125.82%
9045	LIFE INSURANCE:	161,813.00	173,400.00	-11,587.00	-6.68%
9050	UNEMPLOYMENT INSURANCE:	384,098.00	150,000.00	234,098.00	156.07%
9055	DISABILITY INSURANCE:	53,497.00	61,262.00	-7,765.00	-12.68%
A 9060.800-00	HEALTH INSURANCE	19,776,033.00	17,635,176.02	2,140,856.98	12.14%
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	1,951,694.00	1,666,250.00	285,444.00	17.13%
A 9060.803-00	BTAA Health Reimbursement	60,500.00	60,500.00	0.00	0.00%
9060	HOSPITAL & MEDICAL INSURANCE:	23,627,944.00	20,898,860.02	2,729,083.98	13.06%
9070	DENTAL INSURANCE:	574,530.00	579,629.00	-5,099.00	-0.88%
9090	TERMINAL LEAVE PAYOUTS & SL BUYBACKS:	800,000.00	500,000.00	300,000.00	60.00%
9	EMPLOYEE BENEFITS:	36,967,130.00	35,208,720.81	1,758,409.19	4.99%

← Rate: 17.6% (+1.1%)

← Rate: 8.24% (1.35%)

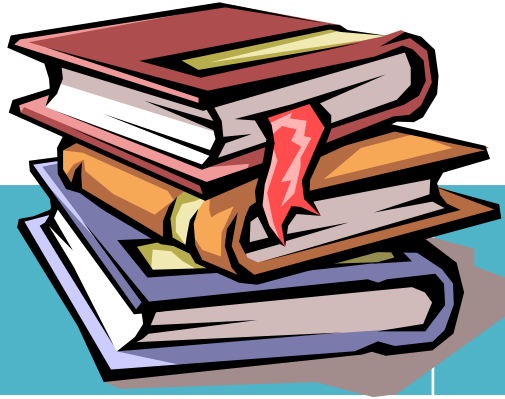
← W/C: \$800K Funded from W/C Reserve

← 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

PROPOSED DRAFT 2026-27 BUDGET



	BUDGET	BUDGET PERCENTAGE	PROPOSED TAX Levy	Special Act Legislation Deficit Borrowing
2026-27 Proposed Draft I Budget	\$152,523,324	3.64%	6.51% <i>(At the Tax Cap)</i>	\$6,970,827
2026-27 Proposed Draft II Budget	\$152,172,869	3.40%	6.51% <i>(At the Tax Cap)</i>	\$6,620,372

SOUTH COUNTRY CSD PROPOSED 2026 - 2027 BUDGET SUMMARY

REFERENDUM: REDUCE PRIVATE SCHOOL TRANSPORTATION FROM 25 TO 15 MILES



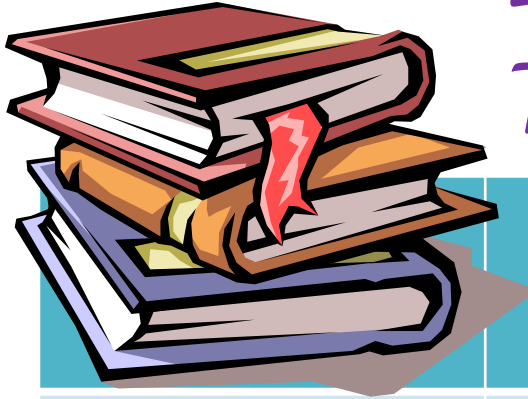
TOTAL REVENUE/BUDGET (Revised)	152,172,869	147,164,277	5,008,592	3.40%
PROP: REDUCE TRANSPORTATION PRIVATE SCHOOL MILEAGE FROM 25 TO 15 MILES:	(900,000)	0	(900,000.00)	
TOTAL BUDGET IF PROP PASSES:	151,272,869	147,164,277	4,108,592.00	2.79%

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**

PROPOSED DRAFT II 2026-27 BUDGET & TRANSPORTATION PROP.



	BUDGET	BUDGET PERCENTAGE	PROPOSED TAX Levy
2026-27 Proposed Draft II Budget	\$152,172,869	3.40%	6.51% <i>(At the Tax Cap)</i>
2026-27 W/Approved Transportation Referendum (Private School Mileage 25 to 15)	\$151,272,869	2.79%	5.25%

Note: Transportation costs are an expenditure driven aid category. Our Transportation Aid rate is 56.7%. Reducing Transportation costs by approximately \$900, would also result in a decrease in Trans Aid of approximately \$493K – for net rection of \$404,000 in the 2027-28 school-year.

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