



Current Fiscal Year: 2026 Progress Update

FY26 Financial Projection



Costs are exceeding our allotted revenue to date

- ❖ Areas of higher than originally expected costs:
 - Health Insurance (\$18M) – primarily increased rates, projection aligned to December update
 - Full-Time Employees (\$18M) – lower vacancy rate, slightly higher projection
 - Transportation Costs (\$7M) – projection down from December
 - Special Education Costs (\$6M) – aligned to December update
 - Utilities (\$5M) – increase from prior years

FY26 Financial Projection



We have identified \$26M in savings to offset these increased costs to date

- ❖ \$20M in savings from spending pauses
 - Pause of central hiring, stipends, and contract spending (started November)
 - Pause of school based discretionary spending (started December)
- ❖ \$6M in other FY26 Cost Management Strategies
 - Active cost management in transportation, facilities and food services
 - IEP review to align appropriate support systems to student needs
 - Review of grants to identify available funds

This leaves us with \$28.3M in remaining overages to resolve

FY26 Supplemental Appropriation Request



We are seeking the School Committee's approval to request a \$22.8M Supplemental Appropriation from the City Council.

- ❖ Health Insurance Projected Cost Overrun - \$18.1M
- ❖ Utilities Projected Cost Overrun - \$4.7M

Through continued cost savings efforts and use of available grant funding we expect to manage the remaining \$5.5M in current projected overspending.