

Watertown City School District

2026–2027

Budget Adoption

Tuesday, April 14, 2026

District Office · 5:30 pm



Board of Education — Watertown City School District

Name	Role	Term Expires	
John A. Cain III	President	June 2026	PRESIDENT
Culley T. Gosier	Vice President	June 2028	VICE PRES.
Tina M. Fluno	Board Member	June 2027	
Jason B. Harrington	Board Member	June 2026	
Rande S. Richardson	Board Member	June 2027	
Melanie Stano	Board Member	June 2028	
Caleb Montalvo	Student Board Member	June 2026	STUDENT
Vacant —One Year	Board Member	June 2027	

DISTRICT LEADERSHIP

Dr. Larry C. Schmiegel	Superintendent
Brianne Durham	Assistant Superintendent for Operations and Finance
Michelle Gravelle	District Clerk

Who We Are — Watertown's Public Schools

~3,864

STUDENTS K-12
Approximately 400 PreK

~900

EMPLOYEES

8

SCHOOLS

\$112M

2026-27 BUDGET

OUR SCHOOLS

- | | |
|---------------------------------------|----------------------------------|
| ● Watertown High School 9-12 | ● North Elementary PreK-4 |
| ● Case Middle School 7-8 | ● Ohio Elementary K-4 |
| ● H.T. Wiley Intermediate 5-6 | ● Sherman Elementary K-4 |
| ● Knickerbocker Elementary K-4 | ● Starbuck Elementary K-4 |

DISTRICT PROFILE

- **Watertown, New York**
Jefferson County · City School District
- **Diverse, Urban Student Body**
19% Students with Disabilities · Military-connected families
- **Five Strategic Goals**
Graduation · Engagement · Attendance · Behavior · Infrastructure
- **Watertown's Largest Public Employer**
~900 employees across 8 schools & district offices

GOAL 1

Increase the Graduation Rate

Individualized learning and engagement experiences inside and outside the classroom for all students.

GOAL 2

Increase Meaningful Student Engagement

Dynamic and inclusive learning environments, meaningful student-educator connections, and diverse extracurricular opportunities.

GOAL 3

Improve Overall Student Attendance

Targeted strategies addressing barriers to attendance while engaging students, families, and the community.

GOAL 4

Enhance Behavioral Supports for Students

Evidence-based strategies, positive school climate initiatives, targeted interventions for at-risk students, and professional development for staff.

GOAL 5

Enhance Infrastructure (Buildings & Grounds)

Modernizing facilities, addressing critical maintenance needs, and creating safe, conducive, aesthetically pleasing environments for learning and staff well-being.

2026-27 Budget Development Timeline

Budget Vote: May 19

January

February

March

April

May

- Dept. Head & Principal budget presentations
- Consortium votes on Health Insurance & Workers' Comp rates
- Begin calculating estimated Year-End Fund Balance

- Initial State Aid figures shared with FAF Committee & Board
- First draft of budgeted expenses shared with Board
- First draft of revenues & fund balance to FAF Committee
- Tax Cap Calculation presented by Fiscal Advisors

- Mar 1: Tax Cap submitted to NYS Comptroller
- Mar 17: Student Advisory — Snow Day, Rescheduled
- Mar 25: Superintendent's Cabinet
- Mar 26: Draft presentation to Staff Advisory

- Apr 13: Draft presentation to Staff

Apr 14: Board adopts budget & Tax Report Card

- Apr 15: File Tax Report Card with NYSED
- Apr 21: Student Advisory
- Apr 21: Board approves BOCES Budget
- Apr 27: Community presentation
- Apr 29: Budget Newsletter

- May 5: Budget Hearing
- May 6: Noon Rotary presentation
- May 7: Sunrise Rotary presentation
- May 19: Budget Vote

The Budget in Plain English

Before the numbers — here is what you need to know:

2.55%

is the actual tax increase

Not 7.9%. The budget grew 7.9% — your tax bill grows 2.55%.

75%+

of the increase is non-discretionary

Health insurance premiums (+20%) and legally mandated special education services drove the increase — not spending choices.

Maintaining Workforce Stability

- Instructional stipends maintained
- Staffing levels adjusted to match current enrollment - no layoffs

Bottom line: We built the most conservative budget the law allows while fully serving every student in this district.

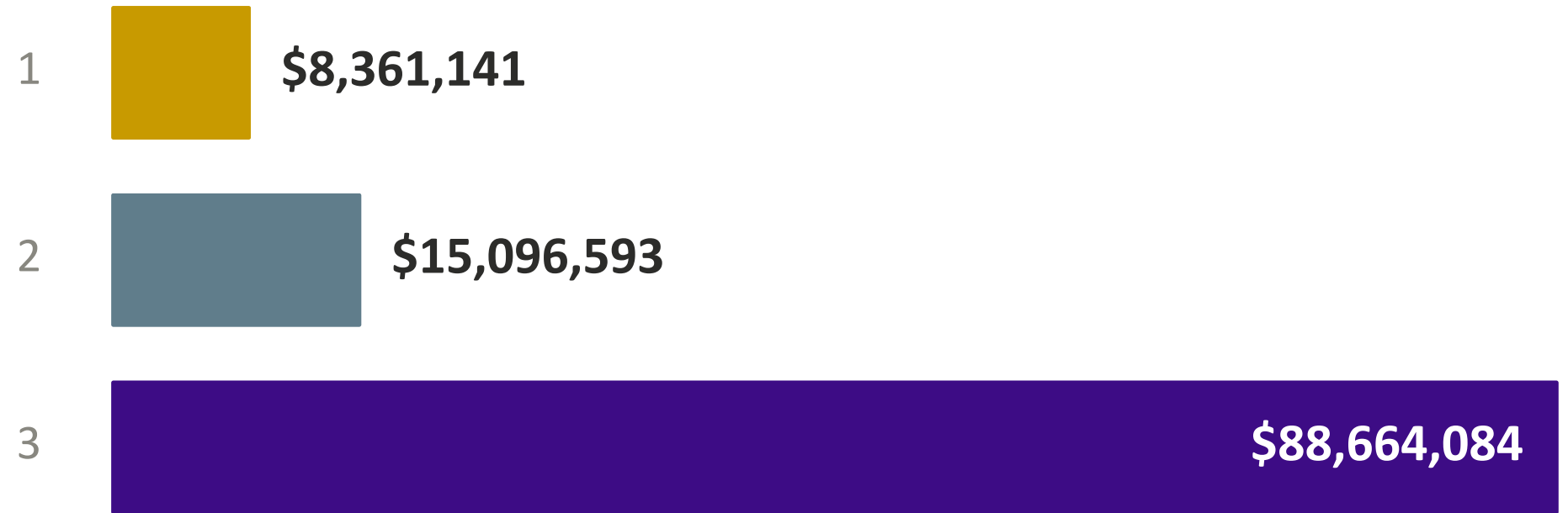
2026-27 Proposed Budget — Where the Money Goes

\$112.1M

Total Budget

+\$8.21M (+7.90%)

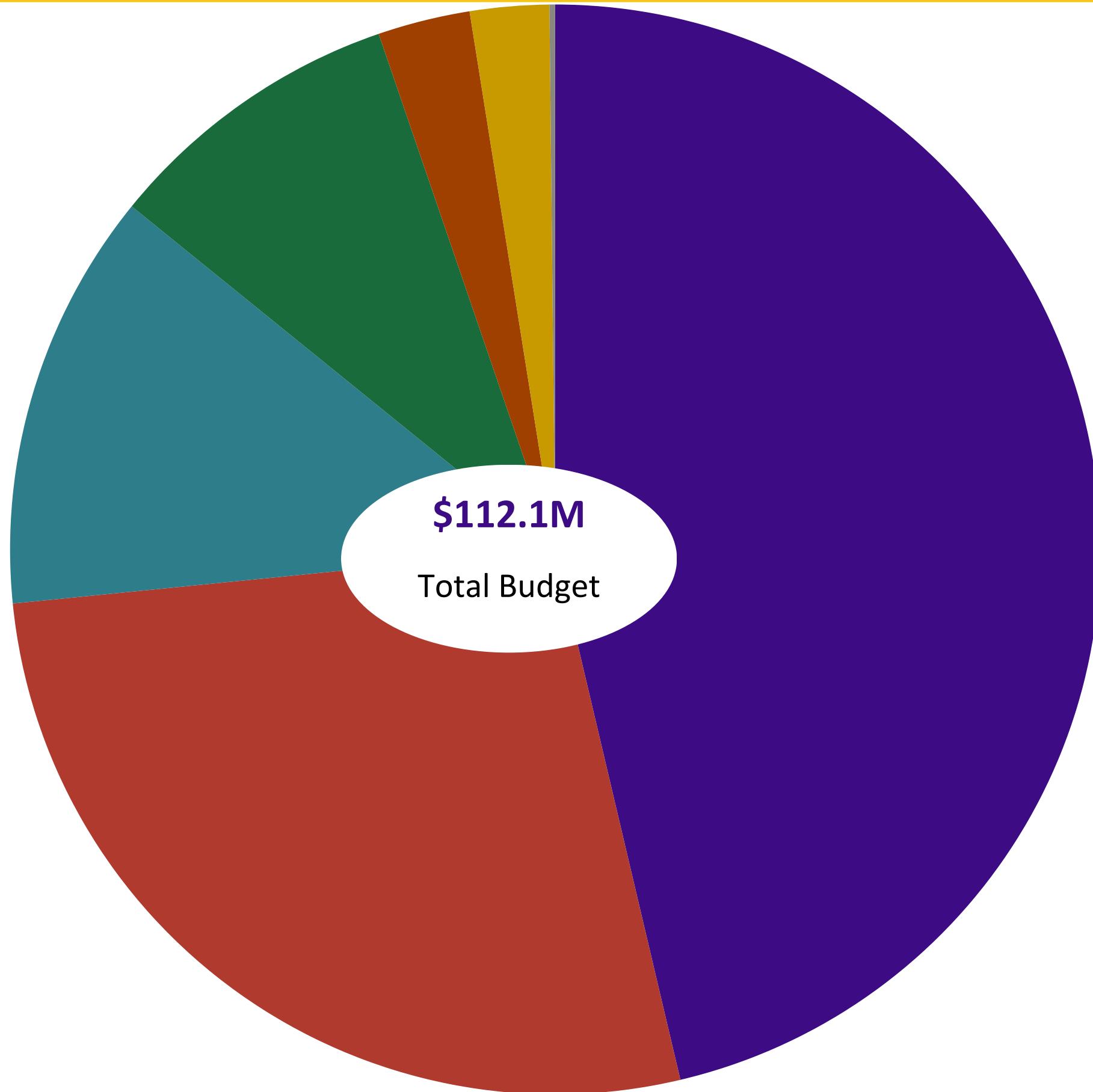
vs. 2025-26 Approved



* New York State law requires the annual budget to be presented to voters in three categories: Administration, Program, and Capital.

Category	2026-27 Proposed	2025-26 Approved	\$ Change	% Change
Administration	\$8,361,141	\$6,978,720	+\$1,382,421	+19.81%
Program	\$88,664,084	\$81,733,268	+\$6,930,816	+8.48%
Capital	\$15,096,593	\$15,197,167	(\$100,574)	-0.66%
TOTAL	\$112,121,818	\$103,909,155	+\$8,212,663	+7.90%

2026-27 Proposed Budget — Where the Money Goes



Category	Amount	% of Total
Salaries	\$51,926,088	46.31%
Employee Benefits	\$30,390,153	27.10%
Contract/M&S/Textbooks	\$13,928,284	12.42%
BOCES	\$9,991,593	8.91%
Debt Service	\$3,068,700	2.74%
Equipment	\$2,627,000	2.34%
Interfund Transfers	\$190,000	0.17%
TOTAL	\$112,121,818	100.00%

Significant Expenditure Increases

Health Insurance

Premium costs surging district-wide — driven by market rates and legacy retiree coverage.

↑ 20%

Liability Insurance

Rising claims environment and increased coverage requirements across all facilities.

↑ 20%

Utilities

Energy costs elevated due to market volatility; includes electric, gas, and heating fuel.

↑ 10–15%

Transportation

Contractual rate increases for student transportation services.

↑ 4%

Maintenance

Aging building infrastructure requiring increased preventive and corrective maintenance.

↑ 10%

School Resource Officer Agreement

Contractual increase for SRO services provided through the City of Watertown.

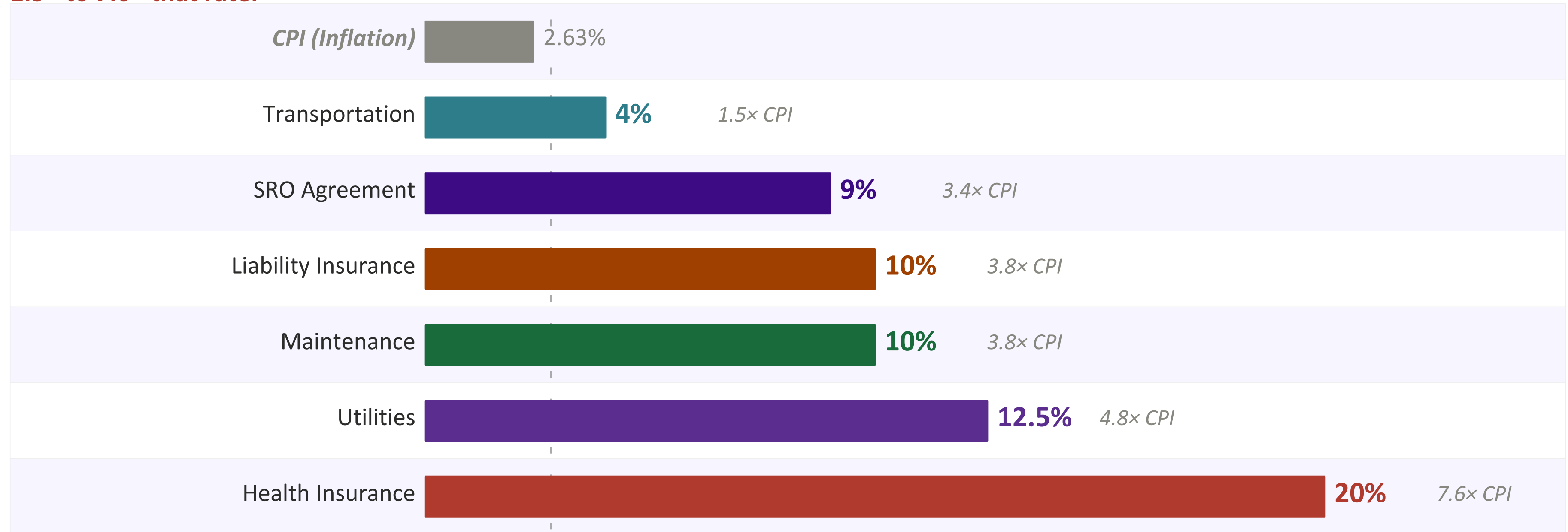
↑ 9%

Key Message: These cost increases are driven by external market forces beyond the district's control — not by new programs or discretionary spending.

District Cost Increases vs. Inflation (CPI)

CPI ~2.63%

The Consumer Price Index (CPI) — a general measure of inflation — is approximately **2.63% annually**. Most district costs are increasing at **1.5x to 7.6x that rate**.



Key Message: When residents hear "inflation is under control," it doesn't reflect school district realities. Our costs for health care, insurance, energy, and services are rising at **1.5 to 7.6 times the rate of CPI** — while our state aid growth is falling toward CPI levels.

Salary Budget — What's Driving the \$787K Increase

Special Education

+\$3.9M

New, and reclassification of, SPED staff, smaller class ratios (12:1:2 → 8:1:1), mandated services under IDEA/NYSED

Grants Ending (ARPA, RECOVS, DODEA 21)

Cost Shift

Summer programs, professional development, various staff positions now district-funded

New Positions

New

(2) 12:1:1 classrooms, Resource Teacher, Instructional Coach, Administrative Intern, Community Partnerships and Strategic Communications Specialist

SALARY SUMMARY

\$51,926,088

Proposed 2026-27 Salaries

+\$787,118

\$ Increase

+1.54%

% Increase

Contractual Obligations

New contracts July 1, 2025: WITAA, WASA

Expiring June 30, 2027:

WEA, Custodial & Maintenance, Cafeteria

Maintaining Workforce Stability

- Instructional stipends maintained
- Staffing driven by student need

Employee Benefits — What's Driving the \$6.6M Increase (+27.7%)



+\$6.3M

Health Insurance Premiums

20% premium increase + legacy costs for retirees + Medicare reimbursements



+\$800K

Employees' Retirement System (ERS)

Non-instructional staff retirement rate: 19.6% → 21.4% (+1.8 points)



-\$600K

Teachers' Retirement System (TRS)

Instructional staff retirement rate: 9.59% → 8.24% (-1.35 points)



+\$100K

FICA (Social Security & Medicare)

Modest increase reflecting salary growth; rate remains at 7.65%

 Health insurance alone accounts for nearly the entire benefit increase. This is a contractual and market-driven cost — not a discretionary one.

Special Education Enrollment by Program —4-Year Trend

645

2022-23 Total SWD
13.8% of enrollment

708

2023-24 Total SWD
15.2% of enrollment

759

2024-25 Total SWD
19% of enrollment

TBD

Count pending (Jan)

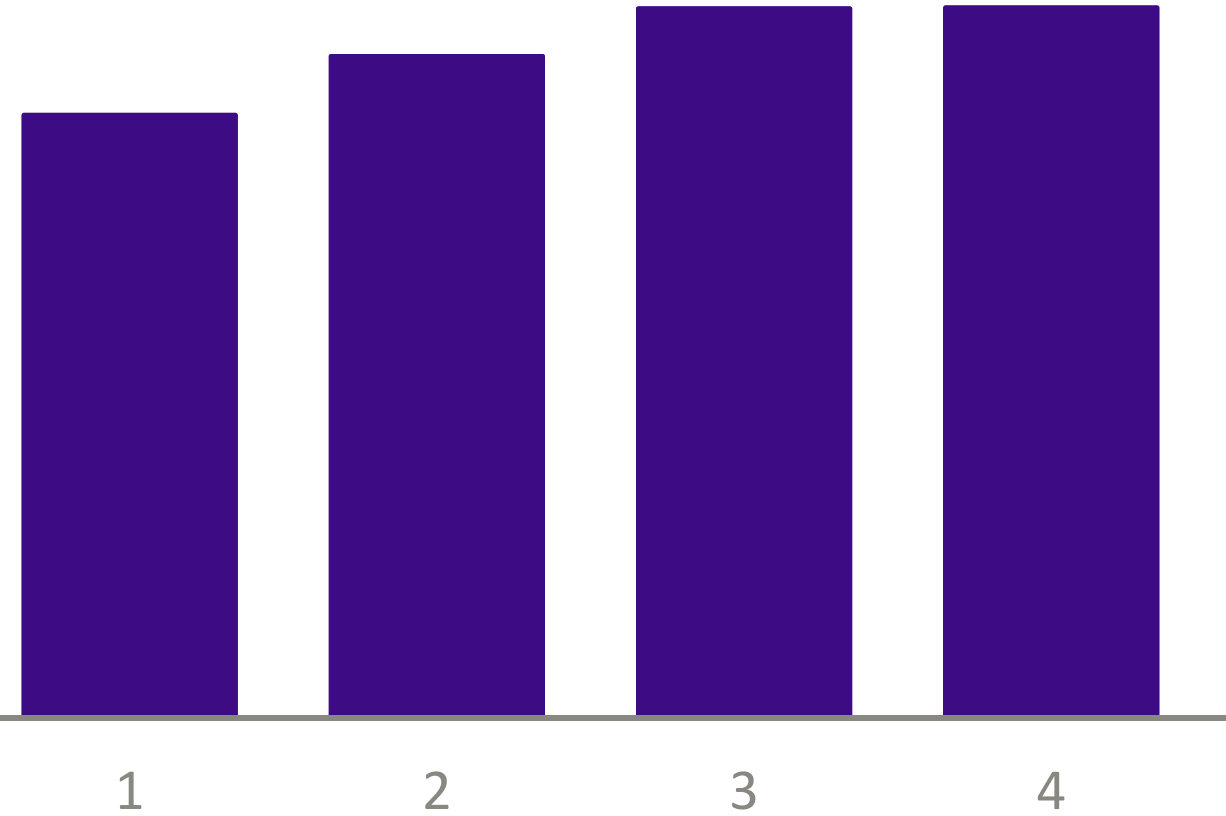
Enrollment growth: **+17.7% in 3 years** (645 → 759 students) | **13.8% → 19% of total district enrollment** | Services are legally mandated under IDEA and NYSED regulations

Program	2022-23	2023-24	2024-25	2025-26	Trend
Resource Room / CT	448	467	491	475	↔ Stable
12:1:2	60	64	62	24	↓ Shrinking
15:1	124	110	88	111	↑ Growing
12:1:1	—	30	37	40	★ New
8:1:1	—	—	—	16	★ New
6:1:1	—	—	3	5	★ New
12:1 (3:1)	37	44	45	53	↑ Growing
BOCES	26	34	24	26	↔ Stable

NYS Report Card totals: 2022-23: 645 (13.8%) | 2023-24: 708 (15.2%) | 2024-25: 759 (19%) | 2025-26: January count in progress

Special Education Enrollment Growth — A Driver of Staffing Costs

Students with Disabilities (SWD)



13.8% → **19%** of total enrollment

Why This Drives Salary Costs

\$3.9M

SPED teacher salary increase in 2026-27 proposed budget

**12:1:2 → 8:1:1
+ 2 new 12:1:1**

Smaller class ratios require more teachers & aides per student. Two additional 12:1:1 classrooms added to meet IEP mandates.

**+\$2.2M
1:1 Aides**

Aide salary expenses increased \$2.2M driven by growing need for 1:1 aides for high-need students with IEP requirements.

Key Message: Special education enrollment has grown 17.7% in three years. These services are legally mandated under IDEA and NYSED regulations — the District has no discretion in providing them. The cost growth is driven by student need, not program choice.

Revenues — Proposed 2026-27 vs. Approved 2025-26

\$112,121,818

Total Proposed Budget

+\$8,212,663

+7.90% increase

Revenue Source	2025-26 Approved	2026-27 Proposed	Change \$	Change %
State / Federal Aid Foundation Aid, BOCES, other state programs	\$71,143,452	\$73,507,008	+\$2,363,556	+3.32%
Property Taxes 2.55% levy increase — at tax cap limit	\$17,929,518	\$18,386,780	+\$457,262	+2.55%
Local Revenues PILOTs, utility tax, interest earnings	\$3,076,898	\$2,950,335	-\$126,563	-4.11%
Fund Balance / Reserves Drawing on district savings to bridge gap	\$11,759,287	\$17,277,695	+\$5,518,408	+46.93%

State / Federal Aid — 2026-27 Proposed

Foundation Aid

+1.0%

Most NY Districts

vs.

+2.54%

Watertown CSD

+\$1.5M in Foundation Aid — Watertown benefits from above-average formula increase

⚠ Does not cover expense increases
\$1.5M gain is outpaced by \$8.2M in new expenditures

Building Aid

-\$2.5M

Building Aid Decrease from Prior Year

Why?

Prior capital construction projects have been completed — Building Aid reimbursements are tapering off as debt retires.

BOCES Aid not included above

BOCES Aid is reported separately and offsets shared service costs

NET STATE / FEDERAL AID IMPACT

+\$1.5M

Foundation Aid

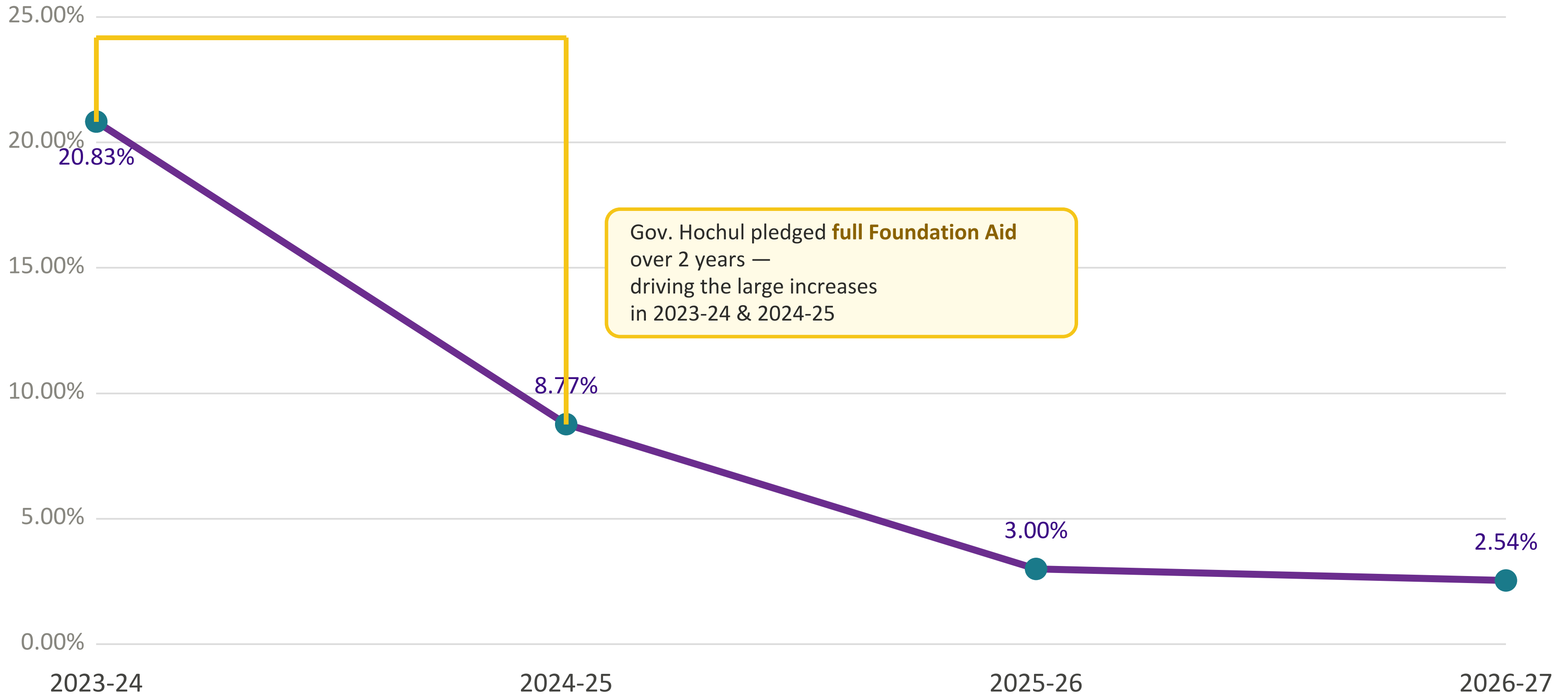
-\$2.5M

Building Aid

-\$617K

Overall Change

Foundation Aid Increase



Tax Levy in Context — 2026-27 Operating Budget

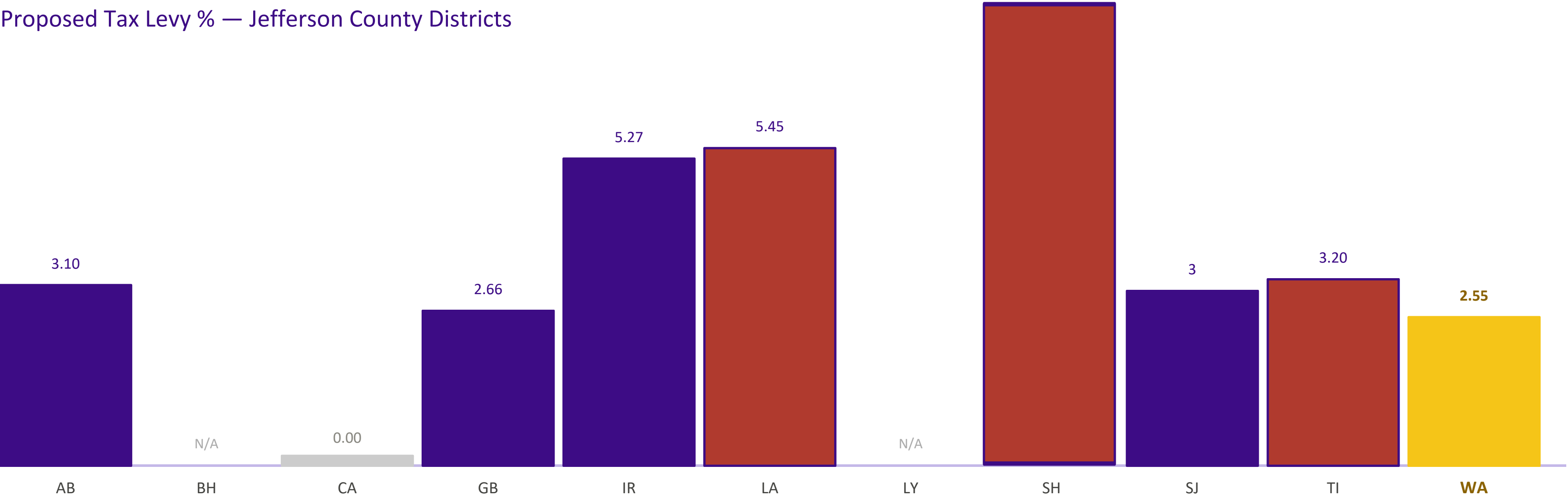
2.55%
Proposed Tax Levy Increase

\$457,262 in additional levy

Simple Majority Vote Required
Budget is AT the tax cap limit

\$29 / year
(\$2.42/month)
per \$100,000 of assessed value

Proposed Tax Levy % — Jefferson County Districts

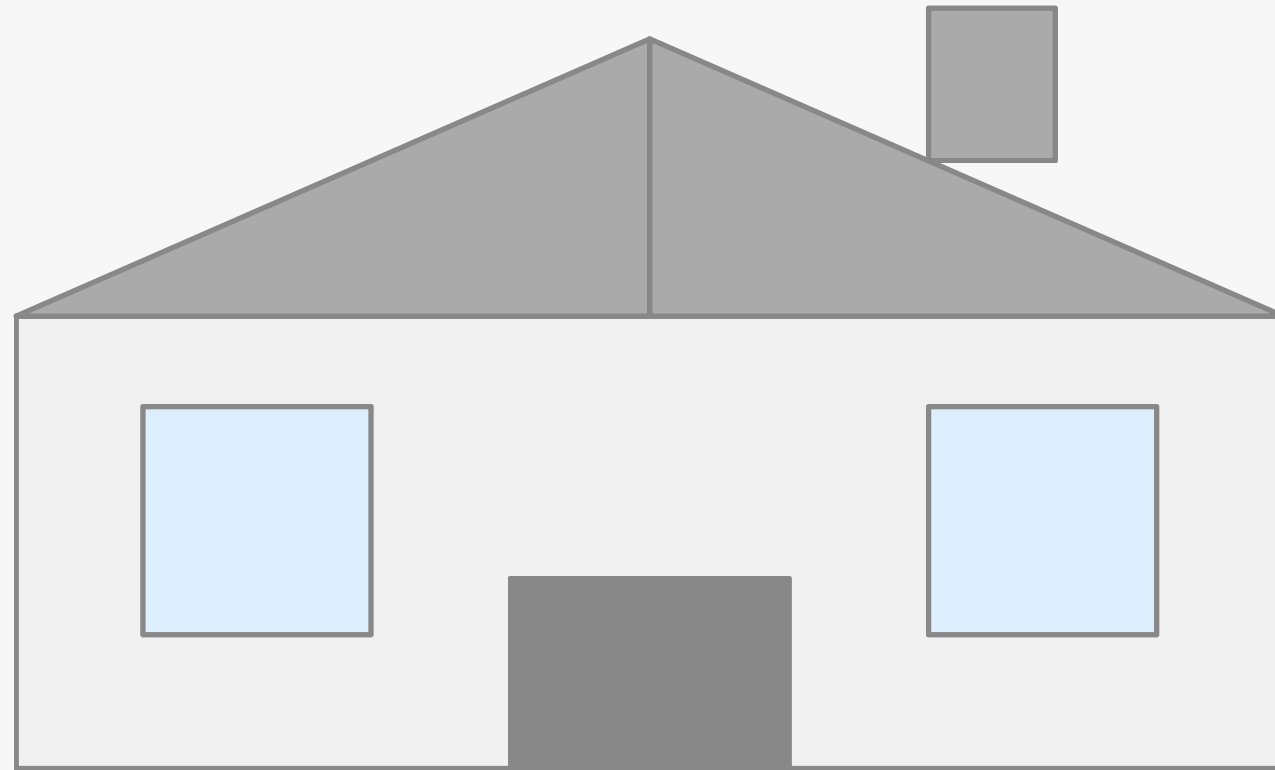


Property Taxes — Impact on Homeowners

2.55% Levy Increase

Based on a \$100,000 assessed property value — the proposed 2.55% levy increase translates to:

CURRENT — 2025-26



\$1,132 / year

(\$94.33 per month)

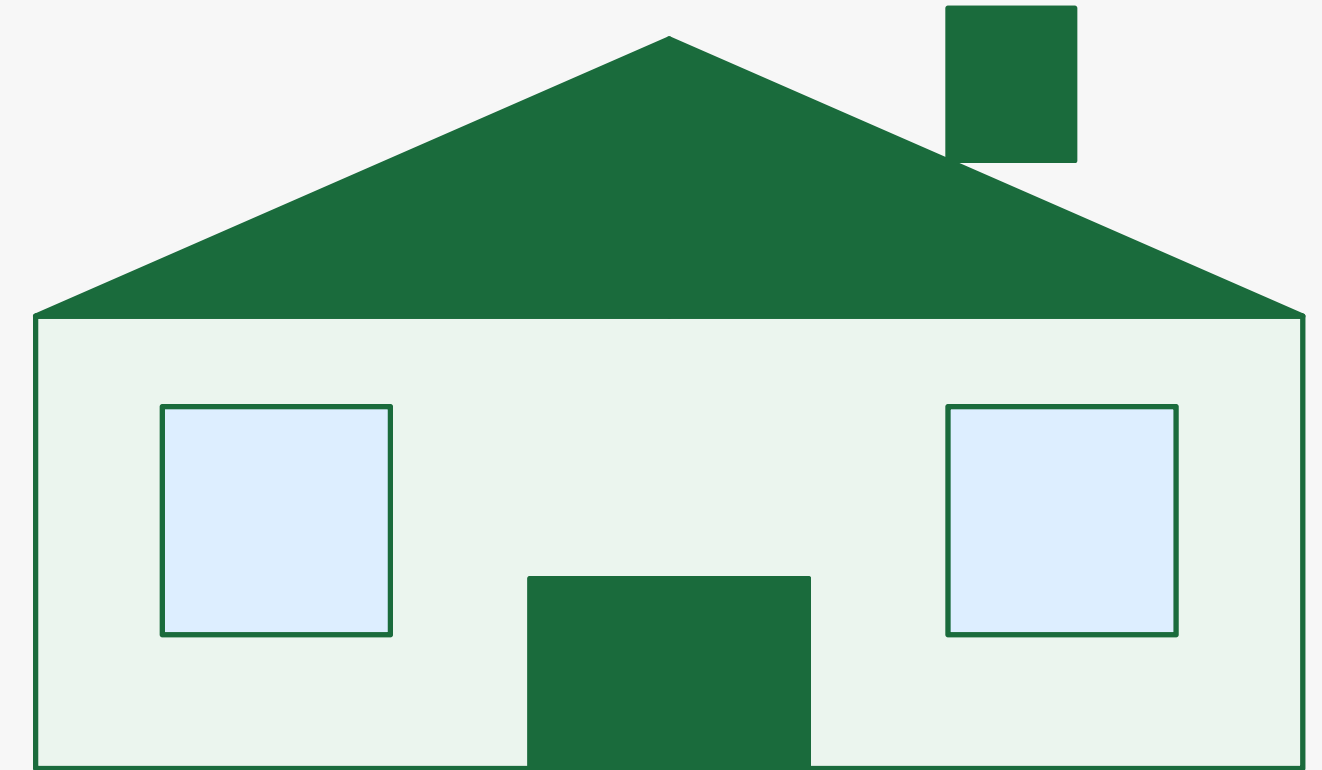
+2.55%

Proposed Levy Increase



At tax cap — simple majority vote required

PROPOSED — 2026-27



\$1,161 / year

(\$96.75 per month)

+\$29

Annual increase

+\$2.42

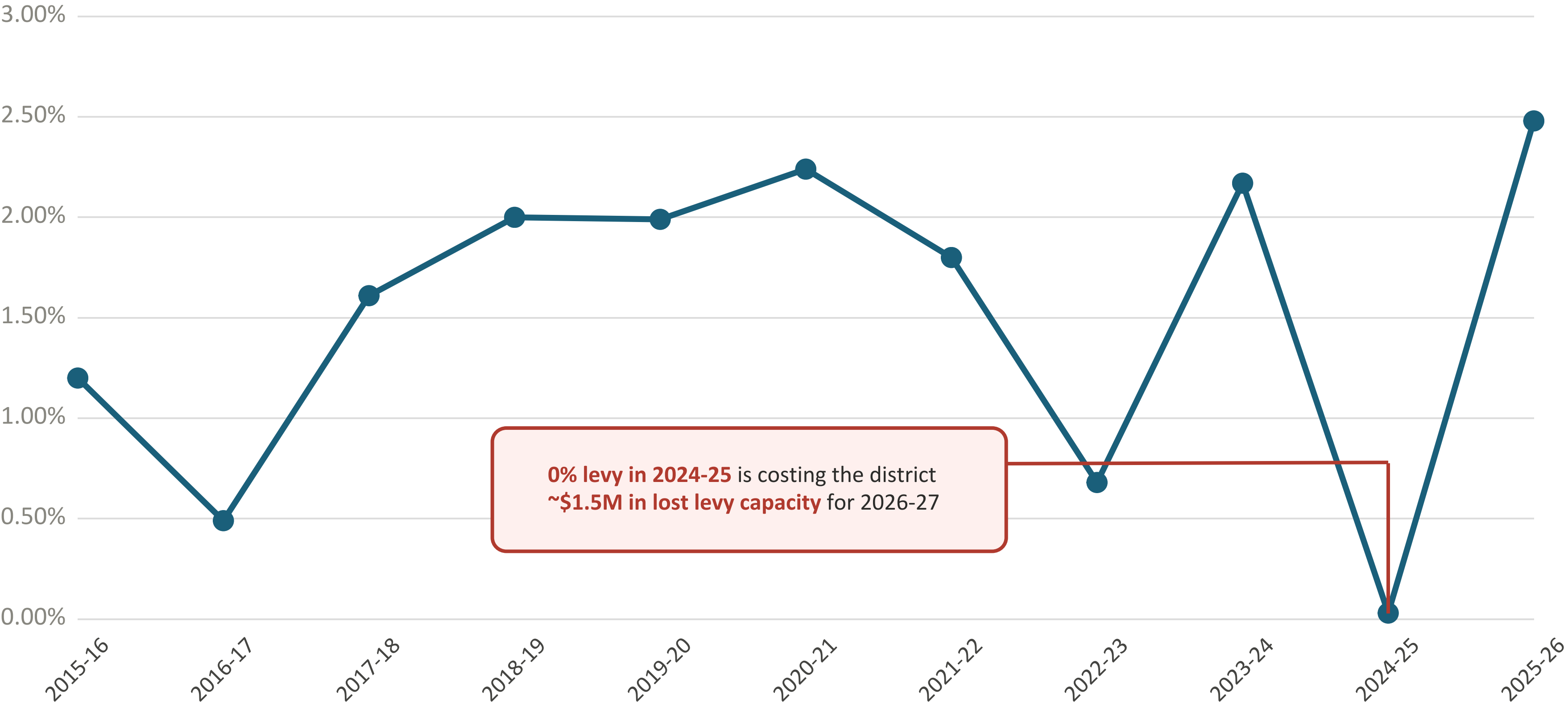
Monthly increase

\$100,000

Per assessed value

For context: This increase is at the NYS tax cap limit, meaning only a simple majority vote is required for passage. The \$29/year increase is equivalent to less than \$2.42 per month — among the lowest proposed levy increases in Jefferson County.

Historical Tax Levy Increase



Fund Balance —As of July 1, 2025

As of July 1, 2025

\$49M

Total Fund Balance

\$13M

Restricted

\$13M

Assigned

\$23M

Unassigned

Category	Amount	% of Budget	Description
Restricted	\$13M	—	Retirement Contributions Reserve; Capital Projects Reserve. Legally restricted —cannot be freely spent.
Assigned	\$13M	—	Encumbrances (open purchase orders); appropriated fund balance; board-designated for specific purposes.
Unassigned	\$23M	22.27%	Remaining district savings.

Fund Balance — Anticipated as of June 30, 2026

Anticipated: June 30, 2026

\$44M

Anticipated Fund Balance

\$11M

Restricted

\$17M

Assigned

\$16M

Unassigned

Category	Amount	% of Budget	Description
Restricted	\$11M	—	Reserves reduced: \$2M allocated to balance budget, \$1M contributed to Capital Project, Liability Reserve closed.
Assigned	\$17M	—	\$17M appropriated fund balance; \$4M current encumbrances. Board-designated for specific purposes.
Unassigned	\$16M	14.23%	Trending down from 22.27%

How Do We Balance the Budget?

There are only three levers available to close a budget gap:

1 Increase Revenue

Limited Options

- State Aid is largely fixed by Albany formula
- Federal Aid changes are outside district control
- Local revenues (PILOTs, interest) are modest
- Very limited ability to increase without voter approval

2 Use Fund Balance / Reserves

Use With Caution

- District "savings account" —not a recurring source
- Proposed draw: \$17.4M in 2026-27
- Spending too fast risks fiscal stress designation
- Once depleted, cannot fund recurring expenses

3 Reduce Expenditures

Most Common Method

- Staffing reductions (largest cost driver)
- Program consolidation or elimination
- Defer non-critical capital projects
- Renegotiate contracts and vendor agreements

2026-27 PROPOSED APPROACH

+2.55% Tax Levy Increase
\$457,262—at the cap limit

\$17.4M Fund Balance Draw

Ongoing Expenditure Controls
Reviewing all non-mandated costs

Budget Risks to Watch - Items That Could Still Change

OPEN ITEMS — COULD INCREASE BUDGET

Final NYS Budget

Governor's executive budget may differ from initial projections. Past year's final state aid was LOWER than initially announced ; current CPI is lower than initial Foundation Aid formula assumptions.

Liability Insurance

Already up 40% in 2025-26. Another 20% increase estimated for 2026-27. Exact figure still TBD.

Special Education Placement Needs

New high-need placements are unpredictable. Each out-of-district placement can add \$100,000–\$300,000+ annually.

Federal Title & Impact Aid

Federal funding uncertainty.

CONFIRMED / FAVORABLE

Tax Cap Submitted

Filed with NYS Comptroller on March 1. Tax levy stays at 2.55% — within cap, requiring only simple majority.

Debt Service Decreasing

Capital debt payments drop by \$1.9M (–38.5%) as prior projects retire.

TRS Rate Down

Teachers' pension contribution rate decreasing from 9.59% to 8.24% — saves ~\$600K.

Proposition #1 - Board of Education Candidates

3

Three positions open — vote for 3 candidates

Two 3-year terms · One 1-year term · Write-in permitted

Seat #1 · 3-year term

For the seat of
John A. Cain III

Term: 07/01/26 – 06/30/29

Seat #2 · 3-year term

For the seat of
Jason B. Harrington

Term: 07/01/26 – 06/30/29

Seat #3 · 1-year term

Vacant one-year seat

Term: 05/20/26 – 06/30/27

How votes are counted

The two candidates with the highest votes fill the 3-year terms. The candidate with the third-highest votes fills the 1-year term.

Proposition #2 — Energy Performance Contract

Authorize District to Issue Up to \$5,300,000 in Bonds

to fund LED lighting and HVAC upgrades across ALL District buildings — repaid through a tax levy on District property

\$5,300,000

Bond Amount

Included in \$110M project

0%

Tax Impact

No new taxes to voters

~\$290,000

Annual Savings

Energy + maintenance savings/yr

+10%

Additional NYS Aid

With voter approval for EPC

WHY THIS MAKES FINANCIAL SENSE

- ✓ Savings and state aid reimbursement will EXCEED the annual bond payment — this proposition pays for itself
- ✓ LED and HVAC improvements reduce operational costs every year in perpetuity — a long-term budget benefit
- ✓ Voter approval unlocks an additional 10% in NYS building aid, maximizing state reimbursement for the work

Absentee Ballots & Early Mail Voting

HOW TO APPLY

Contact the District Clerk at the District Office

Apply for Absentee Ballots & Early Mail Voting applications

Office Hours: Monday – Friday, 9:00am – 3:00pm

KEY DEADLINES

Tuesday, May 12

Application deadline — if mailed

Tuesday, May 19 by 5:00pm

Application deadline — if hand delivered

Tuesday, May 19 by 5:00pm

All ballots must be returned by this time

Absentee List Available

A list of all persons given an absentee ballot is available for inspection at the District Office 5 days before the vote and will be posted at polling sites.

Military Voters

Military voters must be registered and may apply for absentee ballots. Contact the District Clerk for details on the application process.

Ballots must be received at the polling site by 5:00pm on Tuesday, May 19, 2026 — late ballots will not be counted.

Open Enrollment — Budget Vote & Voter Registration

CONTINUOUS VOTER REGISTRATION

Watertown CSD allows for continuous voter registration — you may register to vote anytime throughout the year, not just at election time.

REGISTER TO VOTE

Where:

District Office

When:

Monday – Friday, 8:00am – 3:30pm

Contact:

District Clerk — Michelle Gravelle

WHO IS ELIGIBLE TO VOTE?

- U.S. Citizen aged 18 or older on Election Day
- Resident of the Watertown City School District
- Registered to vote — registration accepted year-round at the District Office

Questions about voter registration? Contact District Clerk Michelle Gravelle at the District Office — Monday through Friday, 8:00am to 3:30pm.

Watertown City School District

Budget, Propositions & Board Member Vote

Your vote
MATTERS



Date

Tuesday

May 19, 2026



Hours

12:00 pm

– 9:00 pm



2 Locations

Watertown High School —

Band Room

North Elementary —

Gymnasium

2026-27 Budget

Proposition #1: Board Candidates

Proposition #2: Energy Performance Contract

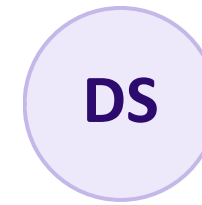
Watertown City School District



Questions?

We welcome your feedback
and discussion.

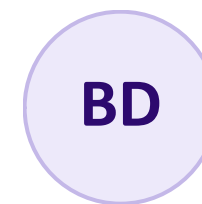
Contact



Dr. Larry C. Schmiegel

Superintendent

Watertown City School District



Brianne Durham

Asst. Superintendent, Operations & Finance

Watertown City School District

Next steps

Apr 27

Community presentation

May 5

Budget Hearing

May 19

Budget Vote

watertowncsd.org