



2026-2027 Budget

Educational Program Continuation Increases March 4th, 2026

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Objective



To strategically utilize the district's fiscal resources to support student educational outcomes for the 2026-2027 school year and beyond in a fiscally responsive manner.



Budget Presentation Goals



Recent Fiscal Headlines

- Comptroller DiNapoli (1/20/26, 1/22/26, 2/18/26)

Historical and Projected K-8 Enrollment

- Grades K-2 General Education
- Grades 3-8 General Education
- Projected Grade K-8 Core Class Sizes

Anticipated 2026-2027 BOCES Budget

- Challenges
- Expense by Category

Updated Budget

- Expenses
- Submitted Tax Cap
- Revenues
- Working Budget Gap





Recent Fiscal Headlines



Comptroller DiNapoli



In a January 20th press release, Comptroller DiNapoli indicated a consistent trend of unsustainable spending rates:

- Spending growth remains above inflation

In a January 22nd press release, Comptroller DiNapoli indicated a 41% increase in school districts experiencing fiscal stress compared to the previous school year:

- Thirty-one school districts were designated as experiencing fiscal stress for the school fiscal year ending June 30, 2025, up from twenty-two districts in fiscal stress the prior year.

In a February 18th press release, Comptroller DiNapoli warned of continued fiscal uncertainty:

- Federal aid reductions have created increased fiscal stress and uncertainty at the state level.
- Federal policy has injected unnecessary volatility into policy and budget planning at the state level.

Key Quotes & Recommendations:

- "Trajectory of projected state spending is estimated to increase at a faster rate than expected revenues, creating cumulative outyear budget gaps estimated by the Division of Budget to total \$27.5 billion through the Fiscal Year 2030."
- "Federal actions are creating more financial risk for the state and leading to a more complex fiscal environment."
- "General fund receipts (revenues) are expected to grow 9.8% compared to disbursements (expenses) that are projected to grow almost twice as fast, 18.5%."
- "Rapid growth in Medicaid spending may risk crowding out other priorities, such as education, public safety, and infrastructure."



Comptroller DiNapoli's 1/20/26 Executive Budget Press Release: [Click Here](#)

Comptroller DiNapoli's 1/22/26 Press Release: [Click Here](#)

Comptroller DiNapoli's 2/18/26 Executive Budget Report: [Click Here](#)



Historical and Projected K-8 Enrollment



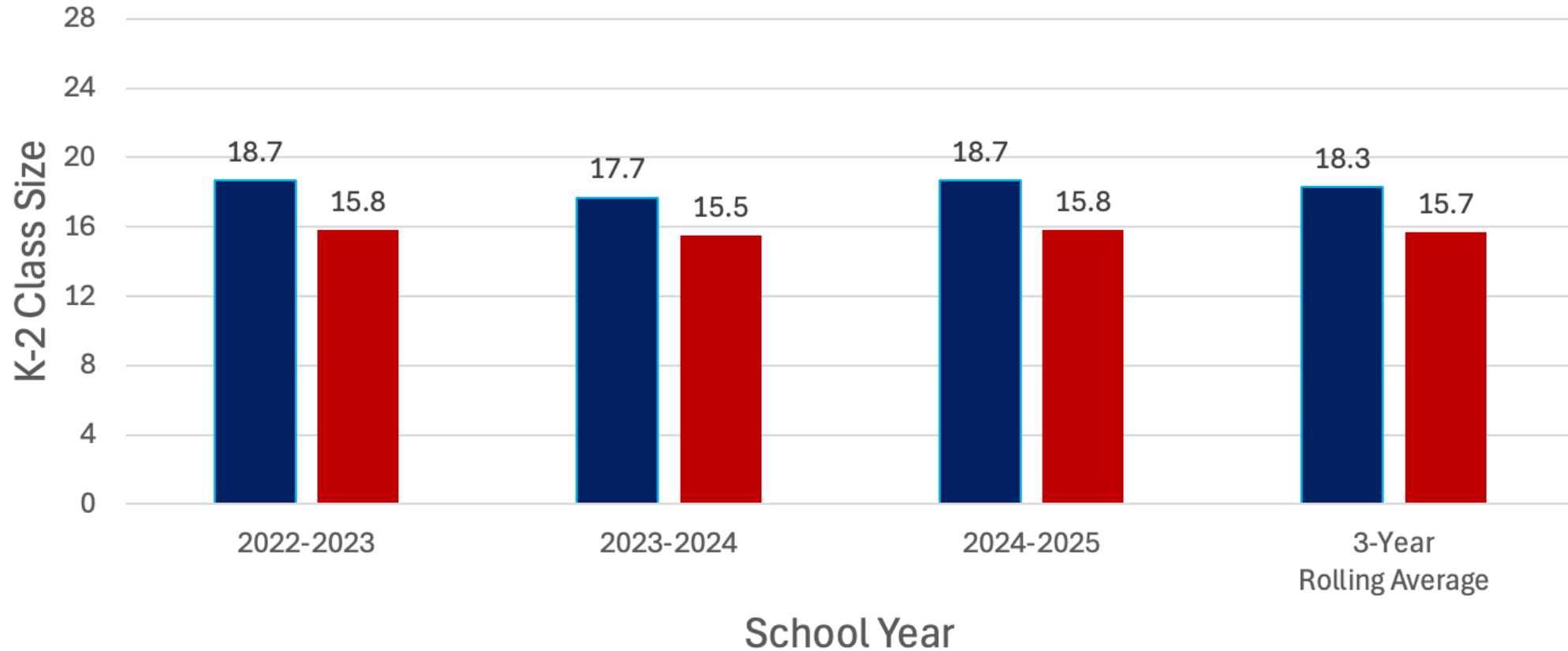
Historical Primary (K-2) General Education Class Size North Tonawanda vs Similar Schools

Source: *Frontline Analytics; NYSED Master Personnel File*



Neighborhood elementary schools can create challenges achieving equitable class sizes across buildings and grade level bands.

Current funding levels have afforded stable average class sizes.



■ North Tonawanda ■ Composite Similar Schools

Similar Schools is a composite average between Lockport, Niagara Falls, Niagara Wheatfield, and Starpoint.

Anticipated K-3 Core Class Sizes

*Figures include special education inclusion



School & Grade	2025-2026 Sections	2025-2026 Average Class Size	2026-2027 Sections	2026-2027 Average Class Size
Drake Kindergarten	3	21.7	3	20.3
Drake 1st	3	19.7	3	21.7
Drake 2nd	3	17.3	3	19.7
Drake 3rd	3	20.0	3	17.3
Ohio Kindergarten	4	21.3	4	20.3
Ohio 1st	4	24.8	4	21.3
Ohio 2nd	4	20.3	4	24.8
Ohio 3rd	4	20.5	4	20.3
Spruce Kindergarten	4	16.5	4	15.3
Spruce 1st	4	17.8	3*	22.0
Spruce 2nd	4	16.0	4	17.8
Spruce 3rd	4	14.8	3*	21.3

*Potential reallocation of two homerooms at Spruce Elementary School to meet other needs district-wide.



Anticipated K-3 Core Class Sizes District-Wide Equity in Programming



	Kindergarten*	1st Grade	2nd Grade	3rd Grade	Building-Wide Average
Drake	20.3	21.7	19.7	17.3	19.7
Ohio	20.3	21.3	24.8	20.3	21.7
Spruce	15.3	22.0	17.8	21.3	18.7
District-Wide Average	18.5	21.6	20.9	19.7	20.2

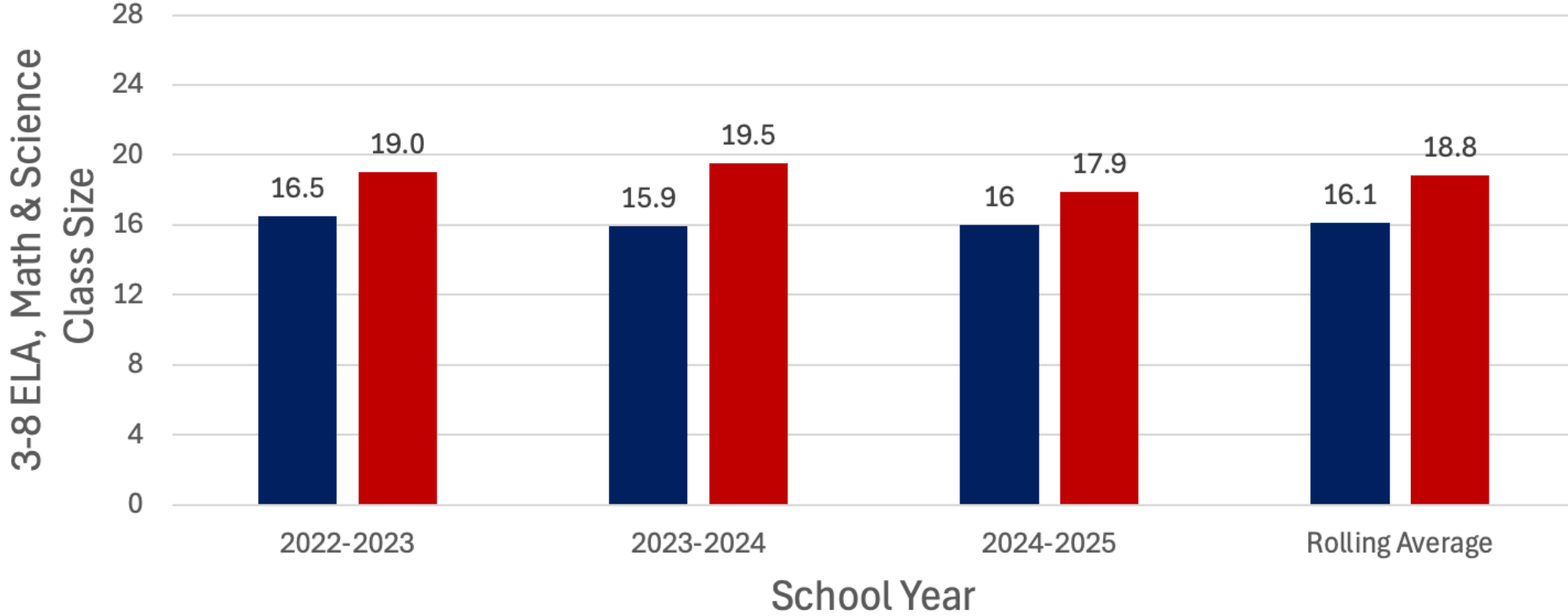


*Expected kindergarten class sizes are based on the Niagara County Department of Health's Live Birth Rate data presented at the January 7th Board of Education meeting.

Historical Intermediate & Middle School (3-8 ELA, Math & Science) General Education Class Size North Tonawanda vs Similar Schools



Source: *Frontline Analytics; NYSED Master Personnel File*



Historical programs such as *M.P.P.*, *RISE 8*, and 15:1 academic programming have the effect of lowering average class sizes.



■ North Tonawanda ■ Composite Similar Schools

*The classes of 2027 and 2028 are smaller cohorts affecting NT's historical average class sizes during this time span.

Anticipated 4-6 Core Class Sizes

*Figures include special education inclusion



School & Grade	2025-2026 Sections	2025-2026 Average Class Size	2026-2027 Sections	2026-2027 Average Class Size
NTI 4th Grade	11	23.1	9*	22.3
NTI 5th Grade	10	22.3	11**	23.1
NTI 6th Grade	10	23.2	10	22.3
Building-Wide Average	31	22.9	30	22.6



*Potential reallocation of 1 homeroom at 4th grade compared to historical staffing levels to meet other needs district-wide.

**Likely increase in homerooms at 5th grade to float with the large grade-level cohort.

Anticipated 7-8 Core Class Sizes

*Figures include special education inclusion



School & Grade	2025-2026 Sections*	2025-2026 Average Class Size	2026-2027 Sections**	2026-2027 Average Class Size
NTMS 7th Grade	10	24.0	10	22.4
NTMS 8th Grade	11	20.8	11	21.8
Building-Wide Average	N.A.	22.3	N.A.	22.1



*Sections represent two teams at 7th grade with each core subject having 5 sections per team.

**Sections represent two teams at 8th grade with each core subject having 5 sections per team in addition to one section for the *RISE 8* program.



2026-2027 BOCES Budget



BOCES Budget Expense Drivers



Large expense areas with rate increases greater than inflation:

- CTE – 4.3% Tuition Rate & 8.6% Student Enrollment Rate
- Special Education Placements – 6.6%
 - IEP Related Services – 7.6%
- Summer School – 8.7% Per Course
- Alternative Education Placements – 9.0%
- General Administration – 10.9%
- Rental of Facilities – 53.0%

Small expense areas with significant rate increases:

- Labor Relations – 26.8%



2026-2027 BOCES Budget March to March Comparison



Category	2025-2026	2026-2027	Difference
District-Wide and Central Office Supports*	\$1,805,128	\$1,955,838	\$150,710
Curriculum Development, Supervision, and In-Service Trainings**	\$240,731	\$214,694	(\$26,037)
General and Alternative Education*	\$644,150	\$644,150	-
Special Education Instruction	\$2,000,292	\$2,428,940	\$428,648
Career & Technical Education	\$1,664,745	1,862,000	\$197,255
Summer School Education	\$155,479	\$166,673	\$11,194
Library Audio and Visual	\$144,617	\$105,570	(\$39,047)
Technology; Hardware, Software, Personnel Supports	\$1,250,553	\$1,287,500	\$36,947
Community Schools, Health, and Athletic Supports**	\$114,807	\$69,043	(\$45,764)
Transportation & Food Service Supports	-	\$9,900	\$9,900
Anticipated BOCES Budget	\$8,020,502	\$8,838,435	\$723,806

*Areas where required district supports have transitioned to new BOCES programs to generate additional state aid.

**Reduction in BOCES professional development specialists offset by added positions.



Updated Budget



Meaningful Budget Adjustments



Expense Adjustments	Revenue Adjustments
<ul style="list-style-type: none">- Fully recognized all potential grant revenue*- Assume Executive Budget funding proposal for UPK grant expansion is enacted- Recognized salary and benefit breakage for all staff retirements	<ul style="list-style-type: none">- Positive adjustment for interest earnings- Positive adjustment for Medicaid reimbursements due to strong billing practices- Positive adjustment for Excess Cost Aid- Positive adjustment for interfund transfers due to school lunch fund- Addition of EBALR Reserve fund dollars based on instructional staff retirements



*Reduction of any state or federal grant will be a dollar-for-dollar unbudgeted expense.

March Program Continuation Net Changes



Category	Net Change	Description
Employee Salaries (Includes retirement attrition)	\$825,725	Contractual increases net retirement attrition
Employee Benefits (Includes retirement attrition)	\$363,883	Mandated benefits per salary increases and contractual agreements
	\$500,000*	Anticipated health insurance rate increases
Instructional Supports (Supplies & Equipment)	\$434,192	Supports net BOCES conversions
BOCES Support Services	\$632,082	Projected BOCES expense changes
Debt Service	(\$1,307,400)	Past capital projects have been paid
Total	\$1,448,482	Program Continuation Expense Budget (March)



*Rate increases are meaningfully below the regional average due to the District's self-insured status in comparison to market premiums.

Budgeted Reserves and Appropriated Fund Balance



Category	2025-2026 (Budget)	2026-2027 (Budget)	Net Difference
Appropriated Fund Balance*	\$3,500,000	\$3,500,000	-
Workers' Compensation Reserve	\$40,000	\$0	(\$40,000)
Unemployment Insurance Reserve	\$7,806	\$0	(\$7,806)
Employees' Retirement System	\$400,000	\$0	(\$400,000)
Teachers' Retirement System	\$0	\$0	-
Employee Benefit Accrued Liability Reserve (EBALR)**	\$581,700	\$122,000	(\$459,700)
Repair Reserve	\$0	\$0	-
Debt Service***	\$250,000	\$134,000	(\$116,000)
Total Budgeted Appropriated Fund Balance & Reserves	\$4,799,506	\$3,756,000	(\$1,023,506)



*Reduction of appropriated fund balance conforms to the District's limitations to carry a maximum of 4% unassigned fund balance from year to year based on state law.

**Restricted use based on conversion of employee accrued sick days upon retirement.

***Use of the debt service reserve can impact the District's annual tax cap calculation.

Submitted Tax Cap



Tax Levy (2025-2026)		\$31,575,000
Growth Factor	x	1.00520
	Subtotal	\$31,739,190

Prior Year Pilots (2025-2026)	+	\$312,951
	Subtotal	\$32,052,141

Tax Levy Judgements-Torts	-	0
Prior Year Capital Tax Levy Exclusion (2025-2026)	-	\$923,832
	Subtotal	\$31,128,309

CPI Allowed Increase (2.0%)	x	1.0200
	Subtotal	\$31,750,875

2026-2027 PILOTS (Estimated)	-	\$293,000
	Subtotal	\$31,457,875

2026-2027 Capital Tax Levy Exclusion	+	\$909,969
ERS/TRS Exemption	+	0
Tax Levy Limit (2026-2027)	=	\$32,367,844

Levy Increase		\$792,844
Available Levy Carryover	+	0
Adjusted (Maximum) Levy Increase		\$792,844

Tax Cap Input Decoding

Blue = Predetermined inputs given to the District by the state or are hard coded figures from last year's tax cap.

Red = Figures calculated by the District for the upcoming fiscal year.

Yellow = Tax Cap formula outcome.

Adjusted Maximum Tax Levy Limit	\$32,367,844
Maximum Year over Year Levy Increase	\$792,844
Maximum Percent Levy Increase	2.5109871%

Tax Cap Figures Submitted to the New York State Comptroller's Office

Forecasted Total Revenue



2026-2027 (March) Budgeted State Revenue	\$44,025,928
2026-2027 (March) Budgeted Other Revenue	\$35,063,204
2026-2027 (March) Budgeted Appropriated Fund Balance & Reserves	\$3,756,000
2026-2027 (March) Draft Working Revenue Budget	\$82,845,132



*Draft working revenue budget does not consider any potential use of reserves beyond the Debt Service and EBALR reserves as well as meeting the property tax cap.

March 4th Working Budget



2026-2027 (March) Draft Working Expense Budget	\$84,448,482
2026-2027 (March) Draft Working Revenue Budget	\$82,845,132
2026-2027 (March) Working Budget Gap	(\$1,603,350)



Important Next Steps – March 18th



- Presentation of finalized BOCES expenses.
- Presentation of the finalized 2026-2027 academic program with position adjustment.



Important Next Steps – March 25th



- Finalize the 2026-2027 budget.

