

# Strategic Focus and Sustainability Budget 2027

*March 3, 2026  
School Committee Meeting*



# Agenda

- Mission & Strategy
- Budget Development Timeline
- Funding for Public Education
- Factors Influencing FY 2027
- Expenditure Forecast
- Steps to Balance the Budget
- Q & A

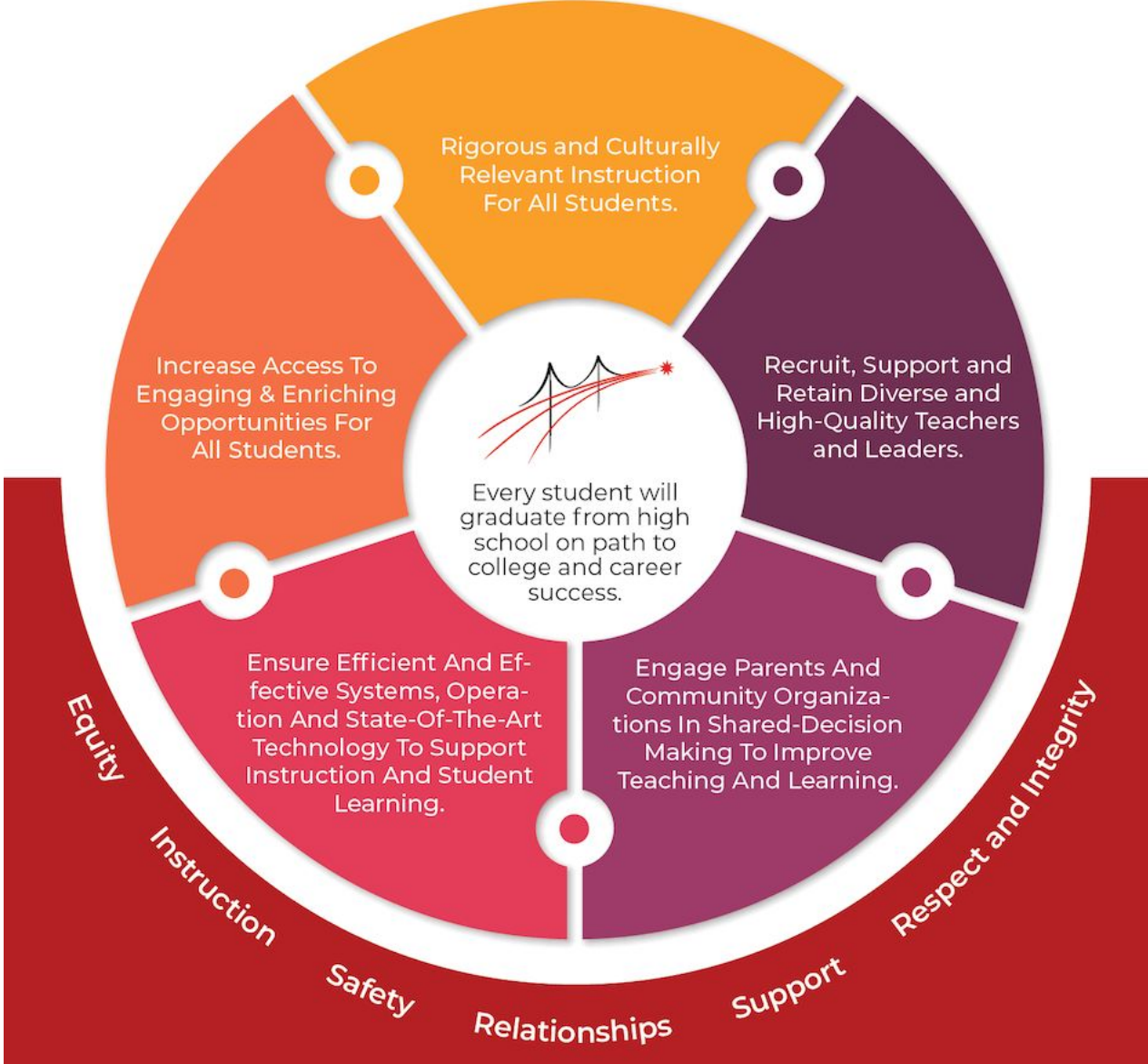


# Mission

*Chelsea Public Schools is a gateway school system that welcomes and educates ALL students and families*



# Strategy: Bridge to Success 2.0



# BUDGET DEVELOPMENT

1

## Enrollment - 10/1 Report to DESE

In the Fall, preliminary budget tasks occur including reporting enrollment to DESE which feeds into the state determined foundation (or minimum) budget amt that MUST be spent. The student count and demographics impacts the amt a district gets.

2

## Expenses - Update existing costs for inflation

Consider effects of cost drivers such as programmatic changes, contract rate increases, collective bargaining, health insurance increases, etc.

3

## Revenue - Governor's Budget Released in January

The 10/1 enrollment determines the amt that the state requires us to spend on our students. So 1) how many kids dictates how much must be spent to provide adequate education, 2) who will pay for this. This total min budget is then divided btw state and city funding - who pays?

4

## Balance & Make Critical Decisions (based on feedback)

After determining the shortfall once the revenue and updated expenses are known, we must balance using the feedback from community. LISTEN AND DECIDE

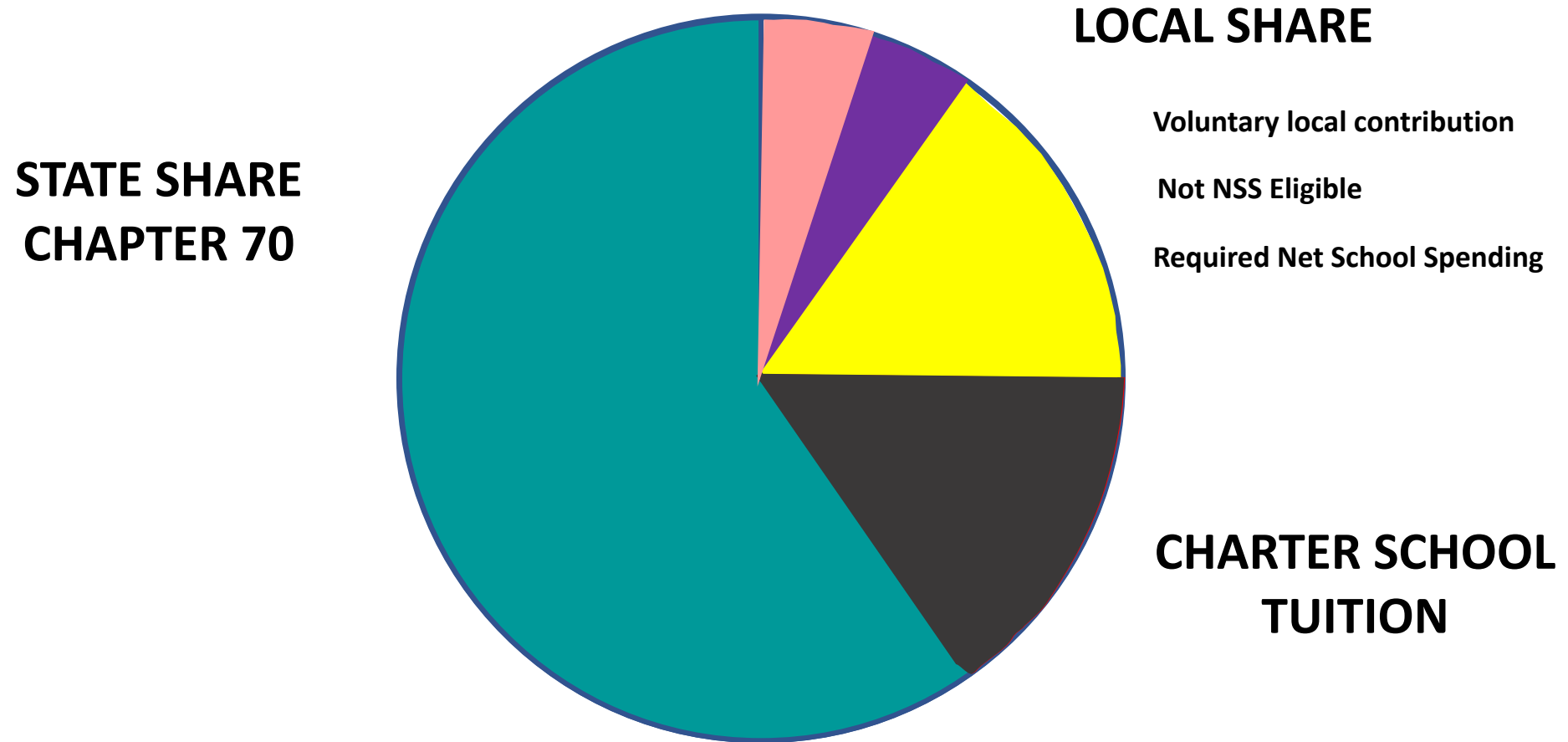
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## Approve and Vote

We must get approval from SC to submit to City

# Foundation Budget in Action

## FOUNDATION BUDGET COSTS

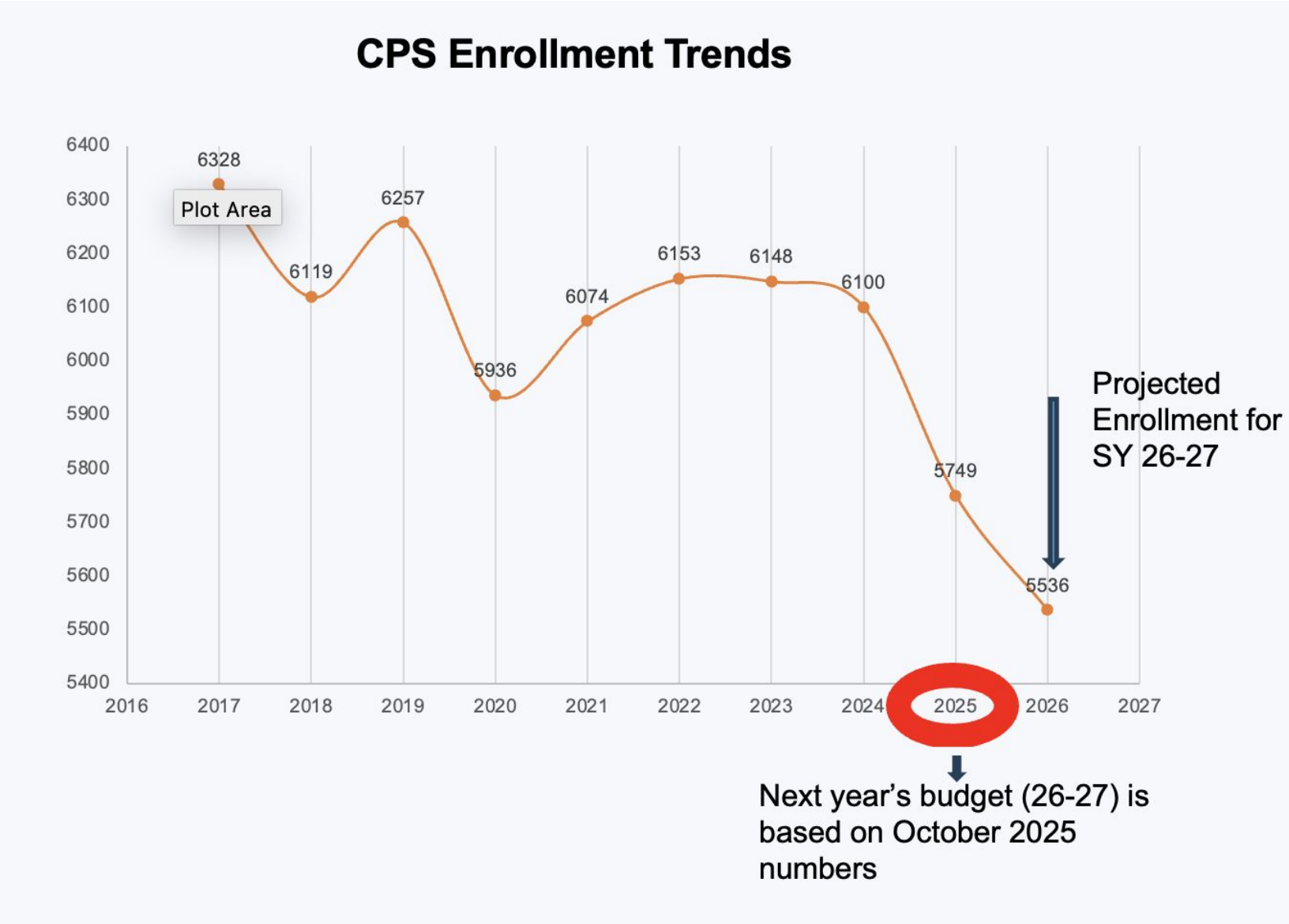


## **Factors Influencing Budget FY 2027**

*Both a Reduction in Revenue with Rising Costs*

- **Enrollment declined by 350 students**
- Expiration of ESSER funding
- Student Opportunity Act funding offset by enrollment reductions
- Rising salary expenditures
- Increasing charter school tuition obligations
- Escalating health insurance costs
- Higher transportation expenses
- Growing special education tuition costs

# Enrollment Trends



# Expenditure Breakdown (FY2027)

- Salaries / Labor (step increases + COLA)
- Employee Benefits (Placeholder Only)
- Facilities (non-labor)
- Info Technology (non-labor) (Must annually update devices)
- Professional Development
- Special Education (other than labor - significant need)
- Supplies / Books / Equip
- Transportation
- Utilities (Paid by Schools)



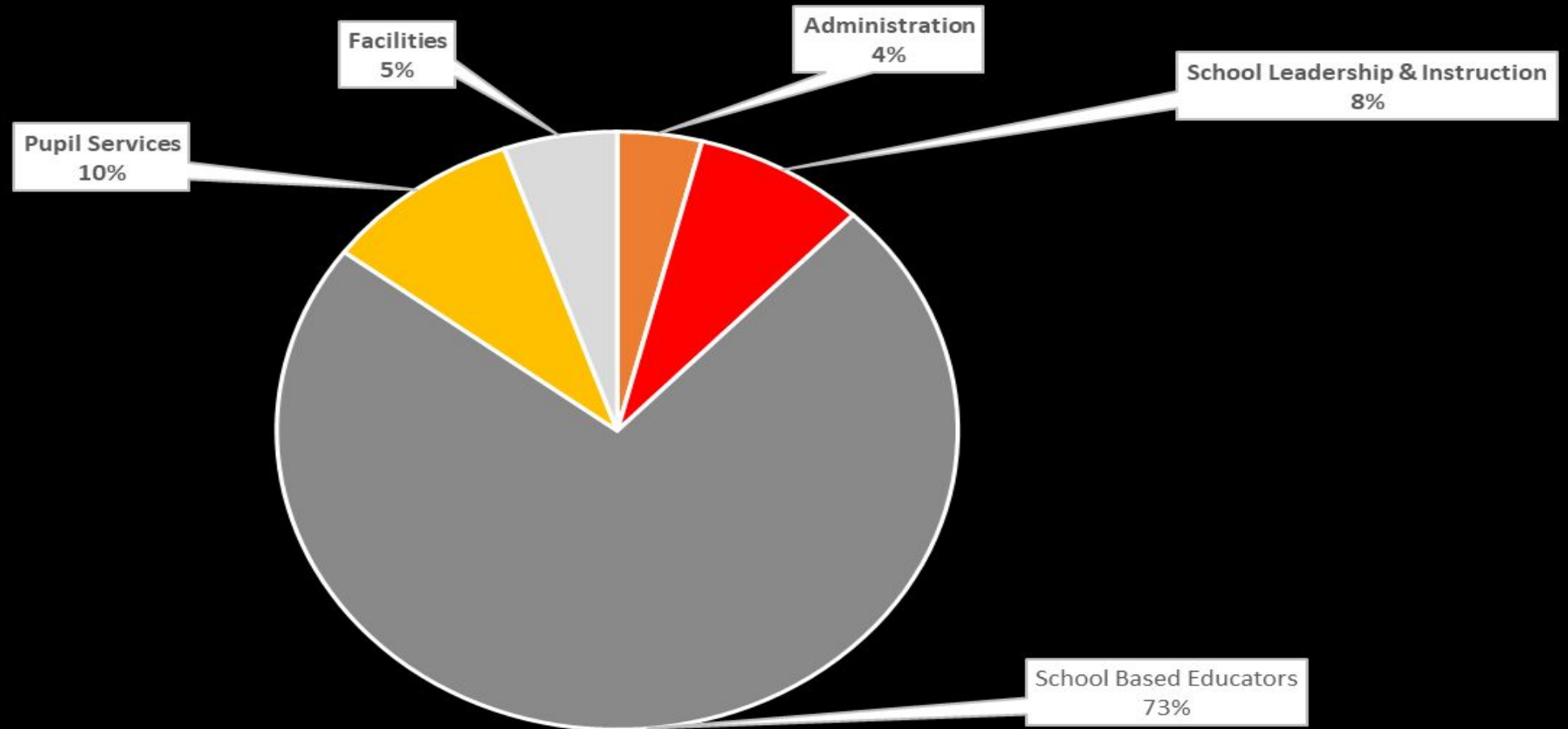
# Baseline Expenditure Forecast

Item	Jan to Feb 2026 Preliminary	Feb to March 2026 Balancing	Deficit Increase	
Staff Costs: Steps, COLA	\$6,700,000	\$6,980,000	\$280,000	Recent raises: COA/Step & Lane Increases
Staff Costs" Healthcare, Pension, etc.	\$1,200,000	\$1,970,000	\$770,000	Rate for health increase not available yet so est only; need to increase for unemployment cost rise after cuts; less reduction in health coverage than anticipated
Special Ed Tuition Increase	\$2,500,000	\$2,800,000	\$300,000	# of students current year plus trend projection for next yr
Transportation	\$500,000	\$500,000		Rate increases included by change in stud need could cause more increases; DESE working on this issue
Utilities, insurance, subs	\$750,000	\$750,000		Contractual increases reflected for utilities and subs
<b>Shortfall Before Revenue</b>	<b>\$11,650,000</b>	<b>\$13,000,000</b>	<b>\$1,350,000</b>	<b>Shortfall for Level Service Before Revenue Increase</b>
Governor's Budget	-\$2,388,000	-\$2,388,000		Ch 70 Inc + Req Min Contribution Inc for City
Above Min. Contribution (City)	-\$2,000,000	-\$2,000,000		Superintendent/City Manager agreement
<b>Shortfall After Revenue</b>	<b>-\$7,270,000</b>	<b>-\$8,612,000</b>		<b>Shortfall after Increase to Revenue</b>

# Staffing is 80% of Budget

Where are the people??

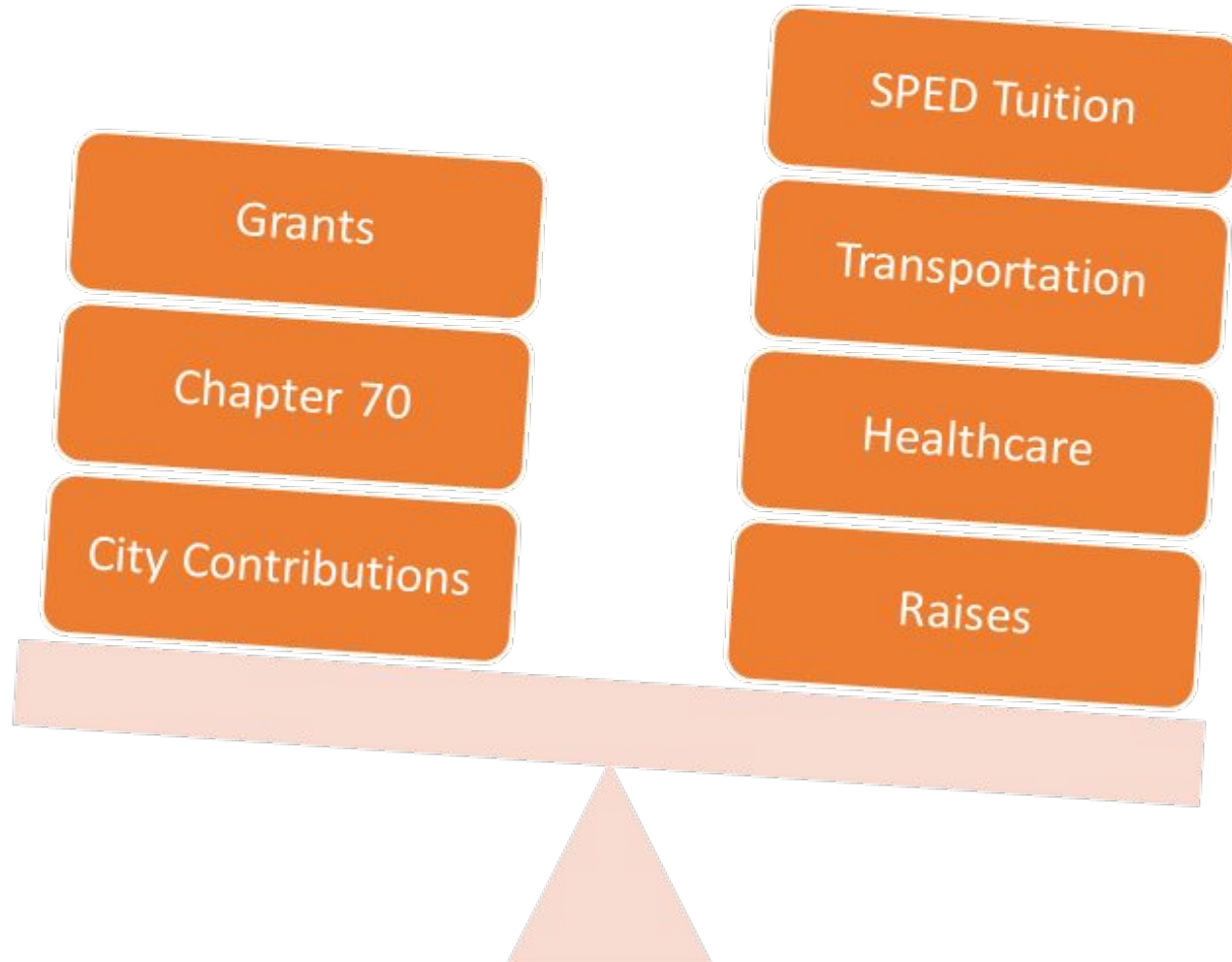
## Salaries



Revenue Sources  
the Same Just Not  
Enough

Inflationary Costs  
Outpacing our  
Increases

**BALANCE**



# What We Heard from Our Listening Sessions

## Important to Keep/Protect

### From Educators

Positions closest to children  
Special Education staff  
Mental Health Supports

### From Parents

PreK  
ParentSquare  
Extended Learning  
Family Liaisons  
Special Education Support  
Mental Health Supports  
Camino Program

## Areas We Can Do Potentially do Without

### From Educators

Consultants for Professional Development (i.e. nationally recognized professionals)  
Reduce District Administration  
Contracted Services (i.e. Alongside App)

### From Parents

Transportation (is it necessary?)  
Consultants (but weren't specific)

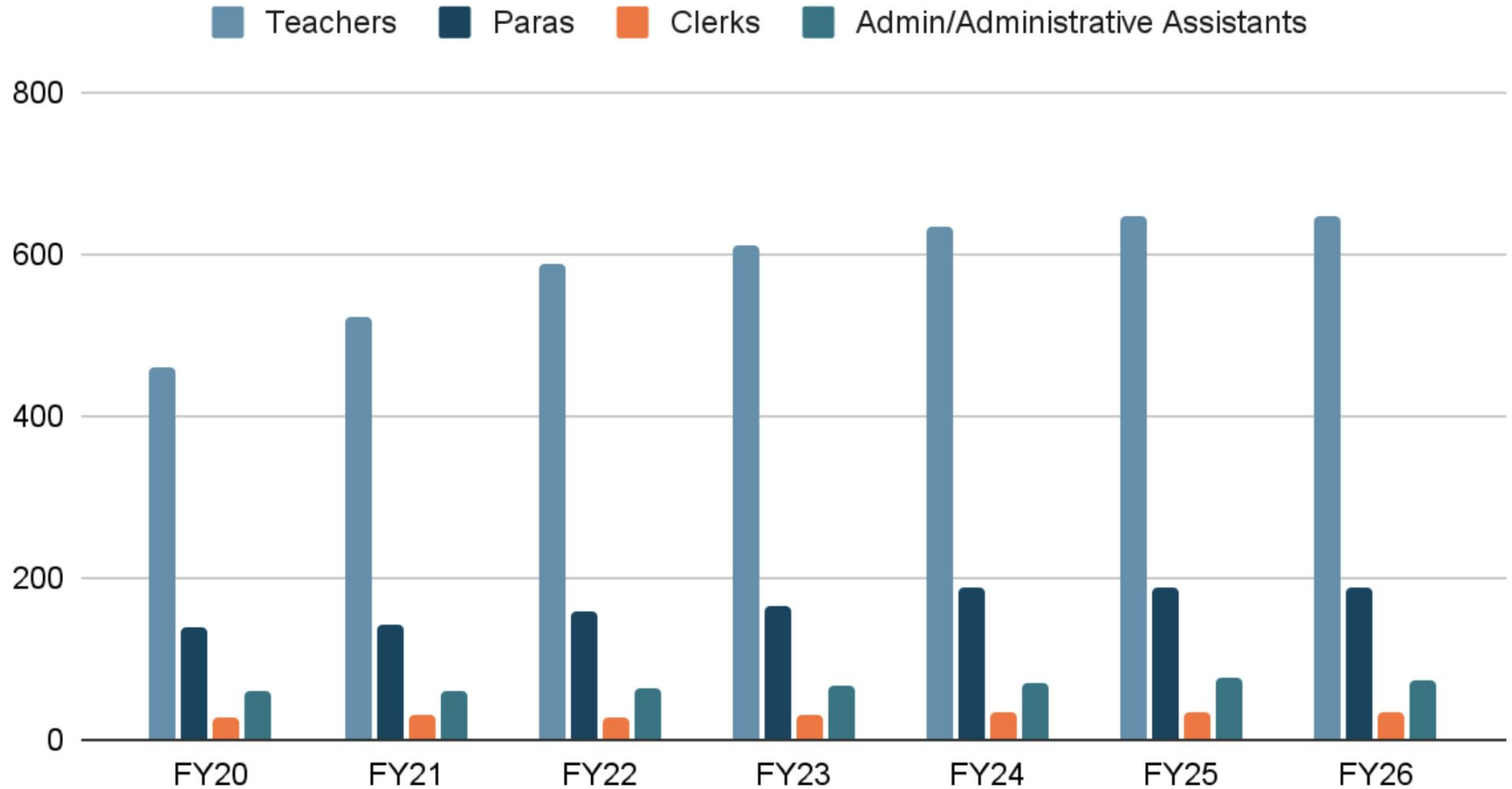
# Increases in School Based Positions from 2021-2026

Positions	FY 2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	Change
Teacher Unit	460.0	524.0	586.7	609.4	643.4	645.4	645.4	185.4+ (40.2%)
Paraprofessionals	138.0	142.0	158.0	165.0	187.0	187.0	187.0	49.0+ (35.5%)
Clerks (School Based)	20.5	21.0	21.0	21.0	24.0	24.0	24.0	3.5+ (17.1%)
Clerks (District-wide)	8.5	9.0	8.0	9.0	10.0	10.0	10.0	1.5+ (17.6%)
<b>Total</b>	<b>627</b> (baseline)	<b>675</b>	<b>773.70</b>	<b>804.40</b>	<b>864.40</b>	<b>864.40</b>	<b>864.40</b>	<b>239.4+</b> <b>38%+</b>

# Increase of District Positions from 2021-2026

Positions	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	Change (FY20-26)
Superintendent's Office Superintendent (1) /Assistant Superintendents(2) CAO (1) Exec Assistant (1) Communications (1) Chief of Staff/(1) SDP Coordinator	6	6	8	8	8	7	7	1
MLE Department	1.5	1.5	1.5	2.5	3.5	3.5	3.5	2
Wellness/Student Support (Admin only)	2	2	2	2	3	4	3	1
Curriculum & Instruction & Assessment, Extended Learning, Early College, AVID	5	5	6	6	6	9	8	3
Special Education & Admin Asst (Admin only)	4	4	5	6	6	6	6	2
Human Resources	4	5	5	5	7	8	6	2
Business Office (Includes CFO and staff)	13	13	13	13	13	13	13	0
IT (Includes director & staff)	10	10	10	10	10	10	10	0
Buildings and Grounds (Includes all directors)	5	5	5	5	5	5	5	0
Parent Information Center & MKV (Includes Director and Staff)	9	9	9	9	9	10	10	1
School Health/Nurses (Director)	1	1	1	1	1	1	1	0
<b>Total</b>	<b>60.5</b> baseline	<b>60.5</b>	<b>64.5</b>	<b>66.5</b>	<b>69.5</b>	<b>76.5</b>	<b>72.5</b>	<b>12+</b> <b>(20.2%)</b>

# Teachers, Paras, Clerks and Admin/Administrative Assistants




# How We Will Balance the Budget?

Item	Amount
School Staff (70 FTE)	\$7,000,000.00
District	\$1,400,000.00
-Professional Development Consultants/Staff	
-Extraordinary Maintenance	\$ 212,000.00
<b>Total</b>	<b>\$8,612,000.00</b>



# Budget Timeline


 **Thursday, March 12**

 **6:30 p.m.**  
 *City Hall*

 **Thursday, March 19**

 **6:00 p.m.**  
 *Virtual Meeting*

 **Thursday, March 26**

 **7:00 p.m.**  
 *City Hall*



