

WINTHROP PUBLIC SCHOOLS

SUMMARY OF THE FY26 SCHOOL BUDGET OVERRIDE REQUEST

Updated February 2025

Why is an Override Needed

Over the past several years (7+) the School Department has operated with a budget allocation that has been far below the level service allocation needed and has annually required reductions of staff, services, materials, and supplies and a reliance on grant funding and one-time revenues to balance the budget and avoid the need for an Override. We are grateful for the efforts of the Town Council to fund our schools and understand the limitations we face with the constraints of Proposition 2 ½.

As we approach the FY26 school year we are faced with a structural deficit that is the result of fixed costs rising faster than the recurring revenues which are constrained by Prop 2 ½, the end of COVID-19 grant funding, reduced state and federal entitlement grant allocations, increased enrollment and student needs and minimal additional revenue sources to supplement the school budget.

Although the school department has not requested a 2 ½ Override in 15 years we have now reached the critical juncture of not being able to keep up with the rising costs of public education without additional school funding beyond the constraints of Proposition 2 ½.

How Did We Get Here

- The cost of providing educational services and supports to students has outpaced the revenue growth under Proposition 2 ½
- A long-standing history of “Below Level Service” budget allocations leading to major structural deficits managed by annual 1 time funding sources that are now exhausted
- The WPS has exhausted the use of 1 time revenue sources and revolving accounts to supplement prior year budget deficits (Covid Funds, PreK Tuition, 1x Grant Funds, Circuit Breaker Funds, etc.)
- Over the past 5 years, entitlement Grants that fund salaries have decreased while the costs of salaries have increased
- The cost of special education tuitions and transportation have increased at a rate well beyond 2.5% and in some cases over 14.5% in a single fiscal year
- Increased enrollment (FY22= 1883, FY23=1941, FY24=1965, FY25=2008)

How Did We Get Here (continued)

- As of FY24, the cost for all school employee benefits are within the school budget (health care, Medicare, workman's comp., unemployment, liability ins., retiree health care). The increases for the above are all over 2.5% with the largest increase of 9.5% for employee health care/retiree health care.
- End of COVID-19 Grant Funding (over \$4.5M between Fy21-Fy24)
- Unprecedented inflation rates and high increases in special education tuitions and transportation, utilities and materials and supplies
- Continued unfunded mandates from the state and federal government without appropriate funding to manage the costs
- Rising mental health needs of students and increase of students with complex medical needs
- A long history of stagnant Chapter 70 funding with a minor adjustment in FY24

What will the Override Fund?

The Override Funding Reflects a Budget of Protected Progress

- Maintaining our current excellence while implementing our Strategic Plan whose impact is factored into FY26 school year and beyond. Maintain current 2024-2025 current staffing and programs PreK-12.
- Continued investment in current curricular materials/resources and professional development
- Continued investment in culturally responsive teaching through continued professional development, and the recruitment and retention of educators
- Continued analysis and targeted investment in providing Multi-Tiered System of Supports (MTSS) to all students
- Maintain class size (low 20s K-8)
- Continue to provide supports and interventions related to the mental health, social emotional/academic needs of all students
- Ensuring continuation of innovative instructional practices as well as ongoing program implementation
- Continued operational and financial efficiency management
- Development of a School Stabilization Fund to maximize the override funds for 2-4 years
- Maintain reasonable student athletic, club and co-curricular user fees
- Maintain facility and safety maintenance in all 4 schools

What Happens if the Proposed Override Does Not Pass?

If the Override does not pass the School Department may need to eliminate non-mandatory programming, increase student user fees, reduce personnel and increase class size to decrease the FY26 salary and expenditures by approximately \$3,500,000.

Potential reductions pending the final budget allocation for the 2025-2026 school year:

- Reduction of staff and course offerings K-12 (specials, AP classes, language courses, mental health services) resulting in increased class size, K-8, from the current average of 20-22 to an average of 26-32 K-8 and 25+ per class in grades 9-12 and a reduction in available student support services.
- Added/Increased fees for before/after school programs, clubs, athletics and Co-curricular activities. Fees may reflect the funding cost of activity, club and/or sport
- Elimination of Middle School athletics or fee increase to fully fund each sport
- Freeze spending at all levels
- Increased Preschool tuition
- Eliminate or reduce non-mandated programs and services
- Institute fees for summer and other academic enrichment program
- Reduction of instructional materials, which includes a freeze on repair/new technology and basic supplies and cuts to textbooks, materials and software licenses. This may also negatively impact specials and athletic and co-curricular material purchases.

FY25 Level Service Budget Requested

The FY25 LS Budget Request Was \$40,845,169

Salary: \$25,420,627

Expenses: \$16,534,542 (\$9,734,447 benefits)

Grant/Revenue Offsets: -\$3,211,481

Total Request From Town: **\$37,633,688** (Salary + Expenses – Grant/Revenue Offset)

Final Approved Budget Allocation: **\$36,141,805** (\$1,491,883 short of request for LS Budget)

FY25 Final Budget (Reduced Level Service)

The Final FY 25 Budget Allocation is a ‘Reduced Level Service Budget’

Salary: \$24,128,250

Expenses: \$15,893,857 (\$9,734,447 of expenses reflect employee benefits)

Grant/Revenue Offsets: -\$3,880,303

Total Request From Town: **\$36,141,804** (Salary + Expenses – Grant/Revenue Offset)

Final Approved

Budget Allocation: **\$36,141,805** (\$1,491,883 short of request for LS Budget)

Note: This is the budget that is on the website www.winthrop.k12.ma.us . Many line items for materials and supplies were removed as they were prepaid in FY25. All of those lines will need to be restored to the FY26 Budget.

FY26 Projected Level Service Budget

FY26 Projected Budget

Salary: \$25,002,366

Expenses: \$17,239,949 (includes returning expense lines cut in FY25)

Grant/Revenue Offsets: -\$1,942,315 (projected available funding)

Total Request From Town: **\$40,300,000** (Salary + Expenses – Grant/Revenue Offset)

Projected Budget Allocation from Town: **\$36,800,000** (\$1,491,883 short of request for LS Budget)

Projected FY26 Deficit: **\$3,500,000**

2 ½ Override Request: \$3,500,000

The FY26 projected budget is a level service budget which provides the same level of staffing, programs and services that are currently in place for the 2024-2025 school year.

Has the school department considered a reduction in spending instead of asking for an override?

Yes, this has been a general practice for multiple years in a row. The Winthrop Public Schools has received a “below level service” budget allocation for several fiscal years in a row resulting in annual budget reductions of staffing and expenses to balance the budget to the allocated appropriation.

For example:

Fiscal Year	Level Service Budget Reduction Amount
FY21	-\$ 591,156
FY22	-\$ 626,945
FY23	-\$ 1,683,590
FY24	-\$ 459,847
FY25	-\$ 1,492,485

How did we balance the FY25 requested “Level Service Budget” to a “Reduced Level Service Budget”

To balance the FY25 requested Level Service Budget to match the final allocation of FY25 funds, \$1,492,485 had to be reduced from the original school committee requested budget. The following actions were taken to balance the budget:

- The FY24 budget was frozen (1/3/24) to enable FY25 expenses to be prepaid in the amount of \$785,783 (curriculum, materials, supplies, technology)
- Eliminated 2 teaching positions at GFB for the 24-25 SY (grade 1 & 2) \$182,977,
- Charged \$40,000 of FY25 lunch monitor salaries to the School Lunch revolving account
- Charged \$483,725 of FY25 Special Education tuitions to the incoming Circuit Breaker revolving account. This significantly limits the access to CB funds to offset the FY26 budget or financially support unanticipated tuitions in FY25.

It is important to understand that the costs above will reoccur in FY26 at a higher cost, and we will not have the ability to prepay expenses, nor will we have the necessary funds left in revolving account to fully cover deficits.

What is the Amount of the 2 ½ Override Request?

The Override Amount is \$3,500,000. If approved on April 5, 2025, the override would be part of taxes beginning July 1, 2025

- \$3,500,000 will be added to the Fy26 School Budget to achieve level service for the 2025-2026 school year.

Note: The entire amount of the requested override will be allocated for the use of the school department only.

What is a School Stabilization Fund, why is it needed and how much is being requested on the ballot?

- A school stabilization fund is a financial reserve or pool of money set aside to support schools during times of financial difficulty or instability. This fund is designed to help maintain the quality of education, even when schools face unexpected budget cuts, drops in enrollment, or other financial challenges. The goal is to ensure that schools can continue to operate smoothly and avoid drastic measures like layoffs, cuts to educational programs, and reductions in services.
- The ballot requested amount is \$1,450,000.
- Use of School Stabilization Fund dollars are specific for school related costs, cannot be used for non-school related costs and remain in the Stabilization fund until there is a request for use by the school committee. All requests require Town Council approval.