

Gateway Regional School District



FINANCIAL STATE OF THE DISTRICT

DECEMBER 2025

Welcome to our Annual Financial State of the District!

Today, we gather to talk about everyone's favorite subject - school finance!

Purpose: To give a high level overview - along with some key details - of the financial and operational details that currently drive Gateway's operations and future planning.

Why? This information is intended to inform our community as Gateway begins to develop the FY '27 budget.





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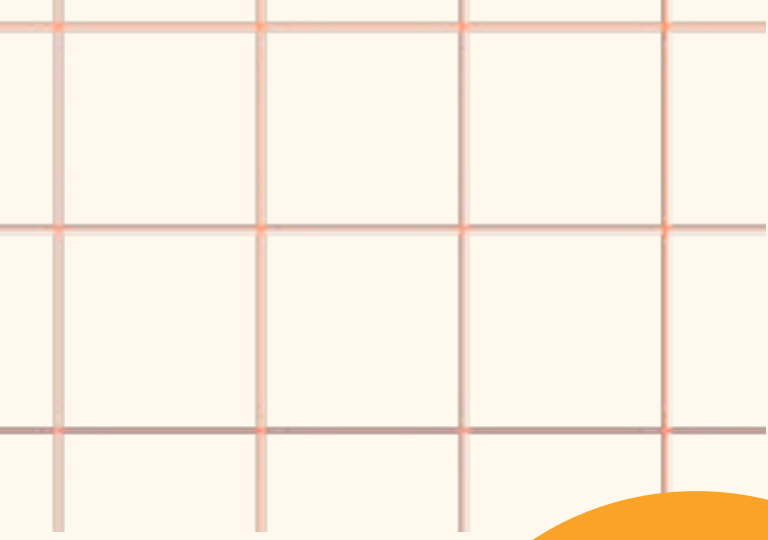
The purpose of the budget, our expenses and revenues, and how they all tie together

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The budget process and timeline

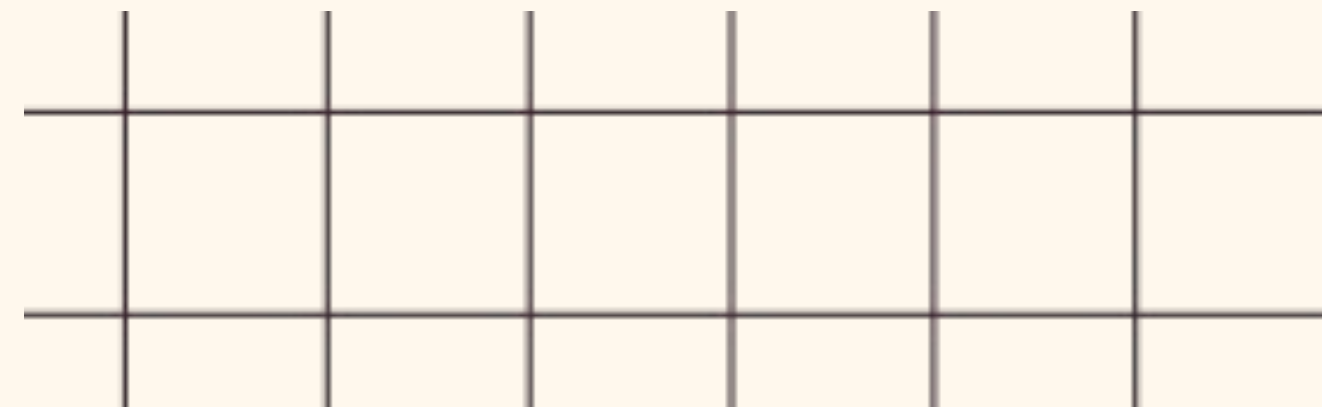




01

Our Vision

Gateway's Instructional Vision, developed by the Barr Foundation Team during FY '24, is the touchstone and foundation of our work district-wide. This instructional vision guides our district. The short-term and long-term goal is for our instructional vision to drive how we allocate our financial and operational resources.





Instructional Vision

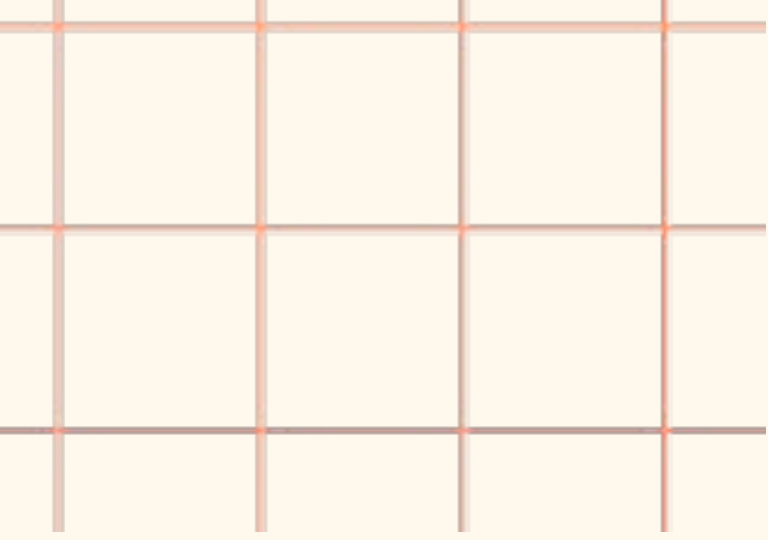
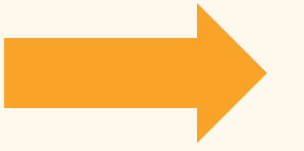
Students will:

- Engage in their school community
- Recognize their strengths and areas of growth to reach their potential
- Work together to support each other as members of the learning community
- Seize opportunities and direct next steps for learning based on interests and abilities
- Push through challenging tasks with a positive attitude.
- Know what they are learning and why they are learning it.

Gateway Staff will:

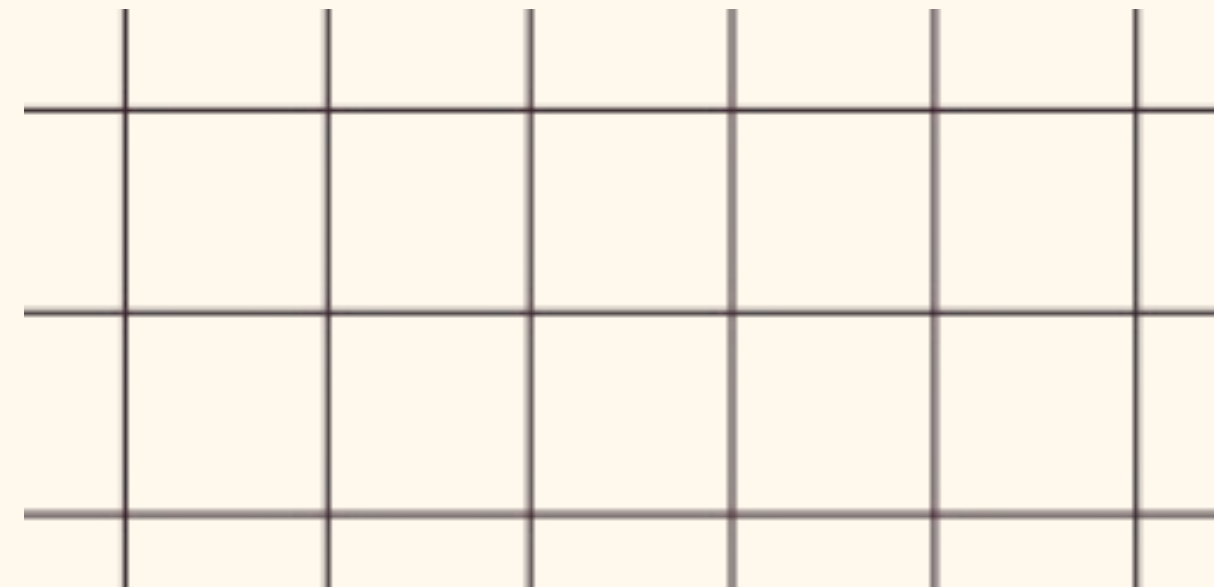
- Know and reach every student
- Believe in every student's potential
- Push every student to grow as a learner and community member
- Create meaningful and personalized opportunities for all students
- Trust students to succeed after **productive struggle**
- Empower students to know what and why they are learning.

Students are empowered through **intentional design**.

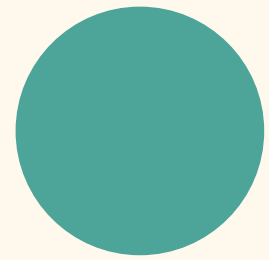


Our People

A close look at the numbers - students we serve, staff we support, and other people-centered facts and figures

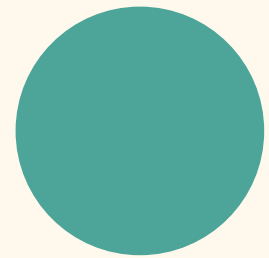


People By The Numbers



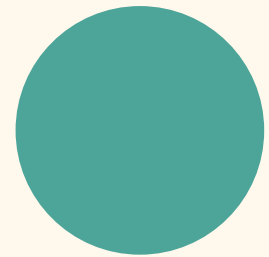
12 Administrators

Staff who oversee the daily management, operations, and supports of the district or of an individual building.



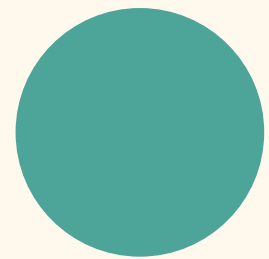
31 District Operations Staff

Staff who provide important services to keep our students and staff fed, safe, well-resourced, and secure while at school.



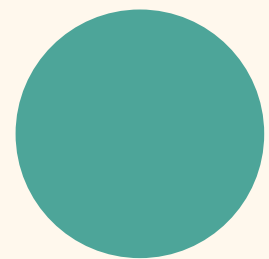
133 Instructional Staff

The heart of our district: staff who provide general instruction, special education services, coaching, and other types of instructional service and support.



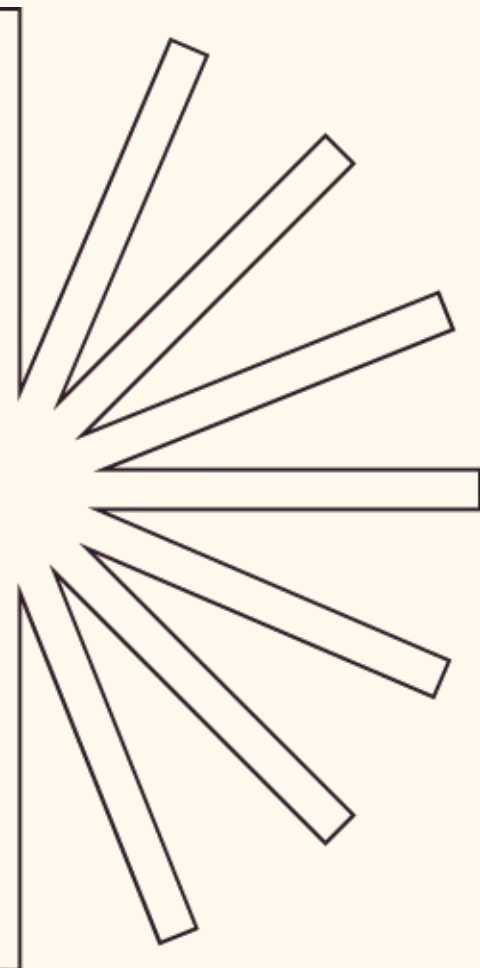
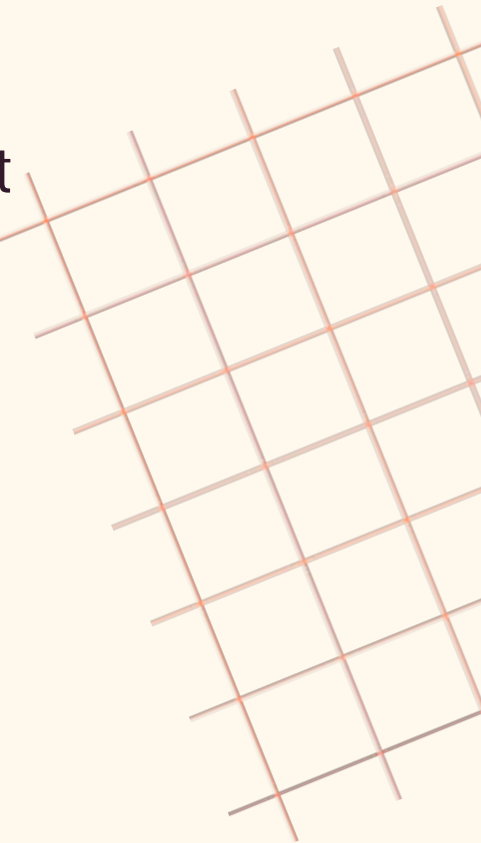
12 Nursing and Counseling Staff

Our nurses and counselors in all buildings, providing physical and mental health care, and guidance services



790 students and 188 staff (10/1/2025)*

**School choice numbers from 3/2025 are used to help estimate total number of students.*



Our Students

Chester Elementary

Led by Dr. Todd Gazda, Interim Principal

Total enrollment PreK-5: **124 students**

Littleville Elementary

Led by Principal Melissa McCaul and Assistant Principal Martha Gendron

Total enrollment PreK-5: **262 students**

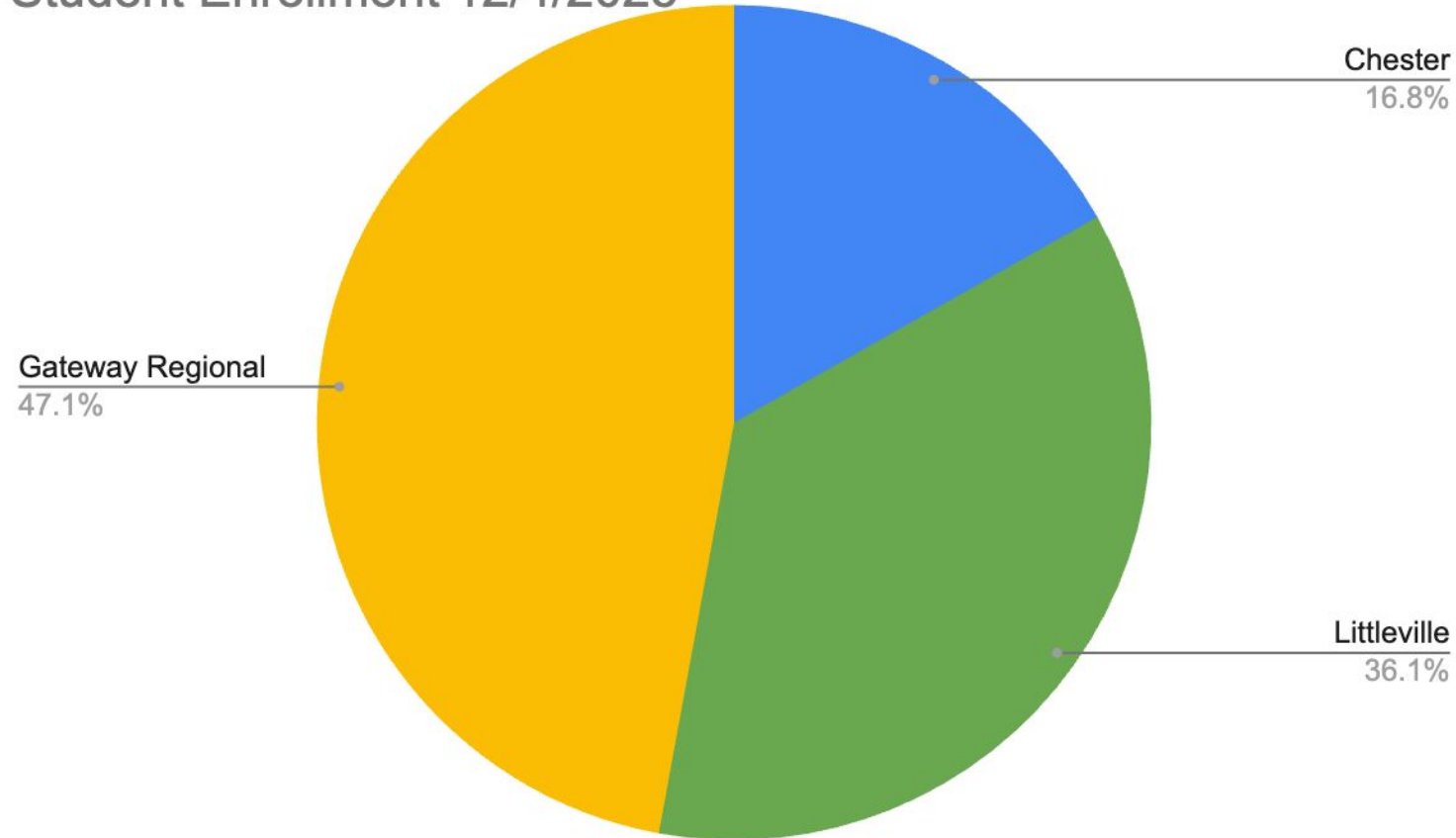
Gateway Regional School

Led by Dr. William Sullivan, Principal, and Valerie Zeh, Assistant Principal

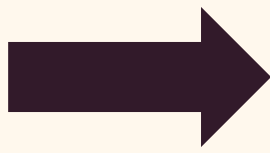
Total enrollment Grades 6-12+ = **346 students**

***Enrollment as of December 4, 2025, in PowerSchool = 732 students.

Student Enrollment 12/4/2025



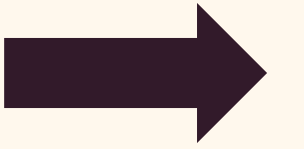
Enrollment Swing



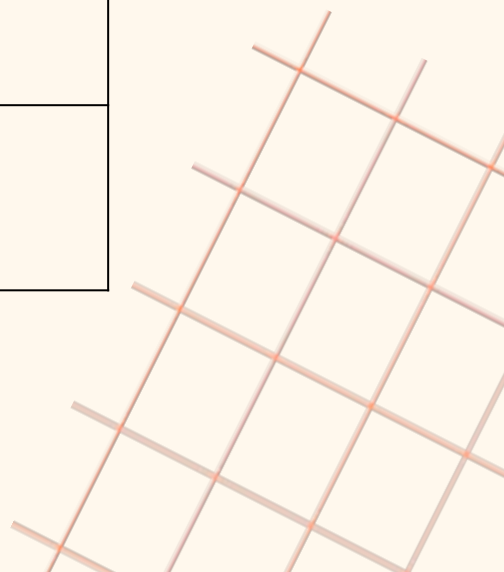
Comparing our 3/1/25 enrollment by town to our 10/1 Census.
The 10/1 Census is important because it is the basis for the state foundation budget amount for FY '27.

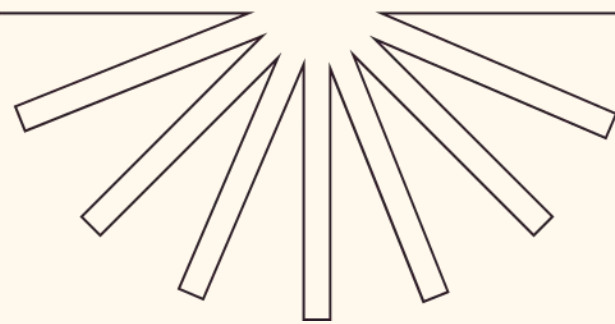
	3/1/25 Census	10/1/25 Census	# Change	% Change
Blandford	95	107	12	12.6
Chester	128	123	-5	-3.9
Huntington	256.5	259	2.5	0.9
Middlefield	24	22	-2	-8.3
Montgomery	69.5	70	.5	0.7
Russell	207	209	2	0.9
Totals	780	790	10	1.2

Home School Students (10/1/2025)



Town	Previous (24-25)	Current (25-26)
Blandford	12	24
Chester	11	7
Huntington	11	8
Middlefield	0	0
Montgomery	11	12
Russell	26	18
Total	71	69

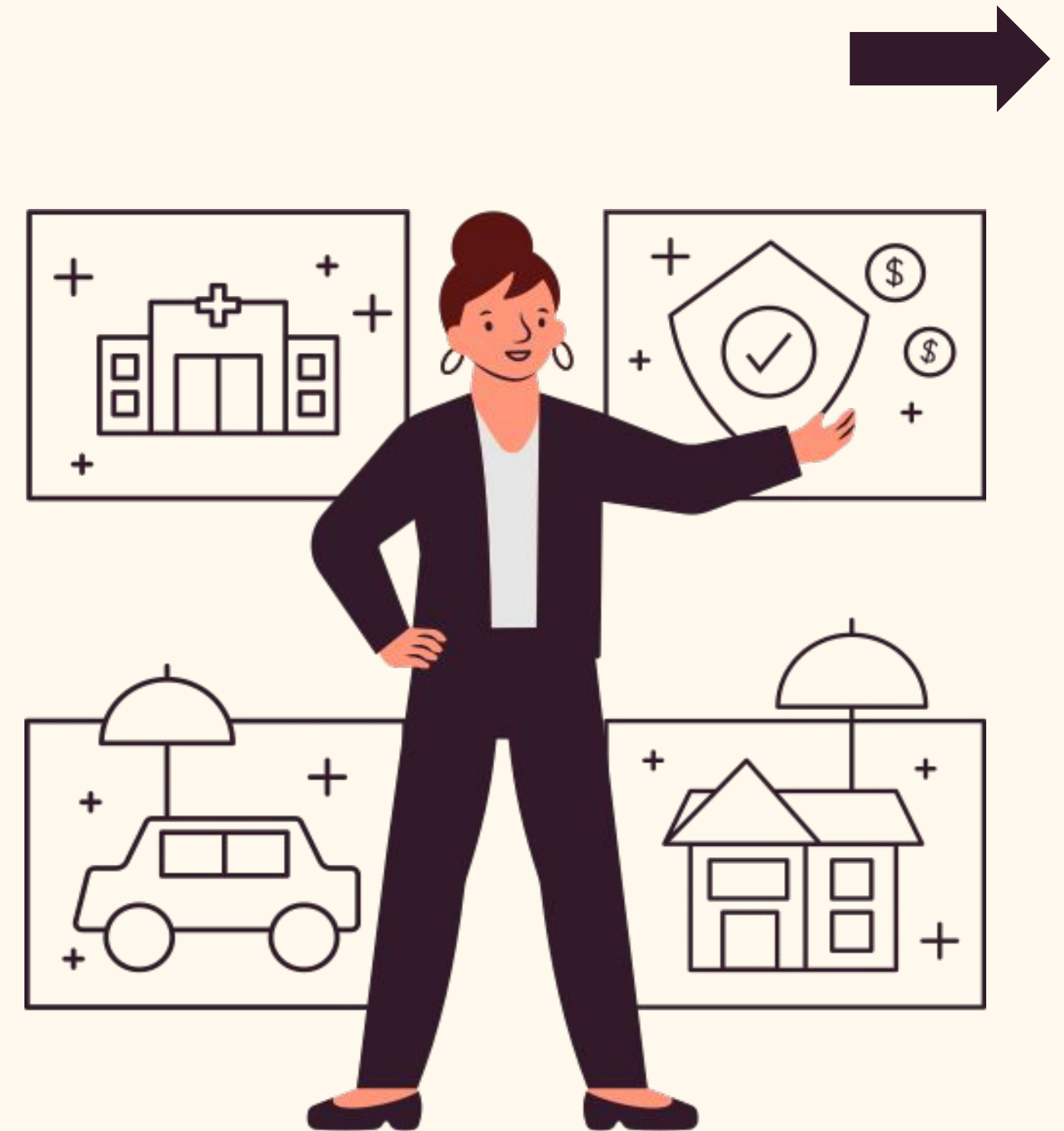


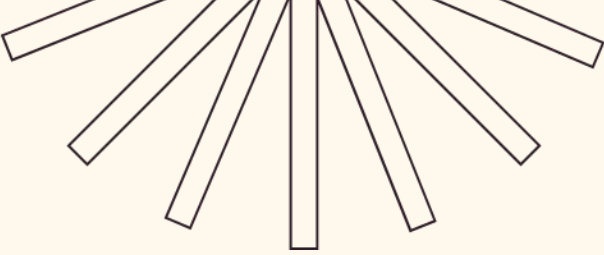


Who Supports Our Students?

Our **3 Building Principals and 2 Assistant Principals** are the central supports for our students in all 3 of our district schools.

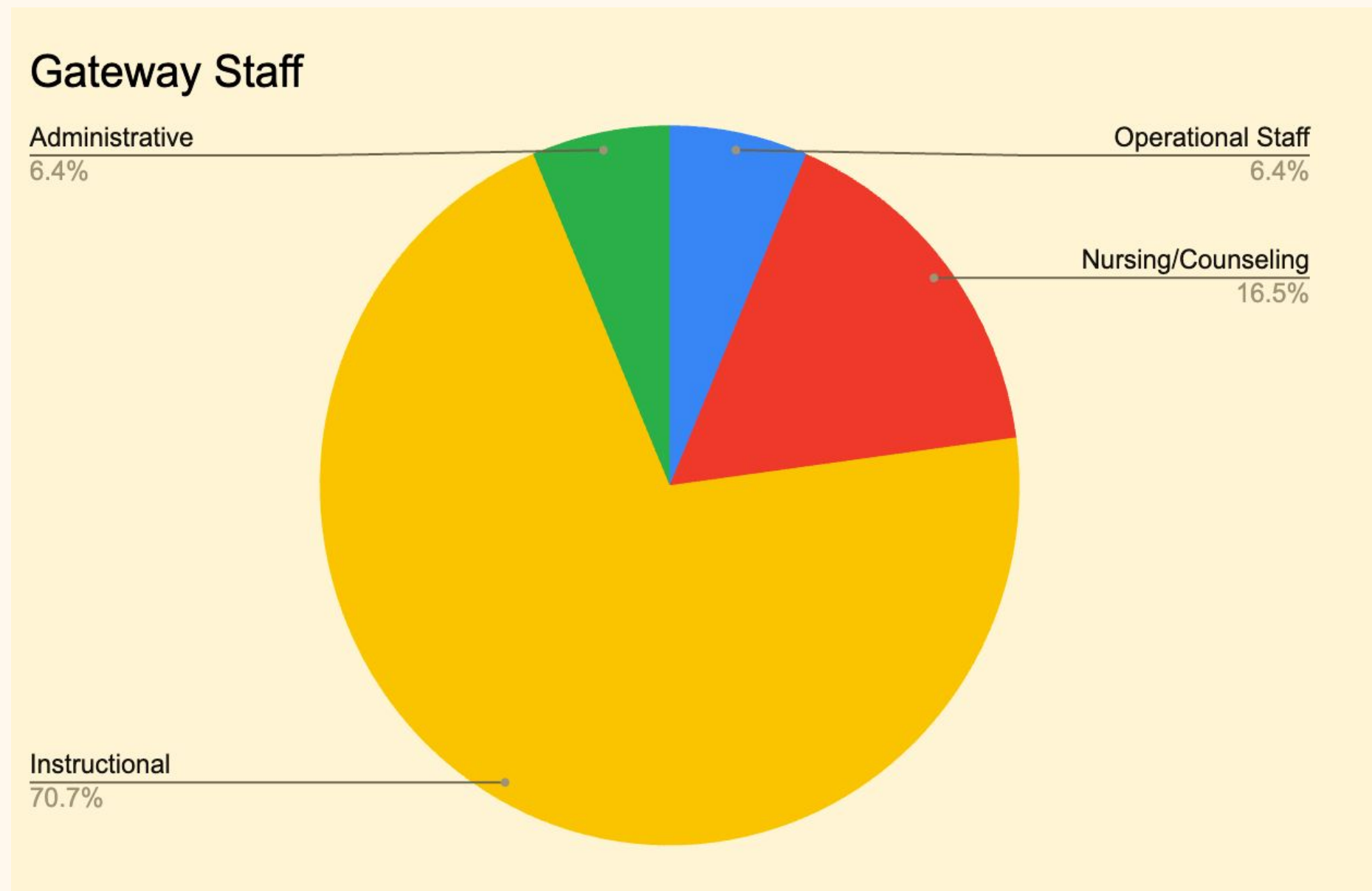
Supporting their work are **7 additional administrative staff:**
Superintendent, School Business Administrator, Human Resources Director, Pupil Services Director, Assistant Pupil Services Director, Director of Grants and Accountability, Director of Technology.

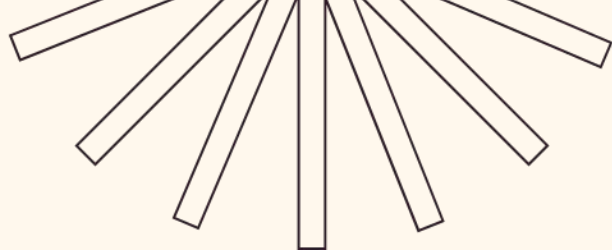




Who Supports Our Students?

Our **133 Instructional Staff** are at the heart of our work with students. These are the teachers, instructional assistants, specialists, and essentials teachers that work directly with students every day in the classrooms, gyms, specialist programs, and essentials.



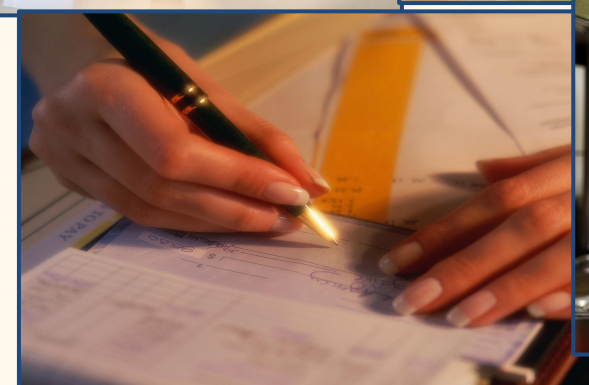


Our students and staff cannot be well cared for without their needs for security, food, and technology being met. We have **42 operational, nursing, and counseling staff** who provide a variety of services and supports to our staff and students.

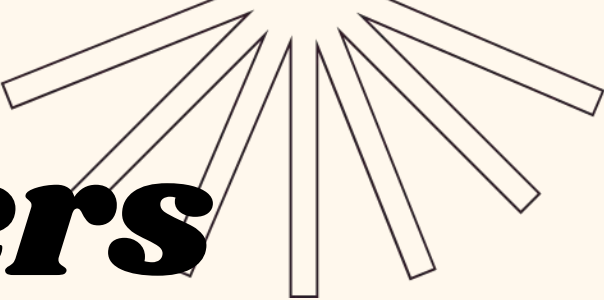
These include:

- Nursing staff
- Food services staff
- Maintenance, Facilities, and Custodial Staff
- Administrative Assistant, Accounts Payable, and Payroll Clerk/Treasurer to support the needs of the district.
- Data Specialist and Information Technology Specialist
- Transportation coordination and support
- Guidance and School Adjustment Counselors

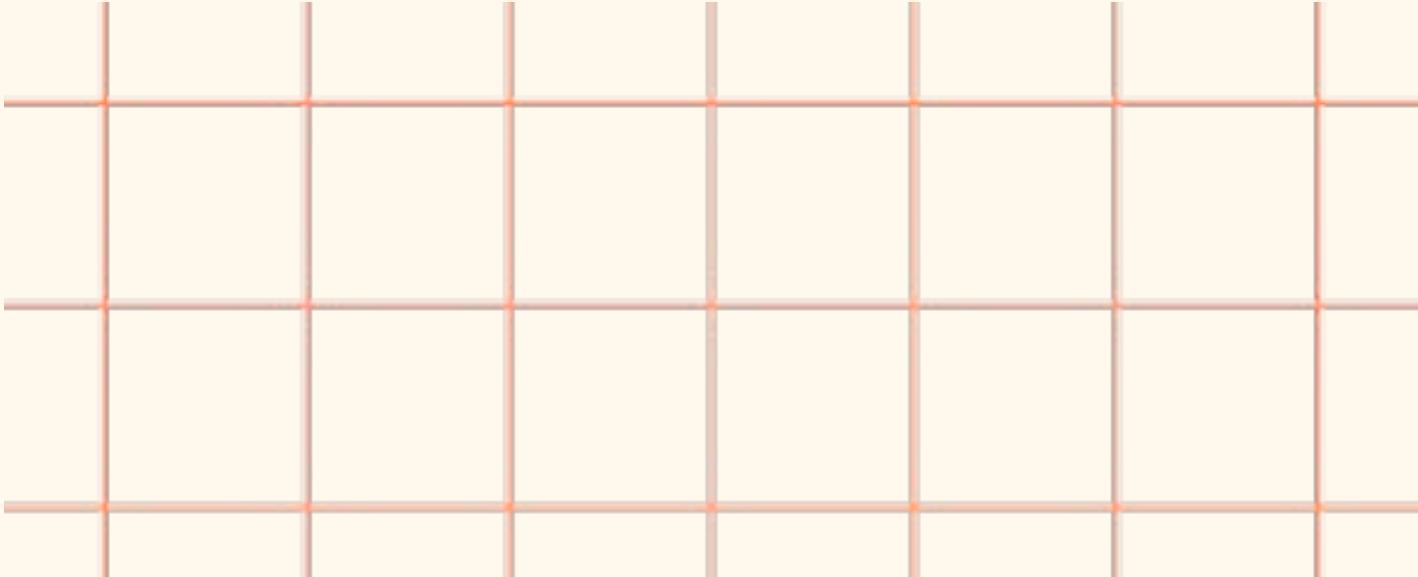
Who Supports Our Students?



Staffing By The Numbers



Administration	12	General Education Teachers	63
Custodial/Maintenance	8	Special Education Teachers	10
Food Service	10	Therapeutic Staff	7
Non-Union Central Office	4	Guidance/Adjustment Counselors	7
Instructional Assistants	42	Nursing Staff	5
Secretaries	5	English Language Learner Teachers	1
Security	2	Ch. 74 (Vocational) Teachers	2
Technology	2	Psychologist	1
		Media Specialist	1
		Behaviorist/BCBA	2
		Interventionists	4



Transportation

Coordinated by Deborah Burkott, Transportation Coordinator,
and Stephanie Conway, Pupil Service Secretary

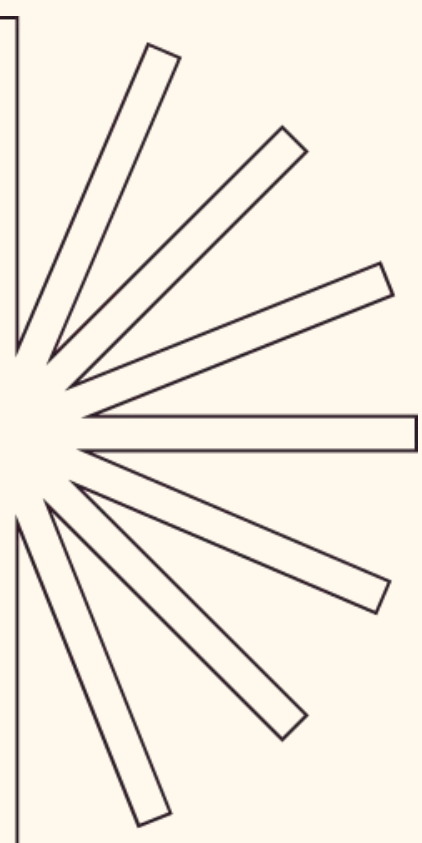
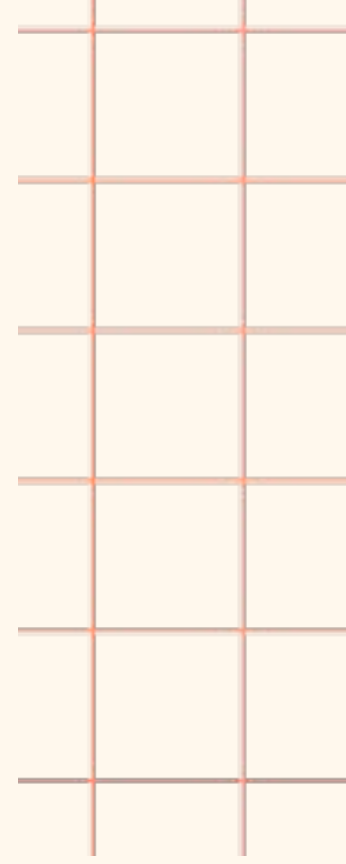
11 Contracted buses providing daily transportation to approximately **587** students.

8 Contracted vans providing special education transportation to **23** students.

18 are transported within the district and **5** are transported to/from out-of-district placements.

7 District owned vans/activity bus used for special trips, special education transition program, and some athletic trips





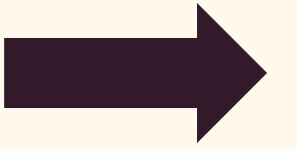
03

Our Goals

What do we want our budget to do? What are our sources of funding and expenditure outside of the operating budget? What do we need to plan for, and how do we navigate the use of public funds in a responsible and transparent manner?



A Responsible and Realistic Budget

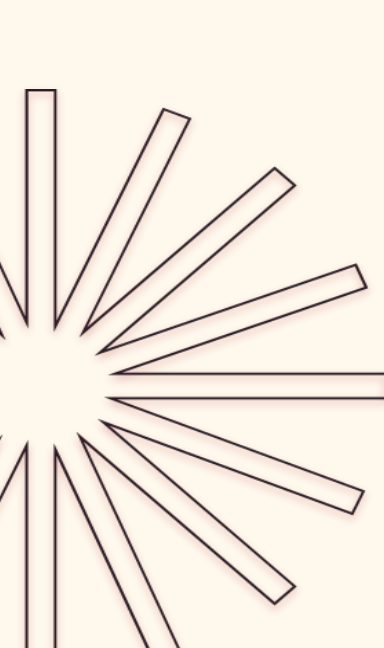
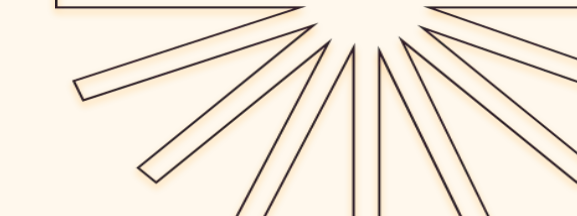


The goal of the Gateway's budget process is to **produce a result that is both responsible and realistic.**

A **responsible budget** is one that is built with intention. It addresses the various needs of our students based on data as well as individual school and district goals.

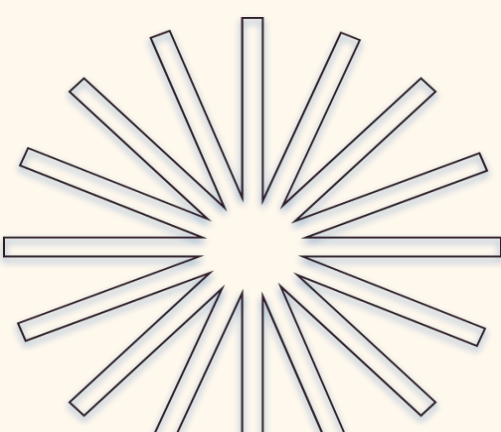
A **realistic budget** is one that meets student needs through the most efficient use of existing resources, while aiming to keep any increases reasonably paced for our member towns. Such a budget may include outside funds, such as grants or fundraisers, that do not increase the financial load on member towns.

We strive to achieve both of these goals with developing a budget for proposal.

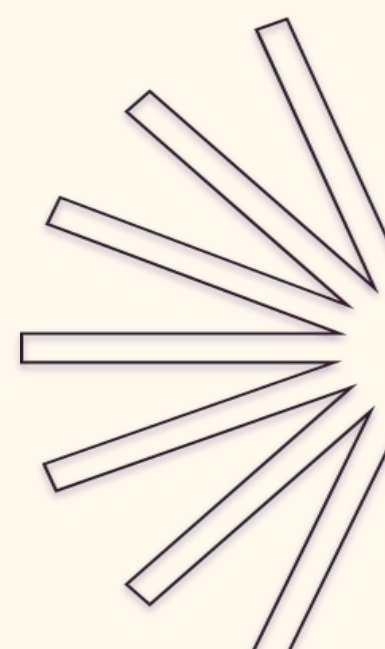


Real-World Learning: The Results of Responsible Budgeting

FY '26 - \$0 due on MSBA and building project debt

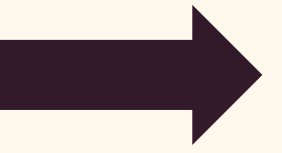


The district is applying the funds previously used to pay down both our MSBA payback and our building project debt to our Capital Stabilization account. Our major capital project - GRS Roof Replacement - is now anticipated for summer of 2027 (during FY '28).



From Debt to Capital Investment:

A Brief History



MSBA payment was \$222,295 per year. This was paid in full by the end of FY '24.

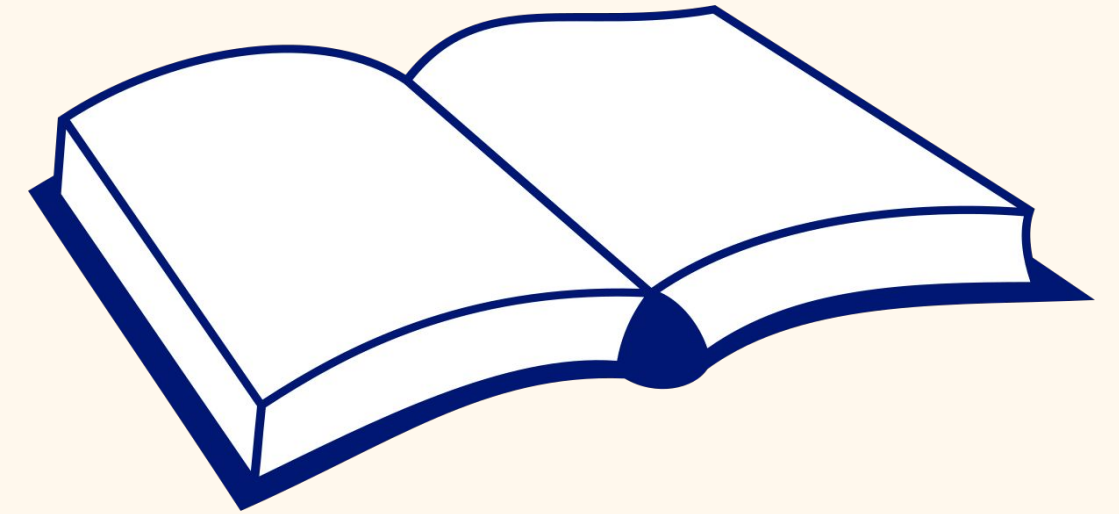
These funds were deposited into our Capital Stabilization account in FY '25.

This was approved as a part of the budget proposal presented in FY '24 for the FY '25 budget.

Meanwhile, we also had remaining debt from the building project, which was \$571,200 per year.

This was paid in full during FY '25.

These funds were approved as part of the FY '26 budget. We were left with remaining funds.



Since the total of these remaining funds was above the 5% statutory cap for Capital Stabilization accounts, the district requested permission from our member towns to apply the funds to our Capital Stabilization account. The towns agreed.

The district also sought permission from DESE, as required by statute, to get commissioner approval to exceed the statutory cap.

The funds, which total \$794,195, are currently being deposited to our Capital Stabilization account to fund the GRS roof project. We expect this project to take place in summer 2027 (FY '28).

For our FY '27 budget, we plan to maintain this \$794,195 for Capital Stabilization. Our request is pending approval from the Commissioner.

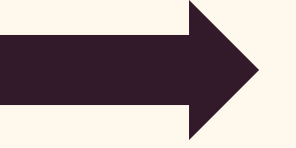
What Makes Gateway Unique?

- Small class sizes with innovative, grade level programming.
- Supportive, knowledgeable, and committed teaching and support staff in every school.
- The ONLY Chapter 74 Welding and Early Childhood Programs in the immediate area.
- The ONLY Tuition-in inclusive special education vision program in Western/Central MA.
- 1:1 technology program in all grades K through 12 with insurance included for accidental damage.
- Free high-quality early education learning opportunities offered for 3-4 year old children from our six member towns.
- Student and staff centered central office staff and administrators who keep students at the center of the work.
- 20 extracurricular offerings.
- 14 athletic teams available to grades 7-12, many of which have had successful tournament qualifications in previous years.
- Implementation of Positive Behavioral Interventions and Supports (PBIS) at all schools.
- Free universal breakfast and lunch is offered to all students at all schools.
- Innovative Instructional Visioning work in partnership with the Barr Foundation is provided for outside the classroom learning opportunities.
- School-based health center on site offering medical, dental, behavioral health, and optometry services.



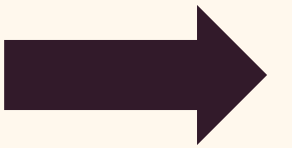
The secret to budgeting is
that it needs to be honest.
Not what you think it should
be or wish it could be, but
what it really is.

Lisa Conway-Hughes

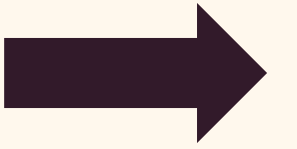




Future Budget Planning



- With the lens of our instructional vision, continued necessary implementation of literacy, math, and curriculum initiatives including **high quality instructional materials** at every grade level and benchmark assessments
- Retaining and attracting **high quality educators and service providers** to offer strong programming and supports to students
- Maintaining existing **Chapter 74 programs and increasing career-connected learning** for students such as the possibility of work-based learning opportunities, out of classroom learning experiences, horticulture/landscaping, coding/gaming/robotics, etc.
- Building additional opportunities for paid internships.
- Explore options for future summer and after school program offerings.
- A continued commitment to **quality health insurance** at a reasonable rate.
- Funding of Other Post-Employment Benefits (OPEB), stabilization accounts

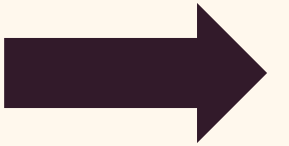


Future Planning For Liabilities

Liabilities are monies that are owed - or expected to be owed - in the future.

Gateway has two primary liabilities:

1. Other Post Employment Benefits (OPEB), which cares for our retirees through health insurance and pension.
2. Compensated Absences account, which covers severance pay and other absence payouts based on contractual obligations.



Future Financial Planning - OPEB

Gateway's major liability is one that cares for our retired employees and future retirees:

Funding **OPEB** (Other Post Employment Benefits) - Health Insurance & Retirement

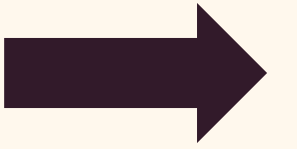
Balance in OPEB account through PARS (Public Agency Retirement Services) -

\$1,398,872.07 (10/31/25) One-year investment return = **15%**

For comparison: FY 25 = \$893,715.82. One-year investment return = 12.1%

Recommendation to budget annual amount to fund OPEB/Pension Liability.

We currently budget \$50,000 per year as well as transferring unexpended health insurance balances into this account.



Future Financial Planning- Compensated Absences

Funding Compensated Absences Account

Purpose: To cover severance payouts to retiring staff without the need to include these costs in the general fund budget.

Current balance - \$276,818.765 (12/9/25)

In FY '24, our audit recommended fully funding compensated absence liability as follows.

- Transfer any residual balances from employee separation cost accounts to compensated absences reserve account at the end of each fiscal year.
- Use this reserve to fund all upcoming severance pay.



Future Financial Planning

Funding Capital Stabilization Account

Current balance - \$1,034,769.02 (11/30/25)

- Last year's balance - \$225,274.54 (11/30/24)

District needs to prepare for capital expenditures and continue to increase the capital stabilization account.

Working Capital Plan can be found here.

Recommendation to include an annual amount in budget (Previously budgeted under MSBA payback and building project principal and interest payments)

Work with towns on Green Community Grants (specifically boilers)



Future Capital Planning

Roof Replacement - Main Complex

- Estimated Full Replacement Cost - \$3 million (estimate from 2021).
- Roof re-cover, rather than a full replacement, is a possibility and has certain benefits, including reduced cost.
- Recommendation for replacement in 2027 (likely summer-fall 2027, during FY 28) at 25 years old.
- Provide options to towns to roll MSBA Payback as well as building project payment amount into capital stabilization account to fund this project or finance the project when it is time.
- Superintendent and School Business Administrator are attending pertinent MSBA meetings to learn about MSBA supports and reimbursement opportunities, as well as familiarizing themselves with procurement law for major capital projects.



Regional Transportation Reimbursement Fund

Purpose: This fund is for regional school districts, and is meant to reimburse regional districts for the costs of transportation, subject to state appropriation. This is often a significant expense for regionals due to the large geographical catchment area.

The balance from this fund is allowed to be carried for one year. This reimbursement fund allows the district to level/equalize transportation reimbursement from year to year to alleviate transportation funding issues that may arise during the fiscal year.





Regional Transportation Reimbursement

Reimbursement is based on expenditures from previous year/end-of-the-year financial report.

Riders that live less than 1.5 miles from school are not reimbursable (M.G.L Ch. 71, sec. 16C).

Currently Gateway has approximately 91.5% reimbursable ridership

- Total regional transportation in FY '25 @ 91.5% = \$778,099
- Projected State Reimbursement for FY '26 is 87% or \$676,946
- Budgeted for reimbursement in FY '26 - \$708,845
- Cherry Sheet figure for FY '26 reimbursement = \$621,895

*District buses must be filled to at least 75% capacity in order to qualify for reimbursement

FY '25 fund balance = \$340,026



Tuition Revolving Vision Impairment Program 12/2/25- 10 total students



Current vision program tuition-in students enrolled: **3**

Total in-district vision program students: **7**

Two of these students attend via school choice
(grandfathered in or consult-only students)

Potential future students: **4**

Tuition-in students are from Chicopee, Lee, and
Southwick-Tolland-Granville schools.

FY '26 estimated revenue: \$386,433.

Expenditures from this tuition revolving account cover the following:

- Partial salary of Assistant Pupil Services Director
- Salary of Teacher of Students with Visual Impairment
- Orientation and Mobility Specialist Instructional Salary
- Full salary of vision paraprofessionals, brailist, & related health insurance benefits
- Summer program vision staffing as required
- Assistive technology
- Other related services, based on assessed student need.



School Choice Revolving

School Choice Revolving **Revenue** averaged \$649,645 over the last 3 years (FY 24-FY 26). Most years prior to FY revenue averaged at approximately \$300,000. 

The school choice account has been used to fund technology expenditures for:

- All technology staff (3 FTE)
- MacBooks, Chromebooks, iPads, etc.
- Software
- Tuition and transportation if choice student is tuitioned out
- Specialized staff for incoming school choice students (i.e. nurse, paraprofessionals)
- All technology capital replacement costs

School Choice Revolving **Expenditures** (estimated) from the School Choice Account averaged \$453,5578 over the last 3 years

- FY 24 and FY 25 actual numbers used; FY 26 expenditures projected to be \$400,000.



Circuit Breaker Revolving (Special Education)

Circuit breaker is a state-funded, special education revolving account. The purpose of these funds is to help school districts fund the costs of more expensive special education programs, such as out-of-district tuitions.

How it works:

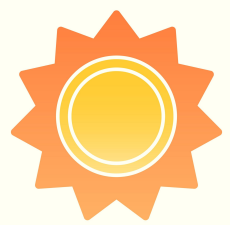
- Massachusetts DESE establishes a high-cost threshold for a given fiscal year.
- DESE then reimburses the district for a percentage of special education expenses that go over that high-cost threshold.
 - The percentage reimbursed is usually around 75%, but depends on appropriation (i.e., how the state budget plays out).

Reimbursement Example:

- Claim threshold = \$53,431
- Reimbursement is calculated on expenditures above the threshold amount. Reimbursement percentage should be 75% (subject to appropriation)
- Say, for example, that special education services for a student = \$100,000
- $\$100,000 - \$53,431 \text{ (threshold)} = \$46,569 \times 75\% \text{ reimbursement} = \$34,926.75$ would be reimbursed to the district.

District Current Standing:

- : Our current Circuit Breaker Balance FY '25 is \$638,522.18
- : This amount must be expended during FY '26.
- : This partially covers special education tuitions.
- : Total special education tuition will be approximately \$1,146,869.00 for FY '26. This may increase with additional out placements.
- : Circuit Breaker receipts for FY '26 anticipated amount = \$610,472 (will partially offset total tuition out in FY '27).



FY '26 Grants



IDEA	\$304,845
Title I	\$282,574
Title II	\$24,104
Special Education Early Learning	\$13,465
Title IV	\$23,347
BRYT	\$98,773
MassHire	\$4,500
Mass Creative Experiences	\$5,000
SEL & Mental Health*	\$44,910
PRISM I Literacy	\$336,390
DPH Grants*	\$105,476
CPPI Preschool Grant*	\$250,000
BARR Foundation*	\$230,000

Grants contribute significantly to the overall picture of the budget, as they allow the district to start new programs and projects.

In some cases, they also allow for funding ongoing programs and projects.

Grants all have specific rules that must be followed regarding how funds are allocated, and what costs are not allowed.

Grant rules are defined by the entity awarding the grant, **not** by district officials.

Some grants have more stringent requirements than others.

Once written, grants must be revised and approved if there are changes to the intended use over the life of the grant.



Excess & Deficiency

It's like a savings account, but it's for Regional Schools, and it has special rules

Excess & Deficiency 6/30/21 = \$833,337 (5%)

Excess & Deficiency 6/30/22 = \$769,969 (4.6%)

Excess & Deficiency 6/30/23 = \$750,447 (4.3%)

Excess & Deficiency 6/30/24 = \$855,303 (4.8%)

Excess & Deficiency 6/30/25 = \$883,197 (4.8%) (auditor's estimate)

Excess & Deficiency limit of 5% of current budget = \$912,733

E & D used to offset FY '26 budget = \$428,000

Projected budget amount of E & D to offset FY '27 budget = \$428,000

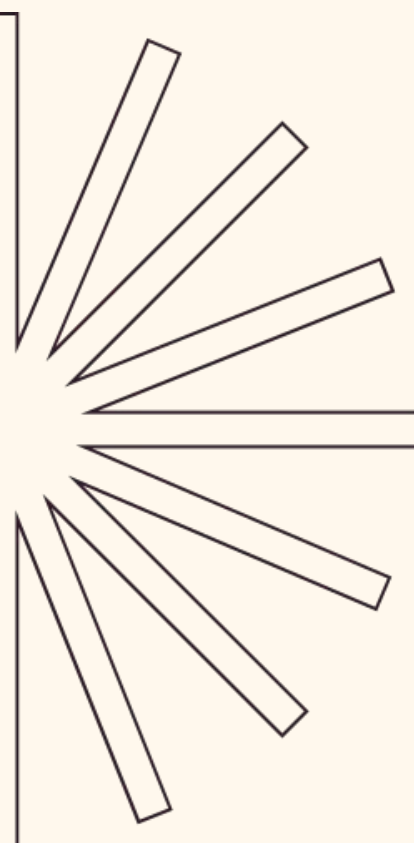
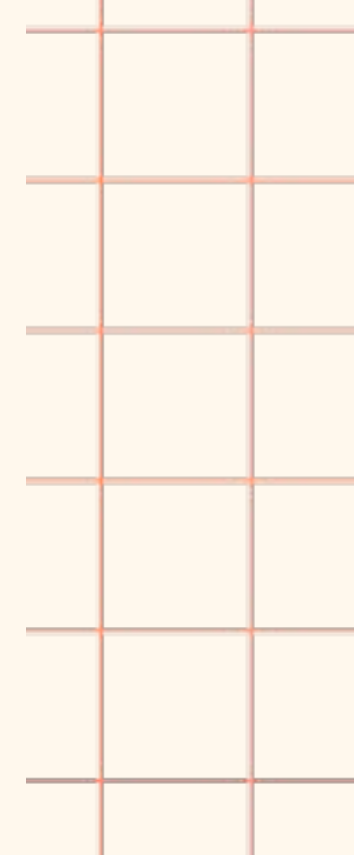


Budget Requirements and Constraints

- Maintaining updated curriculum materials, resources, and staffing to make sufficient progress from year to year is an ongoing budget necessity.
- Need to budget for OPEB for our retirees and future retirees, as well as compensated absences.
- Continue to fund capital stabilization for future capital expenditures, such as the anticipated GRS roof recover in early FY 28.
- Rural School Aid continues to fluctuate dramatically, with a reduction in Rural Aid impacting the budget overall, and alerting rural school business officials to the need for more conservative budgeting than in recent years. The concerns outlined in "A Sustainable Future for Rural Schools" continue to be relevant.
- Uncertainty of state revenue, federal grant funding, and hold harmless funding, given the unconventional unfolding of the budget at the federal, state, and local levels.
- Increase in out-placed student tuition and fixed costs
- SOA (Student Opportunity Act) funding does not really help districts that have minimal or no enrollment increase.

04

Our Timeline

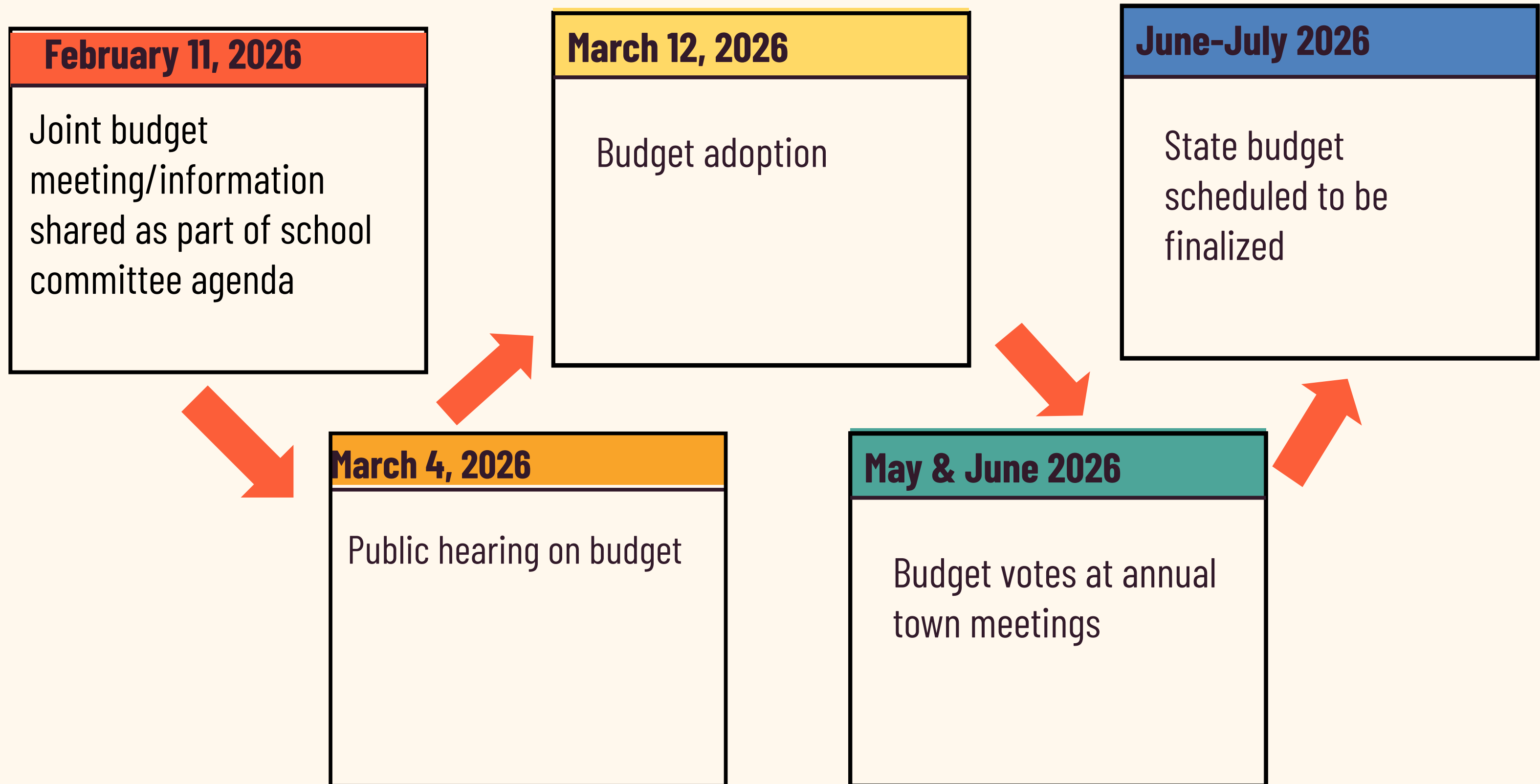


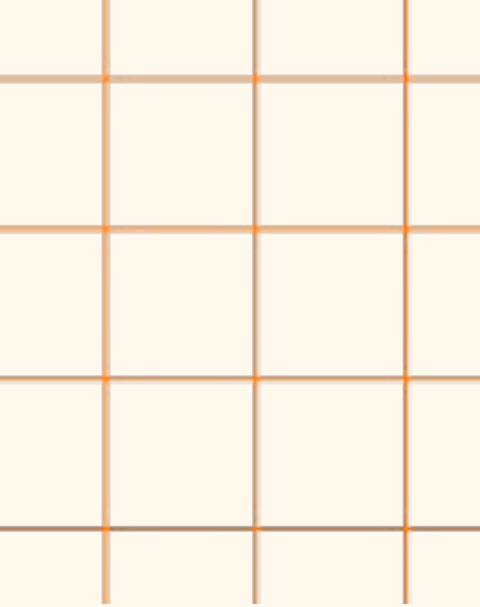
State Budget Process



- Consensus Revenue Estimate - December
- Governor's Budget - End of January
- House Ways and Means - Early April
- House Final - April
- Senate Ways and Means - April or May
- Senate Final - May or June
- Conference Committee - June
- Governor's Approval - June or July
- Legislative Vetoes - July

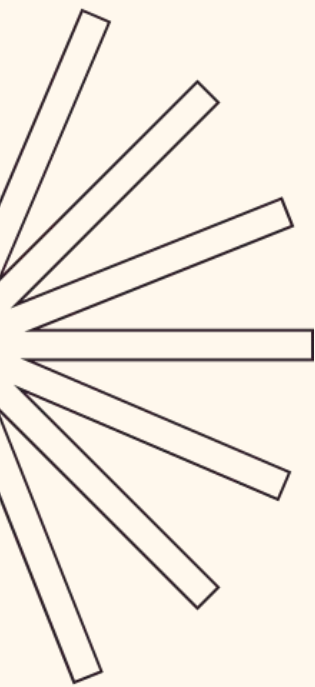
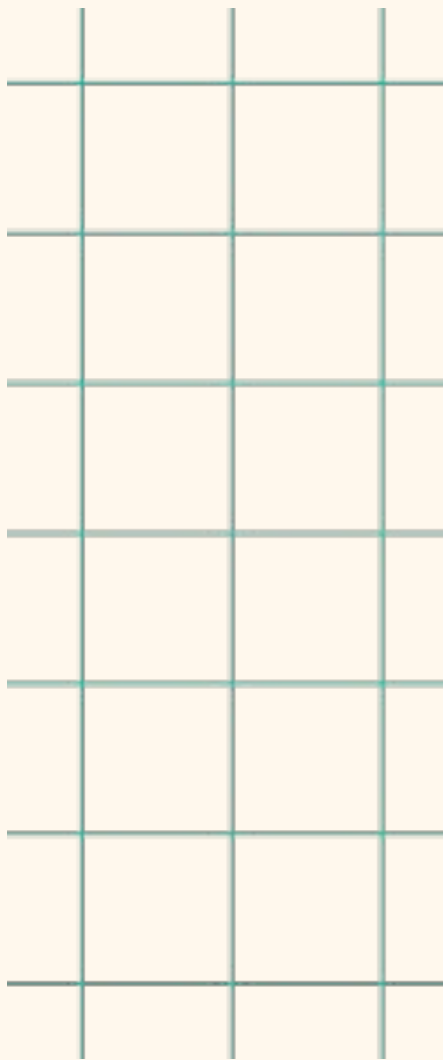
FY '27 Budget Timeline





***"Don't tell me where your priorities are.
Show me where you spend your money and
I'll tell you what they are."***

— James W. Frick



THANK YOU

Thank you to our School Committee members, administrators, staff, community members, and families for your ongoing support of our public schools!

See our updated website at www.grsd.org

