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Clarification on Budget discussions at School Committee Meeting

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I wanted to follow up after your recent meeting and offer some clarification regarding the Warrant Committee's ongoing work on the FY2027 operating budget.

First, I want to acknowledge the difficulty of the position the School Department is in. Reconciling a 5.0% level-service budget with the 1.26% growth allowed under Proposition 2½ is extraordinarily challenging, and the potential impact on staffing and programming is understandably distressing. We recognize the seriousness of the decisions you are being asked to make, and we do not take that lightly.

At the same time, I want to address several comments made during the meeting that suggested the Warrant Committee has already reached conclusions about an override or about the appropriate level of School Department growth. That is not the case. The Committee has not taken any votes, and no decisions have been made.

As part of our standard process, the Warrant Committee has been reviewing a range of hypothetical growth scenarios across all departments — including 2.5%, 3.0%, and 3.5% — to understand the potential impact on the average taxpayer and on the Town's long-term fiscal sustainability. These discussions are exploratory and analytical in nature. They are not determinations, and they are not judgments about the School Department's needs or priorities.

Our role is to evaluate the Town's overall financial position, understand the implications of various budget paths, and ensure that any recommendation we ultimately make is grounded in data, transparency, and long-term sustainability. To do that responsibly, we must model multiple scenarios before we can form any conclusions.

Regarding Free Cash and Reserves

There were also comments suggesting that Free Cash or other reserves could be used to close the gap between the School Department's level-service budget and the Proposition 2½ limit. I want to clarify the Town's financial policy on this point.

Medfield policy— consistent with best practices recommended by the Massachusetts Division of Local Services and the Government Finance Officers Association — does not use Free Cash to support recurring operating expenses. Free Cash is a one-time, non-recurring revenue source. Using it to fund ongoing operations would create structural deficits, undermine long-term stability, and ultimately require larger overrides in future years. This policy has been jointly approved by the Warrant Committee and the Select Board and is designed to protect the Town's financial health, bond rating, and long-term planning capacity.

Here is a link to the policy document, "Rationale for Using Free Cash for One-Time Expenditures," which explains this in more detail. I hope it is helpful context as we continue our discussions.

https://town.medfield.net/DocumentCenter/View/9369/Free-Cash-Usage-Memo_01132026

Next Steps

I also want to reiterate that the request for a 1.26% budget submission is not a statement about the value of the School Department or its work. It is simply the mathematical reality of the levy limit under Proposition 2½ . Every department is being asked to prepare a budget within that constraint so that the Town can fully understand what a non-override budget would look like. This is a necessary step in the process, not an endorsement of the cuts that would be required.

We appreciate that the School Committee is also preparing an override-level budget that reflects a more sustainable level of growth. Having both budgets — the Prop 2 ½ budget and the override budget — is essential for the Warrant Committee, and ultimately the voters to make an informed decision.

I hope this clarification is helpful. The Warrant Committee remains committed to a collaborative, respectful, and transparent process. We value the work of the School Department and the School Committee, and we look forward to continued dialogue as we work through these difficult but important decisions together.

Please feel free to reach out if further discussion would be helpful.

Best,

Steve