

Hanover Public School District Finances: What's Working, What's Not

A special budget newsletter of the Hanover Public School District (HPSD)

Every dollar in your personal budget counts and every dollar in our budget does, too.

ACADEMICS

Consistent management of the district over the past three years has worked with the cooperation of teachers, administrators, all staff and parents to focus on and improve academic achievement. Partnership opportunities with surrounding school districts continue to be explored in order to expand course offerings, while maintaining and/or reducing costs.

FACILITIES

With our facilities district-wide up-to-date and efficient, we are focusing our efforts on maintenance and cleanliness of the sites, as requested by parents, taxpayers, and common sense.

FUTURE

We realize that we are the stewards of both tomorrow's citizens as well as your tax investment in these students.

Show me the money

State funding inequity

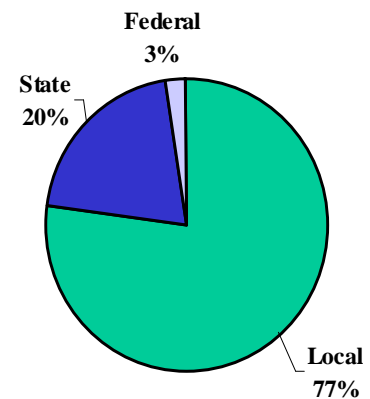
The HPSD receives 20% or \$5.5 million of our annual funding from the state of Pennsylvania, approximately 77% of its funding from local sources, including local income and property taxes, and a mere 3% of its revenue from the federal government.

We see the imbalance in this equation, especially when we consider that neighboring districts are receiving significantly more per student from the state. If Hanover could equal its neighbors in funding, we could

- **reduce our millage rate to 17.20**
- **save the owner of a \$100,000 home \$225 annually in school taxes**

We and other districts in similar situations have been talking with legislators about making the funding fair, and we will continue to do so. If you agree it is unfair, contact your legislators about this important issue. The contact information for the House Finance Committee is located at the end of the newsletter.

Revenue Sources



Where does the money go? Highlights.

State-created Runaway Expenses

Employee pension funding is the largest annual increase of all budget categories. This is due to a change made in 2003 by the Pennsylvania legislature that increased the retirement benefits multiplier.

So, in 2012-13, our state-mandated retirement contribution is more than \$1,500,000, with this amount projected to reach \$3 million plus by 2018. At this time, the legislature is not addressing this impending crisis, for not only our district as well as other districts state-wide..

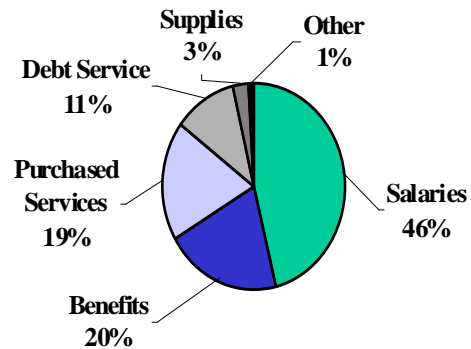
Fixed & Discretionary Expenses

Extra-curricular Activities

All expenses are being scrutinized.

With that said, HPSD spends \$269,000 annually for extra-curricular programs, which is less than 1% of our annual budget. These programs include: 16 boys and girls sports as well as 19 activities.

In our 2011/2012 school year, we had 933 students participating in these 35 sports/activities.



Total expenses for 2012-13 = \$27,586,157

Cost reduction plans

Academics

We anticipate fiscal savings by using many online and other resources to enrich classroom instruction. Additionally, we are taking advantage of several technology applications that are free.

Reductions in process

- ✓ **Middle school roof insulation**
 - Installed 5 inches of R-15 insulation = \$16,800 annual utility savings (gas and electric)
- ✓ **Secondary water metering**
 - On HVAC evaporators and at Sheppard and Myers Field irrigation = \$2,800 annual savings
- ✓ **Bond refinancing and principal reduction**
 - Secured floating to fixed rate
 - Short term increase in cost = \$85,000/year, with long-term decrease = \$163,000/year
- ✓ **Document printing centralization**
 - \$17,000 annual savings in supplies
- ✓ **Middle school classroom HVAC unit replacement**
 - Annual utility savings of \$35,500 (gas and electric)

Future reductions

Additional utility savings

- Annual Utility Expenses = \$570,000

Additional bond refinancing and principal reduction

Reversing trend of students choosing charter & cyber schools

- Currently, these students cost \$1.3 million to cover tuition and transportation. For every student who returns to an HPSD school, we will save on expenses.

Final Thoughts

We continue to carefully scrutinize every aspect of our budget. While some costs are fixed, such as retirement and tuitions for cyber and charter schools, we want to work with you and our legislature to correct unfunded mandates and to find creative ways to provide the best education to our students. Not only are our teachers, administrators, parents, and students a part of the solution, but so are taxpayers. We will continue to aggressively pursue cost reduction opportunities. At Hanover Public School District — Failure (academic or financial) is NOT an option!

Contact Information for Pennsylvania House Finance Committee, 332 Ryan Office Building, Harrisburg, PA 17101