EXECUTIVE SUMMARY

The Worcester Public Schools' 2026-2027 budget, *Vision to Action*, of **$623.8 million is a 5.8% increase from the adopted budget of the year before.** In *Paying for a Public Education*, **The Research Bureau continues its annual practice of explaining how WPS' budget works,** how Massachusetts determines what it costs for an "adequate education," how WPS compares to other Gateway Cities, and what to watch out for in future years.

HOW IS THE BUDGET MADE?

Page 3 describes the basic budget-making process, which takes nearly an entire year from initial estimates through adoption to its final amount after the state budget is finalized. **WPS utilizes what it calls a "zero-based budgeting" approach,** where, starting from $0 each year, the administration works with principals at each school to determine what they need.

UNDERSTANDING REVENUES

Pages 3 through 6 explain the major sources of Worcester Public Schools' revenue. **Sixty-five percent of its total FY27 budget comes from the state's Chapter 70 education funding, and an additional 25% comes from local contributions.** Since such a significant part of its revenues come from state aid, this section explains at length **how Massachusetts' Chapter 70 funding formula actually works.** This section also explains the role that the City of Worcester plays in education funding.

UNDERSTANDING EXPENDITURES

Pages 6 through 8 closely examine expenditures. **WPS' largest expenses are in the salaries and benefits of its employees, which have seen an increase from the year before despite a decrease of 39 positions.** Across Massachusetts, municipalities and school districts are dealing with increased costs, including health care. While WPS is receiving additional Student Opportunity Act funds for FY27, **future year aid increases will only come from enrollment and inflation – adding to future cost pressures as health care and unforeseen costs (like natural gas and electricity) continue to rise.** Page 9 also discusses the District's increase in costs for IT as it replaces 6,000 Chromebook leases to remain largely a one-to-one student-to-device district (with the exception of preschool through first grade, where it looks to transition to a three-to-one district).

COMPARING WORCESTER TO OTHER COMMUNITIES

Pages 9 and 10 compare Worcester's required net school spending (NSS) with other Gateway Cities and its neighbors in FY26, the latest year of data available from the Department of Elementary and Secondary Education. **Of the 26 Gateway Cities, 22 of them, including Worcester, receive a higher percentage of their Foundation Budgets from state aid than they do local contributions. The four remaining communities spend more than 10% above their required net school spending amounts** – two more than 20% above – each far more than the median 1.6%. Compare that to Worcester's neighboring districts, each of which spend 15% or more above their required NSS. There are very different financial realities at play in the Commonwealth's urban communities.

WHAT TO WATCH IN FUTURE BUDGETS

Finally, page 11 looks at what to watch in FY28 and beyond. These include federal funding uncertainties, loss of enrollment and funds due to immigration concerns, the end of additional Student Opportunity Act funds, rising costs across the board, and the state's capped inflation adjustment for Ch. 70 aid.

Worcester Public Schools Revenue Sources	
Ch. 70 State Aid	$404,504,929
Local City Contribution	$152,924,720
Special Revenue (State, Federal, and Other)	$66,381,419
Total Revenues FY27	**$623,811,068**

Worcester Public Schools Expenditure Centers	
Total Employees	$531,975,634
Total Supplies and Services	$90,976,901
Total Capital Equipment	$858,533
Total Expenditures FY27	**$623,811,068**