

# HINGHAM PUBLIC SCHOOLS

220 Central Street  
Hingham, MA 02043-2745

Dorothy H. Galo, Ph.D.  
Superintendent of Schools  
dgalo@hinghamschools.org

(Tel) 781-741-1500  
(Fax) 781-749-7457

## MEMORANDUM

DATE: December 31, 2015

TO: Hingham School Committee

FROM: Dorothy Galo, Superintendent of Schools

RE: **Proposed (by Administration) FY 2017 Operating Budget**

This budget document includes information about the administration's proposed operating budget for FY 2017, explanations about how the budget was generated, comparisons between the FY 2016 approved budget and the FY 2017 proposed budget, an explanation of the rationale for proposed additions to the "needs-based" budget, and comments about special circumstances that have impacted projected costs in some functions of the proposed budget.

Budget Categories	FY 2015 Approved	FY 2016 Approved	<i>FY 2017 Proposed</i>	Percent Change
Regular Education*	\$33,380,635	\$34,676,987	TBD	TBD
Special Education*	\$10,015,139	\$10,688,822	TBD	TBD
Vocational Education*	\$94,948	\$47,911	TBD	TBD
<b>TOTALS</b>				
* Entries rounded	<b>\$43,490,722</b>	<b>\$45,413,720</b>	<b>TBD</b>	<b>TBD</b>

The **Guiding Principles**, listed on the next page, discussed at a September School Committee Planning Session, and adopted at the October 5, 2015 School Committee meeting, were a starting point for the administration's development of this budget proposal. We are characterizing the budget as "needs-based" again this year, with "needs" broadly defined to include responses to enrollment increases, the reality of changing student demographics and associated necessary services, facilities needs, contractual obligations and resources to meet DESE requirements and other legislative mandates.

As well, we have included proposals that reflect School Committee and School Department priorities and community expectations. Prior to FY 14, the school budget had been developed with the Town's anticipated revenues as a primary criterion and level services as limiting condition for consideration of any new proposals. In FY 14, we began with articulation of district needs as the starting point for discussion. Our hope is that again this year we will be able to find a mutually acceptable balance between what level of funding administrators believe is needed and what Town resources are deemed

to be available. With that in mind, we believe that articulating identified school needs and reviewing the assumptions that support them are important first steps in the budget review process.

**GUIDING PRINCIPLES FOR THE DEVELOPMENT OF THE FY'17 SCHOOL COMMITTEE'S  
RECOMMENDED BUDGET**

The administration's recommended budget will:

1. reflect the district mission, SC priorities, and community expectations for excellence and equitable access to education for all students, and also respond to identified needs resulting from enrollment growth and new demographic trends, increased mandates, and special education costs, while acknowledging fiscal realities, competing priorities, and other Town-wide needs.
2. reflect known contractual obligations, professional development and mentoring needs, and staff supervision and support provisions to further the district's goal of attracting, developing, and retaining a highly qualified and adequately supported administration, faculty, and support staff.
3. fund state and federal mandates and DESE regulations, including tuitions, transportation and other costs related to special education, ELE laws, MA accountability determinations, MA standards related curriculum adoptions, and expenses related to the new Educator Evaluation System, and other legal mandates including fingerprinting.
4. fund the maintenance of, and capital improvements to, school buildings and properties, acquisition or replacement/upgrading of specialized equipment, and needed infrastructure for technology enhancements.
5. fund projected utilities/energy costs and contracted services (such as those for transportation), preventive maintenance projects, and proactive assessment and planning for facilities and space needs.
6. reflect cost effective approaches to acquiring, managing, and maintaining educational and facilities resources and include appropriate documentation of needs.
7. reflect gross costs as they are known or projected but then offset by anticipated revenues, state and federal grants, circuit breaker and revolving account allocations in functions where they are applicable.

(Numbering of Guiding Principles is for reference only and does not represent a priority order.)

The process of developing the school administration's recommended FY 2017 budget began with: (1) a School Committee planning and goal setting meeting on September 13<sup>th</sup> followed by the development and SC approval of Budget Guidelines and Assumptions and (2) the submission of budget requests by principals and building leaders, directors and resource teachers, supervisors, and central office staff (based on input from teachers and support staff). Every line item in the FY 2016 approved budget was reviewed and adjusted up or down as appropriate to reflect anticipated costs before any new requests were added to create the FY 2017 proposal.

The following Assumptions (approved by the SC on October 26, 2015) underlie the FY 2017 budget and provide context and rationale for including the requests that were included.

**ASSUMPTIONS UNDERLYING DEVELOPMENT OF THE FY'17 BUDGET**

1. The overall goal is to provide and maintain high quality programs and services that support learning and well-being, fulfillment of individual potential, and the other core values that underlie the District Mission.
2. Priority will be given to funding areas that have not kept pace with increasing demands on school personnel resources as well as supporting a few new initiatives, which include technology enhancements, Central office staffing and responses to student support needs.
3. Priority will also be given to assessing space and facilities needs to develop information that will support and prioritize long range facilities and capital planning.
4. In the short term, enrollment will increase slightly at grades 6-12 and decline some at elementary; we will continue to monitor kindergarten enrollment and the grade K to 1 growth factor to detect and respond to trends.
5. Most state and federal grants are likely to remain level, but an expected increase (\$71K) in Circuit Breaker reimbursements that will be received during FY '16 will provide a larger offset for the 2016-2017 budget year.
6. Special education costs, especially tuitions, will likely continue to fluctuate greatly from year to year. We will continue to budget for known tuitions and those that we anticipate as "likely."
7. Professional development costs continue to grow, especially with respect to technology training, new adoptions, and DESE-mandated training for ELL.
8. A proposed new elementary reading program, the need for additional texts as the largest classes move through the middle school and high school, and expiring licenses for technology components of curriculum materials across the district will impact instructional costs.
9. A zero-based budgeting approach will be used for personnel costs, contractual obligations and SPED tuitions and transportation; other costs are projected according to past usage and market prices; revolving fund revenues will be allocated prudently to offset some expenses that relate to the source of that revenue.
10. Regular education transportation costs are anticipated to be higher in FY'17 since they will reflect not only a new bus lease (deferred from FY'16), but an expectation of specifying new buses in the bid, and the possibility of the need for an additional bus to meet the increased enrollment at HMS and the FDK impact.
11. Additional capital funding will be needed to support facilities planning and technology initiatives as well as equipment replacement needs and maintenance requirements as our newer buildings age.
12. The FY'17 budget will include an offset for parent paid tuitions for FDK.

(Numbering of Assumptions is for reference only and does not represent a priority order.)

## SPECIAL CIRCUMSTANCES, CHALLENGES, AND UNKNOWNNS

There are a number of “moving parts,” unique challenges, and unknowns at this stage of the budget process. Several are described below and some are reflected in proposed additions to the budget. Both state funding levels (through Chapter 70) and local revenues (in areas such as new growth and local receipts) continue to be projected somewhat conservatively. The 2015 Foundation Commission has identified a series of recommendations (with the projected cost) for revisions to the Foundation Budget Formula that reflect the unique costs of educating “high need” populations and that address perceived “budget busters” such as the impact of health insurance costs on municipal budgets. However, it does not appear at this time that any required legislative action on these recommendations will impact the FY 2017 budget.

As a result of a SC decision in September, the FDK budget will again be supported by parent tuitions, (according to an income-based sliding scale). Those dollar offsets will appear in the 2300 and 2300B functions of the budget. We have made the assumption that the additional revenues raised for FY’16 (and that partially supported a needed 16<sup>th</sup> session) will be generated again for the September 2016 K class.

All six HPS collective bargaining units have contracts that will extend through June of 2017. Salaries and benefits in the FY’17 budget reflect those agreements. Dollars for negotiating individual contracts expiring this year will appear under an “allowance” category Function 9100E.

The budget reflects only four known teacher retirements at this time; with a total savings (after any benefits due and assuming qualified replacements) already offsetting anticipated replacement costs. Clearly, salary savings from any additional retirements (as they may become known) would help to reduce the bottom line; however, given the number of post-budget retirements over the last two springs and the smaller pool of senior staff, we do not expect any significant increase in the retiree count.

There are ten teachers who chose to take (or extend) a full year unpaid leave (LOA) for the 2015-2016 school year. We were notified of some of those leaves (post-budget) last spring. Hence, we have realized some savings in the personnel/hiring account for the current year. However, we have budgeted conservatively with the assumption that most of the LOA teachers may return (we will not know that final count until March 1<sup>st</sup>). The challenge is that the dollar cost of conservative planning is sizable; but of course, that also represents an area of some potential savings as we move forward through the budget process.

Net special education costs are anticipated to be up for FY’17. This is a function of two factors; instructional costs and tuitions are up and two new positions are requested. One of these had been budgeted for the current year but was cut due to the need to add a 16<sup>th</sup> section of FDK. There is a slightly increased MA Circuit Breaker offset available for 2017 (representing tuitions paid out in FY’15 (and received in 15-16, to support expenditures in 16-17). These dollars will partially offset the requested increase in the preliminary budget.

We continue to find it challenging to properly maintain our buildings and grounds with existing resources and also to address the need for proactive preventative maintenance. Factors such as limitations on annual capital budget funding, insufficient manpower, and the demands on personnel as a result of both special projects and the growing backlog of projects challenge our employees’ best efforts. The proposed budget includes restoration of a maintenance position (requested but not funded in either of the two prior years). The FY’16 funding of a new role of Manager of Facilities and Procurement has been a wonderful addition and we believe Mr. Foley’s efforts will result in a

vastly improved ability to identify and extend the useful life of our major capital assets, to enhance long range planning, and to facilitate a program of preventative maintenance that will save us dollars in the end.

Overall enrollment is anticipated to be fairly level for 2016-2017, with slight increases in the middle and high school numbers and a decrease at the elementary level; the latter reflects a larger fifth grade moving to the middle school and a similar in size (to this year) K class entering. Whether there will be any large increase in enrollment between grades K and one, as has occurred over the past several years, is truly unknown at this time. We have projected that the FDK option will eliminate or significantly reduce that previous bump. No additional core subject classroom teachers are projected for 2016-2017. However there are requests to address staffing needs in student support areas such as special education and math tutoring, physical and mental health and health education, and counseling related services.

The bid for a new five-year bus lease contract was deferred from last year to this. The projected base budget increase for this need includes the cost of specifying new buses and the possible need for an additional bus and driver. Also in the base budget is an increased elementary reading allocation that reflects the first year (grades 1-3) of a proposed two-year text adoption that follows a multi-classroom pilot program (choice between two different vendors) that is ongoing this year.

### **NEEDS - BASED PROPOSALS**

The following individual requests, separated below into categories of need, **have been included** in the School Administration's FY 2017 preliminary Operating Budget proposal. It is important to note that some of the items could have been placed in more than one category as they address multiple areas of need.

**Previously deferred or unfunded requests** - These requests reflect previously identified needs that remain unmet.

- Increased cost of first year of 5-year bus lease (with 1 additional bus) – *projected at 25% for all new buses in bid specs.* As more is known about enrollment growth, it may be possible to eliminate the request for a 21<sup>st</sup> bus and driver (see next bullet).
- Additional large bus driver (HPS employee) – *to accommodate increase in middle school enrollment where ridership is high and requires all 21 proposed large buses.*
- Math tutor hours for each elementary school (25/wk. for each of the 4 schools to be used in an RTI kind of model) - *to increase attention to mathematics interventions, especially for underperforming students at grades 3-5.* This was a high priority request of principals in FY' 16, but not able to be funded.
- 1.0 maintenance worker – *third year request to restore maintenance capability with special attention to elementary and middle school fields and playground issues.*
- 1.0 special education teacher (.5 at East and South) – *budgeted last year as part of FDK, but hiring deferred as result of need for 16<sup>th</sup> session at a time when full K revenue was not yet known.* This role can be supported by the anticipated K tuition revenue.

**Positions or services that are necessary to meet unique student needs and challenges** – These requests reflect the changing demographics of the HPS population.

- 1.0 secondary school nurse (net cost of replacing aide role) – year 3 of four-year effort to provide two (both RN and DESE licensed) nurses (replacing current aide roles) at both HHS and HMS – *to support student health needs and address the growing complexity and*

*increasing number of serious medical issues in our largest buildings.* In each of the last two years, additional aide hours were added to provide full coverage of the day with a second person (aide role) assigned to each health room. Current aides are both RNs but cannot perform all required nursing duties (DPH position) as they are hired as aides and not with DESE licensure. Plan is for a 1.0 nurse to be added this year as an aide replacement and (pending review of the need) 1.0 (again net cost) in FY'18.

- 1.0 MS guidance counselor – to meet enrollment and growing social emotional and personal counseling needs. This role was requested but deferred by other priorities last year.
- Transition Room tutor hours (25/wk.) for HMS – to address needs similar to those at the HS.

#### **Other proposals to address programmatic and support service needs**

- .2 FTE Elementary Math Specialist – *to increase to 2.0 math specialist services to be shared among 4 schools.* In addition to providing support and modeling for teachers, role will also monitor and direct instruction for requested tutor hours for direct services to needy students.
- 1.0 HS health/PE teacher – *to respond to growing HS enrollment (currently served by only 2.0 PE teachers) and the need for additional health education instruction.* This role is also a component of a planned change in HHS graduation requirements.
- 1.0 shared elementary technology assistant (or equivalent in per diem hourly support) – *to respond to the setup and maintenance needs of increased technology in each of the four schools.* This role will allow the building tech specialists to continue with their focus on teaching and supporting teachers in technology integration.
- 1.0 Special Education administrative/instructional support role – *This position will provide needed support for the increasing demand for timely decision-making, supervision of instructional staff and responsiveness to parents not possible with the current resources at the central office level.* We are looking at several possible role descriptions and compensation models for meeting these needs.
- .2 MS art teacher – *to address the need for additional art instruction as the largest classes move into grades 7 and 8.* Currently HMS has only 1.6 art FTEs.
- Incremental cost of moving Post-Secondary Planning Coordinator from Tutor rate to 1.0 FTE counselor – to ensure continuity of staffing from one year to the next. Since the inception of this role, we have lost tutors (all certified in guidance) to full time positions in other districts.

**Requests from administrators that were NOT INCLUDED in this budget proposal and are NOT RECOMMENDED at this time** – These requests are all worthwhile but, in the opinion of the central office administration, do not rise to the same level of priority for the FY'17 proposed budget as do other requests; so each is recommended to be deferred at this time.

- .6 MS special education teacher for skills class – *to meet increasing number of children who need a skills-based learning environment.*
- MS language lab coverage hours – *to provide for oversight of equipment and teacher support.*
- Increased paraeducator hours for PRS and South literacy support – *to restore parity of service for RTI/TRI.*
- .1 MS foreign language teacher and .1677 PRS music teacher – to restore two teachers currently at part time status (self-requested) to full time.
- 1.0 MS/HS social studies teacher – to lower class sizes in several courses.

## **TOTAL FINANCIAL IMPACT OF NEW PROPOSALS WILL BE DISCUSSED AT THE JANUARY 7<sup>TH</sup> MEETING**

There are a number of program areas that we will monitor carefully for potential cost savings or additional revenue as the budget process moves forward. These include personnel changes (additional retirements or leaves of absence), anticipated number and costs of special education tuitions that have been budgeted with the assumption of a 3% increase, and revolving account balances as they accrue FY'16 dollars that may support greater budget offsets for FY'17. Because of the FDK for all, there is a reduced offset available from the tuitions account. As well, we hope to have a clearer idea about the size of the September 2016 Kindergarten and grade 1 enrollments.

The **Capital Budget** request will be presented initially to the Capital Outlay Committee on January 20, 2016, after input from, and review by, the Long Range Planning Subcommittee and the full School Committee. As is the case with the Operating Budget, the preliminary Capital Budget is presented as a "needs-based" one intended to highlight the scope of School Department needs over a 5-year period. We believe that this concept is consistent with a Town-wide focus on identifying capital needs and developing a timeline for funding repair or replacement of the Town's capital assets.

The School Administration looks forward to the opportunity to clarify details of its proposed budget during scheduled work sessions on January 7<sup>th</sup>, January 14<sup>th</sup>, and January 21<sup>st</sup>. A work session with AdCom on January 24<sup>th</sup>, and the joint meeting with the Selectmen and Advisory Committee on January 28<sup>th</sup> are part of that process. The School Committee's required Public Hearing on the Budget will be held at its regular School Committee meeting of February 8, 2016. A budget adoption vote by the SC is scheduled for February 22<sup>nd</sup>, with Selectmen and Advisory Committee action on the budget likely that week as well.