

Member Town Financial Report – Whitman

September 2019

By: MARS Consulting Group

Definitions

Below Effort Shortfall – the percentage increase applied to determine MLC as dictated by the fiscal year Chapter 70 budget language for those districts which are paying less than their Target Share.

Combined Effort Yield (CEY) – the sum of a weighted percentage of EQV and Total Income which is considered the municipality’s capacity to pay, or aggregate wealth. This figure is largely driven by the state’s view of funding Chapter 70 aid, which currently is 59% of the sum of the total state foundation budget being funded by municipalities, and 41% representing aid (otherwise known as the 59/41 split).

Equalized Valuations (EQV) - The determination of an estimate of the full and fair cash value (FFCV) of all property in the municipality as of a certain taxable date.

Excess Effort/Effort Reduction – the reduction percentage applied to determine MLC as dictated by the fiscal year Chapter 70 budget language for those districts which are paying more than their Target Share.

Excess Levy Capacity - the gap between the amount the municipality chose to tax and the amount they are allowed to increase the tax to for that fiscal year. If a municipality chose not to increase their Tax Levy the full 2.5%, the difference is the Excess Levy Capacity.

Hold Harmless – the Legislature’s intent and practice is to allocate enough Chapter 70 funding, so that a district never sees a decrease in aid from the previous year.

Minimum Local Contribution (MLC) – the amount the municipality is required to pay toward their Foundation Budget.

Municipal Revenue Growth Factor (MRGF) – is the percentage of overall growth in total new revenue of the municipality from the previous fiscal year as determined by DOR.

Net School Spending (NSS) – the sum of MLC and Chapter 70 aid, which the district is required to spend on education.

Override Capacity - the gap between the total Tax Levy and the Tax Ceiling is the amount that is available to the municipality to request a Proposition 2 ½ override.

Target Share – the percentage of the municipality’s Foundation Budget that is determined by CEY which should be funded from the municipality as the Minimum Local Contribution.

Tax Ceiling - 2.5% of the overall value of taxable real estate and personal property.

Tax Levy - the municipality’s tax base/revenue, which is allowed to be increased 2.5% yearly.

Total Income – is the aggregate income of residents as reported by DOR.

EXECUTIVE SUMMARY

Whitman is a town of 14,849 residents (2019) and 9,966 registered voters (2012). There is an Open Town Meeting form of government, which is administered by a Town Administrator. The unemployment rate is 4.10% (2016), which is above the state average of 3.1%.

Tax Rate - The tax rate is \$15.38, and it is the same for residential and commercial property. Residential property represents 89% of the total tax levy.

Revenue – 6.63% of the 2019 total revenue came from state aid.

Excess Levy Capacity - 2019 Excess Capacity is \$361,073. They are not taxing the full 2.5%.

Override Capacity - 2019 Override Capacity is \$15,956,946.

Free Cash – FY19 Free Cash balance is \$1,146,271.

Stabilization Account – FY18 Stabilization Account balance is \$2,570,477.

Available Resources – FY18 Available Resources balance is \$3,979,975.

Education/Municipal Budget – Education represents 46.8% of the town budget, which is under the state average of 47.2%.

Enrollment – Total enrollment has decreased by 5.7% from FY10 to FY20. Total enrollment for Whitman-Hanson Regional School District has decreased by 13.4% from FY10 to FY20.

Target Share/MLC – As Whitman remains below Target Share, they should expect high MLC increase percentages to continue going forward.

Hold Harmless Aid – Whitman-Hanson will receive \$4,430,551 in Hold Harmless Aid for FY20.

Summary & Trends:

- Whitman has a significant 89% tax revenue from residential property.
- Whitman has a 2019 Excess Levy Capacity of \$361,073. Whitman is not taxing the full 2.5% (Excess Levy Capacity is 1.40% of Maximum Levy).
- Whitman's Levy Ceiling experienced a drop since at least 2008 and began to recover in 2015, however it has not yet regained its 2008 level. Whitman's Override Capacity dropped every year through 2015 and is now on an upward trend.
- Whitman has built up their stabilization account to where it represents a healthy 7.9% balance of their 2018 general appropriation.
- Whitman's Available Resources are sufficient to cover extraordinary and unanticipated costs, or catastrophes.
- Whitman saw a modest 2.9% increase in new Single Family Parcels being added to tax roll since 2008, with a corresponding 4.0% decrease in student enrollment. Although 96 parcels were added, Whitman's Tax Levy Ceiling did not recover to 2008 level until 2019.
- Since 2008, education expenditures have increased 45%, which is more than the increase for the town's total budget, so education expenditures are trending higher than most town budget line item increases. Education has typically remained around 44-46% of total general budget expenditures, which is below the 2018 state average of 47%.
- The Whitman student population has decreased by 5.7% from FY11 to FY20. The number of students attending the local vocational school has increased 4.2% since FY10.
- Whitman's total student population has decreased since 2011-12 school year. The percentage of students attending public school has decreased, and more students are attending vocational, charter and private/parochial schools.
- Due to the housing market crash, Whitman realized a significant drop in its EQV values which began to recover in FY18. The aggregate personal income levels have increased 30% from FY10 to FY20. It has been personal income, and not EQV which is driving the municipality's CEY, or capacity to pay. As a result of the CEY increase, Whitman's MLC increased 46% from FY10 to FY20.
- Since FY10, Whitman's Target Share has fluctuated from a low of 44.23% in FY17, to a high of 46.91% in FY20. From FY10 to FY20, the foundation budget has increased 20%. Whitman's MLC has seen significant increases

as high as 5.6%. As Whitman remains below Target Share, they should expect these high MLC increase percentages to continue going forward.

- Whitman-Hanson saw a 11.5% decrease in student enrollment between FY11 and FY20. While there was modest growth in the overall Foundation Budget during same period, there were not significant increases until FY18. The decrease in Foundation Aid is a hybrid result of student enrollment decrease, stagnant Foundation Budget increases for several years, and the increases to MLC as both member towns are under the target percentage which DESE has calculated they can afford to pay toward education.
- Whitman Hanson is receiving significant Hold Harmless aid. The district will continue in Hold Harmless status until such time as the district sees an increase in student enrollment and the member towns' MLC reaches their target share percentage.
- The number of students coming into Whitman-Hanson since FY15 has increased significantly more than the number of students leaving, resulting in a significant increase in net revenue.

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Historically, when local government and school districts of each set about to develop their individual fiscal budgets, their attention is focused primarily on the areas for which they provide direct oversight. This often results in two bodies of government advocating against each other for their budgets at town meeting, with little understanding of how they each got to that point. This unfortunately can contribute to adversarial relationships forming between the town and school district.

We offer this overview of your member towns' municipal finances, as we believe it is critical for you to understand your towns' revenue, general appropriation budget, capacity to pay, override capacity and fiscal solvency with regard to stabilization accounts and free cash. We chose not to include enterprise and revolving accounts as they are not available for general budget appropriation use.

The information we provide is from data publicly available from the Department of Revenue (data is limited in each category to most recent year publicly available) and the Department of Elementary and Secondary Education.

WHITMAN

Whitman is a town of 14,849 residents (2019) and 9,966 registered voters (2012). There is an Open Town Meeting form of government, which is administered by a Town Administrator. The unemployment rate is 4.10% (2016), which is above the state average of 3.1%. Approximately 22.9% of students enrolled in Whitman's K-8 grades fall into the category of economically disadvantaged.

Tax Rate

The 2019 tax rate is \$15.38, and it is the same for both residential and commercial property. The 2019 tax levy for residential property is \$22,614,273; commercial property is \$1,366,253; industrial property is \$316,832; and personal property \$1,045,957; for a total tax levy of \$25,343,365. Residential property represents 89% of their tax levy so most of the tax revenue is coming from the residents, rather than a commercial base.

Excess Levy Capacity:

Proposition 2½ (M.G.L. Ch. 59 Sec. 21C), which was passed by Massachusetts voters in November of 1980, places a limit on the amount of property taxes a community can levy each year.

Proposition 2½ establishes two types of restrictions on the annual property tax levy. First, a community cannot levy in excess of 2.5 percent of the total full and fair cash value of all taxable real and personal property in the community. This limit is referred to as the levy ceiling. Second, community's levy is constrained in the amount it may increase from one year to the next. The maximum amount a community can levy in any given year is called the levy limit. The levy limit will always be below or at most equal to, the levy ceiling. It may not as a rule exceed the levy ceiling.

A Guide to Financial Management for Town Officials, Massachusetts Department of Revenue, Division of Local Services, undated.

While the municipality is allowed under law to increase the yearly tax rate automatically by 2.5%, some municipalities choose not to do so for various reasons. Typically, those reasons include determination that taxing to the full levy is not necessary through the process of budget development and approval (common in regional school districts), concern over the total tax ceiling amount, and concern for capacity to pay real estate tax bills by aging community and other socio-economic factors.

The gap between the amount taxed and the amount allowed to be taxed by Proposition 2½ is referred to as the Excess Levy Capacity. For example, a municipality may choose to only raise taxes by 1.5% instead of the full 2.5%. The dollar value of the 1% they chose not to tax would be considered the Excess Levy Capacity.

The excess levy capacity can grow over time, as each year the municipality is able to keep tax increases under the 2.5% cap, the excess capacity can grow. Some municipalities end up building large excess capacities. The benefit for excess capacity as a municipality is that they have access to this amount to raise and appropriate funds for any new tax year over the 2.5% cap, without the need to request overrides from the taxpayer. On the flip side however, is the concern for the taxpayer in that in any given tax year, the municipality may need to access that excess amount in part or in full, which could greatly increase the tax rate on their property.

Whitman has a 2019 Excess Levy Capacity of \$361,073. Whitman is not taxing the full 2.5 percent (Excess Levy Capacity is 1.40% of Maximum Levy).

Excess Levy Capacity:

2011 \$74 (0.00%)
2012 \$3,590 (0.02%)
2013 \$4,814 (0.02%)
2014 \$400,182 (1.94%)
2015 \$497,544 (2.37%)
2016 \$1,460,513 (6.18%)
2017 \$713,501 (3.02%)
2018 \$330,640 (1.34%)

Override Capacity:

The Override Capacity of a municipality is the difference between the Tax Levy (yearly total tax raised) and the Tax Ceiling (which is 2.5% of the “full and fair value of all taxable real estate and personal property”).

A municipality is allowed to automatically increase their Tax Levy by 2.5%, as long as the value of the Tax Levy does not exceed the value of the Tax Ceiling. Once a town hits its ceiling, it is no longer allowed to raise taxes. For most municipalities, especially those inside of I-495, this is not an issue as there is an ample cushion between the Tax Levy and Tax Ceiling. However, the same cannot be said for towns in Central and Western MA which were hit hard by the housing market crash and have since then experienced a very slow recovery in real estate assessed values.

Tax Levy = the municipality’s tax base/revenue, which is allowed to be increased 2.5% yearly.

Excess Levy Capacity = the gap between the amount the municipality chose to tax and the amount they are allowed to increase the tax to for that fiscal year. If a municipality chose not to increase their Tax Levy the full 2.5%, the difference is the Excess Levy Capacity.

Tax Ceiling = 2.5% of the **overall** value of taxable real estate and personal property.

Override Capacity = the gap between the total Tax Levy and the Tax Ceiling is the amount that is available to the municipality to request a Proposition 2 ½ override.

For those school districts which may be considering a Proposition 2½ override warrant article to fund their operating budget, it is especially important to ascertain what the current Override Capacity is when determining if the request is in the best interest of the future financial health of the town.

Whitman's Levy Ceiling experienced a drop since at least 2008 and began to recover in 2015, however it has not yet regained its 2008 level. Whitman's Override Capacity dropped every year through 2015 and is now on an upward trend.

Override Capacity
2011: \$16,314,175
2012: \$14,792,553
2013: \$12,899,683
2014: \$12,279,843
2015: \$12,422,417
2016: \$13,276,160
2017: \$14,830,396
2018: \$13,865,418
2019: \$15,956,946

Whitman has attempted seven Proposition 2 ½ overrides since 2003, with two wins (2013: \$440,000 Finance Whitman-Hanson RSD Budget; 2018: \$310,000 Add three firefighters/paramedics).

Free Cash

Free Cash is the revenue available at year-end close-out which are typically from line item surpluses and unexpected revenue from areas such as delinquent tax collection, etc. Free cash cannot be appropriated until it is certified by the Department of Revenue. As Free Cash is considered one-time revenue, it therefore should only be appropriated for one-time expenditures and not recurring general budget expenditures. The use of Free Cash for recurring expenditures places the municipality into a structural deficit for the following

fiscal year, which is a difficult financial position to be in (much like funding full-time employees with grant money, at some point the full-time employees will need to be moved to general budget expense, which is never easy to accomplish).

Your municipality may have financial bylaws and policies with regard to Free Cash balances and uses (e.g. maintain free cash balance at 5% of general budget appropriation). We recommend you spend time familiarizing yourself with them so you are aware of what the access for these funds are limited to.

Whitman maintains a 2019 Free Cash balance of \$1,146,271.

Free Cash:

2011 \$1,370,367
2012 \$1,418,632
2013 \$1,791,075
2014 \$1,321,808
2015 \$1,153,953
2016 \$610,539
2017 \$1,123,287
2018 \$1,073,791

Stabilization Account:

Most, if not all, municipalities maintain at least one stabilization account to protect their town from extraordinary expenses and unexpected emergencies. Some create stabilization accounts/special fund accounts for capital needs and purchases. The creation of, and the appropriation from and to stabilization accounts, require a 2/3 majority from the local appropriating authority at town meeting. Bond rating firms look for strong financial policies on stabilization accounts, on top of maintaining sufficient line item balances, when setting municipal bond rates. Municipalities which regularly appropriate funds from their stabilization account will see it negatively impact their bond rating. In many municipalities, the Stabilization Accounts are built up yearly by Free Cash appropriation.

Whitman has had a very consistent stabilization account, which represents a healthy 7.9% balance of the 2018 general appropriation.

Stabilization Account balance:

- 2011 \$2,485,949
- 2012: \$2,514,768
- 2013: \$2,513,136
- 2014: \$2,548,966
- 2015: \$2,549,830
- 2016: \$2,582,928
- 2017: \$2,575,544
- 2018: \$2,570,477

Available Resources:

The combination of Free Cash, Stabilization Fund, and Excess Levy Capacity is considered the “Available Resources” the town has access to, and it is a key consideration when setting the Bond Rate for the municipality.

In FY18, Whitman had an Available Resources balance of \$3,979,975.

Single Family Parcel Growth:

WHITMAN	Single Family Parcels	Public School Student Count*	Tax Levy Ceiling	Override Capacity
2008	3,262	2,516	\$38,348,288	\$22,631,005
2009	3,265	2,526	\$36,376,018	\$20,102,350
2010	3,274	2,494	\$35,085,567	\$18,246,417
2011	3,294	2,517	\$33,716,732	\$16,314,175
2012	3,302	2,456	\$32,815,007	\$14,792,553
2013	3,303	2,457	\$31,900,884	\$12,899,683
2014	3,310	2,510	\$31,961,304	\$12,279,843
2015	3,329	2,495	\$32,888,527	\$12,422,417
2016	3,334	2,434	\$35,582,215	\$13,276,160
2017	3,336	2,452	\$37,955,772	\$14,830,396
2018	3,348	2,442	\$38,146,426	\$13,865,418
2019	3,358	2,414	\$41,195,326	\$15,956,946
Total	96/2.9% increase	-102/4.0% decrease	\$2,847,038 /7.4% increase	-\$6,674,059/ 29.5% decrease

*Foundation enrollment

Whitman saw a modest 2.9% increase in new Single Family Parcels being added to tax roll since 2008, with a corresponding 4.0% decrease in student enrollment.

Although 96 parcels were added, Whitman's Tax Levy Ceiling did not recover to 2008 level until 2019. Whitman's override capacity has not recovered, however it is starting to trend upward. As of 2019, Whitman has 189 vacant parcels and 5 agriculture parcels. Both represent the potential for future growth should those parcels be buildable.

Municipal Budgets:

In the table below, the budgets for the various municipal departments were evaluated from FY10 to FY18. Additionally, the percentage of the total budget used for education was reviewed.

Whitman	General Government	Police	Fire	Other Public Safety	Education	Public Works	Hun Serv
2010	1,302,759	2,530,838	2,587,578	221,514	10,391,709	2,198,824	
2011	1,315,979	2,567,107	2,581,461	245,922	10,660,415	2,227,744	
2012	1,415,067	2,681,304	2,510,628	240,251	11,012,949	1,906,894	
2013	1,619,467	2,742,451	2,717,477	243,025	11,727,264	2,147,589	
2014	1,726,792	2,784,263	2,756,557	242,857	12,297,513	2,289,872	
2015	1,785,160	2,906,551	2,958,516	279,206	12,662,436	2,309,909	
2016	1,949,807	2,951,892	3,037,071	248,048	13,727,651	2,257,619	
2017	1,985,208	3,112,141	3,198,973	259,904	13,614,607	2,139,633	
2018	2,035,625	3,322,799	3,459,495	287,845	15,101,879	2,236,280	

56%	31%	34%	30%	45%	1.7%
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Percentage increase from FY10 to FY18

Whitman	Recreation	Fixed Costs	Intergov. Assessments	Other	Debt Service	Total	Edu a pe of t
2010	374,091	2,671,176	167,186	334	374,519	23,265,738	
2011	387,275	2,857,943	167,930	874	394,311	23,903,304	
2012	366,045	2,845,960	164,831	27,758	1,147,817	24,780,036	
2013	383,240	3,030,879	176,657	9,497	1,114,253	26,426,983	
2014	400,221	3,034,832	180,119	667	1,086,841	27,380,635	
2015	473,181	3,134,265	182,068	667	1,063,916	28,341,053	
2016	453,565	3,212,797	183,505	940	1,035,908	29,580,978	
2017	448,860	3,468,199	183,342	0	997,628	29,955,933	
2018	503,375	3,638,191	187,419	917	959,643	32,250,027	

35%	36%	12%	156%	39%
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Percentage increase from FY10 to FY18

Since 2010, education expenditures have increased 45%, which is the more than the increase for the town’s total budget, so education expenditures are trending higher than most town budget line item increases. Education has typically remained around 44-46% of total general budget expenditures, which is below the state average of 47%.

School Profile

Foundation Enrollment

	Whitman	Whitman-Hanson	South Shore	Total Students
FY10	9	2,382	103	2,494
FY11	12	2,413	92	2,517
FY12	11	2,343	102	2,456
FY13	13	2,346	98	2,257
FY14	13	2,388	109	2,510
FY15	6	2,366	123	2,495
FY16	9	2,311	114	2,434
FY17	9	2,305	138	2,452
FY18	9	2,295	138	2,442
FY19	9	2,257	148	2,414
FY20	10	2,217	146	2,373

The foundation enrollment includes the resident students, so it is the total of resident students attending the local school as well as students going out to other towns for school choice.

The Whitman student population has decreased by 5.7% from FY10 to FY20. The number of students attending the local vocational school has increased 4.2% since FY10.

School Attending Children Report

	Local Public School	Academic Regionals	Vocational	Collaborative	Charter	Out of District Public	Homeschool	In-State Private/Parochial	Out-of-State Private/Parochial	Total	Total Public	% Public
Whitman												
2010-11	0	2,356	104	18	12	1	19	74	0	2,584	2,491	96.4%
2011-12	0	2,383	113	14	12	15	28	53	0	2,618	2,537	96.9%
2012-13	0	2,412	119	21	15	4	20	31	0	2,622	2,571	98.1%
2013-14	0	2,380	35	20	13	9	11	62	0	2,530	2,457	97.1%
2014-15	0	2,289	125	18	15	6	18	84	0	2,555	2,453	96.0%
2015-16	0	2,321	137	16	8	4	16	66	0	2,568	2,486	96.8%
2016-17	0	2,284	139	17	16	11	20	98	0	2,585	2,467	95.4%
2017-18	0	2,236	154	12	25	11	17	98	0	2,553	2,438	95.5%

Whitman's total student population has fluctuated since 2011-12 school year. The percentage of students attending public school has decreased since a high in 2012-13, and more students are attending vocational, charter and private/parochial schools.

Chapter 70 & Minimum Local Contribution (MLC)

Before going into details on MLC and Chapter 70 calculations, we wanted to provide a description of some of the key terms:

Equalized Valuations (EQV) - The determination of an estimate of the full and fair cash value (FFCV) of all property in the municipality as of a certain taxable date.

Note: EQV used for Chapter 70 calculations is delayed 2 years, so FY18 calculations are based on FY16 preliminary EQV determined by DOR. Municipalities are required to reassess their property value every three to five years, dates for which are not uniform across the state.

Total Income – is the aggregate income of residents as reported by DOR. Total Income used for Chapter 70 calculations is delayed 4 years.

Combined Effort Yield (CEY) – the sum of a weighted percentage of EQV and Total Income which is considered the municipality's capacity to pay, or aggregate wealth. This figure is largely driven by the state's view of funding Chapter 70 aid,

which currently is 59% of the sum of the total state foundation budget being funded by municipalities, and 41% representing aid (otherwise known as the 59/41 split).

Target Share – the percentage of the municipality’s Foundation Budget that is determined by CEY which should be funded from the municipality as the Minimum Local Contribution.

Municipal Revenue Growth Factor (MRGF) – is the percentage of overall growth in total new revenue of the municipality from the previous fiscal year as determined by DOR. This calculation is completed in January of every year, so it is considered a projection and not actual figures.

Minimum Local Contribution (MLC) – the amount the municipality is required to pay toward their Foundation Budget.

Excess Effort/Effort Reduction – the reduction percentage applied to determine MLC as dictated by the fiscal year Chapter 70 budget language for those districts which are paying more than their Target Share.

Below Effort Shortfall – the percentage increase applied to determine MLC as dictated by the fiscal year Chapter 70 budget language for those districts which are paying less than their Target Share.

Hold Harmless – the Legislature’s intent and practice is to allocate enough Chapter 70 funding, so that a district never sees a decrease in aid from the previous year. The Hold Harmless Aid is the difference between Net School Spending and Foundation.

Net School Spending (NSS) – the sum of MLC and Chapter 70 aid, which the district is required to spend on education.

The change to the Chapter 70 foundation funding formula calculation for cities and towns passed in FY07 has proven to be detrimental to many MA towns. The data presented in the table below focuses on the MLC which DESE mandates Whitman pay toward their Foundation Budget, and it does not include those amounts above foundation that the towns voluntarily pay (including debt, transportation and other operation costs).

Whitman	EQV	Income	CEY	MLC
FY10	\$1,641,094,400	\$349,931,000	\$10,100,630	\$8,085,017
FY11	\$1,641,094,400	\$365,626,000	\$9,853,972	\$8,003,919
FY12	\$1,491,266,300	\$371,471,000	\$10,132,894	\$8,208,019
FY13	\$1,491,266,300	\$365,775,000	\$10,701,580	\$8,551,935
FY14	\$1,407,346,900	\$370,927,000	\$10,733,838	\$8,889,736
FY15	\$1,407,346,900	\$378,125,000	\$10,815,600	\$9,256,882
FY16	\$1,328,007,600	\$393,827,000	\$10,936,666	\$9,766,012
FY17	\$1,328,007,600	\$401,688,000	\$10,940,580	\$10,197,670
FY18	\$1,492,979,700	\$425,636,000	\$11,363,886	\$10,772,819
FY19	\$1,492,979,700	\$441,337,000	\$11,801,863	\$11,266,214
FY20	\$1,638,287,500	\$453,291,000	\$12,452,396	\$11,839,664
Difference%	-0.2%	30%	23%	46%

MLC is supposed to be determined by several key indicators, which when considered together demonstrates the town’s “capacity to pay.” These indicators include the EQV, aggregate personal income, and the MRGF of the municipality.

In some towns in Massachusetts, it is actually the aggregate personal income which is driving MLC calculations. In Massachusetts, personal income is subject to state and federal tax only. The municipality does not benefit at all from the value of the aggregate personal income of its residents.

Due to the housing market crash, Whitman realized a significant drop in its EQV values which began to recover in FY18. The aggregate personal income levels have increased 30% from FY10 to FY20. It has been personal income, and not EQV which is driving the municipality’s CEY, or capacity to pay. As a result of the CEY increase, Whitman’s MLC increased 46% from FY10 to FY20.

Whitman	Foundation	MLC	MLC Increase	MLC Increase (percentage)	Target Share	Actual Share
FY10	\$22,120,070	\$8,085,017			45.66%	36.55%
FY11	\$22,078,022	\$8,003,919	-\$81,098	-1.0%	44.63%	36.25%
FY12	\$22,080,934	\$8,208,019	\$204,100	2.5%	45.89%	37.17%
FY13	\$22,909,031	\$8,551,935	\$343,916	4.1%	46.71%	37.33%
FY14	\$24,033,542	\$8,889,736	\$337,801	3.9%	44.66%	36.99%
FY15	\$24,145,643	\$9,256,882	\$367,146	4.1%	44.79%	38.34%
FY16	\$24,253,736	\$9,766,012	\$509,130	5.5%	45.09%	40.27%
FY17	\$24,733,414	\$10,197,670	\$431,658	4.4%	44.23%	41.23%
FY18	\$25,097,457	\$10,772,819	\$575,149	5.6%	45.28%	42.92%
FY19	\$25,759,459	\$11,266,214	\$493,395	4.6%	45.82%	43.74%
FY20	\$26,546,550	\$11,839,664	\$573,450	5.1%	46.91%	44.60%

Since FY10, Whitman’s Target Share has fluctuated from a low of 44.23% in FY17, to a high of 46.91% in FY20. From FY10 to FY20, the foundation budget has increased 20%. Whitman’s MLC has seen significant increases as high as 5.6%. As Whitman remains below Target Share, they should expect these high MLC increase percentages to continue going forward.

Hold Harmless Status:

WHITMAN-HANSON	Foundation Enrollment	Foundation Budget	MLC	MLC Increase	Foundation Aid	Total Aid	Hold Harmless
FY11	4,193	\$36,625,906	\$13,430,108	\$458,943	\$23,195,798	\$23,464,624	\$268,826
FY12	4,310	\$36,853,532	\$13,057,622	-\$372,486	\$23,795,910	\$24,214,376	\$418,466
FY13	4,159	\$37,691,613	\$14,011,112	\$953,490	\$23,680,501	\$23,680,613	\$--
FY14	4,152	\$38,579,785	\$14,560,975	\$549,863	\$24,018,810	\$24,018,810	\$--
FY15	4,067	\$38,173,063	\$15,278,470	\$717,495	\$22,894,593	\$24,120,485	\$1,225,892
FY16	3,964	\$38,322,360	\$16,147,370	\$868,900	\$22,174,990	\$24,219,585	\$2,044,595
FY17	3,939	\$38,333,512	\$16,774,824	\$627,454	\$21,558,688	\$24,436,230	\$2,877,542
FY18	3,860	\$38,233,604	\$17,627,386	\$852,562	\$20,606,218	\$24,552,030	\$3,945,812
FY19	3,781	\$38,780,823	\$18,467,197	\$839,811	\$20,313,626	\$24,665,460	\$4,351,834
FY20	3,708	\$39,870,088	\$19,523,939	\$1,056,742	\$20,346,149	\$24,776,700	\$4,430,551
Difference FY20 to FY11	-485 (-11.5%)	+\$3,244,182 (8.8%)	+\$6,093,831 (45.3%)	--	-\$2,849,649 (-12.2%)	\$1,312,076 (5.5%)	--

The legislature promised when they changed the formula that a district would never see a reduction of aid (they would in essence hold that district harmless with aid). They kept that promise. With declining enrollments and resulting declining Foundation Budgets, this has been a lifesaver, as without it, most

districts would not be able to open their doors. The unintended consequence of this was once a district was placed in hold harmless status (receiving aid above what the foundation budget warrants), they were placed in debt for that aid. They would remain in debt until such time as their Foundation Budget earned that aid. Of course in order for that to happen the district would either have to start seeing an increase in student enrollment, or significant rate increases to the Foundation Budget calculations.

Whitman-Hanson saw a 11.5% decrease in student enrollment between FY11 and FY20. While there was modest growth in the overall Foundation Budget during same period, those increases were not significant until FY18. The decrease in Foundation Aid is a hybrid result of student enrollment decrease, stagnant Foundation Budget increases for several years, and the increases to MLC as both member towns are under the target percentage which DESE has calculated they can afford to pay toward education.

Whitman Hanson is receiving significant Hold Harmless aid. The district will continue in Hold Harmless status until such time as the district sees an increase in student enrollment and the member towns' MLC reaches their target share percentage.

ADDENDUM

Actual Student Enrollment numbers for Whitman-Hanson Regional School District (includes residents of Whitman and Hanson attending from other towns via school choice):

Hanson Middle School	5 th Grade	6 th Grade	7 th Grade	8 th Grade	Total
2018-19	104	116	124	135	477
2017-18		125	131	137	393
2016-17		136	135	131	402
2015-16		143	130	141	414
2014-15		130	148	151	429

Prior to adding a grade in the 2018-19 school year, Hanson Middle School had seen declining enrollment in all grades, with an overall 8.4% decline to total student enrollment since the 2014-15 school year.

Indian Head	1 st Grade	2 nd Grade	3 rd Grade	4 th Grade	5 th Grade	Total
2018-19	102	98	101	104		405
2017-18			109	103	112	324
2016-17			98	111	134	343
2015-14			106	127	137	370
2014-15			120	131	137	388

Prior to adding two grades in the 2018-19 school year, Indian Head School had seen declining enrollment in all grades, with an overall 16.5% decline to total student enrollment since the 2014-15 school year.

John H Duval	Kindergarten	1 st Grade	2 nd Grade	3 rd Grade	4 th Grade	5 th Grade	Total
2018-19	60	77	78	66	80	82	443
2017-18	61	72	65	76	80	90	444
2016-17	75	70	79	85	93	93	495
2015-16	66	75	86	95	93	101	516
2014-15	67	87	94	95	98	93	534

John H Duval school has seen declining enrollment in all grades, with an overall 17% decline in total student enrollment since the 2014-15 school year.

Louise A Conley	Kindergarten	1 st Grade	2 nd Grade	3 rd Grade	4 th Grade	5 th Grade	Total
2018-19	75	87	81	95	80	110	528
2017-18	79	86	93	82	110	112	562
2016-17	82	90	86	106	110	87	561
2015-16	87	85	102	112	81	92	559
2014-15	78	99	109	79	88	96	549

Louise A Conley has seen declining enrollment in most grades - except for 3rd and 5th grades, with an overall 3.8% decline in total student enrollment since the 2014-15 school year.

Whitman Middle	6 th Grade	7 th Grade	8 th Grade	Total
2018-19	205	177	198	580
2017-18	181	195	199	575
2016-17	196	195	208	599
2015-16	191	212	183	586
2014-15	211	181	186	578

Whitman Middle School has seen some fluctuation with enrollment in some grades, but has otherwise remained steady in overall enrollment since the 2014-15 school year.

W-H Regional	9 th Grade	10 th Grade	11 th Grade	12 th Grade	SP	Total
2018-19	290	295	281	303	4	1,173
2017-18	284	278	293	309	8	1,172
2016-17	271	291	299	297	12	1,170
2015-16	289	300	290	301	11	1,191
2014-15	296	285	304	274	3	1,162

Whitman Hanson Regional High School has seen some fluctuation with enrollment in some grades, but has overall increased 1% in total student enrollment since the 2014-15 school year.

School Choice

The table below shows the effect of school choice on Whitman-Hanson Regional School District.

Whitman-Hanson	School Choice In	Receiving Tuition	School Choice Out	Sending Tuition	Net Revenue
FY19	53.2	\$296,465	24.3	\$146,019	\$150,446
FY18	57.8	\$339,536	8.2	\$65,822	\$273,714
FY17	38.7	\$233,582	8.5	\$67,785	\$165,797
FY16	29.76	\$186,073	17.78	\$98,250	\$87,823
FY15	15.7	\$78,500	16	\$91,286	-\$12,786

The number of students coming into Whitman-Hanson since FY15 has increased significantly more than the number of students leaving, resulting in a significant increase in net revenue.