

**HINGHAM PUBLIC SCHOOLS**

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**MEMORANDUM**

December 20, 2012

TO: Hingham School Committee  
FROM: Dorothy Galo, Superintendent of Schools  
RE: **Proposed (by Administration) FY 2014 Operating Budget**

This budget document includes the administration’s proposed operating budget for FY 2014, explanations about how the budget was generated, comparisons between the FY 2013 approved budget and the FY 2014 proposed budget, an explanation of the rationale for the proposed “needs-based” budget and comments about the other needs requests that were made but that are not included in this preliminary budget. As in the past two years, the Budget is net after offsets are applied.

Budget Categories	FY 2012 Approved	FY 2013 Approved	FY 2014 <i>Proposed</i>	Percent Change
Regular Education*	\$28,895,678	\$29,923,194	\$31,864,872	+ 6.49%
Special Education*	\$9,450,450	\$10,498,618	\$10,564,875	+ .63%
Vocational Education*	\$72,500	\$145,508	\$138,292	- 4.96%
<b>TOTALS</b> * entries rounded	<b>\$38,418,628</b>	<b>\$40,567,321</b>	<b>\$42,568,038</b>	<b>+ 4.93%</b>

The following **Guiding Principles**, discussed at a School Committee Planning Session and adopted at the September 2012 School Committee meeting, were considered in the development of this budget proposal. I am characterizing it as a “needs-based” budget proposal. Over the past several years, the budget has been developed with anticipated revenues as the base. This year, we started with articulation of needs. My hope is that we will be able to find a mutually acceptable balance between what is needed and what resources are available. Sadly, even this budget proposal cannot adequately address all aspects of our guiding principles, but they are nonetheless important to articulate.

**GUIDING PRINCIPLES FOR DEVELOPMENT  
OF THE ADMINISTRATION’S RECOMMENDED FY 2014 BUDGET**

- **The recommended budget will reflect the district mission and community expectations for excellence and respond to identified needs resulting from enrollment growth, increased mandates, and special education costs, while acknowledging fiscal realities, competing priorities, and other Town-wide needs.**

- **The recommended budget will include funding requests which are necessary to address areas that have not kept pace with increased demands such as those highlighted above, and including professional staffing, clerical and administrative support, and technology requirements.**
- **The recommended budget will reflect contractual obligations as we know them (with an allowance for expiring contracts), professional development needs and requirements, and staff supervision and support provisions to further the district's goal of attracting, developing, and maintaining a highly qualified and adequately supported faculty and staff.**
- **Funding to meet state and federal mandates and DESE regulations, including those related to the special education and ELE laws, MA Accountability Standards, Common Core curriculum adoptions, and the new Educator Evaluation Standards, will be incorporated into the recommended budget.**
- **The budget will include proposals for funding maintenance of, and capital improvements to, school buildings and properties and acquisition or replacement/upgrading of specialized equipment and technology enhancements.**
- **The budget will provide adequate funding for projected utilities/energy costs and for contracted services, such as for transportation and preventive maintenance.**
- **The recommended budget will be responsibly developed and reflect consideration of cost effective approaches to acquiring, managing, and maintaining resources and will include appropriate documentation of both needs and proposed solutions.**

The process of developing the school administration's recommended FY 2014 budget began with: (1) a School Committee planning and goal setting meeting on September 15<sup>th</sup> followed by the development and SC approval of Budget Guidelines and Assumptions and (2) the submission of requests by Principals, Directors, and Central Office staff based on input from teachers and support staff. Every line item in the FY 2013 approved budget was reviewed and adjusted up or down as appropriate for anticipated costs before new requests were added to create the FY 2014 proposal.

The following Assumptions (approved by the SC in September 2012) underlie the FY 2014 budget and provide context and rationale for including the requests that were included:

#### **ASSUMPTIONS**

- **The overall goal is to provide high quality programs and services that support learning and well being and fulfillment of individual potential and the other core values that underlie the District Mission.**
- **Priority will be given to funding areas that have not kept pace with increasing demands on school resources.**
- **Enrollment pressures will continue at all levels and will exacerbate increasing class sizes.**
- **Energy costs will continue to be difficult to project.**
- **Most state and federal grants are likely (at best) to remain level, but an increase in Circuit Breaker reimbursements in FY '13 will provide a greater offset for the 2013-2014 budget year.**

- **We expect that special education costs will continue to grow faster than those of the regular education budget.**
- **Meeting unfunded mandates and DESE reporting requirements will continue to stretch the district's financial, clerical, and administrative resources.**
- **Reduced personnel costs (such as for replacing retirement and LOA vacancies) and the use of revolving fund revenues may offset some of the proposed budget costs.**

FY 2014 is another challenging year in several regards. Both state funding levels (through Chapter 70) and local revenues (in areas such as new growth and local receipts) continue to be constrained, with particular concerns about the “fiscal cliff(s)” and how resolution (or not) of that reality will impact both FY 2013 and FY 2014 funding. Already the Governor has announced emergency 9C cuts, including to Circuit Breaker funding. Despite these realities, the administration believes it is important to present a budget that defines goals, articulates assumptions, and identifies needs, prior to then looking at possible reductions; this budget reflects that belief.

There are a number of “moving parts” and unknowns at this stage of the budget process. Several are described below.

All collective bargaining units, except for the teachers, have contracts that expire at the end of the current year. A number of senior level administrators (central office and principals) also have expiring contracts or not yet negotiated salaries for next year. The teacher contract has one more year to go; so salaries in the budget reflect the contractual agreement for the teacher unit; but a bargaining allowance under a separate Function page following Function 9100E includes a projection for the other units and individuals with expiring contracts or open salary lines for FY 2014.

The budget reflects five known teacher retirements with a total savings (after any benefits due and assuming qualified replacements) of \$120K. Clearly, salary savings from any additional retirements (as they may become known) would help to reduce the bottom line.

There are eleven teachers who chose to take (or extend) a full year unpaid leave (LOA) for the 2012-2013 school year. We were notified of a number of those leaves (post-budget) last spring. Hence we have realized a savings in the personnel/hiring account for the current year. However, we have budgeted conservatively with the assumption that all of those teachers may return (we will not know that until March 1<sup>st</sup>). The good news is that we are budgeted for a “worst case scenario.” The challenge is that the cost of such conservative planning is \$240K. Of course, that also represents an area of some potential savings.

In the “good news” category, we have been able to offset the proposed Operating Budget by a total of \$155K more from revolving accounts than was possible last year. Because we typically budget revolving account offsets in December, not even half way into the fiscal year, we are typically very conservative in estimating the dollars that will be collected. As a result, every few years we have accumulated dollars in some accounts that we can use to support the budget in areas such as tuitions, athletics, and building maintenance. Of course the Circuit Breaker and IDEA accounts represent the biggest individual offsets.

You will note that the relatively small increase (less than one percent) in the special education budget is significantly reduced from last year's double-digit percent of increase. That reflects a

savings in tuitions and transportation of approximately \$150K from the FY 2013 approved budget. Going forward, we will no longer be responsible for the three “move-in” tuitions that emerged during last year’s budget process. With a slight increase in Circuit Breaker dollars available, and the tuition/transportation savings, the special education increase from FY 2013 to FY 2014 is modest despite the proposed addition of a special education teacher, increased tuition rates, and growth in the number of paraeducator hours necessary to support our youngest and most challenged children. Of course, the tuition account can change significantly from one day to the next as we saw clearly last January.

The following requests, separated into **categories of need**, are included in the School Administration’s FY 2014 Operating Budget Proposal. It is important to note that some of the items could be in more than one category as they address multiple areas of need. In some cases the actual dollar increases are quite small; but the items are listed out below here to clarify and highlight the various kinds of needs that deserve our attention and response (particularly when they reflect unfunded mandates).

**Enrollment related requests** - These requests reflect both the anticipated new students for September 2013 and the underfunding of prior year requests (as enrollments have grown over time).

- 1.0 elementary classroom teacher – *to resolve the most serious of the large class issues in one building, or to add another first grade if the projected increase from K to grade 1 is not equally balanced across the four schools* **\$51,583**
- 4.0 secondary teachers (both core subject and specialist/elective course FTEs) – *to address large class sizes in core subjects at grade 7-12 and to add back elective classes that have not been provided over the last four or so years* **\$231,572**
- 1.0 bus driver and additional (20<sup>th</sup>) big bus – *to address overall growth, reduce the length of routes and accommodate the required private school transportation* **\$46,809**
- assistant cross country coach – *to address number of participants and safety* **\$1,623**
- assistant sailing coach – *to address increased enrollment and safety* **\$1,623**

**Total in Enrollment category = \$333,210**

**Restoration of lost positions or services that are needed** - These roles formerly existed, but were cut (most, when the proposed operating budget override request was reduced in Spring 2009). Positions are necessary to the effective and efficient operation of the schools; enrollment and other needs have increased since 2009.

- 0.5 middle school librarian – *to ensure a full time librarian at HMS* **\$30,302**
- 1.0 middle school technology specialist – *to ensure a full time technology specialist at HMS* **\$56,107**
- 0.6 K-12 mathematics director – *to restore funding to maintain a full time Math Director, a role that has been filled by a retiree for the past two years* **\$61,849**
- 2.0 elementary assistant principals – *to meet a variety of supervision, curriculum, and mandated needs (the highest priority of the 4 elementary principals)* **\$190,332**
- 1.0 PRS special education teacher – *to provide the same level of special education staffing that exists at the other three schools* **\$61,034**
- 1.0 custodial/maintenance support/supervisory position – *to provide support, coverage, and supervision for maintenance and custodial functions, previously cut* **\$65,000**

- 3 additional college helpers for summer maintenance/custodial work – *to provide additional hands for summer mainten. and cleaning activities; see above* **\$12,650**
- 30 hrs. /wk. for the high school postsecondary support center – *to restore the former career center with attention to more individualized support for students and families in areas such as the college application process* **\$18,348**

**Total in Restoration category = \$495,622**

**Unique areas of need** - These items reflect increased mandates from the state and federal government (Common Core Curriculum, Title IX, reporting requirements, etc.) and changing student demographics (physical and social/emotional health needs).

- 0.5 clerical support for central office – *to support administrative responses to the increased number of state or federal mandates and reporting requirements and the increased number of meetings, postings, and related activities* **\$14,611**
- 27.5 hrs. /wk. high school transition room tutor – *to support students who return to school after a recent hospitalization or injury or those whose social or emotional needs have impacted their school attendance* **\$27,723**
- increase in hours for high school health aide (5/wk. - \$3058) – *to increase health aide assistance in the health office at the high school from 20 to 25 hrs./wk.* **\$3,058**
- teacher stipends for after school Algebra II support (\$2400) – *to provide after school classes for students who need support to meet the enhanced Common Core Curriculum expectations in mathematics (specifically Algebra II)* **\$2,400**
- Title IX clerical support (\$3000) – *to add clerical hours to address the reporting requirements in the OCR Resolution Agreement* **\$3,000**
- move of dance team from activity to sport status and additional coach (\$3108) – *to increase the number of athletic activities for young women in response to Title IX requirements for equity of access and opportunity* **\$3,108**

**Total in Unique Needs category = \$53,900**

**Other initiatives to enhance services and programs**

- leader and advisors for high school Global Citizenship Program– *to provide faculty supervision and support for both the curricular and extracurricular components of this staff initiated program (funded this year by HEF)* **\$6,200**
- institution of a freshman Advisory Program - *to provide teacher advisors for this long needed program to address student transition to the high school and to meet NEASC accreditation guidelines* **\$7,585**
- increase in high school language lab aide hours (5/wk.) – *to enhance equity of lab use and teacher technical support as sections of foreign language have been added at the high school* **\$3,058**
- increases in general equipment, copier, and maintenance project lines to reduce backlog of requests – *to address non-personnel needs that have been unmet or under funded in the recent past* **\$27,000**

**Total in Enhanced Service and Programs category = \$43,843**

**TOTAL NEW REQUESTS IN NEEDS BASED BUDGET - \$926,575**

This figure is 46% of the proposed increase in the FY 2014 Operating Budget over FY 2013. The remaining increase is in contractual obligations, anticipated costs of goods, contracted services, tuitions, etc.

**Requests from principals that were NOT included in this budget proposal** - These items represent justified needs, but were deferred only in consideration of overall cost of the entire proposal.

- restoration of 2.25 adjustment counselors (2 at elementary, .25 at middle school) – *a high priority, but costly, request for important support services for children and families and for proactive responses to social and emotional needs of children and families in our community* **\$142,768**
- 1.0 elementary classroom teacher – *to reduce large class sizes (24 +)* **\$53,806**
- additional para hours (7.5/wk. each for health room, language lab) – *to provide full day services, only partially addressed in the categories above* **\$4,587**
- additional tutor hours for Transition Room (7.5/wk.) – *to provide full day tutor coverage for the transition classroom described above* **\$5,545**
- 0.6 elementary reading evaluator – *to address increased parent or staff requests for reading evaluations; (.4) is available; 1.0 was requested* **\$51,748**
- various items under texts, instructional and non-instructional equipment, and maintenance projects – *to address more of the backlog of previously unfunded or underfunded requests* **\$100,000**

**Total requests not included = \$358,454**

There are a number of areas that we will monitor carefully for potential cost savings or additional revenue. They include personnel (additional retirements or leaves of absence), tuitions that have been budgeted with the assumption that OSD will approve all the tuition increases requested by special education institutions, and revolving account balances as they may increase further into the year.

The **Capital Budget** request will be presented initially to the Capital Outlay Committee in January, after input from, and review by, the Long Range Planning 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 budget hearings on January 10<sup>th</sup> and January 17<sup>th</sup>; administrators will work collaboratively with the School Committee and Town officials to explore creative ways to fund and manage the budget that eventually will be adopted. The SC will begin its budget deliberations and priority setting at the meeting of January 24<sup>th</sup>, and the Joint meeting with the Selectmen and Advisory Committee is scheduled for January 31<sup>st</sup>. The School Committee’s Public Hearing on the Budget will be held at its regular School Committee meeting of February 11, 2013. A budget adoption vote will be taken subsequent to this discussion.

