

Hanover District Bernice A. Ray School

2022-2023 Budget Proposal

February 24 2022

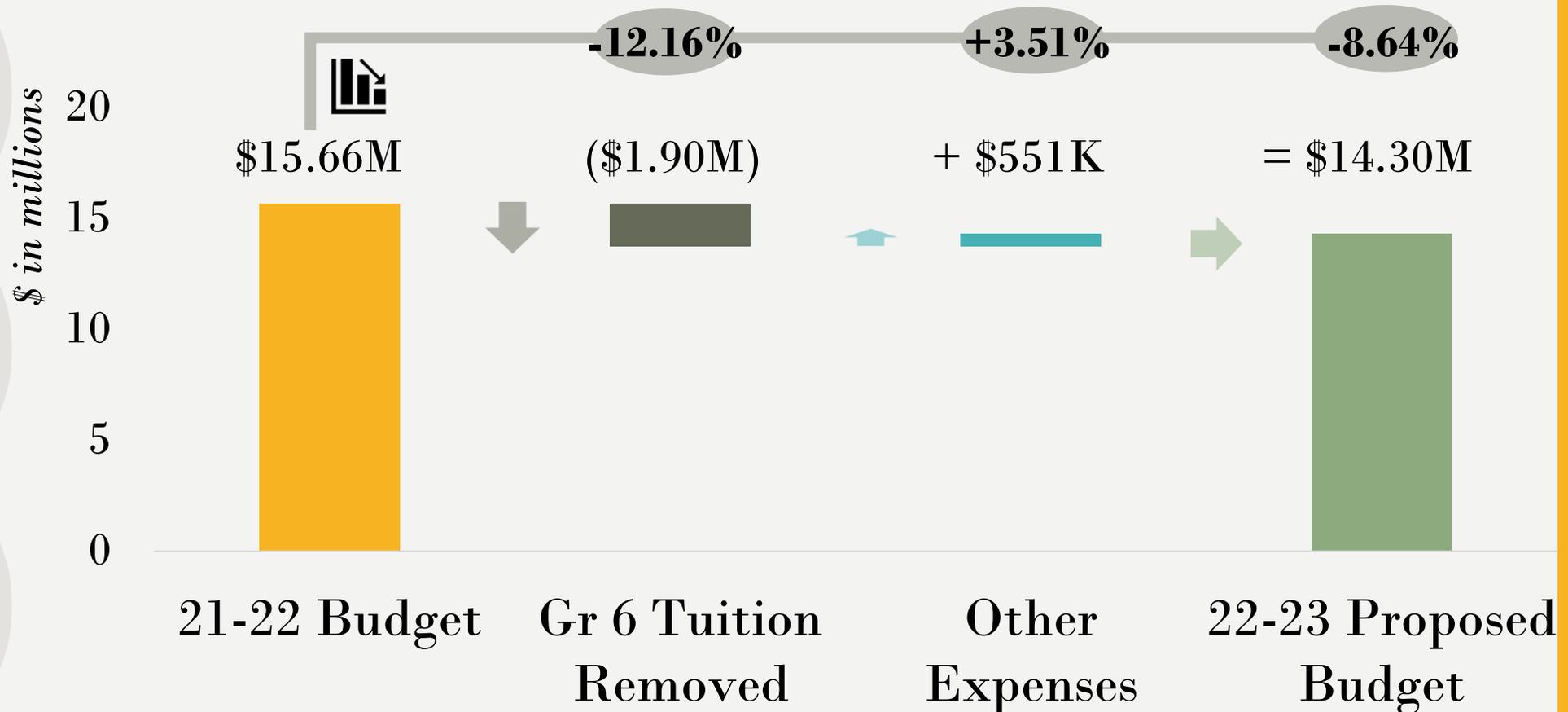
Hanover School Board

Benjamin Keeney, Chair
Marcela Di Blasi, Vice Chair
Kimberly Hartmann
Jonathan Hunt
Rick Johnson
Kevin Knuuti
Deborah Bacon Nelson

Administration

Jay Badams, PhD, Superintendent of Schools
Robin Steiner, Assistant Superintendent of Schools
Lauren Amrhein, Principal
Nan Parsons, Assistant Principal
Jamie Teague, Business Administrator
Rhett Darak, Director of Student Services
Tony Daigle, Director of Plant
Joshua Mulloy, Director of Educational Technology

Summary: Hanover District budget is dramatically reduced by the removal of sixth grade tuition expense



Note: District Budgets include School Board members and other District Officers (warrant article 2) and Bridgman Fund expenditures (warrant article 3).

 Projected Hanover Education Tax Rate (All-in)*: + 3.47%

* Hanover School Tax Rate comprises state and local (Dresden + Hanover) school taxes and assumes all warrant articles approved (including special articles). 2

Agenda



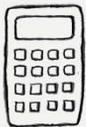
Enrollment



Expenditures



Revenue



Net Assessment & Tax Rate



Progress Report

Agenda



Enrollment



Expenditures



Revenue



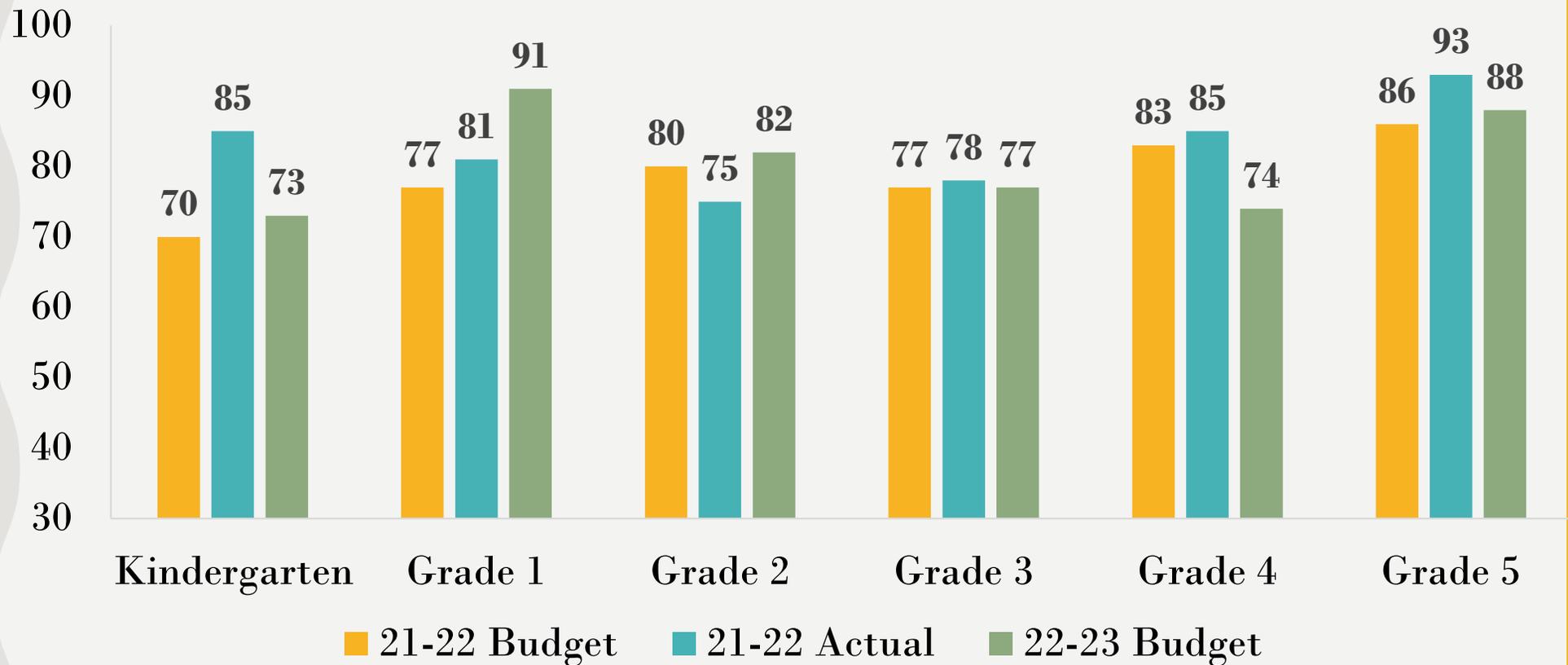
Net Assessment & Tax Rate



Progress Report

Expected K - Grade 5 enrollment is 13 students higher than current year's budget

Student Enrollment at the Ray School



Note: Projections are rounded and based on enrollment as of October 1

Hanover Grade 6 enrollment will be discussed in Dresden District

Voters Approved Warrant Article 7 Last Year

WARRANT ARTICLES FOR THE 2021 HANOVER SCHOOL DISTRICT ANNUAL MEETING

ARTICLE 7: Shall the Hanover School District vote to designate the Dresden School District as the exclusive provider of sixth grade educational services to its students, effective for the 2022-2023 school year; said vote being subject to a final vote by the Dresden School District at its 2021 Annual meeting to amend its Articles of Agreement to allow for the provision of sixth grade educational services to member school districts.
The School Board recommends this designation.

- 2022-23 Budget is first year Hanover Grade 6 students will *officially* be Dresden students
- No longer requires tuition from Hanover District

Staffing adjusted based on current and projected enrollment

Ray School Full-Time Equivalent (FTE) Change from 21-22 Budget

	Increase	Decrease	Total 22-23 Proposed Budget
 Certified Staff	None	- 0.20 Reg Ed Teachers	58.06 FTEs - 0.20
	+ 3.55 Reg Ed Aides/Tutors		
 Other Staff	+ 0.09 Health & Library Asst	- 4.86 Special Ed. Aides (Ray)	47.69 FTEs
	+ 0.40 Spec Ed Aides (PreK)		- 0.82
Total Staff			105.75 FTEs - 1.02

Note: The staffing above does not include the addition of a paid teacher sabbatical (per union agreement) representing an additional 1.0 FTE cost.

Agenda



Enrollment



Expenditures



Revenue



Net Assessment & Tax Rate



Progress Report

2022-23 Expenditures

Expenditures

Ray School Op. (Pre-K to 5)	\$12,617,116
-----------------------------	--------------

Special Education Tuition	\$1,081,700
---------------------------	-------------

Site & Building Improvements	\$161,600
------------------------------	-----------

Debt Service	\$393,934
--------------	-----------

Food Service Fund	\$9,000
-------------------	---------

Bridgman Reserve Fund	\$40,000
-----------------------	----------

6 th Grade Tuition Exp + Reserve	\$0
---	-----

\$14.30M

Note: 2022-23 proposed budget also includes School Board members and other District Officers and Bridgman Fund warrant articles. 9

Medical benefits are over 40% of Ray School operations net increase

Expenditures

Change from 21-22 Budget

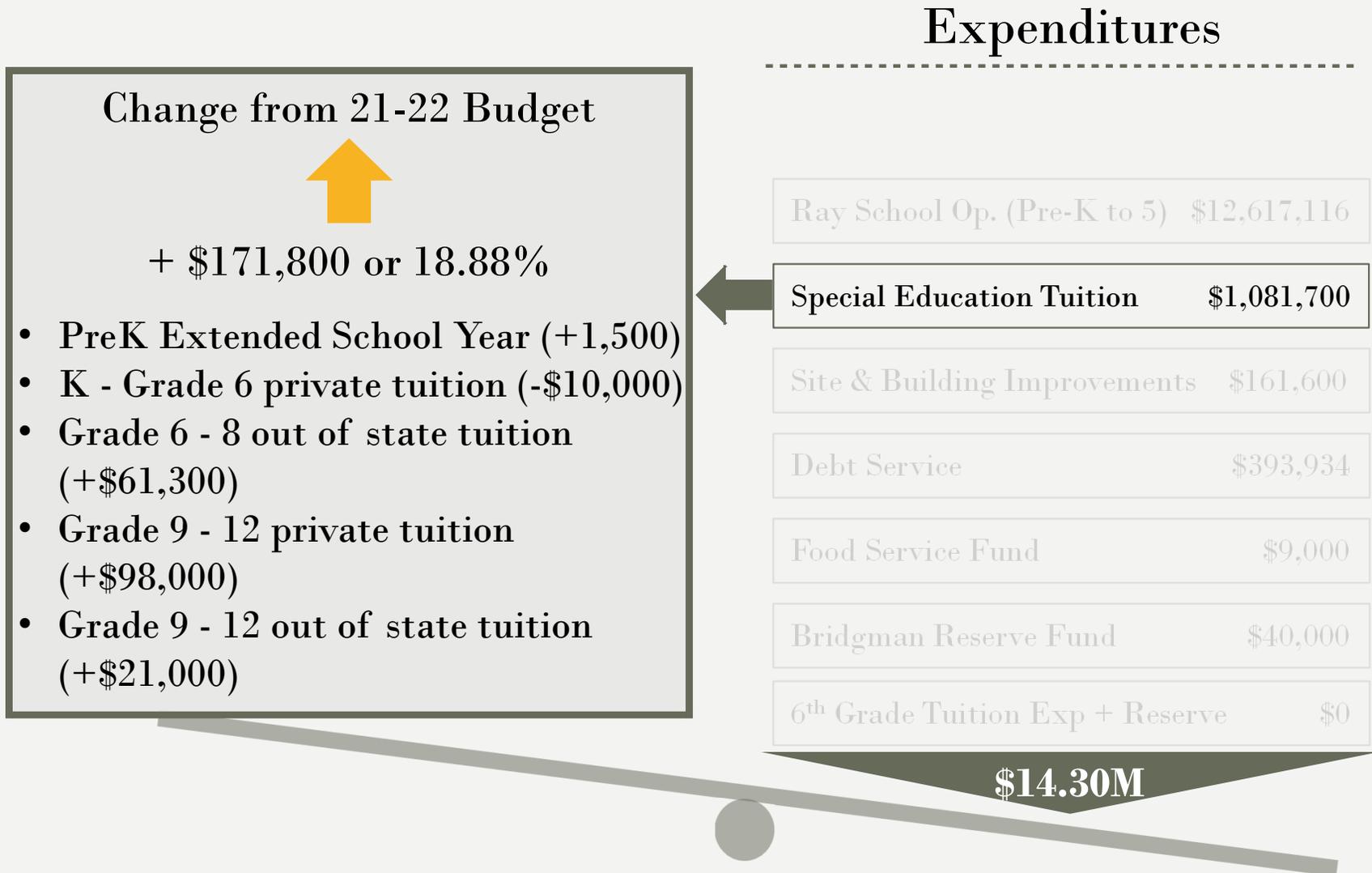


+ \$470,914 or 3.88%

- Health elections and med insurance rates increased 5% & 10.2% (+\$199,056)
- 3.55 FTE of Reg Ed aides moved up from the Special Ed section (+\$92,860)
- 1.0 FTE to cover a teacher's sabbatical (+\$77,421)
- Curriculum development incl new K-5 math program (+\$37,050)
- Outsourcing evening custodial operations savings (-\$60,160)

Expenditures	
Ray School Op. (Pre-K to 5)	\$12,617,116
Special Education Tuition	\$1,081,700
Site & Building Improvements	\$161,600
Debt Service	\$393,934
Food Service Fund	\$9,000
Bridgman Reserve Fund	\$40,000
6 th Grade Tuition Exp + Reserve	\$0
\$14.30M	

Special Education tuition needs are expected to rise nearly 19% based on current student census



Note: Per the Dresden compact, the special education expenses for Hanover students in Dresden will be covered in the Hanover School District budget.

Routine maintenance of the Ray School building faces inflationary costs

Expenditures

Change from 21-22 Budget



+ \$11,000 or 7.30%

- Increase reflects aging Ray School building and inflationary pressure on construction costs
- Details on specific projects can be found in Exhibit 12 of Budget Book

Ray School Op. (Pre-K to 5) \$12,617,116

Special Education Tuition \$1,081,700

Site & Building Improvements \$161,600

Debt Service \$393,934

Food Service Fund \$9,000

Bridgman Reserve Fund \$40,000

6th Grade Tuition Exp + Reserve \$0

\$14.30M

No proposed changes to debt schedule

Change from 21-22 Budget



- \$1,730 or (0.44%)

- No changes proposed to debt schedule
- Since technology project voted last year cost less than budgeted, the School Board decided not to finance project with debt and paid for project in cash via \$150,000 withdrawal from maintenance reserve fund

Expenditures

Ray School Op. (Pre-K to 5) \$12,617,116

Special Education Tuition \$1,081,700

Site & Building Improvements \$161,600

Debt Service \$393,934

Food Service Fund \$9,000

Bridgman Reserve Fund \$40,000

6th Grade Tuition Exp + Reserve \$0

\$14.30M

Fewer students expected to participate in free and reduced lunch program

Change from 21-22 Budget



- \$1,000 or (10.00%)

- Transfers into the Food Service Fund covers food service for students who qualify for free and/or reduced lunch
- Fewer students are projected to participate in the program

Expenditures

Ray School Op. (Pre-K to 5) \$12,617,116

Special Education Tuition \$1,081,700

Site & Building Improvements \$161,600

Debt Service \$393,934

Food Service Fund \$9,000

Bridgman Reserve Fund \$40,000

6th Grade Tuition Exp + Reserve \$0

\$14.30M

No change expected for Bridgman Fund, charitable fund has zero impact on taxes

Change from 21-22 Budget



No Change

- Bridgman Fund is managed like an endowment to fund educational advantages for Hanover students

Expenditures

Ray School Op. (Pre-K to 5)	\$12,617,116
Special Education Tuition	\$1,081,700
Site & Building Improvements	\$161,600
Debt Service	\$393,934
Food Service Fund	\$9,000
Bridgman Reserve Fund	\$40,000
6 th Grade Tuition Exp + Reserve	\$0

\$14.30M

Hanover District no longer pays tuition to Dresden, expect voter request to repurpose sixth grade reserve fund next year

Expenditures

Change from 21-22 Budget



- \$1,904,287 or (100%)

- Hanover Grade 6 students are now considered Dresden students
- No longer requires Hanover District to send tuition to Dresden
- Hanover taxpayers' share of the Dresden budget will increase accordingly

Ray School Op. (Pre-K to 5)	\$12,617,116
Special Education Tuition	\$1,081,700
Site & Building Improvements	\$161,600
Debt Service	\$393,934
Food Service Fund	\$9,000
Bridgman Reserve Fund	\$40,000
6th Grade Tuition Exp + Reserve	\$0

\$14.30M

Agenda



Enrollment



Expenditures



Revenue



Net Assessment & Tax Rate



Progress Report

2022-23 Revenue sources, excluding new local property taxes (net assessment)

Revenue

Balance Carry Forward (21-22)	\$300,000
Local Sources	\$194,320
State Sources	\$1,985,077
6 th Grade Tuition Fund	\$ 0
Bridgman Reserve Fund	\$40,000

\$2.52M

Note: Revenue sources are subject to change. Revenues are finalized with the New Hampshire Department of Revenue Administration in October/November of the current budget year.

Balance Carry Forward assumes a conservative end of year fund balance

Revenue

Balance Carry Forward (21-22) \$300,000	
Local Sources	\$194,320
State Sources	\$1,985,077
6 th Grade Tuition Fund	\$ 0
Bridgman Reserve Fund	\$40,000

\$2.52M



Change from 21-22 Budget*



- \$667 or (2.22%)

- In 2021-22, Hanover received unanticipated state revenue
- Reduced Balance Carry Forward from \$600K to \$300K and the remaining \$300K was retained and is planned to return to tax payers in 2022-23 in this line

* All revenue % changes in presentation are based on final 2021-22 adjusted revenues when submitted to NH DRA, which includes removal of debt financing for Ray School technology project

Low interest and tax rate environment reduces Hanover District revenue

Revenue

Balance Carry Forward (21-22)	\$300,000
Local Sources	\$194,320
State Sources	\$1,985,077
6 th Grade Tuition Fund	\$ 0
Bridgman Reserve Fund	\$40,000

\$2.52M

Change from 21-22 Budget

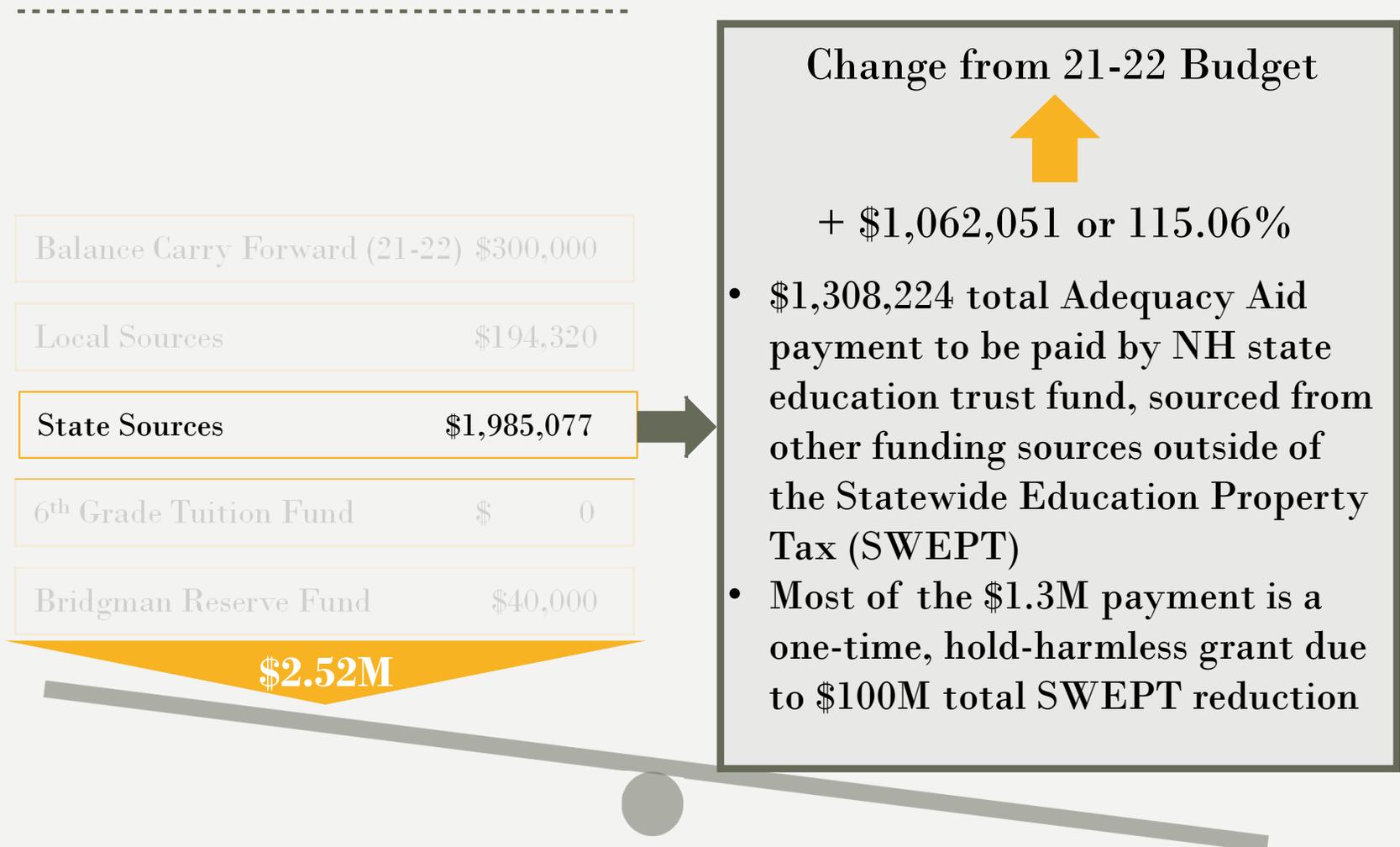


- \$35,243 or (15.35%)

- \$20,243 reduction from Hanover Water Works due to decrease in present tax rate which is used in the payment calculation
- \$15,000 decrease from investment income, now at \$5,000 total

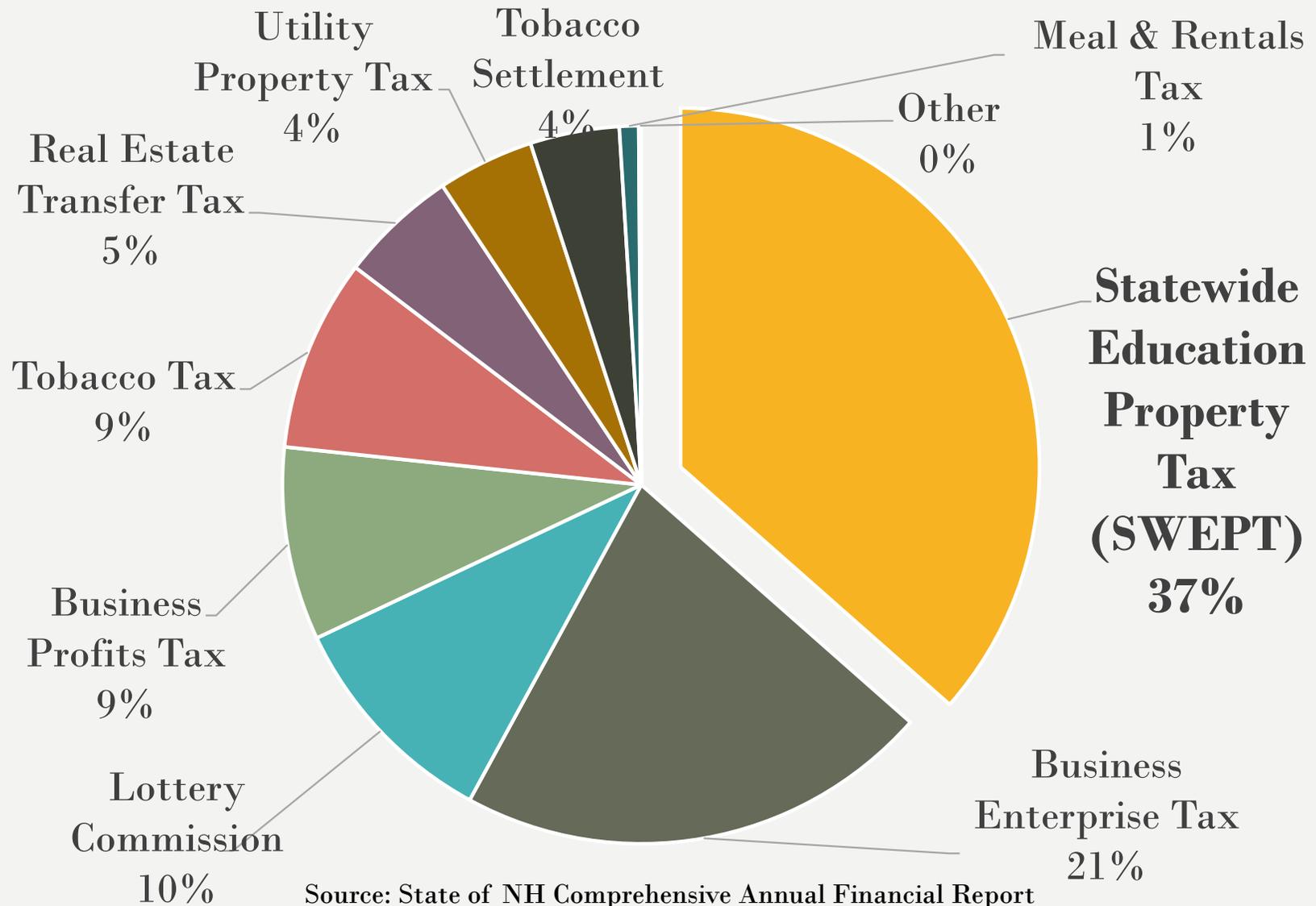
Large one-time change in NH state-wide education funding results in over \$1 million additional revenue

Revenue



SWEPT is one of many revenue sources for the NH State Education Trust Fund

SFY 2020 NH State Education Trust Fund Revenue Sources



Source: State of NH Comprehensive Annual Financial Report

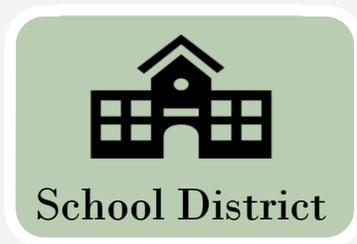
SWEPT is unique because it is both a state *revenue* and a state *expenditure*

How SWEPT Works

State pays school district adequacy aid, only if SWEPT is not enough



State determines SWEPT tax rate



Town collects SWEPT and transfers to school district (may fulfill the State's obligation to provide "adequate" education)



Property taxes (including SWEPT) are paid to town

SWEPT can be found on your property tax bill and in the District Budget book

Hanover Property Tax Bill

TOWN OF HANOVER
 REAL ESTATE TAX BILL 2ND HALF
 Reprint

OFFICE HOURS:
 Monday thru Friday
 8:30 AM to 4:30 PM

8% INTEREST CHARGE APPLIED AFTER DUE DATE

TAX RATE	STATE ED.	LOCAL ED.	COUNTY	TOWN	FIRE DIST.	TOTAL
	1.72	8.95	1.60	4.00	1.20	17.47

Hanover District Budget Book

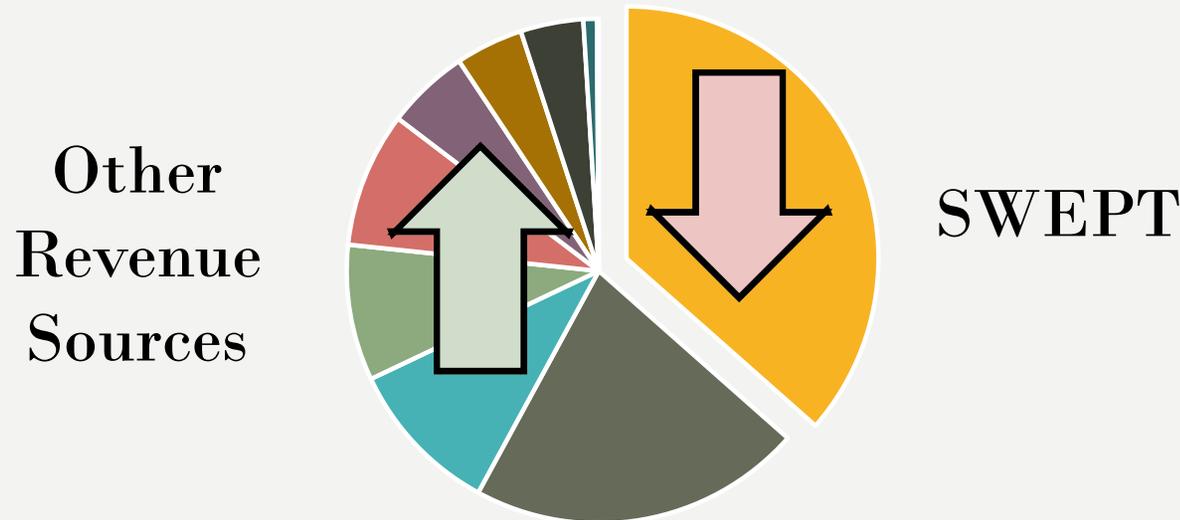
Hanover Tax

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%

What changed with SWEPT?

Expected NH State Education Trust Fund Revenue Sources



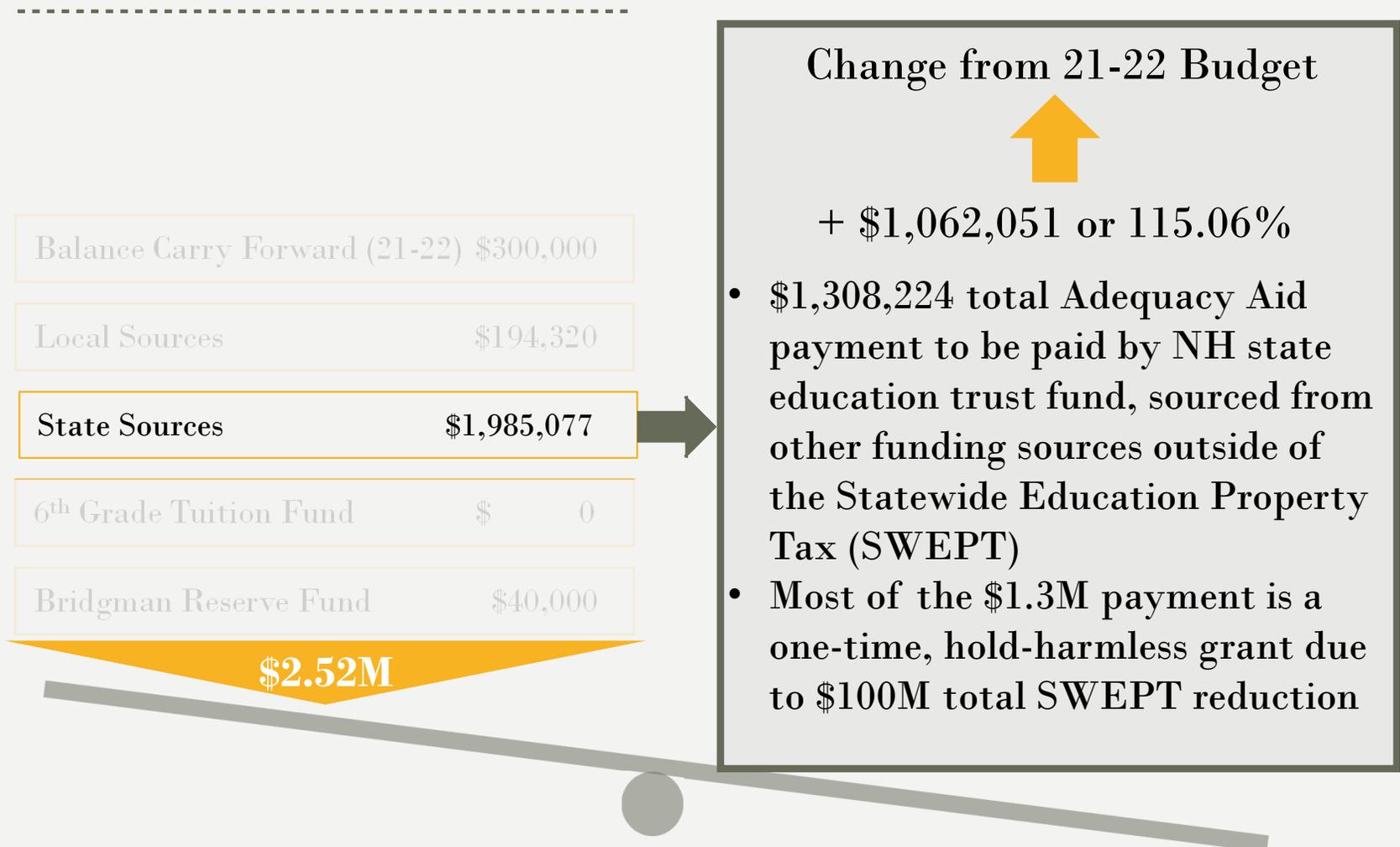
For one year, NH State decided to cut the SWEPT tax rate by \$100 million to \$1.28 per \$1,000 of property value

AND

Pay school districts a one-time “hold harmless” Adequacy Aid grant (from the other revenue sources)

Recap: Large one-time change in NH state-wide education funding results in over \$1 million additional revenue

Revenue



6th Grade Tuition Reserve Fund not needed and remaining funds likely to seek voter approval for repurpose next year

Revenue

Balance Carry Forward (21-22)	\$300,000
Local Sources	\$194,320
State Sources	\$1,985,077
6th Grade Tuition Fund	\$ 0
Bridgman Reserve Fund	\$40,000

\$2.52M

Change from 21-22 Budget



No Change

- 6th Grade tuition reserve fund is no longer needed as the Hanover Grade 6 class will be funded via Hanover taxpayers' share of the Dresden assessment
- Currently, there is ~\$379K in the 6th Grade Tuition reserve fund

Bridgman revenue is budget neutral with equal, offsetting expenses

Revenue

Balance Carry Forward (21-22)	\$300,000
Local Sources	\$194,320
State Sources	\$1,985,077
6 th Grade Tuition Fund	\$ 0
Bridgman Reserve Fund	\$40,000

\$2.52M

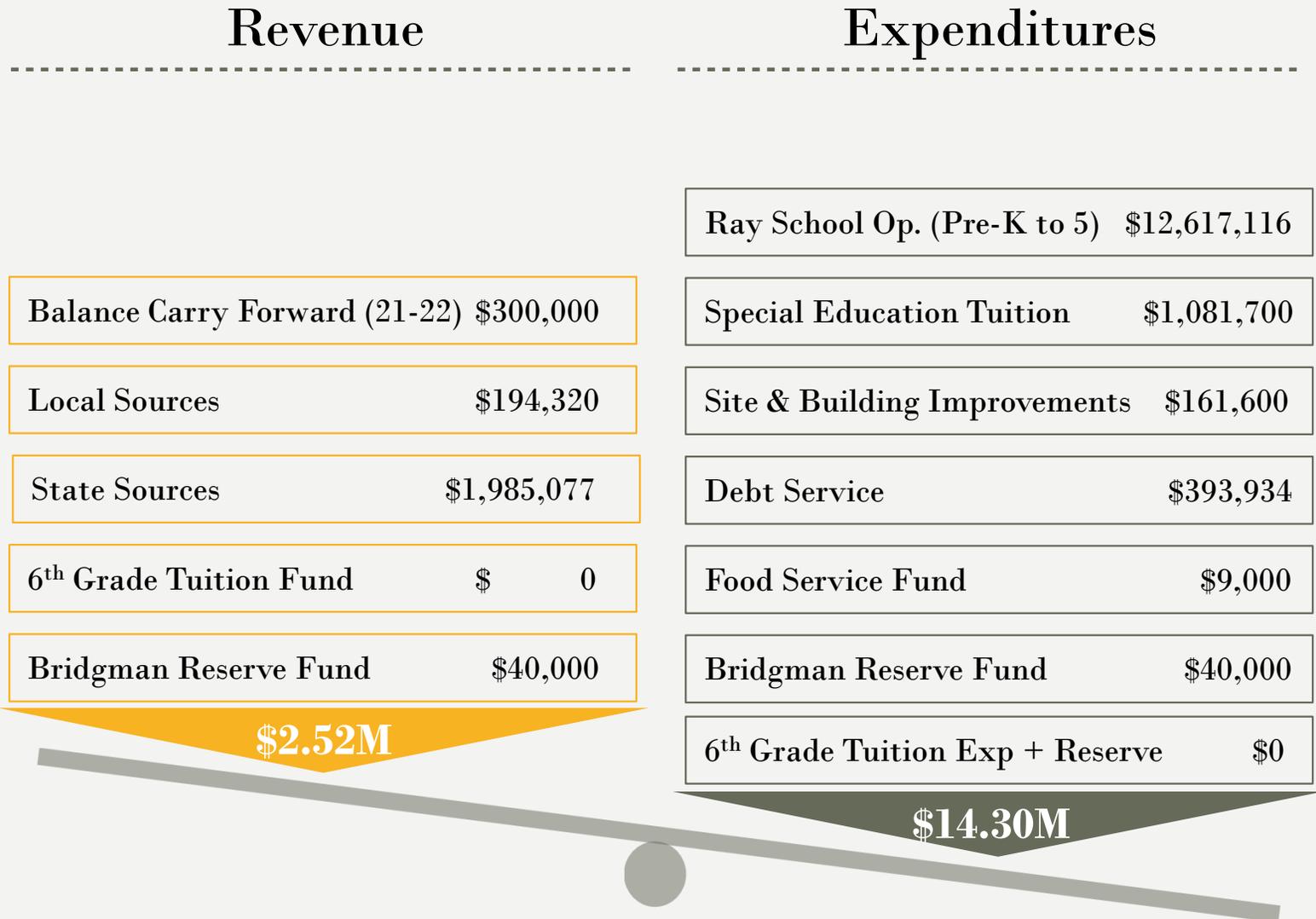
Change from 21-22 Budget



No Change

- Pass-through revenue line, only receive when there is a board-approved expense

2022-23 Revenue vs. Expenditures



Agenda



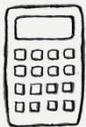
Enrollment



Expenditures



Revenue

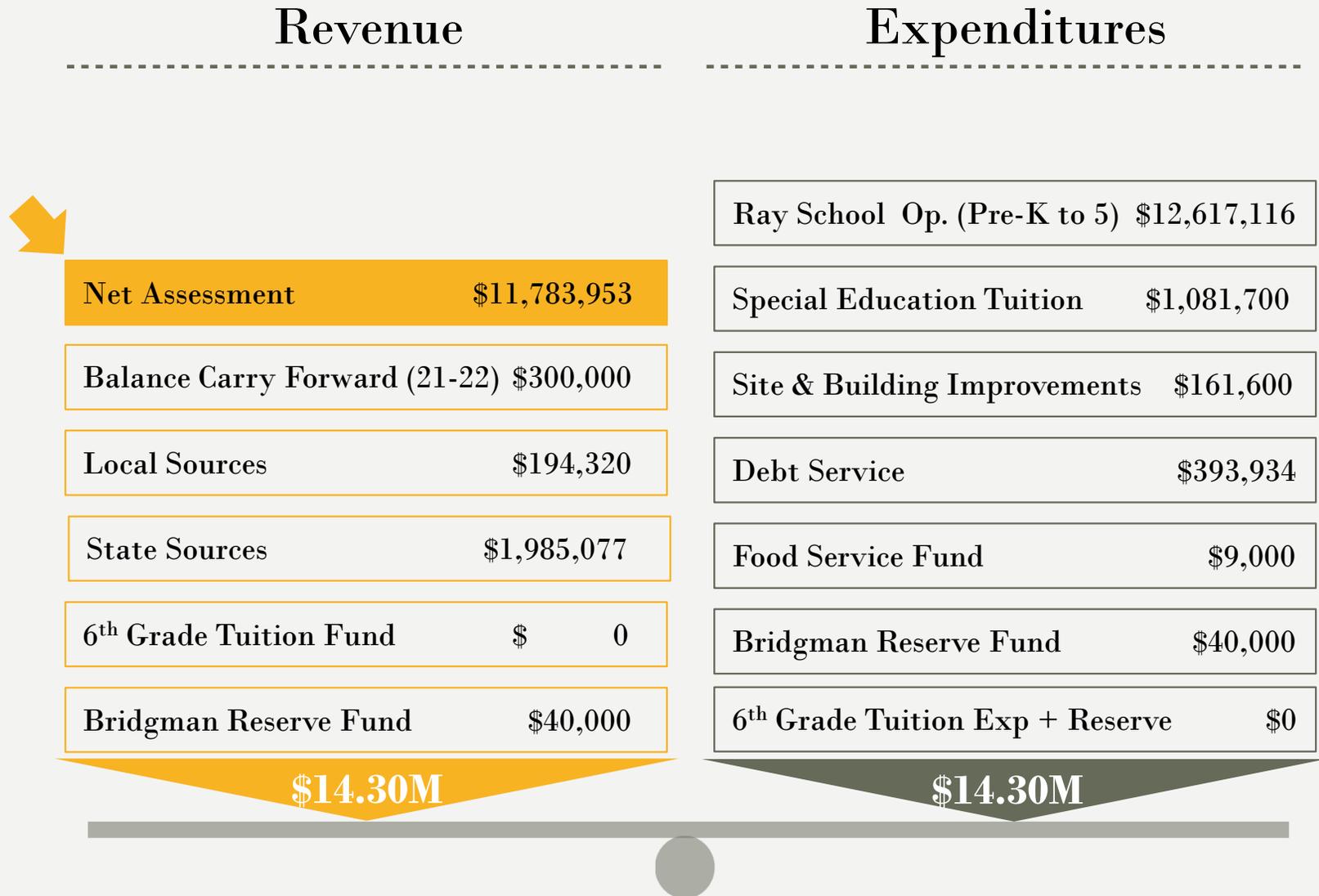


Net Assessment & Tax Rate



Progress Report

Net Assessment balances the budget, provided by local property taxes



Excluding special articles, Hanover education tax rate estimated to increase 1.03% from prior year

	Net Assessment		Projected Tax Rate		
	22-23 Proposed Budget	% Change 21-22 Actual	22-23 Proposed Budget	% Change 21-22 Actual	
Hanover District	\$11,783,953	(16.80%)	\$9.50	+6.15%	Local
Dresden District (Hanover Share)	\$17,192,476	17.57%	\$1.28	(25.58%)	
			+ \$0.11 from FY22		Total
Hanover Education	\$28,976,429	+0.66%	\$10.78	+1.03%	

Note: Hanover and Dresden District net assessments *exclude* Hanover warrant articles #4-7 and Dresden warrant articles #4 and #5. Projected tax rate assumes \$15 million increase in net property asset valuation for Hanover properties per Town recommendation.

If all warrant articles pass, the Hanover education tax rate will increase 3.47%

Projected Tax Rate Increase

Impact of Regular Local Budget Articles & State Tax

Hanover: Articles 2, 3, 6

+ *Dresden*: Articles 3 and 6

+ \$0.11

+ *SWEPT*

Impact of Special Articles

Hanover

Article 4: Teacher's Union Contract

+ \$0.07

Article 5: Support Staff Union Contract

+ \$0.02

Article 7: School Building Maintenance Reserve

+ \$0.06

Dresden

Article 2: Athletic Track & Field Repair

N/A

Article 4: Teacher's Union Contract

+ \$0.10

Article 5: Support Staff Union Contract

+ \$0.01

Special Warrant Articles (sub-total)

+ \$0.26

Total Hanover Education Tax Rate + \$0.37 or + 3.47%

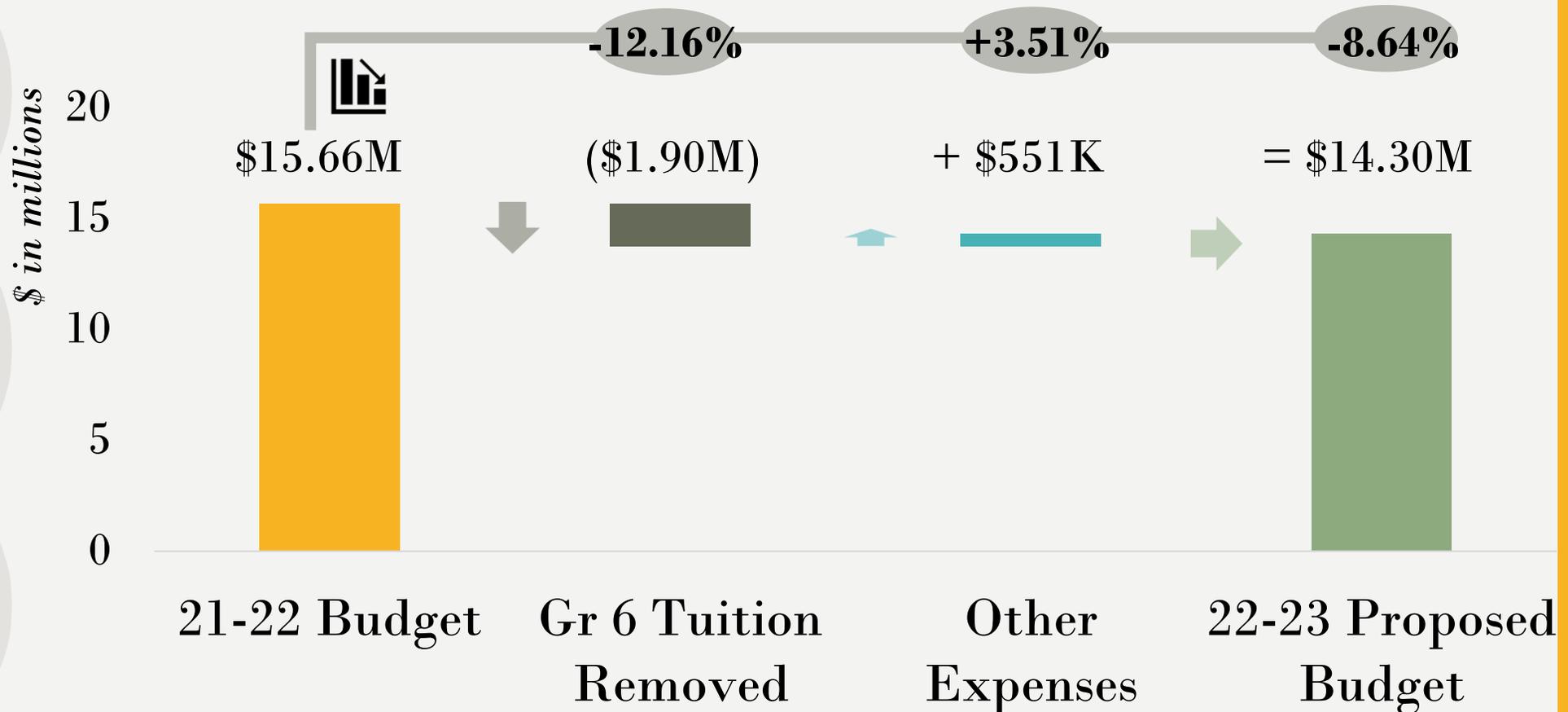
Projected all-in school tax rate expected to increase *less* than prevailing inflation rate



Note: The CPI New England division includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.

Source: *Consumer Price Index - Bureau of Labor Statistics*

Recap: Hanover District budget is dramatically reduced by the removal of sixth grade tuition expense



Note: District Budgets include School Board members and other District Officers (warrant article 2) and Bridgman Fund expenditures (warrant article 3).

 Projected Hanover Education Tax Rate (All-in)*: + 3.47%

* Hanover School Tax Rate comprises state and local (Dresden + Hanover) school taxes and assumes all warrant articles approved (including special articles).

Agenda



Enrollment



Expenditures



Revenue



Net Assessment & Tax Rate

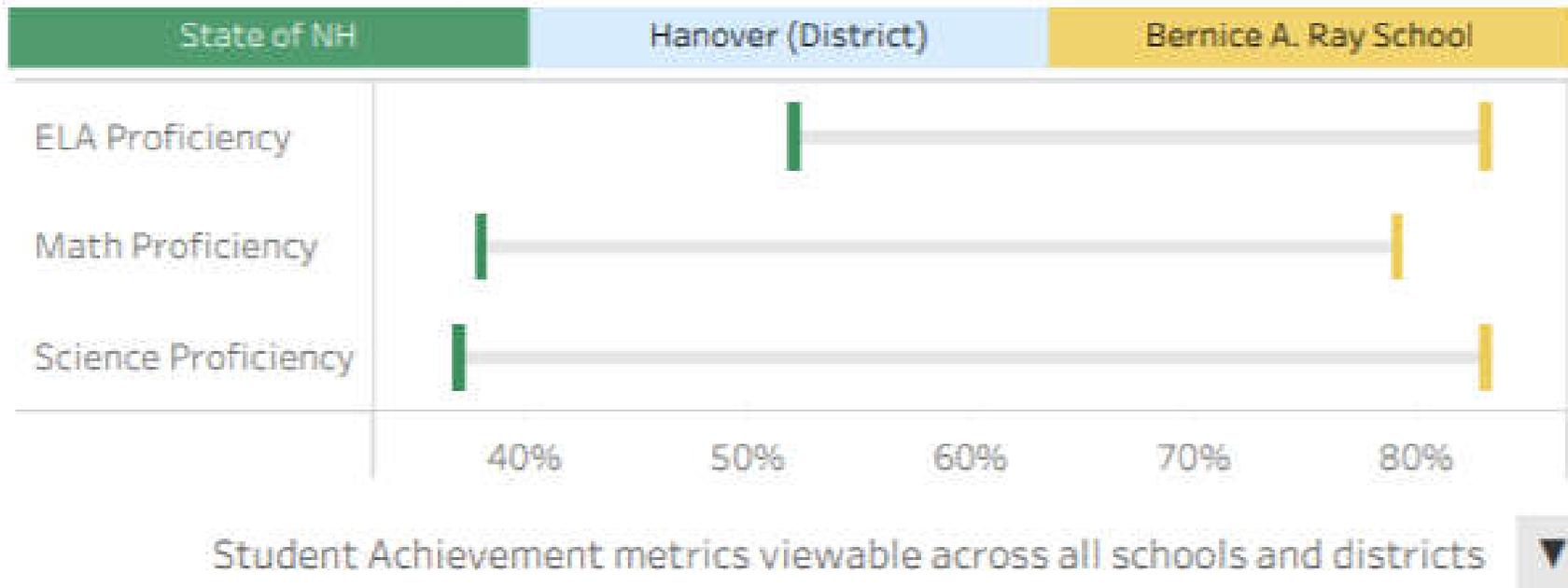


Progress Report

Ray students far exceed state performance in English, Math and Science assessments

2021 Assessment Proficiency: Ray School vs State of NH

Proficiency as compared with the district (including all schools in the district) as well as the state of NH (including all schools) across all three subject areas.



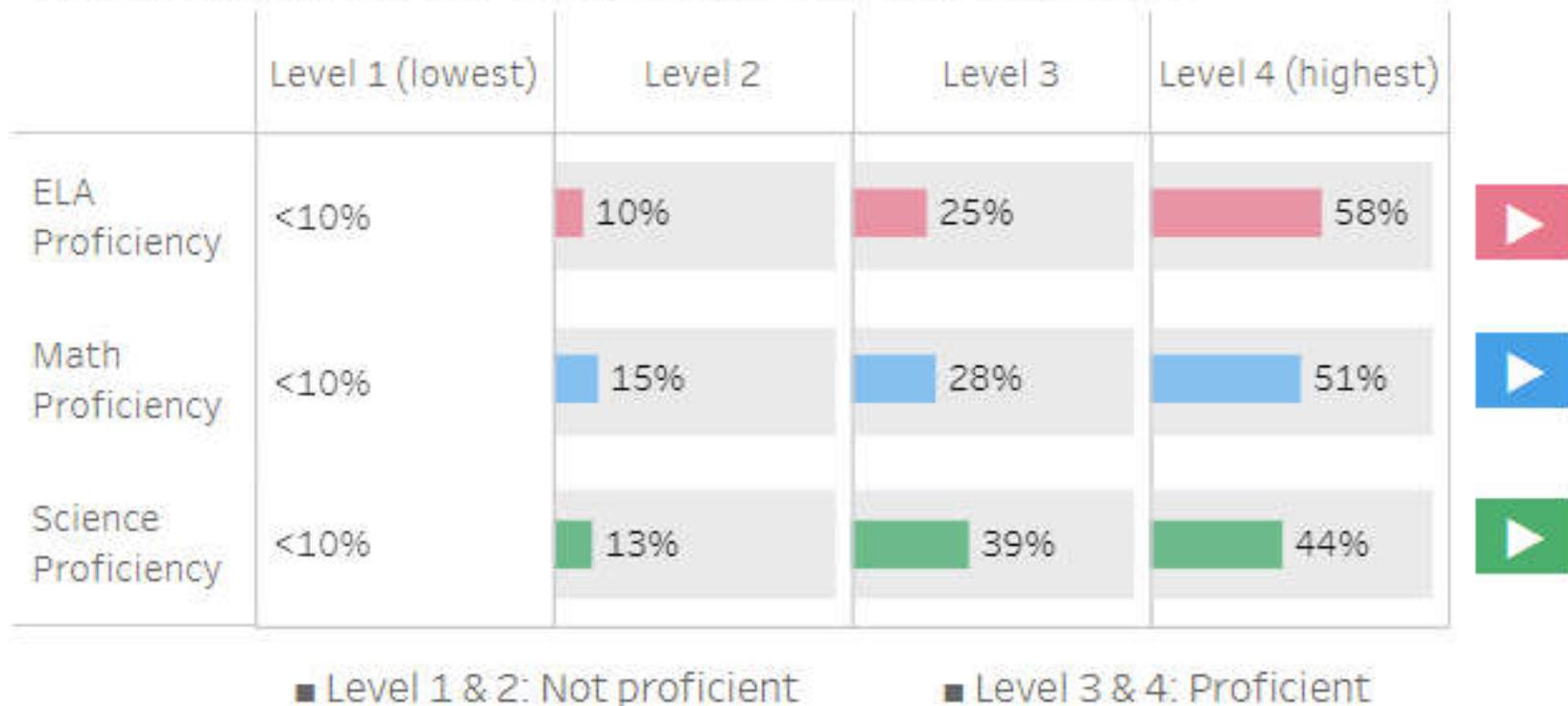
Source: State of New Hampshire, Department of Education, 2021 results

Many Ray students perform at the highest level of assessed proficiencies

2021 Ray Student Achievement Levels

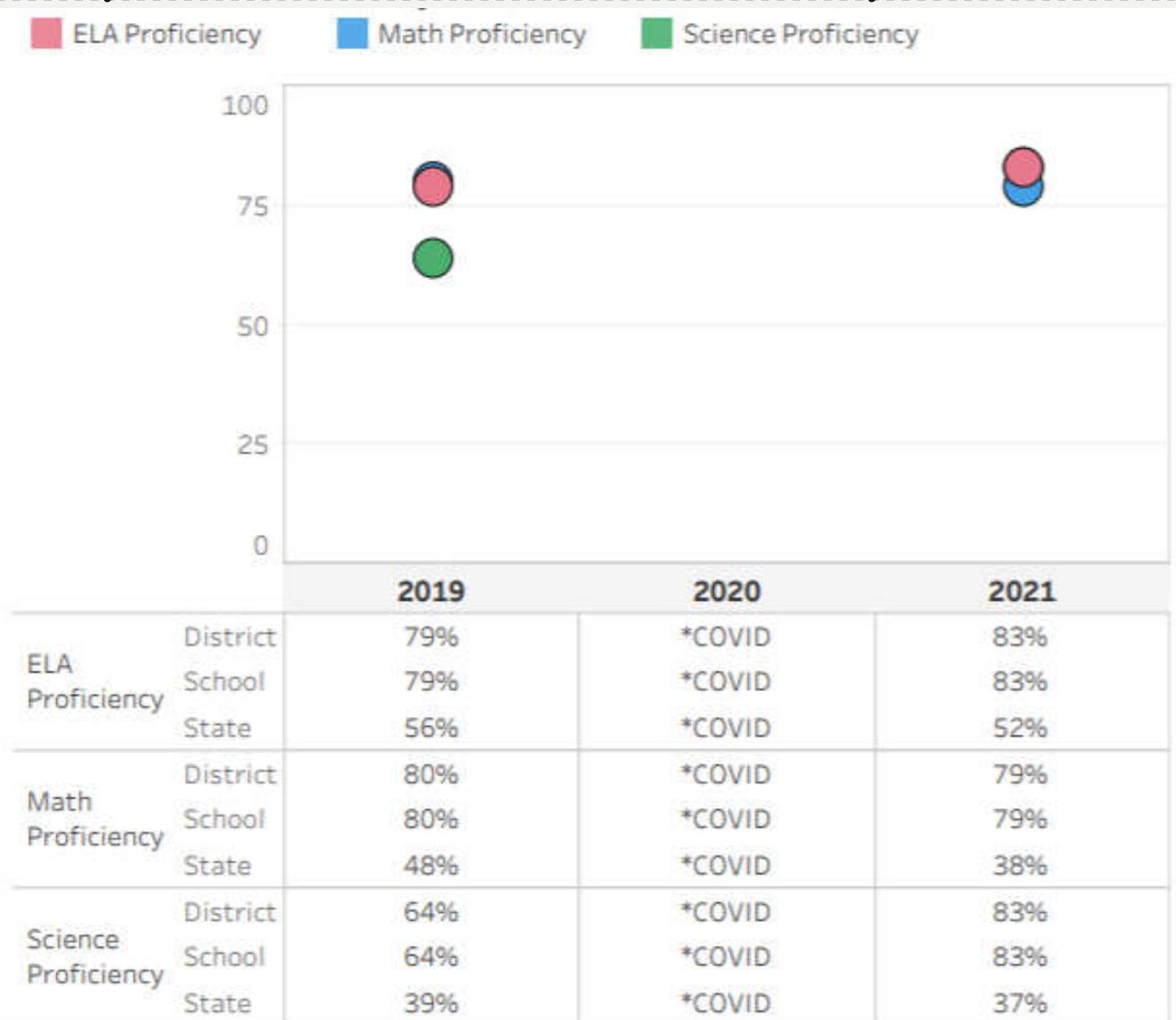
Student Achievement Levels

Student achievement is measured across 4 levels of proficiency. Level 1 & 2 are considered not proficient and Level 3 & 4 are considered proficient. The percentage of students who did not take the assessment are not shown here.



Ray students have maintained or improved proficiencies since COVID-19 despite declines state-wide

Ray School Assessment Proficiency Over Time



Source: State of New Hampshire, Department of Education

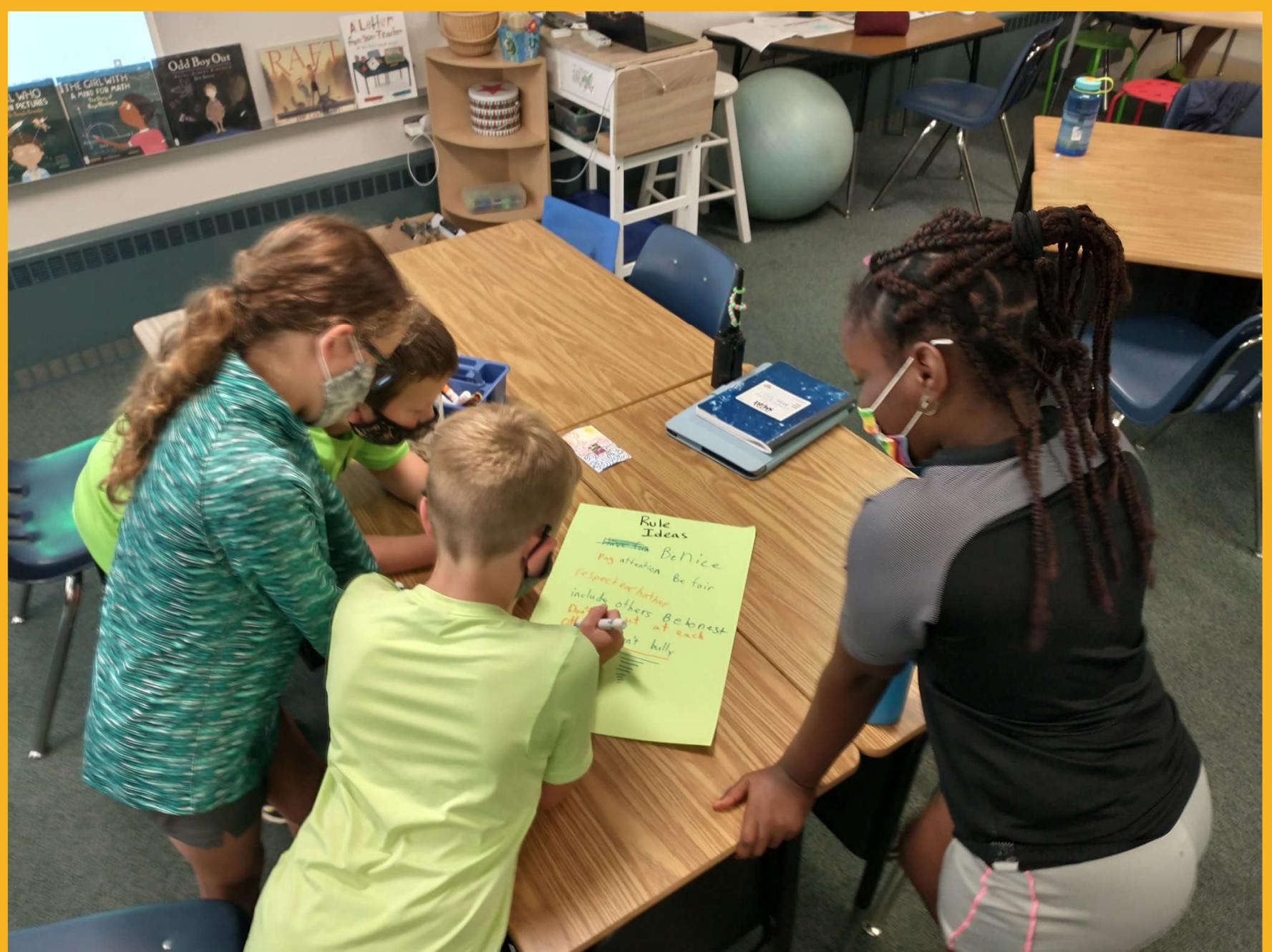
Kindergarten: How foxes find food in winter



1st Grade: Authors' Tea – students reading stories they wrote with tea and scones after



4th Grade: Building community agreements





THANK YOU

A SPECIAL THANK YOU TO
THE RAY SCHOOL TEACHERS, STAFF &
ADMINISTRATION FOR PREPARING AN
ENVIRONMENT THAT NOURISHES LIFE-LONG
LEARNING IN OUR CHILDREN EVEN DURING A
PANDEMIC