
**FINANCE & OPERATIONS COMMITTEE MEETING
MONDAY, APRIL 20, 2026
NHS NORTH BOARD ROOM**

A meeting of the Finance and Operations Committee was held at NHS North on Monday, April 20, 2026. Ms. Lamphier called the meeting to order at 6:01 pm.

Present: Ms. Lamphier, Ms. Lewis, Mr. Salvi

Also Present: Dr. Andrade, Ms. De Gray

Also Present: Members of the Public, Channel 22 Videographer

Ms. De Gray relayed that the LED Lighting/Energy Projects listed on the agenda will be deferred to the May meeting. Mr. Smith is waiting for additional information from the vendor.

Quarterly Credit Card Report

Ms. De Gray reviewed the report. The city implemented a new credit card system and a couple more departments have cards now. \$22,000 charge in March was for students to travel to the DECA conference which will be reimbursed from the student activity account. Dr. Andrade explained what DECA is. Ms. De Gray shared that the district encourages staff to do a purchase order or use the district credit card as opposed to using their personal cards and then requesting reimbursement. The card balance is paid in full each month.

March 2026 Special Revenue Balances

Ms. De Gray clarified that money in special revenue accounts must be used solely for the account's designated purpose and cannot be redirected to the operating budget for other expenses.

The food service fund is a self-sustaining account that covers all costs for the school year food service program, including wages, benefits, and food expenses, using revenue primarily from reimbursed meals. State regulations limit how much money can remain in the fund balance, which led to recent required spending on higher wages and equipment.

As of March 31, 2026, the account shows a negative balance, though a large portion of expected March revenue has not yet been received. Even with that revenue, the fund may still end up in deficit by year-end, which would require support from the operating budget. Rising food costs and increased wages and benefits are the main drivers of higher expenses and the situation is being monitored.

Discussion ensued with Ms. De Gray and Dr. Andrade answering several questions before moving on to the driver ed which is also self-sustaining.

Students are charged \$650 for the course and there are usually five sessions with a maximum of 24 students. Expenses include instructor fees at around \$40 an hour and potentially the purchase of a new vehicle. Overall, the fund must carefully balance enrollment and costs to remain financially stable without relying on the operating budget.

The summer school fund is a special revenue account used specifically for secondary (high school) summer school programs, such as credit recovery courses, which cost about \$200 per class. Students

typically pay out of pocket unless they qualify for free or reduced lunch, in which case fees may be lowered or waived. Like all special revenue accounts, these funds can only be used for summer school expenses—mainly hourly wages for staff—and cannot be redirected elsewhere.

The adult and continuing education fund is also self-sustaining and supports programs like diploma completion and enrichment classes. Diploma courses cost about \$150 for in-district students and \$200 for out-of-district students, with reduced rates for those who qualify. Other offerings, such as yoga and pottery, generate additional revenue, with some classes in high demand. All income in this fund must be used solely for adult education programming.

The athletics fund supports school sports programs through two main sources, gate receipts and athletic fees charged to students. These fees vary by sport, with discounts available for students on free or reduced lunch.

Expenses from this fund include uniforms and equipment, and at the end of each year, a portion of the revenue is transferred into the operating budget to help offset overall athletics costs.

The school facility rentals fund generates revenue by allowing outside groups to rent school spaces for events like dance or cheer competitions. It brings in about \$150,000 annually. Some of this revenue is used to pay custodial staff for additional hours needed during these events, along with administrative costs. Like the athletics fund, it also makes a year-end transfer to support the operating budget.

The after-school program fund was established for 21st Century and supports programs at seven Title I schools using a federal grant plus tuition fees, since the grant doesn't cover all costs. About 350 students participate, and funds mainly pay for staff and program support.

The school store accounts generate small amounts of revenue from items like snacks and merchandise, but most activity currently runs through student activity accounts. The district is reviewing how these funds should be managed.

The culinary arts fund is a special revenue account dedicated solely to supporting the CTE culinary program. It is funded through cafeteria sales and catering events, and can only be used for program-related expenses like supplies and travel for educational experiences.

Students also participate in real-world learning opportunities, such as visiting restaurants to observe industry operations. The program is highly regarded, with staff and board members noting the quality of the food and instruction, and occasional student-run events like tastings or cook-offs.

The daycare fund supports a childcare program housed at the high school staffed by one full-time employee and funded through tuition and fees. Families currently pay \$250 per month plus a \$75 registration fee, with plans under consideration to increase rates to \$275 per month and a \$100 registration fee for new families, while possibly grandfathering in existing ones.

The program, named Purple Panthers, is housed at NHS South and operates a morning and an afternoon session for up to 15 students and provides a relatively low-cost childcare option compared to typical state averages. It also connects with the district's early childhood CTE program, allowing high school students to gain hands-on experience working with young children.

The special education special revenue account supports programs and services that can only be used for special education costs, including district programs like Brentwood, Signs of Learning, preschool, and certain contracted services. It is funded mainly through tuition and reimbursements, including about \$285

per day for Brentwood students, other program tuition, and billing for services provided to students placed by DCYF, such as OT, PT, speech, and other supports.

The account has a significant fund balance due to rising tuition revenue in recent years. While historically it has helped offset out-of-district tuition and contracted services after the operating budget is exhausted, the district now uses both funding sources more jointly. They anticipate needing to draw about \$1.6 million from the fund balance next year to cover increasing costs, compared to just over \$1 million planned for the current year.

Any spending beyond the approved budget requires a supplemental appropriation, which must be approved by both the Board of Education and the Board of Aldermen.

The discussion continues on the special education special revenue account, highlighting that the district is increasingly relying on this fund to cover rising costs for contracted services and out-of-district tuition as federal relief funds, such as ESSER, have ended.

Because student needs and service costs have grown, the district now expects to draw significantly from the fund balance to help cover expenses. Historically, this reserve was not heavily used, but that has changed in recent years.

Special education transportation costs were explained. The district bills or shares costs with other districts when appropriate, including for transported students and reimbursement-eligible services. These costs apply broadly to special education, not just specific programs like McKinney-Vento.

Budget table: the approved budget shows planned revenue and spending, while year-to-date figures show actual amounts received and spent so far, with encumbrances included to reflect committed costs.

Federal special education funding comes through separate grants (like IDEA and Title programs) and is not part of the special revenue account discussed. Some of these grants are decreasing slightly (about 6% for Title I), and others are expected to be flat or slightly lower, but final allocations are still being received.

Despite these decreases and rising special education needs, the district is still balancing the budget. This is done primarily by adjusting staffing levels rather than salaries, since contracts are fixed, meaning reductions typically come through eliminating positions.

To address growing long-term costs, the district is focusing on early intervention and preschool programs to reduce future special education needs. They are also working with local colleges and training programs to expand the pipeline of special education teachers and paraprofessionals, including partnerships that place student teachers and paraeducators in schools.

The district also discussed strengthening community engagement to better support student needs, including mapping local resources and working with partners like the Greater Nashua United Way in schools such as Fairgrounds Elementary and Middle School. They plan to expand this effort over time.

Board members requested more clarity on how federal and state grants work, and the administration agreed to provide a more detailed overview in a future workshop, including how funds are allocated and used across programs.

The CTE tuition fund supports career and technical education programs, with revenue coming from students attending Nashua programs and costs for sending students to outside programs like Alvirne.

Enrollment is increasing in out-of-district CTE placements, which is driving higher tuition costs. The fund is also used for program needs like equipment and renovations. While most costs are currently within budget, continued growth in out-of-district enrollment may require a supplemental appropriation if expenses exceed projections, which would need Board of Education and Board of Aldermen approval.

The district is closely monitoring key budget areas, especially special education services, out-of-district tuition, staffing, and transportation, and will provide updated forecasts later in the year. Budget transfers are also routinely reviewed and approved, mostly reflecting end-of-year school purchases and maintenance needs.

The discussion centers on how school budgets and transfers work and why it can be difficult to see clear “efficiencies” at the building level. School principals manage relatively small discretionary budgets (for example, around \$34,000 at one elementary school), which are used for basic operational needs like supplies and replacing damaged furniture. Most major costs, especially salaries, benefits, and special education services, are outside their control.

Administrators explain that this structure limits how much individual schools can adjust spending, since the majority of expenses are fixed or centrally managed. This makes it harder to demonstrate savings at the school level even when budgets are reduced or held flat.

There is also concern from board members about rising budgets despite declining student enrollment, and a request for clearer examples of cost savings or efficiencies to share with the public. Administration acknowledges this challenge and agrees it is an ongoing discussion.

Explanation was given on how to read account codes and transfers. The codes represent different layers of accounting (district, building, and program-level accounts), and missing descriptions in some entries do not necessarily indicate missing or incorrect data.

The discussion clarifies confusion about how budget transfer reports and account codes should be read. Some entries show blank activity descriptions, which makes it difficult for board members to understand what the expenses are for. Administration explains that these codes correspond to specific categories (like conferences, educational expenses, or supplies), but the descriptions are not always filled in clearly. Transfers often move small amounts of money between line items within a school’s discretionary budget—for example, combining funds from different accounts to purchase items like a laminator.

Board members request a “cheat sheet” or clearer explanation of account codes so they can better understand what each expense category represents.

FY26 March Financial Reports

Ms. De Gray reviewed the monthly expenses, noting no significant changes from prior months. She highlighted four key areas being closely monitored: contract services related to special education, out-of-district tuition, staffing services, and transportation. She indicated these categories will be critical in determining the year-end financial outlook and whether costs may exceed projections. Beginning in May, she plans to provide a monthly forecast and will present a detailed projection of the expected fiscal year-end position.

FY26 March Transfer Reports

Clarification was provided on how budget transfer reports and account codes should be read. Some entries show blank activity descriptions, which makes it difficult for board members to understand what the expenses are for. Administration explains that these codes correspond to specific categories (like conferences, educational expenses, or supplies), but the descriptions are not always filled in clearly.

They also clarify that transfers often move small amounts of money between line items within a school's discretionary budget—for example, combining funds from different accounts to purchase items like a laminator.

Board members request a “cheat sheet” or clearer explanation of account codes so they can better understand what each expense category represents. Administration agrees to provide clearer descriptions going forward.

Ms. Lamphier moved, seconded by Ms. Lewis, to approve the FY26 March Transfer Reports. Motion passes 3-0.

Ms. Lamphier moved, seconded by Ms. Lewis, to adjourn at 7:24 pm. Motion passes 3-0.

Submitted by Gail Porter