MILTON PUBLIC SCHOOLS

MPS Budget Update

Milton Public Schools | 25 Gile Road | Milton, MA 02186

Milton's Options for FY26

We seem to all agree that we do need an operational override. If this is the case, the question, then, is: what override number is our best path forward as a town?

Options:

1. Override that provides funding for level service + needs
2. Override that provides funding for level service
3. Override that provides partial funding

Goals:

1. Provide residents with return on their investment
2. Protect our town's services and staff to preserve quality of life
3. Avoid another operational override for the next five years

FY25 Budget Update

Projecting a deficit at the end of this year if nothing changes

This number is based on: known costs (salary and expense), projected expense for salaries (estimate - not systemic), known encumbrances (Open POs), known costs not encumbered.

Areas of concern: Special Ed transportation, utilities, substitute teacher budget

FY25 Projected Deficit - Action Steps & Plan

Operational - current work in progress:

- Verify outstanding salary expenses - previously done manually, will work to refine on a continuous basis

Work in progress to address the projected deficit:

- Purchase Order freeze
- Hiring freeze (team chair, human resources, assistant student services, family liaison)
- Allocate a portion of custodial salaries to be paid from food service account, for custodial services related to cafeterias ($75,000)
- Reduced consolidated facilities purchase orders ($78,000)
- Utilize offsets: Community Schools, Medicaid, Building Use ($550,000)

FY25 Projected Deficit - Action Steps & Plan Continued

- Substitute coverage: utilize current staff more efficiently
- Circuit Breaker supplemental funding for transportation reimbursement (Governor's supplemental budget FY'25 - need to verify timing)
- Rescind FY26 capital request for end user devices and rooftop units and appropriate to FY25 ($466,000)

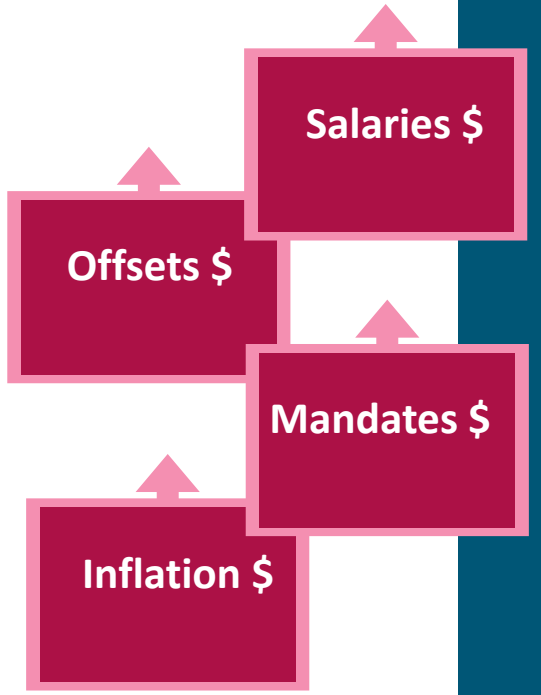
Revised projected deficit: $650,000 (after instituting initiatives above)

School Dept: Operating Budget Drivers

The school department has hundreds of budget accounts, which are grouped by salary and general expense. Each account is reviewed annually; however, what drives the budget increase, year over year, is consistent:

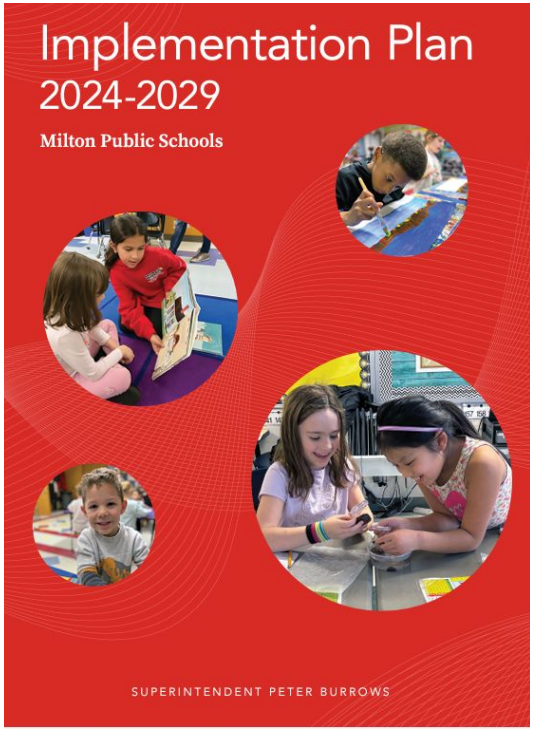
- ➔ Salary Increases due to collective bargaining agreements
- ➔ Fluctuations in revenue offsets
- ➔ Mandated expenses, which include transportation, out of district tuition
- ➔ Inflation adjustments and increases to current annual subscriptions/services

In addition to keeping up with level service, we must be able to address new needs as they arise in order to maintain our high quality of education delivered by Milton Public schools.



Option #1: Level Service + Needs

- Originally Included ~$1.4 million in funding for additional needs for FY26
  - ELA Curriculum
  - Funding for enhanced teacher professional development
  - Student supports
  - Additional teaching positions
  - HR Director



Needs Based Budget for Year One FY26

Year Requested	Position	FTE	Amount
Year One	Human Resources Director	1	130,000
Year One	Assistant Director of Student Services: EL, Guidance, Nursing	1	130,000
Year One	English Learner (EL) Staff	0.4	30,000
Year One	Elementary Teacher	1	75,000
Year One	Elementary Team Chair	0.4	30,000
Year One	MHS Teachers	3.2	240,000
Year One	Custodian	1	62,000
Year One	IDAPEL		20,000
Year One	ELA Curriculum Materials		250,000
Year One	Boost		10,000
Year One	Alphabetik for 2 grades		10,000
Year One	Everyday Speech		15,000
Year One	2 additional yellow buses		180,000
Year One	Books/Curriculum Materials currently funded by outside organizations (Unity Project, etc)		10,000
Year One	Increased funding for summer work/curriculum development		50,000
Year One	Increased funding for teacher/staff collaborative time		50,000
Year One	Increased stipends for extra-curricular activities District Wide		75,000
	Total	**8**	**1,367,000**

Long Term Budget Planning
Year 2 and Beyond

There are additional staffing needs that will require funding in the future.

Based on the funding levels received for FY'26, this list could potentially expand into future budget cycles.

Year Requested	Position	FTE	Amount
Year Two	Teaching and Learning Coaches	4	300,000
Year Two	Director of Communications	0.5	37,500
Year Two	Administrative Assistants	3	180,000
Year Two	School Psychologist/Adjustment Counselor	1	75,000
Year Two	Pierce MS Instructional Assistants	2	80,000
Year Two	Pierce MS Exploratory Teachers	2	150,000
	Year Two Total	**12.5**	**822,500**

What are the Impacts of a Needs Budget for FY26?

- Address current challenges/pain points within the community
- Expand needed services for students
- Additional positions to support services and staff

- Greater cost and increased override amount needed to fund

Option #2 Level Service Budget

The proposed FY'26 Level Service* Budget for MPS at $6.4m is a 9.44% increase over FY'25.

The increase reflects the following:

- Step increases and cost of living adjustments for all employees
- Adjustment to substitute employee budget to reflect updated rates and historical usage
- Out of district special education tuition rate increases and transportation costs
- Inflationary and contractual increases to many goods and services, including curriculum subscriptions, yellow bus transportation, instructional materials, contracted services
- A reduction in Circuit Breaker utilization from $2.8 million to $2 million

**The level service budget is the amount of money that we will need next year (FY'26) to provide the same level of service that we are providing this year (FY'25).*

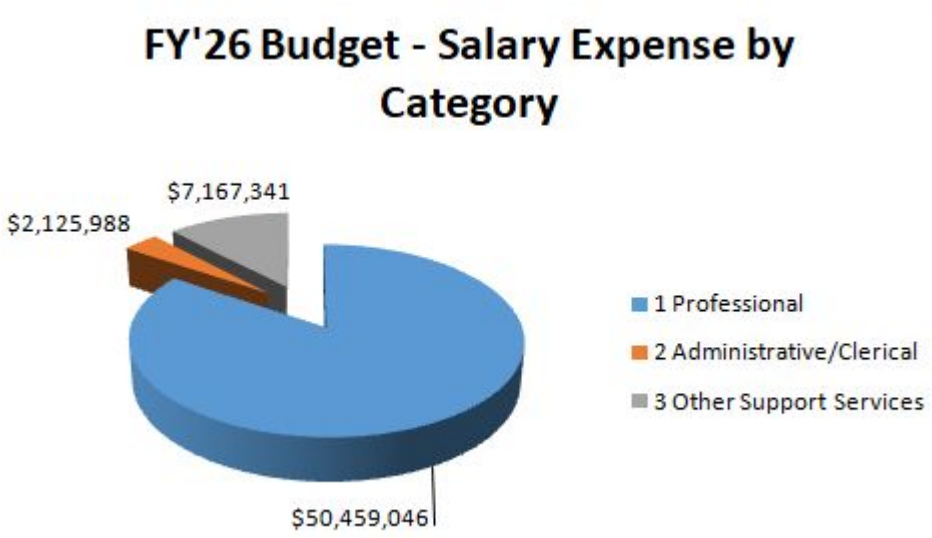
MPS Proposed FY26 Level Service Budget

Budget Action	Budget Impact ($)	Cumulative Total Budget	Cumulative % Increase
Starting Point: Final FY'25 Budget		**67,225,230**	
Salaries: Increase in Salaries, including steps, lanes, cost-of-living increases, and substitutes	3,770,624	70,995,854	5.61%
Revenue Offsets: Decrease in revenue offsets for EXPENSE accounts (i.e. budget *increase*)	700,000	71,695,854	6.65%
Revenue Offsets: Decrease in revenue offsets for SALARY accounts (i.e. budget *increase*)	124,014	71,819,868	6.83%
Special Education: Increase in Out-of-District Tuition	293,229	72,113,097	7.27%
Transportation: Increase in NON-SALARY accounts	925,798	73,038,895	8.65%
Facilities: Increase in NON-SALARY accounts (Utilities/Supplies)	370,811	73,409,706	9.20%
Facilities: Funding for extra-ordinary maintenance account	25,000	73,434,706	9.24%
Miscellaneous adjustments: changes to NON-SALARY accounts (e.g. District textbooks, office supplies, etc.)	139,208	73,573,914	9.44%

FY26 Level Service Budget Breakdown

Salaries

81% of the overall operating budget is made up of salary expenses. Salaries are categorized into three categories: Professional Salaries, Administrative Assistant/Clerical, and other Support Services.



FY26 Level Service Budget Breakdown

Salaries

The salary budget is reviewed annually and adjusted to reflect current staff at their Full Time Equivalent, or FTE

Salary expenses reflect the cost of annual, cost of living increases (as defined by collective bargaining agreements) and step increases, which are representative of experience or years of service.

Salary expenses also include the cost of stipends, substitute teachers, longevity, and other miscellaneous payments.

The salary budget does not include the cost of employee health insurance, or facilities/cafeteria/Milton Community School Staff.

FY26 Level Service Budget Breakdown

Salaries

The level service budget for FY’26 reflects current staffing levels for FY’25.

It reflects an adjustment to the substitute staffing budget, based on historical expenses and projected need.

It also reflects stipend and mentor payments at a level consistent with FY’25.

Salary Category	FY'26 FTE	FY'26 Net Budget	Budget Increase
1 Professional	445.10	50,459,046	3,406,491
2 Administrative/Clerical	21.20	2,125,988	130,581
3 Other Support Services	165.20	7,167,341	357,566
Grand Total	**631.50**	**59,752,374**	**3,894,638**

FY26 Level Service Budget Breakdown

Offsets

What is a budget offset?

- There are a significant number of outside revenue sources that are used to reduce, or "offset", the school operating budget.

- These consist of user fee revolving funds (school bus, athletics, preschool tuition), federal grants (SPED IDEA, Early Childhood), state reimbursement programs, and other sources.

- ***A decrease in budget offset (or reduction in revenue) has the same impact on the operating budget as an increase in expenditures.***

Revenue Offsets: Decrease in revenue offsets for EXPENSE accounts (i.e. budget *increase*)	700,000	71,695,854	6.65%
Revenue Offsets: Decrease in revenue offsets for SALARY accounts (i.e. budget *increase*)	124,014	71,819,868	6.83%

FY26 Level Service Budget Breakdown

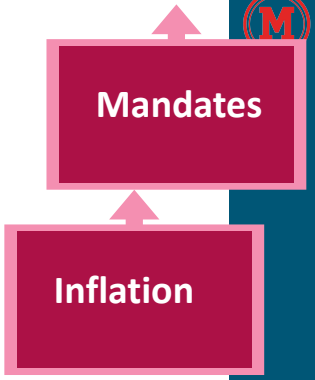
Offsets

Budget Offset	FY'25	FY'26	Incremental Change ($)	Offset to Account Type	Notes
Grant Allocations					
SPED Circuit Breaker Reimbursement	2,800,000	2,000,000	(800,000)	Expense	Special Education Out-of-District Tuition; Reduction in FY'26 utilization to re-establish reserve
SPED IDEA Grant 240	1,112,334	1,114,428	2,094	Salary	Special Education Staff; Restorative Justice Coach
ARPA Offset	140,000	-	(140,000)	Salary	Nursing and support staff
Medicaid	194,000	194,000	-	Multi	Pierce Salary Offset; Assistant Student Services Director
Revolving Fund Allocations					
Athletics	74,363	78,122	3,759	Multi	Athletics general expenses: uniforms, memberships, officials
Building Rental	72,234	173,367	101,133	Salary	Rental coordinator and utility offset
Community Schools	248,766	248,766	-	Multi	Utilities and Custodial Services; general administrative expenses
Extra-Curricular Fees	55,000	55,000	-	Salary	Clubs and Other Student Activity Stipends
Transportation	305,000	305,000	-	Expense	Yellow Bus Transportation
Pre-School Tuition	120,000	120,000	-	Salary	Pre-School Staff
TOTAL	**5,121,697**	**4,288,683**	**(833,014)**		

The FY'26 Level Service Budget accounts for a reduction of Circuit Breaker utilization.

This will allow us to re-establish a reserve balance, which was depleted in FY'24

FY26 Level Service Budget Breakdown



- There are a number of expenses incurred by the School Department that are a result of state or federal mandates.
- Those costs include, but are not limited to: transportation (in district and out of district), out of district tuition, educational assessments and screening tools, professional development for staff, building maintenance pay requirements (i.e. prevailing wage) and annual inspections.
- In addition to compliance requirements, school department expenses are subject to annual inflation adjustments.
- In recent fiscal years (FY'23 and FY'24) inflation reached roughly 7 and 8%.
- In each year, a cap on the annual inflation adjustment prevented school funding, or Chapter 70, from rising more than 4.5%
- Price levels have not dropped substantially after the high inflation period.
- Many of the goods and services that we purchase each year are subject to inflation updates, including: curriculum materials, instructional software, transportation agreements, out of district tuition

What are the impacts of a Level-Service Budget for FY26?

- Protect current positions and services = No cuts to existing staff or programming
- No expansion of programming to address needs (i.e. no funding for new ELA curriculum, maintain oversubscribed classes at MHS, etc.)
- Will not be sustainable for five years - costs escalating more than 2.5% in FY27 and beyond will mean we still struggle to keep up, while still not addressing identified, unfunded needs

Option #3: Less Than Level Service

- Possible impacts include
  - Impact on class size and learning
  - Reduction of social/emotional supports
  - Reduction of operations and administrative support
  - Elimination of non-mandatory services such as busses
  - Increased fees for optional programming

Decisions related to any service or staff cuts would be made with the goal of minimizing impacts to students and learning.

What Are the Impacts of a Less-Than-Level-Service Budget for FY26?

- Fewer cuts than a no override scenario, but still devastating cuts
- It will cost us more in taxes to get less services

Proposed Staffing Impact with No Override

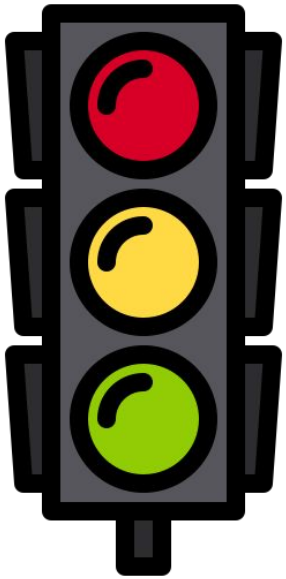
- **82.8** FTE cut across all buildings and departments totalling $5.4 million dollars.

- Decisions regarding proposed cuts made based upon preserving student facing positions

- Proposed Cuts include:
  - Central Office Leadership (1 FTE; & Reduction in contracted time),
  - Directors and Instructional Coordinators (upto 7 FTE),
  - Elementary and Secondary Specialists (upto 20 FTE),
  - Student Services (up to 8 FTE),
  - Human Resource Specialists (up to 6 FTE),
  - Classroom Teachers (up to 13 FTE) and
  - Educational Assistants (up to 30 FTE)

- Additional cuts include include student programming, extracurricular activities, transportation.

To Recap Our Options



Override that provides partial funding

Override that provides funding for level service

Override that provides funding for level service + needs

Please Remember Our Goals:

1. Provide residents with return on their investment (so override is more likely to be approved - not only $ amount, but value proposition)
2. Avoid another operational override for the next five years (only one option guarantees this: level service + needs)