



The Newton Public Schools Budget Crisis: Next Year and Beyond

THE FACTS

- Superintendent Anna Nolin, in consultation with principals and department heads, drafted a “Thrive” budget that would fully fund NPS and requires a 9% funding increase to implement.
 - This is the Green “**Thrive Budget,**” which enables NPS to be the school system it should be for all students; one that meets diverse academic needs, provides robust academic offerings, and maintains highly-trained staff.
- The Superintendent also drafted 4 other budget options with lower funding allocations, and recognizing the city’s financial climate, proposed a budget that requires a **6.1%** funding increase.
 - This is the Yellow “**Level Services Plus Budget.**”
- Mayor Fuller has allocated only a **3.65%** increase in funding.
 - This is the Red “**Cuts Budget,**” which would require meaningful cuts to current NPS operations.
- The School Committee can approve *any* budget. However, under the City Charter—only the Mayor controls the purse strings in Newton and ultimately the Mayor *alone* decides how much money to allocate to NPS.

A Tale of Five Budget Models

Proposed by Superintendent →

Mayor's current allocation ↓

Cuts
"Cuts & Reductions"
3.65%

NO ADDITIONS - ONLY REDUCTIONS:

- 28.8 positions cut across NPS
- Reduction of 15 elementary teachers
- Cuts to late sports buses
- No overnight field trip funding
- No expansion MTSS

Level Service
"Maintain Status Quo"
5.05%

INCLUDES LEGAL/CONTRACTUAL REQUIREMENTS ONLY:

- Complex disability programs for students rising from preschool with significant needs
- Expansion of dyslexia and literacy disability programs
- Increases in contractual costs

Level Service Plus
"Stabilize and include minimal restorations"
6.1%

LEVEL SERVICE PLUS THE FOLLOWING:

- Restores *full-time* kindergarten aides in *all* classrooms
- \$150K for Equipment replacement
- \$200K for professional development
- \$500K for daily substitutes
- Maintenance budget of \$100K

Level Service + Restoration
"Invest in targeted strategic resources and restorations from five years of reductions"
8%

- Expansion of MTSS across Middle and High School
- NSHS Facilities Upgrade
- Funds for regular maintenance and equipment/furniture replacement
- Expanded college prep services
- More Funded substitutes
- Mental health stabilization teams
- Preschool classes in elementary schools
- Campus aides for door security at high schools
- Ongoing funds for
 - curriculum materials
 - technology replacement

Thrive Budget*
"Visionary and Programmatic Improvements"
9%

- ★ Funds for contract negotiations
- ★ Funded sports transportation
- ★ Social Studies & Arts curriculum
- ★ Elementary SEL and behavioral supports to reduce classroom interruption
- ★ Early college options
- ★ Expanded Career and Vocational /Technical programs
- ★ Increased HS electives
- ★ Advanced extension options at elementary and middle school
- ★ Increased after-school options for elementary students
- ★ First steps toward Universal Preschool Options
- ★ Implement NTA-NPS recs for mental health

Current Status of the Budget for the 2025-26 School Year

Dr. Nolin has proposed a “Level Services Plus” budget, but the city allocation does not provide enough funding, as shown below. The NPS budget faces a shortfall of \$3.7M - \$4.5M.

Available Funding				
	FY25	FY26	Change	% Change
Base Allocation from City	\$278,547,007	\$288,713,973	\$10,166,966	3.65%
Education Stabilization Account	\$4,100,000	\$4,249,650	\$149,650	3.65%
Total Available Funding	\$282,647,007	\$292,963,623	\$10,316,616	3.65%
Level-Service Plus Costs				
Salaries	204,236,910	212,323,276	\$8,086,366	3.96%
Benefits	42,888,627	46,699,807	\$3,811,180	8.89%
Expenses	35,521,470	37,649,175	\$2,127,705	5.99%
Total Expenditures	282,647,007	296,672,258	14,025,251	4.96%
Contingency Full Day Kindergarten Aides		836,373	\$836,373	
	282,647,007	297,508,631	14,861,624	5.26%
Deficit Without Contingency	-	(3,708,635)	(3,708,635)	
Deficit With Contingency	-	(4,545,008)	(4,545,008)	

Why a budget gap exists for next year?

Unexpected Cost Increases + Transparent Budgeting

- The majority of our deficit is from:
 - Unexpected increases in costs, and
 - More transparency in the budget to fully reflect NPS expenses

Unexpected Cost Increases:

- ▶ **Healthcare: +\$1.2M** over City's forecasted amount
- ▶ **State Special Ed Reimbursement: 35% less than promised despite continued tuition increase +\$698,000**
- ▶ **Increased Special Ed Transportation: +\$477,000**

Superintendent's Proposal now includes previously unbudgeted Items:

These items have systematically been under-budgeted by NPS year after year; More accurately presented FY26

- ▶ **Maintenance: +\$135,000** incremental increase
- ▶ **Substitute Teachers: +\$500,000** incremental increase
- ▶ **Curriculum Consumables: +\$100,000** curriculum materials, lab materials, workbooks

Budget Drivers

Salaries and Benefits

- 88% of total NPS budget
- Benefits are increasing more than expected: Health Insurance expected at 5%, came in at 7.8%

Decades of Flat/Under-Funding

- Until last year, minimal investment in new curriculum
- Curriculum upgrades funded only by non-recurring free cash, no ability to depend on funds
- No formal curriculum review for over 25 years
- Consistent delays to routine facility maintenance

One-Time Funding Drying Up

- End of COVID grant monies
- METCO grant funded (by state) at same level, no increase (which constitutes a cut)
- Federal title grants funded at same or reduced level (vs. current year)--(cuts)
- City bridge loan for out-of-district tuitions

Budget Drivers

Rising Expenses

- The state Circuit Breaker program which reimburses districts for special education was not funded fully by the state this year (*75% promised vs. 40% given*).
- Inflation
- Educator, food service, and bus contracts
- Substitute demand has been underfunded by \$500k annually.
- NPS may be required to add full-time Kindergarten Aides back to each classroom (*court case is pending*) at an annual expense of \$836,373.

Complexity of Student Needs

- Student services demand for special ed van transportation is much higher as more students unable to ride yellow bus.
- Out-of-district tuitions for students with severe special needs
- Students in grades 5-12 had three years of their schooling in COVID conditions (expanded existing learning gaps).
- Student social and behavioral needs intensified during and after COVID pandemic.

Difficult Decisions Have Already Been Made

- NPS has already proposed **eliminating \$1.9M of costs** to get to Superintendent's current budget proposal (the yellow budget). Some of these are cuts we would prefer not to make, but we believe will be manageable (for example, average elementary class sizes will be slightly higher).
- The School Committee has voted to raise fees of almost every variety the past two years, resulting in an incremental **~\$750,000 of annual revenue**.
- The School Committee voted to scale back transportation services to students attending private schools, saving **~\$250,000** (*services previously provided beyond what state required; now scaling back to state requirement*).
- Non-contractual Medicare Part B premium reimbursements were phased-out for retirees, saving **~\$1.5m annually**.

There is nothing left to cut but staff positions, and the administration believes that further staff cuts from here will have a meaningful and negative impact on students.

The City Can Afford The Proposed “Level Service Plus” Budget

- NPS has been in an unsustainable position for some time - always eeking by with less, in a constant budget crisis.
- We are seeking to build a bridge to a sustainable future which we believe will require the City to change the pace at which it funds its pension trust (funding a trust, not providing benefits to retirees) and/or stop under-forecasting the City’s revenue resulting in large amounts of free cash yearly rather than reliable operating budgets.
- Options available for the City to provide NPS its needed amount FY26:
 - \$22M in Education Stabilization Fund (ESF) cash
 - Expected FY25 excess free cash for the City of ~\$8M
 - Expected under-budgeting of City revenues FY26 of ~\$16M

NPS will still be facing a deficit in future years beyond the amount of the ESF. This has always been known. NPS is now for the first time in a long time building a strategic vision. We just need to fund it. Working with the City over the next year, we believe we can put that plan in place for a sustainable future that fully provides for our students.

THE ASK

- **TODAY**

- Email/call your School Committee Members and ask them to pass the Superintendent's Proposed "Level Service Plus" Budget (the Yellow budget).
- Email/call Mayor Fuller and ask her to allocate an additional \$3.7M to NPS for the Superintendent's Proposed Budget.

- **ONGOING & LONG TERM**

- Learn about the NPS budget crisis & attend/watch school committee meetings.
- Talk to your friends and neighbors, particularly those who don't have students in NPS anymore, about the state of NPS. Get their support.
- Advocate for an **appropriate funding allocation** for NPS (approximately 9% increase) that will allow it to THRIVE, not just survive.

- **WHAT DOES "THRIVING" MEAN?**

- Heavier investment in the next few years to address long-standing neglect of curriculum, facilities, teaching tools, and professional development/training for staff
- Newton leading the way educationally, not trying to catch up.
- Reliable stable funding available for *both* program improvements and monies to settle next contract negotiations (to avoid pitting salary expense against programs & services)

APPENDICES

- A. Return on Investments made with Education Stabilization Fund
 - Class size impact
 - Impact to student achievement
- B. Information on City Finances
 - What is the Education Stabilization Fund?
 - Underfunding city budgets
 - Free cash and other available funds

Appendix A:
Return on Taxpayer Investments:
Education Stabilization Fund & Impact of Investments Made FY25

RETURN ON INVESTMENTS

Last year's budget included \$4.1M from an Education Stabilization Fund established by the City; The fund currently has ~\$22M in cash.

- **7 elementary intervention** support staff at five neediest schools to focus specifically on addressing achievement gaps (Multi-Tiered Systems of Support - "MTSS")--**Cabot, Countryside, Lincoln Eliot, Horace Mann, Underwood**
- **14.2 Teachers** at both high schools to reduce class sizes on STEM (science, technology, engineering and mathematics) classes and restore electives for advanced students in science, technology and math.
- **3.7 NECP Preschool Teachers** for new legally required classrooms
- **1.0 MTSS Director**
- **6.7 Social Workers** at all elementary schools (previously none) which was part of a negotiated contract settlement and was a joint interest of management and union leadership.
- **\$1M** to use for the **settlement of the union contracts** for all of our staff.
 - **Data shows incredibly promising growth in our students impacted by the MTSS investments. (see next slides for details)**
 - **Unsafe class sizes have been reduced in STEM, but high school class sizes in all subjects remain an issue.**

Under the proposed funding allocation from Mayor Fuller, we'll be limited to the "Cuts Budget," will roll back these impacts and be unable to scale improvements to the rest of the district.

IMPACT TO HIGH SCHOOL CLASS SIZES

Science, Technology, Engineering and Mathematics (STEM)

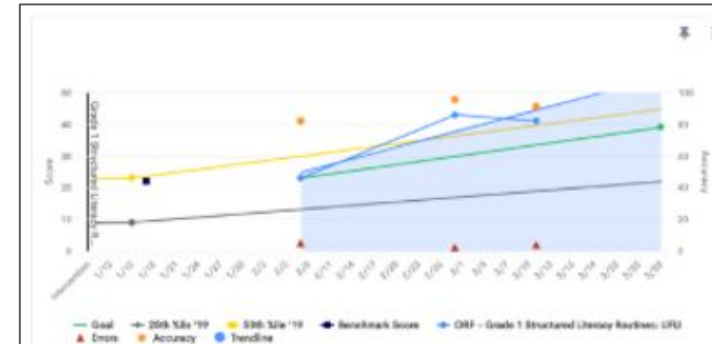
- Our investments allowed for 23 additional STEM sections in our High Schools
- STEM sections over 25 students have been reduced 10.5%

	Newton North			Newton South (note South's overall enrollment also rose this year lessening impact)		
	'23-24	'24-25	Change	'23-24	'24-25	Change
STEM class sections over 25 students	88	65	-23	70	64	-6
Total # sections	182	193	+11	170	185	+12
% of sections over 25 students	48%	33%	-15%	41%	35%	-6%

What are Multi-Tiered Systems of Support (MTSS)?

- MTSS in part fill some of the currently blank space between General Education and Special Education; An entirely new avenue for student support in NPS and supplements the current binary situation of a general education path or an IEP/504 path.
- Data-driven and evidence-based intervention; Requires not just the staff to implement, but systems and structures must exist to support. The combination of social workers and intervention/MTSS supports work to address gaps.
- It provides targeted and individualized intervention, supports our curriculum, improves collaboration among staff servicing our students, and allows for increased personalized academic support for ALL learners as the teacher's attention is not given solely to those with learning gaps.

Example of Student Intervention Data

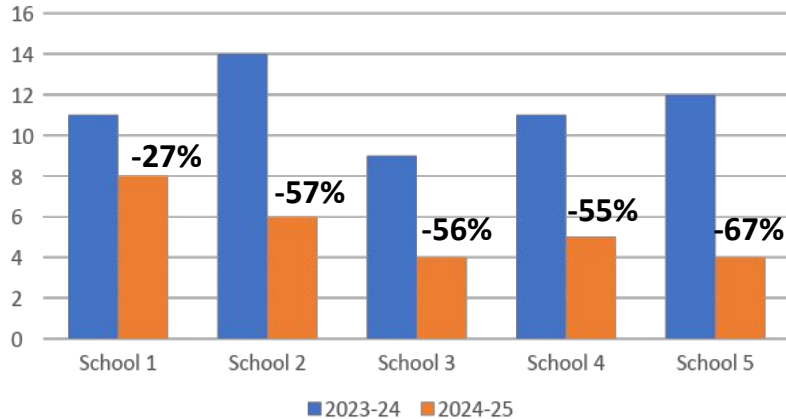


Example: A student who is falling behind can enter into six-week intervention cycles that provide needed support; Assessment occurs throughout to determine whether more intensive intervention is required or perhaps further assessment for special education eligibility.

MTSS: What is the Impact of Our Investment?

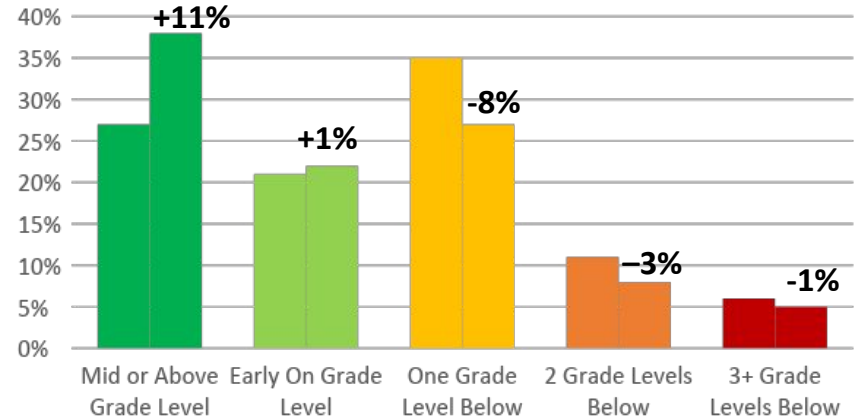
71% of students receiving evidence-based interventions achieved above-average growth rates in our five elementary schools with robust MTSS implementation

Number of Initial Evaluations with Students Found Eligible for Special Education Services



All five elementary schools with intensive MTSS programs saw special education eligibility drop

Percentage of Students by Grade Level Literacy from Fall 2024 to Winter 2025

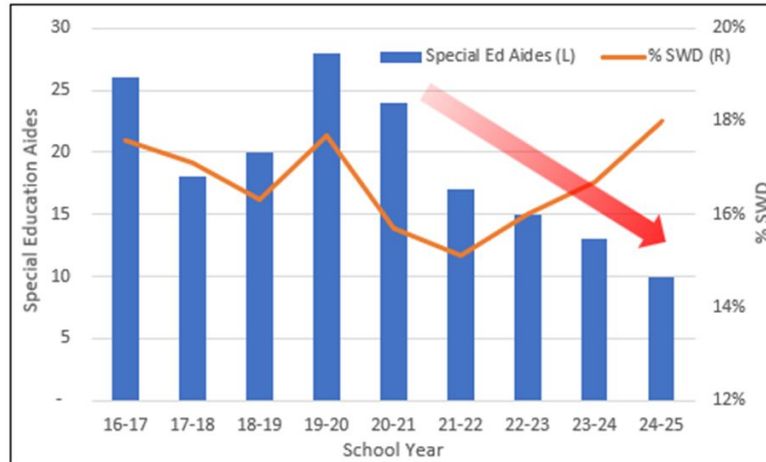


Example of 3-month literacy achievement at one of our MTSS elementary schools

The Tale from Angier, our MTSS Proof of Concept School

- Our MTSS program has been growing at Angier since 2015 under principal leadership and her building's resources.
- iReady literacy data this year showed 169% median growth for students with disabilities (SWD) just from Fall to Winter (100% growth would be typical over a full school year).
- Despite a consistent percentage of students with disabilities, we have seen a 61% reduction in the need for special education paraprofessional staff (aides).

Special Education Paraprofessionals at Angier by Year



While such an increase cannot be guaranteed every year, Angier has shown bright spot results school wide for three years resulting in the recent National Blue Ribbon School Award.

This is the highest honor a school can obtain in our country second only to knowing how much we are helping our students.

Appendix B:
Further Discussion of City's Finances

Formation of the Educational Stabilization Fund

- In December 2023, we presented a proposal to the Mayor's Office that would have drawn <\$4M per year from the Education Stabilization Fund (ESF), but that was paired with a 3.8% growth in annual allocation from the City.
 - Our analysis showed that 3.8% was still a conservative number relative to the rate of growth of City revenues.
 - **The City has under-budgeted actual revenues in 10 out of the last 10 years. On average, actual revenues are 3.3% greater than budgeted.**
- The increased allocation was rejected, but the ESF allocation was subsequently agreed to at a larger number (>\$4m per year) to make up the difference.
- This had always left NPS in a situation where (i) there was no buffer in the budget if things did not evolve exactly to plan, and (ii) there was still a meaningful funding deficit several years out that had to be managed.

FY14 - FY23 Actual City Revenues vs Budgeted Amounts

Continuous Pattern of Under-Budget Revenue; Appears to be same FY24*

- City revenue has averaged 3.3% over budgeted amounts over last 10 years.
- This has consistently produced meaningful free cash balances in recent years.
- This conservative budgeting, combined with existing free cash and the Ed Stabilization Fund, projected at \$21M at year-end FY25, give us confidence that the City can provide the necessary allocation to service the FY26 budget.

<i>Actuals v Budget:</i>											
	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	Avg
Property tax (net abatement)	1.4%	1.8%	1.6%	1.0%	1.5%	1.0%	0.5%	2.0%	3.4%	1.0%	1.5%
Motor vehicle excise	12.6%	3.4%	1.6%	6.6%	3.2%	1.6%	-3.6%	6.4%	6.8%	3.9%	4.2%
State & federal aid	-1.8%	0.4%	1.2%	1.9%	1.2%	-0.4%	-1.4%	2.5%	8.9%	3.0%	1.5%
Total Revenue	2.6%	2.6%	3.7%	2.5%	2.7%	2.9%	1.5%	2.6%	6.7%	4.6%	3.3%
Total Financing	1.2%	0.4%	4.7%	4.7%	3.0%	3.3%	3.4%	3.2%	8.8%	8.0%	4.1%

**Actuals for this analysis taken from City budget document; FY24 Actuals in this format will not be available until the FY26 budget document is released*

Estimated Financial Impact FY26 & Beyond

- Mayor Fuller stated that City revenue will grow ~\$22m FY26. That is a 4.3% increase over FY25 budgeted revenue and a 4.2% increase over all financing sources
 - NPS allocation as presented by the Mayor is increasing 3.65%
 - Applying the 3.3% historical average of actual/budget for City revenues equates to ~\$17.7m of under-budgeted City revenue FY26
- **Funding FY26 as presented does nothing to solve the lack of sustainability of our current situation. Cutting staff to meet the City's FY26 allocation also does nothing to solve the unsustainability of our current situation. We are seeking a bridge to sustainability**
- This analysis does not even address the City's plan for funding trusts related to future retiree healthcare and pension payments. Without reform on those issues, there is likely no solution that will make NPS sustainable