



*FY26 District Administration's Budget Recommendation
School Committee Presentation
February 5, 2025*

Prepared and Presented by:

Michael M. Harvey, Superintendent of Schools
Jeffrey D. Sands, Assistant Superintendent of Schools
Brad Denton, Assistant Superintendent of Schools



FY26 Budget Agenda for Tonight

- FY26 Preliminary Cherry Sheet & Primary Funding Sources
- Review Major Expense Categories
 - Total District Salaries
 - Out-of-District Tuition, Special Education Transportation, and Student Services Consultants & Service Providers
- “Non-Controllable” Expense Analysis



FY26 Budget Summary of February 5th Adjustments

January 22nd - FY26 Increase to Total Operating Assessment	\$3,190,196
<i>Adjust for FY26 Preliminary Cherry Sheet - Chapter 70</i>	<i>0</i>
<i>Adjust for FY26 Preliminary Cherry Sheet - Regional Transportation</i>	<i>(87,477)</i>
<i>Adjust for FY26 Preliminary Cherry Sheet - Charter Schools Tuition Reimbursement</i>	<i>19,665</i>
<i>Adjust for FY26 Preliminary Cherry Sheet - School Choice / Charter School Sending Tuition</i>	<i>2,062</i>
February 5th - FY26 REVISED Increase to Total Operating Assessment	\$3,124,446
Change to FY26 Total Operating Assessment:	<i>(\$65,750)</i>

FY26 Preliminary Cherry Sheets dated 1/23/25 have been used to compile this Updated Recommendation.



FY26 Budget

Preliminary Cherry Sheet & Primary Funding Sources

FY26 Budget – Assessment Overview Updated

Funding Sources

Total Funding Sources		<i>Actual FY24</i>	<i>Adopted FY24</i>	<i>Adopted FY25</i>	<i>Proposed F26</i>	<i>Chg \$</i>	<i>Chg %</i>
State Aid							
Chapter 70		\$5,448,589	\$5,403,309	\$5,498,979	\$5,729,078	\$230,099	4.2%
Transportation Reimbursement		753,891	701,305	698,918	786,395	87,477	12.5%
MSBA Debt Service Reimbursement		-	-	-	-	0	0.0%
Charter School Tuition Reimbursement		66,556	31,456	45,441	22,473	(22,968)	-50.5%
Local Receipts							
Interest Income		303,675	12,000	190,000	242,400	52,400	27.6%
Fees Collected		36,881	34,000	34,000	34,000	0	0.0%
Miscellaneous Receipts		8,972	10,000	10,000	10,000	0	0.0%
Excess and Deficiency		1,126,968	1,126,968	453,619	712,882	259,263	57.2%
Fund Transfers In		467,500	467,500	467,500	467,500	0	0.0%
Federal Aid							
Medicaid Reimbursement		63,219	33,933	33,933	33,933	0	0.0%
E Rate Reimbursement		0	0	0	0	0	0.0%
Total Funding Sources		\$8,276,251	\$7,820,471	\$7,432,390	\$8,038,661	\$606,270	8.2%

A detailed description for each Funding Source Account can be found in the Budget Book.



Cherry Sheet

The Cherry Sheet is the official notification from the Commissioner of Revenue of the upcoming fiscal year's state aid and assessments to cities, towns, and regional school districts.

The purpose of the Cherry Sheet is to ensure that local budgets reflect realistic estimates of the amount of revenue a municipality and regional school district will actually receive from the state during the upcoming year, as well as the amounts that will be assessed upon local governments to pay for a variety of state programs in which they participate.

Preliminary Cherry Sheets were released on Thursday, January 23rd shortly after the Governor released her FY26 Budget and have since been incorporated into our Budget Recommendation. See the Budget Book for a copy of the District's FY26 Preliminary Cherry Sheet.

Final Cherry sheets should be released shortly after the Legislature adopts and the Governor signs the FY26 State Budget (usually by the end of July).



Chapter 70 & Regional Transportation Aid

Chapter 70 (see Revenue) refers to the school funding formula created under the Education Reform Act of 1993 by which state aid is distributed through the Cherry Sheet to help establish educational equity among municipal and regional school districts. The formula's minimum aid provision guarantees all districts receive at least the same amount of aid in FY26 as they did in FY25 plus a \$75 per pupil increase.

Regional School Transportation (see Revenue) is state aid distributed through the Cherry Sheet specifically to Regional School Districts. While the law entitles regional school districts to a 100% reimbursement for qualified school transportation costs, state funding has consistently fallen short of this benchmark. Qualified costs exclude the cost of transporting students that live within 1.5 miles of school, special education transportation, field trips, and the cost for any transportation outside of the normal school day (e.g. athletics). Preliminary Cherry Sheet estimates for FY26 reflect a Reimbursement increase of \$87,477 over FY25 at a proposed reimbursement rate of 81.7%. The Reimbursement amount is based on the product of total qualified reimbursable school transportation costs as submitted in the District's 2024 EOYR Schedule 7 multiplied by the proposed reimbursement rate (81.7%).



Excess & Deficiency (E&D)

Every regional school district is required to maintain an E&D fund (see Revenue) on its books of Account. At the end of every fiscal year, any surplus or deficit in the district's general fund shall be closed to the E&D fund.


On or before October 31st of each year, every regional school district shall submit to the MA Department of Revenue (DOR) the forms and schedules (e.g. year-end balance sheet, etc.) they require for the purpose of reviewing and certifying the balance in the regional school district's E&D fund. E&D is not available for appropriation until certified by the DOR.

A regional school committee may use all or part of the certified balance in the E&D fund as a revenue source for its proposed budget. If the certified balance exceeds five (5%) percent of the budget, the committee must use the amount in excess of five (5%) as a revenue source in its proposed budget. In practice, the District uses the amount in excess of four (4%) as a revenue source in its proposed budget. For the FY26 Budget, this excess amount is \$712,882.

Our E&D was submitted to the DOR on September 30th and then Certified by the DOR on October 10th; therefore it is available for appropriation.

FY26 Budget

FY24 Excess & Deficiency Impact

7/1/24 (FY24) E&D Certified submitted by District to MA DOR on 10/10/24	\$2,355,931
Amount above 4% of FY25 Operating & Capital Budget to be used as Revenue Source in FY26 Budget	712,882 
Remaining Balance of E&D after FY26 Budget Revenue Source:	\$1,643,049
<p>Statue: Any amount over 5% of the District's Operating & Capital Budget for the succeeding year (which is \$2,053,812 in FY25) shall be applied to reduce the assessments of the Member Towns in the FY26 Budget.</p>	
<p>Practice: Any amount over 4% of the District's Operating & Capital Budget for the succeeding year (which is \$1,643,049 in FY25) shall be applied to reduce the assessments of the Member Towns in the FY26 Budget.</p>	



FY26 Budget

Total District Salaries Review



FY26 Budget

Major Expense Category Analysis (after Offsets)

Expense Category	FY26 Budget		FY25 Budget		VS PR YR	
	Tot \$	% of Tot	Tot \$	% of Tot	Chg \$	Chg %
Salaries	\$ 25,804,493	58.1%	\$ 24,487,022	60.2%	\$1,317,471	5.4%
Out-of-District Tuition	\$ 4,097,006	9.2%	\$ 3,099,847	7.6%	\$997,160	32.2%
Insurance Benefits (Active and Retired)	\$ 5,672,553	12.8%	\$ 5,220,834	12.8%	\$451,719	8.7%
Maintenance (non-salary)	\$ 1,778,087	4.0%	\$ 1,594,429	3.9%	\$183,658	11.5%
Transportation - Regular Ed	\$ 1,310,738	3.0%	\$ 1,247,883	3.1%	\$62,855	5.0%
Retirement Contribution	\$ 1,392,013	3.1%	\$ 1,261,171	3.1%	\$130,843	10.4%
Transportation - Special Ed	\$ 742,804	1.7%	\$ 539,285	1.3%	\$203,519	37.7%
MIS & Instructional Technology (non-salary)	\$ 630,188	1.4%	\$ 580,110	1.4%	\$50,078	8.6%
High School Athletics (non-salary)	\$ 548,618	1.2%	\$ 497,153	1.2%	\$51,465	10.4%
High School Materials, Supplies, & Resources	\$ 583,529	1.3%	\$ 526,921	1.3%	\$56,609	10.7%
Student Services Consultants & Svc Providers	\$ 470,833	1.1%	\$ 405,431	1.0%	\$65,402	16.1%
Property, Liability & WC Insurance	\$ 331,390	0.7%	\$ 274,924	0.7%	\$56,466	20.5%
Middle School Materials, Supplies, & Resources	\$ 241,085	0.5%	\$ 212,660	0.5%	\$28,425	13.4%
Business, Finance & HR (non-salary)	\$ 201,318	0.5%	\$ 173,981	0.4%	\$27,337	15.7%
School Choice & Charter School Sending Tuition	\$ 179,806	0.4%	\$ 188,283	0.5%	(\$8,477)	-4.5%
Professional Development (non-salary)	\$ 140,984	0.3%	\$ 88,790	0.2%	\$52,194	58.8%
Crisis Response & Security (non-salary)	\$ 83,379	0.2%	\$ 82,893	0.2%	\$486	0.6%
Legal Services	\$ 65,220	0.1%	\$ 65,220	0.2%	\$0	0.0%
Unemployment	\$ 24,000	0.1%	\$ 24,000	0.1%	\$0	0.0%
All Other	\$ 108,907	0.2%	\$ 105,399	0.3%	\$3,508	3.3%
Totals:	\$ 44,406,952	100.0%	\$ 40,676,236	100.0%	\$3,730,717	9.2%





FY26 Budget

Primary Salary Expense Drivers

Driver	FY26B v FY25B \$ CHG
Teacher Union COLA	\$610,000
Teacher Union STEPS	149,000
Teacher Union Degree Advancements	193,000
ALL Other Salary & STEP Increases *	408,000
Teacher Union Parental Leave Expanded	50,000
Associate Master Teacher Stipend Sunset Lifted	14,000
ALL Stipends COLA & New Stipend Positions	67,000
FY25 Staff Replacement Savings Carryforward	(160,000)
EOC Benefit Costs	(107,000)
Additional Staffing Requirements per IEPs	93,000
Total Change in District Salary Expense:	\$1,317,000
Increase versus FY25B:	5.4%

*Successor CBAs for 4 Unions, including the Paraprofessionals, Professional Administrators, Support Staff, and MPFTs remain to be negotiated and finalized for FY26. The FY26 Salary Cost Placeholder above includes funding for all COLA, STEP, and Salary Advancements associated with these Unions. Providing detail beyond this level could potentially jeopardize the Committee's bargaining position.



FY26 Budget

Out-of-District Tuition Special Education Transportation & Student Services Consultants and Service Providers

Brad Denton, Assistant Superintendent



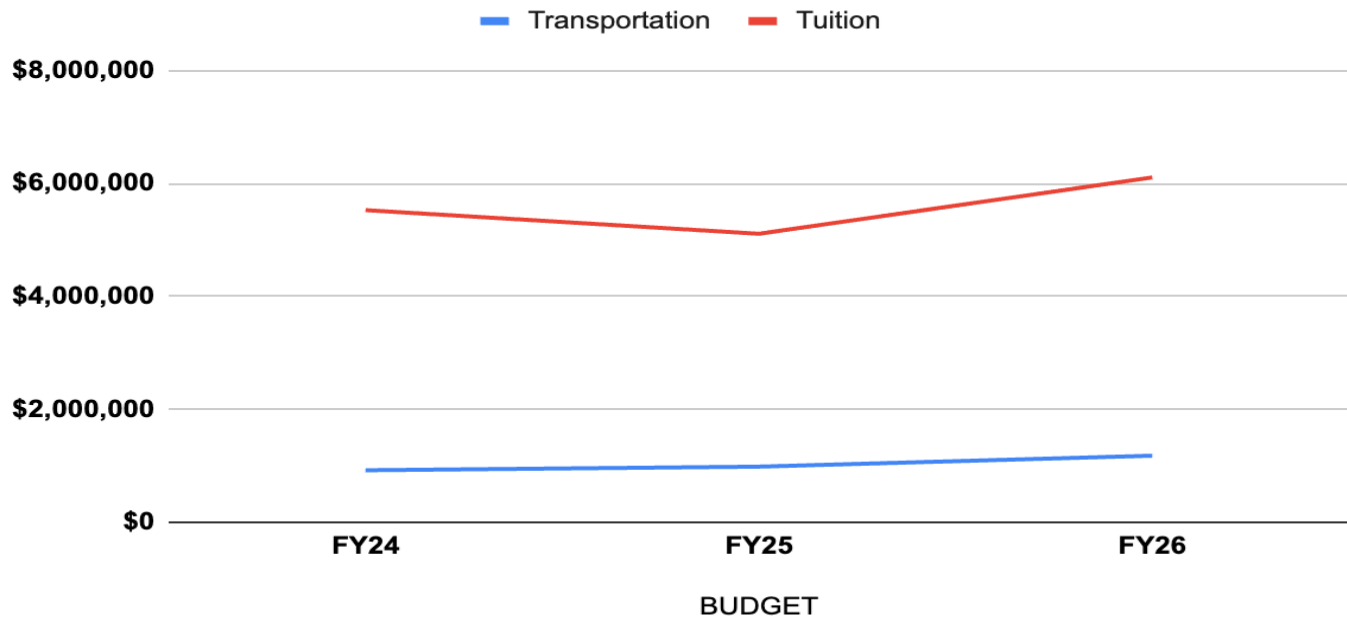
FY26 Budget

Major Expense Category Analysis (before Offsets)

Expense Category	FY26 Budget		FY25 Budget		VS PR YR	
	Tot \$	% of Tot	Tot \$	% of Tot	Chg \$	Chg %
Salaries	\$ 25,844,891	54.7%	\$ 24,576,430	56.6%	\$1,268,461	5.2%
Out-of-District Tuition	\$ 6,106,503	12.9%	\$ 5,109,344	11.8%	\$997,160	19.5%
Insurance Benefits (Active and Retired)	\$ 5,672,553	12.0%	\$ 5,220,834	12.0%	\$451,719	8.7%
Maintenance (non-salary)	\$ 2,164,659	4.6%	\$ 1,820,096	4.2%	\$344,563	18.9%
Transportation - Regular Ed	\$ 1,310,738	2.8%	\$ 1,247,883	2.9%	\$62,855	5.0%
Retirement Contribution	\$ 1,392,013	2.9%	\$ 1,261,171	2.9%	\$130,843	10.4%
Transportation - Special Ed	\$ 1,179,104	2.5%	\$ 985,376	2.3%	\$193,728	19.7%
MIS & Instructional Technology (non-salary)	\$ 630,188	1.3%	\$ 580,110	1.3%	\$50,078	8.6%
High School Athletics (non-salary)	\$ 548,618	1.2%	\$ 497,153	1.1%	\$51,465	10.4%
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Unemployment	\$ 24,000	0.1%	\$ 24,000	0.1%	\$0	0.0%
All Other	\$ 108,907	0.2%	\$ 105,399	0.2%	\$3,508	3.3%
Totals:	\$ 47,279,719	100.0%	\$ 43,446,899	100.0%	\$3,832,821	8.8%

Student Services

Transportation and Tuition: 3 year Overview



BUDGET	FY24	FY25	FY26
Transportation	\$921,465	\$985,376	\$1,179,104
Tuition	\$5,527,601	\$5,109,344	\$6,106,533

Student Services

Tuition Breakdown: FY25 to FY26

BUDGET	FY25	FY26
Tuition-Private	3,608,414	\$4,081,477
Tuition-Collab	\$1,416,972	\$1,762,386
Tuition-In State	\$83,958	\$262,670

Student Services

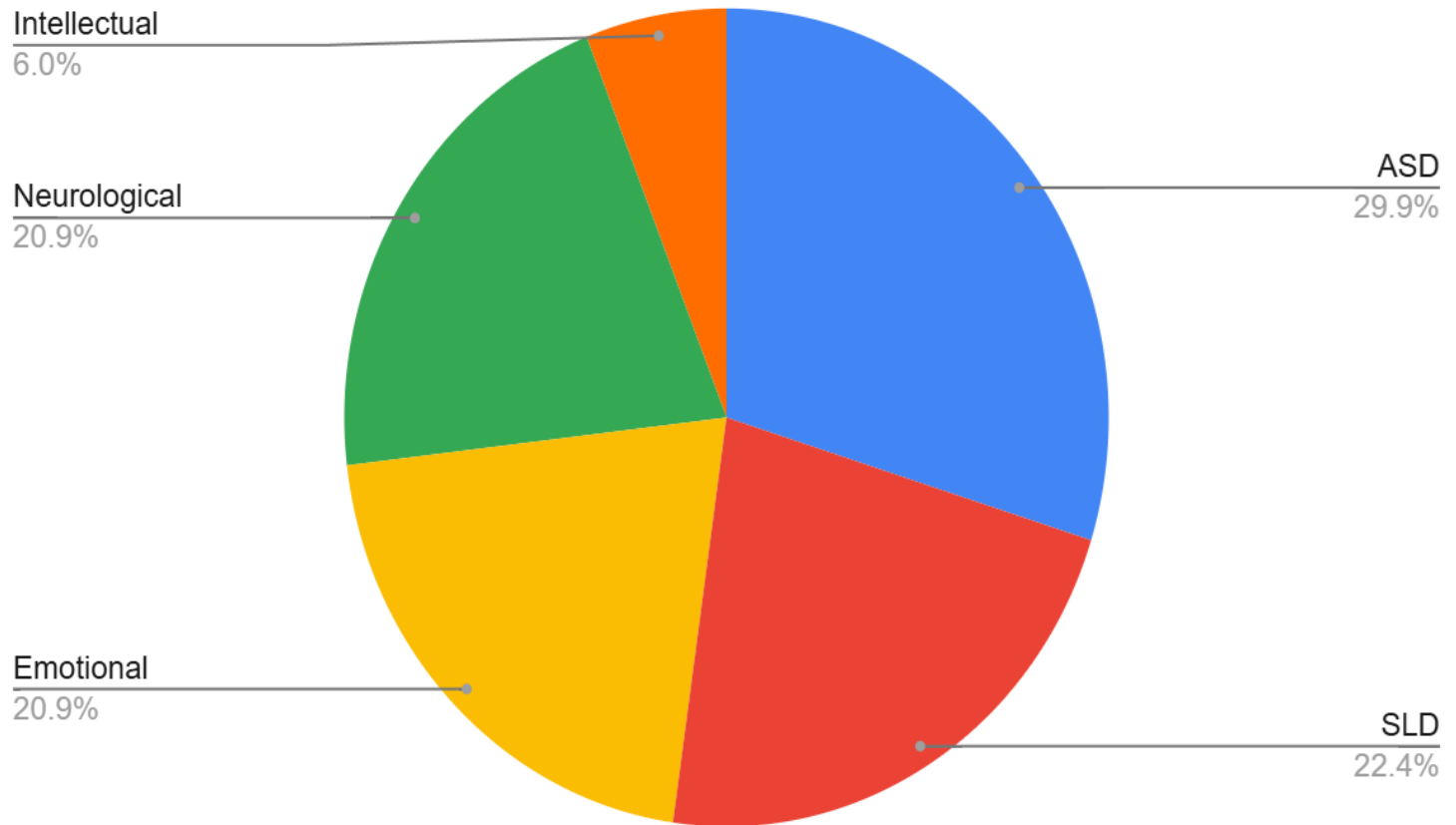
Tuition and Transportation FY25 Budget to FY26 Budget

- 12 students were newly placed after FY25 approval.
 - 5 from Masconomet
 - 4 between 6th and 7th grade
 - 3 Move-Ins
- 3 students aged out during FY25.
- 8 students graduate in FY25.
- 5 incoming 7th grade students and 1 Move-In are OOD in FY26.

The tuition costs represent an increase of \$997,160.

Student Services

OOD by Disability Category



Student Services

Where do our OOD students go?

Primarily to Separate Day Schools

- Only serve students with disabilities

Private-35, Landmark (12), Cotting, NEA, etc

Public-25 Collaboratives, CREST, NEC (16)

Other-Unapproved, Residential

Student Services

How did we get here?

- Inherit:** 20 students were placed Prior to Masco
- Unilateral Decisions:** 22 Unilateral decisions override the TEAM process
42 of our 69 OOD Students NEVER attended Masco
- Post-High School:** 10 students enrolled in post-high school transition programs until age 22.

*We placed 17 students outside of Masco MS/HS

Student Services

Placement Decisions are TEAM Decisions

The IEP Team considers all aspects of the student's proposed special education program as specified in the student's IEP and determines the appropriate placement to provide the services.

FAPE is the mandate and covers four key components:

- Free (at no cost to the parent)
- Appropriate (IEPs outline a program for students to meet their unique needs)
- Public (students have the same rights attend public schools as all children)
- Education (guarantees students with disabilities receive related services too)

Least Restrictive Environment (LRE) is the directive.

The school district shall ensure that, to the maximum extent appropriate, students with disabilities are educated with students who do not have disabilities, and that special classes, separate schooling, or other removal of students with special needs from the general education program occurs only if the nature or severity of the disability is such that education in general education classes with the use of supplementary aids and services cannot be achieved satisfactorily.

Student Services

Consultants

CONSULTANTS	FY24	FY25	FY26
Student Services	\$30,749	\$55,031	\$51,333
Special Ed District	\$278,200	\$339,400	\$408,500
Special Ed HS	\$17,000	\$29,000	\$25,000
Psychological	\$6,000	\$6,000	\$6,000
Health Services	\$5,000	\$5,000	\$5,000

100% of Increased Expenses are IEP services

Student Services

Special Education: District Consultants \$408,500
(Reading, Vision, OT, PT, BCBA)

Increase of \$69,100 (20%)

Speech and Language Consultant (\$57,000)

Teacher of the Deaf added

Additional Assistive Tech Consultations



FY26 Budget

“Non-Controllable” Expense Analysis



FY26 Budget

“Non-Controllable” Expense Analysis

FY26 Increase to Total Operating Expenses:							\$3,730,717
Less Significant "Non-Controllable" Operating Expense Increases:							
	Out-of-District Tuition						\$997,160
	Special Education Transportation						\$203,519
	Special Education Service Providers						\$65,402
	Special Education Staff IEP Required						\$93,000
	Health & Dental Benefits						\$451,719
	Essex Retirement Appropriation						\$111,781
	NRT Transportation Contract						\$78,174
	Property & Liability Insurance						\$47,726
	Utilities						\$98,154
	Janitorial Contract						\$51,041
	Subtotal Significant "Non-Controllable" Increases:						\$2,197,676
FY26 Remaining Increase to All Other Operating Expenses, including All Salaries:							\$1,533,041
Assume 2.5% Increase to FY25 Total Operating Assessment:							\$831,096
Potential Target Reduction:							(\$701,945)



FY26 Budget

Budget Topics for Future Meetings

- February 26th Meeting:
 - 10 Year Trend in District Staffing and Student Enrollment
 - Scenario Planning Discussion
 - District Leadership Team Scenario based on “Non-Controllable” Expense Analysis Potential Target Reduction



FY26 Budget Calendar

SEPTEMBER 30, 2024	DISTRICT SUBMITS JULY 1, 2024 E & D TO MA DOR FOR CERTIFICATION
OCTOBER 10, 2024	MA DOR CERTIFIES DISTRICT'S JULY 1, 2024 E & D
OCTOBER 25, 2024	FY26 BUDGET KICK-OFF MEMO DISTRIBUTED TO MRSD BUDGET HOLDERS
NOVEMBER 1, 2024	DISTRICT DISTRIBUTES OCTOBER 1, 2024 RESIDENT STUDENT ENROLLMENT TO TOWNS
JANUARY 22, 2025	FY26 BUDGET RECOMMENDATION PRESENTED TO THE SCHOOL COMMITTEE
FEBRUARY 5, 2025	SCHOOL COMMITTEE CONDUCTS FY26 BUDGET DELIBERATIONS
FEBRUARY 14, 2025	DISTRICT MAILES TENTATIVE FY26 BUDGET TO TOWN OFFICIALS
FEBRUARY 26, 2025	SCHOOL COMMITTEE CONDUCTS FY26 BUDGET DELIBERATIONS
MARCH 5, 2025	SCHOOL COMMITTEE HOLDS FY26 BUDGET PUBLIC HEARING
MARCH 5, 2025	SCHOOL COMMITTEE CONDUCTS FY26 BUDGET DELIBERATIONS
MARCH 10, 2025 (MON)	SCHOOL COMMITTEE CONDUCTS FY26 BUDGET DELIBERATIONS (IF NEEDED)
MARCH 12, 2025 (WED)	SCHOOL COMMITTEE CONDUCTS FY26 BUDGET DELIBERATIONS (IF NEEDED)
MARCH 17, 2025 (MON)	SCHOOL COMMITTEE CONDUCTS FY26 BUDGET DELIBERATIONS (IF NEEDED)
MARCH 19, 2025	SCHOOL COMMITTEE CONDUCTS FY26 BUDGET DELIBERATIONS
MARCH 19, 2025	SCHOOL COMMITTEE ADOPTS FINAL FY26 BUDGET
APRIL 9 , 2025	SCHOOL COMMITTEE AUTHORIZES DEBT FOR CAPITAL PROJECTS (IF NEEDED)
APRIL 11, 2025	DISTRICT PROVIDES WRITTEN NOTICE OF DEBT AUTHORIZATION TO BOARDS OF SELECTMAN (IF NEEDED)
APRIL 18, 2025	DISTRICT TREASURER CERTIFIES FY26 BUDGET WITH TOWNS
MAY 6, 2025 & May 13, 2025	ANNUAL TOWN MEETINGS



FY26 Budget

The following slides have been included as reference material (not for presentation)



FY26 Budget Administration's *Recommendation*

A Level Service Budget Recommendation for FY26

What Does “Level Service” Mean?

Level Service is a continuation of the current services, programs, and operations of the District.

For FY26, our Recommendation reflects an increase in Operating Expenses of \$3,730,717 (or 9.2%) and an increase of \$3,124,446 (or 9.4%) in Operating Assessment versus the FY25 Budget.

District Leadership acknowledges the significance of this Level Service Budget Recommendation and looks forward to discussions with the School Committee over the next few months as we work together to develop a FY26 Budget that meets the needs of the District while being mindful of its impacts on our Member Towns.

FY26 Budget – Assessment Overview

Total Expenditures		<i>Actual FY24</i>	<i>Adopted F24</i>	<i>Adopted F25</i>	<i>Proposed F26</i>	<i>Chg \$</i>	<i>Chg %</i>
	General Operating Expenses (before Offsets)	42,069,755	42,571,783	43,446,899	47,279,719	3,832,821	8.8%
	Less Expense Offsets	2,558,019	2,814,097	2,770,663	2,872,767	102,104	3.7%
	General Operating Expenses (after Offsets)	39,511,736	39,757,686	40,676,236	44,406,952	3,730,717	9.2%
	Capital Costs including Debt Service Expense	449,050	449,050	400,000	690,000	290,000	72.5%
	Total Expenditures	\$39,960,786	\$40,206,736	\$41,076,236	\$45,096,953	\$4,020,717	9.8%
Total Funding Sources		<i>Actual FY24</i>	<i>Adopted FY24</i>	<i>Adopted FY25</i>	<i>Proposed F26</i>	<i>Chg \$</i>	<i>Chg %</i>
State Aid							
	Chapter 70	\$5,448,589	\$5,403,309	\$5,498,979	\$5,729,078	\$230,099	4.2%
	Transportation Reimbursement	753,891	701,305	698,918	786,395	87,477	12.5%
	MSBA Debt Service Reimbursement	-	-	-	-	0	0.0%
	Charter School Tuition Reimbursement	66,556	31,456	45,441	22,473	(22,968)	-50.5%
Local Receipts							
	Interest Income	303,675	12,000	190,000	242,400	52,400	27.6%
	Fees Collected	36,881	34,000	34,000	34,000	0	0.0%
	Miscellaneous Receipts	8,972	10,000	10,000	10,000	0	0.0%
	Excess and Deficiency	1,126,968	1,126,968	453,619	712,882	259,263	57.2%
	Fund Transfers In	467,500	467,500	467,500	467,500	0	0.0%
Federal Aid							
	Medicaid Reimbursement	63,219	33,933	33,933	33,933	0	0.0%
	E Rate Reimbursement	0	0	0	0	0	0.0%
	Total Funding Sources	\$8,276,251	\$7,820,471	\$7,432,390	\$8,038,661	\$606,270	8.2%
Net Assessment including Deb Service		<i>Actual FY24</i>	<i>Adopted FY24</i>	<i>Adopted FY25</i>	<i>Proposed F26</i>	<i>Chg \$</i>	<i>Chg %</i>
	Total Expenditures	39,960,786	40,206,736	41,076,236	45,096,953	4,020,717	9.8%
	Less Total Funding Sources	(8,276,251)	(7,820,471)	(7,432,390)	(8,038,661)	606,270	8.2%
	Total Net Assessment including Debt	\$31,684,535	\$32,386,264	\$33,643,845	\$37,058,292	\$3,414,447	10.1%
	Operating Assessment	\$31,235,485	\$31,937,214	\$33,243,845	\$36,368,292	\$3,124,446	9.4%
	Capital Assessment including Debt Service	\$449,050	\$449,050	\$400,000	\$690,000	\$290,000	72.5%

FY26 Budget Assessment by Town*

BOXFORD	FY24	FY25	FY26	Chg \$	Chg %
Operating Assessment	\$ 11,917,575	\$ 12,379,417	\$ 13,516,270	\$ 1,136,853	9.2%
Capital Assessment incl Debt Service	\$ 167,451	\$ 147,711	\$ 254,907	\$ 107,196	72.6%
Total Assessment	\$ 12,085,026	\$ 12,527,128	\$ 13,771,177	\$ 1,244,049	9.9%
MIDDLETON	FY24	FY25	FY26	Chg \$	Chg %
Operating Assessment	\$ 10,896,460	\$ 11,103,806	\$ 11,789,683	\$ 685,877	6.2%
Capital Assessment incl Debt Service	\$ 150,162	\$ 135,586	\$ 230,652	\$ 95,066	70.1%
Total Assessment	\$ 11,046,622	\$ 11,239,392	\$ 12,020,335	\$ 780,943	6.9%
TOPSFIELD	FY24	FY25	FY26	Chg \$	Chg %
Operating Assessment	\$ 9,123,180	\$ 9,760,623	\$ 11,062,339	\$ 1,301,716	13.3%
Capital Assessment incl Debt Service	\$ 131,437	\$ 116,704	\$ 204,441	\$ 87,738	75.2%
Total Assessment	\$ 9,254,617	\$ 9,877,327	\$ 11,266,780	\$ 1,389,454	14.1%
DISTRICT TOTALS	FY24	FY25	FY26	Chg \$	Chg %
Operating Assessment	\$ 31,937,215	\$ 33,243,846	\$ 36,368,292	\$ 3,124,446	9.4%
Capital Assessment incl Debt Service	\$ 449,050	\$ 400,000	\$ 690,000	\$ 290,000	72.5%
Total Assessment	\$ 32,386,265	\$ 33,643,846	\$ 37,058,292	\$ 3,414,446	10.1%

* NOTE: FY26 Preliminary Net School Spending Required Contribution figures and updated Resident Student Enrollment data (per the Regional Agreement) have been utilized to calculate this Assessment by Town Report.



FY26 Budget

Key Assumptions - Highlights

- Revenues are currently budgeted to increase by \$606K or 8.2% as compared to FY25B
 - FY26 Preliminary Cherry Sheet figures have been reflected including Chapter 70 Aid and Regional Transportation Reimbursements.
 - The Chapter 70 formula's minimum aid provision guarantees all districts receive at least the same amount of aid in FY26 as they did in FY25 plus a \$75 per pupil increase.
 - Regional Transportation Reimbursement of \$786K reflects an increase of \$87K (12.5%) versus FY25 Budget and a Reimbursement Rate of 81.7%.
 - Interest Income of \$242K reflects an increase of \$52K versus FY25B and assumes that interest rates on District Bank Accounts will trend behind FY24A but ahead of FY23A.
 - An Excess & Deficiency (E&D) figure of \$713K reflects the amount Certified by MA DOR on 10/10/24 for FY24 which exceeds 4% of the District's operating & capital budget; this is an increase of \$259K as compared to FY25B.



FY26 Budget

Key Assumptions - Highlights

- Expenses are currently budgeted to increase by \$3.73M or 9.2% as compared to FY25B
 - Total Salary costs are assumed to increase by \$1.32M (5.4%) versus FY25B.
 - A Successor CBA for the Teachers Union for FY25 – FY27 was finalized in October 2024. The new CBA includes a 3.75% COLA on Salaries and Stipends in FY26 and expanded Parental Leave. Also incorporated are STEP increases for 41 staff and Salary Schedule Advancements for 20 staff.
 - Successor CBAs for four (4) Unions, including the Paraprofessionals, Professional Administrators, Support Staff, and MPFTs remain to be negotiated and finalized for FY26. The FY26 Salary Placeholder reflected in our Recommendation includes funding for all COLA, STEP, and Salary Advancements associated with these Unions. Providing detail beyond this level could potentially jeopardize the Committee’s bargaining position.
 - Three (3) additional 1 to 1 Paraprofessional positions are assumed in our Recommendation in order to meet the needs of in-coming 7th grade students requiring specialized services in their IEPs.
 - No other changes to Staffing Model are reflected.
 - Total Operating Costs (non-Salary) are assumed to increase by \$2.41M (14.9%) versus FY25B.
 - Incorporates an increase of \$1.27M (+31.3%) in Out-of-District (OOD) Tuition, Special Education Transportation, & Consultant Costs. Reflects a known increase in the number of OOD placements to 69 (+7) as compared to FY25B.
 - Includes an increase of 10% for Active Healthcare Premiums and 5% for Active Dental Premiums. Total Benefits costs increasing by \$452K (8.7%) versus FY25B.



FY26 Budget

Key Assumptions - Highlights

- Total Operating Costs (non-Salary) Concluded
 - Reflects an increase of \$184K (11.5%) in increased Non-salaried Maintenance Costs including \$98K (+19.2%) in increased Electric & Gas Utility costs and \$51K (+10.0%) in increased Janitorial Services Contract costs.
 - Includes an increase of \$131K in Retirement costs including a \$112K (+12.5%) increase in the annual appropriation from the Essex Regional Retirement Board.
 - No new Services or Programs.
- Capital Costs including Debt Service recommended at \$690K in FY26
 - Reflects Priority Projects as identified and supported by both District Leadership and the DCI Subcommittee.
 - See Capital Plan Presentation Recommendation dated January 22, 2025.



FY26 Budget

Capital Costs including Debt Service

Recommended Priority Projects Include:

Project Name	Est. Cost
HVAC Electrification Feasibility Study	\$156,500
Softball and Track & Field Feasibility Study	16,150
High School Elevator Modernization Project	207,639
Middle School Elevator Modernization Project	198,712
Press Box Building Lift Replacement Project	111,000
Capital Cost Total:	\$690,000

Where are the Increases?

90% of the Total Expense Increase of \$3.73M can be attributed to the following 5 Major Cost Categories:

Salaries - +\$1.32M or 35%

OOD/Trans/Cons - +\$1.27M or 34%

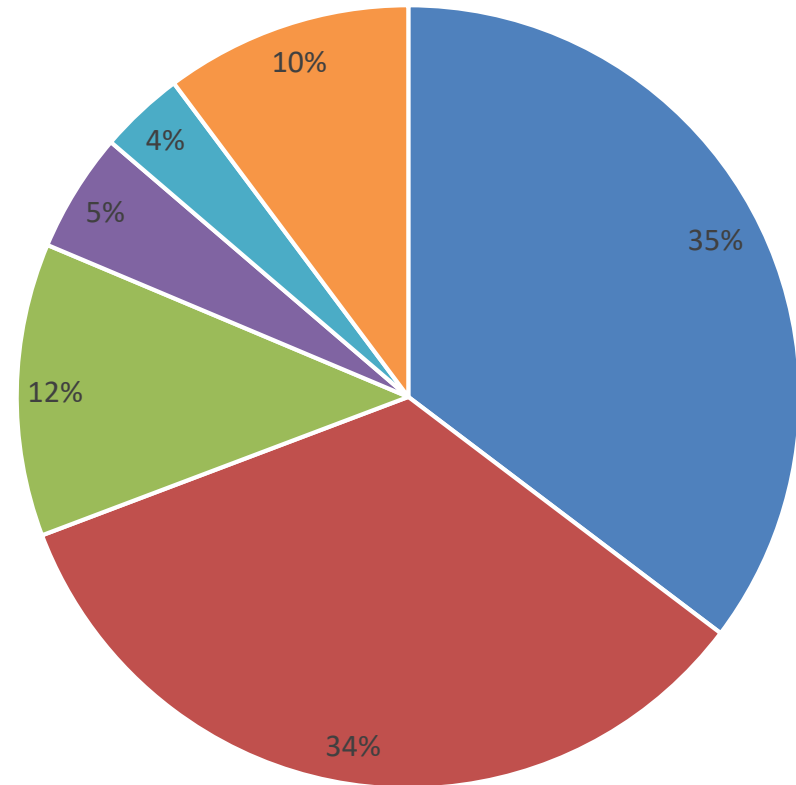
Benefits - +\$451K or 12%

Maint & Utilities - \$184K or 5%

Retirement - \$131K or 4%

% of Total Expense Increase by Major Cost Category (After Offsets)

■ Salaries ■ OOD/Tran/Cons ■ Benefits
■ Maint & Utilities ■ Retirement ■ All Other





Charter Schools

Charter School Sending Tuition (see Expense): Assesses the sending municipality or regional school district, through the Cherry Sheet, for the pupils attending Charter Schools. Charter School tuition charges are assessed against the sending district and paid to the Charter School district. Preliminary Cherry Sheet estimates for the upcoming fiscal year are based on data collected in October of the current fiscal year. Estimates are subject to change as the House and Senate deliberate changes on the budget, and as enrollment projections for the next fiscal year are updated. See the Budget Book for supporting calculation details provided by DESE.

Charter Tuition Assessment Reimbursement (see Revenue): Reimburses sending districts, through the Cherry Sheet, for the student tuition and the capital facilities tuition component they pay to Commonwealth Charter Schools. The capital facilities tuition component includes interest and principal payments, for the construction, renovation, purchase, acquisition, or improvement of school buildings and land. Preliminary Cherry Sheet estimates are derived from projecting upcoming school year enrollment and tuition rates from data collected in October of the current fiscal year. Estimates are subject to change as the House and Senate deliberate changes on the budget, and as enrollment projections for the next fiscal year are updated. See the Budget Book for supporting calculation details provided by DESE.



School Choice

School Choice Receiving Tuition (see Offsets): Provides funding to receiving districts, through the Cherry Sheet, for accepting pupils from other districts. Tuition rates are capped at \$5,000 per pupil, except for special education students, where the cost of any additional special education service/support is paid at 100% by the sending district. Preliminary Cherry Sheet estimates for the upcoming fiscal year are based on data collected in December of the current fiscal year. The FY26 Budget Recommendation assumes 43 School Choice Students from other districts plus a reimbursement of \$56,572 in special education costs.

School Choice Sending Tuition (see Expense): Assesses the sending municipality or regional school district, through the Cherry Sheet, for the pupils attending another school district under school choice. School choice tuition charges are assessed against the sending district and paid to the receiving school district. Preliminary Cherry Sheet estimates for the upcoming fiscal year are based on data collected in October of the current fiscal year. The FY26 Budget Recommendation assumes 8 School Choice Students will attend other districts plus an additional expense of \$16,107 in special education costs. Estimates are subject to change as the House and Senate deliberate changes on the budget, and as enrollment projections for the next fiscal year are updated. See the Budget Book for supporting calculation details provided by DESE.



Interest Income, Fees Collected & Miscellaneous Receipts

Interest Income refers to the interest the District earns on its deposits in interest bearing Accounts. Currently, the District maintains interest bearing Accounts at TD Bank and the Massachusetts Municipal Depository Trust (MMDT).

Fees Collected includes receipts for Student Parking and Student Transcripts.

Miscellaneous Receipts includes non-recurring receipts for vendor refunds, MIAA host fees, unused FSA spending, etc.



Fund Transfers In

Athletic & Co-curricular transfer in refers to an annual one-time transfer of \$408,500 from the athletics & co-curricular fund to the general fund to help defray some of the costs the District incurs while operating its HS Athletics and HS & MS co-curricular programs. These funds are derived from the fees collected by the District for student participation in the various Athletic and Co-curricular Activities throughout the year. For a complete listing of HS Athletics and HS/MS Activities and their related fees please refer to the Budget Book.

The District's Food Service Program is currently outsourced to The Whitsons Culinary Group. The **Food Service transfer in** refers to an annual one-time transfer of \$59,000 from the school lunch fund to the general fund to help defray some of the operating costs the District incurs while administering the outsourced food service program. These funds are derived from the receipts the District receives through the Universal Free Lunch Program.



Medicaid Reimbursement

- The School-Based Medicaid Program (SBMP) is a federal reimbursement mechanism available to local education agencies (LEAs) to offset the costs of providing certain health care services and administrative activities to eligible students in a school setting. The Program has two primary components:
 - Direct service claiming enables school districts to obtain reimbursements for allowable direct health care services provided to eligible students. Allowable services include occupational therapy, physical therapy, and speech therapy.
 - Administrative claiming enables school districts to obtain reimbursements for allowable Medicaid-related administration services provided to eligible students and their families such as outreach activities that support direct service delivery.
- Given the complexities of the SBMP, the Masconomet Regional School District has engaged the professional services of the UMASS Chan Medical School – Medicaid in School Department to Administer our SBMP Program on our behalf. UMASS currently supports over 2,500 school districts across 9 states.
- Our Student Services and Business Office provide UMASS with the information they need to manage our account and submit our claims on our behalf in compliance with Program requirements.