



**North Middlesex Regional School District  
Superintendent's FY2026 Budget Adoption Message  
February 26, 2025**

Brad M. Morgan, Superintendent of Schools

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### **Executive Summary**

The mission of the North Middlesex Regional School District is *“To provide a comprehensive educational experience focused on students becoming contributing members of society.”*

Each year, the Superintendent’s job is to advance that mission with a budget that provides people, programs, and appropriate facilities; supports energized instruction and engaged learning; pushes innovation in all aspects of the school experience, and remains aligned with our core values.

As we kick off the first year of our new 5-Year Strategic Plan, we will be focusing our attention on using the District’s updated Vision, Mission, and Core Values to ensure that all students, PreK-12, have access to the best education possible and are prepared to thrive on their own in a global society at the conclusion of their public school experience in North Middlesex.

NMRSD, like many regional school districts, continues to deal with the fiscal challenges of offering an education to meet all our students' needs. These include, but are not limited to:

1. A significant increase in requests for conducting evaluations for students who need educational, health, and/or social-emotional accommodations and/or modifications. These increases, which are tied to federal and state laws, have led to increased staff (teachers, counselors, paraprofessionals, behavior technicians, occupational therapists,

physical therapists, speech and language pathologists, BCBAs, nurses, etc.) in order for NMRSD to remain in compliance with Individualized Education Plans (IEP) or Section 504 Accommodation Plans (504). Currently, our students requiring IEP's or 504's are as follows:

	<b>IEP</b>	<b>504</b>	<b>Total %</b>
<b>NMRSD</b>	24.9%	9.1%	34%
<b>State</b>	19.4%	5%	24.4%

2. Chapter 766 School Tuition (Students who require an out-of-district private school placement based on the level of their disability) increased statewide by 14% in FY2024 and 4.69% in FY2025. The private school rates are projected to increase at an inflation rate of 3.67% in FY2026. Tuition rates for students who attend special education collaboratives are coming in around a 3% increase but we are still waiting for all the collaboratives to provide the rates. Throughout FY2025, NMRSD has experienced an increase of \$1.5 million in this area.
3. The special education transportation contract is a three-year agreement (with two-year optional extensions) ending June 30, 2026. Special education transportation is exempt from Chapter 30B requirements. The three-year contract represents a 5% increase each year, totaling 15%. The increase in the number of students attending out-of-district schools has resulted in approximately a \$300K increase in transportation costs over FY2025.

As in years past, it is recognized that our member towns prefer the annual budget to increase from one year to the next minimally. NMRSD not only has to deal with an outdated funding formula for regional schools but also lacks a commercial tax base and misses out on many grant awards because we do not qualify as urban or rural, and NMRSD is not a regional career and technical school district. Ultimately, Proposition 2 ½ simply does not come close to supporting the necessary budget to provide our students with the essentials.

The leadership team works hard to keep increases manageable whenever possible and has used 3% as a threshold in previous budgets. As this budget message will outline, this is no longer sustainable as the following areas exceed well beyond 3% annually:

- Collective Bargaining Agreements (CBAs) & Salary Schedules increase - an average of 5%
- Health Insurance - Projecting approximately 10% rate increase for FY2026 overall increase currently 4.50% with enrolled members and reductions in the number of potential members. New rates are confirming that the rate increase is 9.9% (not final). Retired teacher assessment was a significant jump to 26% over Fy25. This was due to rate increase in the GIC along with the offset/adjustment from FY25.
- Regular Transportation - 1 Bus reduction in FY25 in addition to a contractual increase in the rate of 6% for FY2026.
- Special Education Transportation - 5% in rates and ridership increased the budget by \$405,420 for FY2026. In addition, we are seeing an increase in homeless transportation with an increase of \$140,000 over FY25.
- Out-of-District Placements - FY2025 saw an increase in placements of approximately \$1,500,000 over budget. We plan to use circuit breaker funding to help alleviate some of the increase and anticipate receiving a higher amount of circuit breaker reimbursement in FY2026 as a result of the increase. Increases in placements and a 5% estimate of tuition increases are included in the FY2026 budget. We will continue to follow actual enrollments and will make adjustments as needed.

These five areas put us well over our goal of 3% before we even start the budget process. Coupled with the end of ESSER funding, increased special education and multilingual needs from summer move-ins, DCF placements, newly identified students required specialized instruction, and the continuation of unfunded state and federal mandates, there is no flexibility to address “unknowns” or unplanned expenses.

We have engaged in talks with our elected officials at the state level around the regional funding formula, and while the advocacy is there, there remains little hope for substantive change for 3-5 years.

Our enrollments continue to be level or declining, and there have been substantial discussions around possible redistricting and/or reductions of building space. At this time, the budget assumes the reduction of one (1) building, but discussions are ongoing with the School Committee and member towns.

In closing, NMRSD has reduced its original level-service budget of 5.48% by over 2.32% and is now at an increase of 3.16% over FY2025. The inability to move forward with a level-service budget, coupled with our annual drivers and state and federally mandated special education and multi-lingual programming (which cannot be reduced) leads to NMRSD being forced to cut in other areas which include:

- Closure of one school building (\$380K)
- General Education Staff (\$600K) - which leads to increased class sizes across the district

These changes will lead to a district reconfiguration for the PreK-Elementary model in Ashby and Townsend:

Ashby Elementary School	Closure
Squanacook Early Childhood Center	PreK-Grade 1 (Ashby/Townsend)
Spaulding Memorial School	Grades 2-4 (Ashby/Townsend)

Additional reductions will come in the following areas:

- Technology & Curriculum (\$175K) - which inhibits the district's ability to stay current, and some of our curriculum supplemental programs have been cut, which will impact some of our instructional practices
- Capital (\$93K) - has been partially funded, leaving less flexibility for the district's lengthy capital project list.
- Stabilization (\$250K) - has not been funded, also making it more difficult and, in some case,s not possible to address district building needs.

### **Budget Summits**

With respect to the FY2026 budget, we have continued hosting our “Budget Summits” with the towns. Over the past two budget cycles, these summits ensured a smooth budgetary season due to the improved communication between the school district and its member towns. This year, we hosted regular Budget Summits, beginning in August, where each of our member towns was invited to send a team made up of:

- Town Manager/Administrator
- Board of Selectmen Member

- Finance Committee Member

### **Budget Impacts-Unknowns**

As we begin the process of budgeting for FY2026, we are working to establish a reasonable forecast, knowing that there may be some **“unknowns,”** including:

- **School Configuration and Building Closures** - The member towns have requested that the NMRSD assessment not increase by more than 3%. To arrive at this we would need to reduce the level services budget by approx \$3.6 million to get to this number. There are multiple options being considered, but the committee recommended going forward with a budget increase of 3.16% for the public hearing on February 6, 2025.

Since the public hearing, adjustments have been incorporated which include the closure of Ashby Elementary and additional changes listed below. This still leaves the budget approximately \$2 million away from the town’s request of a 3% assessment. With the NMRSD budget at a 3.16% increase the average town assessment is currently an 8.94% increase. At this time, it is expected that the member towns are not able to support the 3.16% budget and will be requesting a proposition 2.5% override vote be taken.

- **Transportation** - On average, we receive approximately 70% reimbursement for student transportation and cannot charge ridership fees to make up the additional 30% in costs, which, in essence, has created an unfunded mandate. The state has also made decisions around how to interpret MGL Chapter 71 Section 16C, which clearly states:

*"the regional school district shall be obliged to provide transportation for all school children in grades kindergarten through twelve, and the commonwealth shall reimburse such district to the full extent of the amounts expended for such transportation, subject to appropriation;"*

- **Staffing Requirements** - The proposed staff reductions include consolidation of building savings and additional class balancing. The proposed budget has an overall reduction of 12.51 FTE. The impact of the staffing changes will also impact benefit and unemployment costs and benefits. As much as the district makes a concerted effort to

maintain minimum staffing levels to avoid high student/teacher ratios, a number of positions, of which most are related to an increased need for special education services, are being added to the general fund annually.

- **Salaries/Compensation** - All collective bargaining agreements are settled through FY2027. Finding qualified staff remains highly competitive, which may impact some estimates.
- **Homeschooling** - The number of families electing to homeschool their students has decreased this school year. The total number of students currently homeschooled is 158 students from 78 families. We are seeing more families come back to the district after the pandemic.
- **Special Education Tuition and Transportation:** We continue to closely monitor the needs of our students receiving special education services. While all our students have been affected by the pandemic, this population has been hit particularly hard regarding maintaining skills, regulating social interactions, and adjusting to virtual learning and the hybrid model during the closure period. As a result, the district has been doing its best to accommodate the changing needs of these students. Additionally, the district must locate out-of-district placements for some students due to significant behavioral and/or anxiety-related needs (increasing out-of-district tuition costs). Our out-of-district placements have seen substantial increases in FY2025, and this will likely continue and be included in the FY2026 budget.

Special education transportation increases due to contractual increases and the increasing number of students requiring special education services. That said, we will continue to monitor this closely and consolidate routes as appropriate.

- **FY2026 Employee and Retiree Benefits**  
The active employee insurance renewal is in progress, with just under a 10% increase. The retiree assessment from the GIC was released and includes a significant increase. We have offset this increase with both active insurance reductions and out-of-district tuition adjustments.
- **FY2026 State Aid** - The basis for the revenue estimates for the FY2026 budget begins with the proposal issued by the Governor. This has been

released, and NMRSD continues to be considered a “hold harmless” district with minimum aid being given due to continued enrollment reductions over time. The governor's proposal for minimum aid increases include \$75 per student or an increase of 1.06% over FY2025. However, other state lines have resulted in all state aid increasing by only 0.79%

- **Transportation Aid (Chapter 71)** - This includes a reimbursement amount of 85% for students greater than 1.5 miles from school. The Governor’s proposal included \$1,191,895 in transportation aid and this is a reduction of \$54,838 over FY2025. The legislature may make changes to this line item in their budget proposals. Additional changes were made in this budget to include McKinney Vento reimbursement with an anticipated \$70,000 to offset transportation costs.

### **FY2026 Budget Components**

Budgets are the vehicle by which leaders communicate their priorities and implement the organization's mission, vision, core values, and goals. Without a commitment of financial resources, the school system's goals cannot be accomplished. The decrease in the student population has had little impact on our budget due to the aforementioned budget drivers.

Specifically, this budget is consistent with the district’s vision and education priorities. Areas of focus include:

1. To create a proposed budget that is transparent and specific so that the School Committee and community leaders can understand our proposals and how they support the educational vision of the NMRSD.
2. To continue creating programmatic consistency at the elementary and middle levels as we work towards truly becoming a PreK-12 district. We have made significant progress in this area and will continue to move in this direction to ensure similar student experiences and preparedness.
3. To examine all potential sources of revenue that the District has at its disposal to fund additional enhancements without overly burdening the annual operating budget. To this end, the district has aggressively pursued competitive grant monies available in various areas, including school safety, mental health support for students, support for students who are homeless, and special education grants.



4. To build an equitable technology infrastructure to increase our purposeful use of technology to benefit students and staff.
5. Continue implementing a long-term vision for instructional materials and equipment through our strategic plan.
6. To no longer assume that children will simply come to North Middlesex because of where they live. With private, charter, and technical school options, NM must actively market “why” we are the best choice. This will be accomplished by closely monitoring and adjusting our curriculum, maintaining strong extra-curricular programs, maintaining a presence and promoting our successes on social media platforms, and working with our public relations firm to consistently relay timely and helpful information to our families.

This has become increasingly difficult as we have seen more students leave NM due to our well-known budget challenges.

**Budget Timeline (Does Not Include Finance Sub-Committee Meetings)**

September 9, 2024	1st Summit Meeting with Towns
October 7, 2024	2nd Summit Meeting with Towns
October 15, 2024	Finance Committee Meeting
October 28, 2024	3rd Summit Forum with Towns
November 14, 2024	Leadership Meets to Establish FY26 Budget Priorities
November 18, 2024	Community Budget Forum NMRHS
November 17, 2024	Budget Requests Due from Departments/Buildings Goal-setting/Parameters with Finance Subcommittee
December 12, 2024	Leadership Team Meet
December 19, 2024	Business Manager Presents Budget Drafts to Building & District Leadership

December 18, 2024	4th Summit Forum with Towns
January 7, 2025	NMRSD Finance Committee Meeting
January 16, 2025	Leadership Team Meeting
January 23, 2025	Projected Governor's Budget Released
February 3, 2025	Proposed FY26 Budget Posted Online
<i>February 6, 2025</i>	<i>Joint Boards &amp; Public FY26 Budget Hearing Superintendent's Budget Message</i>
<b>February 26, 2025</b>	<b>FY26 Budget Adoption - Superintendent's Budget Message</b>
March 10, 2025	Potential Special Town Meetings in all three Towns to consider 2.5 override votes.
April 28, 2025	Ballot Election
May 3, 2025	Ashby Town Meeting
May 5, 2025	Pepperell Town Meeting
May 6, 2025	Townsend Town Meeting

### **Overall Budget Picture**

The FY26 Budget remains at a 3.16% increase over FY25. This budget contains the adjustments to date as well as the impact of the closing of Ashby Elementary School. The current FY2026 general fund budget estimate is \$68,171,423. The budget is a reduction of 12.51 FTE over FY25. There have been reductions of \$1,536,446 since the "level services" budget.

The 3.16% increase breaks down into the following categories:

- 1.75% Special education tuition
- 1.24% Benefits - Active & Retiree Health Insurance
- 0.88% Transportation (Special ed and Regular)
- 0.61% All Contractual salary increases and reductions
- 0.17% Utility Increases
- 0.16% Middlesex Retirement Assessment
- 0.09% Athletics

- 0.04% Substitute line increases
- -0.01% Other expenses: classroom, textbook
- -0.03% Insurance, Legal, FICA
- -0.09% Technology (excluding staff)
- -0.15% Reduction of capital funds
- -0.15% Reduce Stabilization Transfer
- -0.16% Facilities, Building & Equip
- -0.17% Assessments Choice/Charter
- -0.19% Curriculum & PD
- -0.83% Debt Service & lease

In addition, our budget is based on three (3) key overall principles:

- Classroom teachers and maintaining appropriate class sizes are extremely important.
- Professional learning and program evaluation are critical elements of a successful organization. A second focus has been on teaching and learning, program review, professional learning around system objectives, and data analysis as the building blocks of continuous improvement.
- We have prioritized providing consistent programming at the elementary and middle levels while focusing on how to actively market NMRHS as an institution that offers an education and overall culture that, at minimum, matches private, technical, and charter schools in the area.

It is essential to understand that equity does not mean equality. Some of our students require more of our teachers than others to meet the high academic and social standards we set. Our emphasis continues to be on differentiation within the classroom and using quality assessments to drive instruction to provide tangible examples of our work to meet the needs of all learners, which can only be accomplished through reasonable class sizes and adequate staffing in the classroom and student services. Furthermore, our special education and multilingual programming directs important resources to particular populations to ensure all students and families have access to quality instruction, support, and information.

We know that compromises and choices will need to be made and that these ideas will require a substantial financial commitment from the NM taxpayers. We look forward to the opportunity to continue these discussions over the coming months.

This FY26 budget proposal represents an opportunity to provide critical resources to support student services, to continue to maintain and, where appropriate, enhance our special education services in NM, to reaffirm our commitment to the belief that class size matters, and to reiterate our pledge to provide an equitable technology plan throughout our schools. The district's goal is to implement this within the framework of the larger, ongoing conversation about the resources and choices necessary to make our mission, vision, core values, and goals a reality.

I have actively consulted with my leadership team in formulating the FY26 plan. The following spending plan represents my best judgment of the greatest good in line with our obligations to the current citizens and the taxpayers of the next generation.

## **Expenditures**

### **FTE Reduction of 12.51 FTE over FY25**

Teachers & specialist	-7.57
Therapeutic/Med	+1.60 (SLP needs)
Paraprofessional	-0.69 FTE
Nurses	-1.20 (.20 move to grant 1.0 reduction)
Secretaries	+0.00
Custodial	-3.00
HS Based Director	+0.35
Assistant Principal	-1.00
Adjust Crossing Guard	-1.00 (current staffing)
<b>Total</b>	<b>-12.51 FTE</b>

### **Reductions to the Level Services Budget**

Our Level services budget incorporated all staff, health insurance, transportation and tuition increases. This resulted in a budget increase of 5.58%. The district has since reduced additional positions and expenses. These reductions reflect the reduction of 1 building, the return of custodial staff and utilities from the revolving fund and additional staff cuts to level class sizes and adjust middle school class size.

**Adjustments from Level Services Budget 5.58% Request to 3.16% Budget**

<b>Acct</b>	<b>Function</b>	<b>Amount</b>	<b>FTE Adj.</b>	<b>Notes</b>
1210	Superintendent Office Stipend	7,500		Social Media Stipend
2110	Curriculum	-\$55,446		
2110	Principal Office	-\$157,962	-2.00	Move Secretary to DWS, reduce AP
2120	Curriculum leader/Dept Heads	\$40,424	0.35	Add HS Director position and transfer DWS Secretary, reduce curriculum needs
2250	Building Tech	\$4,632		Building technology
2305	Classroom Teachers	-\$399,519	-6.20	
2320	Medical/Therap. SLP	\$38,852	0.40	
2325	Substitutes	-\$2,000		
2330	Paraprofessionals	-\$57,013	-2.00	
2345	Distance Learning/VHS	-\$52,500		Reduced VHS
2415	Library books	\$1,300		new building to outfit
2451	Class Inst. Tech.	-\$50,000		Increase refresh cycle to 6 yrs
2453	Instructional Hardware	-\$2,000		Tech
3200	Health Services	-\$41,290	-1.00	
3300	Transportation (Sp Ed)	\$250,000		Match current projection
4110	Facilities & Custodial	-\$150,166	-2.50	
4120	Heating Buildings	-\$18,483		Reduced building & added back revolving Exp
4130	Electric Other utilities	\$7,425		Reduced building & added back Revolving Exp
4210	Grounds Maintenance	-\$18,000		Facilities
4220	Building Maintenance	-\$53,000		Facilities
4220	Capital Projects	-\$93,053		Remaining capital amount is

				\$156,947
4225	Building Security	-\$36,000		Tech & Facilities
4230	Equipment	-\$3,000		Facilities equip
4450	Tech Infrastructure	-\$10,000		Tech
5200	Active Emp Health Ins	-\$145,187		
5250	Retired Emp Health Ins	\$330,374		
5450	Ban Interest	-\$167,706		
9110	School Choice Assess.	-\$56,793		
9120	Charter School Assess.	-\$102,648		
9100	Tuition to MA Districts	-150,000		Adjust lines
9300	Tuition to non-public schools	-\$145,187		
9700	Transfer to Stabilization	-\$250,000		Eliminate transfer
	<b>Total Reduction from Level Service</b>	<b>-\$1,536,446</b>	<b>-11.95</b>	

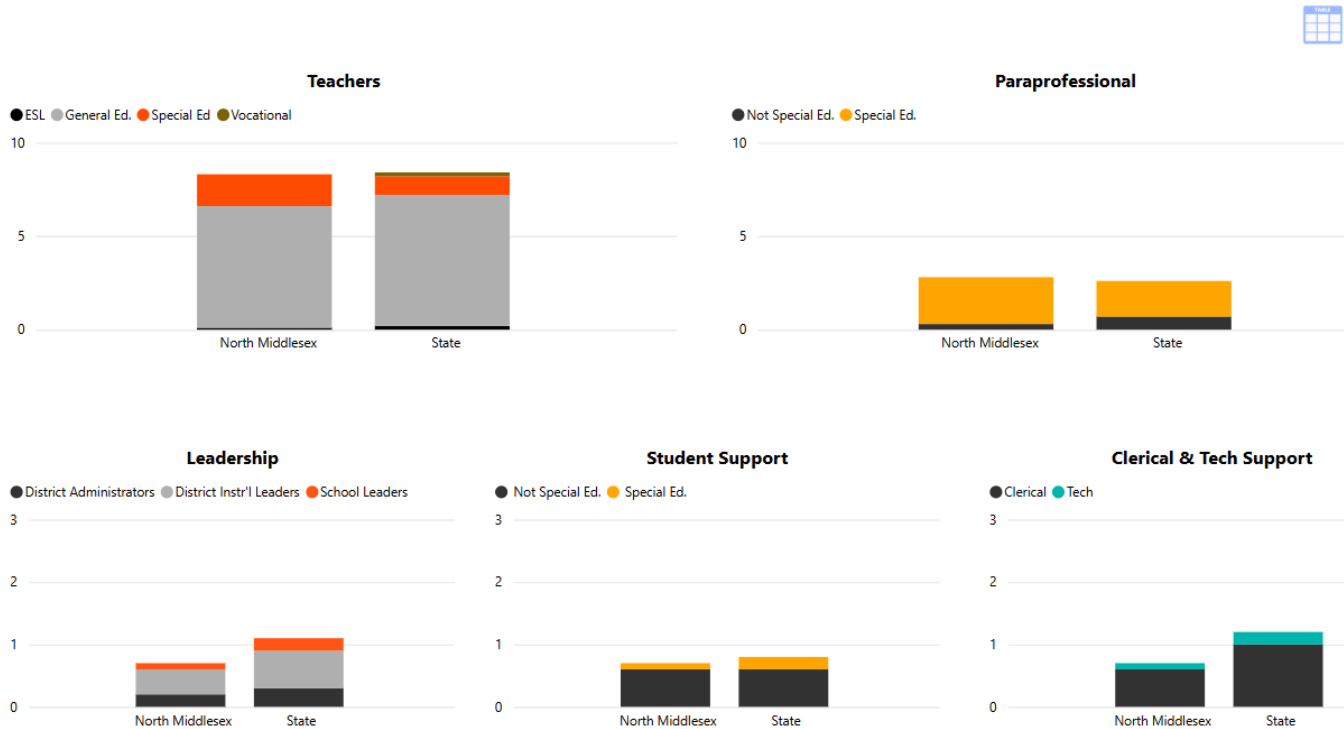
#### Staffing Requested but not added to the budget

Position	FTE	Location	Budget amount	Mandated
Special Ed Teacher	1.0	NMS (TLC)	\$65,000	
Teacher Grade 5	1.0	NMS	\$65,000	No - Class size reduction
Counselor	1.0	NMS	\$65,000 Budget	No, Student caseload support
Para Sped-MS LEAP	1.0	HBMS	\$30,000 Budget	No, but the program may allow students to return to the district from

				outside placements.
Special Ed Teacher-MS LEAP	1.0	HBMS	\$70,000 Budget	To service IEP (required)
Board Certified Behavior Analyst- LEAP	0.5	District-wide	\$35,000 Budget	No, but the support may allow students to remain in district or return to the district from outside placements

One issue that continues to come up is that NMRSD is “top-heavy” in the area of central office administration and the need to reduce administrative staff. The main responsibilities of the central office team is to manage the district as a whole, while also following through on a variety of federal and state mandates. When NMRSD is compared to other districts, we are actually well below the state average when looking at the number of staff members in leadership positions per student. Based on 2023 data (most current data available) from the Massachusetts Department of Elementary and Secondary Education, we are in the bottom 10% of districts in terms of our leadership (staffing). There is a similar trend for tech and clerical support. This data does suggest that we are relatively in line with the state average for teaching and paraprofessional support staff, although we do have a greater percentage of teachers and paraprofessionals working in special education roles as compared with the state average. The table on the next page provides a visual chart of this data. (Source: Massachusetts Dept of Elementary and Secondary Education District Resource Allocation and District Action Reports, <https://www.doe.mass.edu/research/radar/>)

## 2023 Staff FTE Per 100 Students North Middlesex



### 1. Reductions to Administration

As the data from the Department of Elementary & Secondary Education reflects, NMRSD is well below the state average when it comes to administrators per 100 students.

That said, NMRSD continues to evaluate its administrative structure to ensure it is best supporting staff, students, and families. In examining the administrative structure from FY2025 and what is being proposed in this budget, the administrative structure will be reduced by 2.0 FTE.

The breakdown is as follows:

#### ***FY2024 Administration***

NMRHS Assistant Principal	2.0 FTE
NMRHS Athletic Director	1.0 FTE
SMS Assistant Principal	1.0 FTE
Director of Humanities	1.0 FTE
Director of STEM	1.0 FTE
<i>Total FTE:</i>	<i>6.0 FTE</i>



***“Proposed” FY2026 Administration***

NMRHS Assistant Principal	1.0 FTE
NMRHS Assistant Principal/Athletic Director	1.0 FTE
Administrator of Academics (NMRHS), Accountability, & Student Activity Accounts (NEW)	1.0 FTE
Director of Title I, Family Engagement, & Elementary Instructional Coach (NEW)	1.0 FTE
<i>Total FTE:</i>	<i>4.0 FTE</i>

**New Roles**

***Administrator of Academics (NMRHS), Accountability, & Student Activity Accounts***

Proposal to provide necessary support to NMRHS and the District. This position is being proposed as a result of the elimination of 1.0 FTE Guidance at NMRHS (FY24), 1.0 FTE Assistant Principal at NMRHS (FY25), and the elimination of the Director of Data, Accountability, and Chronic Absenteeism/Director of STEM (FY26)

For this position, 14% will be grant-funded through Title IIA and 86% through the operational budget.

*While maintaining some district-level responsibility (approximately 10%) this position will work out of the high school with the following responsibilities:*

- Oversee Academics
- Educator Evaluation
- NEASC
- Credit Recovery
- Transition Programming from Hospitalization/Extended Absence
- Attendance Officer
- High School Student Activity Account Management
- Data & Accountability
- Chronic Absenteeism

***Director of Title I, Family Engagement, & Elementary Instructional Coach***

This position is 100% grant funded through Title I. This is required as there must be an administrator for the Title I program.

This level of supervision and coaching is required due to the change in Title I classification from schoolwide classification to “targeted assistance.”

With the loss of the assistant principal at SMS and the increased population at SECC, this role will assist with educator evaluation at the elementary level and be housed at SMS.

**2. Retirees**

We are anticipating 8 retirees for FY2026. Employee retirement expenses are also budgeted for staff that are exiting the district. We typically estimate a reduced salary for any new staff that are hired to replace a long-term retiree. We also budget for exit costs at an estimate of \$85,000 (level funded) in FY2026. However, through the recruitment process to fill these positions, we will look at a combination of skill set and cost to the district, which usually results in a decrease.

**3. Active Employee & Retiree Health Insurance**

As of January 3, 2025, 277 employees are participating in our insurance plan. The District is contracted with Blue Cross/Blue Shield of MA through a fully insured plan for active employees and non-MTRS retirees. Retirees who are members of MTRS are enrolled through the GIC and the assessed amount is available in February after the GIC sets the rates.

The enrollment count follows:

Family Plan BCBS -	180
Individual BCBS -	91
Family HSA -	3
Individual HSA -	3
<b>Total</b>	<b>277</b>

The projected cost of the active insurance for FY2026 with an estimated 10% increase is \$6,777,103. This is a \$291,628 increase over the FY2025 budget. We have received our rates for FY2026 and these are coming close

to the 10% estimated. There are often changes to the number of staff enrolled in insurance and as a precaution 4 families are included in the proposed budget. (Typically we estimate 8 additional families but due to the increase in the GIC Assessment, we have reduced this number)

The Group Insurance Commission (GIC) provides an assessment for retired municipal teachers. This information is just provided and has come in at a 26% increase over FY2025. With this unexpected news, we have reduced our anticipated families to help offset a portion of the GIC increase. The total GIC assessment estimate is \$2,602,818 this is added to the \$220,000 for retired staff (non-teaching) for a total Retiree Insurance/assessment of \$2,822,818.

#### 4. Substitute Teachers & Staff

We have seen greater needs in substitute staffing to cover teachers and are including an increase of \$30,000 for substitute lines. The 5-year historical average listed below with FY25 to date. During 2021 and 2022 we utilized ESSER Funds to add building-based substitutes.

#### North Middlesex Regional School District

##### 5 Year Comparison Report

Fiscal Year: 2024-2025

Criteria: Account Mask: 001.5.??2325.519.????.???

Account Type: All

As of Date: 06/30

☐ Subtotal by Fund ☐ Page break by Fund

Account Number/Description	FY2025	FY2024	FY2023	FY2022	FY2021
001.5.10.2325.519.000.03.1 IS-Substitute Salary-AES	\$10,440.75	\$12,636.29	\$12,212.55	\$7,599.40	\$2,552.10
001.5.30.2325.519.000.03.1 IS-Substitute Salary-SM S	\$18,457.10	\$26,208.13	\$14,594.82	\$8,842.26	\$1,226.40
001.5.40.2325.519.000.03.1 IS-Substitute Salary-SE S	\$9,728.75	\$3,727.50	\$3,783.50	\$3,721.60	\$1,344.70
001.5.50.2325.519.000.03.1 IS-Substitute Salary-VB	\$24,307.96	\$33,473.20	\$28,304.34	\$18,386.38	\$3,125.85
001.5.60.2325.519.000.03.1 IS-Substitute Salary-HB	\$26,142.90	\$31,659.72	\$31,636.30	\$12,921.10	\$7,411.45
001.5.65.2325.519.000.03.1 IS-Substitute Salary-NMS	\$19,597.50	\$19,039.33	\$23,015.00	\$10,505.00	\$5,215.00
001.5.70.2325.519.000.03.1 IS-Substitute Salary-HS	\$25,180.08	\$57,547.35	\$45,504.87	\$32,752.70	\$9,941.72
001.5.80.2325.519.000.03.2 IS-Substitute Salary-DWS	\$5,839.98	\$20,396.02	\$11,033.54	\$5,810.52	\$4,117.45
<b>Grand Total:</b>	<b>\$139,695.02</b>	<b>\$204,687.54</b>	<b>\$170,084.92</b>	<b>\$100,538.96</b>	<b>\$34,934.67</b>

End of Report

#### 5. Curriculum & Professional Development

As we implement the strategic plan, the FY2026 budget will support the continuation of staff professional development as we move our district forward for student success.

With regard to our strategic plan, this year the district has hosted a series of community meetings to help refine the plan and identify focus areas for FY2025 and FY2026. This plan provides a roadmap for improvement over the next five years and helps to set budgetary priorities for that improvement. For the FY2026 school year, the following areas are prioritized within the strategic plan and are supported through the budget:

- **Strategic Initiative I - Curriculum and Instruction:** continued implementation of research-based core instructional programs that provide access to high-quality learning opportunities for our students
- **Strategic Initiative II - Meeting the Needs of All Students:** establishing and implementing a well-defined multi-tiered system of support (MTSS) that provides opportunities for all students to access grade-level content and instruction
- **Strategic Initiative III - Climate, Culture, and Community:** the development and implementation of a family partnership plan that recognizes families as assets and supports student learning

## **6. State Assessments:**

Middlesex Retirement Assessment: \$109,023

Estimated Charter School Assessment: TBD \$884,901

The NMRSD is assessed just under a million dollars for students who opt to attend charter schools. This is the Governor's budget estimate

Estimated Choice Assessments: TBD \$357,131

The NMRSD is assessed for students who are choosing out to other districts. This assessment is budgeted for and included with our state aid notice. This is the Governor's budget estimate

## **7. Other Insurances:**

We are estimating building, liability, and worker's compensation at a 10% increase.

## **8. Transportation**

**Regular Ed Transportation:** FY2026 will be the 2nd year of a new transportation contract. The daily bus rates for FY2026 will increase by 6%. However we did see a reduction of one bus in FY2025. Should there be a change in student's home schools, the busing numbers may need to be revised.

## ***Historical State Reimbursement for Transportation:***

### **Historical Chapter 71 Reimbursement**

<b>Fiscal Year</b>	<b>FY25 (estimate)</b>	<b>FY24 (estimate)</b>	<b>FY23</b>	<b>FY22</b>	<b>Fy21</b>
Chapter 71 Received:	\$ 1,168,812	\$ 1,168,812	\$ 1,199,933	\$ 1,263,037	\$ 1,159,915
(end of year report year)	FY24	FY23	FY22	FY21	FY20
Regular Ed Transportation Total Cost	\$ 1,833,431	\$ 1,833,431	\$ 1,774,620	\$ 1,665,744	\$ 1,433,041
Less Students under 1.5 Miles	\$ (275,015)	\$ (275,015)	\$ (266,193)	\$ (266,519)	\$ (229,287)
<b>Total Basis for Chapter 71</b>	<b>\$1,558,416</b>	<b>\$1,558,416</b>	<b>\$1,508,427</b>	<b>\$1,399,225</b>	<b>\$1,203,754</b>

**Percentage reimbursement from State of students greater than 1.5 miles from school**

**75%                      75%                      80%                      90%                      96%**

### Number of students

Riders outside of 1.5 miles	2567	2425	2373	2459
Riders within 1.5miles	453	432	449	468
<b>Total</b>	<b>3020</b>	<b>2857</b>	<b>2822</b>	<b>2927</b>

## **Special Education Transportation:**

The daily rates for special education busing will increase by 5% and with the increase in out-of-district placements this line will be increasing by \$405,420.

## **Homeless Transportation:**

Increases have been occurring in the McKinney Vento Homeless Transportation. The FY2025 Budget was originally approved for \$60,000 but the actual costs for FY2025 will likely be around \$200,000. The FY2026 budget is estimated at \$200,000.

## **9. Athletics**

The cost of athletic staffing coverage, transportation, and entrance fees are projected to increase in FY2026 by 81,285 over FY2025. The user fees charged to participants were increased in FY2025 and the rates for FY2026 have not been set yet. The athletic budget is funded by approximately 20% from user fees and gate receipts and 69% from the district general fund.

Athletics Funding Projected FY2026			
Fund		Estimated FY26 Budget	% of total
001	NM District General Fund	\$ 648,885	69%
019	Athletic Donations - Turf Lease	\$ 20,975	2%
020	Turf rental Revolving	\$ 6,000	1%
024	School Choice - Turf Lease	\$ 75,000	8%
023	Athletic User Fee/Gate Revolving	\$ 192,000	20%
	Total Athletic programs	\$ 942,860	100%

## 10. Utilities

The district continues to look for ways to optimize utility costs across the buildings. We have settled natural gas and electric supplier contracts. The FY2026 Budget will include estimates for increases in the electric costs due to a renewal of the supplier contract that begins in December 2024. Utility costs for the Squannacook Early Childhood Center were shifted to the rental revolving fund. And reduction of one building utility costs. This will be the second year of the “on-bill repayment” for the retrofit lighting projects at the Nissitissit Middle School and the Varnum Brook Elementary School. We will continue to monitor utility usage throughout the budget process.

Utilities	FY2026 Budget	FY2025 Exp& Encumbered	FY2024 Actual	FY2023 Actual	FY2022 Actual	FY2021 Actual	FY2020 Actual
Heat 4120	\$461,000	\$505,000	\$443,466	\$382,834	\$406,193	\$425,698	\$725,000
Heat / Revolving Rental	\$0	\$60,000	\$53,942	\$46,430	\$25,935	\$0	\$0
Electric / Other utilities 4130	\$1,291,699	\$1,221,080	\$1,041,860	\$979,081	\$892,243	\$812,686	\$996,500
Electric / Revolving Rental	\$0	\$83,786	\$60,182	\$52,030	\$29,851	\$0	\$0
	<b>\$1,752,699</b>	<b>\$1,869,867</b>	<b>\$1,599,450</b>	<b>\$1,460,376</b>	<b>\$1,354,222</b>	<b>\$1,238,384</b>	<b>\$1,721,500</b>
Change over PY	-\$117,168	\$270,417	\$139,074	\$106,154	\$115,838	-\$483,116	
Increase over PY	-6.27%	16.91%	9.52%	7.84%	9.35%	-28.06%	

## 11. Custodial & Maintenance

The district continues to fund building capital repairs within the budget. This has been funded at \$250,000 in the past. The FY2026 operating budget presents a reduction of \$93,053 in the capital funding planned for FY2026. \$156,947 allocated for this purpose. The district is prioritizing the projects to be included for FY2026 and will share the updated FY2026 capital plan in a future update.

The FY2026 facilities budget includes custodial staffing of 29.5 FTEs in the general fund and 0.80 FTEs are being covered by the Keystone Collaborative rental fund for a total of 30.30 Custodial staff. Hiring custodial and maintenance staff for open positions continues to be a challenge, and we anticipate these challenges to continue into FY2026.

## **12. Technology**

The technology budget continues to prioritize maintaining technology related to safety, security, and curriculum instruction. This includes funding to maintain critical district licenses and hardware related to information technology, classroom audio/video, security, communication, network infrastructure systems, and licenses for instructional and operational applications used throughout the district.

The FY2026 budget includes a reduction of \$170,346 in licenses and classroom information technology hardware. These reductions are determined in collaboration with the Curriculum and Instruction department as well as the overall district and school leadership. The reductions to licenses and hardware seek to support the district's budgetary needs while maintaining support for the programs and systems that have proven to be most beneficial to instruction and a safe learning environment. The result is reductions that seek to minimize negative impacts, such as reducing Chromebook access where the devices are less frequently used.

The request made in previous years for an additional Information Technology Technician has been put on hold for FY2026 as a budgetary consideration.

## **13. Special Education Tuitions**

We continue to work with students to find the least restrictive environment however this does sometimes result in an out-of-district placement. The district has seen significant changes in the out-of-district placements this year. There have been 9 new placements in FY2025 to date. The total deficit for FY2025 is projected at approximately \$1.5 million. We anticipate being able to utilize a combination of additional \* circuit breaker funding (an additional \$500K) and conservative budgeting to cover this shortfall. These increases will carry over into the estimates for FY2026. The FY26 budget includes using an additional \$716K in circuit breaker and \$1,156,485

increase in the General Fund. These numbers will be tracked and updated throughout the budget process.

	<b>FY24 Act.</b>	<b>FY25 Orig Bud</b>	<b>FY26 Request</b>
Collaborative Schools	\$3,052,522	\$2,850,000	\$3,749,693
Private Schools	\$3,681,386	\$3,930,000	\$4,651,940
Mass & OOS Schools	\$ 103,005	\$ 193,000	\$ 298,641
<b>Total Tuitions</b>	<b>\$6,836,912</b>	<b>\$6,973,000</b>	<b>\$8,700,274</b>
Paid by General Fund	\$4,143,467	\$4,313,000	\$5,469,485
Paid by Circuit Breaker	\$2,693,445	\$2,660,000	\$3,230,789
<b>Total Tuitions</b>	<b>\$6,836,912</b>	<b>\$6,973,000</b>	<b>\$8,700,274</b>

\* Circuit Breaker See note in Revenue section on the calculation of Circuit Breaker

#### **14. OPEB and Stabilization Transfer**

The FY2026 Budget includes a transfer of \$150,000 for Other Post Employment Benefits Trust. The transfer to the Capital Stabilization Trust for FY2026 has been eliminated due to budgetary constraints.

#### **2023 Per Pupil Cost<sup>1</sup>**

North Middlesex Regional School District	\$19,824
Francis W. Parker Charter Essential School	\$17,784
Amesbury (dart)	\$22,313
Sizer School, A North Central Charter Essential School	\$16,978
Ayer-Shirley	\$19,644
Ashburnham-Westminster	\$16,464
Belchertown (dart)	\$17,465
Bellingham	\$21,041
Billerica (dart)	\$20,820
Danvers (dart)	\$20,697
Dartmouth (dart)	\$18,365
Dedham (dart)	\$26,693
East Bridgewater	\$16,840
East Longmeadow (dart)	\$19,201
Foxborough	\$21,554
Groton-Dunstable	\$20,606

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<sup>1</sup> Updated May 14, 2024, <https://profiles.doe.mass.edu/statereport/ppx.aspx>



Gil-Montague	\$22,491
Grafton	\$16,585
Hampden-Wilbraham	\$18,876
Harvard	\$24,257
Hudson	\$22,355
Littleton	\$18,430
Lunenburg	\$17,684
Mendon-Upton	\$19,987
North Attleborough (dart)	\$16,952
Northampton (dart)	\$19,524
Norton (dart)	\$19,843
Tewksbury	\$21,819
Tyngsborough	\$18,912
Nashoba Valley Regional Vocational Technical High School	\$22,459
Montachusett Regional Vocational Technical High School	\$23,913

*It is important to recognize that technical high schools' higher per-pupil cost is due to the higher cost of running their programs.*

*State Average Per Pupil Cost 2023*

**\$21,377.40**

- NMRSD 2023 per pupil cost is \$1,553 per student below the state average.

## **Revenues**

**Revenue Challenges:** Using one-time funds (i.e., E & D) can create structural issues for budgeting in future years. FY2026 includes the use of \$1,872,226 in E&D. The FY2026 budget has a reduction of E&D due to less E&D available balance compared to FY25.

- The state aid formula continues to hold NMRSD harmless for a reduction of students and provides \$75.00 per student.
- No significant increase in state funding or district revenues means that any modest budget increases result in assessments to our member towns and may have an impact that may require a 2.5 tax override.

## **1. State Revenue**

- Federal and State Grants - Chapter 70 revenue estimate includes a per-pupil increase of \$75/student. Coupled with the changes in Chapter 71 Transportation and the anticipated charter school

reimbursement, the overall state revenue is projected to be an increase of \$178,541. This represents a 0.79% increase in state aid. Additional aid for McKinney Vento Homeless to help offset the FY26 Transportation assessment was included for additional \$70,000.

	FY24	FY25	FY26	Change	Percent
	Adopted 4-21-23	Adopted 7-9-24	Draft	FY25 to FY26	FY25 to FY26
<b>STATE AID REVENUE</b>					
Chapter 70 Aid	20,852,633	21,174,929	21,399,404	224,475	1.06%
Chapter 71 Transp. Aid/McKinney Vento	1,357,584	1,246,733	1,261,895	15,162	1.22%
Charter Reimbursement	377,897	201,940	140,844	-61,096	-30.25%
<b>Total State Aid Revenue</b>	<b>22,588,114</b>	<b>22,623,602</b>	<b>22,802,143</b>	<b>178,541</b>	<b>0.79%</b>

## 2. Available District Revenue

- Excess & Deficiency (E&D): The FY2026 budget is supported with \$1,872,226 of Excess and Deficiency (E&D) funds. This represents 100% of the total available certified E&D. E&D funds are replenished by operations from the prior year and are considered one-time funds.
- School Choice: \$450,000 in School Choice revolving funds is expected to be allocated for Health Insurance costs in FY2026. This is level funded from FY2025. We are currently expecting less school choice revenue due to the reduction of students. There are currently approximately 37 Students from 8 Communities choosing into the district. There have been discussions about potentially paying off the turf field or other leases however, this has not been decided.
- Investment Income: The district increased the investment income by \$40,000, for a total of \$200,000, to reflect increased investment income.
- Medicaid Reimbursement: The reimbursable services have also increased, and we have increased Medicaid reimbursement by \$7,000, which is an estimate of \$357,000. We will continue to monitor the actual reimbursements through the budget process.

	FY24	FY25	FY26	Change	Percent
	Adopted 4-21-23	Adopted 7-9-24	Draft	FY25 to FY26	FY25 to FY26
<b>DISTRICT REVENUE</b>					
Excess & Deficiency (E&D)	2,045,000	2,674,100	<b>1,872,226</b>	-801,874	-29.99%
Medicaid Reimbursement	310,000	350,000	357,000	7,000	2.00%
School Choice	500,000	450,000	450,000	0	0.00%
Investment Income	45,000	160,000	200,000	40,000	25.00%
<b>Total District Revenue</b>	<b>2,900,000</b>	<b>3,634,100</b>	<b>2,879,226</b>	<b>-754,874</b>	<b>-20.77%</b>

### 3. Town Assessments

The town assessments include Operating, Transportation and Debt Service. Based on the projected budget numbers (3.16%) and revenue from the state, the assessments are currently projected to increase an average of 8.94%. This lack of revenue in the state aid and district funds results in a higher impact on member town assessments for any increased NMRSD budget. On a positive note, the projected debt service has declined significantly.

- Operating Assessments: The share each town is assessed is influenced by enrollment shifts between the towns and the minimum local contribution requirement (minimum local contribution uses EQV - Equalized Property Valuation and the Municipal Growth Factor to determine what each town pays).

	FY24	FY25	FY26	Change	Percent
<b>Total Operating Assessment</b>	<b>Adopted 4-21-23</b>	<b>Adopted 7-9-24</b>	<b>Draft</b>	<b>FY25 to FY26</b>	<b>FY25 to FY26</b>
Ashby	3,848,969	4,156,900	4,459,735	302,835	7.29%
Pepperell	15,803,489	16,525,893	17,823,594	1,297,701	7.85%
Townsend	11,300,566	11,782,055	12,823,643	1,041,588	8.84%
<b>Total Operating Assessment</b>	<b>30,953,024</b>	<b>32,464,848</b>	<b>35,106,972</b>	<b>2,642,124</b>	<b>8.14%</b>

- Transportation Assessment: Transportation is assessed to the towns based on enrollment and is offset with the reimbursement of state aid Chapter 71. The legislature determines the rate of reimbursement for all students over 1.5 miles from school.

	FY24	FY25	FY26	Change	Percent
<b>Transportation Assessment</b>	<b>Adopted 4-21-23</b>	<b>Adopted 7-9-24</b>	<b>Draft</b>	<b>FY25 to FY26</b>	<b>FY25 to FY26</b>
Ashby	350,846	422,181	489,631	67,450	15.98%
Pepperell	1,344,129	1,553,543	1,833,915	280,372	18.05%
Townsend	1,034,911	1,244,706	1,443,720	199,014	15.99%
<b>Total Transportation Assessment</b>	<b>2,729,885</b>	<b>3,220,431</b>	<b>3,767,267</b>	<b>546,836</b>	<b>16.98%</b>

## **TOTAL PROJECTED OPERATING AND TRANSPORTATION ASSESSMENTS**

	FY24	FY25	FY26	Change	Percent
	Adopted 4-21-23	Adopted 7-9-24	Draft	FY25 to FY26	FY25 to FY26
<b>TOTAL LOCAL REVENUE</b>					
Ashby	4,199,815	4,579,081	4,949,366	370,285	8.09%
Pepperell	17,147,618	18,079,436	19,657,509	1,578,073	8.73%
Townsend	12,335,477	13,026,761	14,267,363	1,240,602	9.52%
<b>Total Local Revenue</b>	<b>33,682,909</b>	<b>35,685,279</b>	<b>38,874,239</b>	<b>3,188,960</b>	<b>8.94%</b>

- Debt Assessment: The projected FY2026 Debt Service assessment includes principal and interest payments for two long-term bonds and one bond anticipation note (BAN) for the High School project. The Nissitissit Middle School has come off the debt schedule this year. The short-term borrowing for the accelerated repair program (ARP) at Squannacook Early Childhood Center, Varnum Brook Elementary School, and Hawthorne Brook Middle School. These numbers reflect the renewal BAN but there may be slight changes since the final numbers are in process as of this date.

### **Draft NMRSD District Debt Service FY2026**

	FY24	FY25	FY26	Change	Percent
<i>Long-term Debt Assessment</i>	Adopted 4-21-23	Adopted 7-9-24	Draft	FY25 to FY26	FY25 to FY26
Ashby	565,106	567,967	495,990	-71,977	-12.67%
Pepperell	2,211,956	2,197,868	1,826,817	-371,051	-16.88%
Townsend	1,420,384	1,335,286	1,256,104	-79,182	-5.93%
Premium Used for Interest Pmt	43,867	40,041	36,981	-3,060	-7.64%
<b>Total Long-Term Debt Assessment &amp;</b>	<b>4,241,313</b>	<b>4,141,162</b>	<b>3,615,892</b>	<b>-525,270</b>	<b>-12.68%</b>

### **Enrollments -**

**Link to [NESDEC Enrollment Projections Fall 2024](#) (includes a 10-year projection by town and district)**

North Middlesex Regional School District Foundation Enrollment History (DESE OCT 1)													
Total	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Change 2026 to 2025	
Ashby	420	404	396	371	363	357	349	393	398	406	389	-17	
Pepperell	1,661	1,603	1,571	1,541	1,526	1,514	1,425	1,440	1,512	1,494	1,457	-37	
Townsend	1,341	1,293	1,241	1,246	1,264	1,286	1,217	1,233	1,186	1,199	1,147	-52	
<b>Total</b>	<b>3,422</b>	<b>3,300</b>	<b>3,208</b>	<b>3,158</b>	<b>3,153</b>	<b>3,157</b>	<b>2,991</b>	<b>3,066</b>	<b>3,096</b>	<b>3,099</b>	<b>2,993</b>	-106	
Change	-3.63%	-3.57%	-2.79%	-1.56%	-0.16%	0.13%	-5.26%	2.51%	0.98%	0.10%	-3.42%		
North Middlesex Enrollment History by Town													
YEAR	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Change 2026 to 2025	
Ashby	12.27%	12.24%	12.34%	11.75%	11.51%	11.31%	11.67%	12.82%	12.86%	13.10%	13.00%	-0.10%	
Pepperell	48.54%	48.58%	48.97%	48.80%	48.40%	47.96%	47.64%	46.97%	48.84%	48.22%	48.68%	0.46%	
Townsend	39.19%	39.18%	38.68%	39.46%	40.09%	40.73%	40.69%	40.21%	38.30%	38.68%	38.32%	-0.36%	
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	0.00%	

### Projected Class Sizes:

## Projected Enrollment Elementary FY2026

SECC	Section 1	Section 2	Section 3	Section 4	Section 5	Average Class Size
<b>Ashby/Townsend</b>						
<b>Kindergarten</b>	22	22	22	22	23	<b>22.2</b>
<b>Grade 1</b>	23	23	24	24	0	<b>23.5</b>
<b>PK / LEAP</b>						<b>15</b>
Total Projected Enrollment	<b>312</b>					

Spaulding	Section 1	Section 2	Section 3	Section 4	Section 5	Average Class Size
<b>Ashby/Townsend</b>						
<b>Grade 1</b>						
<b>Grade 2</b>	26	26	26	26	26	<b>26.00</b>
<b>Grade 3</b>	25	25	26	26		<b>25.50</b>
<b>Grade 4</b>	24	24	24	24	24	<b>24.00</b>
Total Projected Enrollment	<b>352</b>					

Varnum	Section 1	Section 2	Section 3	Section 4	Section 5	Average Class Size
<b>Kindergarten</b>	19	19	20	20	20	<b>19.60</b>
<b>Grade 1</b>	22	23	23	23	23	<b>22.80</b>
<b>Grade 2</b>	27	27	27	27		<b>27.00</b>
<b>Grade 3</b>	24	24	24	25	25	<b>24.40</b>
<b>Grade 4</b>	23	24	24	24	24	<b>23.80</b>
Total Projected Enrollment	<b>561</b>					

## **Projected Enrollment Middle Schools FY2026**

Hawthorne Brook Middle School	Average Class Size
Grade 5	19.33
Grade 6	17.83
Grade 7	28.00
Grade 8	28.25

Nissitissit Middle School	Average Class Size
Grade 5	28.40
Grade 6	25.20
Grade 7	21.17
Grade 8	20.50

## **Projected Enrollment High School FY2026**

NMRHS	Enrollment 2024	Enrollment 2025	Projected Enrollment 2026
Grade 9	174	148	152
Grade 10	186	171	148
Grade 11	212	175	171
Grade 12	175	197	175
Total	747	691	646

**Excess & Deficiencies CMR 41.06 (E&D)**

Every regional school district shall maintain an excess and deficiency fund 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 excess and deficiency fund.

On or before October 31st of each year, every regional school district shall submit to the Department of Revenue the forms and schedules as the Department of Revenue requires for the purpose of reviewing and certifying the balance in the regional school district's excess and deficiency fund. At the discretion of the Commissioner, the Department may withhold the release of all or some part of the quarterly state school aid for the regional school district if the regional school district still needs to file the required forms and schedules by such date.

A regional school committee may use all or part of the certified balance in the excess and deficiency fund as a revenue source for its proposed budget. If the certified balance exceeds five percent of the proposed budget, the regional school committee shall use the amount in excess of five percent as a revenue source for its proposed budget.

A recent history of NMRSD's use of Excess & Deficiency funds is as follows:

<b>North Middlesex Regional School - Historical E&amp;D Analysis</b>					
From Fiscal Year		Amount Used for		% Used toward	
Activity	E&D Certified	Subsequent Year Budget	Remaining	budget	
FY14	\$ 1,516,911	\$ 250,000	\$ 1,266,911	16.48%	
FY15	\$ 1,958,782	\$ 300,000	\$ 1,658,782	15.32%	
FY16	\$ 2,744,243	\$ 490,000	\$ 2,254,243	17.86%	
FY17	\$ 3,035,703	\$ 1,360,000	\$ 1,675,703	44.80%	
FY18	\$ 3,172,219	\$ 1,300,000	\$ 1,872,219	40.98%	
FY19	\$ 3,118,552	\$ 2,045,000	\$ 1,073,552	65.58%	
FY20	\$ 3,256,149	\$ 2,045,000	\$ 1,211,149	62.80%	
FY21	\$ 3,704,476	\$ 2,645,000	\$ 1,059,476	71.40%	
FY22	\$ 3,055,573	\$ 2,045,000	\$ 1,010,573	66.93%	
FY23	\$ 2,674,100	\$ 2,674,100	\$ -	100.00%	
FY24	\$ 1,872,226	\$ 1,872,226	\$ -	100.00%	to fund Fy2026 Budget

**Federal and State Grants**

The district receives several state and federal grants, the largest of which is the SPED Allocation 240 Grant. For FY2026, we plan to continue using this grant to pay for paraprofessional salaries and special education summer school salaries. The FY2025 grant awards are listed below.

#### *FY2025 Grant Awards*

• Title 1 Grant 305	\$391,035
• Title IIA 140	\$65,226
• Title III 180	\$13,869
• Sped Allocation 240	\$959,516
• Title IV 309	\$28,370
• Early Childhood Allocation 262	\$38,800
• Safe and Supportive Schools	\$10,000
• Investigating History Implementation	\$43,500
• Special Ed Program Improvement	\$20,000
• Innovative Career Pathways Planning	\$9,950
• MA Farming Reinforces Learning/Health	\$6,650

#### *Cares Act and Esser Fund Awards (completed)*

• ESSER I (complete)	\$254,114
• ESSER II (complete)	\$977,524
• ESSER III (ends 9/30/25)	\$2,258,260
• IDEA ARP Special Education (complete)	\$162,436
• IDEA ARP Early Childhood (complete)	\$14,449
• ARP Homeless Children & Youth	\$6,430
• USDA Pandemic EBT Reimb. (complete)	\$4,298
• Cares Act-Subrec. Pepperell (complete)	\$92,683

### **District Revolving & Special Revenue Funds**

#### **Circuit Breaker**

The district can file for reimbursement for special education expenses through the state Circuit Breaker program. Beginning with FY2021, this also included a percentage of special education transportation costs depending on the total cost of each student's expenses. Costs for each student that exceeds the designated threshold (FY2025 will be \$52,419) are reimbursed at a rate set by the state (75% is the typical rate depending on state budget factors). These funds are used exclusively to offset the cost of special education. We anticipate using \$3,230,789 in circuit breaker funding to offset the tuition costs.

Preschool Revolving - The district provides preschool services at the Squannacook Early Childhood Center. The district receives preschool tuition for participation in the preschool program. These funds are used to support



teacher salaries and, occasionally, other classroom supplies. These funds will be utilized in FY2026 to support a 1.0 FTE Teacher.

Athletic Revolving - The district assesses user fees for the students who participate in sports. These user fees are waived for free and reduced students. The fees are used exclusively to support the athletic programs. The user fees are used to support the cost of transportation and supplies, materials, and entrance fees for our athletes. Receipts to date for Fy25 are 126,189. The user fees have not been set for FY2026.

Athletic Turf Rental Revolving—The district separately tracks the revenue generated for renting the artificial turf field. The funds received in the turf rental account will offset the costs of the turf lease payment. The district received \$20,855 in revenue in FY23 and has received \$8,975 in FY2024. Receipts to date for FY25 are \$3,738

Athletic Donations/Advertising Revolving - The total of athletic donations received in FY2024 was \$12,105, and to date, it is \$0 in FY2025 (to date).

Marching Band Revolving - The district charges user fees for students participating in the Marching Band program. These funds are used to support the transportation costs and supplement the materials needed for this program. The total marching band fees received in FY2024 were \$7,895, and receipts for Fy25 to date are \$3,535.

Parking Lot Revolving - The district collects parking fees from students who bring their cars to school. Due to the pandemic, the fee was waived from FY2020 to FY23. This fee was reinstated in FY2024 with receipts of \$14,260. The fee was increased for FY2025 to \$180 per year. The fees collected in FY2025 to date are \$29,020. The funds collected for this purpose are used to pay for the upkeep of the parking lots and equipment.

Building Use Revolving - The district leases space to both in-district and out-of-district groups. These funds are used to support building costs. The total building use fees received in FY2024 were \$129,943 with expenses of \$44,356. Receipts to date for FY2025 include \$56,157 with expenses of \$26,726 (to date).

Food Services Revolving - The district aims to operate an entirely self-funded food service program. The district has been using an outside food service management company since FY2011. The current contract is with Fresh Picks Cafe, and they began serving the district for the FY2022 school year. The state legislature supported continuing subsidizing the free meals program, which started in FY2022. The revolving fund ended FY2024 with a positive balance of \$874,938. The Governor's proposal included funding for the continuation of free lunch.

Donations Accounts - Thanks to the generous support of families, our PTOs, and businesses, the district receives donations to support our schools. These funds are used to support programs in those buildings. Donations have been used in past years to support classrooms, provide additional events, and upgrade buildings and playgrounds. The district received donations of \$36,620 in FY2024.

Keystone Rental Account - Keystone rental revolving includes the rental income for leasing the SECC building. This lease was extended into FY2025 but will end by February 1, 2025. In the original proposal we included utility costs and custodial costs. Because the new model has SECC with ongoing use and in order to avoid a "one time" use of funds, adjustments were made to utilities and custodial costs to pay these from the General Fund budget. This fund will likely be used for any update/upgrades to the SECC building needed for the new configuration.

Before/After Revolving - The district moved to a self-operated before and aftercare program in FY2022. The district currently operates at all three elementary schools. We anticipate utilizing these funds to support the cost of running the before and aftercare program.

Tuition-In Revolving - The district has a number of students and districts that pay tuition to attend NMRSD. These funds are used to support the cost of additional student services. We utilize tuition funds to support salaries for teachers and paraprofessionals and, on occasion, capital purchases. The tuition funds in revenue received in FY2024 were \$64,896. Receipts to date FY25 are \$15,000.

Capital Stabilization Fund - G.L. c.71, s.16 G ½ provides for the establishment of stabilization funds by regional school districts. This law was recently

amended by St. 2010, c.188, s.58, to clarify the approvals necessary to make expenditures from these funds. The district received town meeting support from two member towns to establish a stabilization fund to address larger capital projects. The stabilization fund can be used to set aside funds to use for future capital projects. The use of this fund in the future would require a vote of the school committee. FY2026 does not include any transfer into the Stabilization and there is no planned expenditures from this fund for FY26. The balance as of June 30, 2024 in the Stabilization account is \$671,484.

Other Post Employment Benefits Fund (OPEB) - The FY2026 budget includes a contribution to the Other Post Employment Benefit Fund of \$150,000. This fund is a long-term fund established to assist in future costs related to retiree benefits. The balance as of June 30, 2024<sup>20</sup> in the OPEB fund is \$1,078,899. This is still extremely far off from the overall OPEB Liability of \$90,654,063. However, making regular contributions will show that our district is planning for our long-term liabilities.

### **Conclusion**

The FY2026 spending proposal for NMRSD represents our effort to continue a strong educational agenda in a challenging fiscal environment, continued examination of our priorities and beliefs, and at a time when we are contending with the costs of serving our students and families at a level that NMRSD demands of its public school system.

This plan is focused on our Vision, Mission, and Core Values, along with the long-established priorities and policy drivers of this system:

- Classroom teachers and class sizes are essential.
- Professional learning and program evaluation are critical elements of a successful organization.
- Serving NM students within the NMRSD is best for families and our schools.
- Our 3-tiered level model best facilitates the academic program and community NM families seek in their school system.
- Teachers matter
- Equity does not mean equal . . . some of our students require more of our teachers and services than others to meet rigorous standards.
- Quality early education programming is an integral part of a public school system.

- Technology is an essential component of a quality teaching and learning environment.
- An agile central administration is necessary to serve a complex school population.

Most importantly, this FY2026 proposal is designed to allow us to address critical classroom needs, in-classroom supports, special education needs, and technology during the coming year while continuing to work toward long-term solutions to the financial implications of our growing capital improvement list.

We look forward to providing elected officials, appointed representatives, and the community with further explanations of these important proposals over the coming months.