The Research Bureau

PAYING FOR A PUBLIC EDUCATION

An Examination of the FY27 Worcester Public Schools' Budget

REPORT 26-11

August 2026

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**

HOW IS THE BUDGET MADE?

The road to making a budget requires the input of many individual actors, including Worcester Public Schools (WPS), the Department of Elementary and Secondary Education (DESE), and the City of Worcester. The following graphic lays out the key timeline of events for making the school's budget every year. The "Foundation Budget," the key to determining how much the schools should spend on their students, is discussed and explained on pages 3 and 4.

January to March

WPS Administration gets estimates of state and local revenue from the Governor's Budget

WPS Administration receives Foundation Budget numbers from DESE, and begins the budgeting process

April

Community engagement is solicited through community budget sessions and the School Committee itself

May

WPS Administration submits the proposed budget to the School Committee for review

June

The School Committee holds two budget meetings and adopts a version of the budget by the end of the month

July to September

Final changes and updates are made to the current fiscal year budget after the adoption of the State budget

October to December

Initial estimates are made for the next budget cycle, especially as enrollment is officially finalized

UNDERSTANDING REVENUES

The proposed budget, *Vision to Action,* for the Worcester Public Schools' (WPS) 2026-2027 school year (FY27) is **$623,811,068, a 5.8% increase** from the adopted budget of the year before. This amount is a combination of a **General Fund budget of $557,429,649 and Special Revenue budget of $66,381,419**. These numbers represent the budget of WPS *only* and not any funds received by charter schools or school choice from the State or the City. The breakdown of WPS revenues can be found in **Chart 2.**

Revenues for the schools come from a variety of sources, but the greatest source is the **"General Fund," which is a combination of state aid (Ch. 70 funds determined by the Foundation Budget process outlined and defined below, as well as a charter school reimbursement) and a contribution from the City**. This year, **the total local contribution from the City accounts for $152,924,720** and **state aid accounts for $404,504,929 of the General Fund**.

Both state aid and the required local contribution are determined through what's known as the **"Foundation Budget."** The **Foundation Budget is the minimum amount that the Department of Elementary and Secondary Education (DESE) determines must be spent for an adequate education for all students in Massachusetts.** It is calculated through a process outlined in Massachusetts' General Laws Ch. 70.

THE FOUNDATION BUDGET PROCESS

Understanding the "Foundation Budget" in Massachusetts is critical to understanding how schools across the state are funded. Each year, DESE, through the state's Chapter 70 program, determines how much money should be spent—at a minimum—on the state's many students. The current program has its origin in "An Act Establishing the Education

Chart 1: Sources of Revenue in the WPS Budget

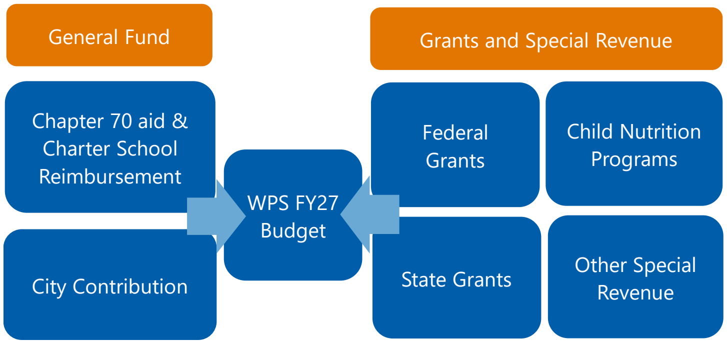
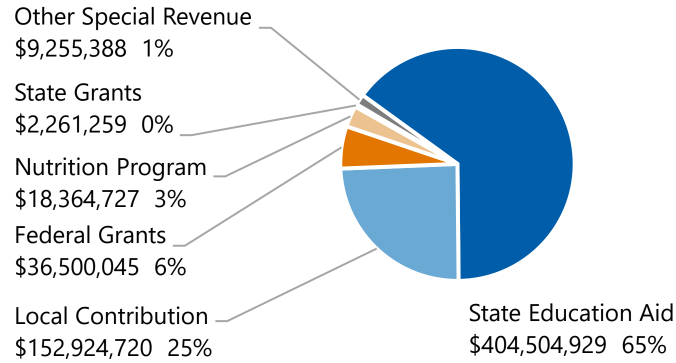


Chart 2: Revenues for FY27, All Sources



Source: Worcester Public Schools, FY27 Recommended Budget

Reform Act of 1993," which wholly replaced the State's previous education funding formula. Chapter 70's stated intention is to "assure fair and minimum per student funding for public schools" by "defining a Foundation Budget and a standard of local funding effort applicable to every city and town in the commonwealth" (M.G.L. Ch. 70 §1 (1993)). This "foundation" budget is then used to determine how much money a municipality itself should contribute towards the education of students, and, from there, how much money the state will provide in aid to reach the Foundation Budget amount. Every district is guaranteed to receive some state aid, though some receive a higher share of their Foundation Budget from state aid than others. Ch.70 was further amended in 2019 with "An Act Relative to Educational Opportunity for Students," increasing the funding rates of some Foundation Budget cost centers, and applied an inflation factor to others.

The Foundation Budget for a district is determined by assigning different dollar amounts across a matrix. Different areas of a school (like teaching, or administration, or guidance) are assigned different dollar amounts depending on where (Pre-K, Kindergarten half day, Kindergarten full day, elementary, middle, high, vocational) they lay. Then, after enrollment is determined on October 1st every year, the Foundation Budget takes the number of students in each category and assigns a dollar amount for each area. So, for example, imagine that for each elementary school student, $5 was assigned for administration, $10 assigned for classroom teachers, etc, one could determine the basic amount to be spent for each student by adding up these categories.

Enrollment considers most resident students, including those that are enrolled in the district's own schools, in public charter schools, and school-choice students that attend a school in a different district but reside in that community.

However, the Foundation Budget calculation does not end there. For each student that falls into an additional category (special education in or out of district, English learners, and/or low income students), an additional amount on top of the base amount is added to the Foundation Budget. Therefore, for example, all other things being equal, one district with more low-income students than another would be allotted a higher Foundation Budget than the other. **This also means that districts with stable or declining enrollments will have lower foundation budgets year over year. Worcester has seen stable enrollment since FY22, and the district projects flat growth through FY30.**

Each municipality is then plugged into a formula that considers property value and total income, in combination with the previous year's required contribution and other factors, to determine the local contribution towards the Foundation Budget. The remainder is filled in with state aid. Municipalities can contribute more towards their schools' general budget if they wish, but they must contribute at least their required amount, or face a penalty in a subsequent year. DESE has a wide variety of papers and spreadsheets that explain, in detail, the various elements of the formula for each municipality and school district. The graphic below presents a simplified way of how local contributions are determined.

Importantly, the **Foundation Budget—including the required local contribution and Ch. 70 state aid—is not entirely allocated to the Worcester Public Schools**. Some of these funds are earmarked for Charter School and out-of-district school choice students.

The Foundation Budget represents the main process by which most of a school district's revenues are determined. The local contribution and state aid (including any reimbursements given to the district thanks to the loss of students to Charter Schools) becomes the "General Fund." Since state aid is determined partly by what the municipality can contribute towards the budget of its schools, Worcester *does* play an important role in funding WPS. Its contributions—both those that are required and any excess direct and indirect contributions it makes towards the operations of its schools—are explained in further detail in the next section.

UNDERSTANDING THE CITY'S ROLE IN FUNDING EDUCATION

After the Foundation Budget process is completed, the City is required to make a local contribution towards net school spending each year; failing to meet that contribution can incur penalties on the City, including a reduction in other kinds of state aid in the next year. Although every community is guaranteed to receive some state aid, for many the required local contribution is greater than the amount of Ch. 70 state aid that will be received. This local contribution includes money spent on district schools as well as public charter schools and school choice tuition. The amount that the municipality must contribute is called **"required net school spending."**

While communities can contribute more money to their schools than the required minimum, calculating what "counts" towards required spending can be complicated. For example, spending for student transportation, adult education, crossing guards, and building leases are included in the general budget, **but the Department of Elementary and Secondary Education does not count these towards required net school spending.** For example, in FY27 the City will provide funds for the categories listed above, totaling $29,112,329, but **those contributions are not counted by DESE** towards required net school spending, despite the fact that these are necessary contributions for the City's many schools to function.

Chart 4 uses data from DESE to show the excess or deficiency in required net school spending for the last ten years by the City of Worcester (that is, the amount spent by the City that DESE counts as its required contribution).

For FY27, and for the Worcester Public Schools specifically, **the City of Worcester is contributing $152,924,720**, some of which is counted towards required spending and some of which, as already noted, is not (again, the City's total contribution, including eligible and ineligible funding,

Chart 3: Understanding the Statewide Foundation Budget Process

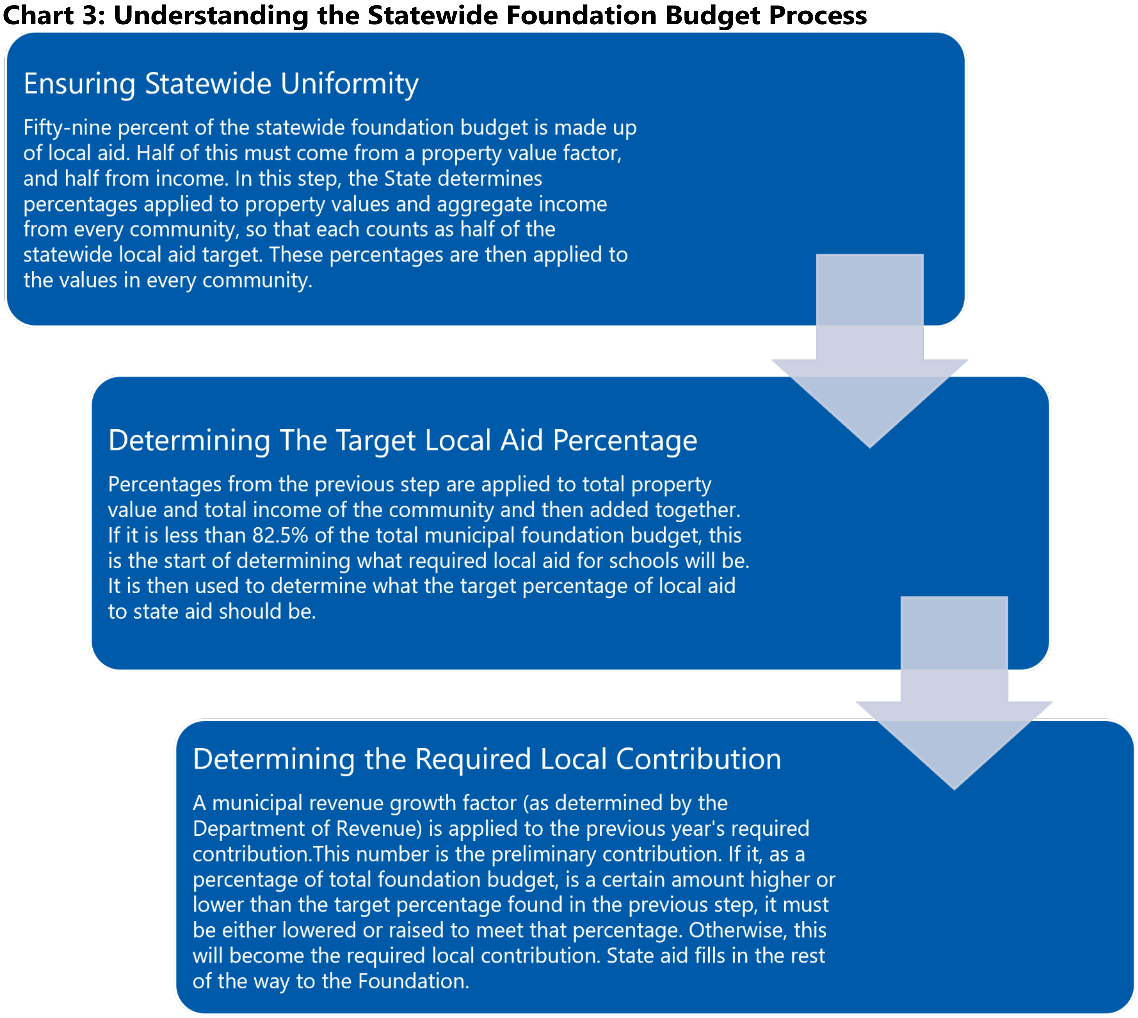
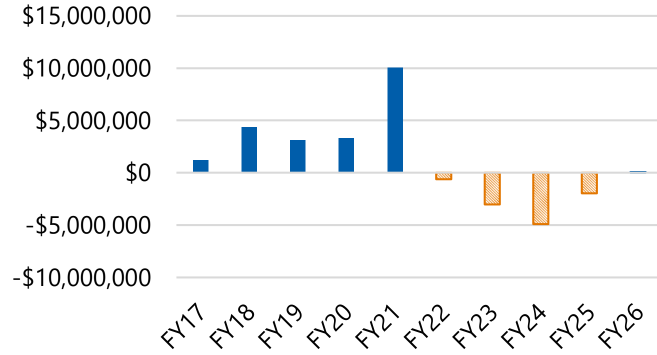


Table 1: Foundation Budget Breakdown for Worcester, FY27		
	Total	**Percentage**
Foundation Budget	**$581,293,882**	
Required Local Contribution	$143,531,666	24.69%
Ch 70 State Aid	$437,762,216	75.31%

Source: Worcester Public Schools, FY27 Recommended Budget

Chart 4: Over/Under Required Net School Spending, FY17-26 (FY26 is original budget)



Source: Department of Elementary and Secondary Education, Net School Spending Compliance File; District Profiles.

is split between WPS, the Charter Schools, and school choice tuition).

THE STUDENT OPPORTUNITY ACT

This year represents the sixth and final year of the "Student Opportunity Act" (SOA) phase-in, a 2019 law that changed and expanded the Foundation Budget funding formula for all Massachusetts school districts (amending M.G.L. Ch. 70), increasing long-term funding of public schools to address inequitable gaps in student outcomes. More specifically, the law aims to close disparities in outcomes and experiences among low income students, English learners, and students of color. Each school district is required to submit an actionable plan to DESE to close those gaps. These plans must be based on evidence-based program areas, and by law each district must make measurable progress towards each of its program choices and must regularly reevaluate their goals, metrics, and progress as funding increases each year.

Since this is the final year of the Student Opportunity Act's phase-in funding, increases in general fund revenue in subsequent years will be due to enrollment increases and inflation adjustments only. Still, Worcester Public Schools has so far received more than $100 million in added funds between FY22 and FY27 from the Student Opportunity Act than it would have received without the Act's passage in 2019.

SPECIAL REVENUES

In addition to its general fund revenues, the Worcester Public Schools receive special revenues from a variety of sources, including State and Federal grants, and these revenues are mostly restricted for specific purposes. These revenues are expected to total **$66,381,419**. These include federal and state grants, Child Nutrition Programs, and other revenues including other grant funds and funds raised directly by the Worcester Public Schools. Some of these revenues are preliminary; programs listed under Federal and State grants are assumed "level-funded" from the year prior, while Child Nutrition is expected to increase thanks to adjusted inflation rates and other special revenues (specifically the special education circuit breaker reimbursement) is expected to increase based on projected rates.

This year's special revenues represent a **4.25% increase** from FY26.

UNDERSTANDING EXPENDITURES

WPS runs a balanced budget. **Chart 6** shows the breakdown of major expenditure areas for FY27.

The Worcester Public Schools' largest expenses are the salaries and benefits of its employees. **In FY27, there are 5,078 employees budgeted for nearly 25,000 students**. This is a 39-position decrease from the year before. Slightly more than half of those employees are teachers; if paraeducators and teacher substitutes are included in that number, **about 66% of WPS employees are directly teaching students**. The remaining 34% includes student transportation (408), Nutrition (306), custodians (163), School Nurses (114), Head Start (113), and more.

Human resources are a major factor in the public school budget. The 2,601 teachers are an increase in FY27 of 4; the 720 paraeducators are a decrease of 26. Overall, there are 39 fewer employees at WPS budgeted for FY27 than in FY26; however, this is a decrease of 318 from FY24 and 72 from FY23, indicating that the deficits in FY25 have continued to have an impact on employee growth after several years of consistent increases. Cuts across the board in FY25 mean that nearly all employee categories are down compared to FY24, even in FY27 — only school-level administrators, custodians, and district support positions are above what they were in FY24. Between FY26 and FY27, teachers have seen a 4 position increase (0.2%) and paraeducators a 26 position decrease (-3.6%). **Teachers are**

Chart 5: Percentage Change in Staffing and Salaries, FY17-27

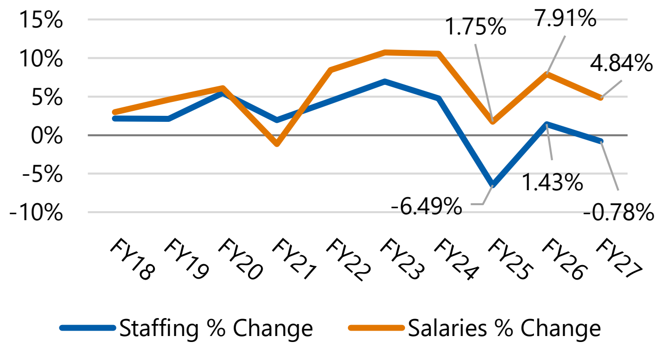
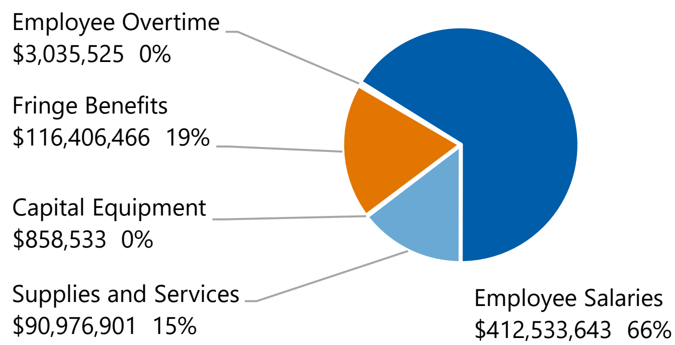


Chart 6: WPS FY27 Expenses by Account Area



Source: Worcester Public Schools, FY27 Recommended Budget; Meeting of the School Committee, June 25, 2026

still more than 100 positions under what they were in FY24 and 28 positions below FY23. There are three more district administrators, for an increase of 6.1% over the year before—but there are still two fewer district administrators than there were in FY24. In other words, the deficits **that WPS faced in FY25 thanks to the inflation cap, and the effects that had on staffing, are still being felt**, despite signs of recovery.

In FY27, employee salaries account for $412,533,643 in expenditures; "fringe benefits," that is, health insurance, retirement, and other employee benefits account for $116,406,466. Chart 5 shows the annual change in both staffing and total salaries between FY17 and FY27.

CONTINUING THE STRATEGIC PLAN

FY27 marks the third full year of implementation of the Worcester Public Schools' five year strategic plan, *Our Promise to the Future*, which was adopted in December 2023. The Strategic Planning Advisory Task Force included many members of the community, including The Research Bureau and the Worcester Education Collaborative, and of course the Schools' Administration. The Plan seeks to align spending with six key priorities and their sub-aims:

1. Providing equitable resources for educational programming.
2. Engage in and foster two-way communication between families, schools, and the community.
3. Providing and sustaining environments in which members of the school community grow, thrive, and feel safe.
4. Prioritizing, valuing, and compensating staff by creating a culture of inclusivity and growth.
5. Upgrading infrastructure across all school facilities to provide a modern teaching and learning environment.
6. Prioritizing equitable services and programs that focus on the mental and physical well-being of all members of the schools' community.

Spending that is aligned with the new plan is described in the FY27 budget on pages 68-75, under each priority area table. For example, under the Equitable Resources and Educational Programs priority, additional library services were added to seven elementary schools "that provides for circulation." Acquiring and Retaining Talent maintains funds for school psychologist internships as a pipeline of homegrown talent.

FACILITIES AND CAPITAL IMPROVEMENTS

The FY27 budget includes $4.5 million from the City and $3 million from the Massachusetts School Building Authority (MSBA) for facilities improvements and building renovations, and $500,000 from the City for capital equipment purchases and maintenance. The City Manager recommends the capital budget for the City to City Council, and capital improvement projects are funded through borrowed funds. **These debts are represented in the City budget rather than the Public Schools' budget.** There are several important updates to facilities and capital improvements on which to focus (see **Table 2**).

It is worth pointing out that WPS has budgeted $500,000 to support other, non-construction related capital equipment. Capital equipment includes vehicle replacement and equipment and infrastructure replacement in IT. IT infrastructure includes tens of thousands of Chromebooks, iPads, and desktop computers, as well as the WPS' VOIP telephone, security, and other relevant systems. IT is level funded at $175,000.

Replacing Chromebooks and Other Technology

The $175,000 for IT infrastructure above is a separate line item from *replacing* Chromebook and iPad leases. In FY27, WPS has an instructional technology line item under "Miscellaneous Educational OM" of $3,842,744 (reduced by $225,000 from $4,067,744 at the June 25, 2026 School Committee Meeting). This is "used to maintain, upgrade, and supplement existing educational and administrative technology," including "leasing Chromebooks, iPads, Windows Workstations, and various software costs." This represents a 65% increase over FY26, as the District looks to replace the lease of 6,000 Chromebooks.

Since the COVID-19 pandemic, WPS has provided one Chromebook per student and has generally maintained one device per student when iPads are included. However, as of the June 25, 2026 School Committee meeting (and after requests from the School Committee on cost savings), the WPS Administration is recommending moving to three students per device for preschool through first grade. This will invariably lead to some savings in the technology line item, as **WPS will need to maintain one-to-one for 19,960 students, and three-to-one for 4,717 preschool through first grade students. This is equal to a reduction of about 3,144 devices.**

NEW INITIATIVES

The recommended budget for FY27 has a number of new initiatives, including (but not exclusively):

- Seven new elementary classroom teachers to maintain an average class size of 21 students.
- Creating seventh and eighth grade classrooms at Worcester Dual Language Magnet School, which currently ends for students at sixth grade.
- Services for educational consultation and coaching to support classrooms with specialized instruction.
- Funds for new multilingual, elementary math, history, and special education curricula.

STUDENT OPPORTUNITY ACT EXPENSES

New Student Opportunity Act funds continue in FY27, the sixth and final year of its phase-in. The use of these funds continues to be informed by the Worcester Public Schools' SOA implementation plan, which has changed over time (districts must reevaluate their plans every three years or so). The plan focuses particularly on serving the DESE-defined "lowest-performing student group":

- Implement a multi-tiered system of supports that helps all students progress academically and in their social, emotional, and behavioral development.
- Select and skillfully implement high-quality, engaging instructional materials that support culturally and linguistically sustaining practices and foster deeper learning.

Table 3 shows the different cost centers to which student opportunity act funds have been added in FY27, as well as the total since FY22.

Table 3: SOA Funding in the Following Categories

	FY27	FY22-27
Benefits and Fixed Charges	$4,664,339	$23,334,764
Guidance and Psychological Services	$808,519	$4,148,201
Special Education	$333,249	$2,166,453
English Learners	$808,203	$3,971,675
Low Income Rate	$11,833,855	$61,644,354
Low Income Student Count (FY22/FY23)	-	$9,397,544
Total	**$18,448,165**	**$104,672,991**

Table 2: Capital Improvement Plan - Facilities Repairs, Renovations, and Other Infrastructure (FY27)

Location	Purpose	City/WPS Share	Estimated MSBA Share	Total
Belmont Community	Roof Replacement	$500,000	$1,800,000	$2,300,000
Rice Square	Roof, Windows, and Door Replacement	$200,000	$1,200,000	$1,400,000
Lincoln Street	Parking Lot Expansion & Site Improvements	$1,000,000	-	$1,000,000
Burncoat High	ADA Upgrades	$500,000	-	$500,000
Gates Lane	Boilers and Pump Replacement	$500,000	-	$500,000
Thorndyke Road	Entry and Façade Repairs	$300,000	-	$300,000
May Street	Gym Floor Replacement	$300,000	-	$300,000
Various Locations	Door/Hardware Replacements	$250,000	-	$250,000
Various Locations	Paving	$250,000	-	$250,000
Clark Street	Exterior Improvements	$200,000	-	$200,000
Design/Engineering/Construction Admin		$500,000	-	$500,000
Facilities	Vehicle Replacement and Equipment	$200,000	-	
Information Technology	Infrastructure Replacement	$175,000	-	
Student Transportation	Vehicle Equipment	$125,000	-	
	Totals	**$5,000,000**	**$3,000,000**	**$8,000,000**

Source: Worcester Public Schools, FY27 Recommended Budget

COMPARING WORCESTER TO OTHER COMMUNITIES

Since the bulk of education funding comes from both the local contribution and state aid, it is possible to compare to different municipalities on these particular metrics. However, **this cannot be a straight one-to-one comparison because Foundation Budgets vary wildly from district to district based on student demographics**, and required community contributions can differ significantly because of the local wealth of that community.

What could be valuable, however, is these numbers in conjunction with community contributions above required net school spending. **Table 4** compares Worcester on required net school spending with other Gateway Cities, its direct neighbors, Boston, and the state in FY26, the most recent year for which nearly full information is available from the Department of Elementary and Secondary Education. **Statewide, schools spent 24.1% more than required net school spending.**

A few caveats should be noted. First, in FY26 Worcester's foundation enrollment counted 27,173 students, making it the 3rd highest in the state that year (this number includes students in the district as well as Charter School and School Choice students attending schools outside of the city). Second, excess school spending does not, as was previously established, count certain categories of expenses. **Municipalities may in reality contribute towards essential administrative, operational, and capital functions that are not counted against net school spending; so the numbers in Table 4 do not necessarily tell the entire story.**

In Worcester's case, the required local contribution as a percentage of its Foundation Budget is the third highest among these Gateway Cities, but the lowest among its neighbors. What does this tell us? Local contribution is based on a combination of property value and total income of the community. Worcester's required local contribution being a lower percentage of its Foundation Budget than its neighbors indicates that, overall, due to its much larger number of students, and greater number of higher needs students, the "combined effort" of income and property values is significantly lower than its foundation budget minimums. Different property and income values and smaller numbers of students of all kinds lead to different required contributions.

Finally, if we consider all 26 Gateway Cities in FY26, **Worcester had the second highest each of Foundation Budget, required net school spending, and budgeted net school spending (following Springfield in all three categories).** Since the Foundation Budget and therefore NSS follow enrollment, this makes sense. **The median Gateway City had a required net school spending amount of $151,606,060, and budgeted amount of $157,540,300; and the median Gateway City also had a budgeted net school spending amount equal to 101.6% of required net school spending.** While Worcester is far above the median in terms of required spending and budgeted spending, it is slightly below the median in terms of percentage — at 100.01%.

It should also be noted that of the 26 Gateway Cities, only four have a higher percentage of required local contribution than the state aid that they receive. Worcester is among the 22 communities where that is the opposite case. Those four communities, Barnstable, Peabody, Quincy, and Salem each also spent more than 10% over their required net school spending, **with both Barnstable and Salem more than 20% above required NSS.** Having a higher percentage of required NSS come from local contribution is indicative of relatively higher incomes and property values in these communities.

COMPARING PER-PUPIL EXPENDITURES

School districts can be compared based on per-pupil expenditures, **but these comparisons can be misleading due to significant demographic differences between districts.** Massachusetts' school funding formula is designed to provide more state aid to districts serving higher numbers of low-income students, English learners, and students with disabilities—groups that require additional resources to educate. As a result, per-pupil spending may be higher in some low-income districts, not because they are better funded overall, but because the formula aims to reflect the greater cost of meeting student needs.

Comparing Worcester to Gateway Cities in FY24 for per-pupil expenditures (the latest year available), shows that in terms of total public education spending within city limits, Worcester spends above the average and median Gateway City in total per-pupil expenditures (which includes charter school students and publicly funded students in other districts) and in-district expenditures (WPS only).

Table 4: Net School Spending for FY26, Worcester compared to Gateway Cities and Neighbors

District Name	FY26 Foundation Budget***	Required Local Contribution**	State Aid**	Required Net School Spending (NSS; including carryover penalty if applicable)	Budgeted NSS	Amt Over or (Under) Required NSS	Budgeted NSS as % of Required NSS
Gateway Cities							
Quincy	$177,359,599.79	$135,165,569.00	$47,604,553.00	$182,770,122.00	$202,917,176.96	$20,147,054.96	111.0%
Haverhill	$149,713,124.65	$55,493,490.00	$94,219,635.00	$149,713,125.00	$158,525,349.73	$8,812,224.73	105.9%
Lowell	$330,445,792.43	$68,956,678.00	$261,489,114.00	$330,445,792.00	$335,718,292.48	$5,272,500.48	101.6%
Lawrence*	$333,930,425.08	$16,318,715.00	$317,611,710.00	$334,318,935.53	$339,533,798.85	$5,214,863.32	101.6%
Fall River	$273,966,514.06	$43,178,238.00	$230,788,276.00	$273,966,514.00	$274,160,924.00	$194,410.00	100.1%
Worcester*	$547,442,459.00	$135,663,200.00	$411,779,259.00	$549,403,108.72	$549,481,526.72	$78,418.00	100.0%
Lynn	$384,629,298.82	$67,502,992.00	$317,126,307.00	$384,629,299.00	$383,274,264.20	($1,355,034.80)	99.6%
New Bedford	$295,054,094.76	$40,756,053.00	$254,298,042.00	$295,054,095.00	$293,343,882.20	($1,710,212.80)	99.4%
Springfield*	$600,170,350.40	$54,330,699.00	$545,839,651.00	$600,170,350.00	$594,180,713.99	($5,989,636.01)	99.0%
Brockton*	$344,720,845.49	$62,646,528.00	$282,074,317.00	$358,646,735.72	$351,050,737.64	($7,595,998.09)	97.9%
Greater Worcester							
Berlin-Boylston	$14,031,141.92	$10,881,875.00	$796,622.00	$14,031,796.00	$23,113,141.40	$9,081,345.40	164.7%
West Boylston	$12,268,268.47	$9,365,042.00	$3,370,195.00	$12,735,237.00	$17,725,541.20	$4,990,304.20	139.2%
Millbury	$23,480,532.76	$15,188,966.00	$9,261,393.00	$24,450,359.00	$32,798,612.00	$8,348,253.00	134.1%
Grafton	$39,402,336.33	$27,625,677.00	$13,539,728.00	$41,165,405.00	$53,144,753.65	$11,979,348.65	129.1%
Wachusett	$87,973,600.93	$53,489,620.00	$7,641,944.00	$91,051,333.00	$117,591,283.00	$26,539,950.00	129.1%
Shrewsbury	$80,350,322.88	$64,461,566.00	$22,487,010.00	$86,948,576.00	$109,395,883.20	$22,447,307.20	125.8%
Auburn	$34,174,444.38	$18,808,409.00	$15,740,489.00	$34,548,898.00	$41,923,632.01	$7,374,734.01	121.3%
Leicester	$21,685,353.44	$11,866,934.00	$11,448,367.00	$23,315,301.00	$27,096,879.80	$3,781,578.80	116.2%
Worcester*	$547,442,459.00	$135,663,200.00	$411,779,259.00	$549,403,108.72	$549,481,526.72	$78,418.00	100.0%
Boston and Statewide							
Boston	$1,220,875,806.53	$1,007,222,540.00	$245,309,561.00	$1,252,532,101.00	$1,669,053,924.24	$416,521,823.24	133.3%
Statewide	$15,314,834,159.41	$8,377,180,548.00	-	$15,779,016,047.86	$19,579,899,816.62	$3,800,883,768.76	124.1%

*Required NSS includes carryover from underpaying year before
** Local Contribution and State Aid numbers are from FY26 District Profiles.
***Foundation budgets include all students in a community, including Charter School enrollments; in some cases the required NSS is higher than the Foundation Budget but is not a carryover penalty; in general, state aid does not decrease from the prior year, and local contributions also use the previous year as a base, leading to this discrepancy.
Source: Massachusetts Department of Elementary and Secondary Education, FY26 District Profiles

Table 5: FY24 Per-Pupil Expenditures Worcester and Gateway Cities

Group	Average Total Expenditure	Median Total Expenditure	Average In-District Expenditure	Median In-District Expenditure
Worcester	$22,476.00	$22,476.00	$22,221.00	$22,221.00
Gateway City	$22,077.00	$22,125.00	$21,588.00	$21,580.00
Difference	$399.00	$351.00	$633.00	$641.00

Source: Massachusetts Department of Elementary and Secondary Education, Per-Pupil Expenditures. Within the 26 Gateway Cities in FY24, Worcester ranked 10th in total per-pupil spending and 11th for in-district spending. To become the highest-spending Gateway City on in-district expenditures, Worcester would need to increase its in-district spending per student by $4,392.

WHAT TO WATCH IN FUTURE BUDGETS

In FY28, and beyond, there are several things to watch.

Continued Federal Funding Uncertainty

First, in last year's report, **The Bureau noted uncertainty over federal funding for education.** While ultimately the 2025-2026 school year went largely as planned, questions about Federal education funding continue. Moreover, Federal immigration enforcement could influence State funding. The Chapter 70 program is predicated on student enrollment, and provides additional funds for each English learner. If immigration enforcement discourages or scares children and families from attending school at all, that could have a deleterious effect on school funding in addition to the major impacts on those children's learning.

One example of a Federal program undergoing some uncertainty is the Federal Communications Commission's "E-Rate" program. This program provides reimbursements to schools and libraries for broadband connectivity, and the FCC's board recently voted to open the program to public comment for change, including possibly shuttering it. The Worcester Public Schools currently has $1.1 million budgeted from E-Rate for FY27 under its "Building Utilities" line item. Although that reimbursement represents less than 1% of the total FY27 budget, it is more than 10% of the building utilities item. This is simply to say that Federal funding uncertainties can come from a number of quarters, not just the Department of Education.

Projected Deficits from Rising Costs and Stable Enrollment

Second, perhaps the biggest "what-to-watch" for FY28: **the end of additional Student Opportunity Act funding.** Since 2021, WPS and other urban districts across the state have seen state aid per-student increase each year thanks to the SOA. However, FY27 is the final year of the phase-in. While WPS is receiving millions more than it would have without the SOA, any increases in its state aid revenue going forward will be due simply to enrollment changes and inflationary adjustments. In this year's budget, WPS predicts little to no growth in enrollment over the next three years. Without more students, and without new SOA funds, FY30 is projected to see a $20.3 million deficit.

Why the projected deficit? Even by maintaining level positions, i.e., no new hiring, costs are expected to rise. This is not unique to Worcester. In fact, many municipalities in Massachusetts are grappling with the same problem: rising health care costs and insurance premiums are squeezing municipal and school district budgets. At WPS, health insurance costs have increased by more than $20 million between FY23 and FY27; FY27 is predicted to be a 10% increase from FY26.

The combination of stable or declining enrollment and increasing costs across the board has been devastating for other communities in Central Massachusetts. For example, the Wachusett Regional School District has seen declining enrollment in conjunction with rising costs, leading some of its constituent municipalities to hold Proposition 2 $^{1}/_{2}$ votes in order to fund it; in two of the three, those votes failed, ultimately requiring a reconsideration of Wachusett's budget. Dudley, too, faced a similar failed vote in June 2026.

Worcester has never recovered from enrollment declines during COVID. Indeed, in terms of student headcount, according to DESE, between 2015 and 2024, Worcester's student headcount has decreased by 3.48%. Of the 26 Gateway Cities, only ten have seen their headcounts increase during that time period. In fact, the median Gateway City has seen its headcount decrease by 2.35%. These declines are part of wider trends, like Massachusetts experiencing net out-migration in recent years, but are concerning nonetheless for what they mean for state aid as it is currently calculated.

The State's Inflation Factor is Still Below Experienced Inflation

Third, and relatedly, **inflation and the state's low inflation factor continues to be a problem for WPS, as it is for many school districts across Massachusetts**. The District experiences inflation at a different rate than the inflation adjustments accounted for in Ch. 70 aid. The index used for adjusting aid in FY26 and FY27 were 1.93% and 2.76% respectively. In many ways, the District is still "catching up" from the capped index of 4.5% in FY24 and FY25, when the district was facing actual inflation of nearly double those numbers. Inflation is especially felt in Gateway City districts like Worcester's, that are heavily dependent on state aid.

While the final FY27 budget for Massachusetts does create a Foundation Budget Review Commission, which will examine the funding formula for pre-k through 12th grade, readers should be aware that cost pressures, high inflation, and stable revenues might force cuts in the near future like those caused by inflationary pressures in FY25. Any reforms to Chapter 70 and the Foundation Budget process are still years away.

Strategic Plan Transparency Should Continue

Finally, as we pass the halfway mark of the current Strategic Plan's implementation, The Research Bureau would be remiss if it did not reiterate the importance of continuing to track its progress, as the Schools have done with a dashboard here and as The Research Bureau did itself in January 2026.

CONCLUSION

Year-over-year, expenditure increases in a budget are often due to contractual increases and inflation factors that are out of any one organization's control. **The FY27 budget of the Worcester Public Schools increased by $34 million over FY26, a 5.8% increase. However, WPS staffing decreased by 39 positions—0.78%. Costs continue to rise even with a decline in staff**.

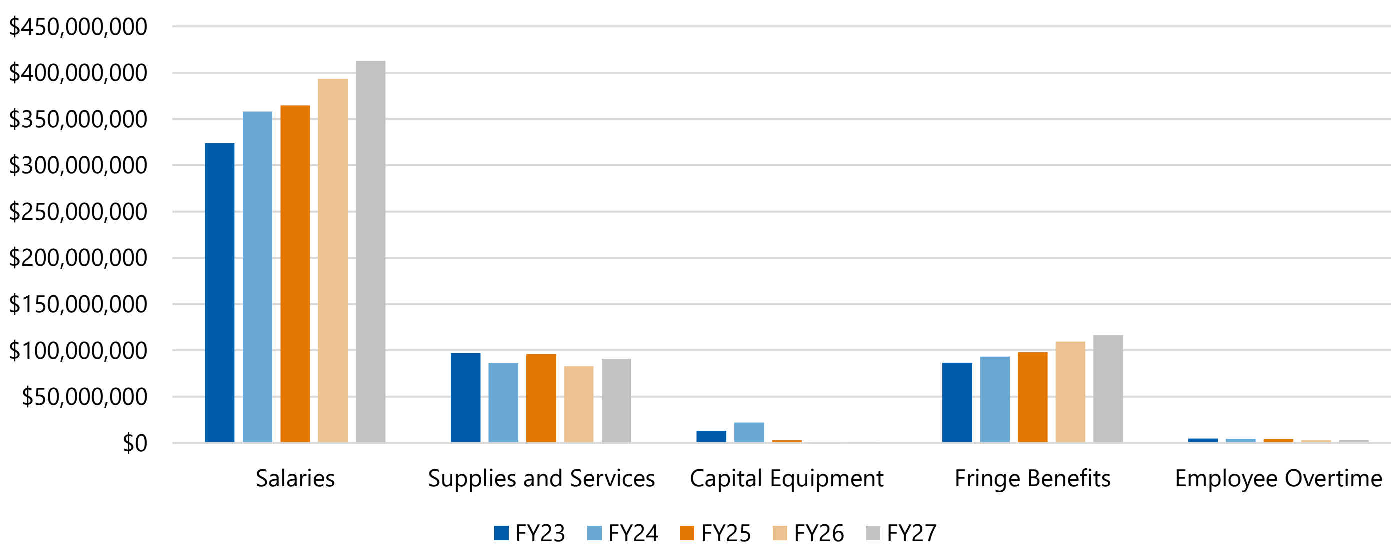
Overall, the WPS budget saw increases across the board from the year before. In the five major expenditure centers, that 5.8% increase consisted of the following: s**alaries increased by 4.89%, supplies and services by 9.7%, capital equipment by 2.21%, fringe benefits (i.e., retirement and healthcare) by 6.45%, and employee overtime by 0.45%.**

It bears repeating that FY27 marks the third full school year of the WPS strategic plan, *Our Promise to the Future*. Spending in FY27 is aligned with the priorities, aims, and promises outlined in the plan. It is vital that WPS continue to follow that plan, and, as we pass its halfway mark, continue to collect the data necessary to effectively craft a new strategic plan as we look towards its next cycle.

The Worcester Public Schools—like many other school districts throughout the state—will have to contend in coming years with stable or declining enrollment, continued inflationary factors, and the end of the Student Opportunity Act phase-in period. While WPS will be receiving more money annually than it would have without the Student Opportunity Act, **the end of the SOA phase-in period means that the district cannot rely on receiving more funds on a year-over-year basis.** Future Federal funding is also uncertain as the Presidential Administration, Department of Education, and Congress continue to eye cuts to funds and staff. In addition, if experienced inflation continues to run above the inflation limit in the Chapter 70 funding formula, WPS would be limited in new spending and hiring or be forced to make cuts.

It's important to recognize **that costs for municipalities and school districts across the state continue to rise.** Costs related to health insurance, retirement, and the like continue to rise, as do costs related to maintaining and using buildings, like natural gas and electricity. Although events outside of WPS' control have raised costs every year, it has for the last half decade been able to weather them through increased state aid and, during COVID, extensive federal funds. **Those sources of aid have dried up or slowed down, and it seems likely that future WPS budgets will require either cuts or extensive local contributions in order to maintain today's level of programming.** Other neighboring communities are already facing those hard decisions. **Although FY28 is not projected to face extensive deficits, future years may as WPS enrollment and inflation-related revenue growth stagnate.**

Chart 7: WPS Expenses by Account Area, FY23-FY27



Source: Worcester Public Schools, FY27 Recommended Budget; Meeting of the School Committee, June 25, 2026. Numbers are not inflation adjusted. FY23, FY24, and FY25 represent final, "actual" budget numbers; FY26 and FY27 represent the adopted budgets.

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