

2026-27 Budget Update

Draft V Proposed Budget

April 20, 2026

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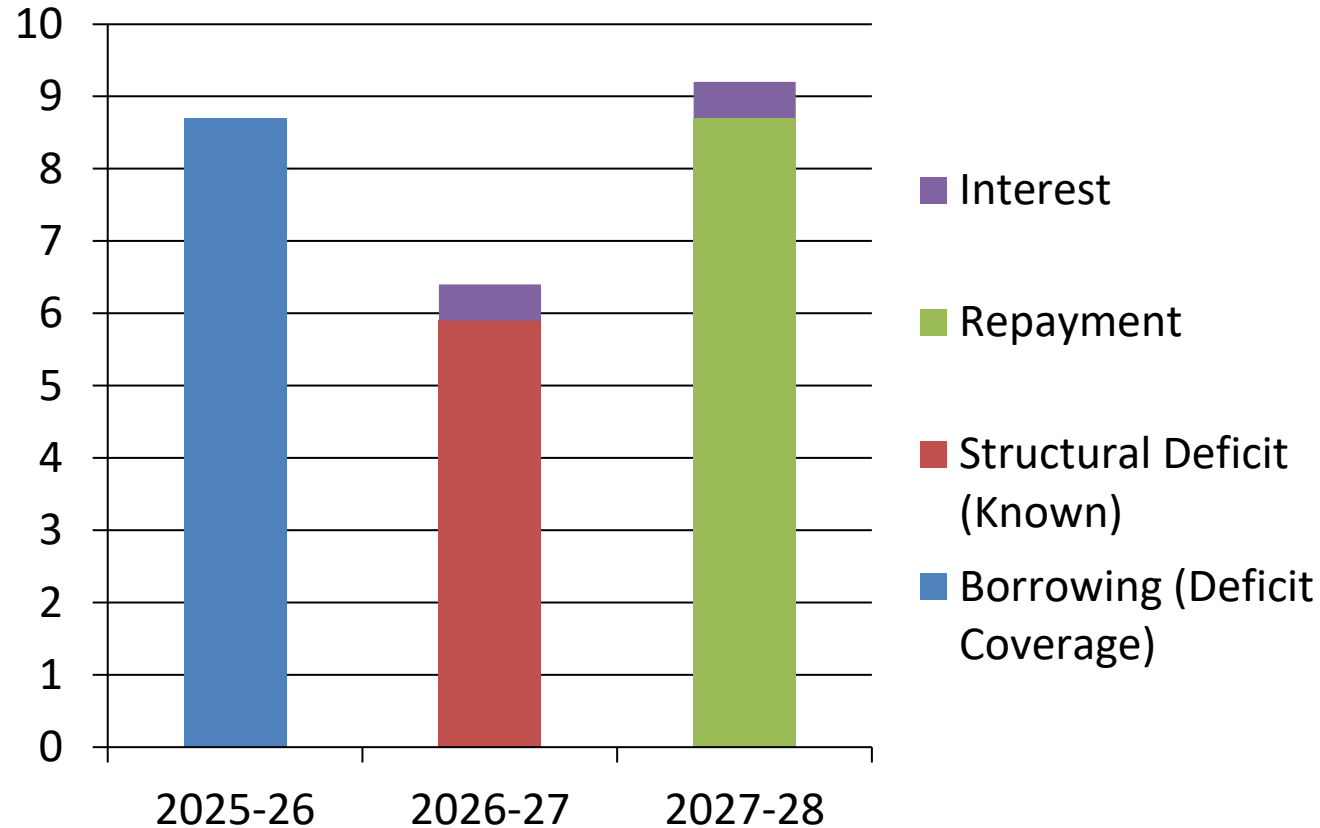
Why is Special Act Legislation Important?

WHY

Special Act Legislation is critically important for the South Country Central School District as it provides a viable pathway to stabilize its finances through a structured, multi-year recovery approach while preserving core instructional programs for students. Without this legislative authority, the District would be forced to implement immediate and severe reductions.

Special Act Legislation allows the District to address its structural deficit responsibly over time, avoiding irreversible damage, maintaining educational continuity, and ensuring that fiscal recovery efforts are balanced with the District's fundamental mission of supporting student learning and opportunity. Without this legislative authority, the District would be forced to implement immediate and severe reductions

Multi-Year Deficit Impact Using Short Term Borrowing



\$8.7M
Projected
Deficit

As of 4/12
\$5.9M
Projected
Deficit

Deficit impact on 2027-28 SY if
considering short term bonds
in addressing 2025-26 deficit

Short-term borrowing:

- Budget Notes (up to 5% current budget)
- Deficit Notes (up to 5% current budget)
- Short-term instruments intended for *"in-year"* shortfalls
- Must be repaid within defined period

Timing Considerations:

- Borrow after adoption of 2026-27 budget
- 2025-26: deficit addressed via borrowing
- 2026-27: Interest-only payment
- 2027-28: full principal repayment

Without Special Act Legislation to fund the immediate 2025-26 deficit of \$8.7M over multiple years, the deficit ROLLS to the 2027-28 school year – must be addressed!

DRAFT IV AS OF 4/12/26
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	63,080,846	65,196,389	(2,115,543)	-3.24%
Fringe Benefits	37,375,479	35,208,721	2,166,758	6.15%
Total Salary & Benefits:	100,456,325	100,405,110	51,215	0.05%
Debt Service	8,780,246	7,653,950	1,126,296	14.72%
Contractual Expenditures (4000 object codes, excluding Trans,BOCES, Text)	12,078,819	10,951,469	1,127,350	10.29%
BOCES	14,926,838	13,563,613	1,363,225	10.05%
Supplies	1,086,875	1,836,533	(749,658)	-40.82%
Textbooks/Workbooks	256,809	450,777	(193,968)	-43.03%
Transportation	12,473,742	11,617,023	856,719	7.37%
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:	150,738,754	147,164,277	3,574,477	2.43%

Draft V: Additional Budgetary Changes

Draft IV: (April 15, 2026)		\$150,738,754	
Draft V: (April 20, 2026)			
1. Reductions of Additional Administrative Positions:			
Director of ENL:		\$225,125	
Assistant Principal (attrition):		<u>\$169,749</u>	-\$394,874
2. Restore other late buses removed in Draft IV:			
Provides students the opportunity for transportation back home when participation in after schools events: (HS: 2:40, 3:30, 4:00, 5:30) (MS: 3:30, 4:30, 5:00 & FPL: 3:30)			<u>+172,700</u>
			-\$222,174
New Draft V Proposed Budget:			\$150,516,580

New Scenario (4/20/26)

Pierce Tax Cap : 13.45%

- New Draft V Proposed Budget at remains at \$150.5M +2.28%
- Funds \$5,670,874 deficit on the tax levy
- Deficit eliminated –
- NO FURTHER REDUCTIONS**
- Taxpayer estimated cost:
Year: \$1,153
Monthly: \$96

PROPERTY TAXES*	81,113,604	71,496,354 *	9,617,250	13.45%
TOTAL REVENUE/BUDGET	150,516,580	147,164,277	3,352,303	2.28%
	2026-27	2025-26	Difference	Percent
Tax Rate Per \$100	290.508	261.682	28.827	11.02%
Home Assessed @ \$2,600	7,553	6,804	1,153	16.95%

**Property Taxes also include revenue from STAR repayments.*

With Transportation Referendum:

- \$149.6M (less \$900K)
- Update Tax Levy: \$80.2M or 12.19%**
- Yearly Incr.: \$1,024 or \$85/month

In Conclusion..... So.....

Updated With
Draft V net Reductions

We know what the facts are..... We know what the numbers are.....

What is the decision for the final 2026-27 Proposed Draft Budget that the Board of Education will need to adopt at the April 22, 2026 Board meeting?

1. Do we cut another \$5.67M to get down to the Tax Levy Cap of 5.52% - **not pierce cap**.
2. Do we cut another \$3.0M, **pierce the cap**, for a Tax Levy increase of 9.26% from 9.57%
3. Do we fund the Draft V Budget deficit of \$5.67M on the Tax Levy, **pierce the cap**, for a Tax Levy increase of 13.45% from 13.76%

IF ALL ELSE FAILS, WHAT WILL A CONTINGENCY BUDGET LOOK LIKE?

- After two failed budgets the Board must adopt a Contingency Budget
- Must revert back to the current 2025-26 Tax Levy of \$71.496,354
- Considering where we are with Draft V and 'IF' we end up on a Contingent Budget we would be making a total of \$9,617,250 in additional budgetary reductions.
- 2026-27 Budget of: \$140,899,330, Spending Decrease: - 4.26% or \$6,264,947, Tax Levy change: 0.00%