



FY2026 Budget Update

MARCH 3, 2025



Level Service Budget

Revenue	FY25	FY 26	\$ Change	% Change
Property Tax Levy	\$ 101,944,061	\$ 105,421,933	\$ 3,477,872	3.41%
Local Receipts and Indirect Costs	\$ 11,902,067	\$ 11,783,205	\$ (118,862)	-1.00%
State Aid	\$ 17,923,153	\$ 18,326,806	\$ 403,653	2.25%
Other Funds	\$ 557,932	\$ 421,049	\$ (136,883)	-24.53%
Free Cash	\$ 2,764,658	\$ 1,534,166	\$ (1,230,492)	-44.51%
Total	\$ 135,091,871	\$ 137,487,159	\$ 2,395,288	1.77%
Expenditures				
Capital	\$ 955,000	\$ 878,500	\$ (76,500)	-8.01%
Town Departments	\$ 32,640,137	\$ 34,179,754	\$ 1,539,617	4.72%
School Department	\$ 67,225,230	\$ 73,573,914	\$ 6,348,684	9.44%
Blue Hills Regional	\$ 813,159	\$ 874,146	\$ 60,987	7.50%
Shared	\$ 33,443,840	\$ 37,442,100	\$ 3,998,260	11.96%
Total	\$ 135,077,366	\$ 146,948,414	\$ 11,871,048	8.79%
Surplus/(Deficit)	\$ 14,505	\$ (9,461,255)		



Revenue Forecast

FY2026 Revenues: \$137.5 million, including proposed use of Free Cash

Updates to the FY2026 revenue forecast:

- New Growth revised to \$1 million from \$850,000
- No change in Local Receipts
- State Aid: Governor's Budget was released in January – Minimal increase year over year in state aid, much of which was offset by the increase in state assessments
- The House Budget will be released in April

	FY2025 Final	FY2026 Governor's Budget	Change
Aid	17,923,153	18,326,806	403,653
Assessments	4,685,347	5,015,852	330,505
Net Aid	13,237,806	13,310,954	73,148



Level Service Budget Outlook

- **Revenues \$137.5 million, including use of Free Cash of \$1.5 million for non-operating expenses**
 - \$878,500 for town and school capital
 - \$155,666 for opioid settlement purposes, as required by the settlements
 - \$500,000 for general stabilization due to growing budget and lack of contribution in FY2025
- **Expenditures \$147.1 million**
 - Schools - \$74.4 million (including Blue Hills)
 - Town - \$34.2 million
 - Shared - \$38.3 million (Health Insurance, Retirement Unemployment, General Insurance, Debt, Assessments)
 - Stabilization Fund - \$500,000
 - Non-bonded capital - \$878,500
- **\$9.5 million override is necessary to balance**



Health Insurance

FY2025: \$13,946,097

FY2026: \$17,146,415

\$ change: \$3,200,318

Factors:

- FY2025 budget included use of federal funds (ARPA) and a premium holiday (one pay period)
- FY2025 budget was based on lower enrollment
- Premium increase recommendation of 14% for active plans under review
- Premium increase projection for Medicare plans of 10%



Fiscal Sustainability

Future year budgets will need to include minimal increases year over year

Budget pressure points include:

- Collective Bargaining Agreements
- Debt service
- Health insurance

Establish and appropriate Free Cash (approx. \$3 million) into an Operating Budget Stabilization Fund to be available for use in future years

Economic development opportunities



Balanced Budget (No Override)

Use of Free Cash to support the budget

- \$1 million for Milton Retirement
- \$1.56 million for OPEB
- \$250,000 for the reserve fund
- \$416,456 for operating budget support

Use of Free Cash for other items:

- \$1 million for town and school capital
- \$155,666 for opioid settlement purposes, as required by the settlements
- \$300,000 to maintain the Town's total stabilization funds at the current percentage

Town and school department budgets: 1.5% increase over FY2025

- Town departments: approx. \$1,040,000 reduction from Level Service affecting multiple departments and cutting numerous positions
- School department: approx. \$5,340,000 reduction from Level Service with significant reduction in FTEs (see Feb. 7, 2025 presentation)

Other considerations:

- Reduction in health insurance costs due to fewer employees
- Increase in unemployment costs



Ballot Question / Town Meeting Process

Ballot Question: April 29, 2025

- Question will identify amount and purpose of the override
- Majority required for approval
- Override provides authorization for an increase in the tax levy
 - Town Meeting = appropriating authority

Town Meeting: Monday, May 5, 2025

- The Warrant will include two budgets:
 - “Non-contingent” budget in case the override is not approved
 - “Contingent” budget for consideration if the override is approved

Other potential outcome:

- If the override is not approved:
 - Town Meeting could approve a budget, contingent upon an override less than \$9.5 million
 - Select Board could put the question back to voters at a future special election