

SOUTH COUNTRY CENTRAL SCHOOL DISTRICT

Community Budget Clarifications

Revised 2026-27 Budget Vote

A Message from the Assistant Superintendent for Finance and Management Services

As we prepare for the Revised 2026-27 Budget Vote on June 16, 2026, I believe it is important to address several questions and concerns that have been raised throughout the community. The District recognizes that residents have strong opinions regarding the budget, the fiscal challenges facing South Country Schools, and the decisions that have been made as part of the District's recovery efforts.

While reasonable people may disagree on priorities and solutions, the facts should never be in dispute. The purpose of this document is to provide factual information regarding the Revised 2026-27 Budget and to address several questions that have frequently been raised during public meetings, budget presentations, and community discussions.

Question #1: The Number of District Administrative Staffing Reductions?

Throughout the budget development process, the District has made significant staffing reductions to address the fiscal challenges inherited from prior years. To date, a total of **94.5 full-time equivalent (FTE) positions** have been eliminated.

These were difficult decisions, but they were necessary. Over the past ten years, District enrollment has declined by approximately **700 students, but associated staffing reductions were not made consistent with that enrollment decline.** The reductions made this school year and proposed for the 2026-27 school year are those that better align staffing levels with current student enrollment and educational needs.

Through a combination of positions eliminated, the District has reduced **10 administrative positions**, leaving **13 administrators currently serving the District.** This represents a **reduction of more than 43% of the District's administrative staffing.**

Question #2: Why Are Staff Members Receiving Raises During a Fiscal Crisis?

This is a question that has been raised frequently throughout the budget process.

The 2026-27 budget was developed with a 0 percent salary increase assumption districtwide.

However, under New York State's Taylor Law and the terms of existing collective bargaining agreements, employees who are part of a bargaining unit may be entitled to contractual step movement based on years of service. For example, an employee moving from Step 5 to Step 6 on a salary schedule would receive the salary associated with that next step as required by the collective bargaining agreement.

A contractual step movement is not the same as negotiating a new salary increase. Rather, it is part of an existing labor agreement that has already been approved and is legally binding.

It is also important to understand that some budget lines may appear to increase when comparing the 2025-26 budget to the proposed 2026-27 budget. This is because prior budgets did not always accurately reflect the true cost of staffing and operations. One of the contributing factors to the District's fiscal challenges was the under-budgeting of these types of expenditures.

The 2026-27 budget was developed using actual staffing needs, contractual obligations, retirement system costs, health insurance projections, transportation requirements, special education obligations, and other operational expenses necessary to operate the District responsibly.

The bottom line is that the District did not budget for across-the-board salary increases. Any salary adjustments reflected in the budget are primarily the result of contractual obligations, step movement provisions, and more accurate budgeting practices designed to reflect the true cost of operating the District.

Question #3: Will the District Hire Back Administrative Positions?

At this time, there are no plans to restore previously eliminated director-level positions.

Operating with fewer administrators presents challenges and increases workloads for the remaining leadership team. However, the District remains committed to operating within the resources available through the voter-approved budget, a contingency budget if applicable, and available grant funding.

Future staffing decisions will continue to be based on student enrollment levels and needs, operational requirements, available resources, and Board of Education approval.

Question #4: Can District Employees Give Themselves Bonuses or Salary Increases?

No.

There have been statements suggesting that District employees can award themselves bonuses or salary increases. This is simply incorrect.

Employees represented by collective bargaining units receive only those salary increases and benefits negotiated through their collective bargaining agreements. These agreements are approved by the Board of Education and are legally binding on both the District and the employee organization.

Employees who are not represented by a bargaining unit have their salaries reviewed and approved annually by the Board of Education during public meetings as part of the personnel agenda.

No employee has the authority to award themselves a bonus, salary increase, or any other form of compensation.

Question #5: Were District Funds Mismanaged?

The District's past fiscal challenges are well documented and have been publicly acknowledged.

The financial issues facing South Country Schools were identified through the District's Certified 2024-25 External Audit, reports issued by the Office of the State Comptroller covering multiple fiscal years, and extensive public discussions during Board of Education meetings, budget presentations, and Audit Committee meetings.

The facts are clear. There were missteps and deficiencies in financial oversight, structural budget imbalances, and spending practices that were not sustainable. These issues developed over multiple years and ultimately resulted in significant fiscal stress for the District.

Recognizing these challenges and openly discussing them is an important part of rebuilding public trust and moving the District forward.

Question #6: What Has Been Done to Ensure These Problems Do Not Happen Again?

Since October 2025, the District has implemented significant corrective actions designed to strengthen financial oversight, improve accountability, and prevent similar issues from occurring in the future.

Enhanced budget monitoring procedures have been implemented to review expenditures in real-time throughout the year. Purchasing controls and expenditure approval processes have been strengthened. Multi-year financial planning and forecasting have become a central part of the budget development process. Financial reporting to the Board of Education has increased substantially, and spending controls have been implemented to ensure expenditures remain within approved budget limits.

The District has also strengthened oversight through independent auditing, forensic review processes, and the reporting requirements established through Special Act Legislation approved by New York State.

The goal is not simply to recover from the mistakes of the past, but to establish systems and safeguards that ensure those mistakes are not repeated.

Question #7: Why Did the District Pursue Deficit Financing and an Advance of State Aid?

The District's financial recovery plan included two important components approved by New York State: authorization for up to \$11 million in deficit financing and authorization for up to \$7 million in an advance of State Aid.

These measures were developed as part of a comprehensive fiscal recovery strategy to address structural deficits created during the 2024-25 and 2025-26 school years.

The advance of State Aid helps address cash flow needs and is repaid over time through future State Aid payments. The deficit financing provides the legal authority necessary to address accumulated deficits and restore fiscal stability.

Without these tools, the District would have faced substantially deeper reductions to programs, services, and staffing. These measures provided the District with the time necessary to implement meaningful corrective actions while continuing to provide educational opportunities for students.

Question #8: Isn't the Tax Cap Only 2%?

No.

One of the most common misunderstandings is that New York State's "Tax Cap" limits school districts to a 2 percent tax levy increase each year. In reality, the law does not establish a flat 2 percent cap.

The tax levy limit is calculated using a formula established by New York State. That formula considers inflation, changes in the tax base, capital expenditures approved by voters, and other adjustments permitted under state law.

As a result, the allowable tax levy increase can be lower than 2 percent, exactly 2 percent, or greater than 2 percent depending on a district's circumstances.

For the 2026-27 budget development process, the District's tax levy limit was calculated in accordance with New York State law and was presented publicly during Board of Education budget workshops and presentations. For the 2026-27 school year, the District's tax cap is 5.52 percent.

The bottom line is simple: the "2 percent tax cap" is actually a tax levy formula, not an automatic 2 percent limit.

Question #9: Who Is Responsible for Developing and Managing the School Budget?

Under New York State Education Law, several parties play important roles in the budget process.

The Superintendent of Schools serves as the District's Chief Executive Officer and is responsible for developing and presenting a proposed budget based on the educational priorities, student needs, and operational requirements of the District.

The Assistant Superintendent for Finance and Management Services assists in preparing the budget document by developing financial projections, analyzing revenues and expenditures, and ensuring the budget is financially sustainable and aligned with District priorities.

The Board of Education reviews the proposed budget, considers public input, and adopts a budget for voter consideration.

Once approved by the voters, the budget becomes the District's legal spending plan.

The Business Office then manages the day-to-day financial operations of the District, including purchasing, payroll, accounting, financial reporting, and budget monitoring, while ensuring compliance with Board policy, New York State Education Law, General Municipal Law, and State Education Department requirements.

A school budget is a spending plan, not a line-by-line spending mandate. While adjustments may occur throughout the year to address changing needs, the District must operate within the total amount approved by voters.

Question #10: Have Budget Reductions Cut Services to Special Education Students?

No.

There have been statements suggesting that budget reductions have resulted in cuts to services for students with disabilities. This is not accurate.

Special education services are governed by Federal and New York State law and must be provided in accordance with each student's Individualized Education Program (IEP) as recommended by the Committee on Special Education (CSE).

The District remains legally obligated to provide all services required by a student's IEP regardless of financial circumstances.

While the District continues to experience increasing special education costs due to growing student needs, rising tuition rates, transportation costs, and related service expenses, those financial pressures do not eliminate the District's responsibility to provide mandated services.

Budget reductions do not change a student's entitlement to special education services under state and federal law.

Question #11: Does the Superintendent Have an Expense Account?

No.

Like every department within the District, the Superintendent's Office operates within a voter-approved budget. Those funds support the operation of the Superintendent's Office and may include professional development, memberships, conference attendance, supplies, and other legitimate District business expenses.

These funds are not a personal expense account and cannot be used without oversight.

All expenditures of public funds must comply with District purchasing and procurement policies, Board of Education policies, New York State Education Law, General Municipal Law, and applicable State Education Department regulations.

District expenditures are also subject to review through the claims auditing process, internal controls, independent external audits, and other oversight procedures.

No employee, including the Superintendent, has the authority to spend public funds outside of established policies, procedures, and approval processes.

Moving Forward

The challenges facing South Country are significant, but they are not permanent.

The problems were identified. The facts were disclosed. Independent audits were completed. Corrective actions have been implemented. Additional oversight has been established. Most importantly, the District has a clear path forward for a return to fiscal stability and sustainability.

Reasonable people may disagree on budget decisions, spending priorities, or the best path forward. However, the facts should never be in dispute. Our commitment remains to provide transparent and accurate information so residents can make informed decisions based on facts rather than rumors, misinformation, or speculation.

The challenges of the past cannot be changed, but the District's response to those challenges speaks for itself. The problems were identified. Corrective actions were taken. Stronger controls were implemented. Independent oversight was established. Long-term solutions have been put in place.

Our responsibility today is not to focus on yesterday's mistakes, but to ensure they are never repeated. Every decision being made today is guided by one goal: restoring and maintaining the

public's trust through transparency, accountability, and responsible stewardship of taxpayer resources while continuing to provide the educational opportunities our students deserve.