

# Hanover Public Schools

**Matthew Ferron**  
*Superintendent of Schools*

**Deborah St. Ives**  
*Assistant Superintendent  
for Curriculum & Instruction*



**Keith Guyette**  
*Director of Student Services*

**Thomas Raab, Ed.D.**  
*Assistant Superintendent  
for Business & Finance*

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## MEMORANDUM

To: Hanover School Committee  
From: Thomas R. Raab, Assistant Superintendent for Business and Finance  
Cc: Matthew A. Ferron, Superintendent of Schools  
Date: February 26, 2020  
Re: FY 2020 Quarter 2 Revolving Report

Please find attached the report of the Revolving Accounts as of December 31, 2019. All of the accounts are trending as expected at the mid point in the fiscal year. The negative balance in FACE is partially a result of expenses outpacing revenue at that moment in time. The December bills had been sent to families but the revenue hadn't been received. The School Store also had invoices due. To date, all of the accounts with the exception of FACE BEFORE AND AFTER are positive. As of 2/14/20, the School Store Balance is \$6,351.07, FACE ENRICHMENT \$24,989.39, Performing Arts \$13,811.31. The FACE BEFORE AND AFTER Account will have reduced its negative liability to (\$43,542.92) once outstanding bills are collected. Through much hard work and determination, the program reversed a \$70,186.95 deficit on December 31, 2019 and is now trending in a more positive direction.

### **FACE PROGRAM BEFORE AND AFTER SCHOOL PROGRAM UPDATE**

The FACE program offers cost effective and high quality before and after school care for hundreds of our students every year. Even though rates were raised nominally three years ago, the rate structure allowing for a sibling discount is becoming untenable given the current enrollment. Our current enrollment includes 49% single students and 51% siblings (2 or more students from one family). We try and accommodate families with a reduced rate for siblings. These rates are applicable across all three Before & After School Programs (Cedar, Center & HMS)  
The current rate structure is below:

#### Current Rate Structure

\$8/Hour - 1 Student  
\$10/Hour - 2 Students (\$5 per hour/per student)  
\$12/Hour - 3 Students (\$4 per hour/per student)

Many factors contribute to the Before and After School account deficit. These include:

- Growing number of sibling rate bills
- Rising program costs
- Mandated minimum wage increase (Three more increases - \$13.50 in 2021, \$14.25 in 2022 and \$15.00 in 2023).
- Low employee attrition rate (Greater % of staff at higher hourly pay rates).
- Increased Enrichment Program participation. Most notable Cedar School where Kindergarten students began participating in September 2019. Many of these students are also enrolled in their respective after school programs, resulting in lost hours for the B/A programs.
- Collection in arrears (Balance does not reflect a "real time" figure).
- Before/After revolving account bears the majority of leadership level salaries

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Our goal is to offer affordable, quality programs with high flexibility. An increase in hourly rates is necessary in FY 2021 to foster continued growth, keep pace with rising costs and support a revised hourly pay structure that reflects an equitable pay scale in alignment with the projected 2023 minimum wage. We are currently discussing two proposals. No decisions have been made and no action is required this evening. The information below is simply for informational purposes. Kelly Lawrence and I will schedule a future meeting with the School Committee and make a recommendation for one of these scenarios or a hybrid of the two.

## Proposed FY21 Rate Structures

### Scenario #1

\$8/Hour - 1 Student  
\$12/Hour - 2 Students (\$6 per hour/per student)  
\$15/Hour - 3 Students (\$5 per hour/per student)  
\$18/Hour - 4 Students (\$4.50 per hour/per student)

This scenario reflects no increase for the single student, instead distributing the increase across siblings. Previous rate increases in FY07, FY12 & FY18 included equal \$1 increases across all rates. Based on our current enrollment, this increase would result in an additional \$50,042.50 revenue.

### Scenario #2

\$9/Hour - 1 Student  
\$12/Hour - 2 Students (\$6 per hour/per student)  
\$15/Hour - 3 Students (\$5 per hour/per student)  
\$18/Hour - 4 Students (\$4.50 per hour/per student)

This scenario reflects an increase for all students. Based on our current enrollment, this increase would result in an additional \$97,402.50 in revenue. This scenario provides the most equitable distribution of the increase while still offering a considerable discount for families with more than one student. This is the most viable long term strategy to fund the minimum wage increase through FY24. The one variable I cannot predict is the makeup of our enrollment. If the percentage of single vs multiple student families changes drastically from the current near even split, this projected revenue figure will vary greatly in either direction. Given our current deficit, this is likely our best option.

Kelly and I will be reviewing all data available over the next several weeks and make a recommendation for FY 2021. Please do not hesitate to reach out to me if you have any questions.

**HANOVER PUBLIC SCHOOLS  
REVOLVING SUMMARY - FY2020 2ND QTR**

	<u>Beg Bal</u>	<u>Receipts</u>	<u>Payroll</u>	<u>Expenses</u>	<u>End Bal</u>
Lunch	22,410.27	448,150.99	258,510.19	166,944.11	45,106.96
Athletic	16,927.46	169,829.85	45,323.00	121,953.92	19,480.39
HS AP Exams	0.00	50,765.00	567.50	0.00	50,197.50
HS Robotics	0.00	0.00	0.00	0.00	0.00
MS Performance Troupe	108.70	1,845.00	300.00	953.75	699.95
Summer School	654.34	0.00	0.00	0.00	654.34
Cedar PreSchool	300.00	56,150.00	20,763.97	5,270.13	30,415.90
Cedar Full Day Kindergarten	73,533.10	247,826.50	164,349.78	16,716.06	140,293.76
Student Assistance Program	854.50	0.00	0.00	0.00	854.50
Lost Book Revolving	7,290.93	663.79	0.00	0.00	7,954.72
Cedar Library	241.59	3,425.40	0.00	3,425.40	241.59
Center Sylvester Library	7,296.16	5,856.91	0.00	2,547.62	10,605.45
MS Library	5,060.93	4,409.33	0.00	0.00	9,470.26
HS Library	19.29	0.00	0.00	19.29	0.00
Cedar Birthday Books	2,856.85	31.00	0.00	0.00	2,887.85
CN/SYL Birthday Books	4,382.87	342.00	0.00	0.00	4,724.87
HS Transportation Revolving	300.00	25,250.00	0.00	8,512.92	17,037.08
Sped Transportation	1,070.00	3,231.00	0.00	1,137.50	3,163.50
Sped Revolving	0.00	0.00	0.00	0.00	0.00
Energy Revolving	154.00	0.00	0.00	0.00	154.00
<b>FACE</b>					
FACE B/A	32,719.03	198,454.32	271,564.27	24,781.24	(65,172.16)
FACE Enrichment	31,676.72	207,315.94	173,490.19	69,390.97	(3,888.50)
FACE Performing Arts	2,887.00	21,617.04	8,067.38	8,498.68	7,937.98
School Store	4,080.08	74,589.98	10,518.53	77,215.80	(9,064.27)
<b>Total FACE</b>	<b>71,362.83</b>	<b>501,977.28</b>	<b>463,640.37</b>	<b>179,886.69</b>	<b>(70,186.95)</b>
<b>Total Revolving</b>	<b>214,823.82</b>	<b>1,519,754.05</b>	<b>953,454.81</b>	<b>507,367.39</b>	<b>273,755.67</b>
<b>Other Gifts &amp; Grants</b>					
Cedar Other Gifts	8,939.59	1,631.25	0.00	5,610.08	4,960.76
Center Other Gifts	3,437.78	802.99	360.00	2,961.94	918.83
MS Other Gifts	11,060.55	4,896.33	0.00	0.00	15,956.88
HS Other Gifts	6,482.13	4,550.00	0.00	4,932.99	6,099.14
Systemwide Other Gifts	10,405.68	15,293.87	0.00	22,725.17	2,974.38
SEPAC GIFTS	15.00	0.00	0.00	0.00	15.00
FACE Hanover Cultural Council	0.00	0.00	0.00	0.00	0.00
Hanover Cultural Council	200.00	0.00	0.00	0.00	200.00
Mass Cultural Council	0.00	0.00	0.00	0.00	0.00
Cedar PTA	1,400.00	0.00	0.00	0.00	1,400.00
Center PTA	1,035.75	0.00	0.00	0.00	1,035.75
MS PTA	917.62	0.00	0.00	0.00	917.62
STARS Residency Grant	431.00	0.00	0.00	431.00	0.00
<b>Total Other Grants &amp; Gifts</b>	<b>44,325.10</b>	<b>27,174.44</b>	<b>360.00</b>	<b>36,661.18</b>	<b>34,478.36</b>
<b>Total All</b>	<b>259,148.92</b>	<b>1,546,928.49</b>	<b>953,814.81</b>	<b>544,028.57</b>	<b>308,234.03</b>