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For Immediate Release - April 3, 2026

Mayor Sciarra Announces FY27 Budget with 6.79% Increase to Fully Fund Northampton Public Schools' Level Services

NORTHAMPTON - Today, Northampton Mayor Gina-Louise Sciarra announced a 6.79% increase to the Northampton Public Schools (NPS) FY27 budget. This increase fully funds the \$46,599,217 level services budget, representing a \$2,963,363 increase over the NPS FY26 base budget. It is also \$563,391 more than the 5.5% increase included in the Mayor's initial budget projections released in January.

The Mayor will complete and submit the City of Northampton's proposed FY2027 budget to the City Council on May 15, 2026. The announcement of the NPS appropriation is being made ahead of the full budget release to best inform the Superintendent as she finalizes her proposal, and in advance of the April 9 Northampton School Committee recommendation vote.

Mayor Sciarra shared, "Our schools are at the heart of this community, and reaching a level services budget was a top priority. At the same time, we have to be transparent about what can be sustained over time with the recurring revenue sources we have. This budget reflects strong support for our students and educators, along with a clear-eyed understanding of the financial pressures facing our community and others across the Commonwealth."

The FY27 real estate and personal property tax levy increase (2.5%) and estimated new growth of \$875,000 are projected to generate \$2,893,432 in new revenue. This is essentially the maximum amount of additional property tax revenue the city can generate for the upcoming fiscal year. But this does not fully cover the level services school budget increase and leaves no new property tax revenue available to support increases in other city services. Additionally, while the city's health insurance increase is projected at 6.7%, a figure lower than many neighboring communities, it still represents a \$1 million increase. Retirement costs are rising by \$357,393 (4.45%), and net state aid has decreased by \$333,547, all of which place additional pressure on the city's budget during a time of economic uncertainty.

The Mayor made a series of financial adjustments to close the gap between her initial budget projection for NPS and the Superintendent's subsequent level services budget proposal. In addition to increasing the local revenue projections, over the course of March, she and the Finance Director met with each department head to review operations and associated budgets, assessing needs and identifying opportunities to reduce spending where possible. This extensive and critical assessment process

resulted in relatively level-funded expense budgets for non-school departments with increases mostly to support contractual obligations. In total, \$615,665 from these departments was reduced from the preliminary budget submissions based on the outcome of this annual collaborative effort with department leadership.

“I’m grateful to our department heads for the thought and care they brought to this process,” said Mayor Sciarra. “They worked through their budgets line by line and made difficult choices to reduce spending where they could, all in support of a responsible city budget.”

To maintain essential services within the confines of Proposition 2 ½, Northampton’s Fiscal Stability Plan includes a Fiscal Stability Stabilization Fund, from which one-time fund transfers can be made to support increases in operating expenses between periodic property tax overrides. Over the past three fiscal years, the city has used \$5 million in Fiscal Stability Stabilization Fund reserves to support NPS and city services to close the gap between revenues and expenses. For FY27, it is estimated that at least \$2 million in reserves will be required. These fund transfers have allowed the city to increase the annual appropriation to Northampton Public Schools by 40% since FY23, including the planned increase for FY27.

The city can only sustain these funding levels in future years if voters agree to continue the Fiscal Stability Plan, including support for the next override. It is expected that an override referendum will be needed to fund the FY28 budget in order to avoid significant cuts to city and school services.

Recognizing the difficulty of such a step, particularly in the current economic climate, the Mayor is convening a committee to take a comprehensive look at the city’s finances and structural deficit. The committee will work to align community priorities with the city’s financial capacity and develop a long-term plan for sustainability through detailed budget analysis, financial forecasting, and public engagement. The makeup of the committee will include public and elected officials and community members.

For more information, contact the Mayor’s Office at 413-587-1249 or mayor@northamptonma.gov.