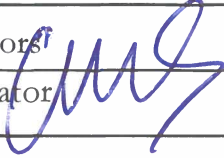


MEMORANDUM

TO:	Greene County Board of Supervisors
FROM:	Cathy Schafrik, County Administrator 
SUBJECT:	School Reserve Fiscal Policy
DATE:	May 12, 2026

As we move into the upcoming fiscal year, our local government has faced difficult financial realities that require us to adopt a more austere budget than in previous years. After receiving the Board’s thoughtful feedback, we have balanced the County’s FY2027 budget and ensured continuity of operations for all our Departments and the Schools. This required an additional amount of \$2,354,744 needed from the capital reserve fund which will cover the state revenue shortfall (from the recalculated Local Composite Index) and most of the salary and benefit increases. The current balance of \$10,396,858 will be reduced by both \$2,354,744 and the existing capital debt payment of \$1,542,000 which gives a revised balance of \$6,500,114. This revised balance will increase at year end by the amount of the budget surplus. The Board is considering an updated policy needed to convert the fund from a capital fund to a reserve fund.

This School Capital Reserve funds the Middle School and High School Building Project debt, which totals \$20,140,000 with annual payments between \$1,537,000 and \$1,542,000 until 2034 when the debt retires. The use of reserve funds will need to be carefully managed as they are a finite resource, and will eventually need to be replaced with other sources of revenue.

The Board’s proposed language is as follows:

Greene County Public Schools Surplus Funds to be Designated as a Reserve Fund

As a policy of the Greene County Board of Supervisors, any Greene County Public Schools general operating budget surplus funds may be specifically designated to Greene County Public Schools. At its discretion, the Board of Supervisors may choose to appropriate the funds for any use it deems necessary to enhance the school system’s operations on an annual basis.