

# 2026-27 Budget Update

Draft VI Proposed Budget Adoption

April 22, 2026

Presented by: Antonio Santana, Superintendent of Schools

John Belmonte, Acting Assistant Superintendent of Finance and Management Services

# Vision Forward and Core Values in Building the 2026-27 Budget

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FIXED THE STRUCTURAL IMBALANCE  
ESTABLISHED PROACTIVE FINANCIAL MONITORING  
AND TIMELY BUDGET ADJUSTMENTS

## Restore Fiscal Stability

- Align recurring revenues with recurring expenditures
- Eliminate reliance on one-time funding sources
- Implement a multi-year financial recovery plan

## Strengthen Financial Controls & Oversight

- Monthly budget-to-actual monitoring
- Real-time financial reporting to leadership and Board
- Strict controls on:
  - Hiring
  - Purchasing
  - Contractual commitments

FIXED THE PRIOR PATTERN OF UNDERBUDGETING EXPENDITURES  
SUPPORTS LONG-TERM DEFICIT REDUCTION

## Build Accurate & Transparent Budgets

- Budget based on:
  - Actual staffing levels
  - Contractual obligations
  - Historical cost trends
- Conservative and realistic revenue projections

## Implement Sustainable Cost Structure

- Right-size staffing and programs to enrollment and need
- Evaluate all expenditures through a lens of:
  - Educational value
  - Financial sustainability

# Decisive Corrective Actions Implemented

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*We cannot change the past, but we have fully taken control of the future. This plan ensures that South Country operates within its means, protects students, and rebuilds the financial integrity our community expects.*

- Spending Controls: Strict approval protocols
- Financial Monitoring: Monthly budget reviews
- Budget Reconstruction: Based on actual costs
- Cost Reductions: Staffing and operational adjustments
- Outcome: Re-established financial control

SOUTH COUNTRY CSD  
Projected 2026-27 Property Tax Limit Worksheet

Tax Levy Limit, Before Adjustments and Exclusions		
✓	Real Property Tax Levy FYE 2026	\$71,496,354
✓	Tax Cap Reserve Offset from FYE 2025 Used to Reduce FYE 2026 Levy	\$0
✓	Total Tax Cap Reserve Amount (Including Interest Earned) from FYE 2026	---
✓	Tax Base Growth Factor	1.0115
✓	PILOTs Receivable FYE 2026	\$7,742,234
✓	Tort Exclusion Amount Claimed in FYE 2026	\$0
✓	Capital Tax Levy Exclusion FYE2026	\$5,427,851
✓	Allowable Levy Growth Factor	1.0200
✓	PILOTs Receivable FYE 2027	\$7,691,506
✓	Available Carryover from FYE 2026	---
<b>Tax Levy Limit Before Adjustments/Exclusions</b>		<b>\$68,434,098</b>
Exclusions		
✓	Tort Exclusion	\$0
✓	Capital Tax Levy Exclusion FYE2027	\$7,008,632
✓	Teachers' Retirement System Exclusion	\$0
✓	Employees' Retirement System Exclusion	\$0
Total Exclusions		\$7,008,632
<b>Your FYE 2027 Tax Levy Limit, Adjusted for Transfers plus Exclusions</b>		<b>\$75,442,730</b>
✓	Total Tax Cap Reserve Amount Used to Reduce FYE 2027 Levy	---
✓	FYE 2027 Proposed Levy, Net of Reserve	\$81,113,604
<b>Difference Between Tax Levy Limit and Proposed Levy</b>		<b>(\$5,670,874)</b>
✓	Do you plan to override the Tax Cap for FYE 2027 ?	Yes

# Multi Year Deficit Financing Plan

## Deficit Impact to the 2024-25, 2025-26 & 2026-27 School-Years

### Unbalanced Budgeting Led to Structural Deficits in 2024-25 & 2025-26 school-years

#### Key Issues Identified:

- Budgets built on unrealistic revenue and expenditure estimates
- Reliance on one-time funding for recurring costs
- Underbudgeting in major cost areas:
  - Transportation
  - Special Education
  - Salaries & benefits
- Lack of ongoing monitoring and timely adjustments
- Use of fund balance and reserves beyond sustainable levels

#### Result:

- Multi-million dollar deficits
- Depletion of fund balance
- Loss of financial stability

### Action Plan:

- District seeks Special Act Legislation (to be included in the upcoming state budget) up to \$15M to cover the known and projected deficits through 6/30/27
- Outreach with all State Agencies, Local/State Legislators and BTA/NYSUT
- Recent communications indicated that the State in all probability will not provide support for the 2026-27 proposed budget year – district left to resolve – hence the difficult budget decisions for 2026-27
- Immediate need to fund the projected \$8.7M deficit for this current 2025-26 school year, and the -\$1.8 Unassigned Fund Balance we finished the 2024-25 school-year
- Absence “Other Source Financing” (legally authorized deficit borrowing) we can not close the current 2025-26 projected \$8.7M deficit and run the risk of overspending another voter approved budget!

# Multi Year Deficit Financing Plan

## Funding Plan for the 2024-25 and 2025-26 School-Years

IMMEDIATE NEED: 2024-25: -\$1.8M(actual) + 2025-26: \$8.7M(projected) ≈ \$11.0M

1. By the end of May 2026 we need to borrow to ensure the district can meet its obligations and pay off the TAN of \$27.5M that is due 5/29/26.
2. District still counting on the State to come through with Special Act legislation in the pending NYS Budget.
3. We have worked with SED to also get a \$7.0M advance of our General Aid to assist in our cash flow needs. This would be an interest free loan, that gets paid back from subsequent years aid payments – up to 30 years.
4. Having this available would also allow to reduce subsequent TAN borrowing by the \$7.0M achieving significant interest cost savings.. i.e. \$7.0M @ 5% ≈ \$350K savings
5. EVERYTHING HINGES ON THE STATE HAVING A BUDGET IN PLACE SOON AND THE PROVISION FOR SOUTH COUNTRY'S SPECIAL ACT LEGISLATION IS INCLUDED TO DO LONG TERM DEFICIT BORROWING SO WE CAN SPREAD THE OBLIGATIONS OVER MULTI YEARS - STILL WE MUST PLAN FOR A PLAN B!

### IMMEDIATE FUNDING PLAN

- Based on cash flow needs for May & June 2026, plan to borrow \$14.0M TAN, to be paid back by 6/30/26 when the district receives balance of tax levy monies and state aid (approx. interest costs \$58K).
- IF... State has an adopted budget in beginning of May, could receive \$7.0M advance of General Aid by May, 18 2026 – if happens could reduce TAN borrowing.
- Absent an approved State budget, with Special Act Legislation, prepare to borrow on 'short term Deficit and Budget Notes to legally close deficit for current year.
- IF... State budget approved in early May, with our Special Act Legislation, will look to borrow a Deficit BAN and forgo Short-Term Notes borrowing.

# Draft VI: Additional Budgetary Changes

Draft V: (April 20, 2026)			\$150,516,580
Draft VI: (April 21, 2026)			
<b>I. Reductions/Downgrade of Additional Administrative Postions:</b>			
1. Reduce: Assistant Director of SE:		-\$207,272	
2. Reduce: Downgrade Ass't Sup't for HR to Executive Director:		-\$20,000	
3. Add Back: Elementary Library Position:		+\$109,719	-\$117,553
<b>II. Contingency for Additional S/E Enrollments:</b>			
1. Add: Additional Budgetary Provision:		+\$117,553	+\$117,553
Net Change:		\$0	\$0
New Draft VI Proposed Budget:			\$150,516,580

PROPERTY TAXES*	81,113,604	71,496,354	* 9,617,250	13.45%
<b>TOTAL REVENUE/BUDGET</b>	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	749	11.02%

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

## Updated Scenario (4/22/26)

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: \$749  
Monthly: \$62

## With Transportation Referendum:

- \$149.6M (less \$900K)
- Update Tax Levy: \$80.2M or 12.19%
- Yearly Incr.: \$666 or \$55/month

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**Board Adopted 4/22/26**  
**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	62,676,846	65,196,389	(2,519,543)	-3.86%
Fringe Benefits	37,267,052	35,208,721	2,058,331	5.85%
Total Salary & Benefits:	99,943,898	100,405,110	(461,212)	-0.46%
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	15,044,391	13,563,613	1,480,778	10.92%
Supplies	1,086,875	1,836,533	(749,658)	-40.82%
Textbooks/Workbooks	256,809	450,777	(193,968)	-43.03%
Transportation	12,646,442	11,617,023	1,029,419	8.86%
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>150,516,580</b>	<b>147,164,277</b>	<b>3,352,303</b>	<b>2.28%</b>

**SOUTH COUNTRY CSD**  
**PROPOSED REVENUE & TAX RATE SCHEDULE FOR 2026-27**

	<u>2026-27</u>	<u>2025-26</u>	<u>Difference</u>	<u>Percent</u>
<b>STATE AID</b>	56,328,470	56,278,439	50,031	0.09%
<b>Pilot Payments</b>	7,691,506	7,742,234	(50,728)	-0.66%
<b><u>OTHER INCOME:</u></b>				
<b>Use of Facility Fees/Custodial/Security</b>	50,000	0	50,000	0.00%
<b>Other Student Fees/Trips/Charges</b>	10,000	115,000	(105,000)	-91.30%
<b>Admissions/Other Dist. Foster</b>	65,000	50,000	15,000	30.00%
<b>Health Services</b>	70,000	0	70,000	0.00%
<b>Sales of Equipment/Surplus/Materials</b>	25,000	0	25,000	0.00%
<b>Rentals/Organizations/Head Start</b>	74,000	73,272	728	0.99%
<b>Election Rentals/Library Vote</b>	15,000	10,000	5,000	50.00%
<b>Miscellaneous Revenue Rebates/EPC</b>	405,000	0	405,000	0.00%
<b>Interest and Earnings</b>	525,000	943,978	(418,978)	-44.38%
<b>Insurance Recoveries</b>	25,000	0	25,000	0.00%
<b>Medicaid Reimb. - School Age Programs</b>	100,000	100,000	0	0.00%
<b>Refunds - BOCES/Prior Year/Other</b>	1,300,000	505,000	795,000	157.43%
<b>Premium on Obligations (TANS)</b>	10,000	200,000	(190,000)	-95.00%
<b>Miscellaneous Income</b>	25,000	75,000	(50,000)	-66.67%
<b>TOTAL OTHER INCOME</b>	<b>2,699,000</b>	<b>2,072,250</b>	<b>626,750</b>	<b>30.24%</b>
<b>TOTAL STATE AID &amp; OTHER INCOME</b>	<b>66,718,976</b>	<b>66,092,923</b>	<b>626,053</b>	<b>0.95%</b>

**SOUTH COUNTRY CSD**  
**PROPOSED REVENUE & TAX RATE SCHEDULE FOR 2026-27**

	<u>2026-27</u>	<u>2025-26</u>	<u>Difference</u>	<u>Percent</u>
APPROP. FUND BALANCE	0	5,000,000	(5,000,000)	-100.00%
APPROP. RESERVE FOR ERS	800,000	1,425,000	(625,000)	-43.86%
APPROP. RESERVE FOR TRS	500,000	1,600,000	(1,100,000)	-68.75%
APPROP. RESERVE FOR UNEMPLOYMENT	384,000	150,000	234,000	156.00%
APPROP. RESERVE FOR WORKERS COMP	200,000	650,000	(450,000)	-69.23%
APPROP. RESERVE EMPLOYEE BENEFIT	800,000	750,000	50,000	6.67%
	2,684,000	9,575,000	(6,891,000)	-71.97%
<b>Special Act Legis: Deficit BAN Borrowing</b>	0	0		
<b>PROPERTY TAXES*</b>	81,113,604	71,496,354 *	9,617,250	13.45%
<b>TOTAL REVENUE/BUDGET</b>	150,516,580	147,164,277	3,352,303	2.28%
	<u>2026-27</u>	<u>2025-26</u>	<u>Difference</u>	<u>Percent</u>
<b>Tax Rate Per \$100</b>	290.508	261.682	28.827	11.02%
<b>Home Assessed @ \$2,600</b>	7,553	6,804	749	11.02%
<i>*Property Taxes also include revenue from STAR repayments.</i>				

# What This Means for Our Community

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## If Budget is Approved:

- Financial stabilization begins
- Predictable and responsible planning
- Protection of core programs

## If Budget is Not Approved:

- Deeper reductions required
- Continued instability
- Increased future financial risk

# In Closing.....Please Remember.....

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The challenges identified by both the District and the OSC report are significant - **but they are not permanent!**

We have taken decisive action to correct past practices, implement strong financial controls, and build a budget that reflects the true cost of operating this district.

Our vision forward is grounded in discipline, transparency, and sustainability - ensuring that South Country CSD not only stabilizes financially, but emerges stronger, more accountable, and better positioned to serve our students for years to come.

# Budget Hearing May 6, 2026

Time: 6:15pm

Location: Administration Building

Complete review of the 2026-27 Proposed Budget that will we presented to the community on May 19, 2026