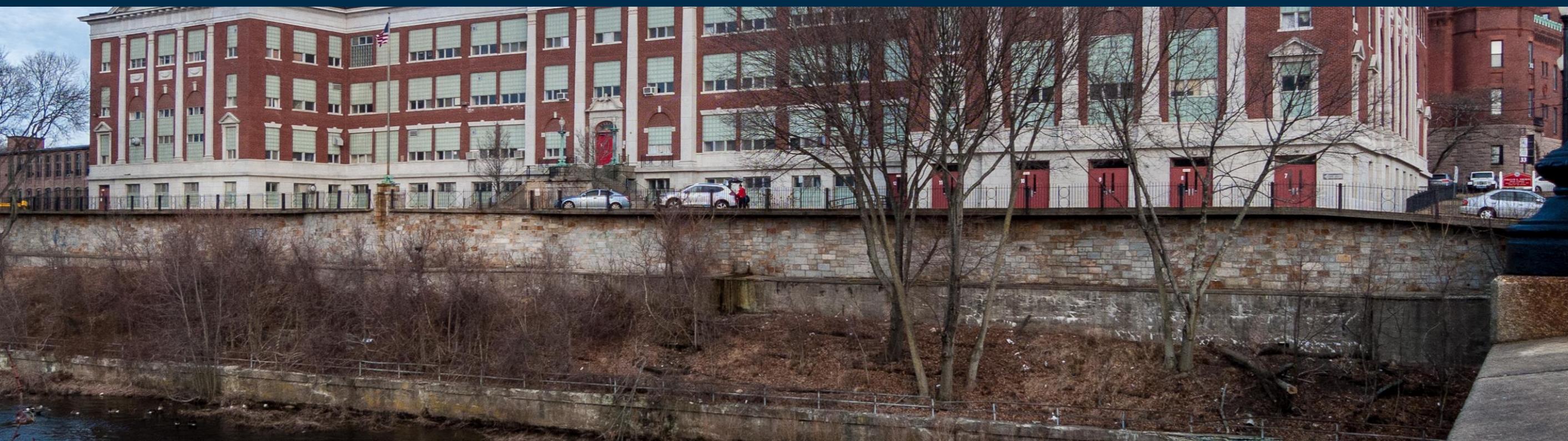




# Pawtucket School Department

## *Community Input Session*

February 4, 2026





## Agenda

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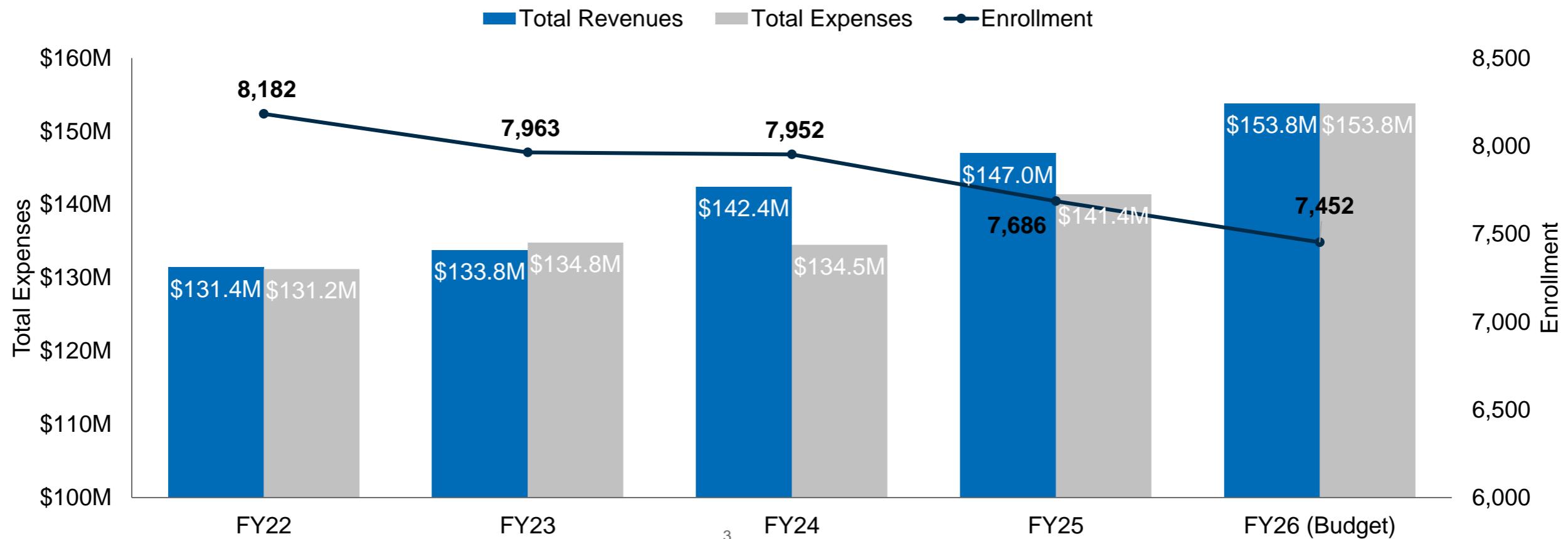
- 1. The Challenge We Face: Rising costs and declining enrollment**
- 2. Where Our Revenue Comes From: Understanding our funding sources**
- 3. Where the Money Goes: Schools, Central Office, and Personnel costs**
- 4. Looking Ahead to FY27: The budget deficit in FY27**
- 5. Questions & Discussion: Your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

# FY26 Budget Overview



Rising expenses and declining enrollment has created a situation where our revenue can longer support costs each year

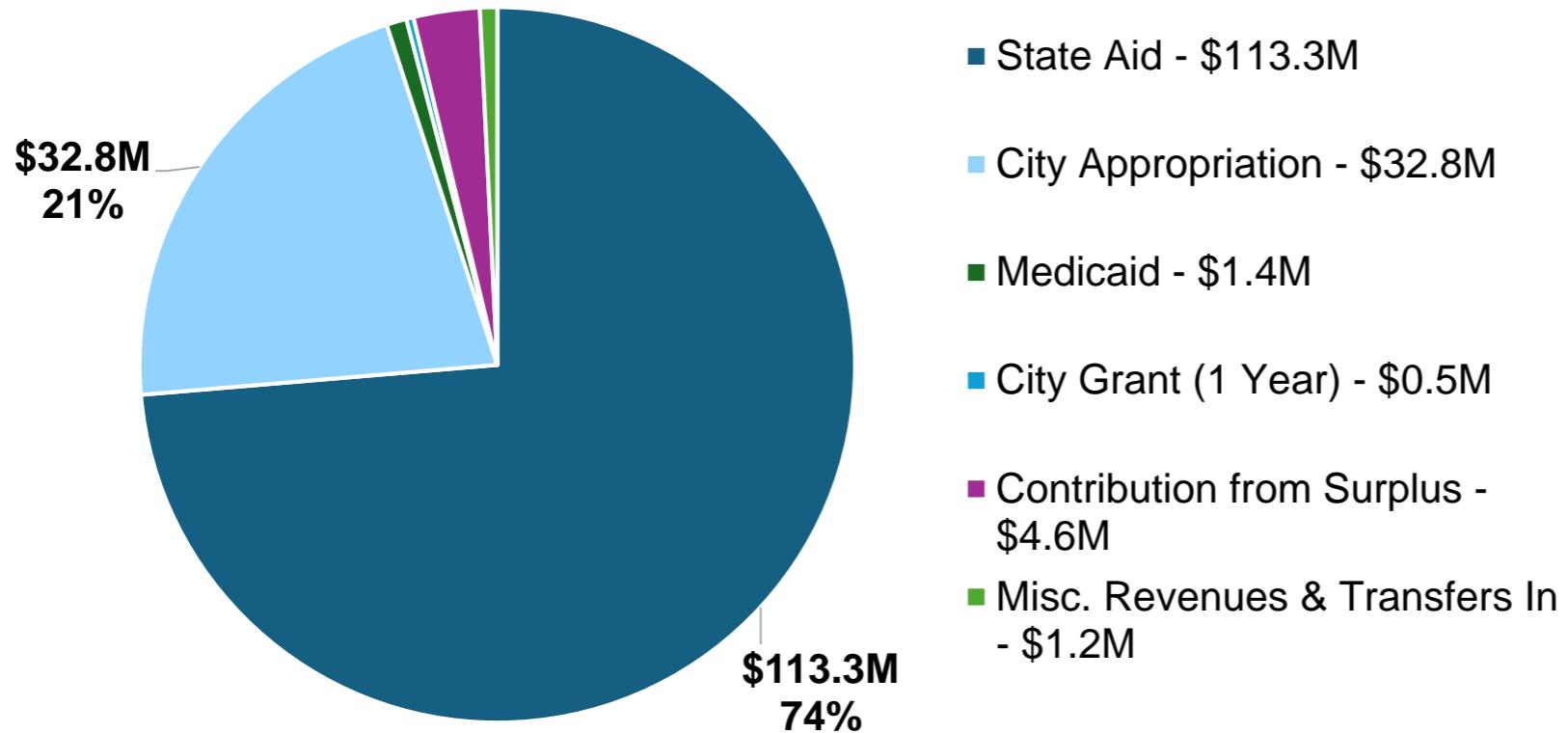
- Since FY22, expenses increased by \$23M (18%) while enrollment decreased by 730 students (9%)
- COVID recovery funding and the use of “reserves” allowed PSD to balance our budget in past years





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

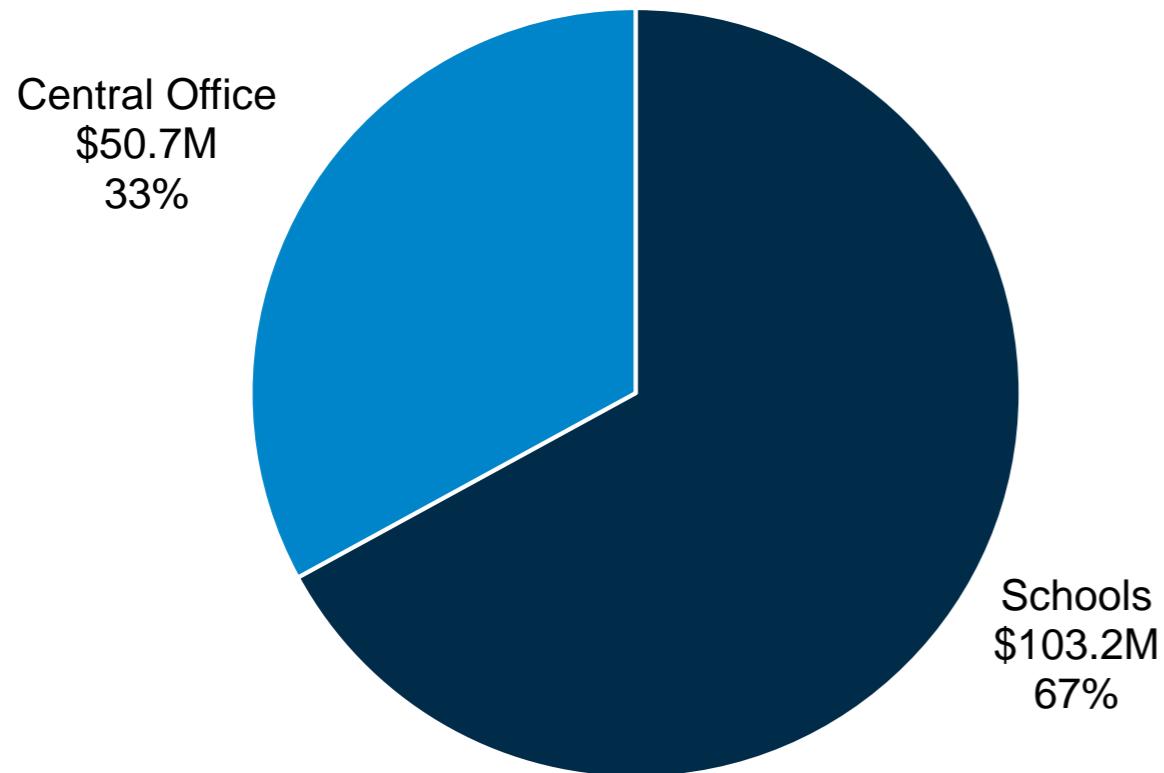


- State Aid - \$113.3M
- City Appropriation - \$32.8M
- Medicaid - \$1.4M
- City Grant (1 Year) - \$0.5M
- Contribution from Surplus - \$4.6M
- Misc. Revenues & Transfers In - \$1.2M

- 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



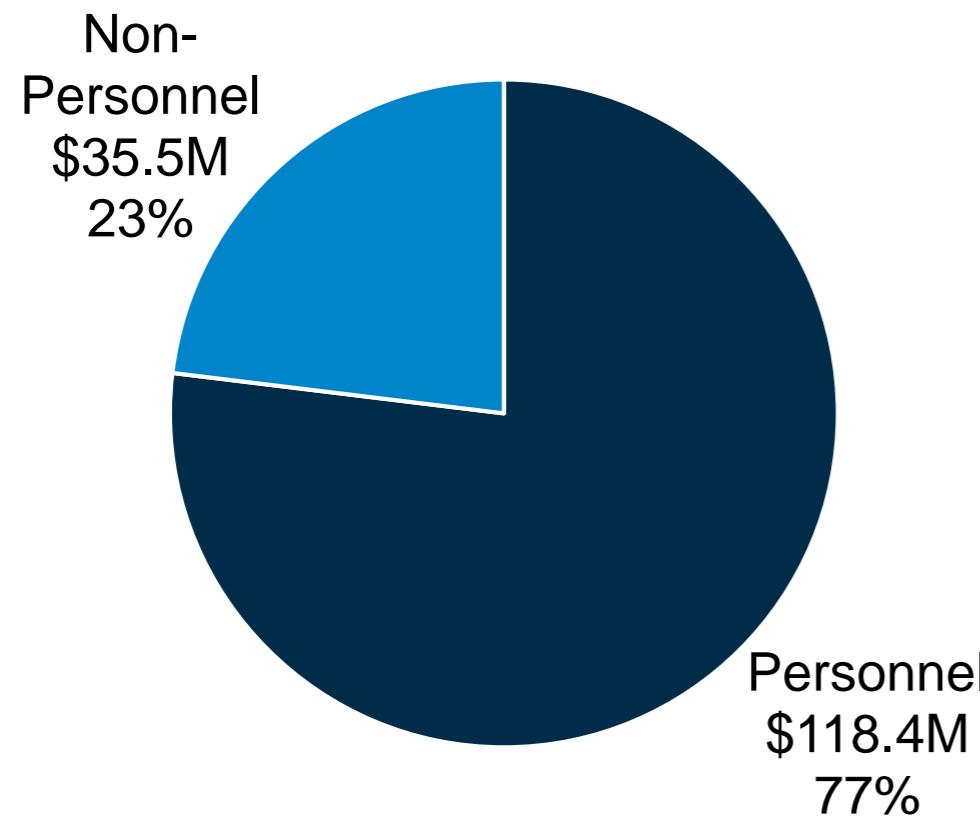
Two-thirds of our budgets funds schools while much of central office costs go towards transportation, out of district placements, and other mandatory spending



- 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

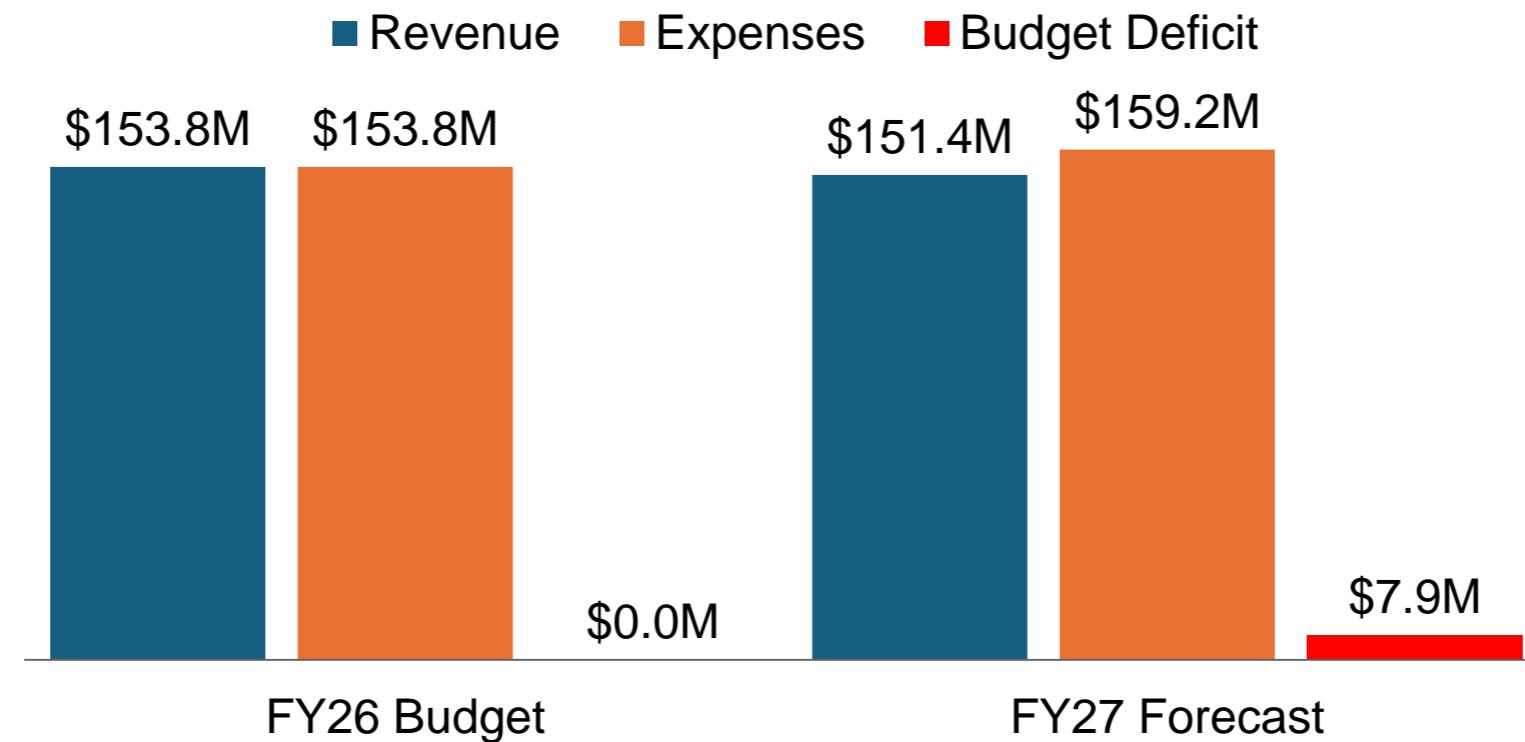


- Non-personnel covers essential and contractually fixed operation costs including transportation, technology, utilities, and out-of-district special education placements
- With limited flexibility in non-personnel spending, significant budget reductions require staffing decisions



## 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
<b>February 4</b>	<b>Community Input Session</b>
February 6-20	Central office budgeting
February 6 -20	School budgets aligned to redistricting
<b>Late February (exact date TBD)</b>	<b>Community Input Session [Location TBD]</b>
February 24	School budgets finalized
<b>February 24</b>	<b>FY27 update to School Committee</b>
<b>March 24</b>	<b>School Committee votes on FY27 budget</b>



## Questions, Discussion, Stay Involved

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- **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](http://www.psdri.net)



**Scan to share feedback**