

HANOVER COUNTY PUBLIC SCHOOLS

200 Berkley Street
Ashland, Virginia 23005-1399
Phone: (804) 365-4500
Fax: (804) 365-4680

www.hcps.us
hanover@hcps.us



TTY: (804) 798-7571

Michael B. Gill, Ed. D.
Superintendent of Schools

January 30, 2024

Dear School Board Members,

I am pleased to present the proposed Fiscal Year 2025 budget for your consideration. Each budget development process presents a unique set of opportunities and challenges that we must consider in order to continue to successfully meet the needs of our students and staff, building upon our longstanding Tradition of Excellence. Through a combination of strong local support and careful evaluation of our existing and projected resources, I am confident that this proposed budget once again places the highest priority on meeting the growing and complex needs of our students while continuing to show our gratitude to the outstanding faculty and staff who faithfully serve our students, families, and community.

The key highlights of this budget are as follows:

- 3% salary increase for all eligible employees effective July 1
- Job family adjustments for our teachers with 25 or more years of experience, custodians, transportation staff, and food service staff
- Continued salary decompression and differentiation of instructional assistants
- Increasing bus driver starting pay to \$23 per hour
- Funding to cover a significant portion of the increase to health insurance premiums for Calendar Year 2024
- 15 additional special education instructional assistants
- 10 additional special education teachers
- Two additional English to Speakers of Other Languages (ESOL) teachers
- One additional elementary reading specialist
- Four additional middle school core reading specialists
- One additional clinic assistant to support student medical needs
- Continuation of the electronic hall pass system in middle and high schools
- Continuation of student and staff supports implemented during the pandemic that warrant continuation, such as assigned substitutes, pay for teachers covering classes during planning periods, three senior teachers, and one math coach
- Three additional instructional assistants to support Cool Spring Elementary School
- Funding for Beaverdam Elementary School replacement rather than renovation
- Funding for a rebuild of Washington-Henry Elementary School

This budget represents the exhaustive efforts of many who are passionate about ensuring Hanover County Public Schools (HCPS) remains exceptional, and I am grateful for their valuable contributions. This process involved engaging both internal and external stakeholders to include employees, administrators, parents, various employee and community advisory committees, School Board members, and County staff. This budget proposal continues to reflect the strong support of our local funding partners who continue to make education a top priority in Hanover County and enables HCPS to remain a leader in public education.

Funding Outlook

Fiscal Year 2025 is the first year of the state's biennial or two-year budget. The Governor's proposed budget reflects the routine rebenchmarking of the costs associated with the Standards of Quality. These adjustments include a recalculation of the Local Composite Index (LCI) for all localities in the Commonwealth. The LCI is often referred to as a locality's ability to pay and is based upon the true value of real property, adjusted gross income, and taxable retail sales. For the fifth consecutive biennium (10 years), HCPS' LCI has increased, which means the state requires the locality to pay for a higher portion of the ever-growing needs of our students. Hanover County has continuously increased funding in support of local education and we are extremely grateful for the strong support of our local funding partners. Overall, in the Governor's proposed budget, HCPS would receive approximately \$19,703 less in funding as compared to the Fiscal Year 2024 adopted state budget. While, as noted above, it is a rebenchmarking year for the state budget to update calculations related to state funding, much of this flat state funding is correlated to the removal of the basic aid hold harmless funding, grocery tax hold harmless funding, reduced compensation supplement provided by the state for public education, and the change in the LCI reflected in the Governor's proposed budget. As you know, the General Assembly convened on Wednesday, January 10 and will consider the Governor's proposed budget. We will closely monitor these deliberations, recognizing the significant impact they are likely to have on our final budget.

In addition to this state funding outlook, it is also important to note that Fiscal Year 2024 marks the final year of use for the influx of federal COVID-19 stimulus funding, which we have intentionally allocated to best meet the increased needs of our students and staff as part of successful budgets and instructional plans that demonstrated our status as leaders in public education. While this federal funding will no longer be available, the significant needs of our students remain, and we are committed to doing everything possible to serve them.

Fiscal Year 2025 Budget Initiatives

Supporting Our Faculty and Staff

We provide our students, families, and broader community with a top-tier school division thanks to the dedication and talent of approximately 4,000 faculty and staff members, professionals who are committed to public education and serving our county's most precious resource – our children. I am continually left in awe of their remarkable service, their creativity in the classroom, and their zeal for building upon the rich educational legacy that we hold dear in Hanover. In short, our faculty and staff are worthy of more praise than I or anyone else can ever express.

A budget is a reflection of an organization's priorities and this budget reflects our commitment to caring for those who care for our students. Accordingly, I am proposing a 3% salary increase for all eligible employees in Fiscal Year 2025, beginning July 1 – a symbol of our enduring gratitude to our employees and a salary increase proposal that exceeds the Governor's proposed budget, which is currently being debated in the General Assembly. In conjunction with our partners in Hanover County Government, our goal is to provide a 4.0% salary increase for all eligible employees should the adopted state budget result in more favorable funding for HCPS. Additionally, this proposed budget includes approximately \$470,000 in funding to significantly offset the increasing health care premiums that our employees would otherwise have encountered this calendar year.

This proposed salary increase would build on the substantial increases that we have provided our employees in recent years: 7% in Fiscal Year 2024; at least 5% – and up to 7% with longevity payments – in Fiscal Year

2023; and at least a 2.5% increase in Fiscal Year 2022, a budget that also provided teachers a 4.5% pay increase while enhancing our salary scale to create at least a \$350 differential between each step on the teacher salary scale.

Our success as a school division is thanks in large part not only to the high quality faculty and staff that we recruit to our schools, but in our ability to retain this top educational talent. I am proud to share that we remain leaders not only in the Richmond area, but across Virginia in teacher turnover rates. According to data from the Virginia Department of Education, our 0.6% teacher vacancy rate for the 2023-24 school year is far below the statewide rate of 3.9% and the Region I rate of 5.6%.

This budget reflects our commitment to serving employees who continue to choose HCPS as their school division. We recognize that we must offer strong salary and benefits to stay competitive regionally, and while there is always work to be done, we are proud of our job family adjustments in recent years, including those announced in January with your full support.

As I have shared previously, our Human Resources Department continuously evaluates our job families for potential adjustments and this proposed budget includes job family adjustments for our teachers with 25 or more years of experience, custodians, transportation staff, and food service staff. It also continues the salary decompression and differentiation of our instructional assistant pay, recognizing the difference between general education instructional assistants, special education instructional assistants, and intensive special education assistants. Furthermore, the new starting pay for our bus drivers would be \$23 per hour, a rate that would significantly increase our competitiveness in the region and bolster our recruitment efforts.

Expanding Resources for Our Students, Families, and Community

Our exceptional team of faculty and staff serve a student population with an ever-growing and complex set of needs, as evidenced in part by the fact that the number of Title I schools in our school division has tripled from two to six in just two years. We remain committed to taking a holistic approach to serving these academic, social, physical, mental, and emotional needs to help ensure that every student reaches their fullest potential, as outlined below.

As has been widely reported in the news and otherwise across the country, these needs have intensified in recent years since the onset of the COVID-19 pandemic. I am thankful for your support in this work, whether it is through our ALL In plan, the addition of school-based clinical social workers, or the many other leading initiatives we have put in place. Together, we have partnered to help meet our students' complex needs, including the allocation of our federal stimulus funding over the past several years. To support these ongoing needs, my proposed budget includes the continuation of 14 assigned substitutes, paying teachers for covering other classes during their planning period, three senior teachers, and one math coach – vital initiatives that have been funded through the Elementary and Secondary School Emergency Relief Fund (ESSER) but now necessitate identifying local funding.

Our staff also serves a growing number of students with disabilities. Since December 1, 2021, the number of students with disabilities in HCPS has increased from 2,515 to 2,628 this December, according to data provided to the Virginia Department of Education. Furthermore, we are also seeing an increasing number of students requiring intensive special education services – students whose Individualized Education Programs (IEP) require a lower ratio of teachers and trained instructional assistants. Accordingly, I am proposing that we add 15 special education instructional assistants and 10 additional special education teachers for the coming year to help meet our ratio requirements according to our students' IEPs.

I am also proposing that we add two new English to Speakers of Other Languages (ESOL) teachers to help support our ever-growing enrollment of English Learner students. We have 664 English Learner students in our schools this year – more than double the enrollment in 2016-17 and more than three times the English Learner enrollment in our schools just 10 years ago. As I continue to share, I fully anticipate this trend will continue.

Additionally, I have included an additional reading specialist for Cool Spring Elementary School due to the school's increasing enrollment and one additional core reading specialist at each middle school in this proposed budget as we continue to implement the Virginia Literacy Act. To help serve our students' medical needs, I am also proposing an additional clinic assistant position, serving students at Cool Spring and Kersey Creek elementary schools.

I am proud to share that included in the proposed budget is funding to support the continuation and expansion of the successful electronic hall pass system that has been implemented at six of our eight comprehensive middle and high schools this school year. Atlee High School and Chickahominy Middle School plan to implement this initiative for the 2024-25 school year. As we have shared with you previously, this system supports our core commitment of school safety and is a collaborative effort to help improve the safety of our students, staff, and broader community, reducing the instances of vandalism, student altercations, and substance abuse, all while supporting student attendance, improving classroom management, and protecting valuable classroom instruction time.

As you know, Cool Spring Elementary School has seen a significant increase in enrollment in recent school years, necessitating extensive effort to review options for how to best address both the current and anticipated growth at the school. I have included funding for three additional instructional assistants for Cool Spring in this proposed budget as we work together to identify a stable, long-term solution for the enrollment increase.

Also included in this proposed budget is funding to cover tuition increases at our regional school partners of CodeRVA and Maggie L. Walker Governor's School, funding for increases to vital software subscriptions and renewals, and funding for School Board meetings to continue to be held at the Hanover County Government Administration Building.

Capital Improvement Plan

Not only does this proposed budget invest in our students and staff, it instills a renewed commitment to the future of our school buildings – centerpieces of our community that ensure our students and staff have safe, innovative, and inspiring learning environments that will serve generations to come. In addition to the operating budget, the proposed Capital Improvement Plan (CIP) represents an investment of more than \$164 million over the next five years.

There is funding in Fiscal Year 2025 for the replacement of Washington-Henry Elementary School, including the design of the rebuilt school in Fiscal Year 2025 before construction the following two years for a 2027-28 school year opening. Additionally, I am proposing \$27.8 million in additional funding to rebuild Beaverdam Elementary School in addition to the original funding provided in Fiscal Year 2024 in the amount of \$16 million to support heavy renovations. As you know and have supported, following assessment of Beaverdam Elementary with our architects, it was determined that a rebuild of the school was more cost effective than the originally planned renovation. In addition, I am proposing the replacement of a campus-style elementary school in Fiscal Year 2028, in alignment with our long-term facilities study and the prioritization of school construction needs as previously determined by the School Board.

In summary, I believe this budget recognizes that we must continue to strategically build upon our current and past successes to ensure that our longstanding Tradition of Excellence continues. Through continued investment in our dedicated faculty and staff, providing additional supports to our students, and being fiscally responsible, we will uphold The Hanover Promise of preparing our students to be successful and life-ready by teaching them to be empowered learners, responsible citizens, globally engaged communicators, and resilient individuals.

Thank you for your consideration of my proposed budget, as well as for your continued support of Hanover County Public Schools.

In education,

A handwritten signature in black ink, appearing to read "Michael Gill". The signature is fluid and cursive, with a prominent initial "M" and a long, sweeping tail.

Michael Gill, Ed.D.
Superintendent of Schools