

Dear NPS Families,

At the March 7, 2022 School Committee meeting, **I outlined significant budget pressures the district is experiencing this year and the challenges we face next year.** ([Slide Presentation - SC Budget Preview - March 7, 2022](#))

### **2021-22 School Year Budget**

As background, we anticipated that our budget would be very tight this school year as we did everything possible to maintain academic and social emotional support for students while keeping our class sizes favorable. While we did consider budget reductions for this school year, we decided to delay and instead manage our budget as tightly as possible. **This approach was critical given the needs of our students and staff as they returned to in-person school full-time following a year of hybrid and remote school models.**

Unfortunately, a number of things have created even greater financial challenges over the course of this school year, including:

- Continued COVID costs
- A higher than projected number of health plans utilized by employees and their families
- A larger than expected decline in our revenue from school rentals
- An increase in substitute teacher costs

### **2022-23 School Year Budget**

Our tight budget this year has a direct impact on our budget for next year. **Within next year's**

**budget, we will need to address the following new/increased costs:**

- Increased health insurance costs and contractual obligations
- More expensive transportation contracts
- Costs associated with expanding and starting new special education programs and services for students with disabilities.

**As a result of these extraordinary challenges both this year and next year, we currently expect to have a budget gap of \$5.2 million for the 2022-23 school year.** The gap is comprised of roughly \$4 million in operating costs, as well as \$1.2 million for special education program development and expansion to meet student needs. Because 88% of our budget is personnel and the remaining 12% is largely fixed, we are forced to look at significant personnel reductions to balance the budget.

Given the current budget parameters, we expect the district will need to reduce 50-60 staff positions, in addition to the approximately 12-14 positions we will reduce as a result of declining enrollment.

### **Next Steps (Budget Timeline)**

Our proposed budget will be presented to the School Committee on March 23, 2022. It must then be reviewed and approved by the School Committee and the City Council. **The final budget is scheduled to be voted on by the School Committee on April 11, 2022 and presented to the City Council on April 13, 2022.**

In preparing the budget, we are doing everything possible to limit the impact on the student

experience in our schools. **Every NPS educator and staff member contributes to the educational and operational aspects of our district and making reductions is incredibly difficult.** This budget reality is particularly difficult to absorb in the midst of a very challenging year. We will do everything possible to address this most daunting challenge in a transparent, thoughtful and compassionate manner.

Sincerely,

David Fleishman