Buffalo Public Schools
The Superintendents Proposed 2026-2027 Budget

Special Board Meeting – Tuesday May 12, 2026

Dr. Pascal Mubenga – Superintendent of Schools

Jim Barnes - CFO

Superintendents Overview

- Today I am proposing a $1,212,000,000 General Fund Budget including revenues of $1,145,800,000 and the Use of $66.2 million in Fund Balance to balance the budget.
- The total proposed District Budget for all funds is outlined below:

A -General Fund	1,212,000,000
F - Grant Fund	154,062,038
C - Food Service Fund	53,070,371
Total	1,419,132,409

- The proposed budget was constructed within a challenging environment of decreasing fund balance, the need to address several long-standing issues and unresolved bargaining unit contracts.
- The proposed budget includes both necessary cost reductions and investments aimed at improving services.

Superintendents Overview

- The proposed budget includes necessary cost reductions in the following areas:
  - The elimination of the Virtual Pathways program.
  - Reducing Central Office FTEs by 51 positions.
  - Reducing capacity at the schools through the consolidation of 35 general ed classrooms bringing the average class sizes from 19 to 21.
- It also includes investments in the following areas:
  - Approximately $8 million in additional investments in Special Education through the creation of 21 additional classrooms, 58 additional SPED staff and the creation of the Agency model at school #027.
  - The initial steps for the New Alternative School. Proposed as an opportunity to reimagine how we serve some of our district's most vulnerable students by providing an innovative, student-centered alternative designed to re-engage students and expand pathways to graduation and postsecondary success.
- Unrelated to the General Fund:
  - Approximately $33 million in school-based projects will be completed in September of 2026.
  - A $40 million Commissary is scheduled for completion in the Spring of 2027.

Superintendents Overview

- This is the last year we can utilize a significant amount of Reserves to balance the budget. At the end of the 2026-2027 year we will be approaching the $200 million threshold in Fund balance.
- The only alternative we have to significantly reduce our structural deficits is by closing schools in the 2027-2028 year.
- We have been meeting weekly analyzing the data and will report our recommendations in October of this year.
- Despite these challenging times we want to make sure that we're not going to deviate from the mission of educating our students. We want to make sure that student achievement is a priority. We want to make sure that the needs of our (special education) students and all the different programming that we offer continues to be available.

Proposed Budget and Impact on Fund Balance

	25-26 Approved Budget	25-26 Projected at Q326	26-27 Proposed Budget	VARIANCE (26-27 Proposed Budget - 25-26 Projection)	%
REVENUES (EXCLUDING USE OF RESERVES)	1,107.7	1,117.7	1,145.8	28.1	2.51%
EXPENDITURES	1,186.5	1,178.5	1,212.0	33.5	2.84%
SURPLUS/(DEFICIT)	(78.8)	(60.8)	(66.2)	(5.4)	8.88%
FTES - GENERAL FUND ONLY		5,055.5	5,003.2	(52.3)	
BEG. GENERAL FUND - FUND BALANCE TOTAL (AUDITED)	387.2	387.2	326.4		
PROJECTED DEFICITS	(78.8)	(60.8)	(66.2)		
PROJECTED END FUND BALANCE	308.4	326.4	260.2		

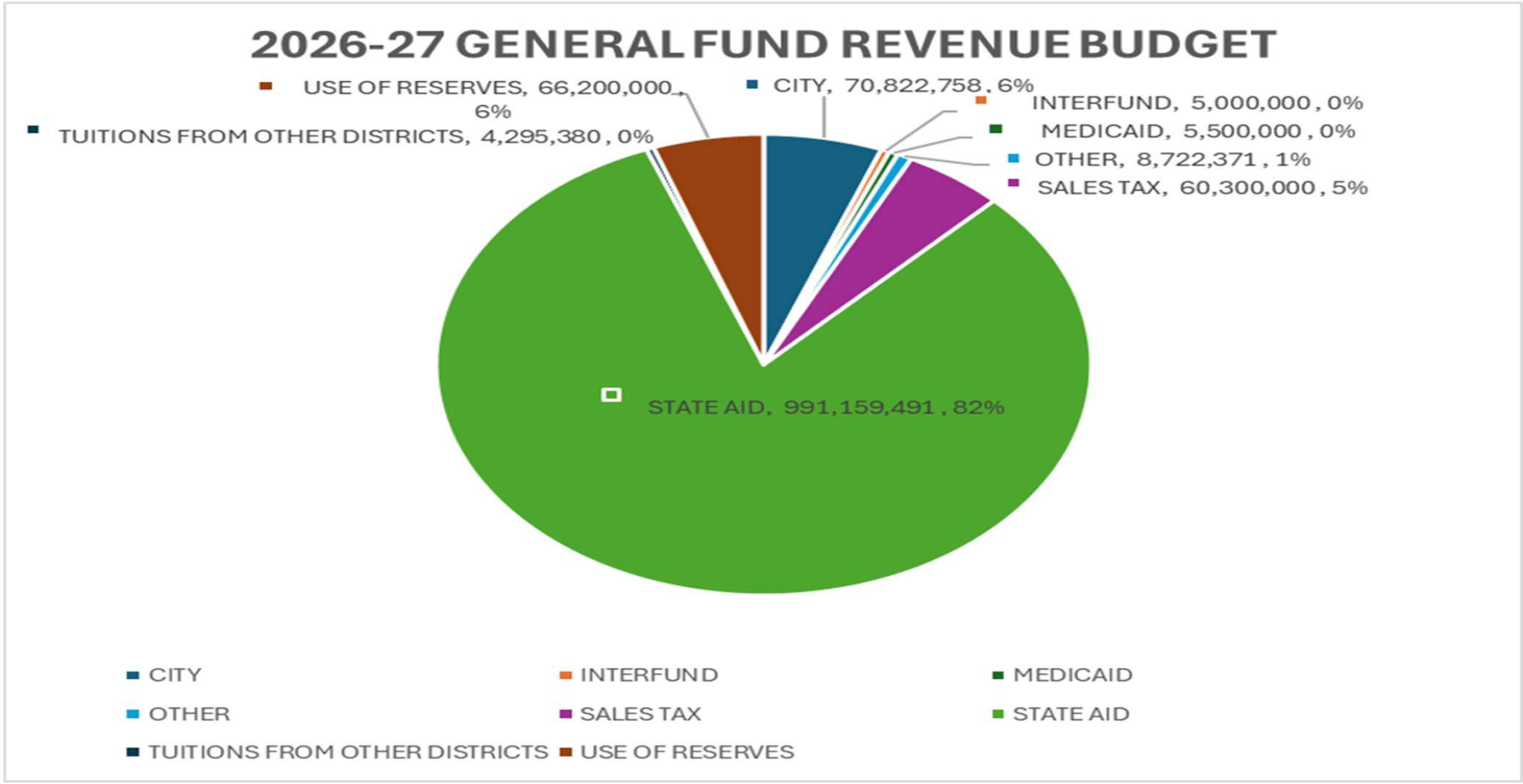
1. Our Current Year results will beat the Approved Budget Deficit by $18 million and we will end the year with $18 million more in Fund balance than originally planned.

2. Our Proposed Budget for 26-27 calls for a $66.2 million deficit and a reduction in Fund balance to $260.2 million. $60 million greater than our $200 million threshold.

Proposed General Fund Revenue Budget

REVENUE CATEGORY	2025-2026 CY REVISED	2026-2027 PROPOSED BUDGET	2026-27 VS 2025-26	% CHANGE
CITY	70,822,758	70,822,758	-	0.00%
INTERFUND	3,866,922	5,000,000	1,133,078	29.30%
MEDICAID	5,000,000	5,500,000	500,000	10.00%
OTHER	7,135,950	8,722,371	1,586,421	22.23%
SALES TAX	58,500,000	60,300,000	1,800,000	3.08%
STATE AID	958,482,643	991,159,491	32,676,848	3.41%
TUITIONS FROM OTHER DISTRICTS	3,891,727	4,295,380	403,653	10.37%
USE OF RESERVES	78,800,000	66,200,000	(12,600,000)	-15.99%
Grand Total	**1,186,500,000**	**1,212,000,000**	**25,500,000**	**2.15%**

Proposed General Fund Revenue Budget



A Closer Look at State Aid Revenues

OBJECT CODE	STATE AID	2024-2025 ACTUAL	2025-2026 APPROVED BUDGET	2026-2027 PROPOSED BUDGET	CHANGE FROM 25/26 APPROVED TO 26/27 PROPOSED
Basic Formula Aid and Lottery Aid combined (accounts ending in 3101 & 3102) are made up of the following State Aid types:	FOUNDATION & LOTTERY AID	715,599,561	744,133,969	790,179,690	46,045,721
	CHARTER SCHOOL TRANSITIONAL AID	6,952,273	7,564,207	4,847,370	(2,716,837)
	TRANSPORTATION AID	53,015,341	55,125,788	56,000,000	874,212
	SPECIAL SERVICES AID	13,029,854	12,986,356	12,987,300	944
	BUILDING AID	102,233,472	89,287,642	74,737,649	(14,549,993)
	PUBLIC HIGH COST - EXCESS COST	7,231,606	6,000,000	9,000,000	3,000,000
	PRIVATE HIGH COST	25,848,116	25,705,807	26,975,985	1,270,178
	ALL OTHER	15,815,076	17,678,874	16,431,497	(1,247,377)
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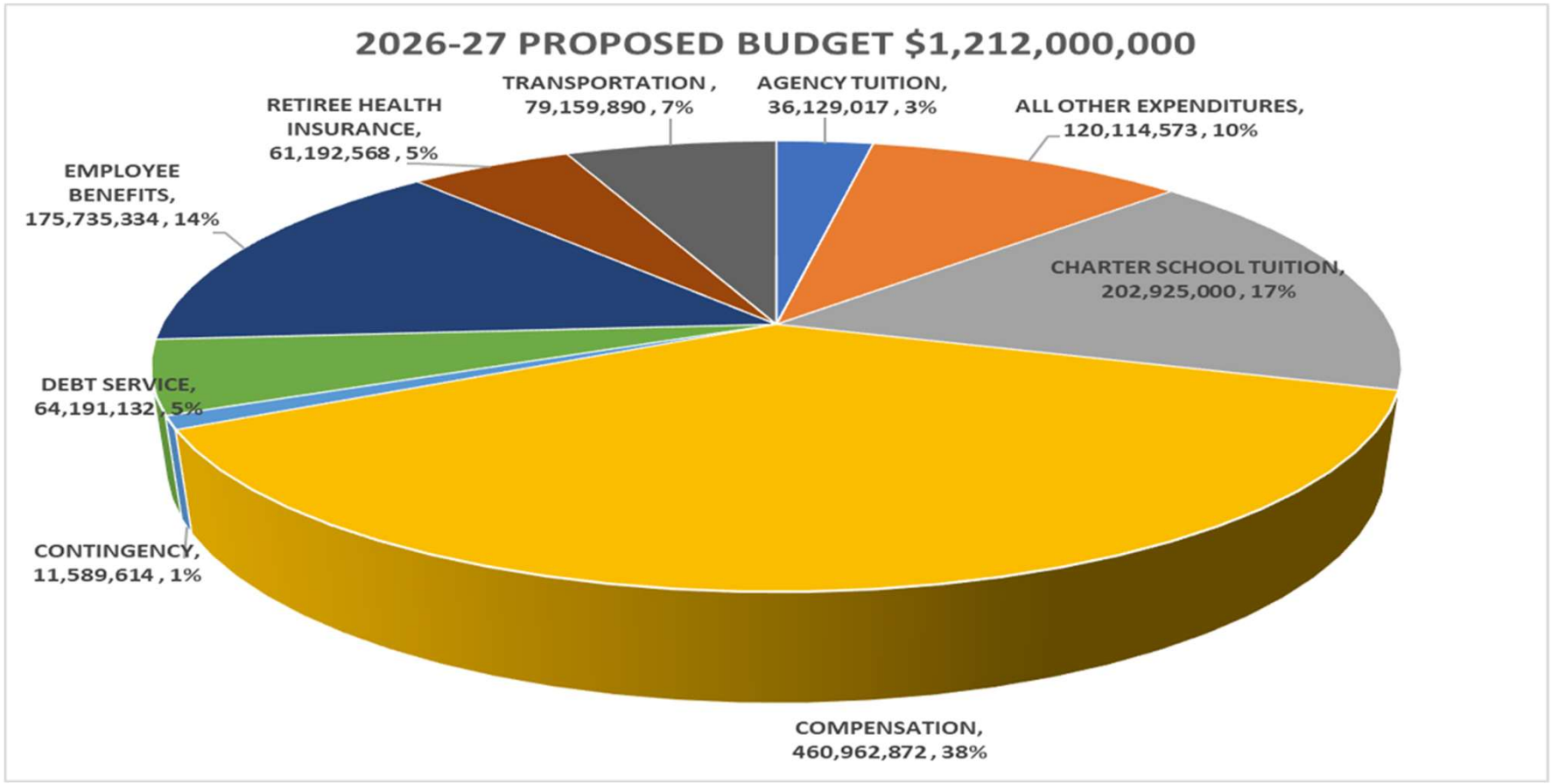
Other State Aid	**TOTALS**	**939,725,299**	**958,482,643**	**991,159,491**	**32,676,848**

Other State Aid includes: Hardware & Technology, Software, Library Materials, Texbook, Chapter One, Charter School Supplemental & Bullet Aid.

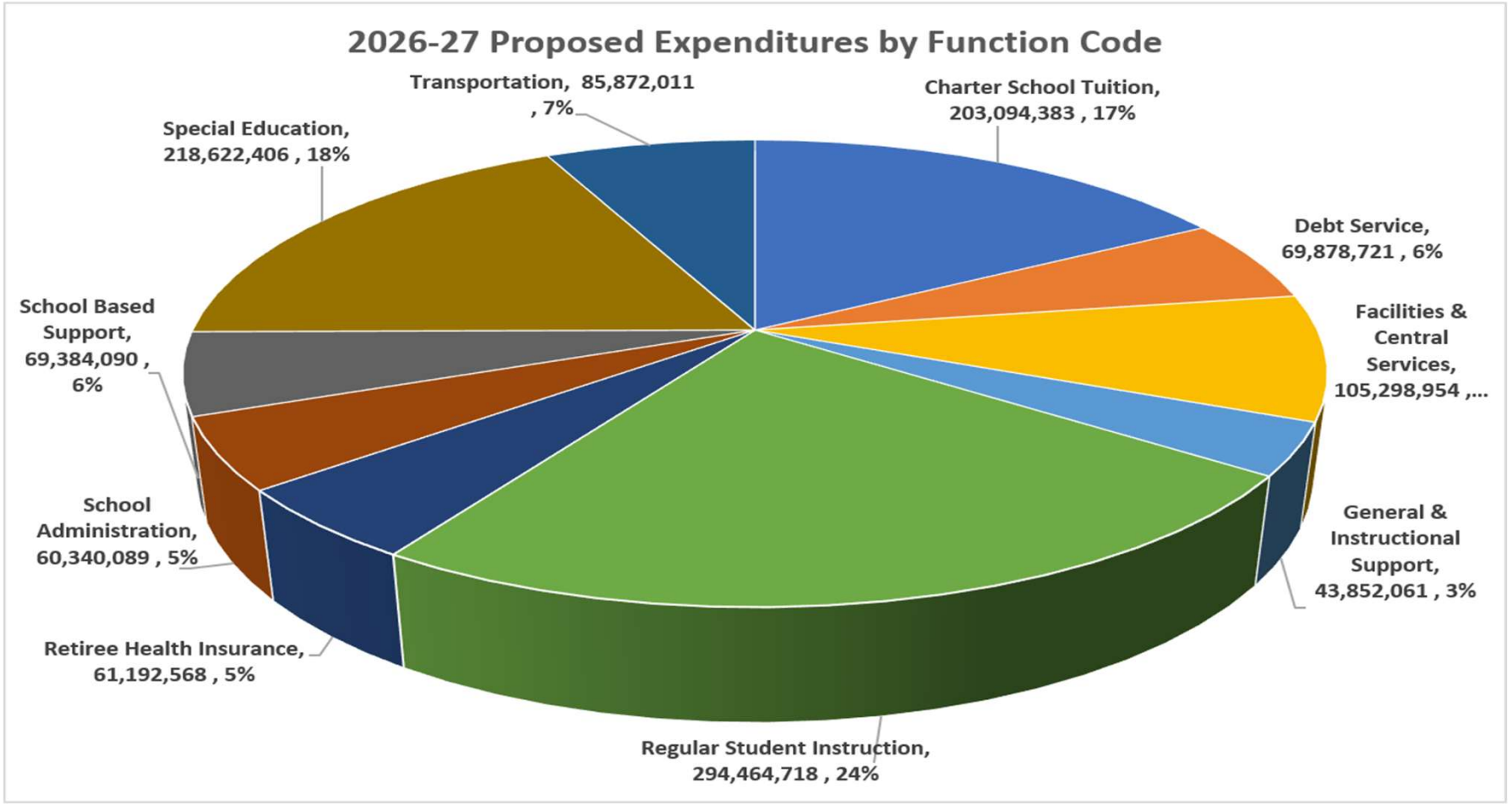
Proposed General Fund Expenditure Budget

Row Labels	2025-26 REVISED BUDGET	2026-27 PROPOSED BUDGET	CHANGE 25/26 TO PROPOSED 26/27 BUDGET	% CHANGE
AGENCY TUITION	35,015,017	36,129,017	1,114,000	3.18%
ALL OTHER EXPENDITURES	126,808,700	120,114,573	(6,694,127)	-5.28%
CHARTER SCHOOL TUITION	195,044,000	202,925,000	7,881,000	4.04%
COMPENSATION	455,733,542	460,962,872	5,229,330	1.15%
CONTINGENCY	841,369	11,589,614	10,748,245	1277.47%
DEBT SERVICE	78,353,509	64,191,132	(14,162,377)	-18.07%
EMPLOYEE BENEFITS	170,322,204	175,735,334	5,413,130	3.18%
RETIREE HEALTH INSURANCE	51,892,568	61,192,568	9,300,000	17.92%
TRANSPORTATION	72,489,091	79,159,890	6,670,799	9.20%
GRAND TOTAL	**1,186,500,000**	**1,212,000,000**	**25,500,000**	**2.15%**

Proposed General Fund Expenditure Budget



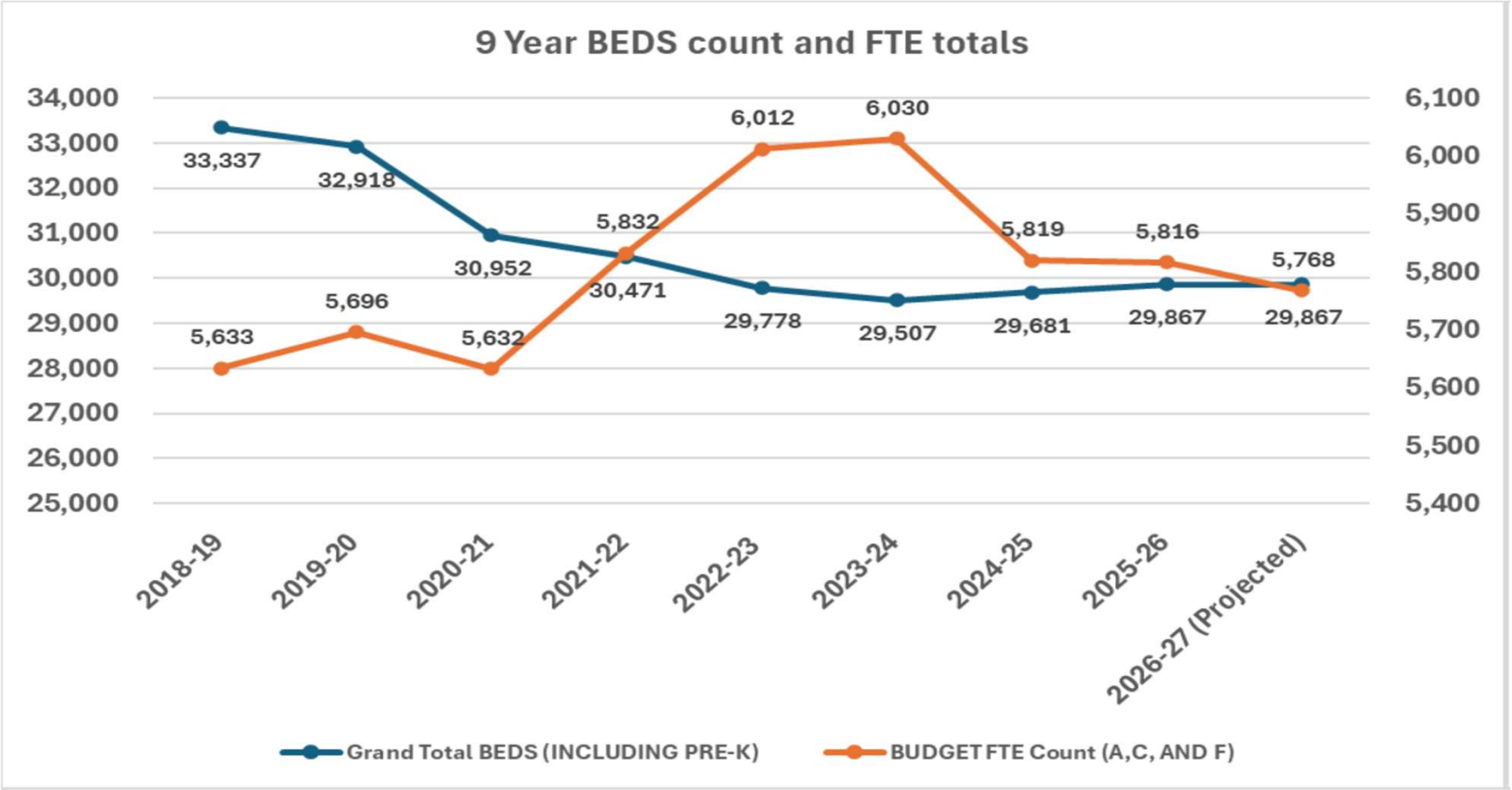
Expenditures by Function Code



An Analysis of FTE's

- **Central Office:**
  - A total of 51.5 Positions were cut from the 26-27 Proposed Budget.
  - 43.5 of these positions were A Fund and 8 F Fund.
  - 36.5 were vacant. Fifteen were filled.
- **School Based Budgets:**
  - The Proposed Budget reduced the number of general ed classrooms by 35 classrooms, taking the average class size from approximately 19 to 21.
  - The Proposed Budget added 21 SPED classrooms plus the Agency School at #027.
  - The net result of these actions will reduce the number of school based positions (FTEs) by 31.1. There is a reduction of approximately 89 non SPED related staff and an addition of approximately 58 SPED related staff.
  - The overall reduction in positions is directly correlated to student enrollment declines, resulting in fewer classes to teach. These reductions are enrollment-driven only; no instructional programs or levels of student support have been reduced.

An Analysis of FTE's – All Funds



Analysis and Comments on Expenditures

1. Compensation – several Bargaining Unit contracts expire June 30th and remain unsettled as of this writing. We included approximately $10 million of estimates in the Contingency accounts to cover projected cost increases. This amount should be added to the $460.9 million in the Compensation line. In total, compensation is expected to increase by $15.2 million dollars or 3.3% in 2027-28. The $470.9 million Compensation budget also includes a $12 million vacancy contingency. If all positions are filled in 2026-27 the impact of the contract, step and longevity increases would be a $27.2 million increase.
2. Charter Tuitions – are projected to increase by $7.9 million or 4.0%. We are projecting enrollments of 11,000 and an estimated per pupil base tuition increase of $726 per student.
3. Employee Benefits – including retiree health insurance, will increase by $14.7 million or 6.6%. This budget is based upon an analysis of actual claim data and a projection for the 26-27 year.
4. Transportation – is projected to increase by $6.7 million or 9.2% due to a new contract effective July 1, 2025 and increases in fuel costs and salaries for bus aides and other staff. Please note approximately 80% of this cost increase will be reimbursable in the 27-28 year.
5. Debt Service – will decrease by $14.1 million or 18.1% per our debt schedules and continued repayment of the JSCB and other debt. This net reduction includes a projected $2 million increase for payments on $21 million in new debt closed during 2025-26. We will receive offsetting building aid for these new payments in the 27-28 year.
6. All Other Expenditures – are projected to decrease by $5.6 million or 3.4%. This includes budget reductions in WozEd related kits ($3.5 million), Computer Hardware ($4 million) and a reduction in Transfers to Capital.

Summary and Next Steps in Financial Planning

- Receive an Approved State Budget and final State Aid numbers. Make final revisions to the revenue and Use of Reserve numbers.
- Get Board Approval for this budget on May 20, 2026.
- Import the Approved Budget into the Munis Accounting system.
- Construct and distribute 2026-2027 Cash Flow Projections to City and BFSA.
- We met with BFSA last week and received a favorable review of our Deficit Reduction Plan.
- Update our 4 Year Plan by the end of June 2026.