

HANOVER SCHOOL DISTRICT

Bernice A. Ray School

Proposed 2022-23 Budget

Administration:

Jay Badams, PhD, Superintendent of Schools
Robin Steiner, Assitant Superintendent of Schools
Lauren Amrhein, Principal, Bernice A. Ray School
Nan Parsons, Asst. Principal, Bernice A. Ray School
Jamie Teague, Business Administrator
Rhett Darak, Director of Student Services
Tony Daigle, Director of Plant
Joshua Mulloy, Director of Technology

Hanover School Board:

Chair Ben Keeney, Vice-Chair Marcela Di Blasi
Jon Hunt, Kim Hartmann, Rick Johnson,
Kevin Knuuti, Deborah Bacon Nelson

Our Mission

At the heart of our school community is our mission and core values –

We honor a common vision of equality. We provide a challenging educational program that focuses on the individual child while fostering the motivation to learn and to collaborate.

Our teachers and staff members promote the school's core values through meaningful instructional experiences that include exemplary integrated and interdisciplinary project-based learning outcomes. In addition to the core subject areas of English language arts, math, science, social studies, and the arts, we seek to expand each child's interests, reasoning, collaboration, and communication skills.

Our children learn to take risks in the pursuit of knowledge and to develop their individual talents. All members of the school community follow the precepts of our "Three Rs" – Rights, Respect, and Responsibility.

2022-2023 Budget Guideline Summary

The Hanover School Board approaches the 2022-23 budget as a year for healing based on the still present impacts of the Covid-19 pandemic. Sadly, the rapid spread of the Covid-19 Delta variant and other strains has currently outmatched our global community's ability to achieve immunization and control the infectious disease. Therefore, our foremost priority as a Hanover School Board continues to be ensuring the health and safety of our students and staff. The Hanover Board expects the 2022-23 budget to continue to support health and safety measures, which have been successfully implemented and managed to date.

The Hanover School Board also recognizes that our local economy is actively healing from the pandemic. In 2020, the economic focus was on high unemployment and low interest rates, now employers, including school districts, are facing labor shortages and inflation risks. Upper Valley property values have climbed sharply since the pandemic began and the effect on Hanover property tax assessments has just started.

Balancing these health and economic concerns, the Hanover School Board recommends the Hanover School District to manage the 2022-23 general budget to a targeted increase of 3.25% or less over the 2021-22 budget (excluding the change in sixth grade tuition). This level of funding represents the direct operating expenses for the Hanover School District. It does not represent a target for the Hanover portion of the school tax rate.

To advise the budget corridor, the Hanover Budget Committee reviewed financial projections to understand the known, anticipated changes in expenditures for 2022-23 budget compared to the prior year budget. The Budget Committee predicts, to the best of its ability, that the Hanover School District budget can expect an increase of 2.52% in the Direct Operating budget and expect a 6.50% budget increase for the Support Operations budget. In total, the Hanover District budget, when rolled forward, is expected to increase 3.28% or approximately \$451K.

Initial Budget Guideline Summary considerations:

- Union agreements for Teachers and Support Staff are being negotiated
- Non-Union employees increases initially projected at 2%
- Health Insurance premium increase estimated 5%
- Other program costs estimated at July CPI of 4.2%
- Spec. Ed. Program costs estimated to increase 16.25%
- Transportation base costs estimated to increase by 4%
- SAU70 assessment estimates a modest increase
- Capital expenditures assumed flat budget
- Debt service held flat as tech project was self funded
- Enrollments have not been considered

To move beyond status quo we discussed the following changes:

- Higher enrollments = additional teaching staff
- Updating the math curriculum
- Additional reading/writing specialists

Actual Enrollment & Forecast as of Oct. 1, 2021

Based on Oct. 1 Actuals	<u>2020-21</u> Projected	<u>2020-21</u> Actual**	<u>2021-22</u> Projected	<u>2021-22</u> Actual	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>
<u>Kindy</u>	72	70	70	85	73	73	73	73	73
<u>Grade 1</u>	83	75	77	81	91	79	79	79	79
<u>Grade 2</u>	83	79	80	75	82	92	80	80	80
<u>Grade 3</u>	82	83	77	78	77	85	95	83	83
<u>Grade 4</u>	88	88	83	85	74	74	81	91	79
<u>Grade 5</u>	72	74	86	93	88	77	76	79	94
TOTAL	<u>480</u>	<u>469</u>	<u>473</u>	<u>497</u>	<u>486</u>	<u>479</u>	<u>484</u>	<u>485</u>	<u>487</u>

District Staffing

<u>Certified Staff</u>	<u>2021-22</u>	<u>2022-23</u>	<u>Difference</u>
Regular Ed Teachers*	38.40	38.20	(0.20)
Special Ed Teachers	9.20	9.20	0.00
Other Certified Staff	10.66	10.66	0.00
Total Certified Staff	<u>58.26</u>	<u>58.06</u>	<u>(0.20)</u>
<u>Other Staff</u>			
School Administrators	1.75	1.75	0.00
School Admin. Office	2.00	2.00	0.00
Regular Ed Aides/Tutors	11.42	14.97	3.55
Special Ed Aides	26.81	22.35	(4.46)
Health, Library & Tech Asst.	2.03	2.12	0.09
Custodial Staff	4.50	4.50	0.00
Total Other Staff	<u>48.51</u>	<u>47.69</u>	<u>(0.82)</u>
<u>Total Overall Staff</u>	<u>106.77</u>	<u>105.75</u>	<u>(1.02)</u>

*Note: Does not include 1.0 FTE which is budgeted for a sabbatical

2022-23 Budget Proposals:

V.1. Oct. 30 (shared 11/1):

W/Out RET - \$14,225,687 Incr \$475,221 or 3.46%

V.2 Nov. 20 (shared 11/22):

W/Out RET - \$14,230,815 Incr \$480,349 or 3.49%

W/RET – Difference is a Decrease (\$1,425,838) or (9.11%)

V.3 Jan. 3 – Current:

W/Out RET - \$14,303,350 Incr \$550,984 or 4.01%

W/RET – Difference is a Decrease (\$1,353,303) or (8.64%)

RET – Reg. Ed Tuition = 6th grade tuition costs paid to Dresden for 2021-22 in amount of \$1,904,287

Significant Changes V.3.

Increases

- Salaries – Teachers/Specialists: \$77,421 or 2.51%
(Total Salary increases/net of decreases – \$19,090)
- SAU 70 Services \$17,438 or 3.51%
- Special Ed Tuition - OOD \$171,800 or 19.63%
- Building Improvements \$11,000 or 7.3%
- Health Insurance Rate/Elect. Increases \$74,364 or 4.63%
- NH Retirement Increases – turnover \$50,543 or 4.81%
- Group In-Service/Staff Development \$37,050 or 247.0%
- Technology Services/Equipment \$36,455 or 37.43%
- All B&G Maintenance/Services \$11,324 or 1.78%
- Special Education Transportation \$84,200 or 179.9%
- Transportation Contract \$9,901 or 1.82%

Decreases

- 6th Grade Tuition – no longer tuitioned (\$1,904,287)
- Early Retirement Benefits (\$15,382) or (16.0%)

District Revenues and Net Assessment

Revenues & Net Assessment	As Voted 2021-22	Proposed 2022-23	\$ Change	% Change
Hanover Direct Budget (includes WA #3)		\$ 14,263,350		
Prior Year As Voted <u>without</u> 6th Grade Tuition/Tech*	\$ 13,752,366		\$ 510,984	3.72%
Prior Year As Voted <u>with</u> 6th Grade Tuition/Tech	\$ 15,901,987			
		\$ 14,263,350		
Prop Bridgman Fund Article; breakdown on Ex 3 (next pg)		\$ 40,000		
Budget Proposal*	\$13,752,366	\$ 14,303,350	\$550,984	4.01%
20-21 Revenues - adj. Nov 2021 with NH DRA (subtracted from expenditures to arrive at net assessment)	2021-22	2022-23	\$ Change	% Change
Balance Carry Forward	\$300,667	\$300,000	(667)	
<u>Local Sources</u>				
From Hanover Water Works	\$176,313	\$156,070	(20,243)	
Tuition Income	\$6,000	\$6,000	-	
Interest on Investments	\$20,000	\$5,000	(15,000)	
Prior Year Refunds	\$12,000	\$7,000	(5,000)	
Rental of Property/Bldg Maint Offset	\$15,000	\$20,000	5,000	
Miscellaneous	\$250	\$250	-	
<u>State Sources</u>				
Kindergarten Aid	\$0	\$0		
Adequacy Aid (includes 1x change to State Wide Funding)	\$246,325	\$1,308,224	1,061,899	
Catastrophic Aid	\$500,000	\$500,000	-	
Building Aid	\$73,653	\$73,653	-	
Federal Sources (Medicaid & Agric Grant)	\$103,048	\$103,200	152	
<u>Other Financing Sources</u>				
From Sale of Bond/Notes-Other* (tech funding removed)		\$0	-	
From Building Maintenance Reserve Fund*		\$0	-	
From From Bridgman Reserve Fund (Revenue offsets potential \	\$40,000	\$40,000	-	
From Building Maintenance Reserve Fund	\$0	\$0	-	
Total Current Year Revenues	\$1,192,589	\$2,219,397	1,026,808	
Total Revenues and From Fund Balance (no tech funds)	\$1,493,256	\$2,519,397	1,026,141	68.72%
Total Revenues & From Fund Balance with Tech Revenue	\$1,738,590			
Net Assessment Actual - including all WA's & Expenses	\$14,163,397	\$ 11,783,953	(2,379,444)	-16.80%
*NOTE: cells in blue do not include tech project exp/rev or prior year 6th grade expense				

Net Assessments and Tax Rate Summary

Hanover School District		Tax Impact Data			
Exhibit 3, V.2 - DISTRICT ASSESSMENTS:		2021-22	2022-23	\$ Chg	% Change
Hanover Assessment (21-22 Adjusted to Actual)	\$14,163,397	\$11,783,953	(\$2,379,444)	-16.80%	
Dresden Assessment (without additional articles)	\$14,623,697	\$17,192,476	\$2,568,779	17.57%	
	\$28,787,094	\$28,976,429	\$189,335	0.66%	
Hanover Tax					
ESTIMATED TAX RATES: with adjusted NAV					
Local School Tax Rate (Orig 21-22 Proj. \$10.53)	8.95	9.50	0.55	6.15%	
State School Tax Rate (Orig 21-22 Proj. 2.00)	1.72	1.28	(0.44)	-25.58%	
Total School Tax Rate (Orig 21-22 Proj. \$12.53)	\$10.67	\$10.78	0.11	1.03%	
		<u>Included in</u>	<u>Excluded</u>		
		<u>above rate</u>	<u>from above</u>		
		<u>estimate</u>	<u>rate</u>		
			<u>estimate</u>		
IMPACT OF HANOVER SPECIAL ARTICLES:					
Article 2 Bridgman Fund (included in above/revenue neutral)	\$40,000	\$0.015	n/a		
Article 3 School Board & Officers Salaries (incl. in above totals)	\$7,388	\$0.003	n/a		
Article 4 Teachers Cont Stlmt (excluded from total above)	\$195,827		\$0.07		
Article 5 Supp Staff Cont Stlmt (excluded from total above)	\$43,388		\$0.02		
Article 7 School Bld Maintenance Reserve (excluded from total above)	\$150,000		\$0.06		
Article 8 Establish OPEB Reserve (excluded from total above)	\$1,000		\$0.00		
Total Estimated Tax Rate w/Special Articles Approved	\$437,603	\$0.02	\$0.15		
IMPACT OF DRESDEN SPECIAL ARTICLES:					
Article 4 Teachers Cont Stlmt (excluded from DRES total above)	\$268,212		\$0.10		
Article 5 Supp Staff Cont Stlmt (excluded from DRES total above)	\$39,649		\$0.01		
	\$307,861		\$0.11		
IF all of the warrant articles in Hanover and Dresden pass, IF all of the assumptions of valuation and state school tax rate calculations hold true, then the total school tax rate would increase by \$0.37					

State Wide Education Property Tax Rate

What is this “State School Tax Rate” also know as “SWEPT” and What are the big changes this year to cause such an increase in our Adequacy Aid funding and a decrease in this portion of the projected tax rate?

This is a One (1) Year grant award to provde local property tax relief.

How is the SWEPT rate calculated?

SFY 2022 SWEPT Calculation

$$\begin{array}{r} \$363 \text{ Million Revenue} \\ \hline \$199 \text{ Billion In State Property} \\ = \\ \$1.82 \text{ Per } \$1,000 \end{array}$$

SFY 2023 SWEPT Calculation

$$\begin{array}{r} \$263 \text{ Million Revenue} \\ \hline \$214 \text{ Billion In State Property} \\ = \\ \$1.23 \text{ Per } \$1,000 \end{array}$$

The State equalizes all of the property across NH’s towns and cities, then divides the revenue by the equalized total property and determines a rate; which is adjusted up or down locally by the total amount of aid and local NAV.

Questions?

