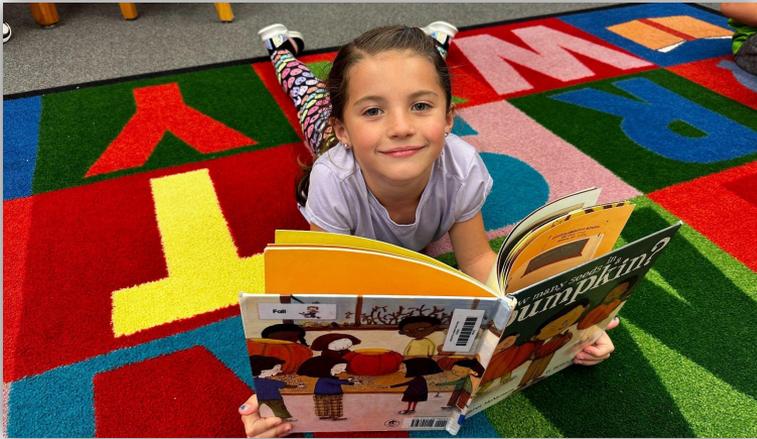


Hanover Public Schools FY25 Budget Hearing



Hanover Public Schools Budget Presentation Outline

- FY25 Budget planning documents and resources
- FY 25 Levy Budget vs. Override Budget
- Current Funding Gap and contributing Factors: historical deficit, budget growth rate and increasing needs
- Comparative Analysis: Hanover's funding and staffing compared to other communities and the state average
- Updated FY25-FY30 projections: Budget 3.0
- Updated strategy/staffing plan to support student needs
- What's at risk without adequate funding?
- Discussion and questions
- Appendix: In district school finance categories



Public Budget Planning and Communication for FY25 to Date:

Public Budget and Projection Presentations for FY25

- [Report of the Finance Department, January 17, 2024](#)
- [FY25 Budget Presentation, January 2, 2024 \(Town\)](#)
- [FY25 Community Budget Forum, December 13, 2023](#)
 - [Budget Forum Presentation, December 13, 2023](#)
 - [Budget Forum Recording, December 13, 2023](#)
- [FY25 Hanover Public Schools Budget Impact Analysis, December 6, 2023](#)
- [FY25 School Committee Budget Presentation, December 6, 2023](#)
- [FY25 Town Manager Initial Budget Update, December 4, 2023 \(Town\)](#)
- [FY25 Select Board Budget Presentation, December 4, 2023](#)
- [FY25 Advisory Committee Budget Presentation, November 29, 2023](#)
- [FY25 Advisory Committee Budget 2.0 Line Item, November 29, 2023](#)
- [FY25 School Committee Budget Presentation, November 15, 2023](#)
 - [FY24/FY25 School Committee Budget 2.0 Line Items, November 15, 2023](#)
- [FY25-FY30 Budget Forecast, November 15, 2023](#)
- [FY25 School Committee Budget Presentation, October 25, 2023](#)
- [FY25 School Committee Budget Preview Presentation, October 11, 2023](#)
- In addition, four presentations were done for HPS staff in November, 2023



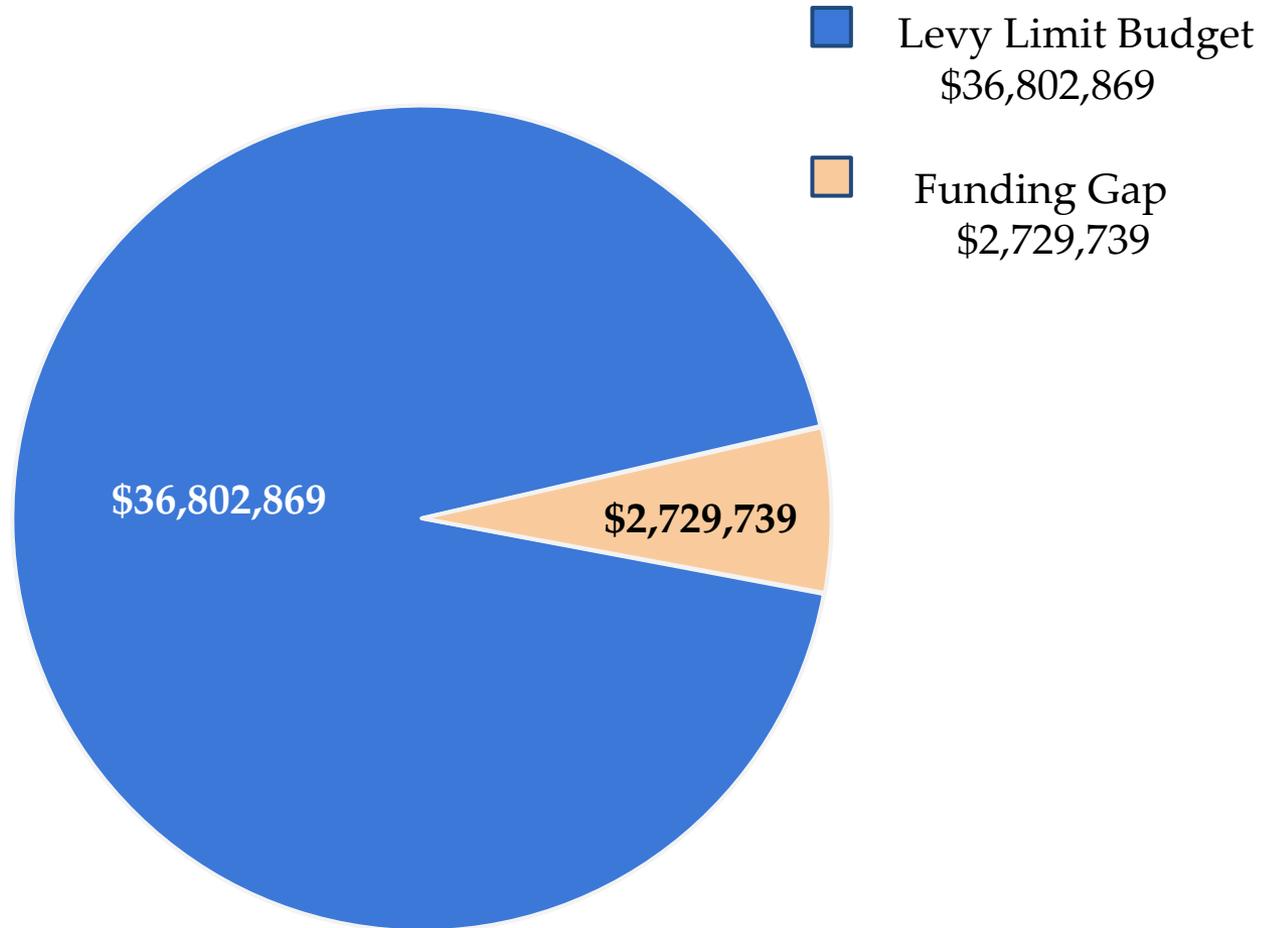
FY25 Levy Budget vs. Override Budget

Hanover is presenting both a base budget that funds HPS within the levy limit \$36,802,869 and an override budget of \$39,532,609. For a total budget increase from FY23 of \$4,501,310.

In order to receive funding for the Schools and other Town Departments via an override, the override must be passed by 2 resident votes:

- Town Meeting (May 6th)
- Town Election (May 18th)

In the past 15 years, many Towns have passed overrides to reset the tax base. Hanover has not had an override vote since 1998.



 +  = Total Override Budget: \$39,532,609

FY25 Override Budget Objectives

- “Resets” the HPS operating budget to a funding level that supports our current programming, staff, and services
- Ends/limits reliance on non-recurring funds (Spec. Ed. Reserve Fund, ARPA, free cash articles, etc.) for general operating costs
- In general, it supports our current staffing levels, class size and offerings, extracurricular/athletic programs, and academic resources
- Provides additional staff to support student needs and reduces reliance on contracted services, thus providing a pathway to reduction of escalating costs for contracted and out of district student services.



Why is an Override Necessary?

- Historical funding deficit
- Insufficient budget growth to maintain pace with increasing education costs
- Increasing student needs and associated costs



Historical Deficit

In 2013 an audit of school finances was conducted by an outside auditing firm - The Abrams Group. The audit concluded:

- “Of the 242 municipal reporting districts for the FY 2011 EOYR [end of year report], Hanover ranked 213th lowest spending on a per pupil basis. For FY 2012, only ten (10) municipal districts reported lower per pupil expenditures.”

Since that time, HPS has been funded within the constraints of the Town’s levy limit, however, HPS has not had the budget reset necessary to eliminate the funding deficit or to keep pace with the funding required to perform as a high quality school district and the student needs associated with pandemic recovery.



COMPARISON OF 5-YEAR GROWTH: NEIGHBORS

When comparing percentage of budget growth over a 5-year period, Hanover was in the bottom third when compared with the budget growth of other NEIGHBOR districts.

NEIGHBOR DISTRICT	FY17 TTPP-(OPMN+BENE)	FY21 TTPP-(OPMN+BEN E)	Difference	5 Year Growth Percentage (FY17 to FY21)
Rockland	\$10,389.25	13,530.72	\$3,141.47	30.2%
Weymouth	\$10,974.20	14,263.53	\$3,289.33	29.9%
Cohasset	11,898.14	15,258.76	\$3,360.62	28.2%
Hingham	\$11,128.54	14,263.53	\$3,134.99	28.2%
Marshfield	\$10,878.96	13,500.07	\$2,621.11	24.1%
Whitman-Hanson	\$9,748.05	11,838.85	\$2,090.80	21.4%
Duxbury	\$11,309.25	13,670.43	\$2,361.18	20.9%
STATE	\$12,060.79	\$14,351.76	\$2,290.97	18.9%
Pembroke	\$10,560.39	12,158.03	\$1,597.64	15.1%
Hanover	\$11,576.54	13,089.19	\$1,512.65	13%
Scituate	\$12,298.14	13,659.22	\$1,361.08	11%
Norwell	\$11,982.83	13,202.25	\$1,219.42	10.2%
Abington	\$11,326.43	\$12,296.98	\$970.55	8.5%

COMPARISON OF 5-YEAR GROWTH: DART

When comparing percentage of budget growth over a 5-year period, Hanover was in the bottom third when compared with the budget growth of other DART districts.

DART DISTRICT	2017 TTPP -(OPMN &BENE)	2021 TTPP-(OPMN+BENE)	Difference	5 Year Growth Percentage (FY17 to FY21)
NEWBURYPORT	\$11,664.69	\$15,018.59	\$3,353.90	28.7%
READING	\$10,409.81	\$12,898.52	\$2,488.71	23.9%
GROTON-DUNSTABLE	\$11,189.81	\$13,801.67	\$2,611.86	22.3%
NORTH READING	\$11,711.74	\$14,253.52	\$2,541.78	21.7%
MASCONOMET	\$13,833.86	\$16,825.89	\$2,992.03	21.6%
STATE	\$12,060.79	\$14,351.76	\$2,290.97	18.9%
PENTUCKET	\$11,615.21	\$13,598.00	\$1,982.79	17.1%
WESTWOOD	\$13,674.78	\$15,754.60	\$2,079.82	15.2%
WAYLAND	\$14,495.19	\$16,432.63	\$1,937.44	13.3%
HANOVER	\$11,576.54	\$13,089.19	\$1,512.65	13%
HAMILTON-WENHAM	\$14,180.25	\$15,985.12	\$1,804.87	12.7%
LONGMEADOW*	\$11,987.52	\$12,652.79	\$665.27	5.5%

*Longmeadow's figures are disproportionate outliers. After verifying the calculations, an email was sent to Longmeadow. Awaiting a response.

INCREASING STUDENT SERVICES NEEDS

Since COVID, HPS has seen increased student needs, along with skyrocketing associated costs.

Total Individualized Educational Programs (IEP)				
School Year	Grades PK-8	Grades 9-12	Total	Increase
2018-19	405	115	520	
2019-20	411	120	531	+11
2020-21	401	142	543	+12
2021-22	435	165	600	+57
2022-23	461	185	646	+46

School Year	Special Education Transportation Expenses
2018-19	\$589,490
2019-20	\$632,898
2020-21 (COVID)	\$466,237
2021-22	\$847,569
2022-23 (estimated)	\$1,320,000
2023-24 (projected)	\$1,452,000

Required special education support staff		Increase
Total FTE 2018-19	56	
Total FTE 2019-20	61	+5
Total FTE 2020-21	58	-3
Total FTE 2021-22	67	+9
Total FTE 2022-23	74	+7



Hanover's Special Education Expenditures Compared with State

As illustrated by this data, Hanover's Special Education spending is in line with the Statewide spending, however, there is a dramatic post COVID increase in student needs that has dramatically impacted the budget.

Massachusetts Department of Elementary and Secondary Education
Direct Special Education Expenditures, to FY22

Hanover

Fiscal Year	Total Special Education Expenditures (sum of C through J)	Special Education Percentage of Total Expenditures (K as % of L)	Statewide Special Education Percentage of Total Expenditures
2010	5,744,835	20%	20%
2011	6,154,692	20%	20%
2012	5,878,313	19%	21%
2013	6,305,368	20%	21%
2014	6,864,593	21%	21%
2015	7,168,649	21%	21%
2016	7,349,435	20%	22%
2017	7,936,765	21%	22%
2018	8,155,647	21%	22%
2019	8,393,876	21%	22%
2020	8,529,706	21%	23%
2021	8,429,566	21%	22%
2022	10,274,667	23%	22%



Hanover Spending Comparison Data

HPS has lower spending per pupil than our neighboring districts, DART districts, and is below the state average.

*Per-Pupil Expense is calculated by dividing budget line spending by # of FTE students.



FY22 COMPARABLE DISTRICTS

OUR DART DISTRICTS*

- Groton-Dunstable
- Hamilton-Wenham
- Longmeadow
- Newburyport
- North Reading
- Masconomet
- Pentucket
- Reading
- Wayland
- Westwood

OUR NEIGHBOR DISTRICTS

- Abington
- Cohasset
- Duxbury
- Hingham
- Norwell
- Pembroke
- Rockland
- Scituate
- Weymouth
- Whitman-Hanson

*Dart districts are districts identified by the state that are most similar to Hanover in terms of grades span, total enrollment, and special populations.

FY 22 Funding Comparisons

The failure to make up the historical funding gap combined with skyrocketing educational costs and student needs, has created a funding deficit. Even after controlling for shared expenses (like benefits and maintenance), Hanover ranks at the bottom of both DART and neighbor comparisons, and is **\$4,452,695** BELOW the State Average Per Pupil Spending for a District with Hanover's enrollment.

FISCAL YEAR 22	
Neighbor Districts	Total Per Pupil Expenditure Minus Operations and Maintenance and Benefits
Cohasset	\$16,297.06
Hingham	\$15,947.64
STATE TOTALS	\$15,231.02
Scituate	\$14,967.01
Weymouth	\$14,766.24
Rockland	\$14,595.15
Norwell	\$14,474.28
Duxbury	\$14,298.77
Hanover	\$13,848.63
Pembroke	\$13,511.96
Whitman-Hanson	\$13,163.20
Abington	\$13,097.66

FISCAL YEAR 22	
DART Districts	Total Per Pupil Expenditure Minus Operations and Maintenance and Benefits
Masconomet	\$17,783.02
Wayland	\$17,336.95
Westwood	\$17,135.91
Hamilton-Wenham	\$17,132.60
Newburyport	\$15,981.47
STATE TOTALS	\$15,231.02
North Reading	\$15,069.34
Pentucket	\$14,119.76
Groton-Dunstable	\$13,953.19
Reading	\$13,884.28
Hanover	\$13,848.63
Longmeadow	\$13,668.46

Difference between Hanover and STATE AVERAGE per pupil	-\$1,698.85
Multiplied by Enrollment: 2621	\$4,452,695.85



Spending Comparisons Summary

HPS has been a good fiscal steward of taxpayer money and has operated in a fiscally conservative manner without overspending. However, escalating educational costs and increasing student need, have caused Hanover to fall below the average per pupil spending of comparable districts and the state average in every major functional budget category, with the exception of “pupil services.” The below chart illustrates Hanover’s deficit when compared with the average spending in each category of 25 other school districts and the overall State average.

Spending Category	Amount Below State Average (District enrollment x \$ below PP)	DART Average	Neighbor Average	Ad Comm Requested Comps Average
Administration	-\$248,687	Below	Below	Below
Instructional Leadership	-\$351,122	Below	Below	Below
Teachers	-\$729,323	Below	Below	Below
Instructional Materials & Technology	-\$1,266,762	Below	Below	Below
Guidance, Counseling, Testing	-\$608,265	Below	Below	Below
Other Teaching Services	-\$1,028,940	Below	Below	Below
Total In-district Exp. – Operations / Benefits	-\$4,452,695	Below	Below	Below
Pupil Services	\$5,647.40	Above	Above	Above



Identified Budget Priorities

- Maintain current services, programs and staffing levels, avoiding staff reductions and cuts that would negatively impact the academic programming for all students.
- Staffing - Increase staffing with specific positions that support students' academic and mental health needs, including mental and behavioral health. Ensure adequate staffing to support requirements of Individualized Education Plans and 504 services, and compliance with related timeframes.
- Support staffing ratios that maintain reasonable class sizes.
- Create in-district supports that will help alleviate escalating out of district tuitions, in district contracted services, and related expenses.
- Ensure equitable access to free full-day Kindergarten for all families by phasing out the current tuition-based model.

Budget Working Group

Summary Recommendations

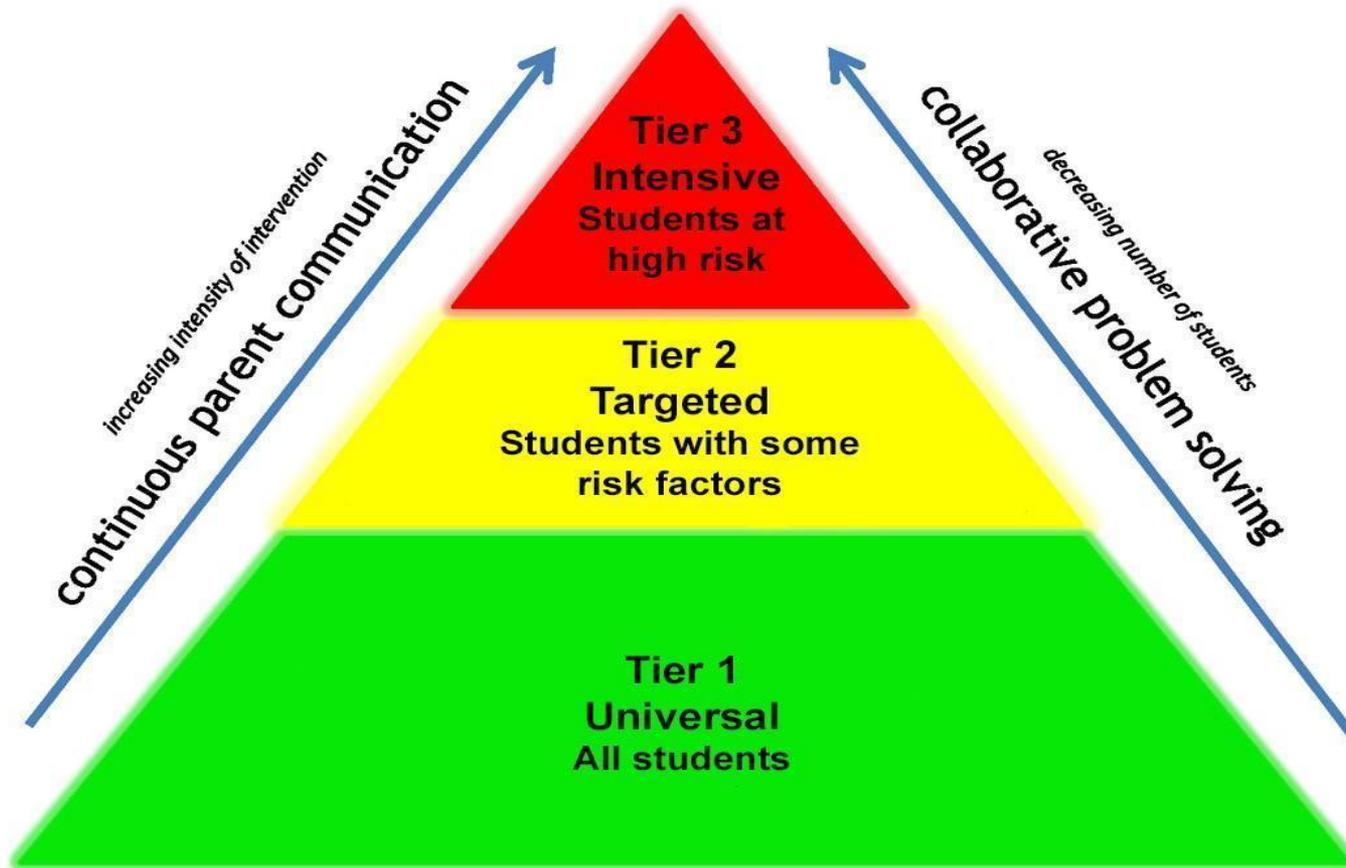
- Maintain current services, staffing and programming, including recommended staffing:
 - **Associated Cost: \$39,532,609 (override budget)**
- Add 2 FTE Reading Teachers (primarily Center School).
 - **Associated Cost: \$138,000**
- Add 1 FTE Related Service Provider (Speech and Language Pathologist - HMS/District)
 - **Associated Cost: \$70,000**
- Add 1 FTE Special Education Teacher (Middle School)
 - **Associated Cost: \$70,000**
- Add 1 FTE Adjustment Counselor (primarily High School)
 - **Associated Cost: \$70,000**
- Reduce tuition for full-day kindergarten and implement phasing out of tuition based program.
 - **Associated Cost: \$174,000**

Budget Working Group

Basis for Recommendations

Add 2 reading teachers (primarily Center School):

- Requested in FY23 but not funded due to budget deficit.
- Strengthens Tier 2 Multi Tiered Systems of Support (MTSS) to support all students with targeted interventions.
- Will support classroom teachers who are currently tasked with providing these services and increase resources for students.
- Meets identified priorities of supporting adequate staffing to support the requirements of IEP services, focuses on the academic needs of all students, strengthens staffing ratios, and intends to reduce the need for IEP intervention and potential for out of district service costs.



Multi-Tiered System of Support (MTSS)

MTSS is a system designed to meet the needs of all students by ensuring that schools optimize data-driven decision-making, progress monitoring, and evidence-based supports and strategies with increasing intensity to sustain student growth academically, behaviorally, and social-emotionally.

Budget Working Group

Basis for Recommendations

Add 1 Related Service Provider (Speech and Language)

- Our current team of SLP providers will no longer be able to effectively support the required student services, evaluations, testing, and consultations with rising service requirements. Our current staffing model does not afford any ability to provide coverage for services if staff absence occurs.
- By ensuring adequate in-house staffing of these services, we support the needs of our students in the least restrictive environment, while reducing the need for out of district tuitions and related contracted services.
- Meets identified priorities of supporting academic and wellness needs of students, reducing potential for out of district service costs and ensuring adequate staffing to support requirements of Individualized Education Plans and 504 services, and compliance with related timeframes.

Budget Working Group

Basis for Recommendations

Add 1 Special Education Teacher (HMS)

- This position is needed to meet the increased number of students with IEP supports at HMS related to the enrollment shift with a larger incoming 5th grade class.
- By ensuring adequate in-house staffing of these services, we support the needs of our students in the least restrictive environment, while reducing the need for out of district and contracted services.
- Meets identified priorities of supporting academic and wellness needs of students, strengthening staffing ratios, reducing potential for out of district service costs and ensuring adequate staffing to support requirements of Individualized Education Plans and 504 services, and compliance with related timeframes.

Budget Working Group

Basis for Recommendations

Add 1 Adjustment Counselor (primarily HHS)

- Increases HPS ability to address the increased need for mental health support for our students and allows additional wellness supports for all students, including those in crisis, experiencing anxiety or distress or in need of issue-based support. Also, will help facilitate transitions between out of district services and return to the school environment.
- Supports creation and implementation of whole child wellness programming.
- Ensuring adequate in-house staffing of these services will support the needs of our students in the least restrictive environment, while reducing the need for out of district and contracted services. Presently, there is only 1 adjustment counselor at HHS.

Budget Working Group

Basis for Recommendations

Reduce Full-Day Kindergarten Tuition as part of multi-year plan to phase out Full-Day Kindergarten Tuition (Cedar)*

- Reduces current Full-Day Kindergarten tuition from \$3,750 to \$2,500. Budget Impact: \$174,000.
- Less than 14 school districts in Massachusetts currently require tuition for full-day Kindergarten.
- Provides equitable access to full-day Kindergarten for all students and families

*In earlier budgets we recommended allocating \$522,000 to the elimination (rather than phasing in) of tuition based full-day kindergarten. As necessary staffing priorities have developed, this recommendation was modified to adopt a three-year phase in. We have modified this recommendation to create a phased in elimination, which allows the addition of necessary staff positions without increasing the overall ask and budget number provided to the Town in November.

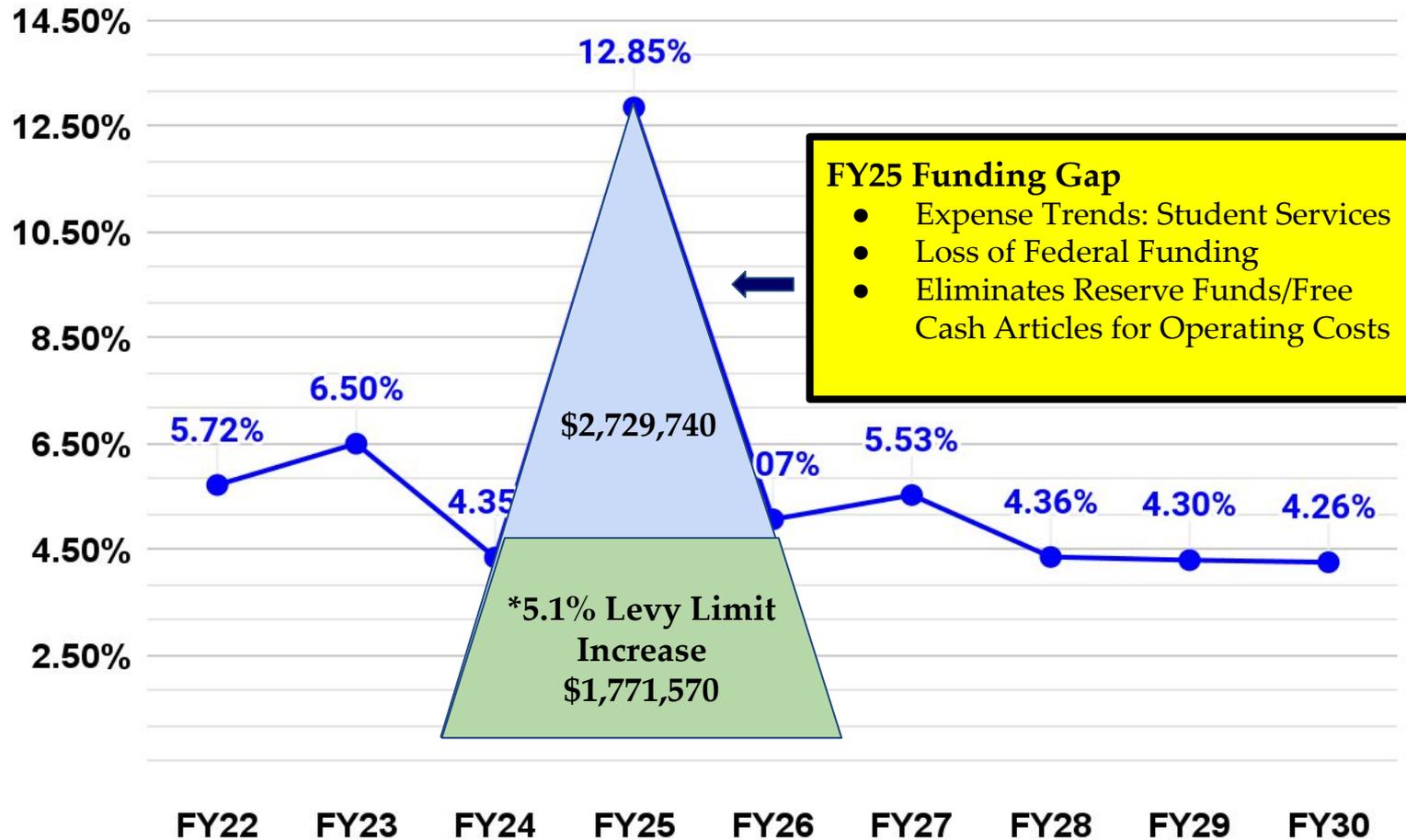
FY25 Levy Budget vs. Override Budget

Cost Center	FY24 November Projections	FY24 Mid Year Projections	FY25 Budget	Projected Change
Operating Budget: Salaries:	\$30,002,884	\$29,603,721	\$32,227,833	
Operating Budget Expenses	\$8,356,317	\$8,845,605	\$9,479,438	
Total Salaries & Expenses	\$38,359,201	\$38,449,326	\$41,707,271	
Circuit Breaker	-\$1,347,825	-\$1,347,825	-\$1,347,825	
DESE Federal Grants	-\$826,837	-\$826,837	-\$826,837	12.85% Increase
Special Education Reserve	-\$750,000	-\$750,000	\$0	↓
ARPA*	-\$406,589	-\$406,589	\$0	
"Override" Budget Projection	\$35,031,299	\$35,031,299	\$39,532,609	\$4,501,310
"Levy" Budget Projection	\$35,031,299	\$35,031,299	\$36,802,869	\$1,771,570

\$35,031,299 is May 2023
Town Meeting Allocation



FY22-FY30 Operating Budget Projections



FY25-FY30 Operating Budget Projections: Level Services

Cost Center	FY25	FY26	FY27	FY28	FY29	FY30
Salaries	\$32,227,833	\$33,701,007	\$35,154,924	\$36,460,270	\$37,778,771	\$39,118,449
Expenses	\$9,479,438	\$10,074,209	\$10,973,207	\$11,634,933	\$12,341,451	\$13,095,974
Budget 3.0 Staffing Plan Salaries*	\$348,000					
Phase in FDK: 3 Years*	\$174,000	\$174,000	\$174,000			
NECC or Related Programming*			\$300,000			
Circuit Breaker & DESE Grants	-\$2,174,662	-\$2,229,029	-\$2,284,754	-\$2,341,873	-\$2,400,420	-\$2,460,430
Budget	\$39,532,609	\$41,546,187	\$43,843,378	\$45,753,330	\$47,719,802	\$49,753,993
Increase		\$2,013,578	\$2,297,191	\$1,909,952	\$1,966,472	\$2,034,191
Percentage Increase	12.85%	5.09%	5.53%	4.36%	4.30%	4.26%

* These amounts are included in salaries and expenses.

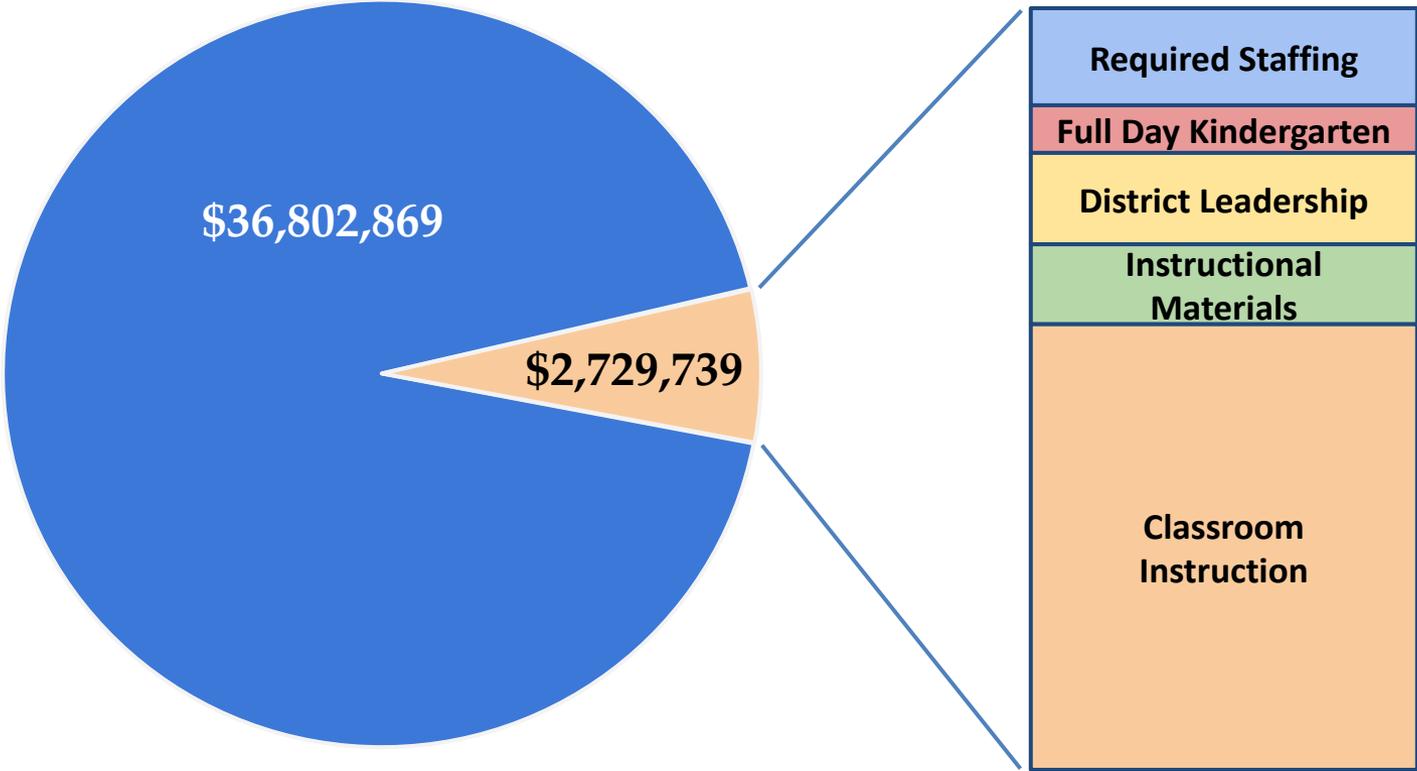


Impact of a Levy Limit Budget

Should the override budget not be implemented, it is important to evaluate the impact on HPS



FY25 Budget Projection: What's at Risk?



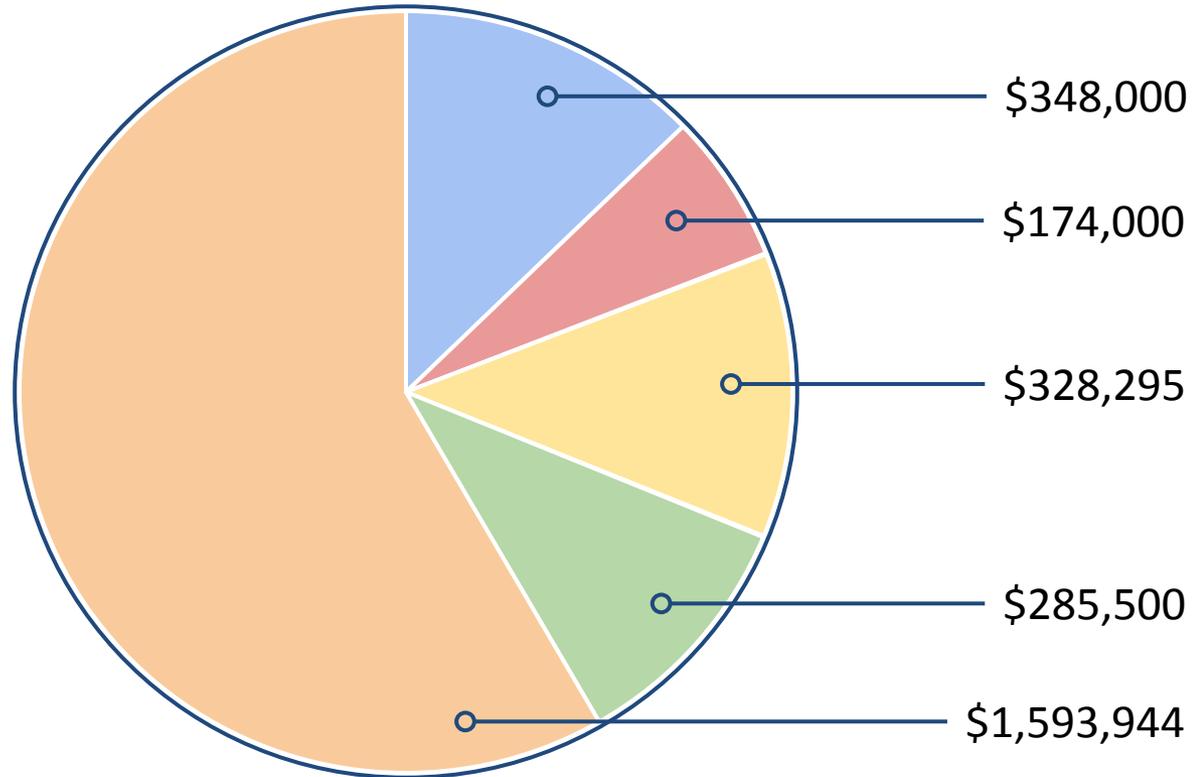
■ + ■ = Total Override Budget: \$39,523,609

FY25 Budget Projection: What's at Risk?



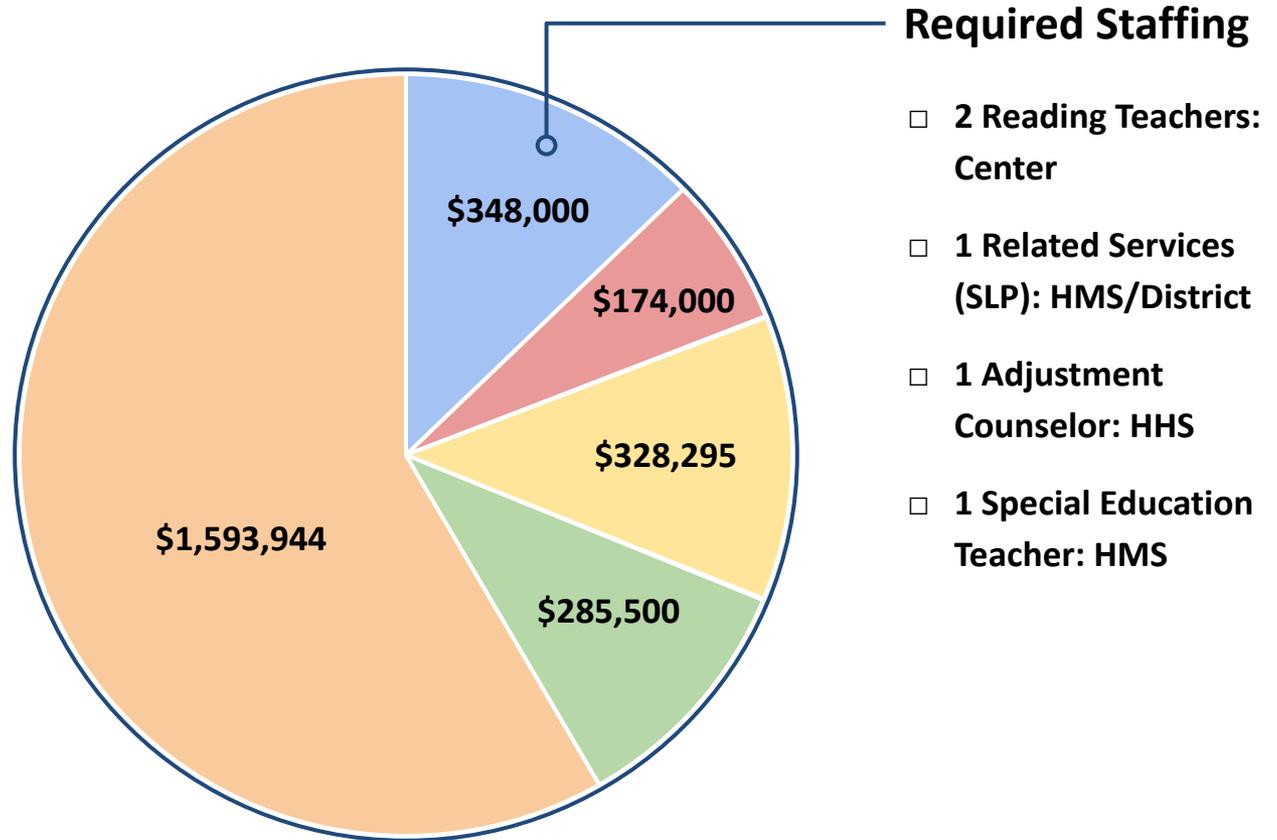
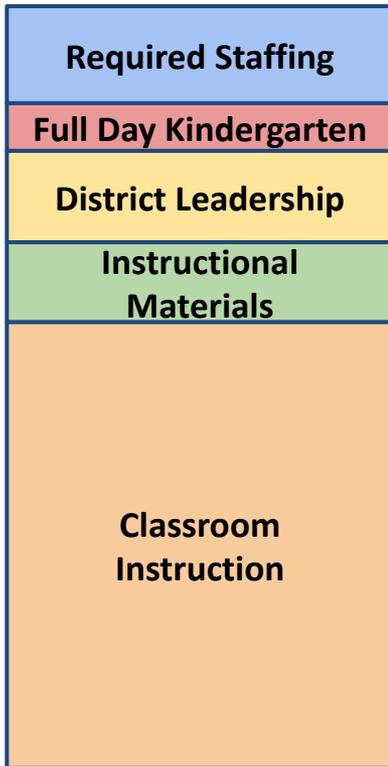
FY25 Budget Projection: What's at Risk?

Required Staffing
Full Day Kindergarten
District Leadership
Instructional Materials
Classroom Instruction



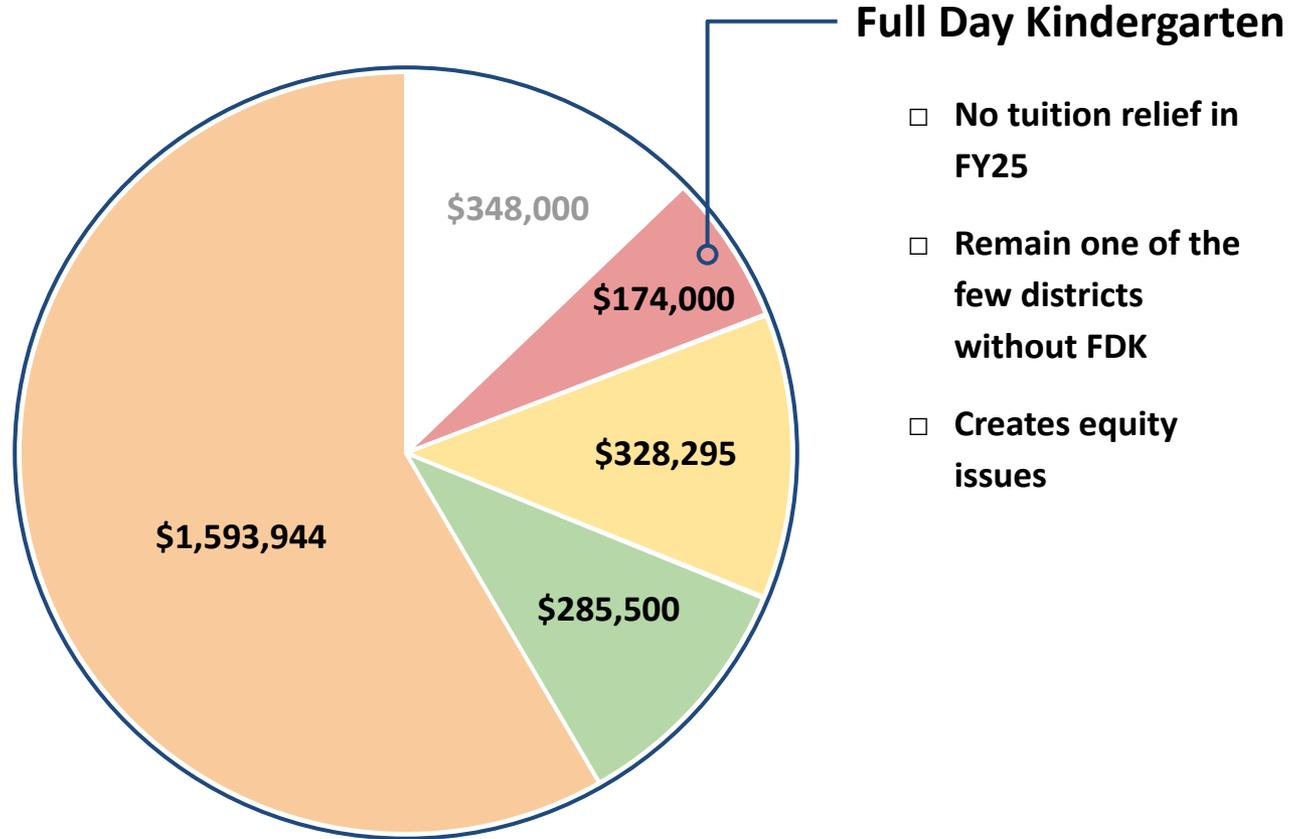
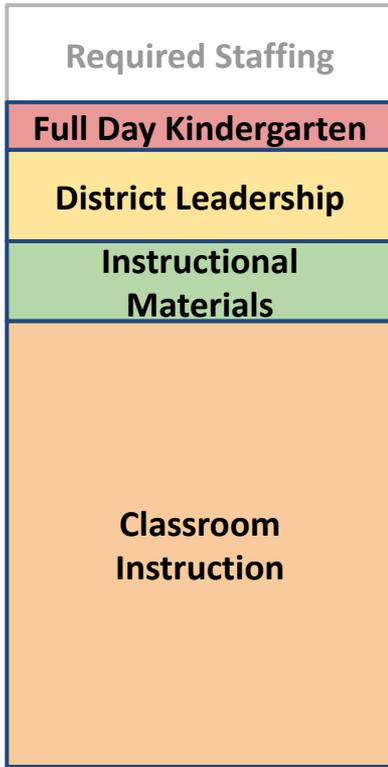
Funding Gap: \$2,729,739

FY25 Budget Projection: What's at Risk?



Funding Gap: \$2,729,739

FY25 Budget Projection: What's at Risk?

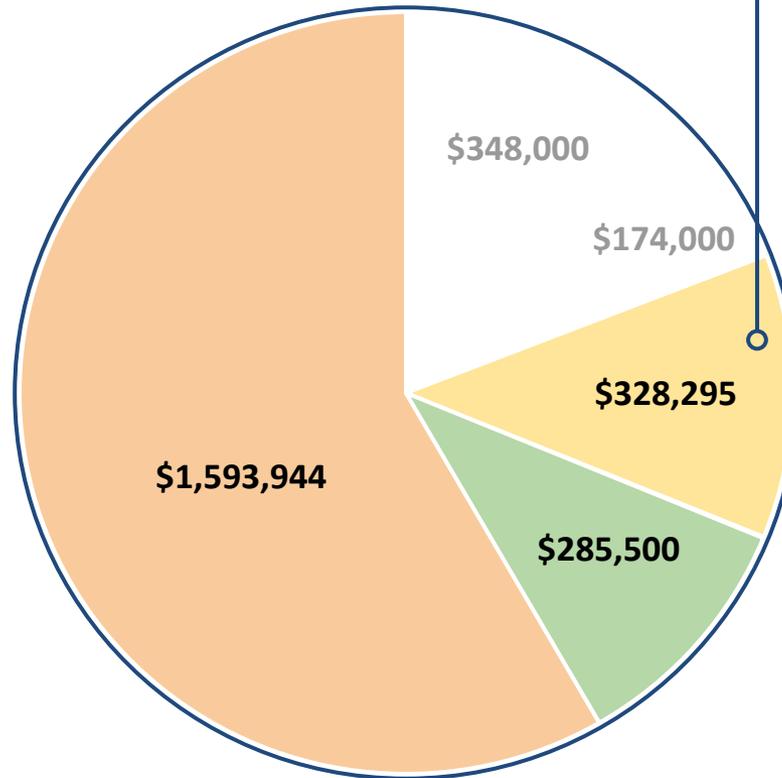


- Full Day Kindergarten**
- No tuition relief in FY25
 - Remain one of the few districts without FDK
 - Creates equity issues

Funding Gap: \$2,729,739

FY25 Budget Projection: What's at Risk?

Required Staffing
Full Day Kindergarten
District Leadership
Instructional Materials
Classroom Instruction



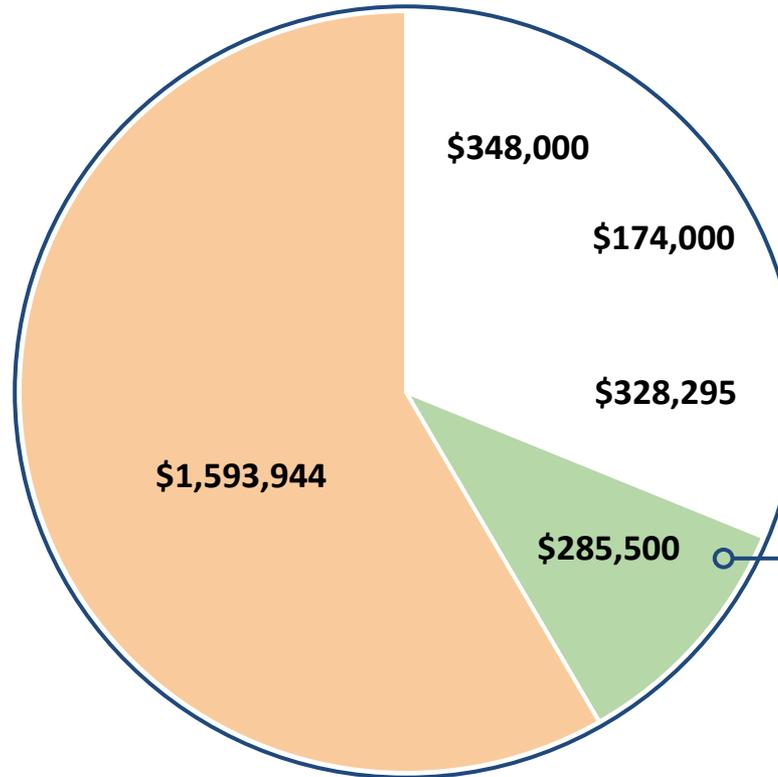
District Leadership

- Reduced oversight of personnel, services, and school operations
- Reduced communication and responsiveness
- Safety and security concerns
- Reduced support for teachers and staff

Funding Gap: \$2,729,739

FY25 Budget Projection: What's at Risk?

Required Staffing
Full Day Kindergarten
District Leadership
Instructional Materials
Classroom Instruction



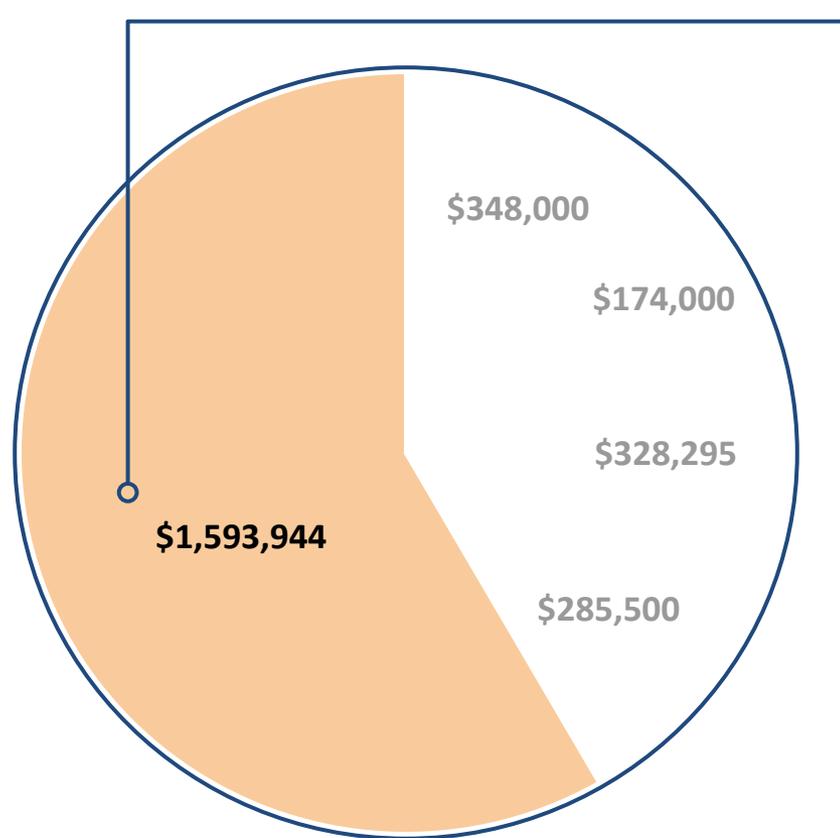
Instructional Materials

- No new technology
- Freeze on basic supplies
- Cuts to texts, materials, and software licenses
- Impact art, music, athletics where materials and equipment are replaced annually

Funding Gap: \$2,729,739

FY25 Budget Projection: What's at Risk?

Required Staffing
Full Day Kindergarten
District Leadership
Instructional Materials
Classroom Instruction



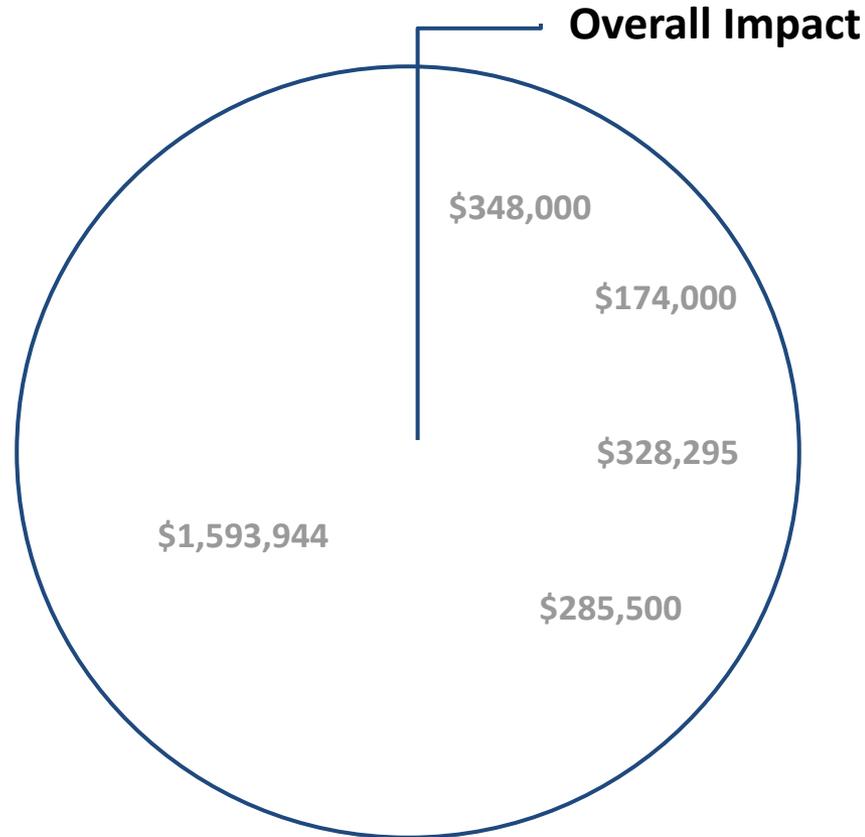
Classroom Instruction

- ❑ Reduction of 15-20 teaching positions
- ❑ Increase in class size: grades 1-12
- ❑ Reduction to electives and programs
- ❑ Impact on counseling and health services
- ❑ Excellent educators leave for other districts
- ❑ Immeasurable damage to climate and culture
- ❑ Will take years to rebuild

Funding Gap: \$2,729,739

FY25 Budget Projection: What's at Risk?

Required Staffing
Full Day Kindergarten
District Leadership
Instructional Materials
Classroom Instruction



- Academic impact on all students
- Increased class size for all students
- No new/updated technology and materials
- Reduction to programming and course offerings
- Loss of support for teachers and staff
- Immeasurable impact to climate, culture, recruitment, and retention of staff
- No tuition reduction for FDK/new fees

Discussion and Questions



Appendix: IN-DISTRICT SCHOOL FINANCE CATEGORIES

Administration: School Committee, Superintendent, Assistant Superintendents, Other District-Wide Administration, Business and Finance, Human Resources, Legal Service for School Committee, Legal Settlements, Districtwide Administrative Technology +

Instructional Leadership: Curriculum Directors and Department Heads (Supervisory), Curriculum Directors and Department Heads (Non-Supervisory), Instructional Technology Leadership +, School Leadership, Curriculum Leaders and Department Heads (School Level)*, Administrative Technology (School Level), Instructional Coordinators*

Teachers: Classroom Teachers and Specialists

Other Teaching Services: Medical/Therapeutic Services, Substitutes, Long-Term, Substitutes, Short-Term. Paraprofessionals, Librarians/Media Center Directors, Distance Learning/Online Coursework +

Guidance and Testing: Guidance/Adjustment Counselors, Testing and Assessment, Psychological Services

Pupil Services: Attendance and Parent Liaisons, Medical/Health Services, Transportation Services, Food Services, Athletics, Other Student Activities, School Security

*DESE also has finance categories for Benefits and Operations / Maintenance. We removed those categories because Benefits are not consistent (i.e. Hanover is a 50/50, other communities are 80/20 or 75/25, and Operations and Maintenance include Town / School shared costs).