



Fiscal Year 2027 Budget Process: Stability, Fiscal Discipline, and Strategic Priorities

As we enter the Fiscal Year 2027 budget cycle, our work continues to be grounded in fiscal stability, conservative planning, and a commitment to financial stewardship, informed by a clear understanding of the evolving cost pressures facing public school districts across Massachusetts. While our approach remains deliberate and measured, the fiscal environment in which we operate continues to tighten, and the cost of sustaining our educational program is increasing at a pace that outstrips available recurring revenues.

This reality is reflected in the broader state fiscal outlook. State officials recently reached a consensus revenue agreement projecting \$44.9 billion in total tax collections for Fiscal Year 2027, representing approximately 2.9 percent growth over Fiscal Year 2026. This estimate includes revenue generated by the surtax on high earning households. When surtax revenue is excluded, the forecast anticipates \$42.2 billion in tax revenue, or approximately 2.4 percent growth over the current Fiscal Year 2026 benchmark. While this projection reflects modest economic expansion, it reinforces that state revenues are not growing at a rate sufficient to absorb inflation driven cost growth across state and local government services.

Over the past several years, we have worked hard to stabilize long term contracts and obligations to mitigate substantial increases in transportation, utilities, and other fixed costs. These efforts have helped reduce volatility and support more predictable budgeting. However, the cost of simply continuing operations, even at current service levels, continues to rise. Looking ahead, the fiscal pressures associated with Fiscal Years 2028 and 2029 are expected to intensify, as constrained local and state revenue growth intersects with escalating structural cost drivers.

As we navigate these financial considerations, we are also integrating multiple district planning efforts to ensure that our budget development aligns with both immediate needs and long-term sustainability. Capital improvement needs, instructional priorities, student services, health insurance, and retiree benefit planning must be considered collectively, as each directly influences the district's financial posture and long-term viability.

At its core, our approach continues to prioritize stability as an essential foundation as we prepare the Dudley-Charlton Regional School District and the communities of Charlton and Dudley for the significant capital investments that lie ahead. These upcoming projects require careful financial planning, and our commitment remains to balance fiscal responsibility with the educational expectations of our students, staff, and families.

This year's budget presentations will continue to emphasize clearly defined focus areas that guide fiscal decision making. We recognize the importance of maintaining the priorities that principals and the School Committee advocate for annually, and we remain committed to ensuring that our schools receive the support necessary to meet student needs. At the same time, we must navigate the complexity of negotiating fair and sustainable labor agreements that reflect both respect for our educators and fiscal responsibility to our communities.

A key factor shaping the Fiscal Year 2027 discussion is health insurance, which remains one of the most significant sources of budget uncertainty. Health insurance cost growth continues to place substantial pressure on the operating budget, limiting flexibility and crowding out other investments. These challenges are compounded by the complexity of retiree health benefit planning, which operates on a different calendar than active employee health plans and adds another layer of fiscal risk.

One of our guiding principles remains the maintenance of a level services budget while positioning the district for future growth. This means sustaining the programs, staffing, and instructional resources our students rely on without compromising financial stewardship. As in every budget cycle, we identify potential reductions, but the challenge remains how to preserve the value of existing positions and programs while managing rising costs that are largely outside discretionary control.

In addition, the district continues to leverage statewide and federal programs that help reduce operational costs while directly supporting students and families. Dudley-Charlton participates in the National School Lunch Program and qualifies for the Community Eligibility Provision, in part because district staff understand and actively respond to community expectations to seek available revenue sources and cost-offset programs whenever possible. By maintaining universal free lunch access through this framework, the district supports student well-being while stabilizing participation rates, maximizing reimbursement, and reducing administrative burden. These efforts contribute to our ongoing work to lower local operating costs and reflect the district's broader commitment to fiscal prudence and responsible stewardship of community resources.

At this juncture, it is important to be clear that the needs before us are real and immediate. As a district, we continuously evaluate return on investment, distinguishing between initiatives that are essential to safety, access, compliance, and student growth, and those that may be desirable but not critical at this time. Fiscal prudence requires that limited resources be directed first toward addressing foundational needs, with a clear and defensible return on investment for students, staff, and the broader school community.

The Fiscal Year 2027 budget reflects this discipline. Two proposed examples illustrate this approach. First, the inclusion of a School Resource Officer, in coordination with the Charlton Police Department for Charlton schools, represents an investment in student safety, prevention, and relationship building. This is not an enhancement for convenience, but a necessary measure to support a safe and secure learning environment.

Second, the proposed addition of an Assistant Director of Student Services is driven by the increasing complexity and volume of special education needs, particularly out of district placements. This role is essential to ensuring appropriate oversight of placements, compliance with state and federal regulations, and the consistent application of well-designed processes and procedures. Just as importantly, this position strengthens our ability to apply the right programming and supports, establish access, and promote meaningful growth for students with disabilities while managing costs responsibly.

These investments reflect the district's commitment to sustainability, fiscal prudence, and outcomes. They are grounded in need, aligned with regulatory and operational responsibility, and evaluated through the lens of return on investment rather than preference or convenience.

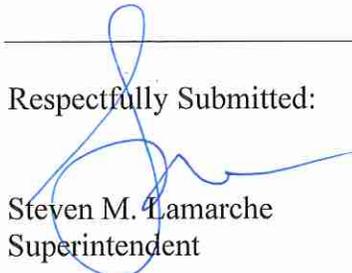
In addition, the district continues to experience a shift in how instructional improvement efforts are funded, as external and continuation grants transition to local fiscal support. We have made intentional investments in high quality instructional materials and curriculum alignment, and these investments require ongoing year over year fiscal support to maintain their effectiveness. While we have applied conservative measures, including level funding of supplies year over year, diminishing external funding reinforces the need for sustainable local support.

We recognize that budgetary constraints are a reality, but our approach must remain collaborative and accountable, working closely with our towns, advocating for the resources our schools need, and making deliberate adjustments where necessary. Conservative budgeting has been essential in meeting community expectations, but it does not, on its own, ensure the return on investment that parents and staff rightly expect.

Conclusion

Fiscal Year 2026 stability has provided an important on ramp to the Fiscal Year 2027 conversation. As we look ahead, our focus must remain on prudent fiscal management, proactive planning, and clear communication with our stakeholders. Strengthening and aligning our District Plan, Curriculum Plan, Technology Plan, and Capital Plan will be essential to navigating the years ahead and ensuring that Dudley-Charlton remains responsibly prepared to serve students while honoring the trust of our communities.

Respectfully Submitted:


Steven M. Lamarche
Superintendent

Here a few important dates in 2026

January

Monday, January 19, 2026 – No School All – Martin Luther King Day

February

Monday, February 16, 2026 – Friday, February 20, 2026 – Winter vacation