

NORTH MIDDLESEX REGIONAL SCHOOL DISTRICT

**Superintendent's Budget Recommendation to the
School Committee
FY2026 Budget**

NMRSD Budget

Each year, the Superintendent's job is to advance our 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.

FY2026 Budget Timeline

- Budget Meetings with Town Administration August, October, November, & December
- Requested budgets received from departments: November 15th
- Governor's Budget proposal was released with MLC (Minimum Local Contribution) and Foundation Enrollment: January 22nd
- Public Hearing on FY26 Budget: February 6th
- School Committee Budget Adoption: TBD
- Special Town Meetings: March 10th

Potential Budget Adjustments

- **Regular & Special Transportation** - With a potential building closing all transportation needs are being reviewed. FY26 is year 2 of the renewal contract for transportation services.
- **Unemployment costs** increases (pending final reductions needed)
- **Retiree Health Insurance** - GIC Assessment is available and came in much higher than anticipated.
- **Staffing needs** - The district has some positions that we have been unable to hire for. They have been filled with more expensive contracted services. There are a number of positions that may be hired or contracted. In addition, the number of students in each grades and the consolidation of Ashby and Townsend grades may impact the staffing.
- **Enrollments** - Actual numbers are fluid (projected K enrollment, Homeschool returns, move-ins, DCF placements, etc.)

Potential Budget Adjustments (Cont)

- **Special Education Tuition** - Increase in the number of referrals for evaluations and eligibility, particularly at lower grade levels for students impacted by interrupted and incomplete learning due to the pandemic. Out of District tuition rates for FY26 are not all available yet.
- Property and Workers Compensation insurances (est 10%)
- Elementary School enrollment levels (esp. Kindergarten)
- Legislature makes revenue changes i.e. increase in transportation reimbursement, chapter 70 or other funding

Ongoing Staffing Drivers that Impact the Budget

New students, federal/state mandates, influx of PreK students who are special education eligible, increase in special education population, out-of-district placement, transportation and social-emotional student needs, and multilingual needs. This has led the district to respond by:

- Hiring additional counseling staff to support students;
- Hiring English Language teachers per the DESE (mandate);
- Hiring additional special education teachers, paraprofessionals, behavior technicians, and service providers to support our students and to maintain compliance with Individualized Education Plans.

Result is an increase mandated staff. Leaving NMRSD to make reductions in general education content teachers when budget reductions are required.

2023 Per Pupil Cost

North Middlesex Regional School District	\$19,824
Groton Dunstable Regional School District	\$20,606
Danvers Public Schools	\$20,697
Billerica Public Schools	\$20,820
Pentucket Regional School District	\$19,269
Norton Public Schools	\$19,843
State Average Per Pupil Cost	\$21,377

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

Overall Budget Picture

The FY2026 budget represents a 3.16% increase over FY2025 (decreased from 5.58%/\$1.6M):

- ❖ An increase of \$2,087,279 for an FY26 budget of \$68,171,423
- ❖ A total reduction of -10.36 FTE over FY2026. A total of 440.59 FTE for FY2026 general fund budget.
- ❖ Reduction of one building included in this proposed budget

The Breakdown...

The 3.16% increase comes from the following changes:

Increases		Decreases	
Salary, Contractual Obligations & Benefits	2.77%	Reduce capital funds & stabilization transfer	-.0.29%
Out of District tuition increases	1.75%	Curriculum and technology	-0.30%
Transportation (both regular and special education)	0.88%	Building closure - Facilities & Utilities	-0.36%
Supplies, substitutes, athletic, classroom & other	0.16%	Building closure - additional \$400k TBD (building consolidation)	-0.61%
Middlesex Retirement Assessment	0.16%	Debt Service	-0.83%
		Charter/Choice Assessments	-0.17%

Reductions Made to FY26 Budget Level Services 5.58% to 3.16% (Rounded Numbers)

➤ Reduction of Capital Repair funds	94K
➤ Reduce Technology & Curriculum lines	160K
➤ Eliminate Transfer to Capital Stabilization	250K
➤ Close 1 Building-Custodial Costs/Facilities	400-600K
➤ Close 1 Building - Staff Consolidation	400-600K
➤ Homeless Increase. Retiree Insurance, Debt Service Savings Choice & Charter Assessment	121K

Total Reductions Made

\$1.6M

Impact: Reduce/eliminate funding required to support our lengthy lists of capital needs, making our ability to stay current with technology more challenging, and the loss of important supplemental Curriculum, Instruction & Assessment programming.

Impact of Cuts to Reduce FY26 Budget from Level Services 3.16 to 0%

Total reduction \$2,190,000 would provide a 3.0% town assessment as requested:

Option 1 - Make budget reductions

- Approximately 27 staff or
- Reduce 2nd building \$335K and approximately 23 staff

Option 2 - Additional revenue

- Increased funding from state budget
- Increased funding from town budget
- Increased funding from taxpayers - Proposition 2.5 override vote

Staffing Changes FY2026

Increases:

- | | |
|-----------------------------------|----------|
| - Therapeutic/Medical Staff (SLP) | 1.60 FTE |
| - Paraprofessional staff | 1.31 FTE |

Reductions:

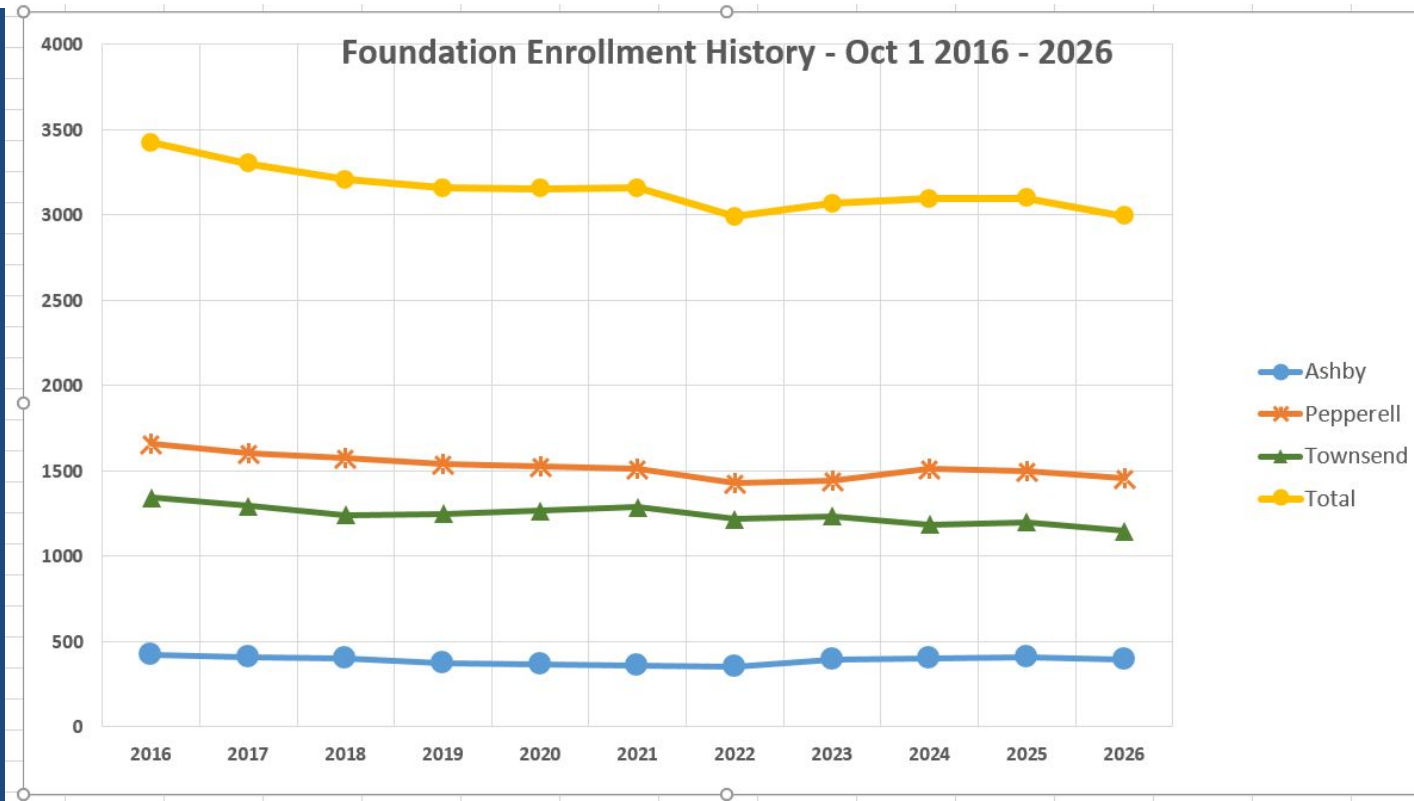
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|---|-----------|
| - TBD: reductions for consolidation of grades | -7.0 FTE |
| - Other teaching & specialist adjustments | -1.37 FTE |
| - Custodial/other | -4.7 FTE |

(3.0 from building closure 1.7 revolving adjust)

- | | |
|-------------------------------|-----------|
| - Nursing (move to grant TBD) | -0.20 FTE |
|-------------------------------|-----------|

Total All FTE changes Reduction of - 10.36

Historical Enrollment Projections



Foundation Enrollment

FY 2025

- Ashby 406 13.11%
- Pepperell 1,494 48.25%
- Townsend 1,197 38.65%

Total: 3,097

FY2026

- Ashby 389 13.00%
- Pepperell 1,457 48.68%
- Townsend 1,147 38.32%

Total: 2,993

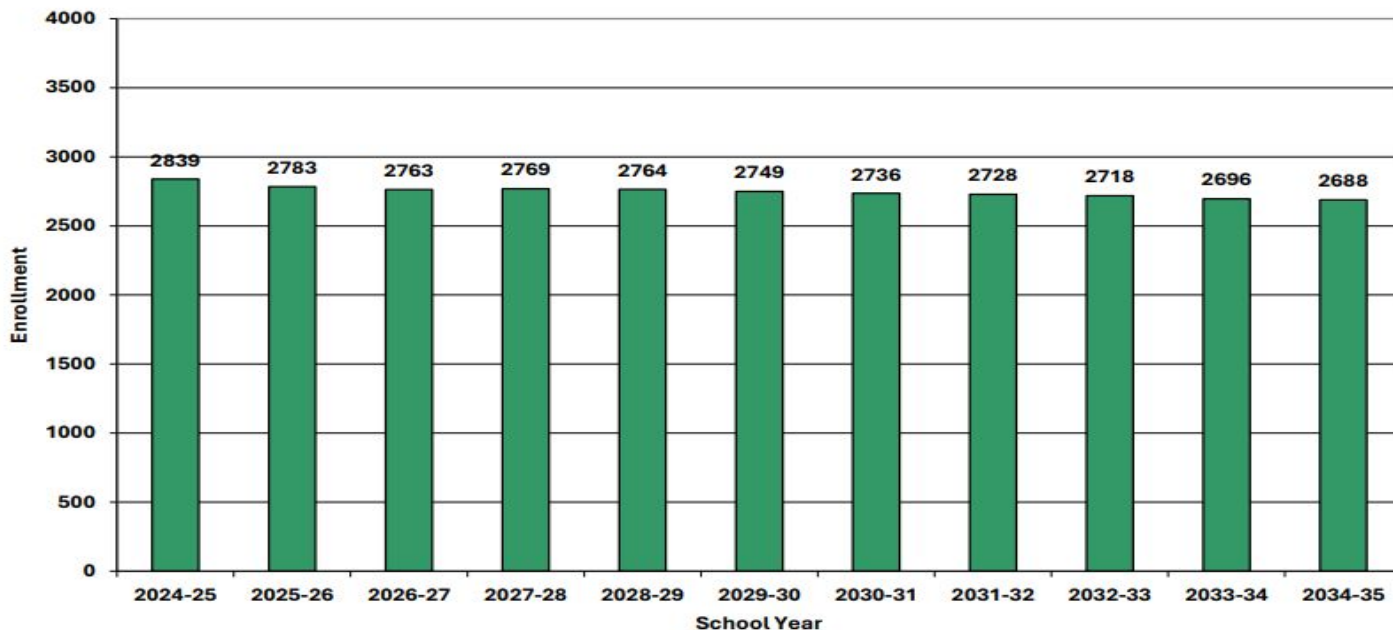
(Decrease of 104 students)

Shift in District Enrollment

- Ashby - Decrease of 17 Students -0.11% decrease
- Pepperell - Decrease of 37 Students +0.44% increase
- Townsend - Decrease of 50 Students -0.33% decrease

Foundation enrollment relies on the student count that the district is financially responsible for on October 1st of any given year

Grades K-12 Projected Enrollment



Revenue

State & District *Governor's Budget*

	FY24	FY25	FY26	Change	Percent
STATE AID REVENUE	Adopted 4-21-23	Adopted 7-9-24	Draft	FY25 to FY26	FY25 to FY26
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	1,191,895	-54,838	-4.40%
Charter Reimbursement	377,897	201,940	140,844	-61,096	-30.25%
Total State Aid Revenue	22,588,114	22,623,602	22,732,143	108,541	0.48%
	FY24	FY25	FY26	Change	Percent
DISTRICT REVENUE	Adopted 4-21-23	Adopted 7-9-24	Draft	FY25 to FY26	FY25 to FY26
Excess & Deficiency (E&D)	2,045,000	2,674,100	1,872,226	-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%
Total District Revenue	2,900,000	3,634,100	2,879,226	-754,874	-20.77%

Revenue Town Operating Assessment Calculations

LOCAL REVENUE	FY24	FY25	FY26	Change	Percent
Minimum Local Contribution	Adopted 4-21-23	Adopted 7-9-24	Draft	FY25 to FY26	FY25 to FY26
Ashby	2,618,646	2,832,172	2,931,213	99,041	3.50%
Pepperell	11,129,499	11,651,156	12,098,513	447,357	3.84%
Townsend	7,634,328	7,876,392	8,316,664	440,272	5.59%
Total Minimum Contribution	21,382,473	22,359,720	23,346,390	986,670	4.41%
	FY24	FY25	FY26	Change	Percent
Above Minimum Local Contribution	Adopted 4-21-23	Adopted 7-9-24	Draft	FY25 to FY26	FY25 to FY26
Ashby	1,230,323	1,324,728	1,528,512	203,784	15.38%
Pepperell	4,673,990	4,874,737	5,725,044	850,307	17.44%
Townsend	3,666,238	3,905,663	4,506,949	601,286	15.40%
Total Above Minimum Contribution	9,570,551	10,105,128	11,760,505	1,655,377	16.38%
	FY24	FY25	FY26	Change	Percent
Total Operating Assessment	Adopted 4-21-23	Adopted 7-9-24	Draft	FY25 to FY26	FY25 to FY26
Ashby	3,848,969	4,156,900	4,459,725	302,825	7.28%
Pepperell	15,803,489	16,525,893	17,823,557	1,297,664	7.85%
Townsend	11,300,566	11,782,055	12,823,613	1,041,558	8.84%
Total Operating Assessment	30,953,024	32,464,848	35,106,895	2,642,047	8.14%

Revenue

Town Transportation & Total Local Assessment Calculations

	FY24	FY25	FY26	Change	Percent
<i>Transportation Assessment</i>	Adopted 4-21-23	Adopted 7-9-24	Draft	FY25 to FY26	FY25 to FY26
Ashby	350,846	422,181	498,729	76,548	18.13%
Pepperell	1,344,129	1,553,543	1,867,991	314,448	20.24%
Townsend	1,034,911	1,244,706	1,470,546	225,840	18.14%
<i>Total Transportation Assessment</i>	2,729,885	3,220,431	3,837,267	616,836	19.15%
	FY24	FY25	FY26	Change	Percent
TOTAL LOCAL REVENUE	Adopted 4-21-23	Adopted 7-9-24	Draft	FY25 to FY26	FY25 to FY26
Ashby	4,199,815	4,579,081	4,958,454	379,373	8.28%
Pepperell	17,147,618	18,079,436	19,691,548	1,612,112	8.92%
Townsend	12,335,477	13,026,761	14,294,159	1,267,398	9.73%
Total Local Revenue	33,682,909	35,685,279	38,944,162	3,258,883	9.13%

Town Assessments (Operating, Transportation)

	FY24	FY25	FY26	Change	Percent
	Adopted 4-21-23	Adopted 7-9-24	Draft	FY25 to FY26	FY25 to FY26
TOTAL LOCAL REVENUE					
Ashby	4,199,815	4,579,081	4,958,454	379,373	8.28%
Pepperell	17,147,618	18,079,436	19,691,548	1,612,112	8.92%
Townsend	12,335,477	13,026,761	14,294,159	1,267,398	9.73%
Total Local Revenue	33,682,909	35,685,279	38,944,162	3,258,883	9.13%

To provide the Towns with assessments that are an **AVERAGE** of 3.0% would require either an additional budget reduction of \$2,190,000 or increases in revenue sources.

Chapter 70 State Aid - Foundation Budget

Foundation Budget Factors/Assumption:

- Enrollment Wage Adjustment Factor - to level the state differences in demographics.
- Inflation (1.93 % applied to foundation budget for FY26)
- Assumption of special education students is 3.97% or 118 students. NMRSD is approx. 686. (rate is increasing in the Student Opportunity Act)
- Assumption of Special education out of district students at 1% of population of 30 students. NMRSD Out of district currently at 74 students.

Local contribution Factors:

- Property Values
- Income levels
- Town Municipal Growth Factor MGF
(Ashby- 2.46%, Pepperell - 3.52%, Townsend 3.46%)

Excess & Deficiency History

From Fiscal Year Activity	Amount Used for Subsequent Year			% Used toward budget
	E&D Certified	Budget	Remaining	
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%

Capital Items Completed in FY24

Multiple buildings

- F350 Utility Truck
- Motor replacement Ford Transit Van (district portion)
- Access Control & Intercom upgrades (NMS, SMS, VBES, HB)
- Chromebook purchases (qty 600) SMS, AES, HBMS, VB & NMS
- Desktop computers (SMS & AES)
- Verdaka security Camera upgrades (HS, VB, HB, SECC)

AES

- ARPA funds - HVAC study
- ARPA Funds - Installation of plywood on 1960's wing
- ARPA Funds - Abate underground tunnel
- Portable Bleachers (Hussey Seating) from donations

VBES

- Crosswalk Lighting system / upgrades \$26,561 (added CIP)
- Destratification fan - NM portion of Green Community Grant

NMS

- Destratification fan - NM portion of Green Community Grant

Projected Enrollment

By Building FY2026 (reduction of 1 school)

Projected Enrollment FY26 (reduction of one school)																
	K	1	2	3	4	5	6	7	8	9	10	11	12	SP	PK	Total
Ashby Elementary	111	94														205
Spaulding Memorial School																0
Varnum Brook Elementary	98	112	108	122	119											559
Hawthorne Brook Middle School						116	107	112	113							448
Nissitissit Middle School						142	126	127	123							518
North Middlesex Reg. High School										152	148	171	175			646
Squannacook Early Childhood			129	102	120										101	452
Out of District Students														87		87
Special Placement														11		11
Totals	209	206	237	224	239	258	233	239	236	152	148	171	175	98	101	2,926

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

General Fund Budget Summary FY 2026



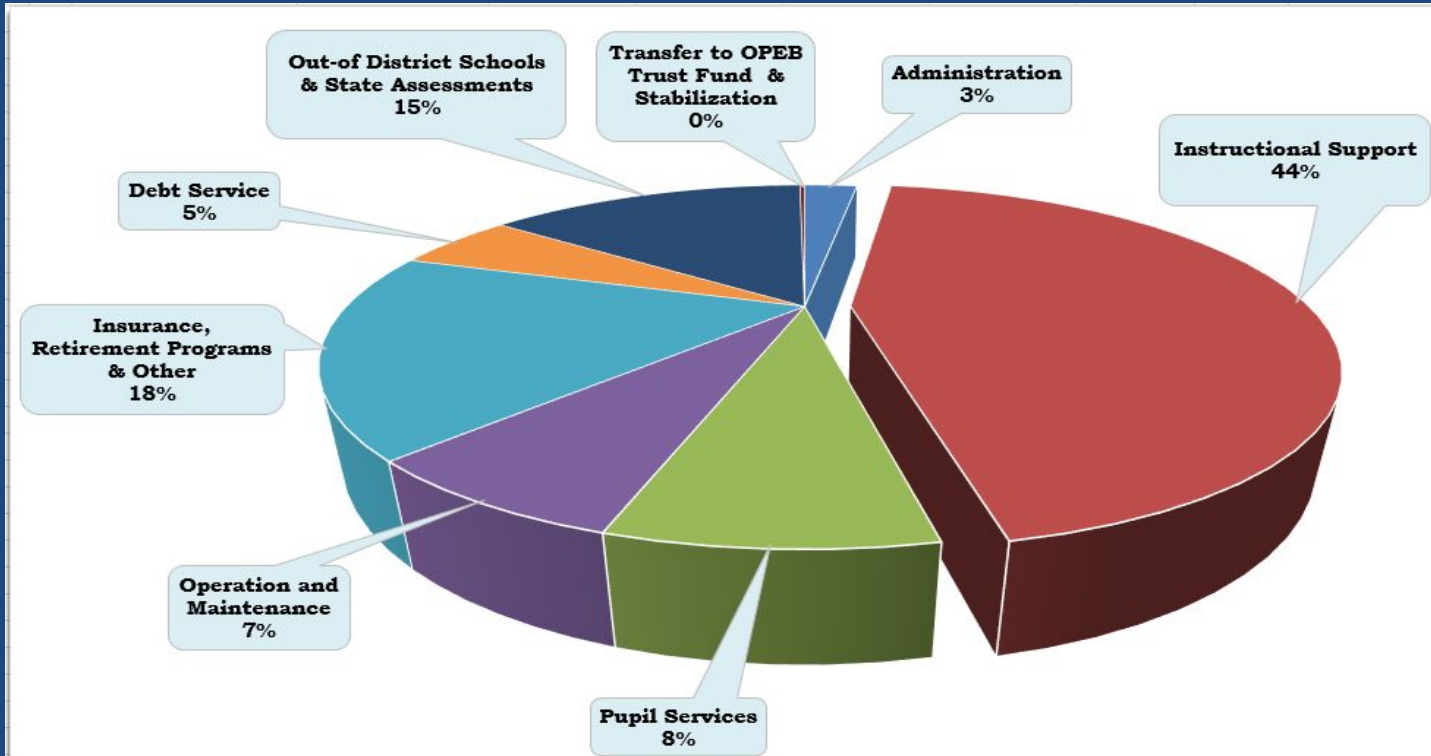
North Middlesex Regional School District

Fiscal Year 2026 General Fund Budget - Public Hearing

Appropriation Category	FY23 Actual	FY24 Actual	FY25 Adopted 7-9-24	FY25 FTE	FY26 Draft	FY26 FTE	Difference FY26 to FY25	% increase over FY25	Change FTE FY25 to FY26
Administration	1,512,781	1,469,795	1,604,689	11.00	1,647,687	11.00	42,998	2.68%	-
Instructional Support:	27,127,687	26,652,300	29,791,206	363.15	30,239,109	357.69	447,904	1.50%	(5.46)
<i>Instructional Leadership</i>	3,008,692	2,941,093	2,972,062	26.00	2,598,771	19.00	(373,292)	-12.35%	(7.00)
<i>Classroom & Specialist Teachers</i>	19,031,135	18,945,583	21,054,579	238.16	21,650,599	236.79	596,020	3.04%	(1.37)
<i>Other Teaching Services</i>	3,974,714	3,914,152	4,550,764	98.99	4,883,907	101.90	333,143	8.64%	2.91
<i>Professional Development</i>	143,069	151,725	206,550	-	179,050	-	(27,500)	-12.97%	-
<i>Instructional Materials, Equipment & Technology</i>	970,076	699,747	1,007,250	-	926,782	-	(80,468)	-8.21%	-
Pupil Services:	4,884,075	4,970,684	5,258,659	31.30	5,512,769	31.10	254,110	4.83%	(0.20)
<i>Guidance, Counseling & Testing</i>	1,536,486	1,536,186	1,609,991	19.00	1,702,179	19.00	92,188	5.82%	-
<i>Pupil Services</i>	3,347,589	3,434,498	3,648,667	12.30	3,810,590	12.10	161,922	4.70%	(0.20)
Operations & Maintenance	4,722,410	4,497,359	5,414,245	39.50	4,905,505	35.80	(508,740)	-9.40%	(3.70)
Insurance, Retirement Programs & O	9,330,594	10,970,540	11,507,455	6.00	12,288,318	5.00	780,863	6.79%	(1.00)
Debt	3,940,472	4,241,313	4,145,162	-	3,582,911	-	(562,251)	-13.56%	-
Out-of District Schools & Assessment	7,505,433	8,428,953	8,112,728	-	9,845,124	-	1,732,396	21.35%	-
Transfer to OPEB, Capital Project and Stabilization	550,000	400,000	250,000	-	150,000	-	(100,000)	-40.00%	-
Total General Fund Appropriation	\$ 59,573,452	\$ 61,630,944	\$ 66,084,144	450.95	\$ 68,171,423	440.59	\$ 2,087,279	3.16%	(10.36)

FY 2026

Budget by Appropriation Category



Conclusion

The FY2026 spending proposal for NMRSD represents our effort to continue, with reductions, 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.

The impact of additional reductions would include:

- Large class sizes K-8 making instruction and management extremely challenging with both the number and diversity of learners.
- Loss of experienced staff who, during a national educator shortage will move to districts that do not face the challenges of a small regional school district - which will impact our ability to fill vacant position
- Increase fees for extra-curriculars
- Continued loss of students who take advantage of better opportunities elsewhere
- Loss of key curriculum, instruction, and assessment programming which will impact student equitable access to essential high quality instructional materials, resources and supports
- Inability to keep up with our lengthy list of capital and technology needs
- Multiple building closures could handcuff the district if there is residential growth

On a Positive Note ...

As superintendent, I am proud of the committed and energetic staff we have here in NM. Our building and grounds, office staff, paraprofessionals, counselors, teachers, nurses, and our building and central office administration - I am proud to be a part of such a fantastic group of individuals. It is truly the best and most dedicated group I have ever been a part of.

It is this group that give our most important assets (our students) the knowledge and skills to be successful both in and outside of our walls.

What is clear from both our SC and community, everyone is passionate and supportive of our schools. Everyone wants what is best for our students but as we know, there are different paths to achieve our goals. What is most important is that we work together to determine the best avenue forward.