

City of Northampton

Financial Trends and Projections for FY2026

Mayor Gina-Louise Sciarra

January 30, 2025

AGENDA

- ❖ Budget Process
- ❖ Revenues
- ❖ Expenditures
- ❖ Financial Indicators and Comparative Communities
- ❖ Review of Revenue and Expenditure Trends
- ❖ Fiscal Cliff(s)
- ❖ Reserves
- ❖ FY26 – FY30 Fiscal Stability Plan
- ❖ Revenue and Expenditure Projections for Fiscal Year 2026
- ❖ Fiscal Year 2026 Budget Calendar
- ❖ Questions and Comments

Budget Process

- ❖ The budget process is governed by Massachusetts General Law (MGL) Chapter 44 and the Northampton City Charter.
- ❖ MGL Ch. 44, § 31 states that all Massachusetts municipalities are required to prepare balanced annual budgets. This means the revenues match the expenses.
- ❖ MGL Ch. 44, § 32 clearly dictates the requirements of the budget and its process for a city. Accordingly, the mayor shall submit to the city council her annual budget which will include the amounts recommended for proposed expenditures of the city for the next fiscal year.
- ❖ Per the City Charter 7-2, the mayor calls "a joint meeting of the city council, school committee, trustees of the Smith Vocational and Agricultural High School and the superintendents of both school districts before the commencement of the budget process **to review the financial condition of the city, revenue and expenditure forecasts and other relevant information prepared by the mayor in order to develop a coordinated budget.**"
- ❖ The mayor initiates the city budget process working closely with the Finance Director and department heads to maintain services and identify needs.
- ❖ The School Committee and Trustees of Smith Vocational & Agricultural High School adopt and submit a proposed budget to the mayor 30 days prior to the date the budget is due to be submitted to Council.
- ❖ The mayor submits the proposed budget to City Council at least 45 days prior to the beginning of the fiscal year.
- ❖ City Council holds a public hearing and must vote on the proposed budget within 45 days of receipt of the budget.

Revenues

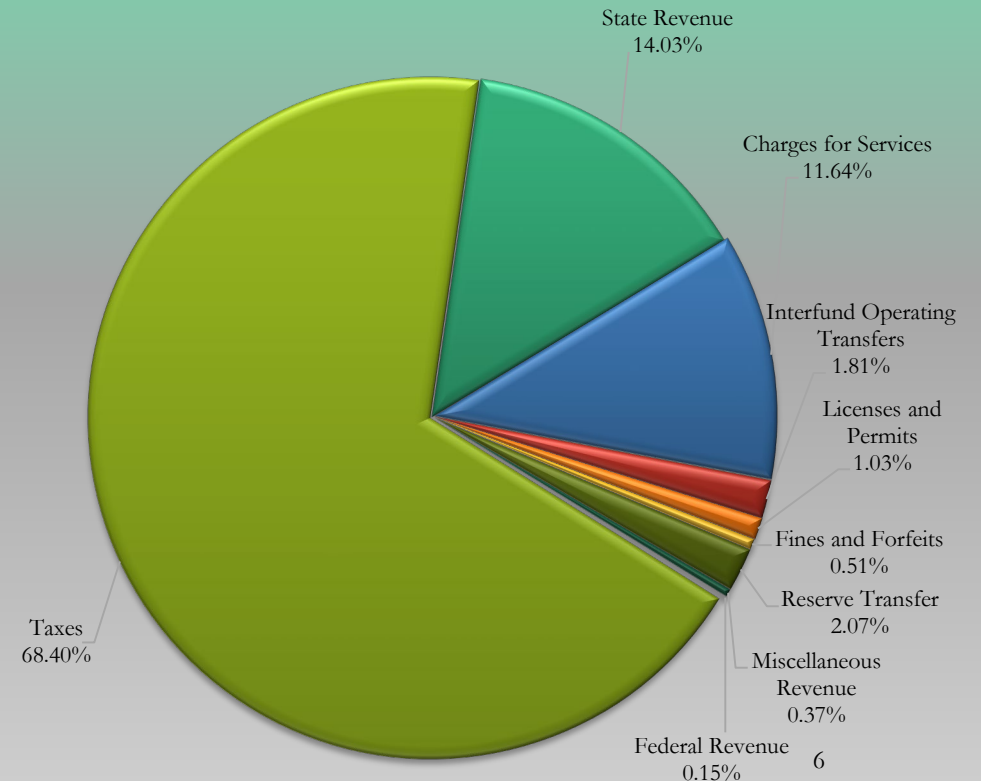
Revenue Sources

- ❖ Taxes
- ❖ State Aid
- ❖ Charges for Services
- ❖ Intergovernmental – State, Federal, Operating
- ❖ Licenses and Permits
- ❖ Fines and Forfeits
- ❖ Federal Revenue
- ❖ Miscellaneous Revenue
- ❖ Reserve Transfers

FY2025 General Fund Revenues

| Fiscal Year 2025 - Revenues | | |
|-------------------------------|--------------------|----------------|
| Taxes | 84,045,123.40 | 68.40% |
| State Revenue | 17,233,808.00 | 14.03% |
| Charges for Services | 14,305,303.00 | 11.64% |
| Reserve Transfer | 2,537,423.00 | 2.07% |
| Interfund Operating Transfers | 2,220,167.00 | 1.81% |
| Licenses and Permits | 1,271,357.00 | 1.03% |
| Fines and Forfeits | 622,740.00 | 0.51% |
| Miscellaneous Revenue | 459,825.00 | 0.37% |
| Federal Revenue | 180,000.00 | 0.15% |
| Total | 122,875,747 | 100.00% |

City of Northampton
 Preliminary General Fund Revenues - FY2025
 \$122,875,747



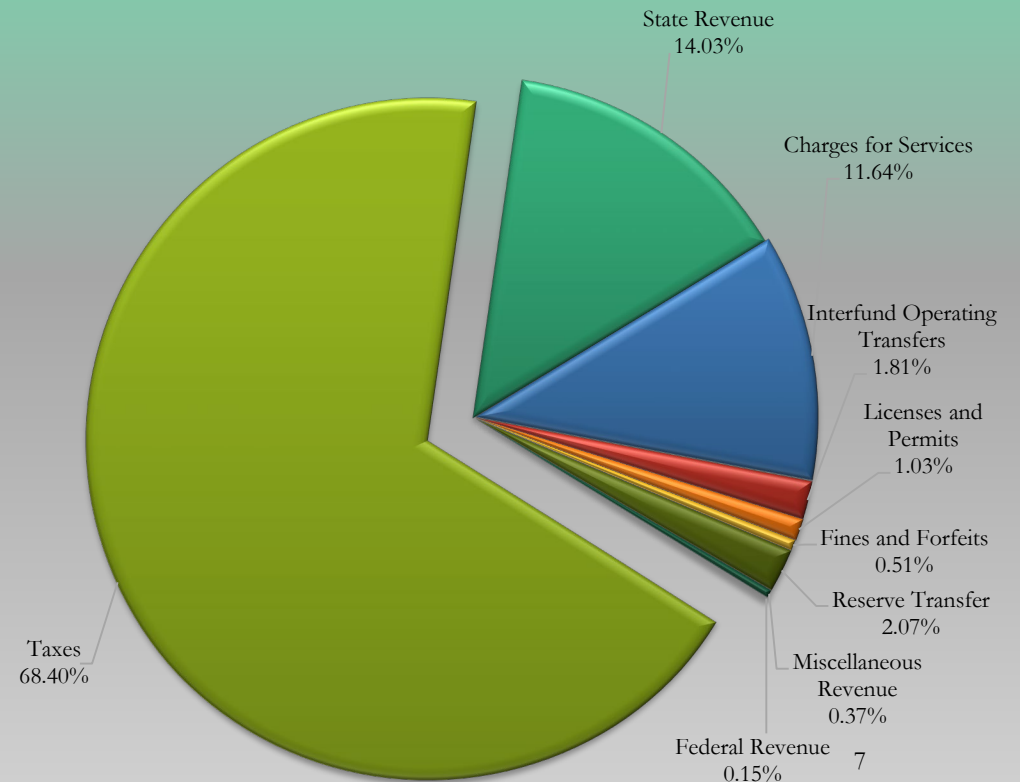
Real Estate, Personal Property and Local Taxes

Massachusetts municipal law permits two (2) types of property taxation. These can only be raised 2.5% under Prop 2 1/2.

- Real Estate Tax – 62.29% of the projected revenue (FY25)
- Personal Property Tax – 1.53% of the projected revenue (FY25)

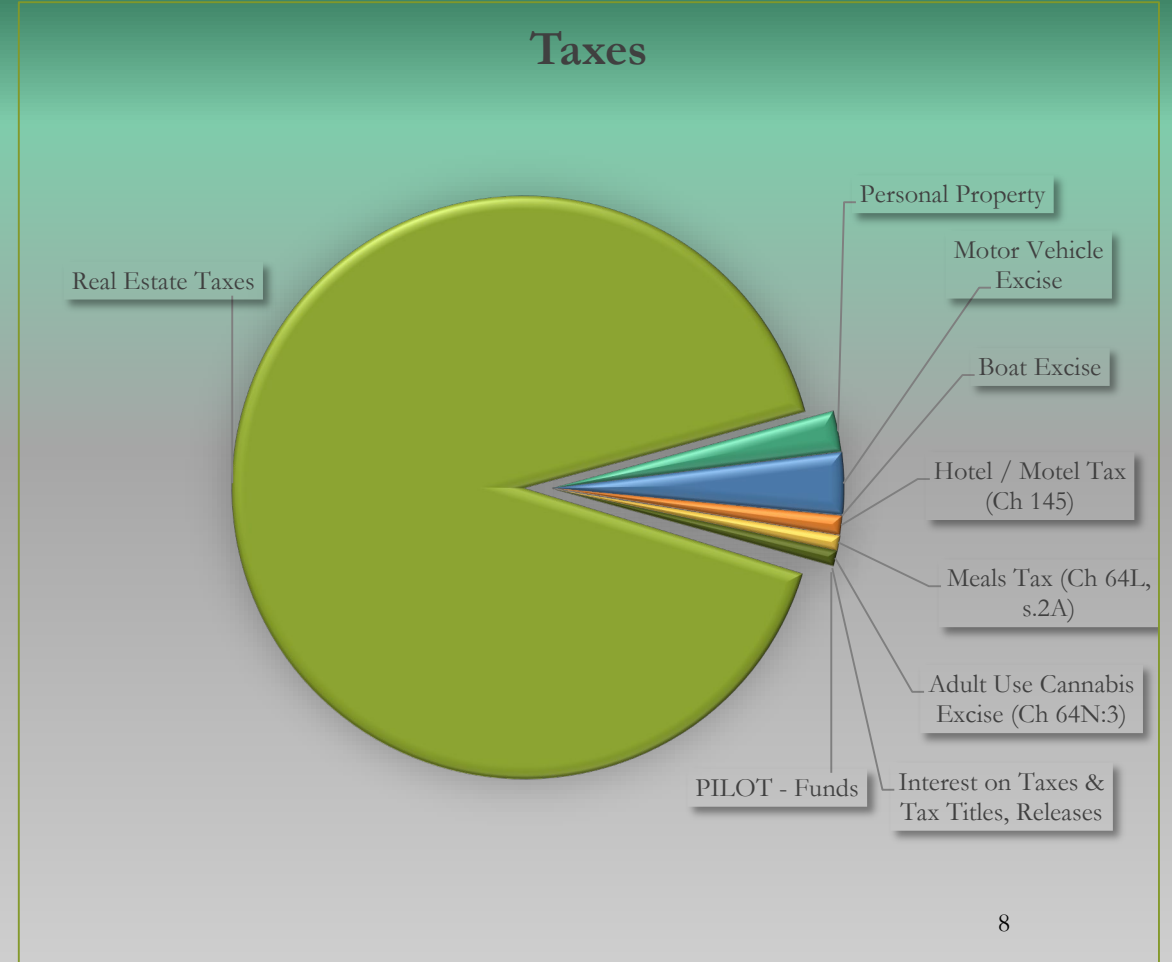
Local Taxes (Motor Vehicle Excise, Meals, Hotel/Motel, Cannabis) and Payments in Lieu of Taxes (PILOTs) – 4.58% of the projected revenue (FY25)

City of Northampton
Preliminary General Fund Revenues - FY2025
\$122,875,747



A Breakdown of Tax Revenue

| Tax Revenue | Dollar Amounts | Percentage of taxes |
|--|-------------------------|---------------------|
| Real Estate Taxes | \$ 76,535,220.70 | 91% |
| Personal Property | \$ 1,878,233.16 | 2% |
| Motor Vehicle Excise | \$ 2,900,000.00 | 3% |
| Boat Excise | \$ 3,281.00 | 0% |
| Hotel / Motel Tax (Ch 145) | \$ 875,000.00 | 1.0% |
| Meals Tax (Ch 64L, s.2A) | \$ 725,000.00 | 0.9% |
| Adult Use Cannabis Excise (Ch 64N:3) | \$ 736,951.00 | 0.9% |
| Interest on Taxes & Tax Titles, Releases | \$ 192,000.00 | 0.2% |
| PILOT - Funds | \$ 199,438.00 | 0.2% |
| Total | \$ 84,045,123.86 | 100% |



Term Definitions

- Proposition 2 ½: Prop 2 ½ sets the maximum limit a City may increase the property tax levy by each year to 2 ½% .
- Property Tax Levy: The amount the community can raise through real and personal property taxes. The levy can be any amount up to the levy limit.
- Levy Limit: The maximum the levy can be in a given year, calculated annually by the Department of Revenue.
- Levy Ceiling: The maximum the levy limit can be. The levy ceiling is determined by a calculation: 2.5 % of the full and fair cash value of all taxable real and personal property in the City.
- Levy Limit Increases: Every fiscal year, the levy limit increases by an automatic 2.5% increase over the last year's levy limit, plus the addition of new growth, plus any override the community has voted.
- New Growth: The amount of increased value of new development (building, construction, property divisions) that is not the result of revaluation.
- Proposition 2 ½ General Override: A vote by the residents of the City to permanently increase the levy limit base by the amount of the override question allowing the City to tax more.
- Levy Ceiling Changes: The total full and fair cash value of taxable real and personal property can change each year as properties are added or removed from the tax rolls and as market values increase or decrease.
- Levy Increases: The City may tax no more than its levy limit; however, there is no restriction on the dollar increase or percentage increase in its levy from year to year. Proposition 2 ½ restricts increases in the levy limit, not the levy itself. A community is permitted to tax up to its levy limit.
- Excess Levy Capacity: The difference between the levy (the amount the city taxes to) and the levy limit.

Property Tax Levy Calculation under Proposition 2 1/2

Proposition 2 ½ prohibits a community from raising and collecting more than 2.5% the maximum amount it was legally allowed to collect through property taxation in the previous year.

This refers to the total amount that the City collects from the community and not the amount collected from an individual tax payer.

| PROPERTY TAX LEVY CALCULATION | | | | | | | |
|--|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------------------|-------------------------------|
| PROPERTY TAX LEVY CALCULATION | | | | | | | |
| | FY2022 | FY2023 | FY2024 | FY2025 | Estimate FY2026 | \$ Change FY2025- FY2026 | % Change FY2024- FY2025 |
| | Budget | Budget | Budget | Budget | Budget | | |
| Base Levy From Prior Year | 66,740,564 | 69,508,933 | 72,260,937 | 74,989,348 | 77,857,318 | 2,867,971 | 3.82% |
| 2 1/2% Increase | 1,668,514 | 1,737,723 | 1,806,523 | 1,874,734 | 1,946,433 | 71,699 | 3.82% |
| Override | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% |
| New Growth | 1,099,854 | 1,014,281 | 921,887 | 993,237 | 875,000 | (118,237) | -11.90% |
| Levy Limit | 69,508,932 | 72,260,937 | 74,989,348 | 77,857,318 | 80,678,751 | 2,821,433 | 3.62% |
| Police Station | 620,476 | 585,396 | 575,932 | 568,220 | 556,334 | (11,886) | |
| Subtotal Debt Exclusions | 620,476 | 585,396 | 575,932 | 568,220 | 556,334 | (11,886) | -2.09% |
| Max Allowable Levy (Levy Limit + Debt Excl) | 70,129,409 | 72,846,333 | 75,565,280 | 78,425,538 | 81,235,085 | 2,809,548 | 3.7% |
| LESS: Actual Tax Levy | 70,106,847 | 72,342,855 | 75,515,707 | 78,413,454 | | | |
| Excess (Unused) Levy Capacity | 22,562 | 503,478 | 49,573 | 12,085 | | | |
| Actual Tax Levy | 70,106,847 | 72,342,855 | 75,515,707 | 78,413,454 | | | |
| Levy Ceiling (2.5% of Total Valuation) | 97,969,322 | 114,177,485 | 124,285,232 | 140,727,663 | | | |

State Revenue

State Revenue comprises the State Aid (Cherry Sheet) and Intergovernmental – State funds. The total makes up 14.03% of our projected budgeted revenue (FY25).

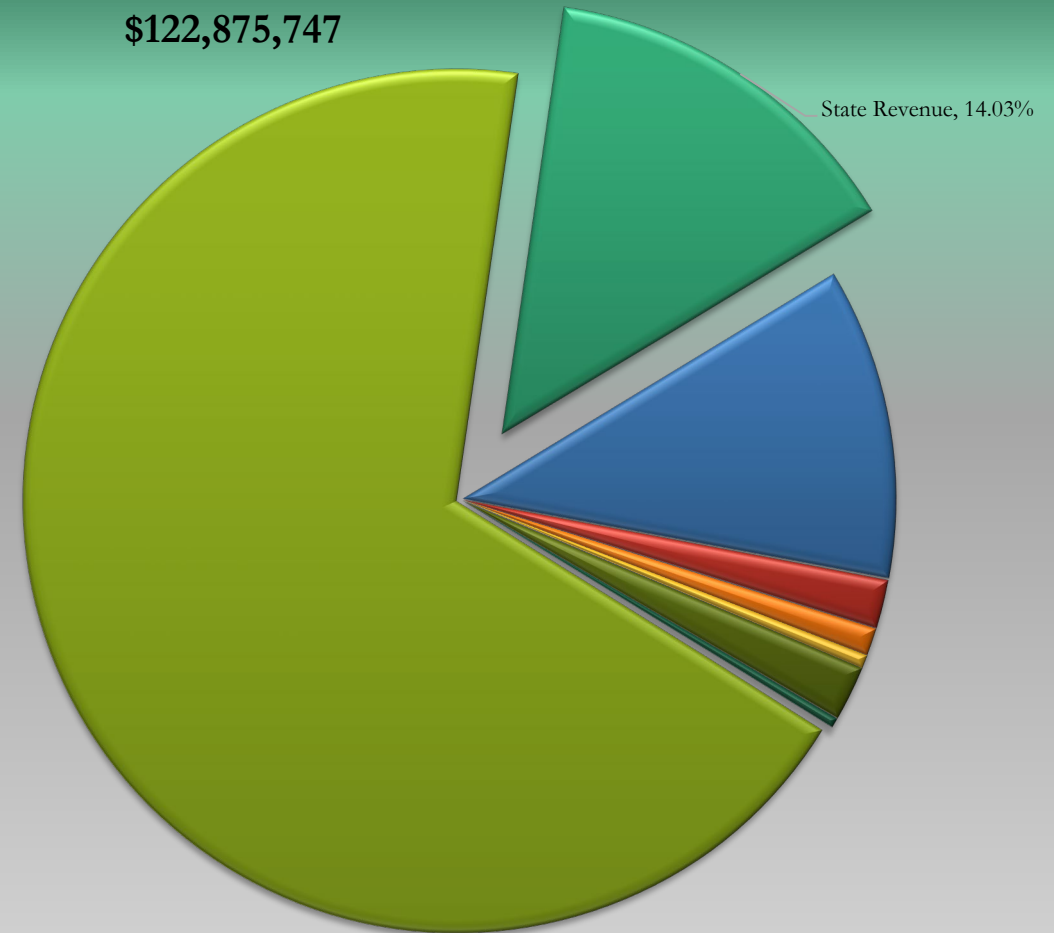
State Aid - 13.72%

- Chapter 70 School Aid
- Charter Tuition Reimbursement
- Unrestricted General Government Aid (UGGA)
- Payment in Lieu of Taxes (PILOT) for State Owned Land
- Veterans Benefits
- Abatements to Older Adults
- Offset: Incoming School Choice
- Offset: Public Libraries

Intergovernmental – State makes up 0.31% of our projected revenue (FY25)

- Other State Revenue
- MA Ambulance Certified Public Expenditure (CPE)

General Fund Revenues - FY2025 \$122,875,747

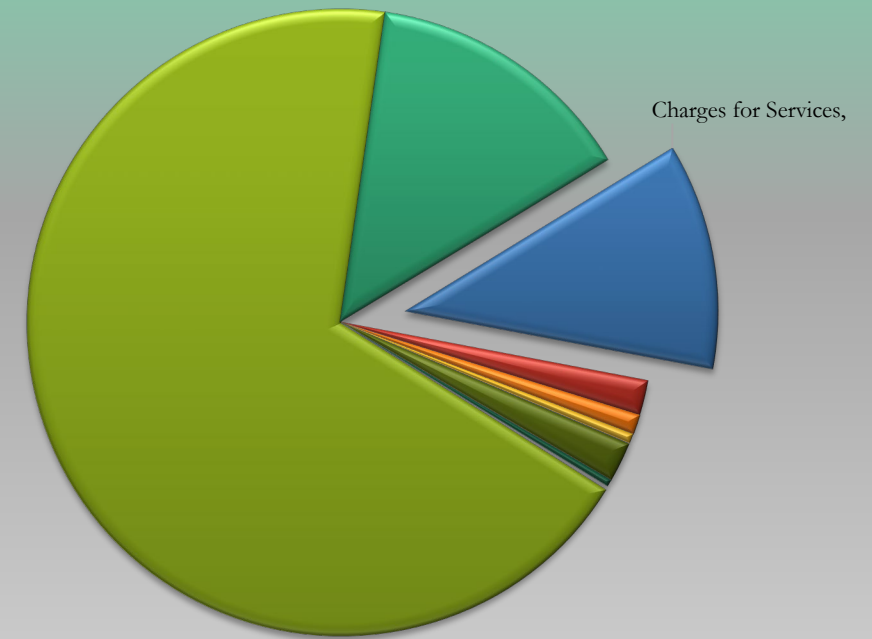


Charges for Services

Charges for Services makes up 11.64% of projected revenue (FY25)

- *Parking Revenues – Used for operations and maintenance of the Parking System. Not part of general City reserves*
- Departmental Fees (Recreation, Collector, City Clerk...) –
- Department Revenues (Building Inspections, Health inspections...)
- Tuition for Smith Vocational & Agricultural High School - tuition from sending communities that goes to SVAHS
- * Some of these revenues are restricted and not part of the City's General Fund.

General Fund Revenues - FY2025
\$122,875,747



Reserve and Gift Transfers

Use of stabilization or other funding to balance the budget – 2.07% (FY25)

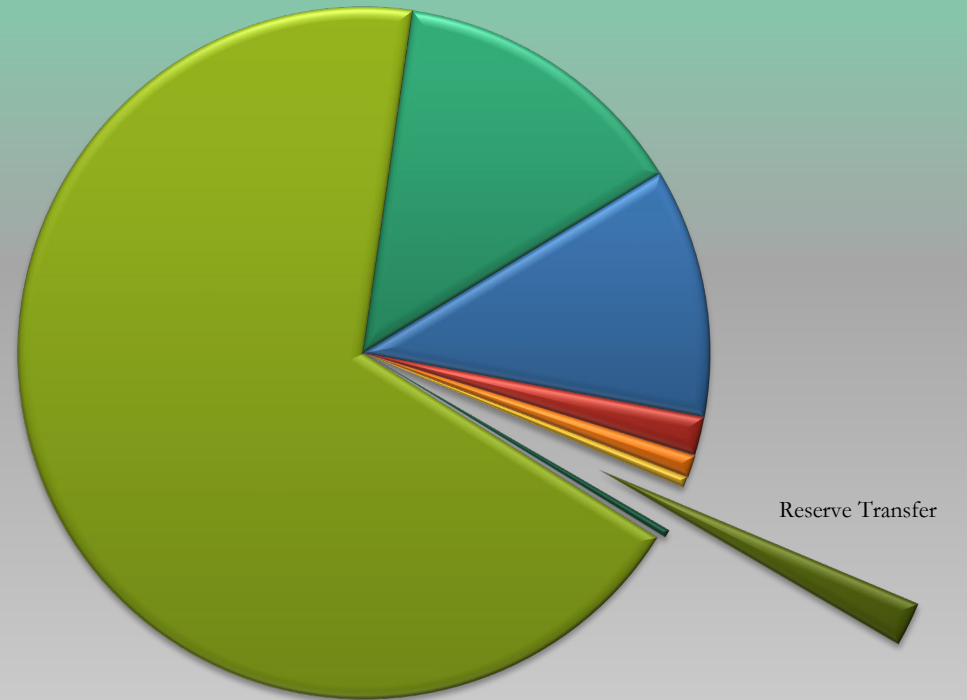
In FY2025 we are using the following funds to support the Northampton Public Schools' budget

Smith College Gift funds - \$166,666

NPS Special Education Stabilization Fund - \$350,000

Fiscal Stability Stabilization Fund - \$2,020,757

General Fund Revenue - FY2025
\$122,875,747

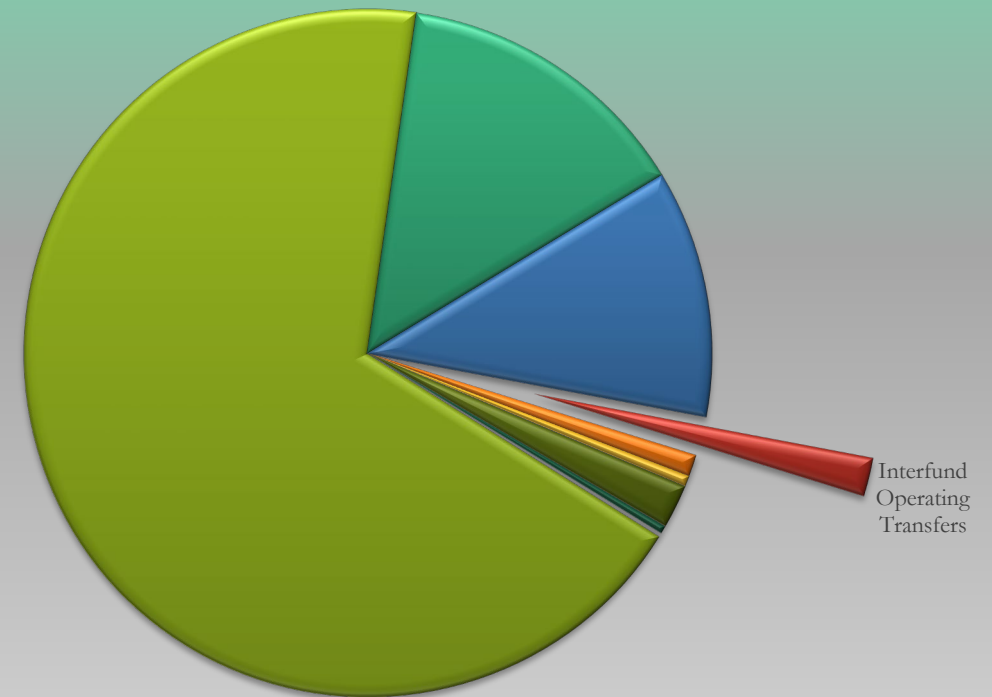


Interfund Operating Revenue

Interfund Operating Transfers makes up 1.81% of projected revenue (FY25)

- Interfund Transfers – Enterprise Funds Indirects
- Community Preservation Act (CPA) Funds

General Fund Revenues - FY2025
\$122,875,747

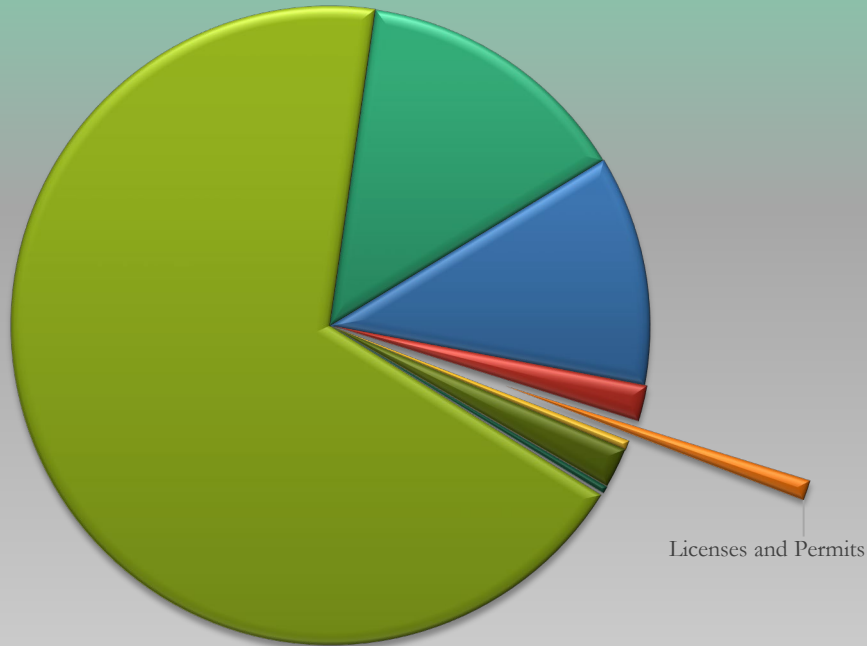


Licenses and Permits Fines and Forfeits

Licenses and Permits

1.03% of projected revenue

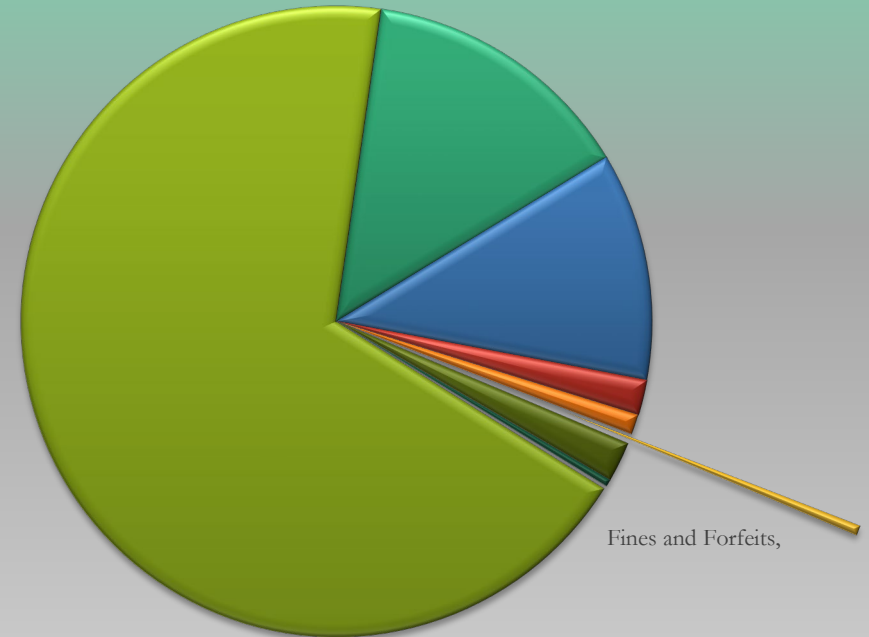
Liquor Licenses, Dept Permits (City Clerk, HHS, Fire...)



Fines and Forfeits

0.51% of projected revenue

Civil Motor Vehicle Infractions, Reimbursements from
RMV, Parking Fines

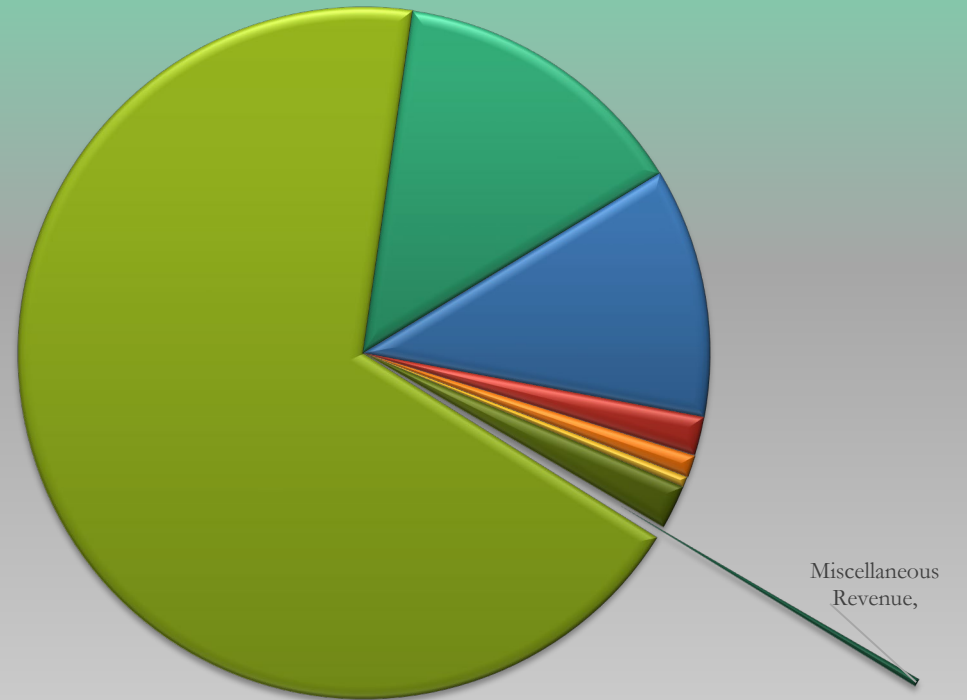


Miscellaneous Revenue

Misc. revenue makes up 0.37% of our projected revenue (FY25)

- PVTA – 5 College Reimbursement
- Interest on investments
- Shared Services (Regional Veterans District, Laserfiche services, Weights and Measures)

General Fund Revenue - FY2025
\$122,875,747

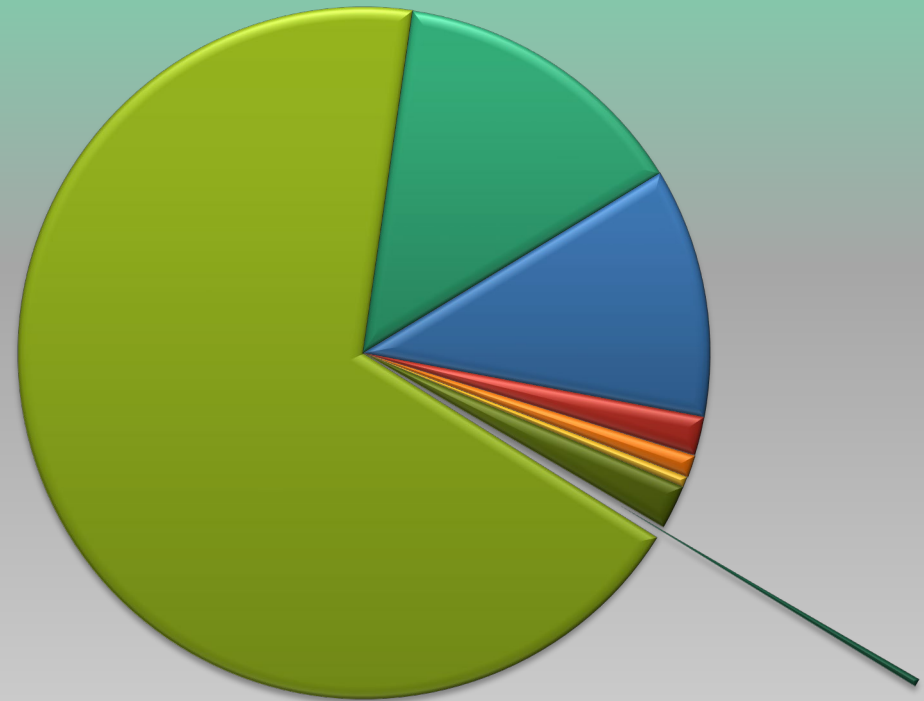


Federal Revenue

Federal revenue makes up 0.15% of our projected revenue (FY25) – these funds get transferred out of Free Cash back to schools

- Medicaid Reimbursements

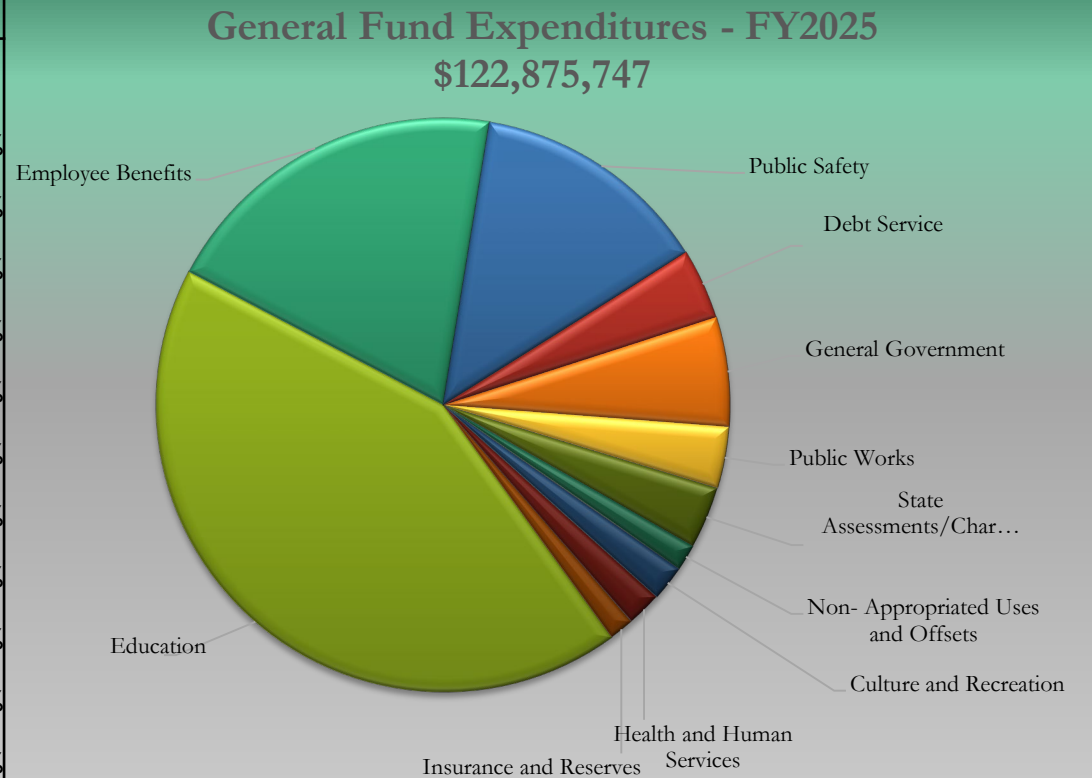
General Fund Revenue - FY2025
\$122,875,747



Expenditures

FY2025 Budgeted Expenses

| Fiscal Year 2025 - Expenditures | | | |
|------------------------------------|-----------|--------------------|----------------|
| Category | | Total | Percentage |
| Education | \$ | 52,476,080 | 42.71% |
| Employee Benefits | \$ | 24,433,849 | 19.89% |
| Public Safety | \$ | 16,568,650 | 13.48% |
| Debt Service | \$ | 4,900,190 | 3.99% |
| General Government | \$ | 7,554,723 | 6.15% |
| Public Works | \$ | 4,240,265 | 3.45% |
| State Assessments/Charges | \$ | 4,271,641 | 3.48% |
| Non- Appropriated Uses and Offsets | \$ | 1,847,821 | 1.50% |
| Culture and Recreation | \$ | 2,464,632 | 2.01% |
| Health and Human Services | \$ | 2,390,899 | 1.95% |
| Insurance and Reserves | \$ | 1,726,997 | 1.41% |
| TOTAL EXPENDITURES | \$ | 122,875,747 | 100.00% |

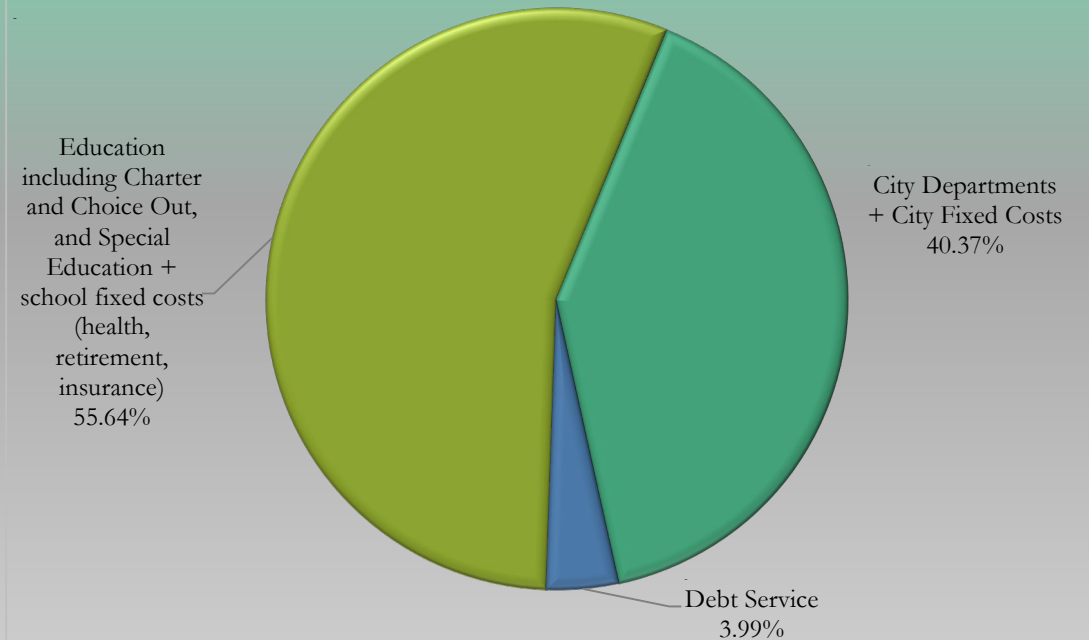


FY2025 Budgeted Expenses

| Fiscal Year 2025 - Expenditures | | |
|--|-----------------------|----------------|
| Category | Total | Percentage |
| Education including Charter and Choice Out, and Special Education + School Fixed Costs (health, retirement, insurance) | \$ 68,370,659 | 55.64% |
| City Departments + City Fixed Costs | \$ 49,604,898 | 40.37% |
| Debt Service | \$ 4,900,190 | 3.99% |
| TOTAL EXPENDITURES | \$ 122,875,747 | 100.00% |

General Fund Expenditures - FY2025

\$122,875,747



Comparison of Key Financial Indicators

Comparison of Key Financial Indicators

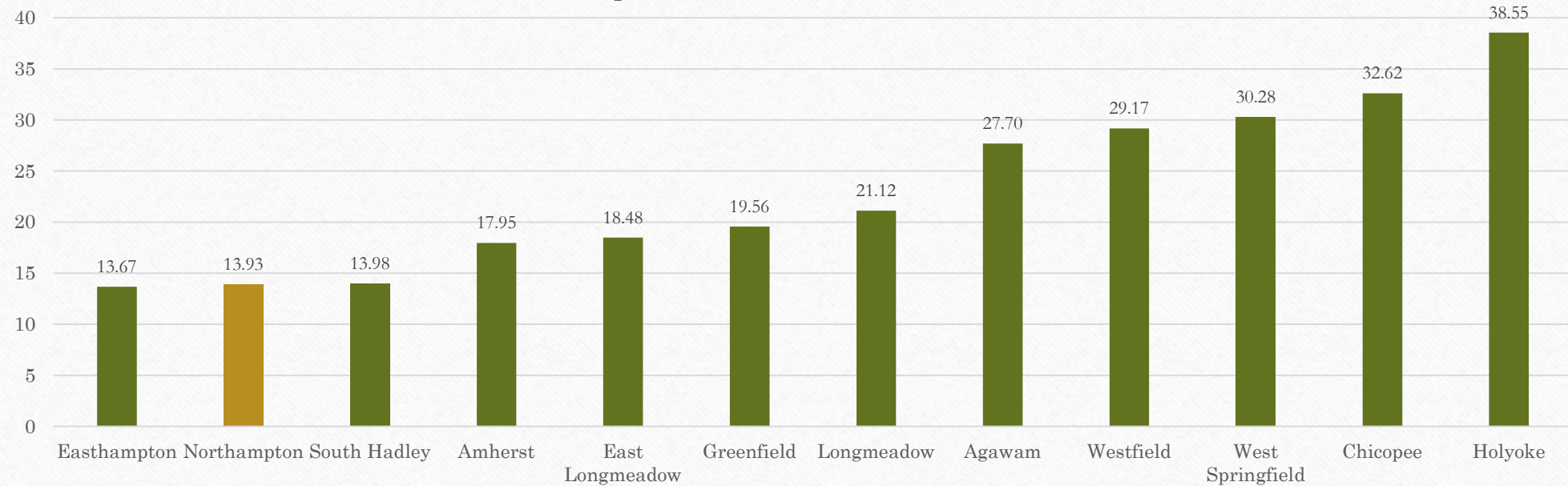
- ❖ Residential Tax Rates
- ❖ Commercial Tax Rates
- ❖ Single Family Home Value
- ❖ Average Single Family Tax Bill
- ❖ Total New Growth Value
- ❖ Revenue Generated by New Growth
- ❖ General Fund Revenue by Percentage of Total Revenues

Residential Tax Rates

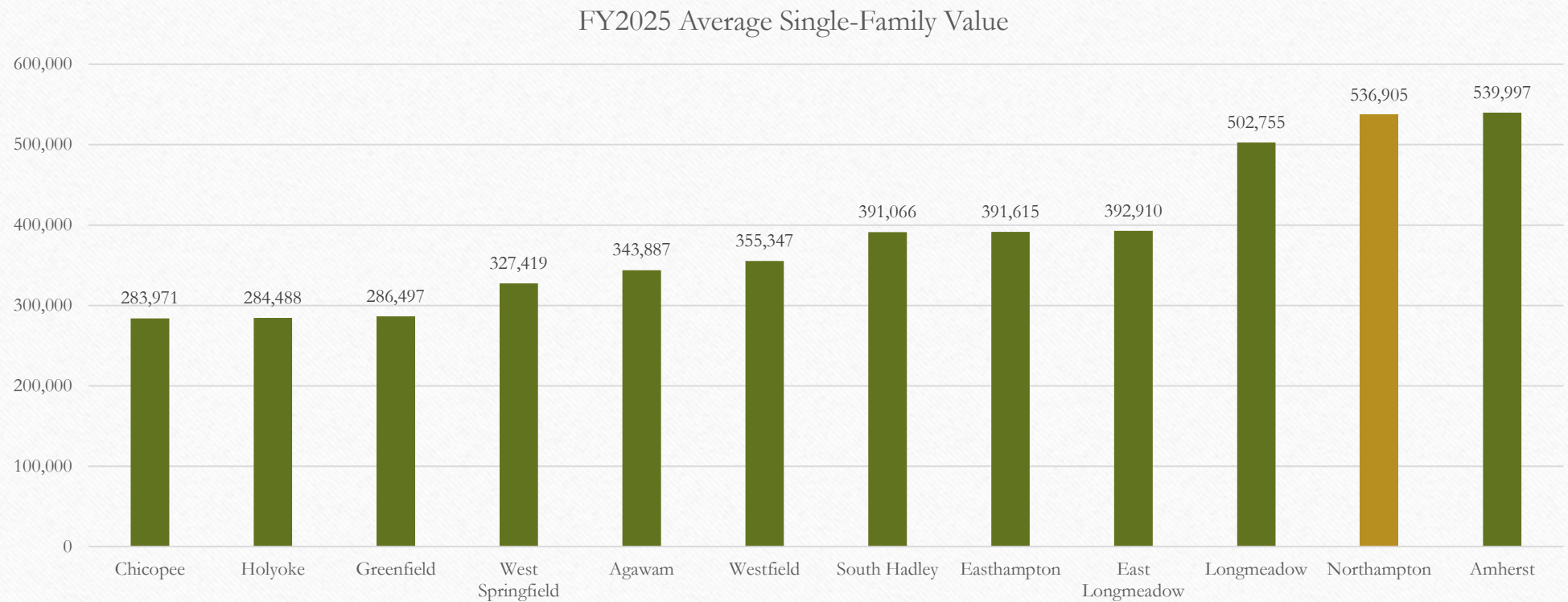


Commercial Tax Rates

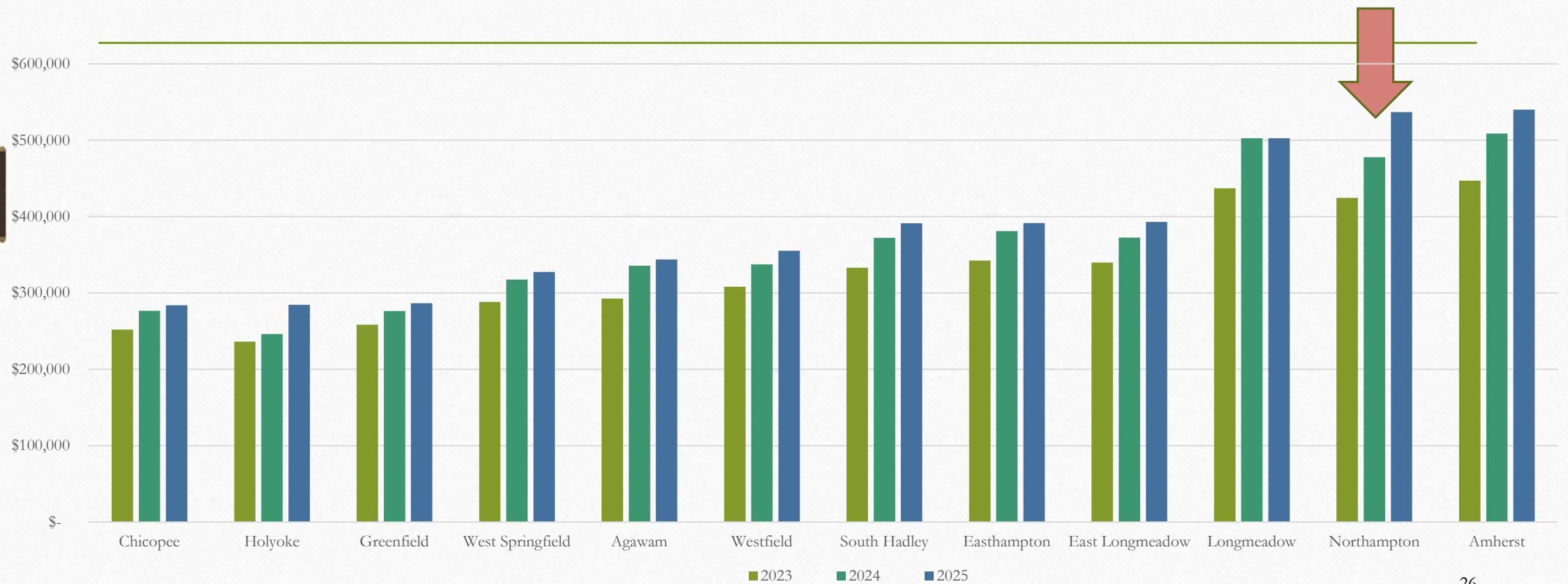
Commercial Tax Rates - FY2025
Northampton FY2025 Tax Rate \$13.93/\$1000



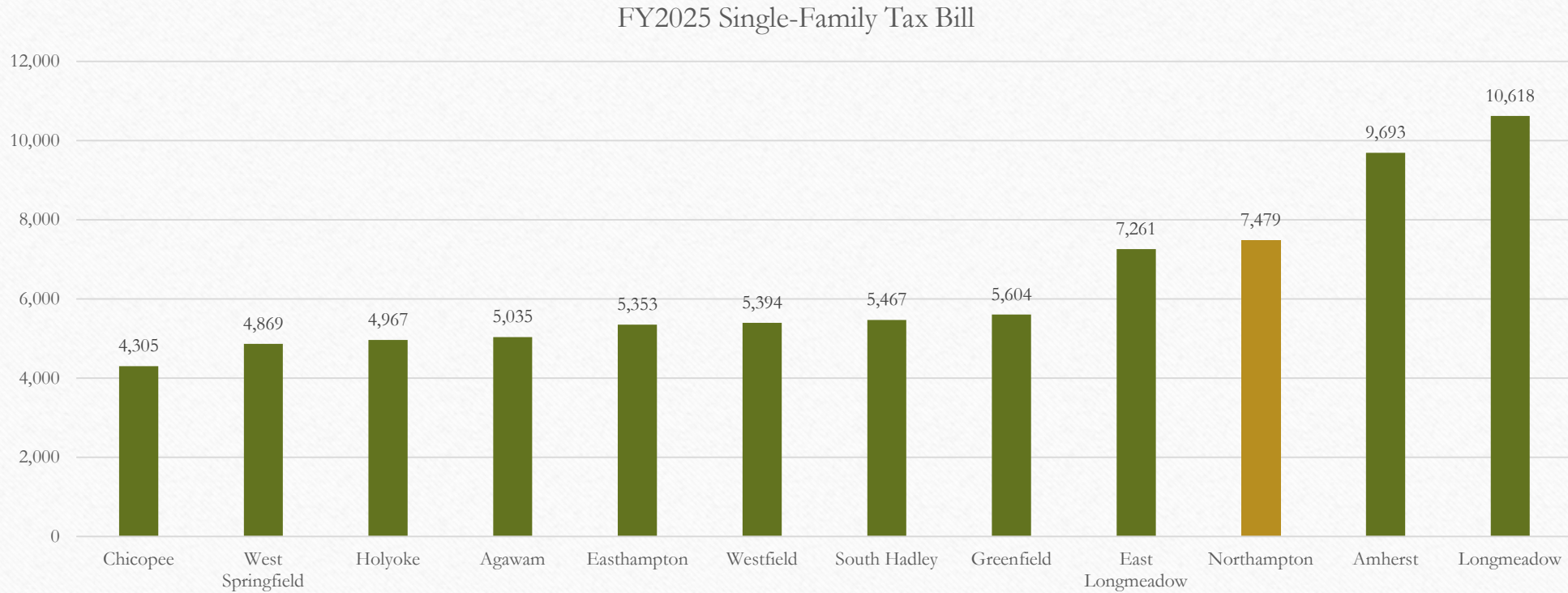
Average Single Family Home Value FY2025



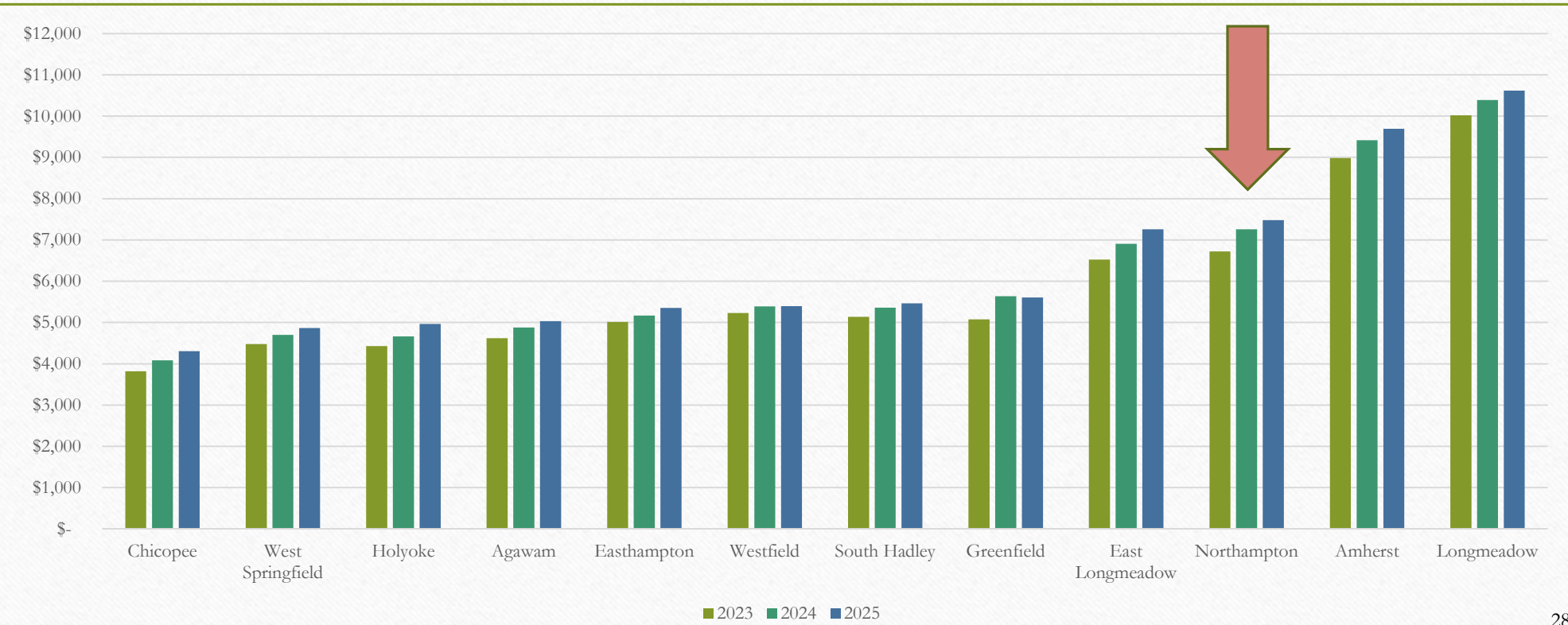
Average Single Family Home Value FY2023, FY2024, FY2025



Average Single Family Tax Bill

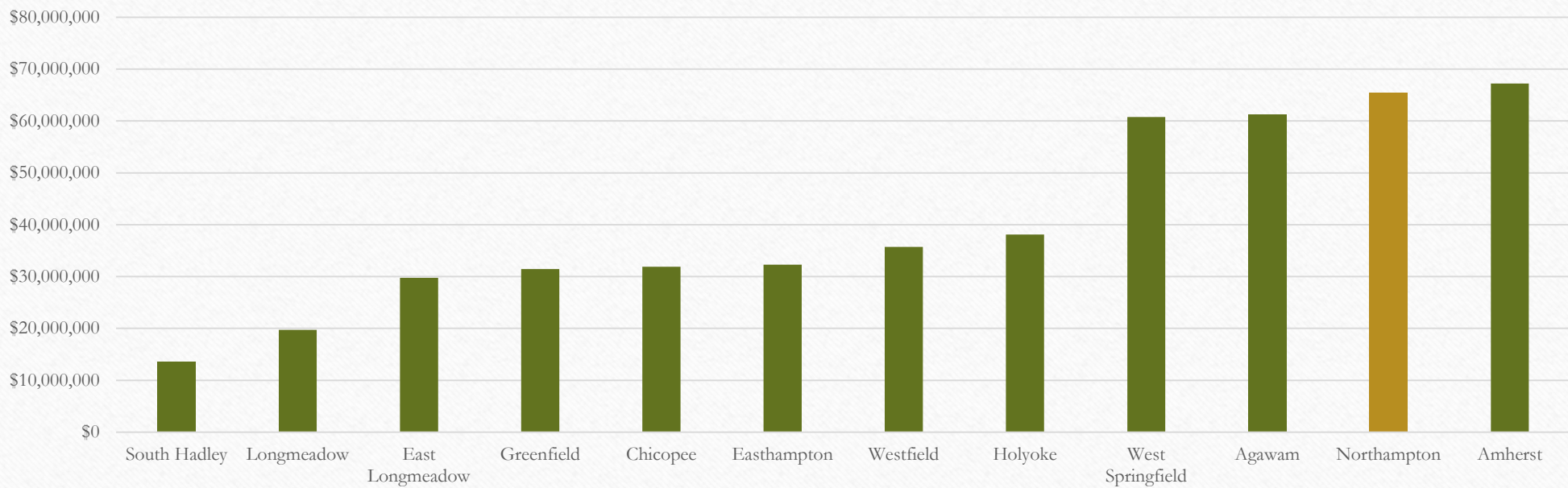


Average Single Family Tax Bill FY23, FY24, FY25



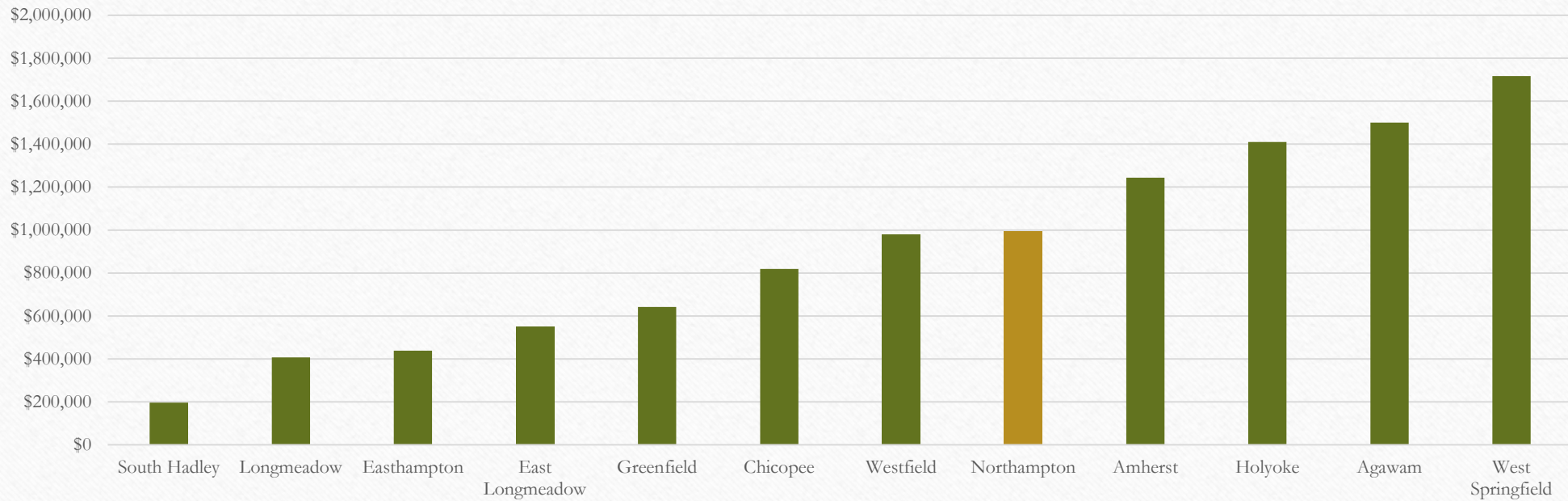
New Growth Value

FY2025 Total New Growth Value
Value of New Growth in Northampton \$65,387,546



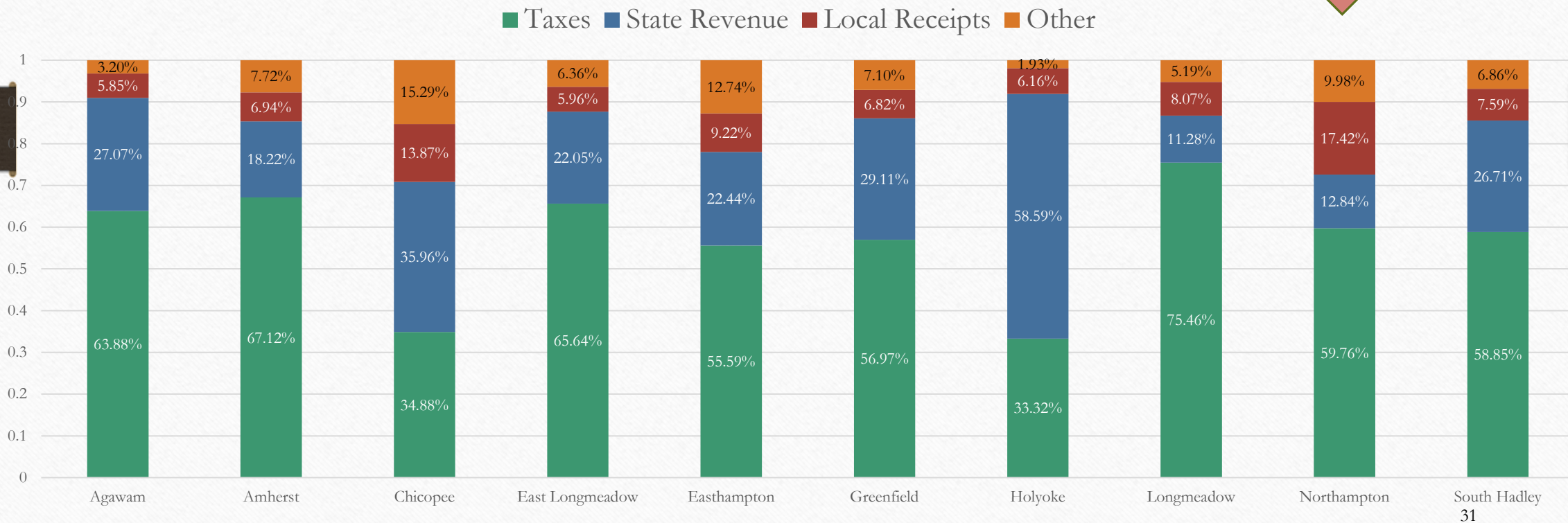
Total New Growth

Total New Growth -FY2025
Northampton - \$ 993,237



General Fund Revenue by Source

Percentage of General Fund Revenue by Source - FY2025



Review of Revenue and Expenditure Trends

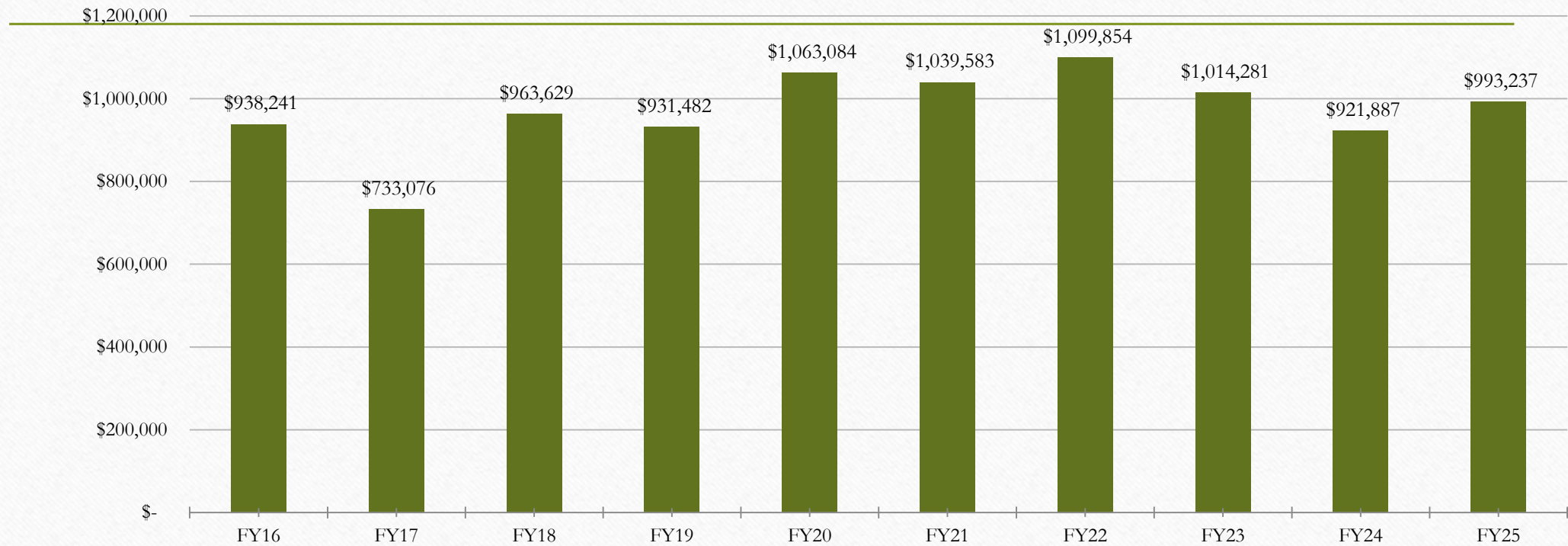
Revenue Trends

- ❖ New Growth
- ❖ Cannabis
- ❖ Hotel/Motel and Meals
- ❖ Parking
- ❖ Motor Vehicle Excise
- ❖ Ambulance
- ❖ Building Permits
- ❖ State Aid
- ❖ Investment Income

New Growth

Increase in the tax base due to new construction, parcel subdivisions, condominium conversions and property renovations

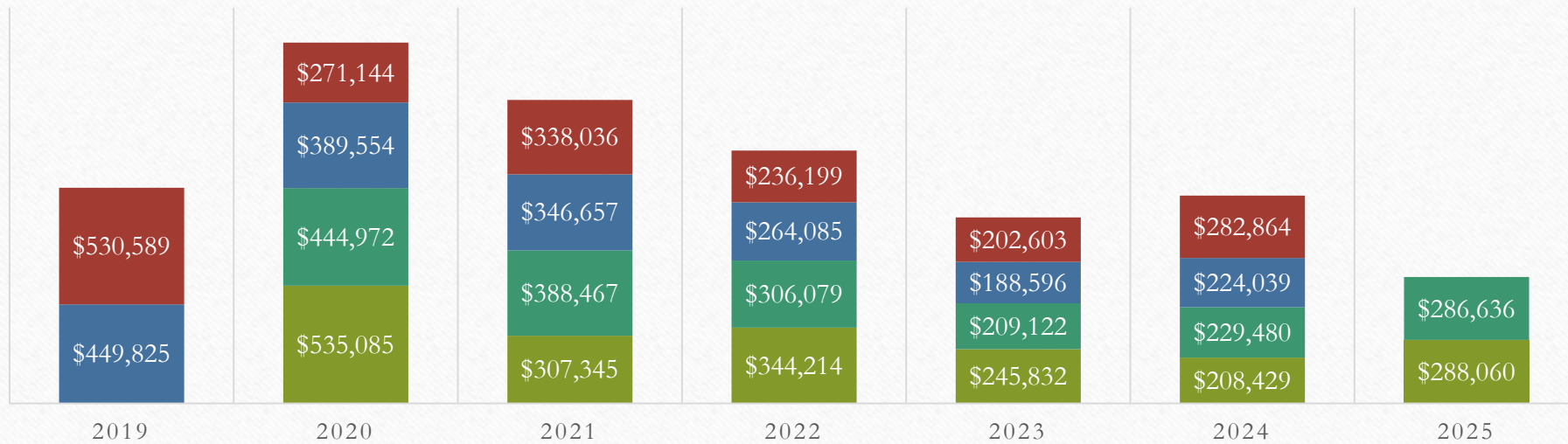
City of Northampton - 10 Years - New Growth Trend
FY2016 - FY2025



Cannabis Excise Tax

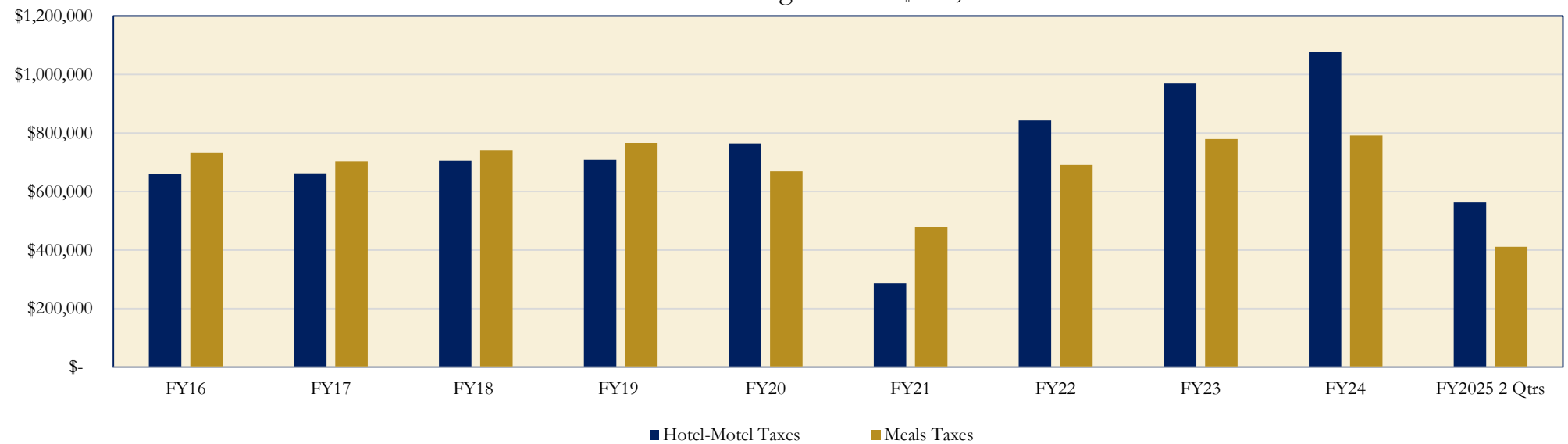
LOCAL OPTION ADULT USE CANNABIS EXCISE TAX

■ Quarter 1 -September payment ■ Quarter 2 - December payment ■ Quarter 3 - March payment ■ Quarter 4 -June payment



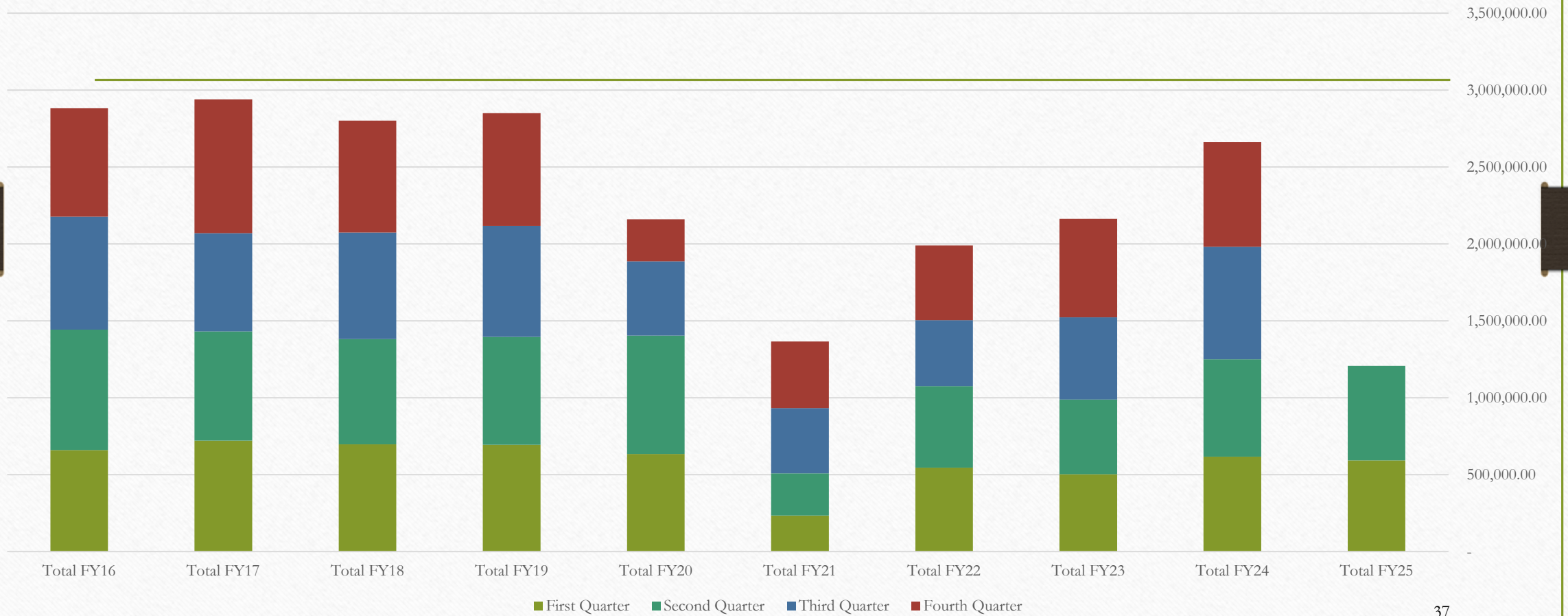
Hotel-Motel and Meals Tax

Hotel-Motel and Meals Tax
FY2016 - FY2025
Ten Year Average - Hotel Motel \$725,449
Ten Year Average - Meals \$701,969



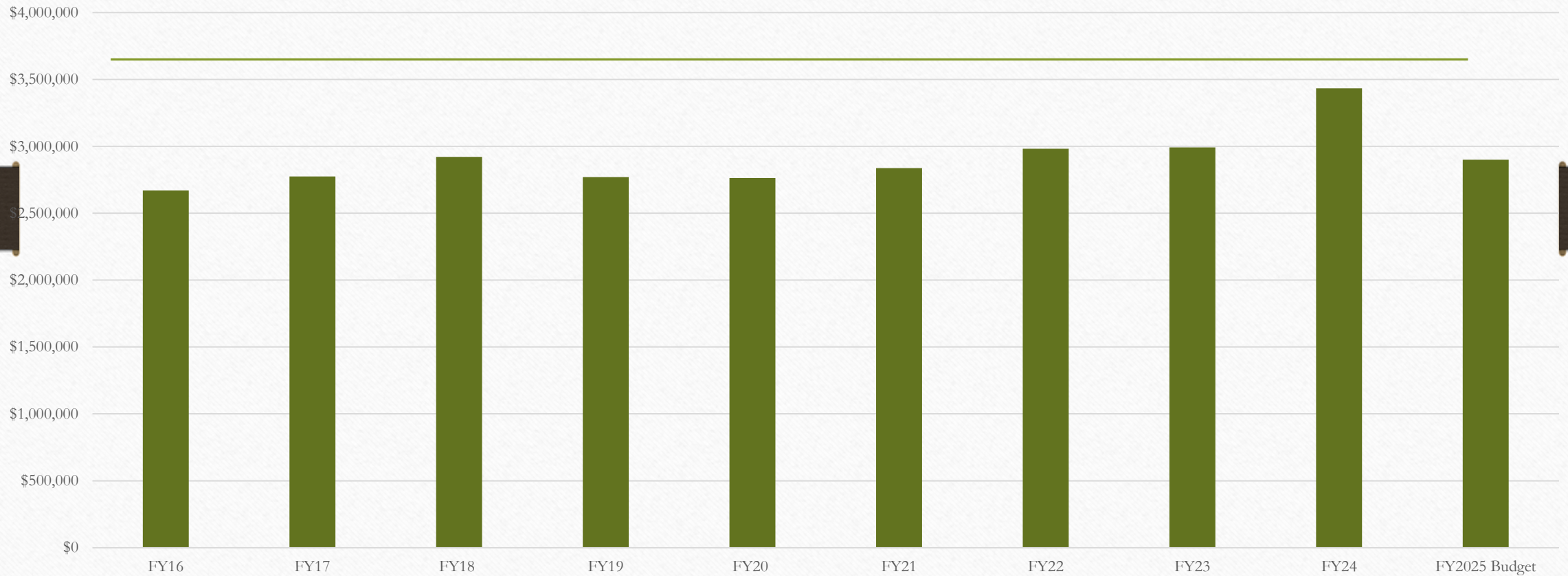
Parking Revenue

Parking Revenue includes garage, street, lots, passes and tickets



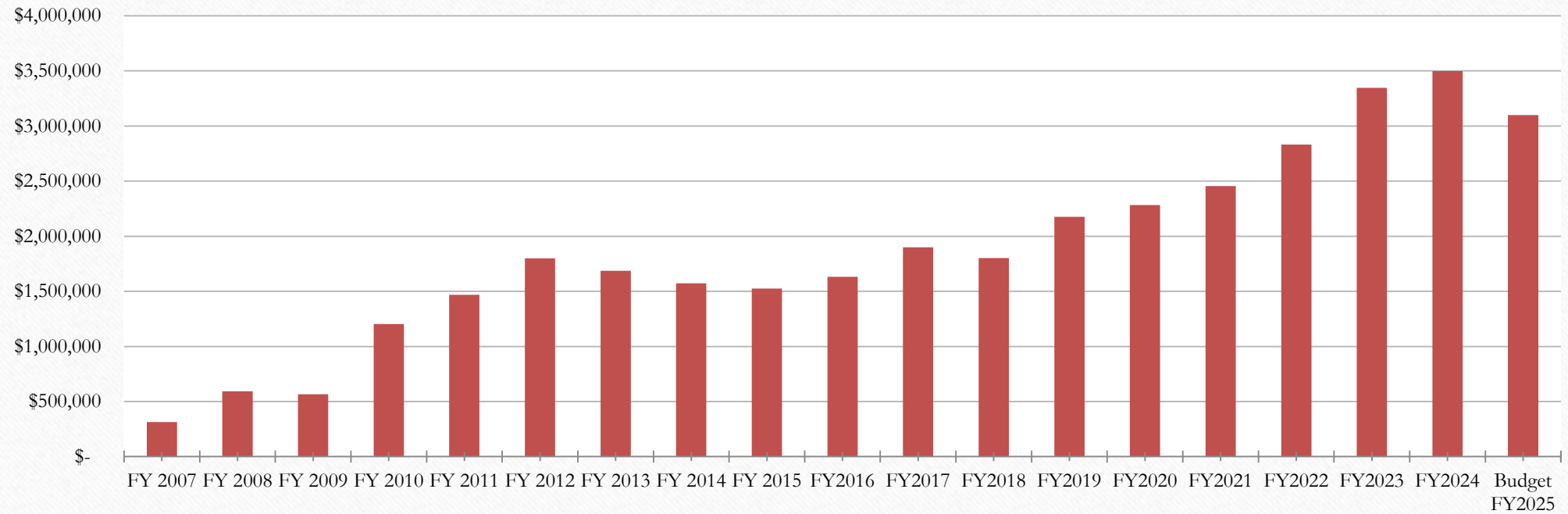
Motor Vehicle Excise

Motor Vehicle Excise FY2016 – FY2025



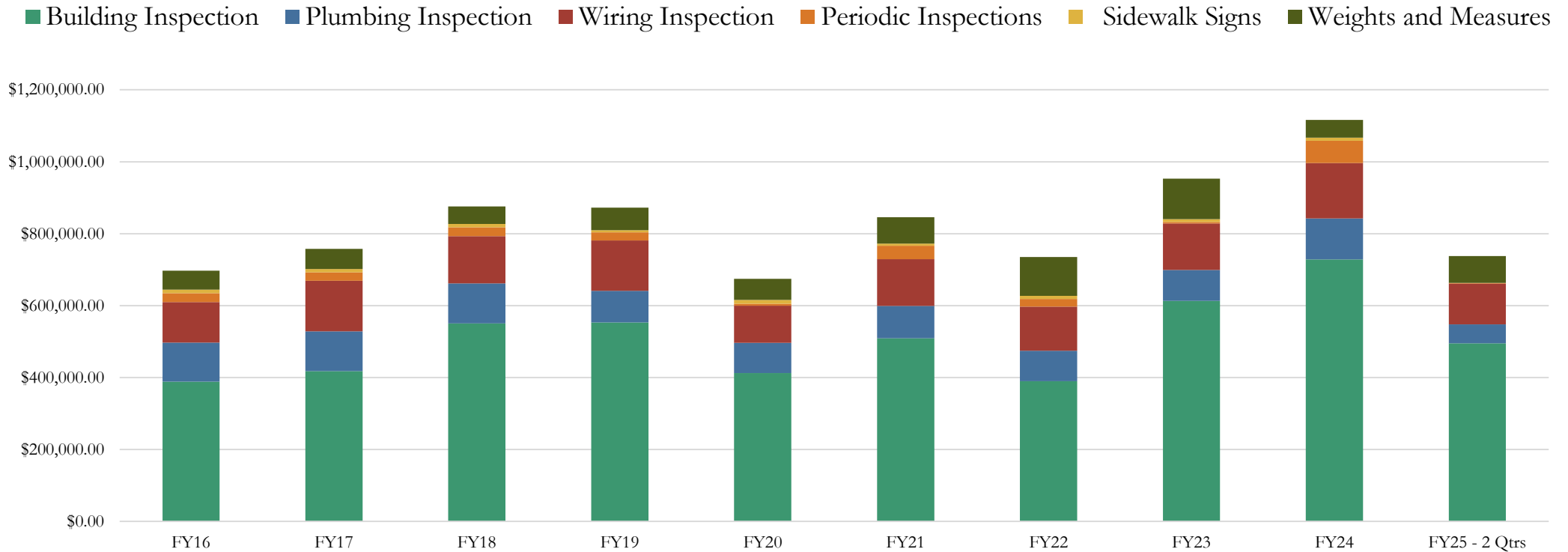
Ambulance Revenue

Ambulance Revenue FY2007- FY2025



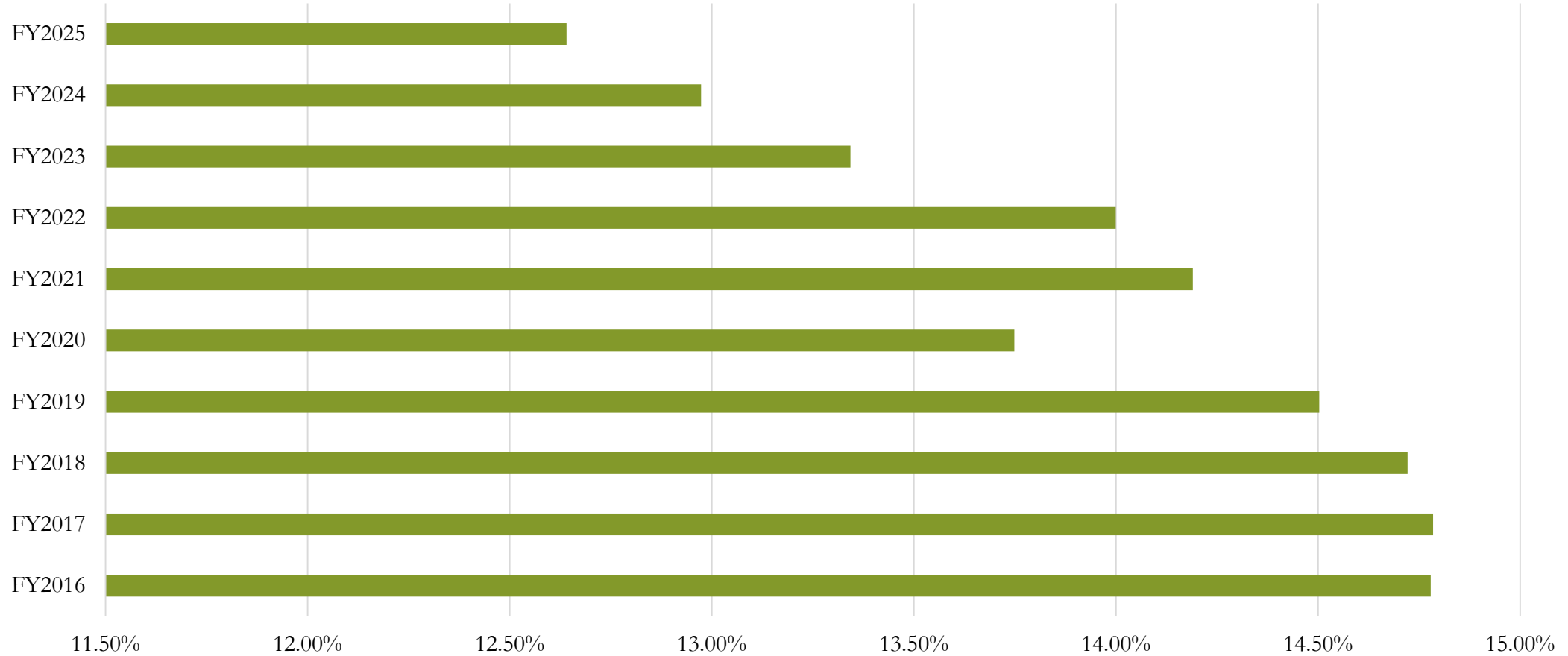
Building Permits

Building, Plumbing, Wiring and Weights and Measures Permit Fees
FY2016 - FY2025



Ten Year History of State Revenue as % Budget

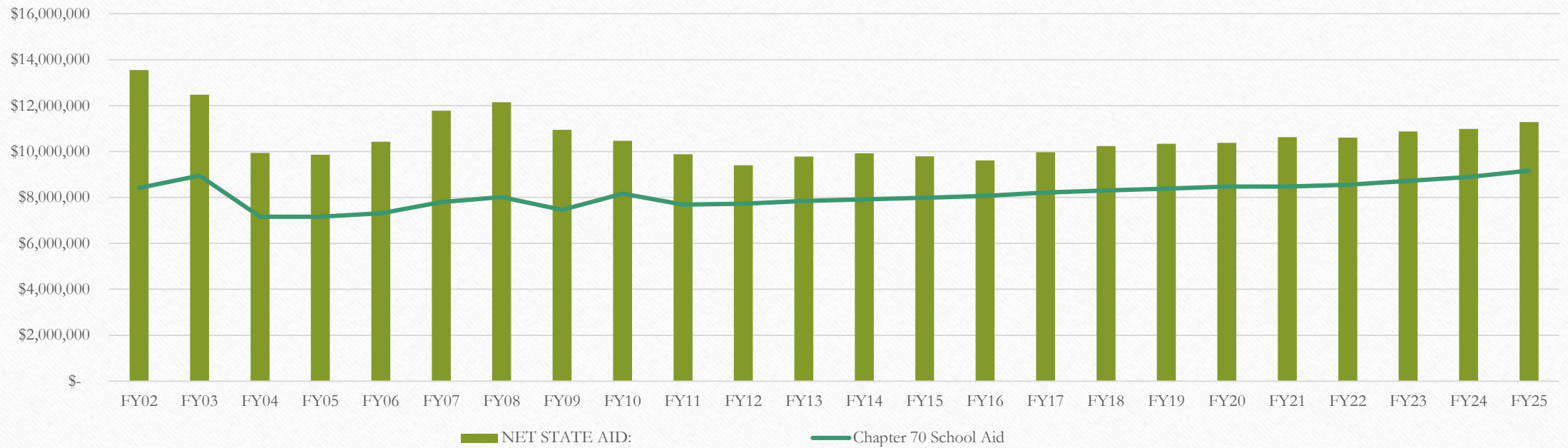
Does not include offsets (School Choice & Library Funds)



Net State Aid

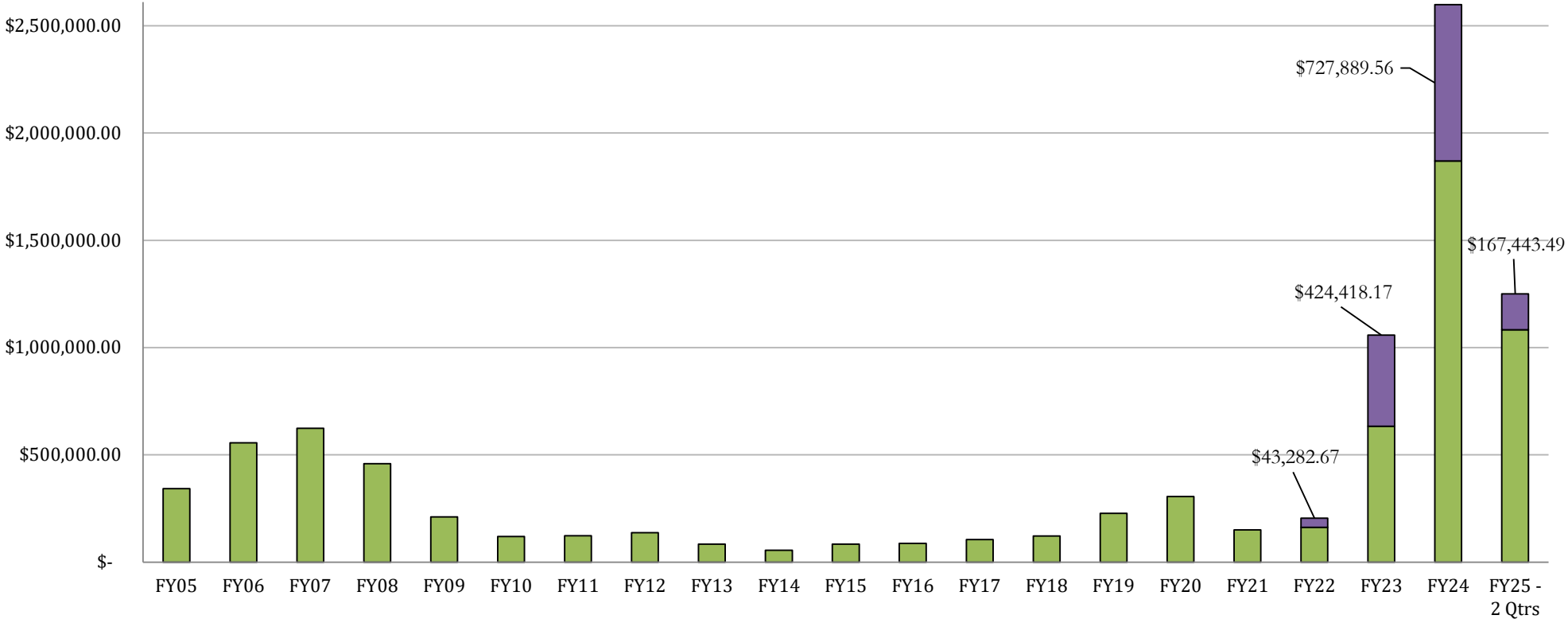
24 years

Net State Aid
Excludes offsets for school of choice and libraries



Investment Income

Investment Income



Expenditure Trends

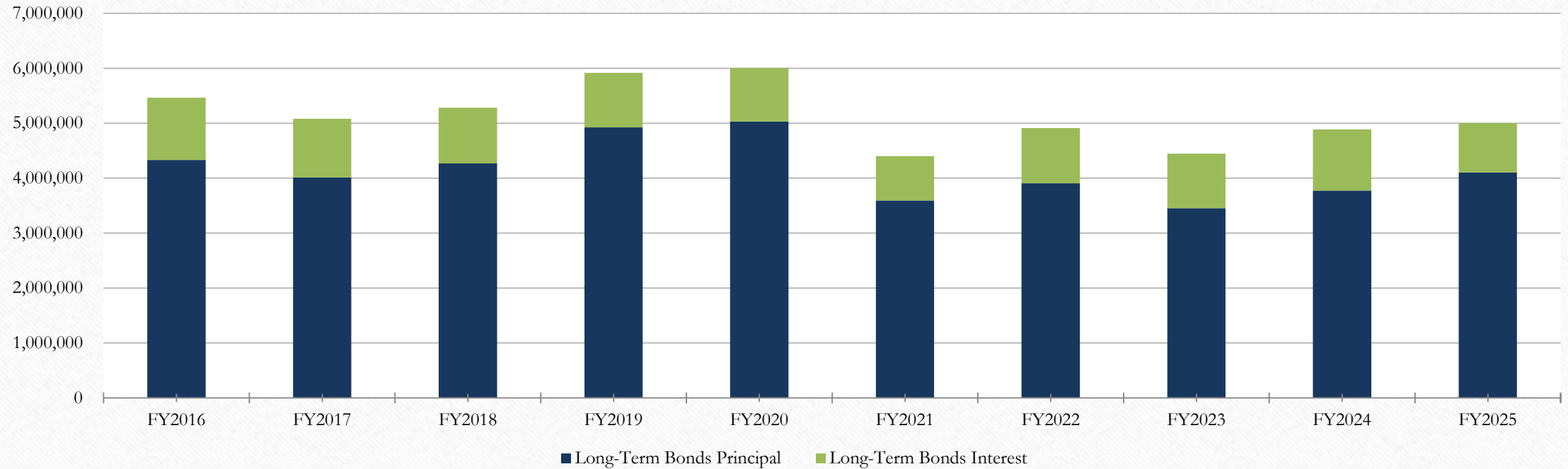
- ❖ Debt
- ❖ Health Insurance
- ❖ Retirement
- ❖ Other Insurances, Workers Comp
- ❖ City Departments
- ❖ Education

Information on Debt Service

- ❖ Bonds are those expenditures that are financed through borrowing
- ❖ These include payments of principal and interest for a term of 5 to 20 years depending on the life of the project
- ❖ These payments come from the general operating budget and are referred to as debt service. These payments use recurring revenues from the general fund, and CPA projects that are funded through borrowing are paid for using CPA funds.
- ❖ Bonding is generally reserved for major expenditures but the city strives to have a balance of capital funded by cash and borrowing. The debt schedule is carefully planned to maximize opportunities for larger capital projects to be funded in a timely manner without causing large spikes in the debt service payments that impact the operating budget. We take into account interest rates, economic conditions and the ability to support projects through reserves first before bonding and incurring added extra costs such as interest to projects.
- ❖ The Net General Fund Debt Service as a percent of the budget is at 4% in FY2025.

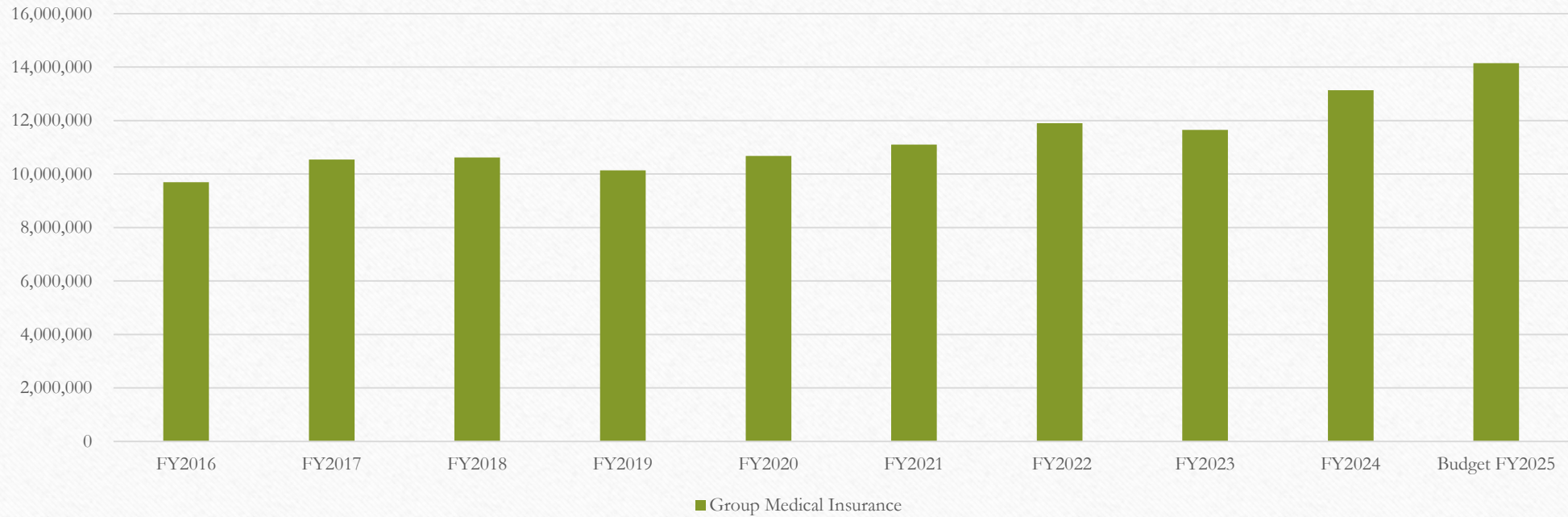
Debt Service

General Fund Debt Expenditures



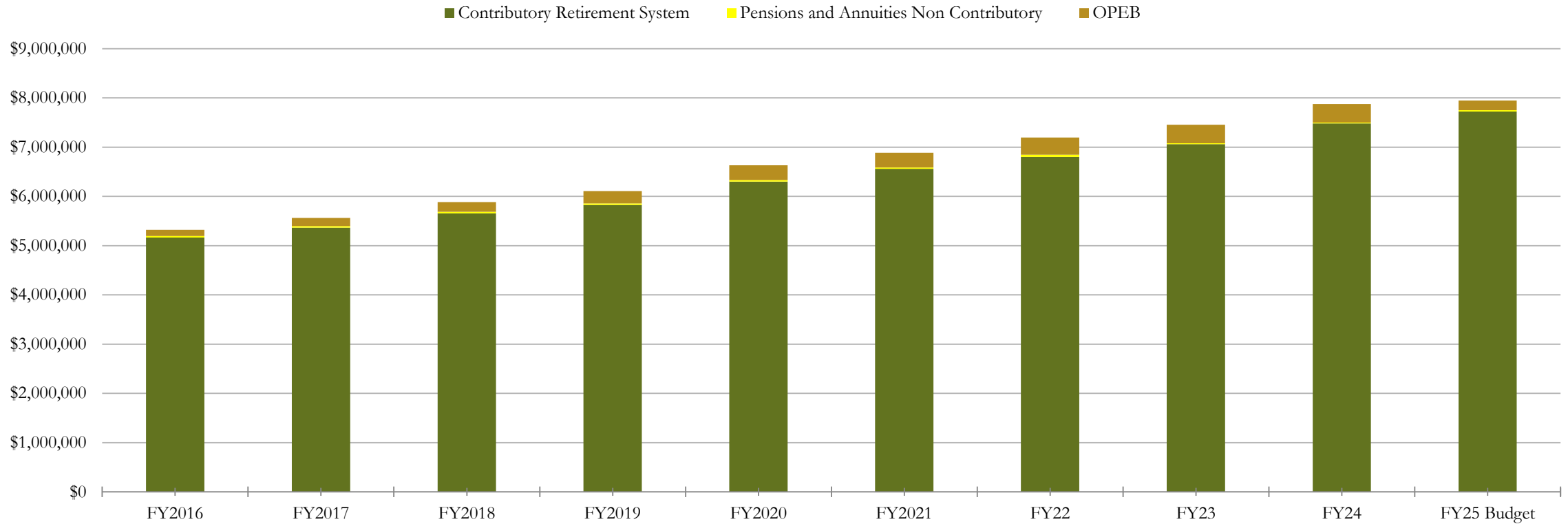
Health Insurance

Health Insurance
FY2016 to FY2025



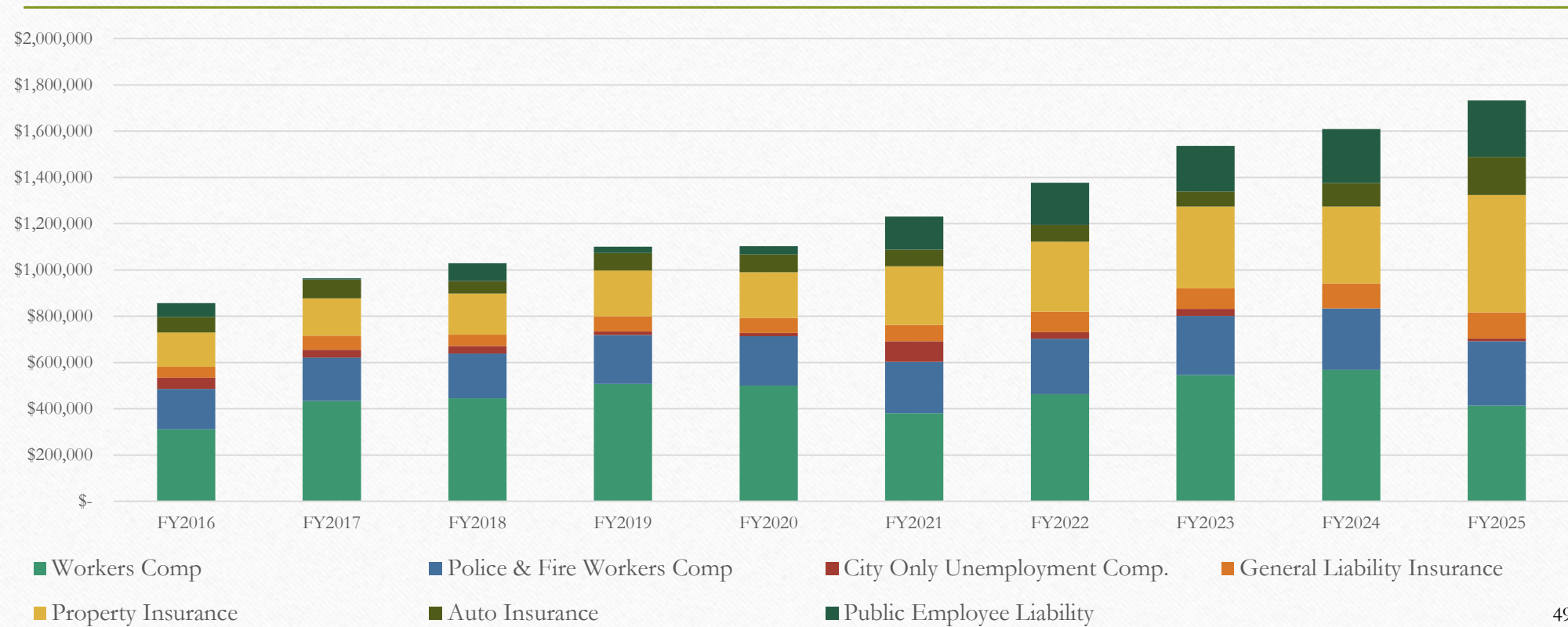
Retirement

Retirement System Contribution and OPEB Trust for Retiree Health Insurance FY2016 - FY2025



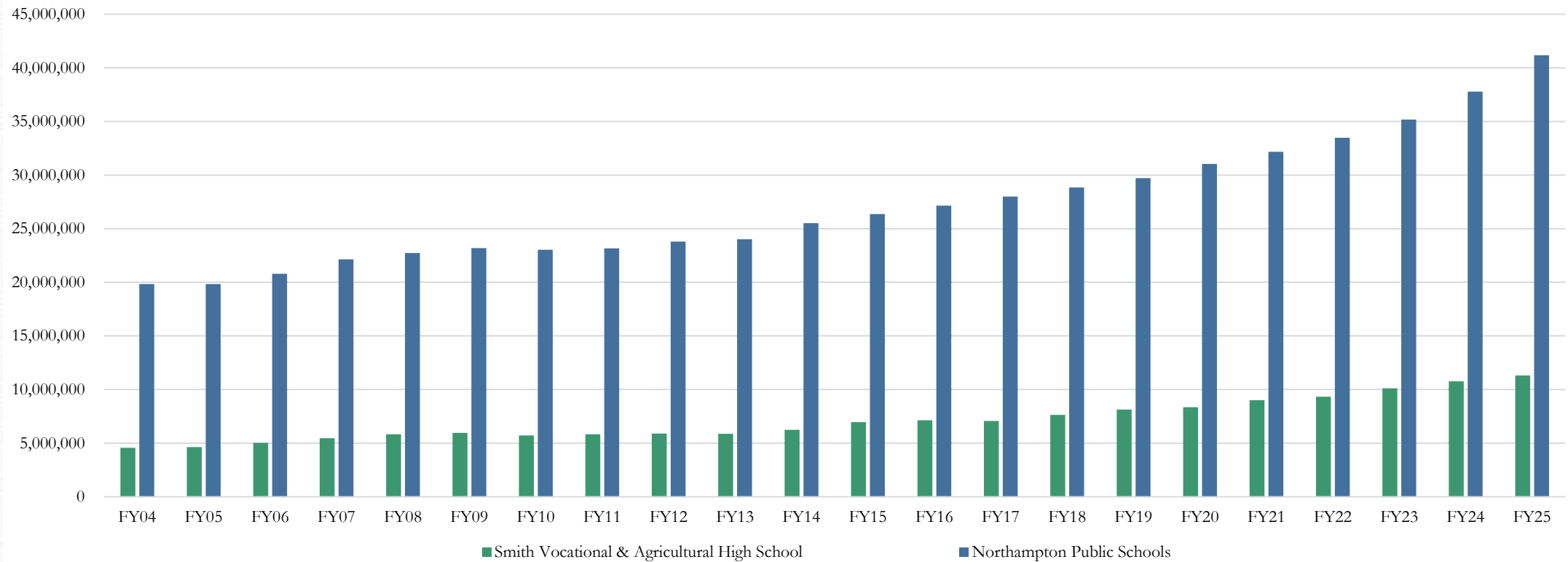
Other Insurances

Other Insurances
FY2016 to FY2025



Education Spending

Appropriations for Northampton Public Schools and Smith Vocational & Agricultural High School
FY04-FY25



NPS Education Spending

Northampton Public Schools Increase Over Prior Year



FY2025 Total Education Spending out of the City Funds: \$69,213,109 or 56.3%

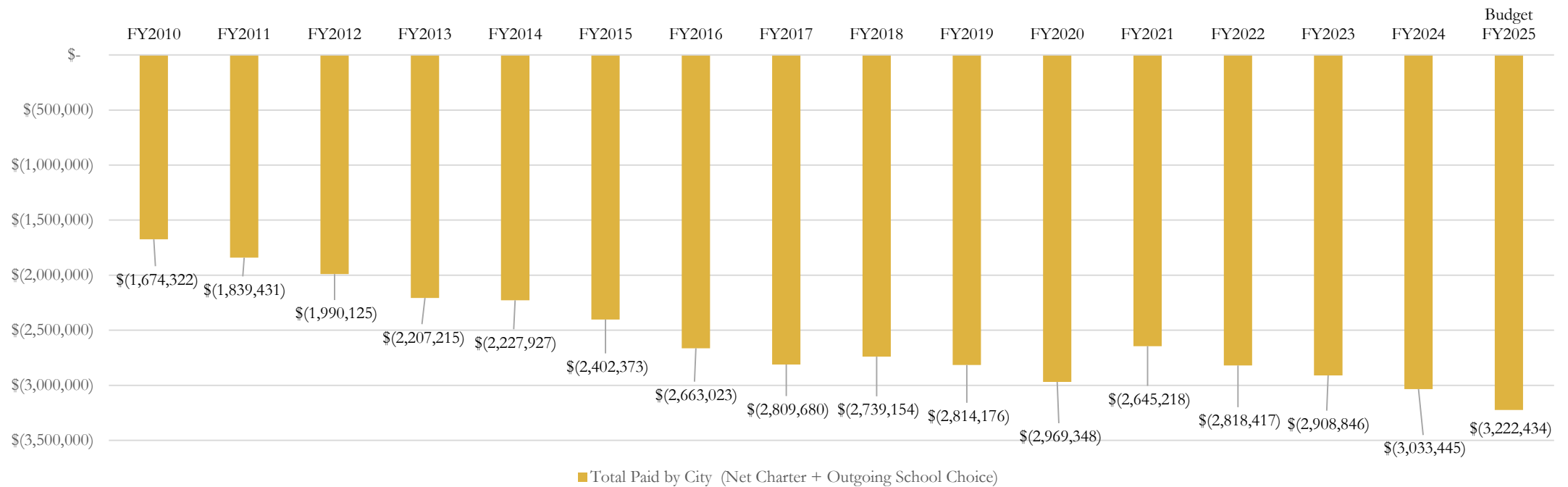
Spending on education, as defined and measured by the Department of Elementary and Secondary Education (DESE), is a combination of the direct appropriation to the schools plus the indirect expenditures not reflected in the school budget. This chart shows the total educational costs funded by the City including capital above \$150K. SVAHS line item spending includes tuitions.

Total City Funds spent on Education - FY2025

| | NPS | SVAHS | Total |
|--|----------------------|----------------------|----------------------|
| Employee Benefits | \$ 9,002,552 | \$ 1,891,851 | \$ 10,894,403 |
| Insurance (Property, Vehicle, Liability) | \$ 233,656 | \$ 93,346 | \$ 327,002 |
| Debt for School Capital Projects | \$ 254,993 | \$ 144,110 | \$ 399,104 |
| Capital Spending Proposed for FY25 | \$ 748,000 | \$ 274,987 | \$ 1,022,987 |
| General Government (IT, HR, Auditor, etc.) | \$ 406,754 | \$ 112,009 | \$ 518,763 |
| Central Services, Forestry, Parks & Rec Division + Debt | \$ 304,377 | \$ 47,959 | \$ 352,336 |
| Net Charter School Tuition for Outgoing Northampton Students | \$ 2,480,703 | | \$ 2,480,703 |
| School Choice Tuition for Outgoing Northampton Students | \$ 741,731 | | \$ 741,731 |
| TOTAL ADDITIONAL SPENDING ON EDUCATION IN FY2025 | \$ 14,172,766 | \$ 2,564,262 | \$ 16,737,029 |
| LINE ITEM SPENDING ON EDUCATION IN FY2025 | \$ 41,160,457 | \$ 11,315,623 | \$ 52,476,080 |
| TOTAL EDUCATIONAL SPENDING IN FY2025 | \$ 55,333,223 | \$ 13,879,885 | \$ 69,213,109 |

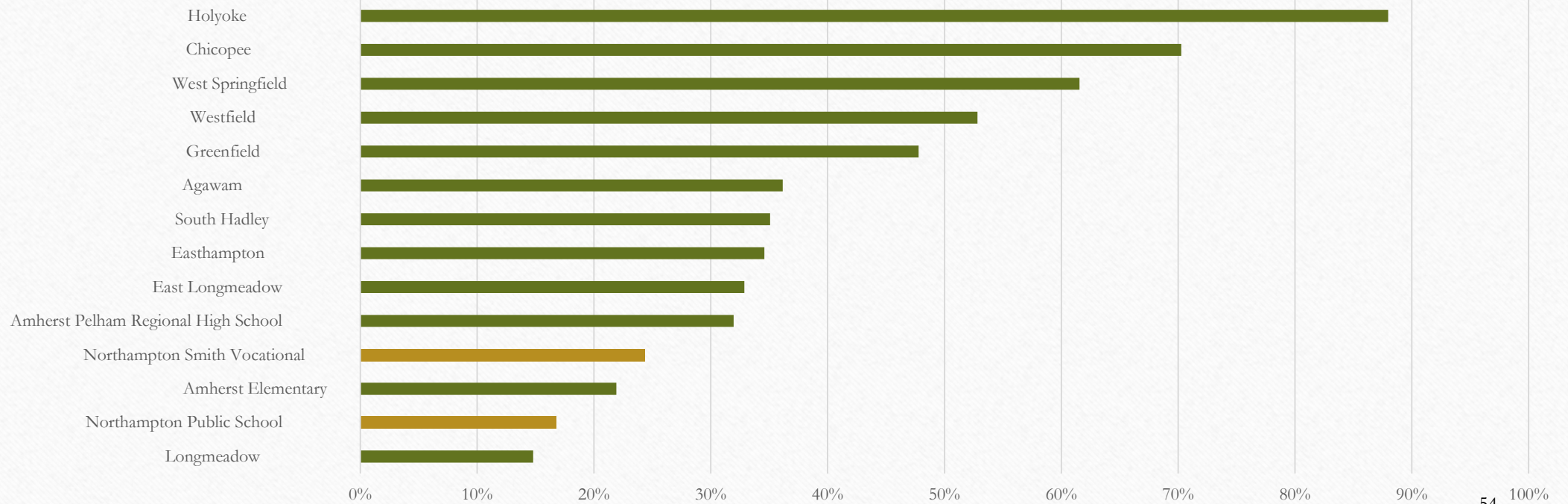
Impact of Charter and School Choice on the Budget

Outgoing School Choice and Net Outgoing Charter = Net Loss of dollars



Chapter 70 Aid as Percent of Projected Net School Spending – FY2025

Ch 70 as % of Projected Net School Spending



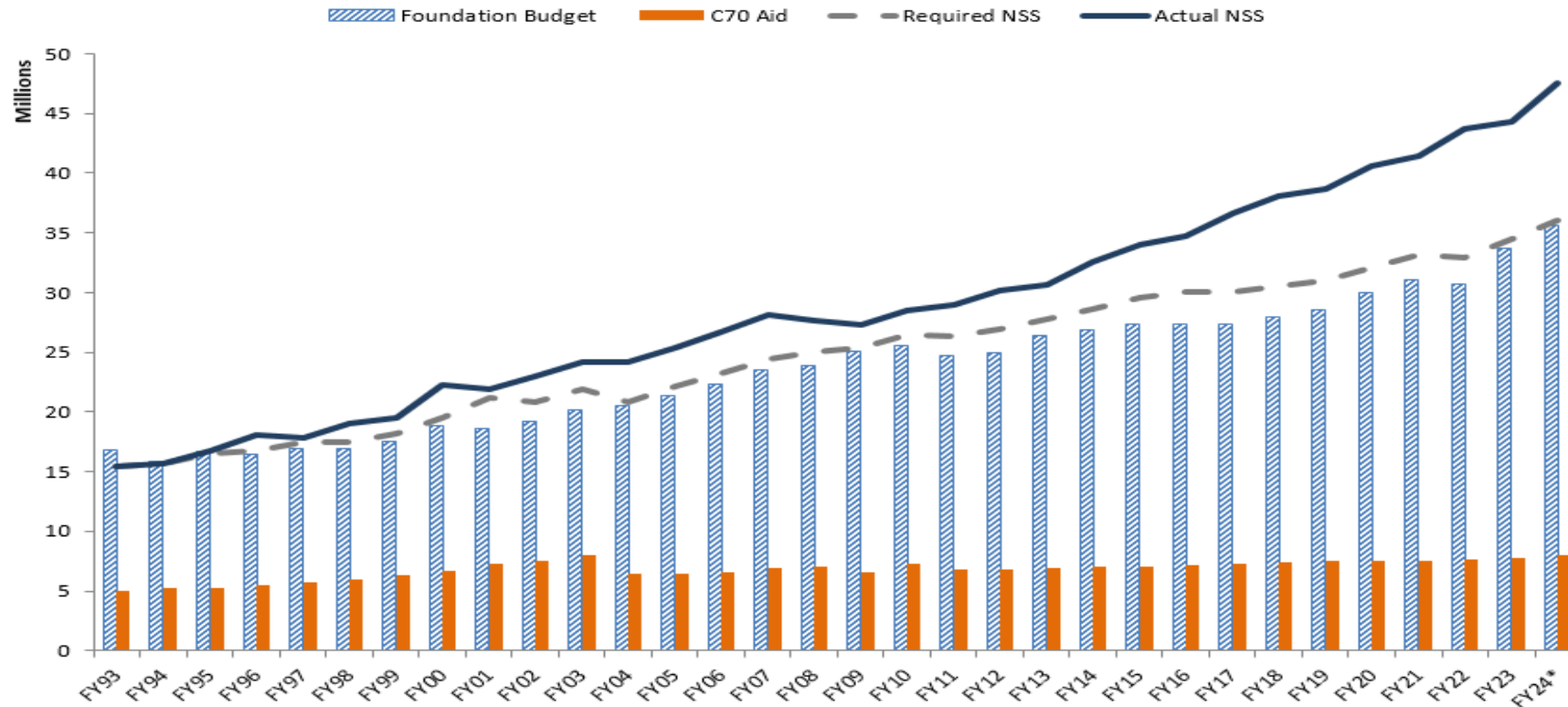
NPS DESE District Profile



Massachusetts Department of Elementary and Secondary Education Chapter 70 District Profile

8/8/24

0210 Northampton



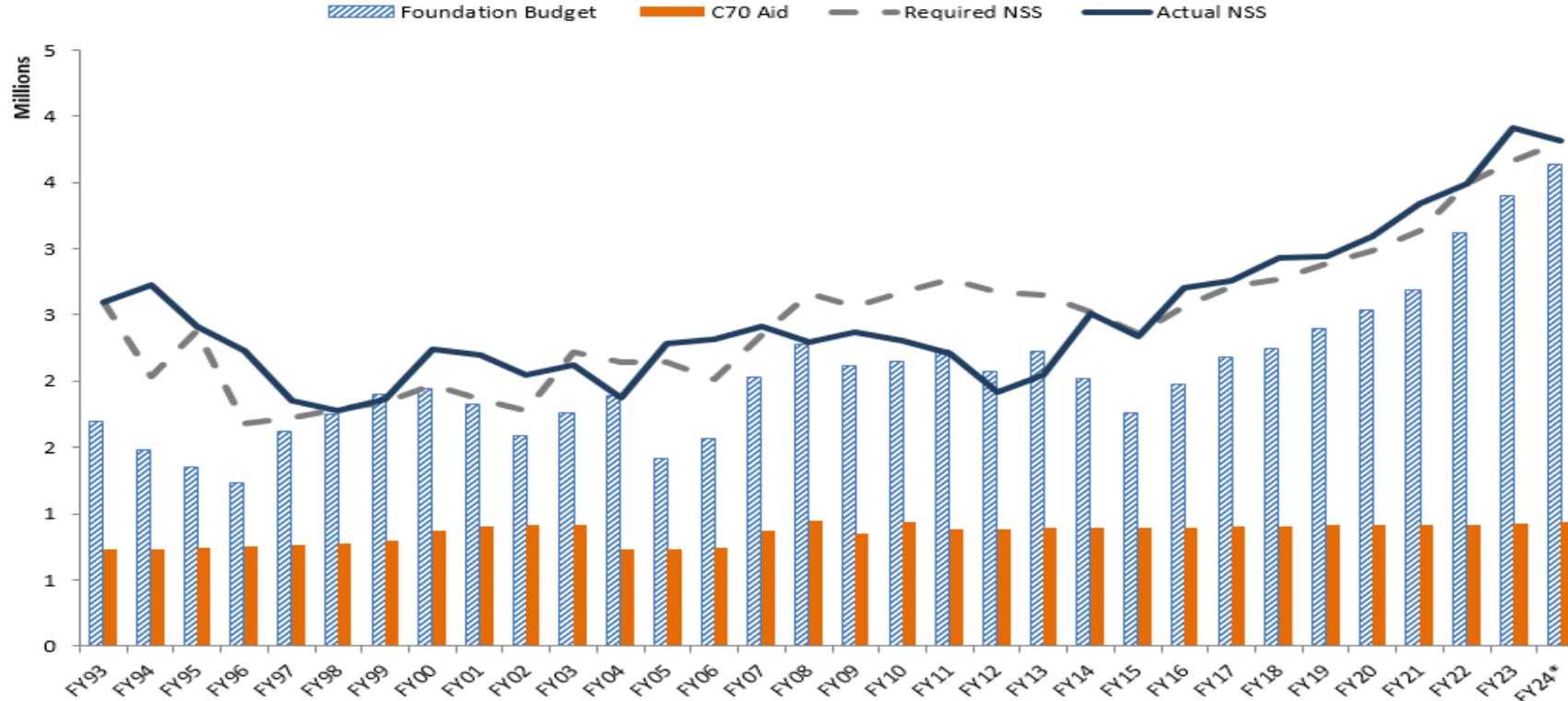
SVAHS DESE District Profile



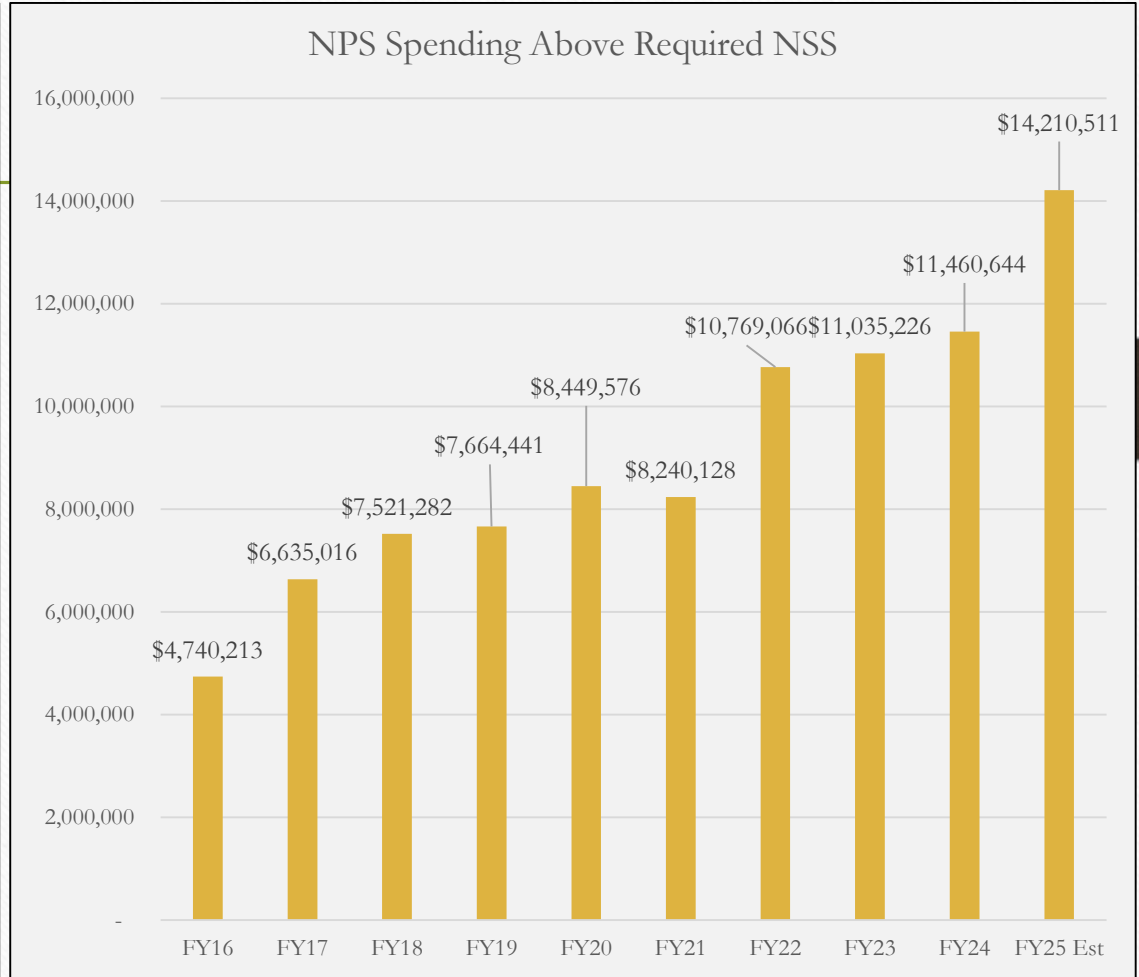
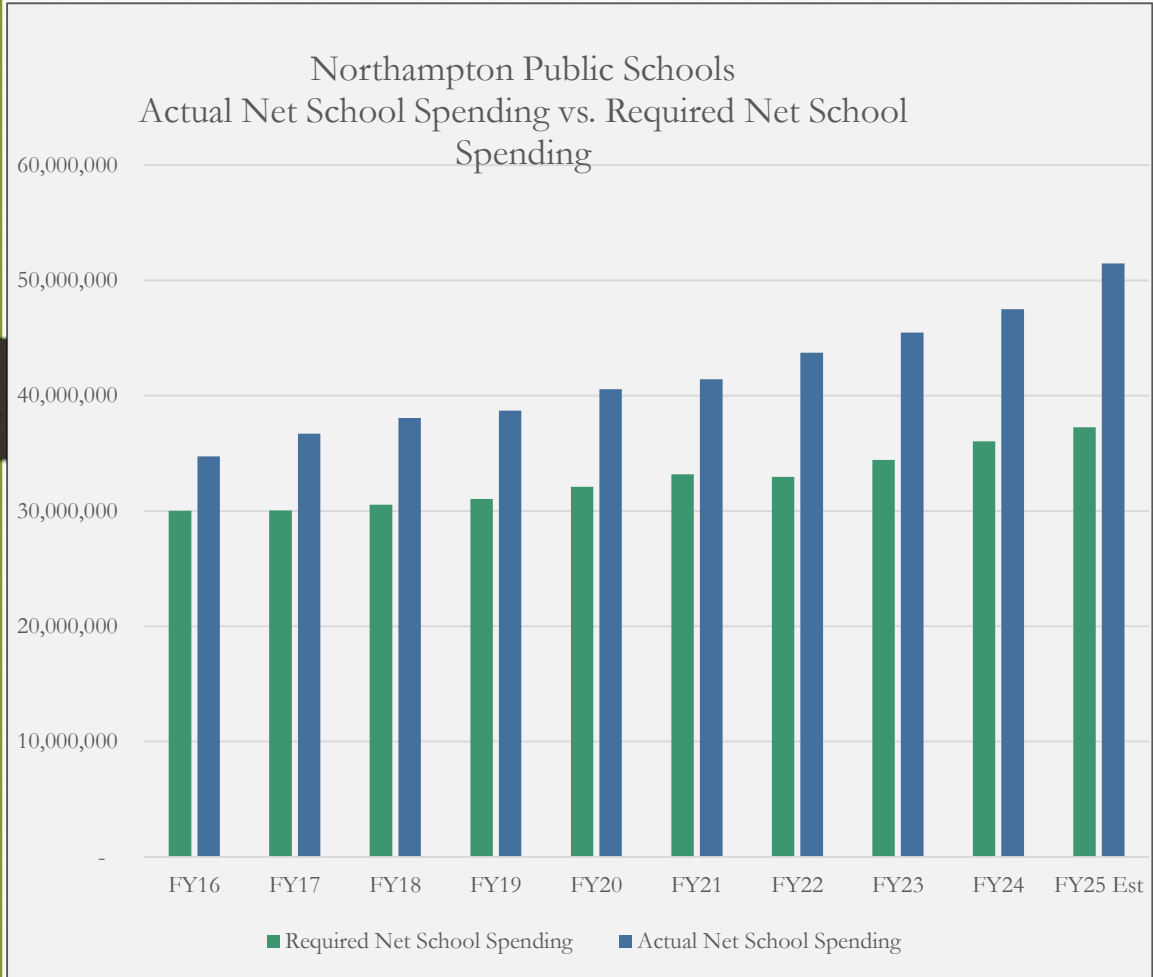
Massachusetts Department of Elementary and Secondary Education Chapter 70 District Profile

8/8/24

0406 Northampton Sr

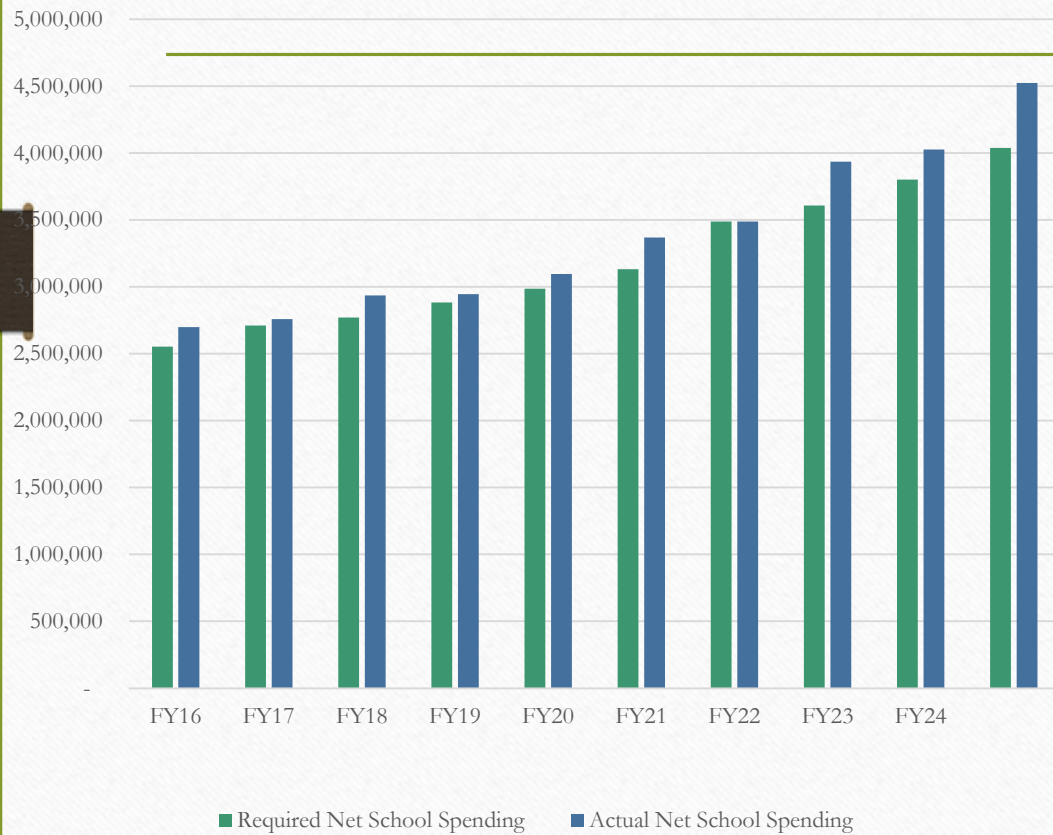


Northampton Public Schools Required Net School Spending Compared to Actual Net School Spending

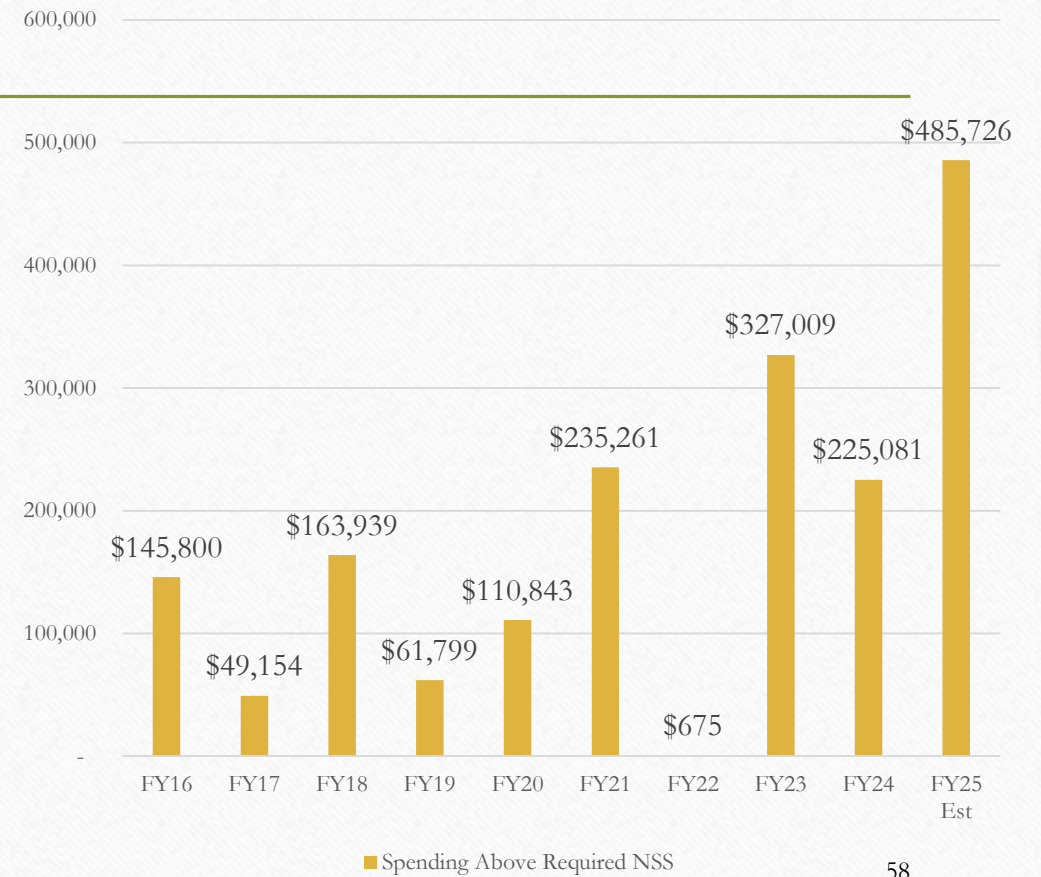


Smith Vocational & Agricultural High School Required Net School Spending Compared to Actual Net School Spending

Smith Vocational Net School Spending vs. Required Net School Spending



Smith Vocational Spending Above Required NSS



RESERVES

Value of Financial Reserves

Financial reserves provide financial stability when there are:

- ❖ Natural weather related disasters such as flooding, excessive snow and ice, hurricanes, etc.
- ❖ Failures of major infrastructure such as a building boiler breaks, a structural issue with a building, etc.
- ❖ Revenue volatilities due to regional or national economic downturns, significant change or closure of a tax producing industry, or changes in state or federal revenues, etc.
- ❖ Closures and restrictions under health emergencies.

Financial reserves provide operational stability to:

- ❖ Fund a Capital Improvement Program that reduces repair costs and improves operational efficiency, maintains infrastructure resulting in taxpayer savings
- ❖ Maintain the city's AAA Bond Rating (Standard and Poors) which results in lower borrowing costs for necessary capital improvements
- ❖ Provide planned contributions to the operating budget to extend periods of financial stability in keeping with the Fiscal Stability Stabilization Plan
- ❖ Maintaining adequate reserves better positions Northampton to deal with funding issues in difficult times and gives us the tools to provide continuity of services.

Financial Reserves Uses and Balances

GENERAL FUND RESERVES: *As of 1/30/25*

- ❖ Free Cash (for any one-time use, build reserves or fund capital) - \$1,065,977
- ❖ General Fund Stabilization Fund (for emergency or unforeseen costs) - \$4,706,697
- ❖ General Fund Capital Stabilization Fund (fund the Capital Plan projects) - \$4,135,481
- ❖ General Fund Fiscal Stability Stabilization Fund (intended for operating budget stabilization) - \$2,147,850
- ❖ Climate Change Mitigation Stabilization Fund (intended to support climate emergencies, mitigation and Northampton's progress towards carbon neutrality) - \$4,588,939
- ❖ Special Education Stabilization Fund – to fund unforeseen and unbudgeted for costs associated with special education at NPS - \$730,060

Since the Pandemic, municipalities across the nation have experienced higher-than-usual free cash balances

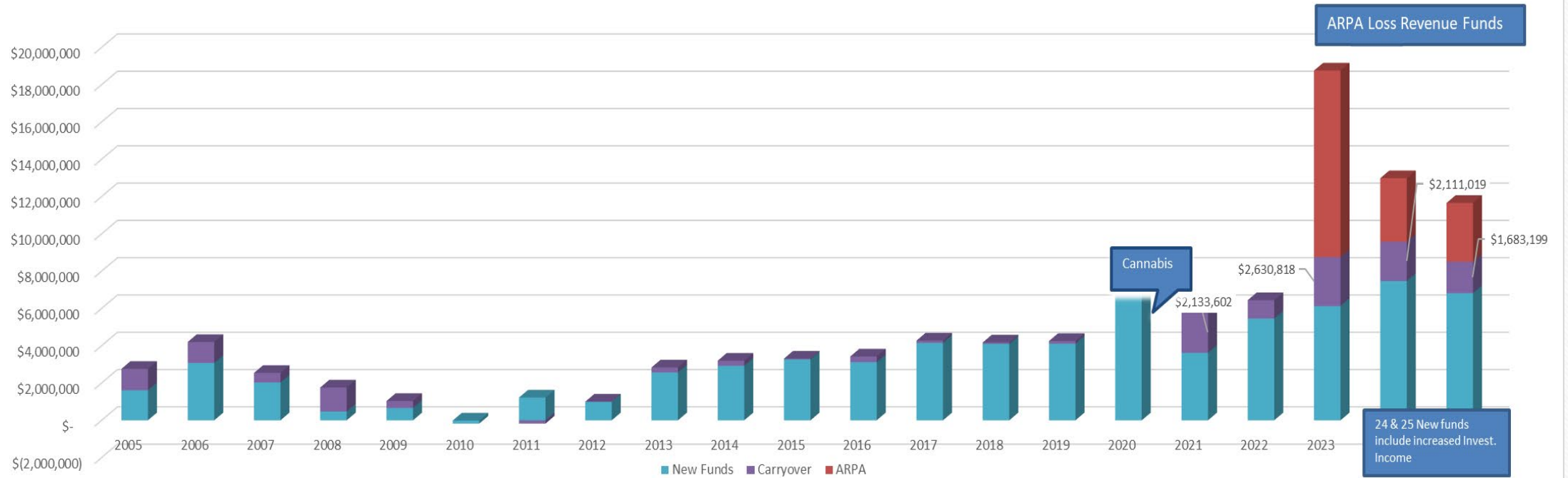
Unprecedented Release of Federal Funds

- ❖ Coronavirus Relief Fund Act (CARES) funding
- ❖ Federal Emergency Management Agency (FEMA) funding
- ❖ American Rescue Plan Act (ARPA) funding

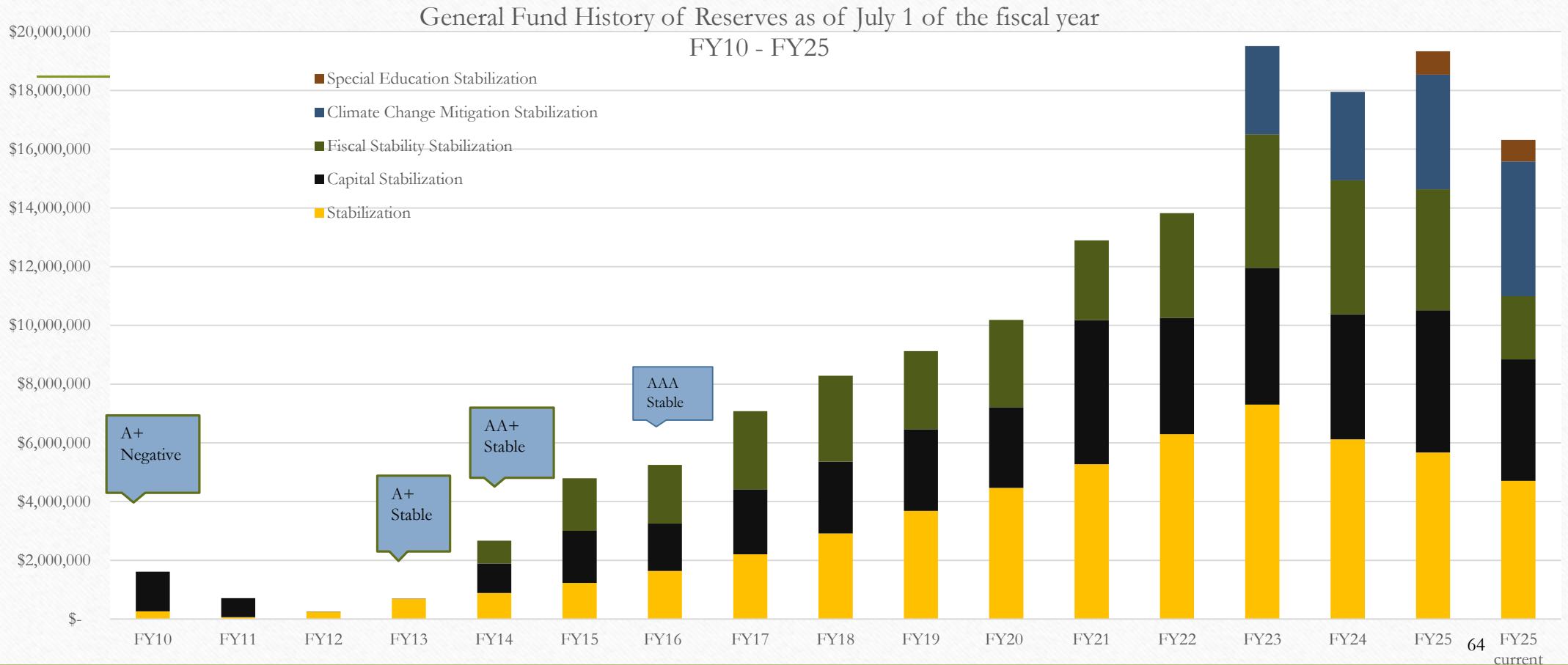
Other Factors

- ❖ Reduced spending
- ❖ Cautious budgeting estimates
- ❖ Loss in work-force resulting in turnbacks from vacancies
- ❖ Revenues Rebounding in FY2023

FY2025 Free Cash New Funds, Carryover, ARPA



Reserves History



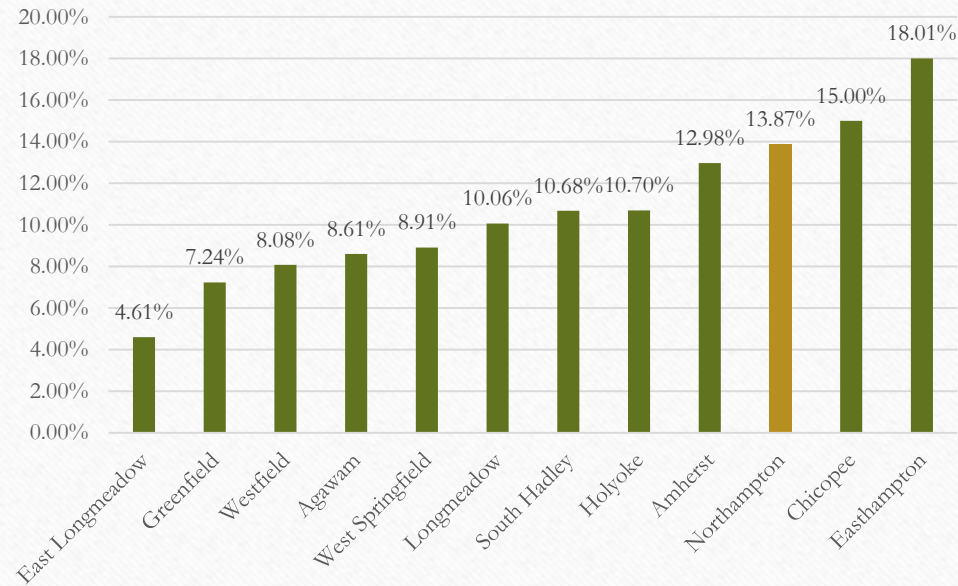
Contributions to Growth in Reserves

- ❖ In FY12 total reserves for the City were \$253,811
- ❖ Development of financial policies based on best practices from the Government Finance Officers Association, Mass DOR Division of Local Services, Financial Management Association, Standard & Poor's, and Northampton City Charter.
- ❖ It took over 13 years to build up the City reserves
- ❖ Careful use of one time funds for one time costs
- ❖ Cautious budget estimates since the pandemic
- ❖ The growth in the last four years is from one-time federal pandemic relief FEMA, CARES Act, and ARPA funds. These one-time federal aid funds which have ended were used to support COVID mitigation activities during the pandemic, which saved the city funds and increased reserves which barring another global catastrophic event, we will not see again.

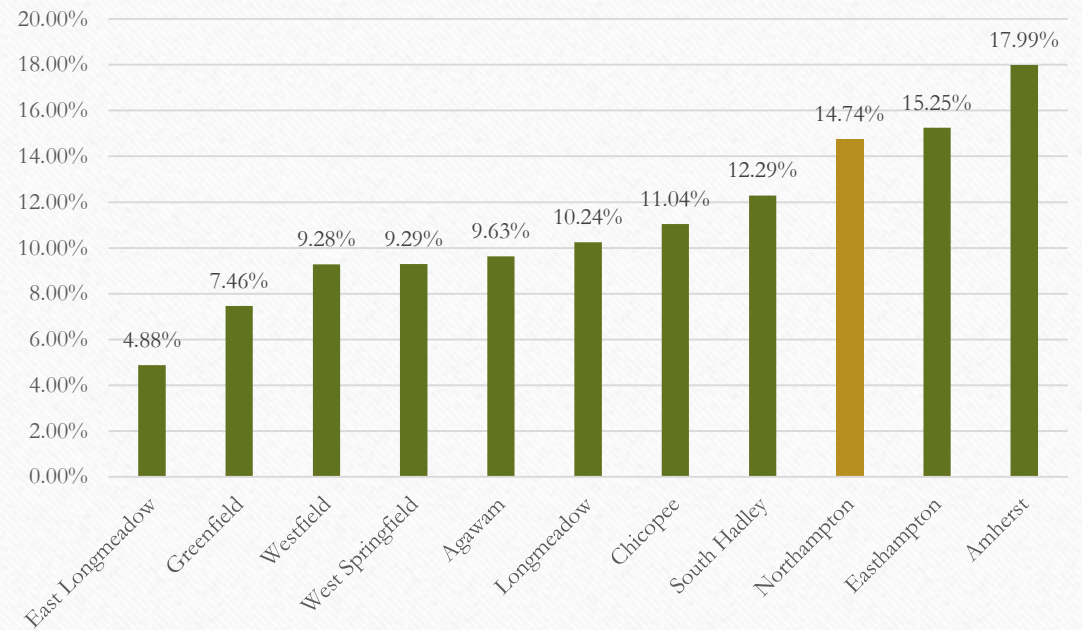
Stabilization as % of Budget

Northampton Enterprise Funds Removed

FY2023 Adjusted Total Stabilization Fund as % of Budget



FY2024 Adjusted Total Stabilization Funds as % of Budget



Fiscal Stability Plan

FY2014 – FY2025

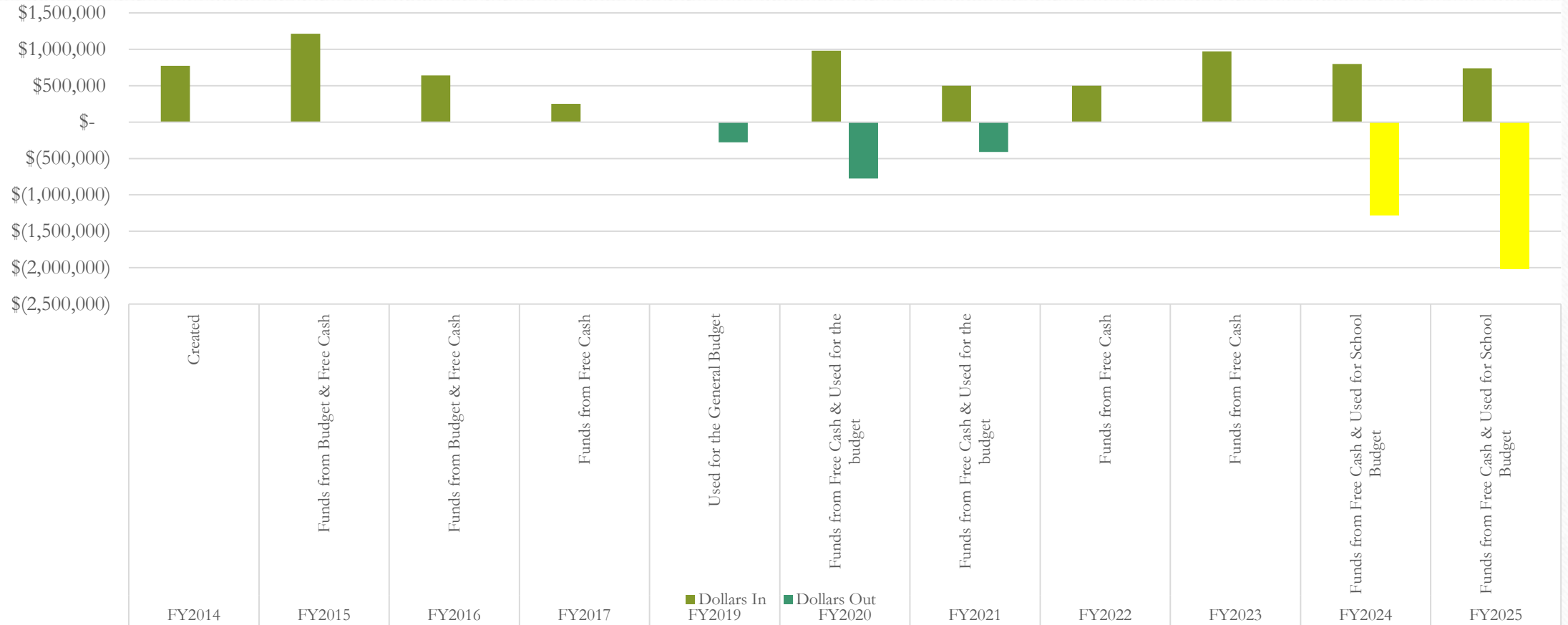
Benefits of the Fiscal Stability Plan

- ❖ Enacted in FY2014, with a \$2.5 million override, the plan outlines the budget for five years with planned periodic overrides (generally every 4 to 5 years) to support increases in a planned and sustainable way. The first override provided stability for seven years allowing for steady increases.
- ❖ The second \$2.5 million override voted in March 2020 was not implemented until FY2022 due to the pandemic. It has been four years since it impacted the taxes.
- ❖ Commitment and agreement to the plan provides stability and predictability to the budget process and it allows for steady increases for all city services and the education of our students.
- ❖ Increasing the budget in excess of the plan, puts the fiscal stability of the city's finances in jeopardy.

Fiscal Stability Funding and Uses

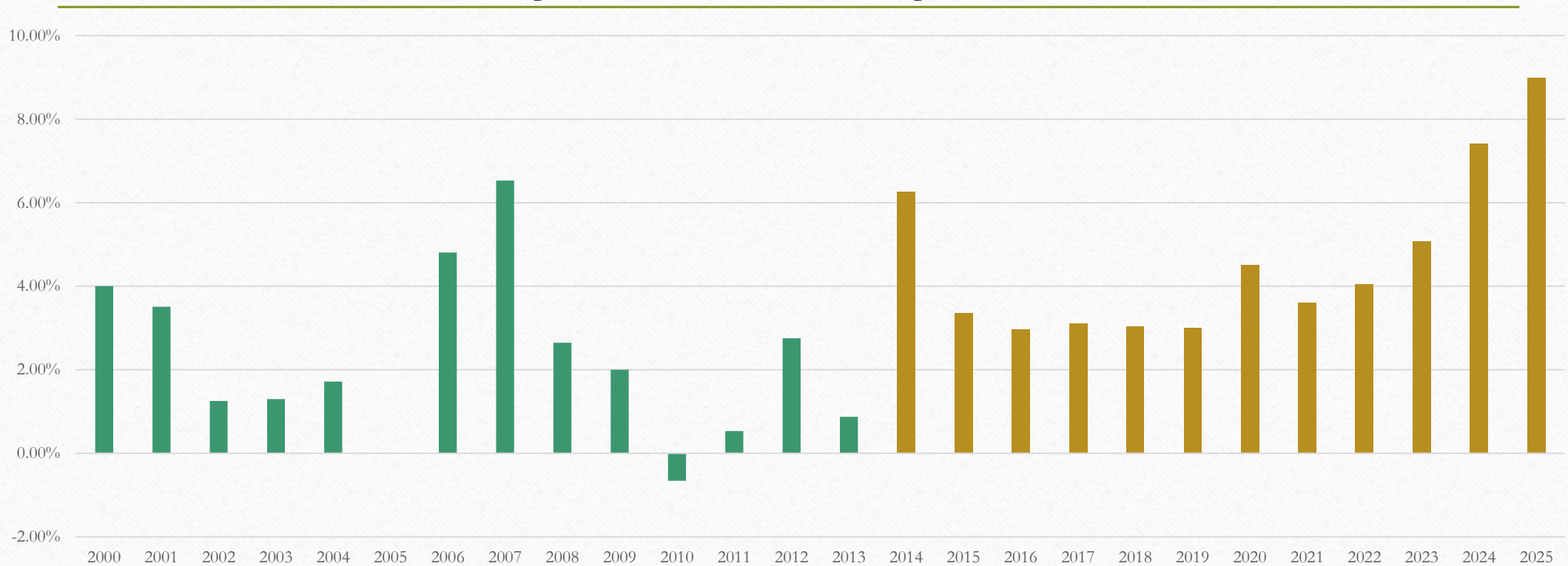
| Fiscal Stability | | | |
|------------------|---|--------------|----------------|
| Fiscal Yr. | Purpose | Dollars In | Dollars Out |
| FY2014 | Created | \$ 774,090 | |
| FY2015 | Funds from Budget & Free Cash | \$ 1,213,323 | |
| FY2016 | Funds from Budget & Free Cash | \$ 641,926 | |
| FY2017 | Funds from Free Cash | \$ 250,000 | |
| FY2019 | Used for the General Budget | | \$ (277,850) |
| FY2020 | Funds from Free Cash & Used for the budget | \$ 980,414 | \$ (775,874) |
| FY2021 | Funds from Free Cash & Used for the budget | \$ 500,000 | \$ (411,367) |
| FY2022 | Funds from Free Cash | \$ 500,000 | |
| FY2023 | Funds from Free Cash | \$ 973,123 | |
| FY2024 | Funds from Free Cash & Used for School Budget | \$ 798,127 | \$ (1,284,954) |
| FY2025 | Funds from Free Cash & Used for School Budget | \$ 737,556 | \$ (2,020,757) |
| | Total | \$ 7,368,559 | \$ (4,770,802) |

Fiscal Stability Funding



Percent Increases to Northampton Public Schools: Before and After the Creation of the Fiscal Stability Plan

NPS Increases over 26 Years
Average before was 2.23%, Average after is 4.61%



Fiscal Stability Plan

FY26-FY30

| REVENUES | | | | | | | | | | | | |
|---|--------------------|---------------|--------------------|----------------|--------------------|--------------|--------------------|---------------|--------------------|--------------|--------------------|--------------|
| | FY2025 | Estimated | FY2026 | Estimated | FY2027 | Estimated | FY2028 | Estimated | FY2029 | Estimated | FY2030 | Estimated |
| | Budget | Change | Budget | Change | Budget | Change | Budget | Change | Budget | Change | Budget | Change |
| PROPERTY TAX | | | | | | | | | | | | |
| Base Levy From Prior Year | 74,989,348 | | 77,857,318 | | 80,678,751 | | 83,570,720 | | 86,534,988 | | 89,573,363 | |
| Amended New Growth from Prior Year | | | | | | | | | | | | |
| 2 1/2% Increase | 1,874,734 | | 1,946,433 | | 2,016,969 | | 2,089,268 | | 2,163,375 | | 2,239,334 | |
| Override | | | | | | | | | | | | |
| New Growth | 993,237 | | 875,000 | | 875,000 | | 875,000 | | 875,000 | | 875,000 | |
| Levy Limit | 77,857,318 | 3.82% | 80,678,751 | 3.62% | 83,570,720 | 3.58% | 86,534,988 | 3.55% | 89,573,363 | 3.51% | 92,687,697 | 3.48% |
| Unused Levy Capacity | (12,085) | | | | | | | | | | | |
| Debt Exclusions | 568,220 | | 556,334 | | 544,073 | | 536,807 | | 518,401 | | 497,269 | |
| Sub-total PROPERTY TAX: | 78,413,454 | 3.84% | 81,235,085 | 3.60% | 84,114,793 | 3.54% | 87,071,795 | 3.52% | 90,091,764 | 3.47% | 93,184,966 | 3.43% |
| LOCAL RECEIPTS | | | | | | | | | | | | |
| Motor Vehicle Excise Tax | 2,900,000 | 11.55% | 3,255,000 | 12.24% | 3,368,925 | 3.50% | 3,486,837 | 3.50% | 3,608,877 | 3.50% | 3,735,187 | 3.50% |
| Hotel and Motel and Short Term Rental Local Option Tax | 875,000 | 12.18% | 975,000 | 11.43% | 1,009,125 | 3.50% | 1,044,444 | 3.50% | 1,081,000 | 3.50% | 1,118,835 | 3.50% |
| Meals Local Option Tax | 725,000 | 11.54% | 748,000 | 3.17% | 771,936 | 3.20% | 796,638 | 3.20% | 822,130 | 3.20% | 848,439 | 3.20% |
| Adult Use Marijuana Local Option Tax | 736,951 | -1.00% | 900,000 | 22.12% | 909,000 | 1.00% | 918,090 | 1.00% | 927,271 | 1.00% | 936,544 | 1.00% |
| Boat Excise, Interest on Taxes, Payment in Lieu of Taxes | 394,719 | 4.25% | 437,855 | 10.93% | 450,991 | 3.00% | 464,520 | 3.00% | 478,456 | 3.00% | 492,810 | 3.00% |
| Parking Meter Receipts | 1,238,979 | 2.39% | 1,495,000 | 20.66% | 1,524,900 | 2.00% | 1,555,398 | 2.00% | 1,586,506 | 2.00% | 1,602,371 | 1.00% |
| Ambulance and Recreation Receipts | 3,100,000 | 10.71% | 3,400,000 | 9.68% | 3,536,000 | 4.00% | 3,677,440 | 4.00% | 3,824,538 | 4.00% | 3,977,519 | 4.00% |
| Smith Vocational Tuition | 9,588,691 | 5.62% | 9,588,691 | 0.00% | 9,588,691 | 0.00% | 9,588,691 | 0.00% | 9,588,691 | 0.00% | 9,588,691 | 0.00% |
| Municipal Service Fees | 377,633 | -4.58% | 394,000 | 4.33% | 394,000 | 0.00% | 394,000 | 0.00% | 394,000 | 0.00% | 394,000 | 0.00% |
| Licenses and Permits | 1,271,357 | 8.15% | 1,402,803 | 10.34% | 1,437,873 | 2.50% | 1,473,820 | 2.50% | 1,510,665 | 2.50% | 1,548,432 | 2.50% |
| Parking and Motor Vehicle Infraction Fines | 622,740 | 19.76% | 761,000 | 22.20% | 768,610 | 1.00% | 776,296 | 1.00% | 784,059 | 1.00% | 791,900 | 1.00% |
| Medicare and Medicaid Reimbursements | 180,000 | 11.80% | 181,800 | 1.00% | 183,618 | 1.00% | 185,454 | 1.00% | 187,309 | 1.00% | 189,182 | 1.00% |
| Miscellaneous - PVTA 5 College, Invest Income, Vet District | 459,825 | 3.38% | 1,717,781 | 273.57% | 1,752,137 | 2.00% | 1,787,179 | 2.00% | 1,822,923 | 2.00% | 1,859,381 | 2.00% |
| Sub-total LOCAL RECEIPTS: | 22,470,895 | 7.32% | 25,256,930 | 12.40% | 25,695,805 | 1.74% | 26,148,809 | 1.76% | 26,616,425 | 1.79% | 27,083,290 | 1.75% |
| STATE AID | | | | | | | | | | | | |
| Chapter 70 School Aid | 9,172,010 | 3.18% | 9,377,585 | 2.24% | 9,471,361 | 1.00% | 9,566,074 | 1.00% | 9,661,735 | 1.00% | 9,758,353 | 1.00% |
| Charter School Tuition Assessment Reimbursement | 485,292 | -22.71% | 606,765 | 25.03% | 606,765 | 0.00% | 606,765 | 0.00% | 606,765 | 0.00% | 606,765 | 0.00% |
| Unrestricted General Government Aid | 5,412,027 | 3.00% | 5,531,092 | 2.20% | 5,681,538 | 2.72% | 5,836,076 | 2.72% | 5,994,817 | 2.72% | 6,157,876 | 2.72% |
| Veterans Benefits Reimbursement | 218,045 | -2.46% | 366,058 | 67.88% | 366,058 | 0.00% | 366,058 | 0.00% | 366,058 | 0.00% | 366,058 | 0.00% |
| Exemptions for Qualifying Elderly, Blind and Veterans | 78,786 | -22.42% | 127,735 | 62.13% | 127,735 | 0.00% | 127,735 | 0.00% | 127,735 | 0.00% | 127,735 | 0.00% |
| State Owned Land - Payment in Lieu of Taxes | 165,614 | 2.40% | 165,614 | 0.00% | 167,270 | 1.00% | 168,943 | 1.00% | 170,632 | 1.00% | 172,339 | 1.00% |
| Off-sets - School Choice and Library | 1,321,050 | 6.67% | 1,186,787 | -10.16% | 1,186,787 | 0.00% | 1,186,787 | 0.00% | 1,186,787 | 0.00% | 1,186,787 | 0.00% |
| Election Reimbursement, CPE Ambulance, other | 380,984 | -10.36% | 325,000 | -14.69% | 325,000 | 0.00% | 325,000 | 0.00% | 325,000 | 0.00% | 325,000 | 0.00% |
| Sub-total STATE AID: | 17,233,808 | 1.84% | 17,686,636 | 2.63% | 17,932,514 | 1.39% | 18,183,438 | 1.40% | 18,439,529 | 1.41% | 18,700,912 | 1.42% |
| OTHER FINANCING SOURCES | | | | | | | | | | | | |
| Interfund Operating Transfers - Water, Sewer, Solid Waste | 2,193,037 | 10.21% | 2,225,933 | 1.50% | 2,259,322 | 1.50% | 2,293,211 | 1.50% | 2,327,610 | 1.50% | 2,362,524 | 1.50% |
| Police Station Bond Sale Premium | 14,450 | -8.82% | 12,966 | -10.26% | 11,187 | 0.00% | 9,153 | 0.00% | 7,119 | 0.00% | 5,085 | 0.00% |
| Comcast I-Net and WAN Reimbursement | 0 | 0.00% | 0 | #DIV/0! | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Energy Rebates | 0 | 0.00% | 0 | #DIV/0! | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| CPA Administration | 12,680 | 0.00% | 12,680 | 0.00% | 12,680 | 0.00% | 12,680 | 0.00% | 12,680 | 0.00% | 12,680 | 0.00% |
| Smith College Gift | 166,666 | | 166,666 | 0.00% | 166,666 | | | | | | | |
| Special Education Stabilization Fund | 350,000 | | 209,175 | -40.24% | 200,528 | | 200,528 | | 200,528 | | 200,528 | |
| Fiscal Stability Stabilization Fund | 2,020,757 | | | -100.00% | | | | | | | | |
| Sub-total OTHER FINANCING SOURCES: | 4,757,590 | 44.02% | 2,627,420 | -44.77% | 2,650,382 | 0.87% | 2,515,572 | -5.09% | 2,547,936 | 1.29% | 2,580,817 | 1.29% |
| TOTAL ALL REVENUE SOURCES: | 122,875,747 | 5.31% | 126,806,071 | 3.20% | 130,393,495 | 2.83% | 133,919,614 | 2.70% | 137,695,654 | 2.82% | 141,549,985 | 2.80% |

| EXPENDITURES | | | | | | | | | | | | |
|--|--------------------|------------------|---------------------|------------------|-----------------------|------------------|-----------------------|------------------|--------------------|------------------|--------------------|------------------|
| | FY2025 Budget | Estimated Change | FY2026 Budget | Estimated Change | FY2027 Budget | Estimated Change | FY2028 Budget | Estimated Change | FY2029 Budget | Estimated Change | FY2030 Budget | Estimated Change |
| DEPARTMENTAL BUDGETS | | | | | | | | | | | | |
| General Government | 7,554,723 | 7.16% | 7,743,591 | 2.50% | 7,937,181 | 2.50% | 8,135,610 | 2.50% | 8,339,001 | 2.50% | 8,547,476 | 2.50% |
| Public Safety | 16,568,650 | 2.06% | 17,284,665 | 2.50% | 17,867,681 | 2.50% | 18,465,272 | 2.50% | 18,926,904 | 2.50% | 19,400,076 | 2.50% |
| Northampton Public Schools | 40,643,791 | 8.99% | 42,311,142.64 | 4.00% | 44,003,588 | 4.00% | 45,543,714 | 3.50% | 47,365,462 | 4.00% | 49,260,081 | 4.00% |
| Northampton Schools: Gift & Medicaid Reimbursement | 516,666 | | 375,841 | 0.00% | 367,194 | 0.00% | 200,528 | 0.00% | 200,528 | 0.00% | 200,528 | 0.00% |
| Smith Vocational | 11,315,623 | 5.16% | 11,365,954 | 4.00% | 11,418,298 | 4.00% | 11,472,736 | 4.00% | 11,529,531 | 4.00% | 11,588,231 | 4.00% |
| Public Works | 4,240,265 | -1.03% | 4,346,272 | 2.50% | 4,454,928 | 2.50% | 4,566,302 | 2.50% | 4,680,459 | 2.50% | 4,797,471 | 2.50% |
| Health and Human Services | 2,390,899 | -1.05% | 2,450,671 | 2.50% | 2,511,938 | 2.50% | 2,574,737 | 2.50% | 2,639,105 | 2.50% | 2,705,083 | 2.50% |
| Culture and Recreation | 2,464,632 | 2.93% | 2,526,248 | 2.50% | 2,589,404 | 2.50% | 2,654,139 | 2.50% | 2,720,493 | 2.50% | 2,788,505 | 2.50% |
| Sub-total OPERATING BUDGET: | 85,695,249 | 5.92% | 88,404,385 | 3.16% | 91,150,213 | 3.11% | 93,613,038 | 2.70% | 96,401,483 | 2.98% | 99,287,450 | 2.99% |
| DEBT SERVICE AND CAPITAL | | | | | | | | | | | | |
| Long/Short Term Debt | 4,900,190 | -0.90% | 5,001,890 | 2.08% | 4,682,603 | -6% | 5,019,402 | 7.19% | 5,239,143 | 4.38% | 5,016,606 | -4.25% |
| Cash Capital Projects | 200,000 | 0.00% | 275,000 | 37.50% | | -100.00% | | | | | | |
| Sub-total DEBT SERVICE AND CAPITAL: | 5,100,190 | -0.87% | 5,276,890 | 3.46% | 4,682,603 | -11.26% | 5,019,402 | 7.19% | 5,239,143 | 4.38% | 5,016,606 | -4.25% |
| EMPLOYEE BENEFITS | | | | | | | | | | | | |
| Retirement | 7,724,233 | 2.78% | 8,018,217 | 3.81% | 8,322,821 | 3.80% | 8,639,243 | 3.80% | 8,531,759 | -1.24% | 8,853,609 | 3.77% |
| OPEB | 200,000 | -46.67% | 400,000 | 100.00% | 425,000 | 6.25% | 450,000 | 5.88% | 475,000.00 | 5.56% | 500,000.00 | 5.26% |
| Health Insurance (Active and Retired) | 14,188,286 | 7.48% | 15,681,314 | 10.00% | 17,092,632 | 9.00% | 18,630,969 | 9.00% | 20,307,756 | 9.00% | 22,135,454 | 9.00% |
| Payroll Taxes | 1,097,660 | 3.29% | 1,157,293 | 5.00% | 1,186,225 | 2.50% | 1,215,881 | 2.50% | 1,246,278 | 2.50% | 1,277,435 | 2.50% |
| Employee Benefits (Workers Comp, Unemp, Life Ins.) | 1,223,670 | 8.67% | 1,247,617 | 4.00% | 1,297,521 | 4.00% | 1,349,422 | 4.00% | 1,403,399 | 4.00% | 1,459,535 | 4.00% |
| Sub-total EMPLOYEE BENEFITS: | 24,433,849 | 4.96% | 26,504,441 | 8.47% | 28,324,200 | 6.87% | 30,285,515 | 6.92% | 31,964,193 | 5.54% | 34,226,034 | 7.08% |
| INSURANCE AND RESERVES | | | | | | | | | | | | |
| Insurances - Liability, Property, Vehicle | 1,151,997 | 5.00% | 1,209,597 | 5.00% | 1,270,077 | 5.00% | 1,333,581 | 5.00% | 1,400,260 | 5.00% | 1,470,273 | 5.00% |
| Capital Stabilization Fund | 275,000 | -38.89% | - | -100.00% | - | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% |
| Fiscal Stability Stabilization Fund | | | | | | | | | | | | |
| Personnel Reserve | 100,000 | | 100,000 | | 100,000 | | 100,000 | | 100,000 | | 100,000 | |
| Sub-total INSURANCE AND RESERVES: | 1,526,997 | 8.93% | 1,309,597 | -14.24% | 1,370,077 | 4.62% | 1,433,581 | 4.64% | 1,500,260 | 4.65% | 1,570,273 | 4.67% |
| NON-APPROPRIATED USES: | | | | | | | | | | | | |
| Overlay for Abatements and Exemptions (mandated reserve) | 526,771 | 2.50% | 503,015 | 0.00% | 503,015 | 0.00% | 503,015 | 0.00% | 503,015 | 0.00% | 503,015 | 0.00% |
| Off-sets - School Choice and Library | 1,321,050 | 0.00% | 1,186,787 | 0.00% | 1,186,787 | 0.00% | 1,186,787 | 0.00% | 1,186,787 | 0.00% | 1,186,787 | 0.00% |
| Sub-total NON-APPROPRIATED USES: | 1,847,821 | 6.11% | 1,689,802 | -8.55% | 1,689,802 | 0.00% | 1,689,802 | 0.00% | 1,689,802 | 0.00% | 1,689,802 | 0.00% |
| STATE ASSESSMENTS | | | | | | | | | | | | |
| Charter School and School Choice Sending Tuition | 3,707,726 | 1.27% | 3,902,598 | 5.26% | 3,980,650 | 2.00% | 4,060,263 | 2.00% | 4,141,468 | 2.00% | 4,224,298 | 2.00% |
| PVTA , RMV Surcharges, DEP Air Pollution, DESE | 563,915 | 3.41% | 636,744 | 12.91% | 643,111 | 1.00% | 649,543 | 1.00% | 656,038 | 1.00% | 662,598 | 1.00% |
| Sub-total STATE ASSESSMENT: | 4,271,641 | 1.54% | 4,539,342 | 6.27% | 4,623,761 | 1.86% | 4,709,806 | 1.86% | 4,797,506 | 1.86% | 4,886,896 | 1.86% |
| TOTAL ALL EXPENDITURES: | 122,875,748 | 5.31% | 127,724,457 | 3.95% | 131,840,655 | 3.22% | 136,751,143 | 3.72% | 141,592,387 | 3.54% | 146,677,061 | 3.59% |
| BUDGET SURPLUS/(SHORTFALL) | \$ (0) | | \$ (918,386) | | \$ (1,447,160) | | \$ (2,831,529) | | (3,896,732) | | (5,127,076) | |

FY2026 Revenue & Expenditure Projections

Major Revenue Sources in the General Fund and Projections for FY2026

- ❖ Real Estate and Personal Property – Levy Limit
- ❖ State Aid – UGGA, Chapter 70, Charter School Aid, etc..
- ❖ Local Receipts:
 - Motor Vehicle Excise Tax
 - Hotel/Motel/ Short Term Rental Excise Tax
 - Meals Excise Tax
 - Cannabis Excise Tax
 - Parking Revenue – Parking and Tickets
 - Ambulance
 - Permit Revenue
 - Investment Income

State Aid

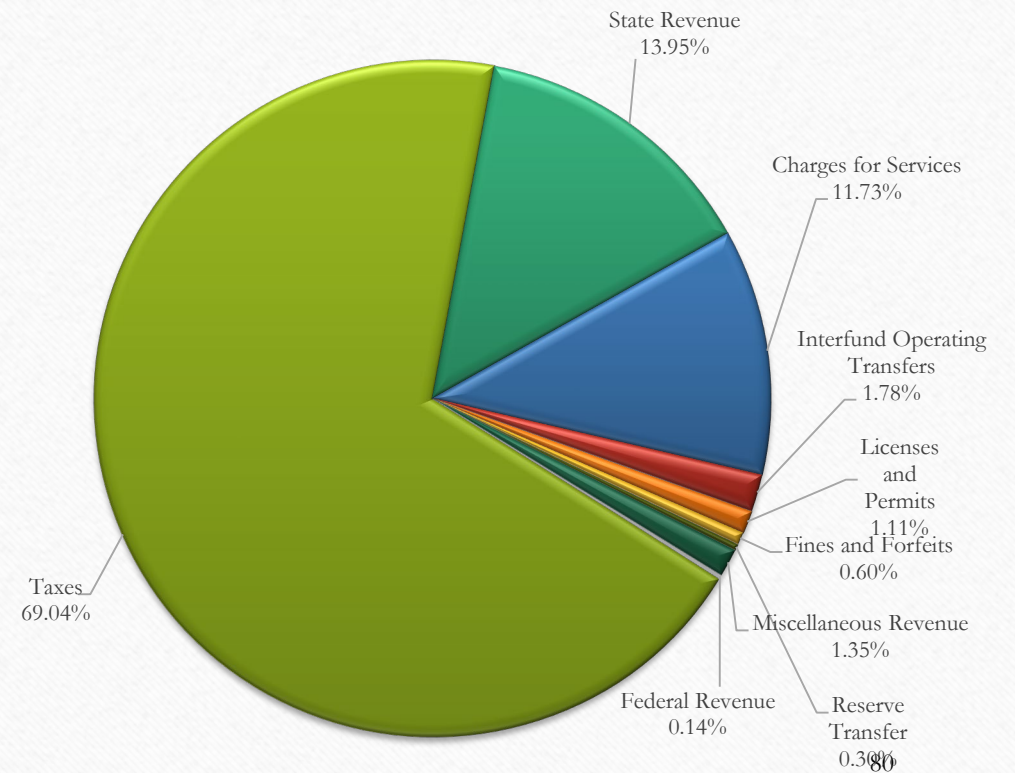
| | NET STATE AID | | | | | | |
|--|---|-------------------|-------------------|-------------------|-------------------|-------------------------|--------------|
| | Cherry Sheet Receipts versus Cherry Sheet Charges excludes offsets for School Choice and Library Aid | | | | | | |
| | Actual FY2022 | Actual FY2023 | Actual FY2024 | Budget FY2025 | Budget FY2026 | Increase/ (decrease) | % |
| CHERRY SHEET - REVENUE | | | | | | | |
| Chapter 70 School Aid | 8,554,554 | 8,722,254 | 8,889,234 | 9,172,010 | 9,377,585 | 205,575 | 2.24% |
| Charter Tuition Assessment Reimb. | 819,425 | 423,378 | 573,067 | 485,292 | 606,765 | 121,473 | 25.03% |
| Unrestricted Government Aid | 4,830,615 | 5,091,468 | 5,254,395 | 5,412,027 | 5,531,092 | 119,065 | 2.20% |
| Veterans Benefits | 289,282 | 218,860 | 209,580 | 218,045 | 366,058 | 148,013 | 67.88% |
| Lieu of Taxes - State Owned Land | 113,729 | 145,984 | 161,560 | 165,614 | 165,614 | - | 0.00% |
| Abatements to Blind, Elderly, Surviving Spouse | 219,479 | 140,628 | 49,049 | 78,786 | 127,735 | 48,949 | 62.13% |
| Total Cherry Sheet Revenue: | 14,827,084 | 14,742,572 | 15,136,885 | 15,531,774 | 16,174,849 | 643,075 | |
| CHERRY SHEET - ASSESSMENTS | | | | | | | |
| Air Pollution Districts | 8,520 | 8,832 | 8,932 | 9,160 | 9,465 | 305 | 3.33% |
| RMV Non-Renewal Surcharge | 39,880 | 52,500 | 52,500 | 56,520 | 56,520 | 0 | 0.00% |
| Regional Transit Assessment (PVTA) | 419,094 | 443,732 | 458,345 | 479,712 | 570,759 | 91,047 | 18.98% |
| Special Education (Ch. 71B, ss. 10, 12) | 48,286 | 24,583 | 17,811 | 18,523 | | (18,523) | -100.00% |
| Charter School Sending Tuition | 2,820,655 | 2,636,660 | 2,871,793 | 2,965,995 | 3,238,537 | 272,542 | 9.19% |
| School Choice Sending Tuition | 687,354 | 700,216 | 739,329 | 741,731 | 664,061 | (77,670) | -10.47% |
| Total Cherry Sheet Assessments: | 4,023,789 | 3,866,523 | 4,148,710 | 4,271,641 | 4,539,342 | 267,701 | |
| NET STATE AID: | 10,803,295 | 10,876,049 | 10,988,175 | 11,260,133 | 11,635,507 | 375,374 | 3.33% |
| Net New Aid from Previous Year: | 174,799 | 72,754 | 112,126 | 271,958 | 375,374 | 375,374 | |

Projected Changes in Revenue for FY26

| Projected Changes in Revenue for FY2026 | | | |
|--|-------------------|---------------------|----------|
| Revenue Source | Status | Estimated Increase | % Change |
| Proposition 2 1/2 | Actual | \$ 1,946,433 | 2.50% |
| Unused Levy Capacity | Actual | \$ 12,085 | |
| New Growth | Estimate | \$ 875,000 | -11.90% |
| Debt Exclusion Police Station | Actual | \$ (11,886) | 0.00% |
| Motor Vehicle | Estimate | \$ 355,000 | 12.24% |
| Hotel/Motel | Estimate | \$ 100,000 | 11.43% |
| Meals | Estimate | \$ 23,000 | 3.17% |
| Cannabis | Estimate | \$ 163,049 | 22.12% |
| Pilot Growth | Estimate | \$ 40,136 | 20.13% |
| Parking Revenue | Estimate | \$ 256,021 | 20.67% |
| Ambulance | Estimate | \$ 300,000 | 9.68% |
| Fines and Forfeits | Estimate | \$ 138,260 | 22.20% |
| State Aid * Excludes offset | Governor's Budget | \$ 643,075 | 4.14% |
| Licenses and Permits | Estimate | \$ 131,446 | 10.34% |
| Fees and Dept Revenue | Estimate | \$ 16,367 | 4.34% |
| Ambulance CPE | Estimate | \$ (55,984) | -15.73% |
| Investment Income | Estimate | \$ 1,100,000 | 1009.53% |
| Other Misc Revenues | Estimate | \$ 157,956 | 56.11% |
| Enterprise Indirects | | \$ 32,896 | 1.50% |
| Various Misc Receipts | | \$ 3,316 | |
| Fiscal Stability FY2024 | Actual | \$ (2,020,757) | |
| Funding from prior year that is unknown for FY26 | Actual | \$ (140,825) | |
| Preliminary Estimate of Increases | | \$ 4,064,588 | |

Preliminary FY2026 Revenues - \$126,806,071

| Fiscal Year 2026 - Revenues | | |
|-------------------------------|---------------|---------|
| Taxes | 87,550,939.95 | 69.04% |
| State Revenue | 17,686,636.00 | 13.95% |
| Charges for Services | 14,877,691.00 | 11.73% |
| Interfund Operating Transfers | 2,251,579.00 | 1.78% |
| Licenses and Permits | 1,402,803.00 | 1.11% |
| Fines and Forfeits | 761,000.00 | 0.60% |
| Reserve Transfer | 375,841.00 | 0.30% |
| Miscellaneous Revenue | 1,717,781.00 | 1.35% |
| Federal Revenue | 181,800.00 | 0.14% |
| | 126,806,071 | 100.00% |



Projected Changes in Expenditures for FY26

| Projected Changes in Expenses for FY2026 | | | |
|---|-----------------------|--------------------|----------|
| Expenditure Category | Status | Estimated Increase | % Change |
| Retirement Contribution | Actual | \$ 293,985 | 3.81% |
| Debt Service | Proposed | \$ 101,700 | 2.08% |
| Charter School Sending Tuition | Governors Budget | \$ 272,542 | 9.19% |
| School Choice Sending Tuition | Governors Budget | \$ (77,670) | -10.47% |
| Cherry Sheet Charges | Governors Budget | \$ 72,829 | 16.75% |
| Health Insurance | Estimate new Premiums | \$ 1,508,029 | 10.63% |
| Other Insurances | Estimate new Premiums | \$ 99,224 | 5.00% |
| Smith Vocational & Agricultural HS | Actual | \$ 31,100 | 4.00% |
| NPS | Actual | \$ 1,667,352 | 4.00% |
| Known Increases | | \$ 3,969,091 | |
| Estimated New Revenue | | | |
| | | \$ 4,064,588 | |
| Remaining Revenue for Unknowns: | | | |
| | | \$ 95,497 | |
| Collective Bargaining | | ? | |
| 8 Fire Fighter Staff (Grant possibilities) | | ? | |
| City Departmental Increases | | ? | |
| Payroll Tax | | ? | |

Concerns for the Budget?

Federal Funding received by the city in FY2025

- ❖ Northampton Public School receiving an estimated \$1.75M
- ❖ Smith Vocational VAHS receiving an estimated \$481K
- ❖ All non-school city departments receive an estimated \$2M

School grants support special education costs, support English Language learners and high risk students, promote safe and healthy learning environments

All union contracts are up for negotiations, which are additional unknowns for the FY26 budget.

Challenges for getting increase with the Chapter 70 Formula Decline in Student Enrollment

| State & County Level Enrollment Trends (2024-2025) | | | | | | | | | |
|--|-------|---------|---------|--------|---------|--------|--------|--------|-------|
| | Grade | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| State | | 64223 | 65246 | 67501 | 65642 | 66731 | 67507 | 67651 | 68329 |
| % Change from Previous Year | | -1.59% | -3.46% | 2.75% | -1.66% | -1.16% | -0.21% | -1.00% | |
| % Change Grade 8 vs. Grade 1 | | -6.39% | | | | | | | |
| Hampshire County | | 990 | 1034 | 1078 | 1072 | 1130 | 1166 | 1134 | 1225 |
| % Change from Previous Year | | -4.44% | -4.26% | 0.56% | -5.41% | -3.19% | 2.74% | -8.02% | |
| % Change Grade 8 vs. Grade 1 | | -23.74% | | | | | | | |
| Hampden County | | 4265 | 4278 | 4358 | 4434 | 4529 | 4331 | 4251 | 4425 |
| % Change from Previous Year | | -0.30% | -1.87% | -1.74% | -2.14% | 4.37% | 1.85% | -4.09% | |
| % Change Grade 8 vs. Grade 1 | | -3.75% | | | | | | | |
| Franklin County | | 456 | 500 | 565 | 510 | 573 | 545 | 516 | 539 |
| % Change from Previous Year | | -9.65% | -13.00% | 9.73% | -12.35% | 4.89% | 5.32% | -4.46% | |
| % Change Grade 8 vs. Grade 1 | | -18.20% | | | | | | | |
| Berkshire County | | 973 | 1025 | 1047 | 989 | 1046 | 982 | 1040 | 1014 |
| % Change from Previous Year | | -5.34% | -2.15% | 5.54% | -5.76% | 6.12% | -5.91% | 2.50% | |
| % Change Grade 8 vs. Grade 1 | | -4.21% | | | | | | | |

FY2026 Budget Calendar

- January 30, 2025** Mayor's Joint meeting of the City Council, Northampton School Committee, Smith Vocational & Agricultural Trustees and School Superintendents
- April 16, 2025** Deadline for Northampton Public Schools and Smith Vocational & Agricultural High School to submit adopted budgets to the Mayor
- May 16, 2025** Mayor submits proposed City of Northampton FY2026 Budget to the City Council
- June 30, 2025** – Deadline for City Council to hold a public hearing and vote on the proposed FY2026 Budget

Thank you!
