



Pawtucket School Department

Community Input Session

February 4, 2026





Agenda

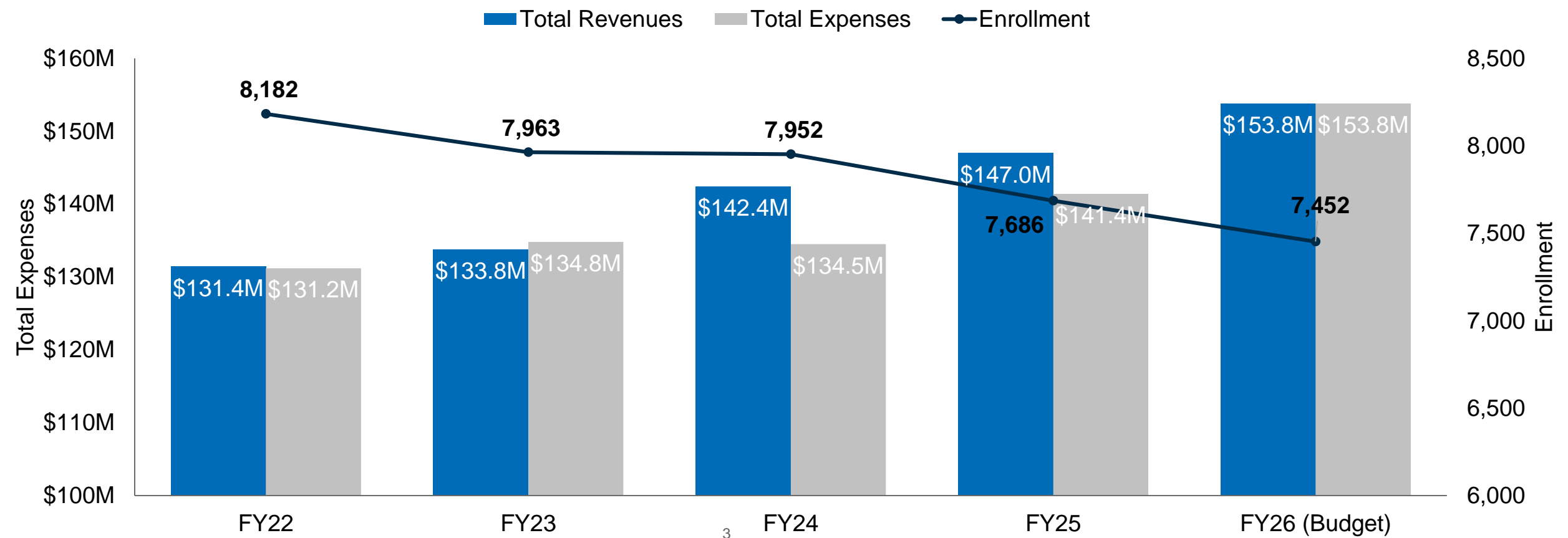
- 1. The Challenge We Face: Rising costs and declining enrollment**
- 2. Where Our Revenue Comes From: Understanding our funding sources**
- 3. Where the Money Goes: Schools, Central Office, and Personnel costs**
- 4. Looking Ahead to FY27: The budget deficit in FY27**
- 5. Questions & Discussion: Your voice in this process**

FY26 Budget Overview



Rising expenses and declining enrollment has created a situation where our revenue can no longer support costs each year

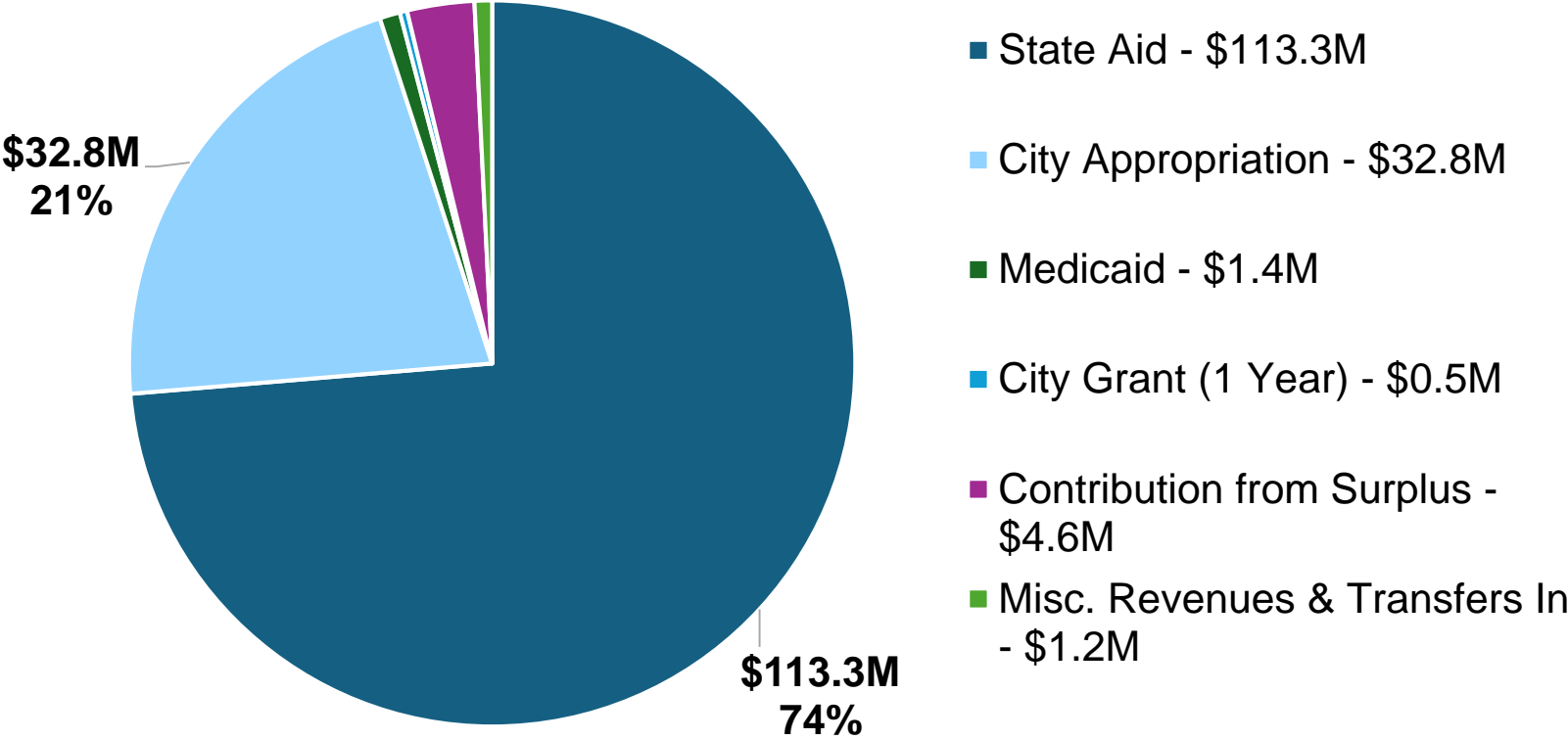
- Since FY22, expenses increased by \$23M (18%) while enrollment decreased by 730 students (9%)
- COVID recovery funding and the use of “reserves” allowed PSD to balance our budget in past years





Most of our revenue each year comes from the state using a student-based formula. Declining enrollment impacts the amount funding we receive each year.

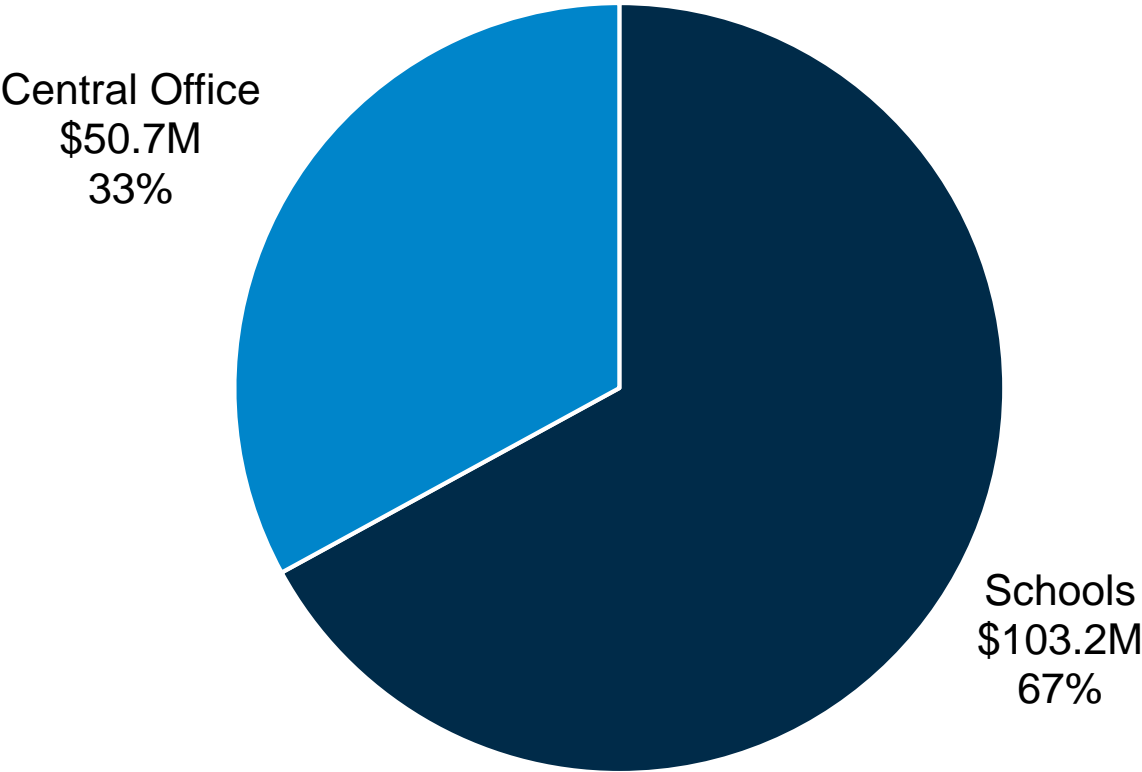
FY26 Operating Budget



- 74% of the FY26 budget (\$113.3M) comes from State Aid, which is calculated based on enrollment
- To balance the FY26 budget we had to use \$4.6M from our reserves. Something we can not do in future years



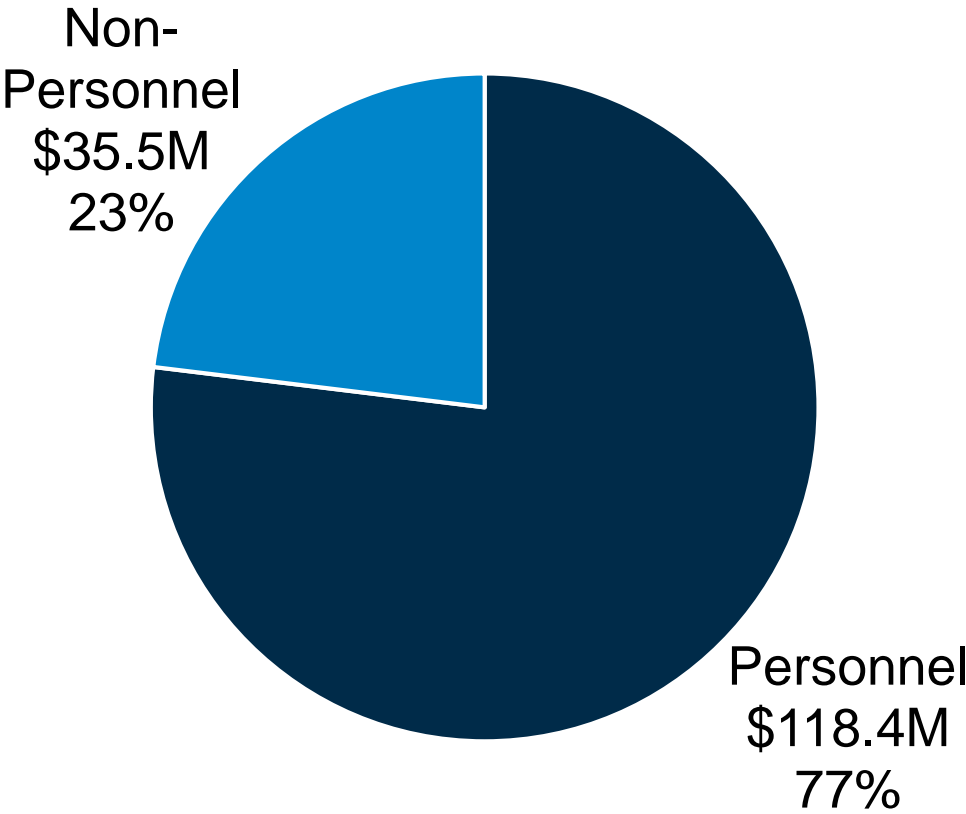
Two-thirds of our budgets funds schools while much of central office costs go towards transportation, out of district placements, and other mandatory spending



- The Schools Budget includes school personnel and building operations (teachers, paraprofessionals, principals, and school-based staff)
- The Central Office budget support all schools, including student transportation, facilities maintenance, special education compliance, and central administration



77% of the FY26 Budget goes to fund Staff – Meaningful Savings Require Staffing Decisions

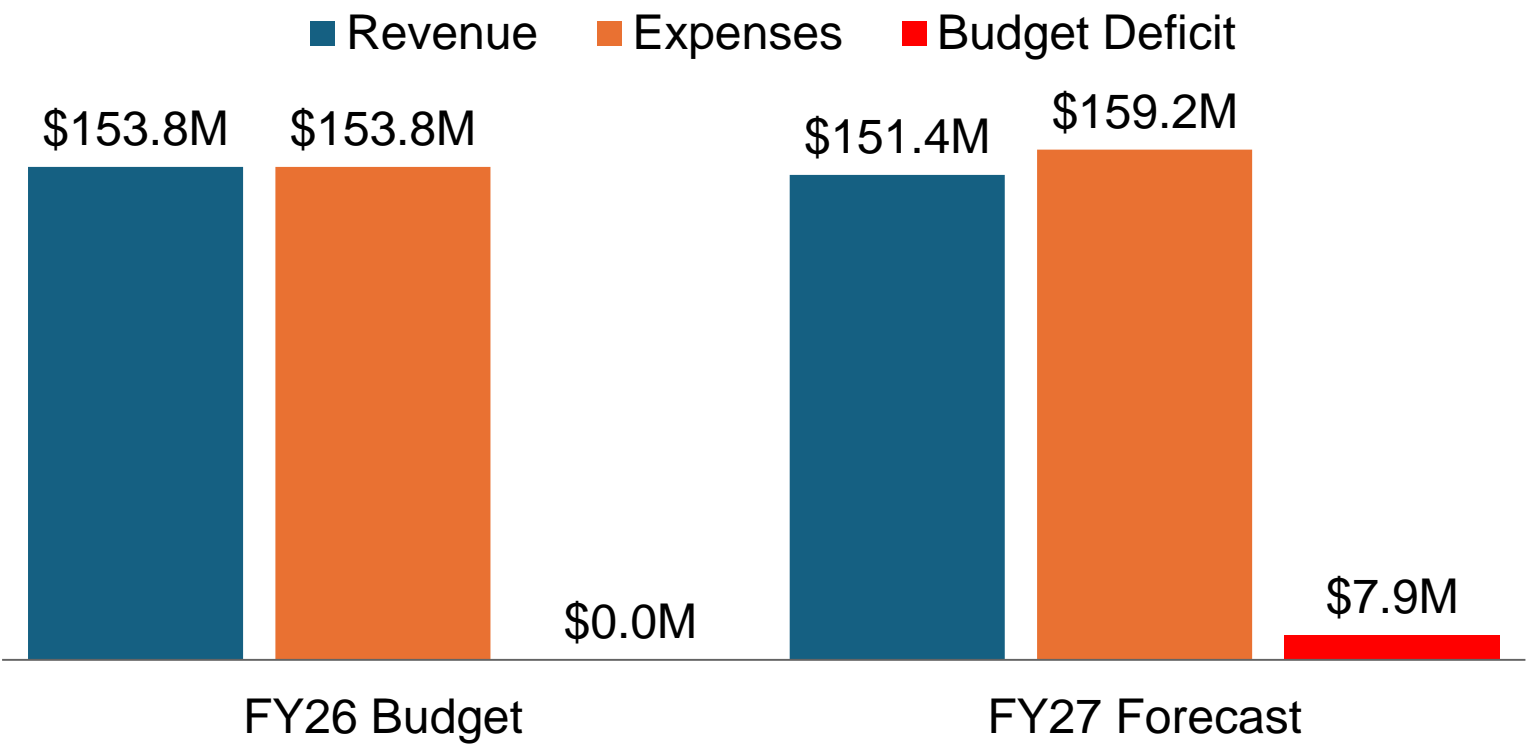


- Non-personnel covers essential and contractually fixed operation costs including transportation, technology, utilities, and out-of-district special education placements
- With limited flexibility in non-personnel spending, significant budget reductions require staffing decisions



FY26 Budget Is Balanced but there is a \$7.9M Budget Deficit in FY27

- FY26 is a balanced budget through a one-time \$4.6M contribution from PSD reserves
- FY27 forecasts a \$7.9M deficit driven by declining enrollment, rising staff costs, inflation
- Reductions are needed to balance the FY27 budget and ensure our long-term financial sustainability



FY27 Budget Outlook



FY27 Outlook | Leading With Vision, Anchored in Fiscal Responsibility



Our responsibility is to ensure that **every dollar reflects our values** and advances student learning.



Fiscal responsibility is not about reducing ambition; it is about **focusing our investments** where they matter most.



As enrollment patterns shift and costs rise, our work is to **align resources** with outcomes, sustainability, and trust.



We are committed to disciplined planning today so we can **protect classrooms**, programs, and opportunities tomorrow.



This approach ensures stability now while building a **financially responsible path forward** for future generations of students



FY27 Budget Development Timeline

| Date | Action |
|---------------------------------------|--|
| January 27 | Present FY27 Budget Development Calendar to School Committee |
| February 4 | Community Input Session |
| February 6-20 | Central office budgeting |
| February 6 -20 | School budgets aligned to redistricting |
| Late February (exact date TBD) | Community Input Session [Location TBD] |
| February 24 | School budgets finalized |
| February 24 | FY27 update to School Committee |
| March 24 | School Committee votes on FY27 budget |



Questions, Discussion, Stay Involved

- **Share Your Input:** Scan the QR code to submit questions or feedback
- **Join Us Again:** Our next community budget session will be in Late February (Date, Time and Location TBD)
- **Access These Materials:** This presentation will be posted at www.psdri.net



Scan to share feedback