

School Finance Sub-Committee

Feb 11, 2026

Agenda

- MOE Update for 25-26 School Year
- Update on Development of 26-27 Budget
- Transportation costs
- Health Insurance increases
- Contractual commitments

MOA, MOE Updates

- Memorandum of Agreement
 - Proposed in October
 - Agreed to table
 - Met in Jan
 - Need to make further revisions
- Maintenance of Effort
 - Facilities working together
 - Asked to make quarterly reconciliation
 - Update requested – Facilities personnel meet daily

Chapter 70

Massachusetts Department of Elementary and Secondary Education

FY27 Chapter 70 Summary

160 Lowell

Aid Calculation FY27

Prior Year Aid

1 Chapter 70 FY26 **261,489,114**

Foundation Aid

2 Foundation budget FY27 349,052,321

3 Required district contribution FY27 73,085,908

4 Foundation aid (2 - 3) 275,966,413

5 Increase over FY26 (4 - 1) **14,477,299**

Minimum Aid

6 \$75 per pupil increase 1,258,350

7 Minimum aid amount

(if line 6 - line 5 > 0, then line 6 - line 5, otherwise 0) **0**

Subtotal

8 Sum of 1,5,7 **275,966,413**

Minimum Aid Adjustment

9 Minimum aid adjustment 261,992,454

10 Aid adjustment increment

(if line 9 - line 8 > 0, then line 9 - line 8, otherwise 0) **0**

Non-Operating District Reduction to Foundation

11 Reduction to foundation **0**

Hold Harmless Aid

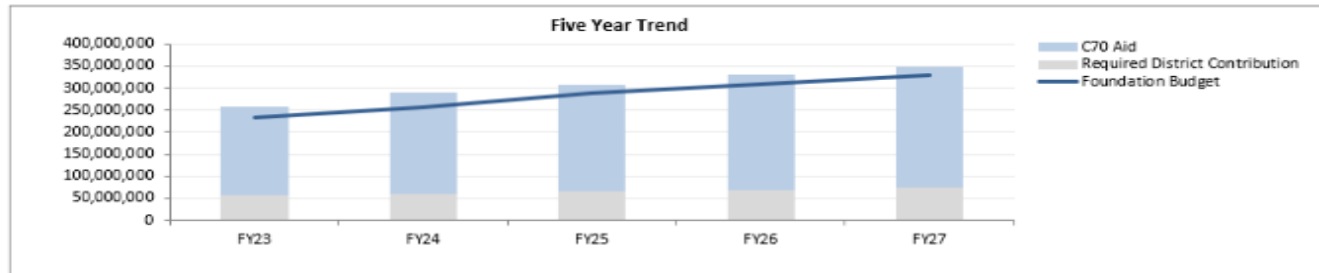
12 Hold harmless aid **0**

FY27 Chapter 70 Aid

13 Sum of 1,5,7,10, 12 minus 11 **275,966,413**

Comparison to FY26

	FY26	FY27	Change	Pct Chg
Enrollment	16,836	16,778	-58	-0.34%
Foundation budget	330,445,792	349,052,321	18,606,528	5.63%
Required district contribution	68,956,678	73,085,908	4,129,230	5.99%
Chapter 70 aid	261,489,114	275,966,413	14,477,299	5.54%
Required net school spending (NSS)	330,445,792	349,052,321	18,606,529	5.63%
Target aid share	74.63%	74.79%		
C70 % of foundation	79.13%	79.06%		
Required NSS % of foundation	100.00%	100.00%		



Revenues

Foundation Budget Categories	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Required District Contribution	38,859,325	40,949,807	43,089,941	44,649,981	45,829,544	47,400,845	49,724,317	51,808,768	54,112,190	56,906,426	60,097,975	64,989,538	68,956,678
C70 Aid	129,901,292	135,128,765	135,511,265	138,588,381	144,067,633	150,935,483	163,023,947	166,954,483	178,553,488	200,970,019	229,138,873	243,051,046	261,489,114
Foundation Budget	168,760,617	176,078,572	178,601,206	183,238,362	189,897,177	198,336,328	212,748,264	218,744,160	232,660,515	257,876,445	288,791,630	308,040,584	330,445,792
Approved City Cash Contribution			10,618,808	11,537,180	8,786,593	15,736,053	16,359,201	17,007,025	15,735,053	12,736,053	13,240,401	14,086,463	12,000,000
Change over time													
Required District Contribution		2,090,482	2,140,134	1,560,040	1,179,563	1,571,301	2,323,472	2,084,451	2,303,422	2,794,236	3,191,549	4,891,563	3,967,140
C70 Aid		5,227,473	382,500	3,077,116	5,479,252	6,867,850	12,088,464	3,930,536	11,599,005	22,416,531	28,168,854	13,912,173	18,438,068
Foundation Budget		7,317,955	2,522,634	4,637,156	6,658,815	8,439,151	14,411,936	5,995,896	13,916,355	25,215,930	30,915,185	19,248,954	22,405,208
Approved City Cash Contribution		0	10,618,808	918,372	-2,750,587	6,949,460	623,148	647,824	-1,271,972	-2,999,000	504,348	846,062	-2,086,463
Total Enrollment	14,588	15,093	15,300	15,616	16,025	16,184	16,353	16,352	16,047	16,103	16,323	16,506	16,836
Change		505	207	316	409	159	169	-1	-305	56	220	183	330

Budget Building

- Mechanics
 - Very early
 - Iterative process
 - Allocate out largest amounts first
 - Money to schools
- Provide schools
 - Prelim amounts
- Revenues
 - Broad brush strokes first
 - Refinement through meetings

Funding based on Enrollment Projections

- Actual v. Projected?
- Actual
 - Concrete info, real number
 - Based on what we know right now
 - Set up a “fall reconciliation” to assist in mitigating
- Projections based on key inputs:
 - Census data
 - Birth reports
 - Mobility – moves in and outs
 - **Recommendation:** in the absence of a demographic/population study, work with actuals and do an “enrollment reconciliation”.

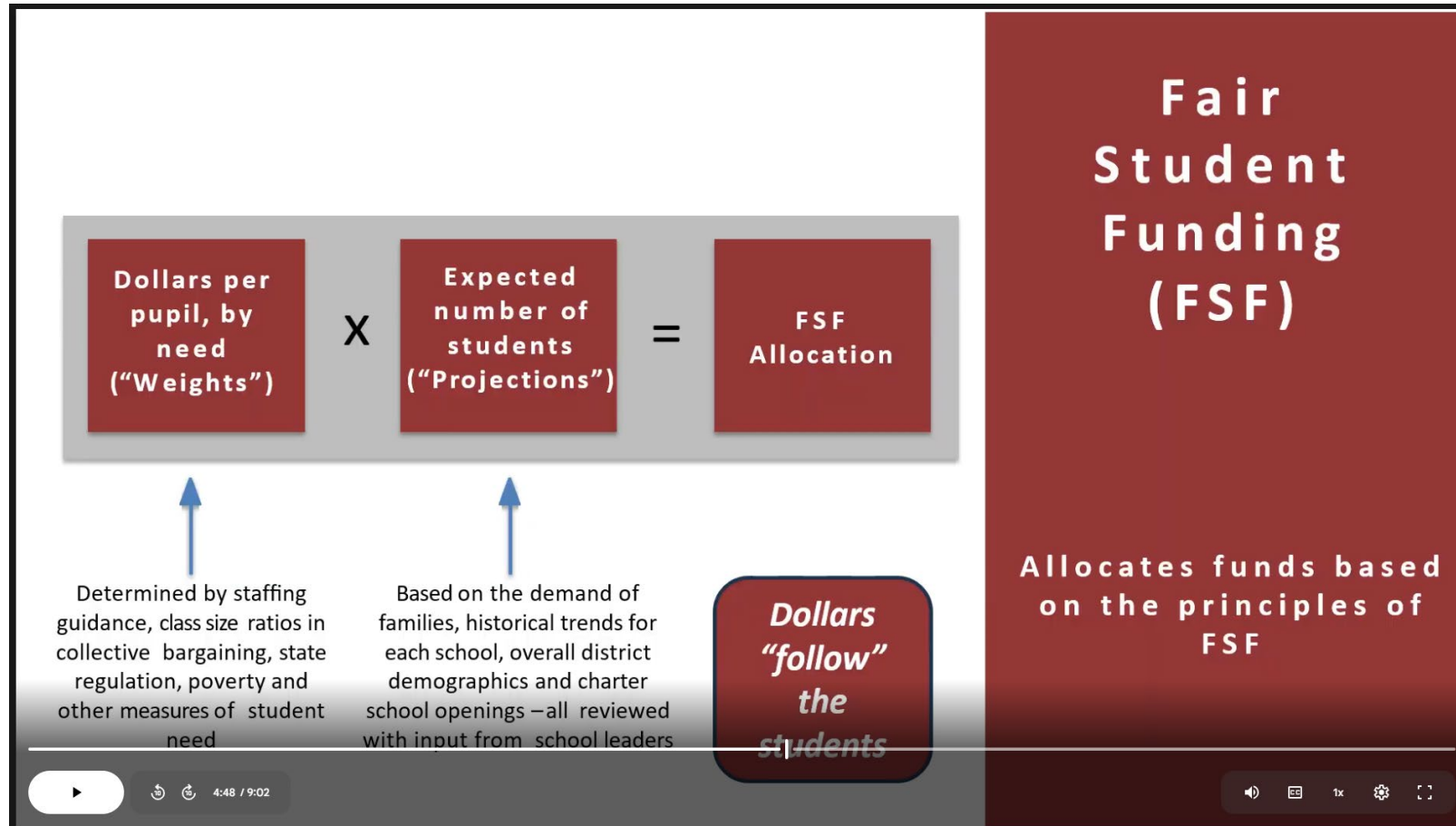
Using Real Numbers v. Projected Ones

- **Reflects current reality:** Based on actual staffing, enrollment, and spending—not assumptions.
- **Prevents budget gaps:** Identifies issues early before they become year-end deficits.
- **Supports sound school decisions:** Principals plan with what they *truly* have available.
- **Ensures fiscal accountability:** Aligns with audit, grant, and reporting requirements.
- **Builds trust and transparency:** Clear, defensible numbers for staff, families, and the community.
- **Bottom line:** *Projections inform planning. Actuals drive responsible budgeting.*

Average Salaries, Average Benefits

- Schools are the largest percentage of salary
- Use average salaries and benefits
- Salary
 - 3.5% increase
- Benefits
 - Benefits @ 8.29%
 - Medical, dental
 - challenge to unravel everyone's individual benefits plan is unreasonable and unrealistic

Fair Student Funding



Fair Student Funding

Fair Student Funding (FSF): Principles for Effective School Budgeting

Principle	Description
Equity	Allocate similar funding levels to students with similar characteristics, regardless of which school they attend
Transparency	Easily understood by all stakeholders
Autonomy	Empowers school-based decision-making to effectively use resources, ensures accountability in making educational and financial plans
Stable/Sustainable	School allocation process is predictable, structured
Other Considerations	
District strategy aligned	Supports the LPS strategic plan
Student focused	Provides resources based on students, not on buildings, adults, or programs



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Principal-Finance Meetings

Purpose to convey content of current meetings: The following was covered:

FY26

- **Budget**
 - YTD balances reviewed
 - Position control - covered, updated
 - Open purchase orders

FY27

- **Budget Workbook**
 - Funding: Fair Student Funding (FSF), to include **enrollment** numbers
 - Budget: Baseline increases to get to min staffing levels
 - Additional Investments: note the needs and wants
- **Principal-Cabinet Summary - Aide**
 - [Principal-Cabinet Summary sheet - Aide](#)

Gentle reminder on important dates:

- Transfer deadline: Feb 20
- Workbook, Principal-Cabinet Summary Sheet deadline: Feb 27 (meetings for this will take place in March)
- Spending deadline April 17

Transportation Increases

- Pay for Reg. Ed, Homeless, SPED, ROTC, Transportation Routing
- Standard contracts up by 6%
- Homeless growing exponentially
- How it works
 - Order to Transport
 - DCF, Homeless:
- Reconciliation
 - Separate transport – list with: child, date
 - MV, SPED cross referencing roster with invoices
 - Finance Office
- Reimbursements
 - Through EOYR
 - SPED – OOD through CB
 - Homeless (61% for 2025 – fractional portion of a certain amount), Foster
 - No duplication

Health Benefits

- Expecting 8.29% came from Governor's budget
- Driven by rules from Federal to MA specific orgs
 - One Big Beautiful Bill – healthcare and tax changes
 - Fed reduced NIH funding to state of MA, causing an increase
 - Immigration policy reduces amount of tax to collect
- Covers Med, dental
- Build this into our assumptions as total cost of employee
- Calculation 20% of cost of employee
- Gather by groups of employees

Contractual Commitments

- Salary increases bargained at 3%
 - Grade and step add 0.5% for salaries
 - Bargaining coming next year – all units
- Contracts for various services
 - Budgeting for known amounts
 - Leases (property, copiers)
 - Transportation regular 6%
 - SPED & Homeless outpace regulated inflation rate
 - Contract out
 - Nursing, SLPs

Level Service v. Level Funding

- Level Service = At least same money, same positions
- Level Funding = Same dollars as last year
- What are the impacts of level servicing?
- What are the impacts of level funding?