



To: DFSD Board of Education Finance Committee
From: Ken Slentz, Superintendent; Lisa Raymond, Assistant Superintendent for Finance
Date: 13 April 2026
Re: Background to Budget Update #5

For the April 14 presentation to the board, we recommend providing the following information to the board and the community, given the changes that we are proposing:

The 2026-27 Context:

1. Decreased Enrollment¹: As projected in our most recent demographic study², the district continues to experience a decrease in enrollment as detailed below.
 - a. *Districtwide:*

2022-2023	2023-2024	2024-2025	2025-2026	2026-27 (Projected)
1,512	1,518	1,481	1,456	1,437

- b. *Springhurst:*

2022-2023	2023-2024	2024-2025	2025-2026	2026-27 (Projected)
698	714	678	641	606

2. Decrease in State and Federal Aid:
 - a. The district's NYS foundation aid and federal Title I aid decreased by approximately \$100k this year.
 - b. As federal funds decrease, the district must determine whether we will use district funds to cover the costs that were previously paid using federal funds.

¹ For a recent report on nationwide enrollment trends nationwide, see <https://www.pattern-for-progress.org/wp-content/uploads/2026/04/PfP-Migration-Report-2026-Final.pdf>.

² For the January 2025 demographic study, see https://drive.google.com/file/d/1sdFl_dLqyKuI9NrEUvgli81koekV-cQn/view?usp=drive_link

i. Title I Funds:

2023-24	2024-25	2025-26
\$122,516 87,803	\$121,687	\$87,803

ii. All Federal Funds (Title and Individuals with Disabilities Education Act (IDEA))

2023-24	2024-25	2025-26
\$678,311	\$673,344	\$569,355

3. Limits on Revenues: The district has limited options for generating revenues. These include:

- a. *County Sales Tax*: These totals are forecasted each year based on the latest economic data and trends. As goes consumer purchasing, so goes the amount of this revenue.
- b. *Interest Earnings*: This revenue is forecasted based on current and forecasted interest rates.
- c. *Property Taxes*: The amount of taxation is limited by the NYS tax cap calculation. A key component of this calculation is the Consumer Price Index (CPI). Districts must use the lower of 2% or the current CPI when calculating the cap. When the CPI is higher than 2%, districts are already losing funding, given that expenditure increases track the CPI.

The district's tax cap for 2026-27 is 3.49%, which generates approximately \$1,600,000 in revenue.

District Revenues as Percent of the Revenue Budget

Property Taxes	NYS Aid	Tuitions	County Sales Tax	Reserve Allocation	Health Services	Interest on Earnings	Other
76.48%	16.12%	1.76%	1.65%	1.53%	.96%	.89%	.61%

4. NYS and Federal Government Policy Changes and Challenges:

- a. NYS Teachers' Retirement System Tier 6 Pensions and potential increases to district contributions
 - i. This would have a significant impact on the district, as we have over 100 staff members who are in Tier 6.
- b. State-required Universal Pre-Kindergarten and associated aid. The projected aid for 2026-27 is \$10,000 per student, up from \$5,400 per student.

- c. Changes to NYS Foundation Aid based on changes in enrollment and demographics, and possible changes to the Foundation Aid formula in general.
 - d. The passage of the New York State budget, which was due on April 1 but is not forecasted to be approved until *after* the district must adapt its budget on April 21.
 - e. Changes at the federal level in funding and funding formulas may further decrease our revenues that pay for staff, programming, and professional development.
5. Versus the District's Desire and Need to:
- a. Adhere to the requirements of NYS mandates and district policies.
 - b. Maintain our current curricular, extracurricular, and co-curricular programs. These include:
 - i. International Baccalaureate (6-12), Illustrative Mathematics (K-8), Bookworms (K-5)
 - ii. Co-curricular clubs in all schools.
 - iii. Sports teams at the modified, junior varsity, and varsity levels across a variety of interest areas.
 - b. Be an attractive employer to instructional and related services staff.
 - c. Adjust to new requirements under the NYSED *Graduation Measures Initiative* and anticipated Universal Pre-Kindergarten Mandates (2028-29).

Each of these includes:

- a. targeted professional development;
- b. thoughtful programming and scheduling to allow maximum student access to the district's opportunities; and
- c. the need for flexible staffing assignments across K-12.

The District's Response to the 2026-27 Context:

- 1. Expenditures:
 - a. *Additions:*
 - i. A 12:1 special education class at Springhurst to meet student needs.
 - ii. One section (18 students) of Universal Pre-Kindergarten. This includes a teacher and a teaching assistant, materials and supplies, furniture, and professional development. This also includes offsetting state aid that is currently projected at \$10,000 per student.
 - b. *Reductions:*
 - i. All vacant positions, including an anticipated elementary instructional position, the foreign language in the elementary school (FLES) teacher, teaching assistants, permanent substitute teachers, a facilities position, and a security position.

- ii. A district administrative position
- iii. In total, this represents ten positions.

2. Revenues:

- a. *Property Taxes:* The tax cap noted above is limited by formula. While some districts are choosing to exceed the tax cap (this requires a 60% approval from the community), this is not something the district is considering.
- b. *Financial Reserves:* While the district does use funds from reserves (a one-time allocation) as a component of our revenue budget, we must exercise caution so as not to create a larger gap for the 2027-28 budget.
- c. *County Sales Tax and Interest on Earnings:* We are conservative in our estimates on these totals so as not to underbudget and/or create a budget gap for 2027-28.
- d. *NYS Foundation Aid:* We are closely monitoring the status of the NYS budget and making necessary adjustments as information is released.

Next Steps:

- 1. The board will hold a special meeting on April 21 to finalize the budget based on what the district knows about the NYS budget at that time.
- 2. The district will recommend propositions to be placed on the May 19 board election and budget vote ballot. We anticipate that these will include the general fund budget vote and a vote on the sale of district property.
- 3. Administration will develop budget communications documents including videos, the budget newsletter, one-page updates on the district's financial health and the district's reserve plan, and the budget handbook.