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 **Original File:**

20260226112048DanielGroverdgrover@CITYOFMALDENORG_PiconeJames_jpicone@northeastmetrotechcom_3.eml

From: Daniel Grover

To: "Picone, James"

Date: Thu, 26 Feb 2026 16:20:48 +0000

Subject: RE: FY27 Budget

Thank you very much for the detailed breakdown. I really appreciate it.

From: Picone, James <jpicone@northeastmetrotech.com>

Sent: Wednesday, February 25, 2026 10:54 AM

To: Daniel Grover <dgrover@CITYOFMALDEN.ORG>

Subject: Re: FY27 Budget

Hi Dan,

As you know, the State has released its Chapter 70 numbers and as anticipated they are underwhelming, which unfortunately places much of the burden on our member communities.

FY27 Chapter 70 Summary

853 Northeast Metropolitan

Description	FY26	FY27	Change	Pct Chg
Enrollment	1,381	1,416	35	2.53%
Foundation budget	34,145,598	36,620,934	2,475,336	7.25%
Required district contribution	17,952,021	19,901,349	1,949,328	10.86%
Chapter 70 aid	16,193,577	16,719,585	526,008	3.25%
Required net school spending (NSS)	34,145,598	36,620,934	2,475,336	7.25%

As you can see from the FY27 aid summary, the state has determined that based on the increase of 35 students, that Northeast must increase spending by \$2,475,336 to support and educate our students in FY27. Of that total figure, the State has *generously* funded \$526,008 of that increase in Chapter 70 aid. The remaining amount of \$1,949,328 is passed to the member communities as the required district contribution. This number unfortunately cannot be reduced, as it is the required minimum.

I am still building the budget with last minute entries however the Superintendent and I made a commitment to limit the budget increase to the increase in minimum contribution, the minimal increase in transportation after application of the regional transportation reimbursement, and the increase in debt service.

As of now it doesn't look like I am going to have the E&D balance to make a major reduction in debt service as I did last year, as my E&D is going to be used to reduce the transportation increase as we are adding two busses, so its likely the payment will return to its original level.

So based on your percentage of enrollment your costs are projected to increase by the following amounts in FY27:

Minimum Contribution-From the State (based on income and property wealth of your taxpayers, enrollment, what the State determines as your "Ability to Pay")

LEA	Member	FY26	FY27	Change	FY26	
	Total	1,381	1,416	35	17,952,021	1
57	Chelsea	253	242	-11	1,006,421	
165	Malden	197	219	22	2,265,488	
178	Melrose	79	75	-4	1,556,039	
217	North Reading	42	35	-7	832,144	
246	Reading	51	47	-4	1,040,316	
248	Revere	276	286	10	2,234,590	
262	Saugus	117	121	4	1,971,686	
284	Stoneham	68	72	4	1,312,522	
305	Wakefield	98	103	5	1,954,816	
344	Winchester	11	15	4	220,368	
346	Winthrop	58	61	3	965,164	

347	Woburn	131	140	9	2,592,467
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Debt Service Increase-Debt Service returns to normal level due to the absence of \$2.7 million of E&D used to reduce payment in FY26

Northeast Metropolitan Regional Vocational Technical School District

City of Malden

Estimated Pro Rata Share of Debt Service and Residential Tax Impact

			Tax Rates	FY2025 Levy
FY2025 Total Assessed Value	9,319,045,359	100%		\$113,057,49
Residential	8,100,704,287	87%	\$11.32	\$91,699,97
Commercial/Industrial	1,218,341,072	13%	\$17.53	\$21,357,51

Fiscal Year	Estimated Debt Service	Residential Tax Rate Impact	Annual Cost per \$100,000 of Home Value	
2023	\$204,778	\$0.02	\$2.05	
2024	\$213,507	\$0.02	\$2.14	
2025	\$692,574	\$0.07	\$6.93	
2026	\$926,692	\$0.09	\$9.28	
2027	\$1,403,806	\$0.14	\$14.06	\$477,11.

Residual Transportation Cost After Application of Transportation Reimbursement and E&D

15.5% of \$84,000 = **approximately \$13,000**

Total Projected Assessment Increase-Based on enrollment increase of 22 students, debt service payment, and residual transportation:

\$967,508

I hope this helps you in your planning. Good luck with your override vote. Due to the State's reliance on the local taxpayer to fund their educational mandates, I'm assuming this will be a common occurrence statewide.

Jay

James T. Picone, MBA, MCPPO
Director of Finance
Northeast Metropolitan Regional Vocational School
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Wakefield, MA 01880-3597
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On Tue, Feb 24, 2026 at 5:42 PM Daniel Grover
<dgrover@cityofmalden.org> wrote:

Hi Jay,

I hope all is well and you were able to enjoy the school vacation and the snow days off.

I know it's a bit early, but we are working on our FY27 budget and with the override vote uncertainty we are trying to get a good of picture of FY27 to see what we are dealing with. Do you happen to have our FY27 allocation #s that we can use to preliminarily budget from?

Anything you can offer would be greatly appreciated.

Thank you.

-Dan

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