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Date: Thu, 02 Apr 2026 17:18:21 -0400

Subject: Revision of MPS FY25 End-of-Year Financial Report

Greetings, everyone.

The Malden Public Schools works closely with the City of Malden to develop its annual budget. A significant portion of the City's annual net school spending comprises expenditures by other city departments on behalf of the district, in particular the payment of health insurance premiums for district employees and retirees as described in 603 CMR 10.04 (1)(g).

In preparation of the FY27 budget, city and district officials discovered that the city inadvertently provided outdated insurance premium rates to the district finance office as it was preparing its end-of-year report for FY25. Yesterday, our Director of Finance tentatively confirmed that the end-of-year report submitted in September 2025 significantly underreported the amount the City paid for employee and retiree health insurance premiums. The costs had been reported as \$14,597,101; the corrected figure is \$16,210,779.

The corrected health insurance costs mean that Malden was much closer to meeting its required net school spending in FY25, falling short by approximately \$62,730. This revised amount is much less than the originally reported net school spending shortfall of \$1,676,408.61. We have been in contact with the appropriate officials at the Massachusetts Department of Elementary and Secondary Education (DESE) and are preparing to submit an amended FY25 End-of-Year Report.

We will provide you with a copy of the final corrections to the FY25 End-of-Year Report as soon as they are ready for submission to DESE. As is required by 603 CMR 10.03(4)(d), amended reports must be submitted before June 30. Please do not hesitate to contact either of us if you have any questions.

Sincerely,

Mayor Gary Christenson
Superintendent Timothy Sippel

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Timothy Sippel, Ed.L.D.
Superintendent of Schools
Malden Public Schools