



**Dorothy H. Galo, Ph.D.**  
 Superintendent of Schools

# HINGHAM PUBLIC SCHOOLS

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## MEMORANDUM

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DATE: January 2, 2019  
 TO: Hingham School Committee  
 FROM: Dorothy Galo, Superintendent of Schools  
 John Ferris – Director of Business and Support Services

RE: **Proposed (by Administration) FY 2020 Preliminary Operating Budget Overview**

This budget document includes information about the administration’s preliminary proposed operating budget for FY 2020, assumptions upon which the budget was based, comparisons between the FY 2017-2019 approved budgets and the FY 2020 proposed budget, an explanation of the rationale for proposed additions included in the level services budget, and comments about special circumstances that have impacted projected costs in some functions of the proposed budget and concerns about unknowns and future revenues.

Budget Categories	FY 2017 Approved	FY 2018 Approved	FY 19 Approved	FY 2020 Proposed	Preliminary % Change
Regular Education	\$36,063,105	\$37,858,232	39,267,938	TBD	TBD
Special Education	\$11,476,092	\$11,823,407	12,612,073	TBD	TBD
Vocational Education	\$74,524	\$81,058	126,685	TBD	TBD
<b>TOTALS</b>	<b>\$47,613,721</b>	<b>\$49,762,697</b>	<b>52,006,697</b>	<b>\$54,940,450</b>	<b>5.64%</b>

The **Guiding Principles** listed on the next page and first discussed at the September 15, 2018 School Committee Planning Session and then adopted at the October 15, 2018 School Committee meeting, were a starting point for the administration’s development of this budget proposal. We are characterizing the budget as “level services” this year, with “level services” 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. The budget also includes proposed changes to programs and operations, which the administration believes to cost beneficial to the District. The changes are anticipated to provide dollar savings to the district and/or provide a better managed service at the same or slightly higher cost and provide the district with long term cost stability.

Our hope again this year is that we will be able to find a mutually acceptable balance between what level of funding administrators believe reflects a comparable level of services as in FY 2019 and what Town resources are deemed to be available. With that in mind, we believe that developing School Committee approved budget guidelines is an important first step in the annual budget process. The Guiding Principles statement for the FY 2020 budget follows, as do the lists of Assumptions and Special Concerns

that the administration used in developing its preliminary proposed budget. As this document is intended as an overview, the requests submitted by the staff are summarized according to whether they have been included in the preliminary budget or not. More detail will be provided in work session documents.

The process of developing the school administration's recommended FY 2020 Operating Budget began with: (1) a School Committee planning and goal setting meeting followed by the development and SC approval of Budget Guidelines and Calendar 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 2019 approved budget was reviewed and adjusted up or down as appropriate to reflect anticipated costs before any new requests were added to create the "level services" proposal for FY 2020.

### **ASSUMPTIONS UNDERLYING DEVELOPMENT OF THE FY 2020 OPERATING 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. The proposed budget will be a level services budget which will reflect growth in inflation, enrollment, contractual commitments, state and federal mandates, change in graduation requirements, and attention to the ongoing health and social emotional needs of students. Responses to other needs will be itemized for the committee but not included in the base budget.
3. In the short term, enrollment is anticipated to increase significantly at the High School, decrease slightly at the MS, decrease some at the elementary level; we will continue to monitor kindergarten enrollment and the grade K to 1 growth factor to detect and respond to trends. FDK will remain a tuition subsidized program. The FY'20 budget will include an offset for parent paid tuitions for FDK. An additional section of Kindergarten may be required based on projected enrollment. If that is the case, tuition collected will provide a sizable offset.
4. Most state and federal grants are likely to remain level. The Circuit Breaker reimbursement anticipated is \$1,781,419 and it will be used as an offset to the 9100B tuitions function.
5. Special education costs, especially tuitions, will likely continue to fluctuate greatly from year to year. As in the past, we will budget for known tuitions and those that we anticipate as "likely." A proposed program pilot may reduce the need for budgeting at least one highly anticipated tuition.
6. Personnel and contract Special Education costs will increase based on our own assessment of needs, results of the recent Middle School Special Education study, and program and support services changes proposed by the new Director of Special Education. Some program change pilot programs will result in cost savings offsets to contracted services.
7. Special Education transportation continues to be an area of concern. The increase needed for Special Education transportation will be reduced by a proposal for Hingham drivers to take over three costly routes at a savings to the school department. The proposal assumption is based on entering a three (3) year lease for three (3) smaller vans, and three (3) new van drivers to take over, as opposed to contracting out, three (3) known expensive routes. The need for contracted transportation is reduced by the savings of greater "in-house" capacity.

8. Professional development costs continue to grow, especially with respect to technology training, program changes, and DESE-mandated training for ELL and other licensure requirements.
9. Expiring licenses for technology components of curriculum materials across the district will continue to impact overall instructional costs
10. A zero-based budgeting approach is used for personnel costs, contractual obligations and SPED tuitions and transportation. Other costs will be projected based on past usage, enrollment change or inflation, and anticipated market prices; revolving fund revenues will be allocated prudently to offset some expenses in functions that relate to the source of that revenue.
11. Regular transportation operating costs will reflect the addition of two leased METCO buses (one currently in service and one proposed for 2020) and drivers, along with fuel. The budget will show an offset of the new costs from the METCO grant. Maintenance and insurance on the new buses will be absorbed within the existing base, which will be increased for inflation.
12. The Town assessment to schools for technology will increase if an additional .5 position for the Town network management department is approved. This will increase from \$43,472 to \$50,261.

Numbers are for reference only and do not represent a priority order.

### **SPECIAL BUDGET CIRCUMSTANCES, CHALLENGES, AND UNKNOWNNS**

#### Unknown scope and budget impact of current HPS projects and planning activities

MS Sped Evaluation (part of SEIP (Special Education Improvement Plan) project) – Impact of recommendations of the new Special Education Director and the Boston University evaluators, especially in the area of staffing

#### TBD dollar impact of mandated programs and services for which we must budget or plan

Addition of computer science standards to MA Core – STEM/technology staffing, training, and instructional materials

#### Areas for concern, as they may impact availability of budget dollars for funding new or increasingly costly needs

Small number of anticipated teacher retirements for June 2019 (3 anticipated)

#### Concerns about the future availability of state and federal funding to offset gross operating budgets

State budget dollars continuing to fall behind Foundation Budget needs

Uncertain future of federal dollars, particularly grants, and potential impact of new income tax structure on federal funding for education

## Other areas of increasing costs

Professional development, especially for HTSS, SEIP, STEM and Computer Science initiatives, Central Office staffing, space needs resolution, and transition planning

Increasing cost of facility maintenance and aging infrastructure, especially Foster School which has and will continue to incur extraordinary maintenance expenses due to age and condition of facilities

## **ITEMS REQUESTED BY STAFF FOR INCLUSION IN THE ADMINISTRATION'S FY 2020 PRELIMINARY OPERATING BUDGET**

### **Included in the proposed budget**

#### Prior budget year requests that have been deferred, not funded or underfunded

Middle School Adjustment Counselor– *a guidance counselor was added in FY 19, but there is still a need for a second Adjustment Counselor for caseload growth and for increased support for students and families, especially in social and emotional areas*

Secondary classroom teachers (grades 7-12) - .4 HS Health/PE, STEM 2.0, .2 art, .2 Chinese, .6 math, .5 English, and .2 social studies – *needed for multi-year enrollment growth, maintenance of class size and teacher load averages, and continuation of newer elective courses especially in science and technology*

Second ELL Teacher - *English Language Learners are a growing population in Hingham*

#### Elementary classroom requests

Kindergarten classroom – *may be needed if incoming kindergarten grows beyond current available sections, not currently funded*

#### Special education requests

Language Based Academic Program – *“In-District” pilot for grade 6 – needed for a small cohort of students moving from grade 5 to grade 6*

Special education Inclusion Facilitators (1.0 HS and 1.0 MS) – *needed to enhance inclusion in general education classrooms by providing professional development and coaching support for general education*

ABA Services – *Another “in-district” pilot intended to provide greater efficiency of home services and evaluations. Pilot to provide evaluation and service delivery for home behavior services with district resources*

#### Requests to meet other maintenance of service level needs

Personnel Director – *needed at Central Office to relieve administrators from minor personnel tasks and improve district capacity to meet new and growing personnel needs*

Central Office clerical support (.5) – *needed especially for personnel functions*

Additional advisor stipends for MS and HS student activities – *needed for new clubs/activities*

**Not included in the proposed budget:**

Requests, recommended but not funded in this budget, deferred, or not recommended at this time

Elementary Math Specialists (2.0), Occupational Therapist (1.0), MS Foreign Language Lab Coordinator, Administrative Assistant (HS), additional student activities stipends

**DETAILED BUDGET COSTS, INCLUDING THE FINANCIAL IMPACT OF NEW LEVEL SERVICES PROPOSALS WILL BE DISCUSSED AT THE FIRST BUDGET WORK SESSION ON JANUARY 3TH.**

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 2019 dollars that may support greater budget offsets for FY 2020. As the budget season progresses, we hope to have a clearer idea about the size of the September 2019 Kindergarten and the impact on the number of sections needed as a result of our new focus on encouraging entry to kindergarten at age five.

The FY 2020 Capital Budget request will be presented initially to the Capital Outlay Committee on January 23, 2019, 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 proposed preliminary Capital Budget reflects a combination of requests deferred from prior years and newly identified or reprioritized needs. 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 with one exception. With the recent decision by the MSBA not accepting Hingham into the eligibility period for the second year in a row, longer term capital maintenance needs of Foster may require a separate funding mechanism to avoid diverting capital from other buildings to Foster, if we are to await another MSBA decision in December of 2019.

The School Administration looks forward to the opportunity to clarify details of its proposed budget during scheduled work sessions on January 3<sup>th</sup>, January 10<sup>th</sup>, and January 17<sup>th</sup>. A work session with Advisory Committee on January 27<sup>th</sup>, and the annual joint meeting with the Selectmen and Advisory Committee on February 7, 2019 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 12, 2019. A budget adoption vote by the SC is tentatively scheduled for February 25<sup>th</sup>, with Selectmen and Advisory Committee action on the budget likely that week as well.

Happy New Year!

DG and JF