



Executive Summary: Budget Outlook Fiscal Year 2024

March 14, 2023

Dear Parents, Caregivers, Community Members and School Committee,

Millis has a proud tradition of supporting its students and schools. This support has been instrumental in making the Millis Public Schools a recognized high performing district that seeks to provide quality instruction and learning experiences for all of our students. Through the support of our schools by the Millis community, we have been able to prepare students to be responsible citizens, to provide knowledge and skills necessary for higher education and quality careers, and to develop leaders for the next generation. The financial situation we are facing with the FY2024 budget presents great challenges as we seek to maintain the excellence in our schools.

Typically, the Millis Public School System has developed a budget with a target goal of a 4% increase from the prior year. This increase has generally allowed Millis Public Schools to maintain level-services from year to year. For FY2023, the Town of Millis contributed an additional \$361,000 to the schools in order to fund a level-services budget. For FY2024, a number of factors have resulted in a level-services budget far exceeding what a 4% increase could support.

Funds for the Millis Public Schools budget come from state aid and local town revenues. These funds are supplemented by federal and state grants that support important areas like Special Education, Early Childhood, English Language Learner, and other specialized programs and services. For FY2021 and FY2022 there was also grant funding to mitigate the significant impact that COVID-19 had on our ability to provide education to our students. This funding is no longer available, but in some cases the needs that it addressed still exist. There has been a significant rise in the number of students impacted by social-emotional challenges. Some students who had identified learning disabilities before the pandemic have experienced more profound needs as a result of the pandemic. The result has been a significant increase in mandated special education costs that must be covered in our operational budget. In some cases these expenses are in the form of new staff hired to meet the growing needs of students to keep them in-district, and in other cases the expenses are the result of students with significant needs

that cannot be addressed by programs within our schools. These students must be educated at out-of-district collaboratives and private special education schools. Millis and school districts from around the commonwealth were faced with an unexpected and unprecedented increase for FY2024 when the Operational Services Division (OSD) of the Commonwealth of Massachusetts announced a unilateral 14% increase in private special education school tuitions.. The average increase in private school tuitions over the previous decade had been slightly less than 2%. As of the writing of this budget message, there has been no indication that the state will help schools with this unfunded mandate. Other factors impacting the bottom line of the budget include new collective bargaining agreements that were negotiated for FY2024 with teachers, paraprofessionals, and custodians. Although these contracts added reasonable increases to the budget, when combined with climbing special education mandated costs and the current rise in inflation, the results are dramatic. Additionally a decrease in our Choice funds due to lower choice enrollment negatively impacts the FY2024 budget as expenses once covered by Choice now have to move into our operational budget. The table below demonstrates the **salary increases projected at 9.12% for FY2024.**

FY2023 Salaries	\$15,506,731	
New, mandated positions FY23	\$413,965	2.67%
New, mandated positions FY24	\$98,696	0.64%
Positions moved out of Choice	\$248,528	1.60%
Contractual Increases	\$565,873	3.65%
Lanes	\$55,804	0.36%
Supplemental	\$32,070	0.21%
Total Salary Increase	\$1,414,936	9.12%
FY2024 Salaries	\$16,921,667	

Chapter 70 aid from the state has not helped Millis address these concerns. In her March budget proposal Governor Healey has allocated \$4,959,352 in Chapter 70 Aid to Millis. This represents a 0.66% increase from FY2023. As a result, any additional increases needed to fund a level services budget would be the responsibility of the town.

Level Services Budget: \$20,964,080

A level services budget for the Millis Public Schools would include the salary expenditures noted above with a total cost of **\$16,921,667** in addition to expense expenditures totalling **\$4,042,413**. This amount represents a significant increase in expenditures over FY2023 of nearly 27%. The largest driver in this increase is the cost of tuitions at private special education schools. The table below provides projected FY2024 cost increases.

Expense Line	Increase from FY23	% Increase
Central Office/Districtwide	\$103,628	2.56%
Clyde Brown	\$123,782	3.06%
Millis Middle	\$53,008	1.31%
Millis High	\$115,526	2.85%
Technology	\$331,301	8.19%
Other Expenses	\$140,162	3.47%
Student Athletics/Activities	\$80,855	2.00%
Curriculum/Prof. Dev't	\$63,851	1.58%
Special Education	\$2,212,145	54.72%
Medical Services	\$6,964	0.17%
Transportation	\$173,693	4.3%
Maintenance	\$213,003	5.27%
Energy	\$326,581	8.08%
Utilities	\$97,912	2.42%
Total Expense Increase	\$4,042,413	

In FY2021 (the most recent data provided by DESE), Special Costs for the district accounted for about 20% of the overall budget. This year, these costs will account for almost 30% of the

school budget. Districts around the state have seen a similar dramatic increase in special education costs. Over the past several years we have developed programs to meet students' needs within the district in the most inclusionary settings, and are working to bring students back into the district, both because we believe that Millis' educational programs are very high quality, and that students benefit most from an inclusionary program with local peers. There are still students who have unique and profound needs that cannot be met in our programs. Millis Public Schools is committed to providing these students with the services and programs that they need and deserve.

The total cost of a level-services budget for FY2024 would be \$20,964,080, a 15.5% increase over the FY2023 base budget of \$18,154,955 (the FY2023 base does not include \$174,262 in Marijuana Impact Funds that helped fund several necessary positions and the one-time town contribution of \$361,000 to provide a level service budget).

Target 4% Increase Budget: \$18,881,153

Increasing last year's base budget of \$18,154,955 by 4% would result in an FY2024 budget of **\$18,881,153**. This budget would require drastic cuts that would severely inhibit our ability to offer the programs and services that are necessary in a high performing school district. **The difference between the level-services budget and the target 4% budget is \$2,082,927**. If the final approved school budget is \$18,881,153, then significant cuts would be necessary for the 2023-2024 school year. These cuts would seriously hinder the district's ability to provide safe, effective, high quality schools. Preliminary cuts are listed below.

2% Inflationary Increase (\$41,910)	Administrative Salaries (\$20,000)
Districtwide Expenses (\$7,505)	Salary Line Cuts (\$72,474)
Clyde Brown Expenses (\$12,697)	Ed Reform Line (\$75,000)
Middle School Expenses (\$14,725)	Attrition (\$101,805)
High School Expenses (\$14,726)	Staff Reductions (\$1,722,085) <i>Approx 27.75 staff positions</i>
Total Expense Cuts (\$91,563)	Total Salary Cuts (\$1,991,364)
	Total Reductions (\$2,082,927)

We appreciate the work that town boards and committees have undertaken to understand the factors resulting in the significant budget challenge for FY2024. We are hopeful that the Millis Public Schools FY2024 Budget will enable the district to continue forward as a recognized high performing district and to support our district core goals:

- Provide rigorous, challenging learning experiences that promote academic growth for all students
- Implement high quality curriculum using instructional strategies rooted in evidence-based best practices
- Support student physical and mental health and wellness
- Develop and sustain a culture of belonging and dignity for all students

We are proud of the quality of education provided to the students of Millis. We appreciate the commitment that the Town of Millis has made to support the youth of Millis and look forward to providing programs, services, and educational services that allow our students to reach their maximum potential.

Sincerely,

Robert Mullaney
Superintendent of Millis Public Schools