

Memo

To. Manchester Board of School Committee (BOSC)

From: Jennifer Chmiel, Ed.D. 

Date: May 11, 2026

Subject: Follow Up Budget Information for the 2027 Budget

The purpose of this memo is to provide the BOSC with our ongoing work on the 2027 budget. I want to remind the board of my memo dated 2/22/2026, which included the three budget proposals along with five draft scenarios to reach the tax cap compliant budget. I attached the memo with the scenario doc to this document.

Since the February memo, the Mayor proposed his budget which decreased our total budget to \$234,981,749 or a \$16,424,038 gap.

Working from the total within the Mayor's budget we will need to identify \$16,424,038 in reductions.

Within this memo, you will find two options that outline how we arrive at the \$16,424,038. In addition we are seeking guidance this evening in one key area - use of the funding we have set aside for paying down our Priority One projects.

The purpose of bringing this item forward this evening is to attempt to mitigate the total number of pink slips we would need to deliver by this Friday, May 15, 2026. (*The May 15 deadline is state law and we can't exceed this date.*) We have our numbers based on the two options and a high level of cuts we would need to make. ***The ask - if we can agree to use the full amount set aside for bonding so we can reduce the number of pink slips on Friday.*** This is our hope as we know the negative impacts of pink slips on our staff and district can have impacts not only today but in the years to come.

While the number shifts from a high of 134.5 in Option Two to 77.5 in Option One, we know the impact of approving Option One will reduce our total reductions by 57 staff positions. Yes, we will still have to make reductions but Option One takes 57 positions off the Reduction In Force (RIF) list. I want to share that we believe we can find 20-30 positions which we can reduce through attrition which further reduces the amount of pink slips going out on Friday.

In preparation for RIFs we have been meeting with our building principals to review the proposed reductions. Given our focus on protecting our class size policy to the greatest extent possible we have focused on reductions at the middle and high schools. At this time, our team is striving to meet the reduction requests from each of our impacted principals.

This work is still ongoing and would be directly impacted by the decisions of the BOSC this evening in two areas:

1. The Bell Schedule
 - a. Action of the BOSC to approve the proposed schedule (*saves approximately \$600,000*) or not approve (*results in an additional 8 positions to be reduced*)

2. Funding for Priority One Use and amount
 - a. Funds set for paying down the Priority One projects thus reducing long term costs for the bond
 - i. Option One = \$8,629,279 (*total FTE reduction = 77.5*)
 - ii. Option Two = \$4,314,640 (*total FTE reduction = 134.5*)

This evening, I am seeking the BOSC to approve the use of \$8,629,279 to reduce the total impact to proposed staffing reductions from 134.5 down to 77.5 thus removing up to 57 positions for pink slips on Friday.

I want to be clear - we are seeking clarity only on the use of one time funds this evening so we can mitigate the number of pink slips on Friday. Once we have a final budget number from the BMA we will be back before you to discuss in detail the proposed position reductions and the impacts to our district.

In closing - I do not support any reductions to our district. We have been working hard to build a solid foundation for our students, staff and community. With investments in reduced class sizes, vertically and horizontally aligned curriculum, associated professional development, competitive salaries for high quality staffing recruitment and retention and moving toward 21st century and beyond learning environments, we have made very positive gains in our district. I have said this before - the deeper the cuts to any of these areas the quicker we will see the erosion. My hope is we can mitigate some of this erosion by designating the use of the one time funds set for funding Priority One to be used in the 2027 budget in the amount of \$8,629,279.

Included in this Document:

- Options One and Two
- February 11, 2026 Memo
- Draft Scenarios (5)

Reductions Required to Meet the Mayor's Proposed Budget


	Option 1		Option 2	
	<u>Cost Reduction</u>	<u>FTE</u>	<u>Cost Reduction</u>	<u>FTE</u>
Teaching & Learning trust	1,500,000		1,500,000	
Eliminate 1/3 of vacancies	1,100,000	19.5	1,100,000	19.5
District office eliminations	267,213	2.5	267,213	2.5
Change bell schedule	600,000		600,000	
Reduce supplies	100,000		100,000	
Utilize Phase I bond	8,629,279		4,314,640	
Remaining position eliminations	4,227,546	55.5	8,542,185	112.5
Mayor's Budget	16,424,038	77.5	16,424,038	134.5

Both options do not have an impact on Athletics or transportation walkouts.

Phase I Bond:

Baseline Budget	16,200,000	16,200,000
Interest due in FY27	(7,570,721)	(7,570,721)
Pay cash toward project	-	(4,314,640)
Balance Available	8,629,279	4,314,640

MEMO

To: Manchester Board of School Committee (BOSC)
From: Jennifer Chmiel, Ed.D. 
Date: February 11, 2026
Subject: Budget Information for the 2027 Budget Presentation (Baseline, Tax Cap Compliant, Fully Funded)

The purpose of this memo is to provide the BOSC with our work on the 2027 budget. This year we are providing the BOSC with three budgets:

- **Baseline Budget - \$251,405,787** - This budget reflects a level funded budget - No reductions or additions. To be clear, this baseline means we aren't changing a thing, we are simply paying the inflationary differences in our expenses between this year and next year. We did look for efficiencies wherever possible within this budget, which you'll see in the numbers.
- **Tax Cap Compliant Budget - \$235,507,700** - This budget includes \$15,898,087 in reductions in order to arrive at a tax cap compliant budget. This budget cap does not match the rate of inflation, meaning the total budgeted amount does not cover the cost of rising expenses, such as health care, special education, transportation, and previously approved contracts. The budget cap requires a reduction of the \$15,898,087 to be balanced. These are impactful cuts that will be felt throughout the district, which is why, just as I stated with as much clarity as possible last year, I do not believe any of the proposed cuts are in the best interest of our district - in particular, our students. Over the recent years, we have been striving to lift learning in our district and we are just now seeing our outcome data positively shift. The cuts we have to propose in a tax cap compliant budget would walk us backwards.
- **Fully Funded Budget - \$265,290,706** - This budget takes into consideration the restoration from a tax cap compliant budget to a level funded budget along with necessary additions to staffing, operations, and facilities in order to meet the current and evolving needs of our students and to more fully work towards our district's core mission. The fully funded budget reflects the 2027 school year build out.

The Manchester School District is the most diverse district in the state of NH, which is a tremendous point of pride. However, as you know, with our size and diversity, we have

specific needs that exceed all other districts in our state. Considering the last two school budgets were below the tax cap, and below the basic rate of inflationary cost hikes, we do more with less on a daily basis. This season, we are also working under a continued threat from Concord of a multi-million dollar cut due to a cap on targeted aid. This targeted aid cap would be a reduction of state funding for only Manchester.

Keep in mind, Manchester remains at the bottom of the state-wide list for per pupil funding. Given these downward pressures, we have remained totally focused and intentional in every aspect of budget development and fiscal management. This is, however, an unsustainable trend if the goal of our school budgeting is to realistically meet the needs of our uniquely diverse student body.

Reflective of our strategic plan and district goals, our work on the budgets for this year was rooted in three key aspects: educational programming, high quality staffing, and educational facilities.

You will note in the grids below that you will see summaries of an area of budget focus, the savings generated through changes or cuts, the impact of those changes on students and programs, and finally, the Superintendent's recommendation. This recommendation is the synthesis of the deep budget dive done with our team. This work to date is the result of numerous meetings and a line by line review of spending with all 20 of our school leaders and our full district leadership team. No decision was made in isolation and we relied heavily on voices from within our schools.

What will likely stand out most from this process is the potential for a reduction of a large number of our staff members, as well as an impact to our class sizes in order to keep our numbers within the tax cap compliant budget. For clarity of the repercussions of reductions, we have included our class size policy and provided a model of what next year's class sizes will be in schools throughout the district with the budget reductions. Lastly, we included our class size presentation from the February Teaching and Learning Committee meeting to ensure you clearly understand why this is such a critical factor for student success and what is at stake if these cuts to staff are realized. Please take the time to examine the attachments closely.

At the very core of our work is our students. As we shared last year, this process clearly demonstrates that funding reductions will have a negative impact on our district. We know reductions in staffing impacts class sizes, offerings and opportunities for our students. Given our current financial landscape, those negative impacts are becoming increasingly unavoidable, which threatens to stifle the progress we have been making in the last four years in student performance data.

DRAFT SCENARIOS to Reach the Tax Cap Reduction of \$15,898,087

<i>Considerations</i>	<i>Scenario One</i>	<i>Scenario Two</i>	<i>Scenario Three</i>	<i>Scenario Four</i>	<i>Scenario Five</i>
Open the Retirement Window	TBD	TBD	TBD	TBD	TBD
Explore Health Care Cost Options	TBD	TBD	TBD	TBD	TBD
Supplies	\$80,754	\$110,632	\$134,874	\$77,374	\$110,874
Transportation - Modify Bell Schedule	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000
Transportation - Walk Out	NA	\$1,417,500	NA	\$1,417,500	NA
Transportation - Walk Out (2 mile) +HS Pay	\$2,794,500	NA	NA	NA	NA
*Increase Class Sizes	\$5,092,000 - (67)	\$4,104,000 - (54)	\$2,356,000 - (31)	\$2,736,000 - (36)	\$1,520,000 - (20)
*Reduction in Force - Schools	\$2,021,766 - (24)	\$1,800,000 - (19)	\$1,140,000 - (15)	\$1,800,000 - (19)	NA
*Reduction In Force - District	\$267,213 - (2.5)	\$267,213 - (2.5)	\$267,213 - (2.5)	\$267,213 - (2.5)	\$267,213 - (2.5)
Reduction of 1/3 of Our Vacancies	\$1,100,000 - (19.5)	\$1,100,000 - (19.5)	\$1,100,000 - (19.5)	\$1,100,000 - (19.5)	\$1,100,000 - (19.5)
Athletics	\$2,441,854	\$598,742 (all but HS)	NA	NA	NA
Teaching and Learning Trust	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
Bonding Phase One	NA	\$4,400,000	\$8,800,000	\$4,400,000	\$8,800,000
City Revenue Soft Override	NA	NA	NA	\$2,000,000	\$2,000,000
*Total	\$15,898,087 - (113)	\$15,898,087 - (95)	\$15,898,087 - (68)	\$15,898,087 - (77)	\$15,898,087 - (42)

*Reduction - (staff reduction count)