



FY2026 Budget Summit II

October 23, 2024



FY2026 Fiscal Summit II

Presentation Overview

- FY2026 Revenue & Spending Projections
- School Presentation
- Use of Override Mitigation Fund (OMF)
- Updates – One-Time Funding Sources
- Budget Timing
- Questions & Comments



FY2026 Revenue Forecast - Operating Budget

General Fund Revenue Summary	FY2025 Estimated	FY2026 Projected	FY2025-26 Change	
Property Tax Levy (Operating)	\$ 118,354,840	\$ 122,173,711	\$ 3,818,871	3.2%
State Aid	\$ 15,096,554	\$ 15,289,948	\$ 193,394	1.3%
Other Funds	\$ 6,466,935	\$ 6,519,346	\$ 52,412	0.8%
Use of Free Cash	\$ 3,000,000	\$ 3,000,000	\$ —	—%
Use of Override Mitigation Fund	\$ —	\$ 391,376	\$ 391,376	—%
Total General Fund Operating Revenues	\$ 142,918,329	\$ 147,374,382	\$ 4,456,053	3.1%



Shared Services - High-Level Summary

Shared Service Area	FY2025 Appropriated	FY2026 Projected	Change	%
Pension Assessment	\$ 9,873,396	\$ 10,128,274	\$ 254,878	2.58%
Benefits, Insurance & Reserves	\$ 18,067,606	\$ 18,675,603	\$ 607,997	3.37%
Facilities	\$ 7,573,801	\$ 8,047,472	\$ 473,670	6.25%
Capital-Related Expenses	\$ 5,575,648	\$ 5,684,279	\$ 108,631	1.95%
Total Shared Services	\$ 41,090,451	\$ 42,535,628	\$ 1,445,177	3.52%



FY2026 Base Override Model Assumptions

In preparation for the FY2025 Override, a multi-year fiscal model incorporated certain base growth assumptions for School and Municipal budgets for the years after FY2025. Those assumptions reflected past growth rates, tempered by the need to restrain spending to available funds in order to stretch the override to a minimum of 3 years.

Those base assumptions will be used for FY2026 budget development.

- School budgets will grow by \$3,743,675 or 5.60% to a total of \$70.63M;
- Municipal budgets will grow by \$833,231 or 2.50% to a total of \$34.21M.



FY2026 High-Level Summary

Budget Area	FY2025 Appropriated	FY2026 Projected	Change	%
Total General Fund Operating Revenues	\$ 142,918,329	\$ 147,374,382	\$ 4,456,053	3.12%
Total Shared Services	\$ 41,090,451	\$ 42,535,628	\$ 1,445,177	3.52%
Tax Levy Transfers to Stabilization	\$ 1,566,030	\$ —	\$ (1,566,030)	(100)%
<u>Base Model Assumptions</u>				
School Salaries/Expenses	\$ 66,885,704	\$ 70,629,379	\$ 3,743,675	5.60%
Municipal Salaries/Expenses	\$ 33,376,144	\$ 34,209,375	\$ 833,231	2.50%
Subtotal - School/Municipal	\$ 100,261,848	\$ 104,838,754	\$ 4,576,906	4.56%
Total Expenses	\$ 142,918,329	\$ 147,374,382	\$ 4,456,053	3.12%
Remaining Revenue/(Shortfall)	\$ —	\$ —		



FY2026 - Anticipated Budget Challenges

All involved acknowledge that FY2026 will not be an easy year for budget development. The following challenges are anticipated and will have to be resolved in the coming months.

- Schools - ARPA funding will not be available in FY2026, so the positions supported by ARPA will have to be absorbed within the budget or discontinued. Enrollment has resumed growing, particularly for those with higher needs.
- Municipal - Two new buildings will open in FY2026 and will need funds to support operations (utilities and staff). An IT transformation is underway, and will need financial support to succeed.
- Shared Services - Facilities will work to incorporate the results of a building assessment which is anticipated to highlight the need for ongoing interventions in building upkeep.

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School Presentation

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Multi-Year Forecast - Revenue and Expense Summary

Revenue Budget	FY2025 Estimated	FY2026 Projected	Change	%	Projected FY2027	Change	%	Projected FY2028	Change	%
Operating Revenues	\$142.92	\$146.98	\$4.06	2.8%	\$151.14	\$4.16	2.8%	\$155.40	\$4.26	2.8%
Use of Override Mitigation	\$—	\$0.39	\$0.39	—%	\$2.19	\$1.80	462%	\$2.18	\$(0.01)	—%
Total Available Revenue	\$142.92	\$147.37	\$4.45	3.1%	\$153.33	\$5.96	4.0%	\$157.58	\$4.25	2.8%

Expense Budgets	FY2025 Budget	FY2026 Projected	Change	%	Projected FY2027	Change	%	Projected FY2028	Change	%
Total Expenses	\$142.92	\$147.37	\$4.46	3.1%	\$153.33	\$5.96	4.0%	\$159.51	\$6.17	4.0%

Net Budget Surplus/(Deficit)	\$—	\$—			\$—			\$(1.93)		
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With the current proposed use of the Override Mitigation Fund (OMF), the shortfall in FY2028 is projected to reach \$1.93 million. That value may vary as additional revenue sources are applied, or as additional spending is determined. The decisions made now will have a direct impact on out-years.



Alternative Uses of Override Mitigation Fund (OMF)

The projected use of the Override Mitigation Fund (OMF) anticipates having sufficient funding in FY2026 and FY2027, with a shortfall of \$1.93 million in FY2028. Using additional OMF funds in FY2026 would have ripple effects in FY2027 and FY2028.

- \$500,000 - If an additional \$500,000 of OMF is used in FY2026, with the same amount applied in FY2027, a balance of \$1.15 million remains for FY2028, leaving a shortfall of \$3.50 million in FY2028.
- \$1,000,000 - If an additional \$1 million of OMF is used in FY2026, with the balance of \$3.23 million applied in FY2027, FY2028 would face a shortfall of \$5.08 million.
- \$1,500,000 - If an additional \$1.5 million of OMF is used in FY2026, a balance of \$2.82 million would be available in FY2027, leaving a shortfall of \$0.93 million in FY2027, growing to \$5.73 million in FY2028.



Free Cash Sources as of June 30th

Category	FY2021	FY2022	FY2023	FY2024*
Carryforward	\$ 4,075,539	\$ 8,417,007	\$ 4,358,081	\$ 4,136,535
Excess Revenues	\$ 3,837,630	\$ 1,491,154	\$ 2,210,924	\$ 1,169,592
Town Salaries	\$ 1,712,330	\$ 549,451	\$ 461,037	\$ 271,715
Town Expenses	\$ 1,318,087	\$ 447,374	\$ 748,173	\$ 579,787
Subtotal Town	\$ 3,030,417	\$ 996,825	\$ 1,209,210	\$ 851,502
School Salaries	\$ 1,322,190	\$ 645,297	\$ 311,274	\$ 637,351
School Expenses	\$ 877,166	\$ (355,498)	\$ (434,352)	\$ (637,351)
Subtotal School	\$ 2,199,356	\$ 289,799	\$ (123,078)	\$ —
Benefits & Reserves	\$ 1,275,717	\$ 1,397,274	\$ 1,003,614	\$ 1,288,663
Facilities	\$ 398,364	\$ 471,228	\$ 183,240	\$ 167,952
Debt Service	\$ 35,645	\$ 188,223	\$ 72,499	\$ 15,274
Regional Schools	\$ 329,727	\$ 644,829	\$ 250,387	\$ 293,595
Subtotal Shared Services	\$ 2,039,453	\$ 2,701,554	\$ 1,509,740	\$ 1,765,484
Prior Year Encumbrances	\$ 791,794	\$ 652,027	\$ 1,153,642	\$ 370,777
Other Misc. Factors	\$ (947,730)	\$ 1,005,424	\$ 1,556,018	\$ (23,890)
Total Free Cash	\$ 15,026,459	\$ 15,553,790	\$ 11,874,537	\$ 8,270,000

**Free Cash has not yet been submitted to nor certified by the Department of Revenue. These figures reflect preliminary projections for FY2024.*

Notes -

1. Carryforward is used as a reserve for future needs. It is defined as 3-5% of the operating budget.
2. In FY2021, \$3M in Free Cash was used to offset an expected cut in State Aid. When State Aid was level-funded, it was recorded as "excess" revenue.
3. Both Town and School expenses shifted during the pandemic, and many costs were covered by federal grants, resulting in higher turnbacks.
4. Beginning in FY2024, Benefits were combined under Shared Services. Prior years have been restated to allow for comparison across years.



Balance of Available One-Time Funding Sources

Fund Name	FY2021	FY2022	FY2023	FY2024	FY2025
General Stabilization Fund	\$1,884,860	\$1,839,401	\$1,916,237	\$3,743,655	\$3,862,087
Capital Stabilization Fund	\$—	\$—	\$—	\$781,718	\$1,370,967
Override Mitigation Fund	\$—	\$—	\$—	\$3,129,439	\$4,084,057
Free Cash	\$15,026,459	\$15,553,790	\$11,874,537	\$8,270,000	N/A
Total Available Funds	\$16,911,319	\$17,393,191	\$13,790,774	\$15,924,811	\$9,317,111



FY2026 Budget Process

Sept. 2024 -	Oct. 2024 -	Nov. 2024 -	Dec. 2024 -
26 - Budget Summit #1 	23 - Budget Summit #2, - revenue forecasts/ allocations	5 - National Election 7 - League Night 18 - Special Town Meeting	<i>Budget work with Boards/Committees</i>
Jan. 2025 -	Feb. 2025 -	March 2025 -	April 2025 -
17 - Preliminary Budgets posted 22 - Governor's Budget 23 - Budget Summit #3 - review preliminary budgets	<i>Budget review with Boards/Committees</i>	21 - Final Budgets posted 27 - Budget Summit #4 - review final budgets	17 - League Night; reports due prior to Town Meeting
			May 2025 -
			5 - Start Annual Town Meeting



Questions & Comments