

**Business Office**

Derek Pinto
Assistant Superintendent of Finance
155 Merrimack Street
Lowell, Massachusetts 01852

dpinto@lowell.k12.ma.us
www.lowell.k12.ma.us
978-674-4325

TO: Liam Skinner, Superintendent of Schools

FROM: Derek Pinto, Assistant Superintendent of Finance

DATE: November 5, 2025

RE: FY26 Quarter 1 (FY26 Q1) Summary Report

The attached report provides a summary of FY26 Q1 (July 1- September 30, 2025) non-salary and salary expenditures across the district. This quarterly update is intended to provide an early look at spending patterns and resource utilization as compared to the Committee approved FY26 General Fund budget.

Overview

As of September 30, total **non-salary** expenditures and encumbrances represent 48.55% of the total FY26 budget of \$69.4 million, with \$11.4 million expended and \$22.2 million encumbered. These results are consistent with expected early-year spending patterns, as schools and departments complete annual procurements, contract renewals, and instructional supply orders.

Highlights

- **District Leadership**
 - *School Committee/Superintendent's Office*: 16% of the budget utilized, reflecting early administrative and operating costs.
 - *Finance & Operations*: 61% of the budget committed or expended, primarily due to encumbrances for districtwide service contracts and administrative software renewals (Aspen/X2, GoGuardian, Incident IQ, Raptor Technologies, Dark Trace, SchoolSpring, Frontline, Follett Destiny, Cynet, etc.).
- **Academics & Instruction**
 - *Instructional Materials & Equipment*: 65% representing initial instructional supplies and software renewals directly related to educating students.
 - *Instructional Technology*: 46% of the budget utilized mainly for districtwide software renewals (iReady, Seesaw, Brainpop and Edmentum licenses). The remaining amounts are directly related to individual school small software and hardware purchase requests.
- **Student Services**
 - *Transportation*: 91% of the transportation budget has been committed, primarily from encumbrances for districtwide service contracts. This includes both regular education and Special Education transportation.

Total **salary** expenditures represent 9.49% of the total FY26 budget of \$203.9 million, with \$19.3 million expended. This percentage is consistent with anticipated early-year spending patterns, as instructional staff—who comprise the majority of the budget—received their first fiscal year pay on September 4, 2025.

Highlights

- **Teachers, Paraprofessionals, Substitutes and Tutors**
 - The small percentage expended in each category is in line with early spending patterns based on a 26-pay calendar year, as their first pay was September 4, 2025.
- **School Leadership**
 - 13% of the \$13.2 million budget has been expended. This reflects varying start dates and initial pays due to contract language; for example, Principal contracts are full fiscal year, but LSAA members' first pay was August 21, 2025.
- **Administration**
 - This group, which includes Central Office and districtwide employees, has employees under various agreements. The majority are paid year-round, with their first full fiscal year check received on July 24, 2024, or, for LSAA members, on August 21, 2025.
- **Custodial**
 - 20.69% expended, an appropriate percentage for the first quarter, as custodians are paid year-round with their first full fiscal year check on July 24, 2025

Summary

Overall, FY26 Q1 expenditures are tracking as anticipated. The spending to date reflects front-loaded operational commitments typical of the first quarter and aligns with district priorities and budgetary controls.

The Finance Office will continue to monitor expenditures and provide detailed updates in subsequent quarterly reports. The time lag allows for invoice arrival, payroll adjustments, reconciliations and allows for more accurate reporting for the period:

- Q2 (October 1- December 31) presented in February
- Q3 (January 1-March 31) presented in May
- Q4 (April 1-June 30) presented in August

FY26 NON-SALARY EXPENSES	QUARTERLY REPORT				Q1 (9/30/2025)	
FY 26 Budget Account	FY26 Budget	Expended	Encumbered	Expended + Encumbered	Account Balance	% Used
DISTRICT LEADERSHIP						
School Committee/Supt Office	\$ 275,500	\$ 31,003	\$ 13,278	\$ 44,281	\$ 231,219	16.07%
Finance & Operations	\$ 5,071,449	\$ 1,403,691	\$ 1,713,776	\$ 3,117,467	\$ 1,953,981	61.47%
ACADEMICS & INSTRUCTION						
Academic Leadership	\$ 1,156,232	\$ 130,101	\$ 26,036	\$ 156,137	\$ 1,000,095	13.50%
Professional Development	\$ 876,065	\$ 90,642	\$ 5,059	\$ 95,701	\$ 780,364	10.92%
Instructional Materials & Equipment	\$ 3,633,836	\$ 255,372	\$ 2,110,568	\$ 2,365,940	\$ 1,267,896	65.11%
General Supplies	\$ 247,550	\$ 12,206	\$ 15,224	\$ 27,429	\$ 220,121	11.08%
Instructional Technology	\$ 1,260,570	\$ 573,878	\$ 10,973	\$ 584,851	\$ 675,719	46.40%
STUDENT SERVICES						
Special Education	\$ 519,370	\$ 137,723	\$ 146,580	\$ 284,302	\$ 235,068	54.74%
Regular Ed Transportation	\$ 6,564,932	\$ 18,180	\$ 6,087,178	\$ 6,105,358	\$ 459,574	93.00%
Special Ed Transportation	\$ 8,595,609	\$ 557,441	\$ 7,170,631	\$ 7,728,072	\$ 867,537	89.91%
Athletics	\$ 491,575	\$ 101,477	\$ 133,919	\$ 235,396	\$ 256,179	47.89%
Student Activities	\$ 474,268	\$ 3,122	\$ 46,764	\$ 49,886	\$ 424,382	10.52%
OPERATIONS AND MAINTENANCE						
Supplies and Services	\$ 1,090,795	\$ 144,417	\$ 316,369	\$ 460,786	\$ 630,009	42.24%
Utilities	\$ 425,000	\$ 81,800	\$ -	\$ 81,800	\$ 343,200	19.25%
FIXED CHARGES						
Employee Health Insurance	\$ 28,224,676	\$ 7,112,742	\$ -	\$ 7,112,742	\$ 21,111,934	25.20%
Student Accident Insurance	\$ 30,000	\$ 188	\$ 29,065	\$ 29,253	\$ 747	97.51%
EQUIPMENT & CAPITAL	\$ 500,000	\$ 19,035	\$ 98,043	\$ 117,079	\$ 382,921	23.42%
OUT OF DISTRICT TUITION	\$ 10,039,807	\$ 760,211	\$ 4,375,066	\$ 5,135,278	\$ 4,904,529	51.15%
TOTAL NON-SALARY EXPENSES	\$ 69,477,232	\$11,433,229	\$22,298,530	\$33,731,759	\$ 35,745,473	48.55%
FY26 SALARY EXPENSES						
FY 26 Budget Account	FY26 Budget	Expended	Encumbered	Expended + Encumbered	Account Balance	% Used
TEACHERS	\$ 116,995,477	\$ 9,220,964	\$ -	\$ 9,220,964	\$ 107,774,513	7.88%
PARAPROFESSIONALS	\$ 21,992,913	\$ 1,607,052	\$ -	\$ 1,607,052	\$ 20,385,862	7.31%
SCHOOL LEADERSHIP	\$ 13,207,925	\$ 1,786,488	\$ -	\$ 1,786,488	\$ 11,421,438	13.53%
SCHOOL ADMINISTRATIVE ASST	\$ 2,558,530	\$ 534,780	\$ -	\$ 534,780	\$ 2,023,750	20.90%
ADMINISTRATION	\$ 9,523,622	\$ 1,570,219	\$ -	\$ 1,570,219	\$ 7,953,403	16.49%
STUDENT SERVICES	\$ 26,120,148	\$ 2,754,612	\$ -	\$ 2,754,612	\$ 23,365,536	10.55%
SUBSTITUTES	\$ 3,900,000	\$ 156,837	\$ -	\$ 156,837	\$ 3,743,163	4.02%
TUTORS	\$ 1,401,728	\$ 67,750	\$ -	\$ 67,750	\$ 1,333,978	4.83%
PARENT/FAMILY LIAISONS	\$ 966,922	\$ 140,302	\$ -	\$ 140,302	\$ 826,619	14.51%
CUSTODIAL	\$ 7,294,842	\$ 1,508,940	\$ -	\$ 1,508,940	\$ 5,785,902	20.69%
TOTAL PAYROLL EXPENSES	\$203,962,109	\$19,347,945	\$ -	\$19,347,945	\$ 184,614,165	9.49%
FY 26 BUDGET BALANCES	\$273,439,341	\$30,781,173	\$22,298,530	\$53,079,703	\$ 220,359,638	19.41%