



HAMILTON-WENHAM REGIONAL SCHOOL DISTRICT

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Michael M. Harvey, Ed.D.
Superintendent of Schools

Dear Members of the Hamilton and Wenham Communities,

On February 13, the School Committee voted on a final Fiscal Year 2019 (FY19) Operating Budget and to borrow funds to pay for capital improvements, including the installation of a fire suppression system at the Winthrop School and “Safety, Accessibility and Critical Infrastructure improvements in all school buildings. The HWRSD Budget and the proposed capital projects will now be put before Hamilton and Wenham Annual Town Meeting on April 7, 2018.

The School Committee’s Total Operating Expense Budget for FY19 is \$31,894,058, which is an increase of \$1,694,242, or 5.61% over the current year’s Operating Budget. The School Committee’s adopted budget translates into an assessment increase of \$984,224 (5.7%) to a total of \$18,385,495 for the Town of Hamilton, and an increase of \$846,835 (9.2%) to a total of \$10,053,012 for the town of Wenham.

The FY19 Budget: Level Service plus Critical Enhancements

The FY19 School Committee’s Budget is based on a “level service” budget plus identified enhancements that are critical to maintain the high quality of educational services that the taxpayers of Hamilton and Wenham have come to expect. “Level Service” seeks to maintain the current services offered by the District, while accounting for anticipated annual cost increases, which are balanced by any expected cost reductions. These anticipated increases include cost of living adjustments to employee salaries, increases in the cost of employee health insurance premiums, tuition increases for students who are in out-of-district placements and for transportation services for students. The net amount needed to maintain level services for FY19 is \$1,117,099.

We have operated on a “Level Service” Budget model for the past two school years. Because of this, any enhancements to our programming have been achieved at the expense of other existing resources. Doing this has been a positive experience for the HWRSD, as it has required us to evaluate the effectiveness of existing programs and services and decide when to discontinue a program or service in exchange for something we feel is more effective. However, after two years of “Level Service” budgets, we have exhausted all opportunities for efficiency in our operations. Because of this, the FY19 School Committee’s Budget includes \$577,143 in funding for “Critical Priorities” in resources to improve student learning, to develop programming to address the flow of students from the HWRSD into out of district special education placements and reduce the burden placed on families by high athletic user fees.

Critical Priority #1: Improved Student Learning

This year, we conducted an extensive review of our performance on the newly revised edition of the MCAS assessment test. Through conducting this review, we learned that the resources that we are currently using in mathematics are not well aligned to the state standards tested on these exams. The FY19 budget therefore includes approximately \$172,500 in funding for educational resources for teaching mathematics in grades K through 8 that are better aligned with state curriculum standards, assessments to help us better identify students who are experiencing learning difficulties, and tools to help us remediate these difficulties. Through making this investment, the HWRSD will be able to ensure students are using the most up to date learning materials and receiving the best preparation possible for their future.

Critical Priority #2: Reduced Out of District Placements

Tuition and related transportation costs for students in special education programming that is outside of the HWRSD continues to be one of our fastest growing expenses. These tuition costs can run anywhere from \$35,000 annually for a “day-school” placement to as high as \$250,000 per year for one student for a full-time, residential placement. Additionally, the District is required to pay for the transportation services to deliver students to their educational placements. These costs can run as high as \$90,000 per student annually. In the past three years, our number of students in out of district placements has increased from 22 in FY14 to 46 in the current year.

One approach to control these costs is to develop in-district programming to meet the needs of these students. While creating programming to meet student needs within our own schools does come at a cost, it is more cost effective to educate students “in-district.” Currently, there are cohorts of students being educated in Miles River Middle School Programs for which there are no analogous programs at the High School. Therefore, programs need to be instituted at HWRHS to meet the needs of these students in order to avoid more expensive out-of-district placements. To this end, approximately \$169,000 in new funding has been included in the FY19 Budget for additional staffing in order to create in-district special education programming to service students with special needs. Through making this investment our cost analysis shows the potential of over \$2.2 million in savings over the next four years through avoiding out of district tuitions.

Critical Priority #3: Lowered Athletic User Fees

Athletics are an integral part of any student’s high school experience. This statement is even truer for students at Hamilton-Wenham Regional High School, where over 70% of the student body participated in at least one sport in the 2016-2017 school year. Another more unfortunate truth of athletic participation at Hamilton-Wenham Regional High School is that student-athletes and their families pay some of the highest user fees in the state. Current user fees range from around \$1600 per season for ice hockey to over \$400 for cross-country. In the FY18 budget, user fees account for 48% of the \$727,769 needed to fund the entire athletic budget. After listening to the concerns of members of the community during the budget review process, the School Committee decided to add \$177,764 to the FY19 Budget. This

amount will reduce the portion of the athletic budget funded through user fees by half. This investment will translate into a substantial across the board cut (up to 50%) in user fees, making athletic participation less of a burden on families.

Putting the FY19 Budget into Perspective

The School Committee and HWRSD administration endorse the proposed FY19 Budget because it will allow the HWRSD to continue to provide a world-class education at a fiscally responsible price. We also understand that the increases in the FY19 budget put a strain on the Town of Wenham's finances. This strain however is, in large part, due to the shifting nature of demographics in Hamilton and Wenham and not uncontrolled spending growth. The HWRSD Budget is assessed to each town based on a three-year average of the number of students enrolled from each town. Over the last four years, the Town of Wenham has seen an increase in its students relative to the number of students from Hamilton, resulting in a \$900,000 "shift" in HWRSD assessments from Hamilton to Wenham. The impact of the population shift on Wenham's HWRSD assessment is unmistakable. From FY15 to FY19, the total amount assessed to the Towns of Hamilton and Wenham has grown at an average annual rate of 4%. Over the same FY15 to FY19 time period, Wenham's share of the assessment has grown at an average rate of 8%. Conversely, the Town of Hamilton's assessment has grown at only 2.25% per year for the same time period.

Next Steps in the FY19 Budget Process

The School Committee's FY19 budget will now be presented for approval at Hamilton and Wenham Town Meeting on April 7. The School Committee and I humbly request your support at your Town Meeting. Your vote for the School District at Town Meeting will ensure we continue to provide the educational services our community has come to expect and sees as a source of pride. I look forward to seeing you on April 7th.

Sincerely,

Michael M. Harvey, Ed.D.
Superintendent
Hamilton-Wenham Regional School District