

# 2026-27 Budget Update

Draft IV Proposed Budget

April 15, 2026

Presented by: Antonio Santana, Superintendent of Schools

John Belmonte, Acting Assistant Superintendent of Finance and Management Services

# Defining the Issues — In Simple Terms

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## Not Enough Revenue

The District did not bring in enough Revenues and/or Tax Levy were too low to support our programs



## Budgets Did Not Reflect True Costs

The budget underestimated the real cost  
Expenses were higher than planned

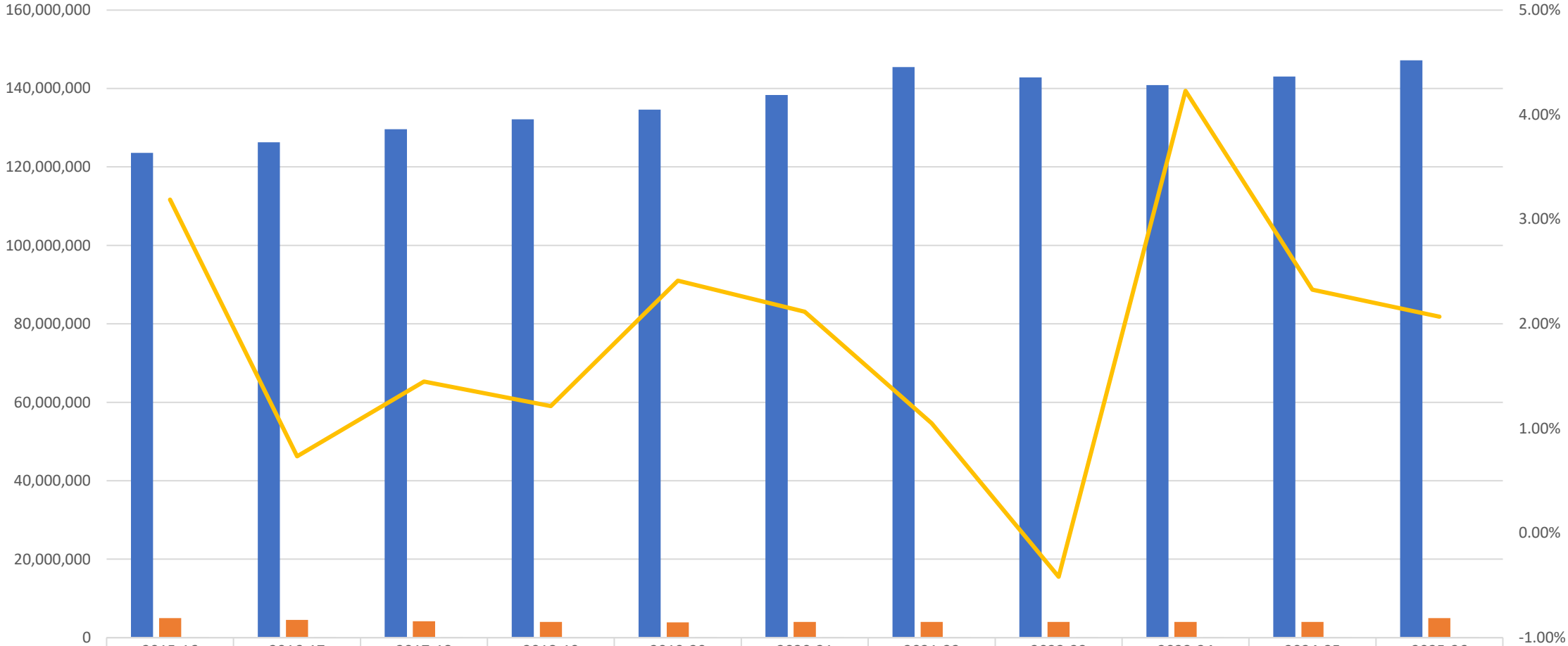
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The District relied on savings to cover the gap — this is not sustainable.

Bottom Line: The budget and revenues did not match the true cost of running our schools.

# South Country CSD

## Multi-Year Budget/Tax Rate Analysis



	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
<b>Total Budget</b>	123,565,275	126,296,440	129,595,729	132,158,005	134,600,063	138,330,713	145,451,282	142,798,980	140,882,000	143,057,785	147,164,277
<b>Fund Balance/Reserves Applied</b>	4,968,304	4,500,000	4,175,244	3,998,649	3,900,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	5,000,000
<b>Tax Rate \$100/AV</b>	220.85	222.47	225.69	228.43	233.94	238.89	241.40	240.39	250.55	256.38	261.68
<b>Annual % Tax Rate Change</b>	3.19%	0.73%	1.45%	1.21%	2.41%	2.12%	1.05%	-0.42%	4.23%	2.33%	2.07%

■ Total Budget    
 ■ Fund Balance/Reserves Applied    
 ■ Tax Rate \$100/AV    
 — Annual % Tax Rate Change

# Why is Special Act Legislation Important?

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## 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

# Efforts to Pursue Special Act Legislation

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## Legislative Outreach:

- ❑ Superintendent and Acting Assistant Superintendent created a Fiscal Stabilization Plan and Legislative Request Report on Current Fiscal Condition and Multi-Year Recovery Strategy
- ❑ Plan was distributed to our Legislator's, Representatives from SED, Governor's Office, OSC and NYSUT/BTA.
- ❑ As part of the district's long-term recovery, the Board of Education has requested Special Act legislation from New York State that would allow the district to ***finance the existing deficit over time***, under strict oversight and accountability measures. If that legislation is approved, it provides a pathway to stabilize the district while continuing to make responsible adjustments over time. However, it is important to be clear about the alternative.
- ❑ If the Special Act legislation is not approved, the district would be required to identify additional reductions of more than \$5.9 million for the 2026–27 school year—on top of the \$8.3 million already made.

ACTIONS

**SOUTH COUNTRY CSD  
DEFICIT WORKSHEET ANALYSIS  
AS OF 3/27/26**

**REVISED 4/12/26**

**Known Structural Deficits:**  
2025-26: \$8.7M  
2026-27: \$5.9M

The District's original Recovery Plan called for seeking Special Act Legislation up to \$15M through the period 6/30/27 for authorization to sell Deficit Bonds/Notes.

As of Friday 4/10/26: Indication from our State Legislator that NYS in all likelihood will not provide any Special Act Funding Authorization for 2026-27 and possible none for 2025-26.

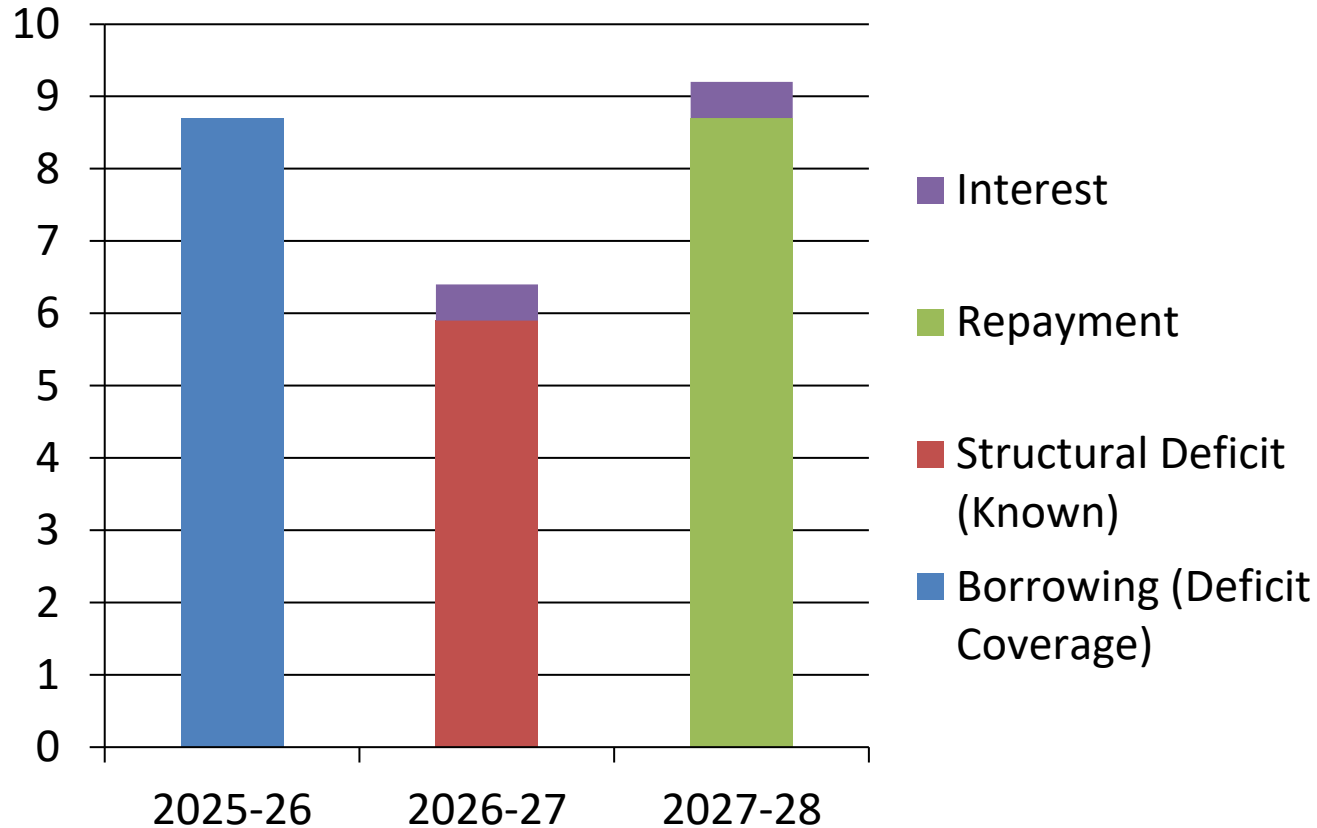
REVENUE ANALYSIS					
2025-26					2026-27
Revenue Category	2025-26 Budgeted Revenues & Other Source Funding	2025-26 Adjusted Budget	25-26 Projections	over/under	
<b>Revenues</b>					
State Aid	56,278,439.00	56,278,439.00	57,253,422.00	974,983.00	56,328,470.00
Pilot Payments	7,742,234.00	7,742,234.00	7,500,000.00	-242,234.00	7,691,506.00
Other Misc. Income	2,072,250.00	2,072,250.00	2,134,036.00	61,786.00	2,699,000.00
Property Tax Levy:	71,496,354.00	71,496,354.00	71,496,354.00	0.00	75,442,730.00
<b>Other Source Funding</b>					
Appropriated Fund Balance	5,000,000.00	5,000,000.00	0.00	-5,000,000.00	0.00
Appropriated Reserves	4,575,000.00	5,780,475.00	3,552,975.00	-2,227,500.00	2,684,000.00
Reserves for Encumbrances		285,979.00	285,979.00	0.00	
<b>SPECIAL ACT LEGIS. DEFICIT BORROWING</b>	<b>0.00</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL REVENUE &amp; OTHER SOURCE FUNDING</b>	<b>147,164,277.00</b>	<b>148,655,731.00</b>	<b>142,222,766.00</b>	<b>-6,432,965.00</b>	<b>144,845,706.00</b>
<b>EXPENDITURE ANALYSIS</b>					
2025-26					2026-27
Budget Category	2025-26 Budget	2025-26 Adjusted Budget	25-26 Projections	over/under	
Salaries (Including transporation salaries)	65,196,389	65,076,824.00	66,032,555.36	-955,731.36	63,080,846.00
Fringe Benefits	35,208,721	36,414,196.00	36,860,456.00	-446,260.00	37,375,479.00
Debt Service	7,653,950	7,590,650.00	7,507,362.00	83,288.00	8,780,246.00
Contractual	11,090,795	11,660,219.00	11,820,354.00	-160,135.00	12,078,819.00
BOCES	13,563,613	13,586,980.00	14,087,921.00	-500,941.00	14,926,838.00
Transportation (Excluding Trans. Salaries)	11,477,697	11,552,851.00	12,348,738.00	-795,887.00	12,473,742.00
Textbook/workbooks	450,777	400,777.00	342,290.00	58,487.00	256,809.00
Equipment	385,802	346,194.00	306,654.00	39,540.00	354,100.00
Supplies	1,836,533	1,727,040.00	1,353,257.00	373,783.00	1,086,875.00
<b>Transfers:</b>					
Cafeteria	50,000	34,449.00	15,000.00	19,449.00	25,000.00
Special Aided Fund	250,000	265,551.00	265,551.00	0.00	300,000.00
<b>TOTAL EXPENDITURES</b>	<b>147,164,277</b>	<b>148,655,731.00</b>	<b>150,940,138.36</b>	<b>-2,284,407.36</b>	<b>150,738,754.00</b>
		<b>Projected Deficit:</b>		<b>-8,717,372.36</b>	<b>-5,893,048.00</b>

# The New Situation (Friday April 10, 2026)

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- ❑ \$8.7M projected deficit (2025–26)
- ❑ Legislator informs District that Special Act Legislation is unlikely for the current 2025-26 year, and definitely not for the out-year 2026-27,
- ❑ District should plan accordingly,
- ❑ State Budget may not be resolved till on or around May 1,
- ❑ Even if Special Act was available for 2025-26, unlikely in time before the BOE adopting 2026-27 Proposed Budget by April 22, 2026,
- ❑ Still have \$5.9M projected deficit (2026–27),
- ❑ Absent Special Act Legislation in the current 2025-26 school and by using short-term borrowing to close the \$8.7M deficit, only pushes it off into the 2027-28 school year!

# 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%
<b>TOTAL GENERAL FUND BDGT:</b>	<b>150,738,754</b>	<b>147,164,277</b>	<b>3,574,477</b>	<b>2.43%</b>



REVIEW

# Bringing Credibility Back to the Budget Process

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**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 DRAFT III BUDGET REDUCTIONS

Presented  
March 25, 2026

Additional Reductions as of 3/25/26

	<u>Savings</u>
<b>Transportation:</b> <b>Elimination of 2:30 HS late buses</b> Note: Transportation costs are an expenditure driven aid category. Our Transportation Aid rate is 56.7%.	\$416,600
<b>Additional Staffing Reductions:</b> Director & Social Studies position	\$161,000
Reduction in BOCES services: the savings of approximately \$160,000 will NOT be removed from the 2026-27 Proposed Budget, it will be reallocated to the BOCES Special Education Services budget.	-0-
	<b>TOTAL: \$577,600</b>

# 2026 – 27 Budget Reduction Measures

The District implemented substantial cost reductions totaling approximately \$8.3 million as part of the 2026–2027 budget development process. Despite these actions driven largely by staffing reductions the District continues to face a projected structural deficit of approximately \$6.0 million.

Reduction Category	Action	Estimated Savings
Supplies	20% reduction in supplies expenditures	\$345,000
Co-Curricular	50% reduction in co-curricular programming	\$217,334
Transportation	Elimination of 4 late buses (High School)	\$416,600
Athletics	Elimination of second middle school teams	\$66,341
Staffing	Reduction of 55.5 FTE positions	\$6,340,000
Transportation Policy	25 to 15 mile referendum (if approved)	\$900,000

Presented  
April 1, 2026

Total Reductions: ~\$8.3M | Remaining Structural Deficit: ~\$6.0M

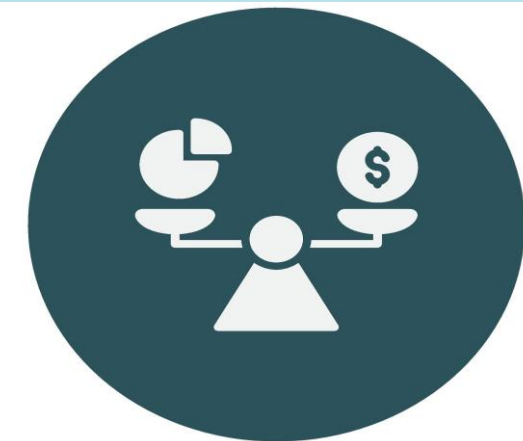
# 2026 -27 Proposed Budget – Draft IV Update

Draft III Budget (March 25, 2026)			151,595,269
Draft IV Budget			150,738,754
1.	Adjustment to Debt Service (update Tax Cap Calculation)	-775,346	
2.	D/W Supplies	-446,704	
3.	Transportation - balance of all late buses	-192,700	
4.	All Field Trips	-75,220	
5.	D/W Equip (Leave \$100K)	-254,100	
6.	Cipper Publishing	-2,000	
7.	Additional Election	25,000	
8.	Add to SE Boces	68,555	
9.	Benefits: Contractual TRS	450,000	
10.	Special Ed	300,000	
	Special Ed	46,000	
	TOTAL:	-856,515	
Draft IV Budget			150,738,754

Draft III Proposed Budget: \$151,595,269

Reductions made:                     \$856,515

Draft IV Proposed Budget: \$150,738,754



**Budget balance**

# What Are the Options the 2026-27 Budget?

The BOE will be adopting the 2026-27 Proposed Budget on April 22, 2026 to be presented to the community on May, 19, 2026

Draft IV of the 2026-27 **Proposed** Budget is currently \$150,738,754 or a 2.43% spending increase.

This Draft IV Proposed Budget is at the adjusted Tax Levy Cap of 5.52% - requires a 50% majority passing vote.

**This budget at the Tax Cap, carries deficit gap on the revenue side of \$5,893,048.**

***THE BOARD CANNOT ADOPT A BUDGET TO PRESENT TO THE COMMUNITY THAT IS OUT-OF-BALANCE!***

**Without Special Act Legislation** – there are basically several options to consider before the BOE has to adopt the 2026-27 Budget to present to the community in May:

1. Do we reduce the Draft IV Budget by another \$5,893,048 to bring the budget to the cap?

**OR**

2. Since we have already reduced costs by over \$9.1M, do we consider piercing the tax cap to preserve as much of educational and support opportunities for our students – funding the entire \$5.9 deficit on the levy?

**OR**

3. Still piercing the levy cap, but making additional budgetary reductions, to achieve lower tax rate?

# Navigating the 2026 - 27 Budget Process: Current Status & Fiscal Options

	Proposed 2026-27 Budget	Deficit	Tax Levy	Bdgt to Bdgt Spending Increase	% Projected Tax Levy Increase	
Draft IV Budget (4/9/26) (At Tax Levy Cap: 5.54%)	150,738,754	5,893,048	75,442,730	2.43%	5.52%	At Cap

	2026-27	2025-26	Difference	Percent
<b>Tax Rate Per \$100</b>	<b>270.198</b>	<b>261.682</b>	<b>8.516</b>	<b>3.25%</b>
<b>Home Assessed @ \$2,600</b>	<b>7,025</b>	<b>6,804</b>	<b>341</b>	<b>5.01%</b>
<i>*Property Taxes also include revenue from STAR repayments.</i>				

## Scenario I

- Draft IV Proposed Budget at the cap of 5.52%.
- Carries a \$5.9M deficit
- To get to the cap – district would need to reduce budget another \$5.9M
- Taxpayer estimated cost:  
Year: \$341  
Monthly: \$28

# Navigating the 2026 - 27 Budget Process: Current Status & Fiscal Options

	Proposed 2026-27 Budget	Deficit	Tax Levy (Includes Funding of deficit)	Bdgt to Bdgt Spending Increase	% Projected Tax Levy Increase	
Draft IV Budget (4/9/26)	150,738,754	0	81,335,778	2.43%	13.76%	Pierce Cap
Funding the \$5.9 Deficit						

	2026-27	2025-26	Difference	Percent
<b>Tax Rate Per \$100</b>	291.304	261.682	29.622	11.32%
<b>Home Assessed @ \$2,600</b>	7,574	6,804	1,185	17.42%
<i>*Property Taxes also include revenue from STAR repayments.</i>				

*Scenario II allows the District to keep and maintain remaining staff and programs – no further cuts – funding the entire deficit in absence of Special Act Legislation*

## Scenario II

### Pierce Tax Cap

- Draft IV Proposed Budget at remains at \$150.7M
- Funds \$5.9M deficit on the tax levy
- Deficit eliminated –  
**NO FURTHER REDUCTIONS**
- Taxpayer estimated cost:  
Year: \$1,185  
Monthly: \$99

# Navigating the 2026 - 27 Budget Process: Current Status & Fiscal Options

	Proposed 2026-27 Budget	Deficit	Tax Levy (Includes Funding of deficit)	Bdgt to Bdgt Spending Increase	% Projected Tax Levy Increase	
Reduction of add'l \$3.0M Funding the \$2.9 Deficit	147,738,754	0	78,335,778	0.39%	9.57%	Pierce Cap

	2026-27	2025-26	Difference	Percent
<b>Tax Rate Per \$100</b>	<b>280.560</b>	<b>261.682</b>	<b>18.878</b>	<b>7.21%</b>
<b>Home Assessed @ \$2,600</b>	<b>7,295</b>	<b>6,804</b>	<b>755</b>	<b>11.10%</b>

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

*Scenario III would still pierce the cap and propose reducing the budget by another \$3M to further lower Scenario II proposed tax levy from 13.76% to 9.57%.*

## Scenario III

### Pierce Tax Cap

- Draft IV Proposed Budget \$150.7M reduced by another \$3M
  - Funds \$2.9M deficit on the tax levy
  - Deficit eliminated –
- \$3M FURTHER REDUCTIONS**
- Taxpayer estimated cost:  
Year: \$755  
Monthly: \$63

# Navigating the 2026 - 27 Budget Process: Current Status & Fiscal Options

2026-27 Proposed Budget Scenario's						
	Proposed 2026-27 Budget	Deficit	Tax Levy	Bdgt to Bdgt Spending Increase	% Projected Tax Levy Increase	
I. Draft IV Budget (4/9/26) (At Tax Levy Cap: 5.54%)	150,738,754	5,893,048	75,442,730	2.43%	5.52%	At Cap
II. Draft IV Budget (4/9/26) Funding the \$5.9 Deficit	150,738,754	0	81,335,778	2.43%	13.76%	Pierce Cap
III. Reduction of add'l \$3.0M Funding the \$2.9 Deficit	147,738,754	0	78,335,778	0.39%	9.57%	Pierce Cap
Scenario II & III Funds Deficit on Tax Levy						



# Potential Areas for Additional Budget Reductions

## Operations

- All Field Trips (Cut – Draft IV)
- Equipment (Reduced – Draft IV)
- Supplies (Reduced – Draft IV)
- Use of Facilities
- Transportation (State Minimum 2/3 Miles)
- Transportation (Eliminate All District-Wide)
- Security
- Teacher Coverages
- Substitutes

Requires voter referendum

## Administration

- Administration (Salary & Benefits)
- Director of Guidance
- Director of ENL
- Asst. Director of Special Ed.
- Director of Technology

## Programs

- General Ed TAs (20 FTEs)
- FPL Extracurriculars
- Clubs & Intramurals
- MS Athletics
- HS Athletics (JV/Varsity)
- Driver Ed
- Late Buses (Cut – Draft IV)
- Trainer

## Instructional Impacts

- Eliminate Band/Chorus/Orchestra
- Eliminate Art Electives
- Eliminate FCS
- Eliminate AP Courses
- Eliminate World Languages
- Eliminate College Span
- Literacy Coordinators
- Math Interventionists
- Increase Class Size

Possible additional 20 FTE's

## FACTS:

Should the District end up on a Contingent Budget, reductions will go beyond these budget reduction items to reach the current year tax levy of \$71,496,354.

After two failed budgets, there is no choice in the matter – the Board **MUST** adopt a Contingent Budget.

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

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 \$5.9M 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 9.57%
3. Do we fund the Draft IV Budget deficit of \$5.9M on the Tax Levy, **pierce the cap**, for a Tax Levy increase of 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 IV and 'IF' we end up on a Contingent Budget we would be making a total of \$9.839,424 in additional budgetary reductions.
- 2026-27 Budget of: \$140,899,330, Spending Decrease: - 4.26% or \$6,264,947, Tax Levy change: 0.00%