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## HUDSON SCHOOL DISTRICT

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TO: Hudson Budget Committee and  
Hudson School Board

FROM: Dr. Daniel Moulis, Superintendent of Schools

DATE: December 4, 2024

RE: Executive Summary of the FY26 Budget

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## Superintendent's Summary

### Overview

A budget represents the priorities of the school district and the community.

The preliminary FY26 budget involves weeks of research, meetings, and discussions with central office administration and school/department administration based on current goals/priorities, district action, and future initiatives aligned with the district's strategic plan and the Portrait of a Graduate.

### How to Read this Executive Summary

This is the Superintendent's Executive Summary for the preliminary budget FY26. The yellow highlighted date above indicates the date this version was updated. All additions to the update will also be highlighted in yellow. The Executive Summary comprises several sections:

- School Board Direction
- Superintendent's Direction
- Enrollment
- Budget Drivers
- Warrant Articles
- Default Budget
- Grants

## School Board's Direction

At the Board workshop in May, the School Board set the following goals:

- A comprehensive budget that supports the goals of the strategic plan, the skills, and competencies that students need for college and career readiness, and meets the needs of the district with academic interventions to support students
- Aligned curriculum across grade levels and schools

- Rigorous and robust curricular opportunities that challenge and engage students in their learning

As part of the budget process, the School Board will review proposed cost items, personnel requests for FY26 and future years, and short-term and long-term budgetary items.

## Superintendent's Direction

The budget reflects the district's commitment to the priorities of academic, career and college pathways, and important career skills for the students of Hudson.

As Superintendent, I have directed the administrative team to provide comprehensive school and department budgets that meet the school and department needs.

The priorities outlined in the budget are aligned to the Portrait of a Graduate, Portrait of a Middle Level Learner, and Elementary Level Learner and to the school district's [strategic plan and three pillars](#):

- Strong Learning Environment
- Strong Connections: School, Family, and Community
- Vibrant Learning Systems

Foundational action plans have been developed during the past three years using data to identify areas of improvement and to support staff and students. This is the second school year of the district's "Hudson University," where mentor teachers support newly hired teachers in curriculum knowledge and instructional practice.

In the last few years, external factors have changed significantly and have impacted the day-to-day operations of the district. Hiring and recruitment takes a larger portion of time than in the past and will be addressed more in this document under "Personnel." The district continues to experience hiring challenges in specific areas such as in special education teaching positions, and paraeducators.

The administration was asked to analyze both short-term and long-term needs for FY26 and future budget cycles. Principals reviewed teacher and staffing needs based upon class sizes, current and future school enrollment, supporting students' academic and social and emotional learning needs as well as curriculum and instructional initiatives, school operations including safety and security, technology investment, and capital improvement projects.

The proposed budget:

- Maintains current staffing, class sizes, curriculum, maintenance, and operations
- Increases to support personnel at the elementary level
- Invests in school infrastructure that includes capital improvement projects and school furniture, including phase three of science classroom upgrades at Hudson Memorial School, preventative maintenance projects at the elementary schools, and capital improvement projects at Alvirne High School
- Invests in academic interventions to support student learning

## New Budget Items

- Convert current Library Media Paraprofessional to a certified Library Media Specialist (Librarian), which is shared between Library Street School and Dr. H.O. Smith School
- One part-time Math Interventionist and one part-time Reading Interventionist each for Hills Garrison and Nottingham West (total of four NEW part-time Interventionists)
- One new part-time Culinary Teacher (formerly known as Family and Consumer Science) for Hudson Memorial
- One new districtwide BCBA (Board Certified Behavior Analyst) to support Special Education

## Budget Items Not Considered at This Time

- Six new part-time Classroom Assistants for grade 1 (Reduced by the Board)
- Convert the part-time Computer Science Teacher at Alvirne to full-time, with an offset by elimination of the part-time Pet Care Teacher (Reduced back to P/T by the Board)
- Convert current part-time Career Center Coordinator to full-time at the CTE
- One part-time Reading/Math Interventionist for Dr. H.O. Smith School
- One part-time Reading/Math Interventionist for Library Street School
- One new full-time Spanish Teacher for Hudson Memorial
- One additional Reading Specialist for the ELC

## Enrollment

One of the most significant factors in determining a budget is student enrollment. Enrollment helps define appropriate levels of staffing to support the students, along with the costs to maintain the buildings and other incidental costs tied to education.

The district continues to experience consistent enrollment in preschool, kindergarten, and grade 1. Enrollment has decreased at the middle school and high school in recent years and this trend is expected to continue into the next school year. Enrollment varies each month due to families that move in and out of the district.

We are anticipating the overall number of students will decline slightly for the 2025-2026 school year, projecting enrollment to be around 2,921.

### Hudson School District Enrollment History and Projection

Year	Pre-K Only	Kindergarten	Grade 1	Elementary (2-5)	Middle (6-8)	High (9-12)	Total
2016-2017	78	141	233	1,002	797	1,267	<b>3,518</b>
2017-2018	91	155	211	957	823	1,189	<b>3,426</b>
2018-2019	99	135	225	926	803	1,143	<b>3,331</b>
2019-2020	103	111	192	909	774	1,106	<b>3,195</b>
2020-2021	56	178*	161	854	720	1,091	<b>3,060</b>
2021-2022	82	191	218	809	706	1,080	<b>3,086</b>

2022-2023	101	197	213	835	698	1,055	<b>3,099</b>
2023-2024	104	196	195	816	701	1,042	<b>3,054</b>
2024-2025	99**	190	201	816	655	993	<b>2,954</b>
2025-2026	105	200	220	848	597	951	<b>2,921</b>

\*First year of full-day kindergarten

\*\*Pre-K numbers increase throughout the year as children become eligible for services starting at age 3

### Hudson School District Approved Budgets

(Below numbers include approved warrant articles)

Year	Overall
FY19	\$53,883,259*
FY20	\$55,135,345
FY21	\$57,210,449
FY22	\$59,548,804
FY23	\$63,169,849
FY24	\$66,269,410
FY25	\$69,359,543
FY26	**\$69,577,219

\*Total approved appropriation for the year was \$79,330,759 with the CTE renovation.

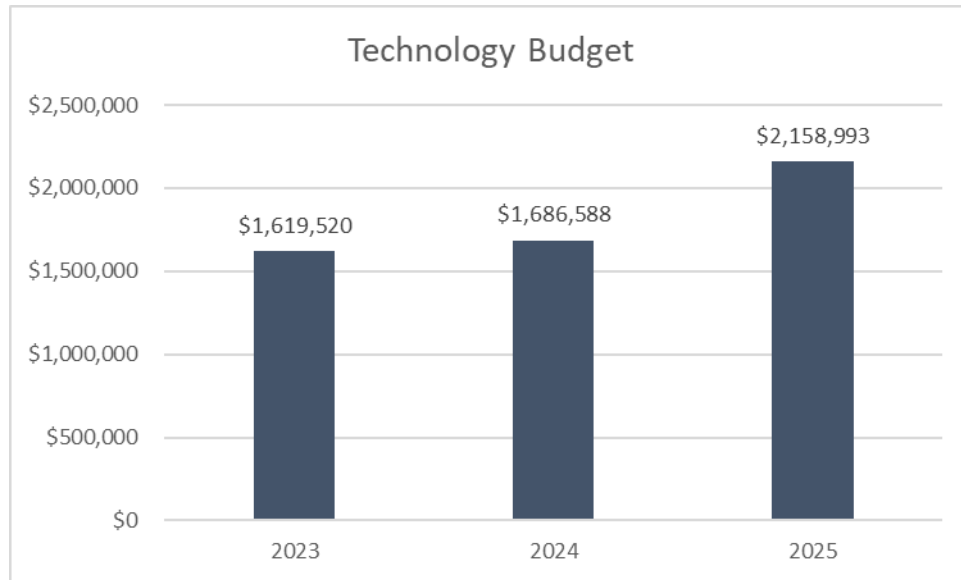
\*\*Proposed budget reflects (-0.15%) decrease from the REVISED FY25 operating budget of \$69,678,543 (which includes additional funding from the Alvirne Trustees); or a 0.3% increase on the ORIGINAL FY25 operating budget.

### Hudson School District FY26 Proposed Budget vs. Default Budget

Year	Proposed Budget	Est. Tax Impact	Default Budget	Est. Tax Impact
FY26	**\$69,577,219	-\$0.09 per \$1,000	\$68,415,543	-\$0.17 per \$1,000

### Budget Drivers

The main cost drivers for the FY26 budget are personnel costs, including salaries & benefits, technology, and capital and facility improvements.



### Capital Improvement Project in the FY26 Budget

- Hudson Memorial School window replacement – \$130,000

### Contractual Agreements

The School Board is negotiating agreements with HFT and Secretaries, which will be presented as separate warrant articles for the consideration of the voters. The cost changes reflected in the budget for these two groups will include any changes in the staff (new hires and other turnover/attrition changes to reflect the staff in place this fall 2024) and cost increases for benefits, such as the health and dental insurance as required by contract with the insurance carriers.

Staff and administration are important assets to a school district. Hudson salaries are below the average for the South-Central area, which places the district at a disadvantage for hiring, retaining, and recruiting. Offering competitive salaries will help us recruit staff, and to improve retention and reduce turnover – support staff and administration are significant factors that impact students’ success.

The Hudson School District has collective bargaining agreements with five groups:

Group	Represented Employees	Expires
Hudson School District Secretaries (AFT Local 6260)	Administrative assistants throughout the district	June 30, 2025
Hudson Federation of Teachers (HFT Local 2263)	Teachers and full-time paraprofessional staff	June 30, 2025
Teamsters Local 633	Custodians, electricians, and HVAC technicians	June 30, 2026

Hudson Federation of PSRPs (AFT Local 6245)	Part-time paraprofessionals and food service workers	June 30, 2026
American Federation of State, County and Municipal Employees (AFSCME) Local 1906	Principals and other building administrators	June 30, 2026

The Teamsters, PSRPs and AFSCME contracts cover the staff groups outlined above through June 30, 2026. Costs associated with wage increase and benefits for these groups are included in this FY26 budget.

There are staffing requests from some of our administrators across the district. These requests to increase or change staffing will be addressed by administrators during individual building-level presentations to the School Board.

**Health Insurance**

Health insurance costs for all staff groups are budgeted with a 10% increase, and dental with an increase of 5%.

**New Hampshire Retirement**

New Hampshire Retirement costs are updated every two years and have been updated for this FY26 budget. This rate will continue into the FY27 budget. The “Employees” category has decreased from 13.53% down to 12.75%, and the “Teachers” category has decreased from 19.64% to 19.23%.

**Personnel**

The amount of time to fill a position has increased significantly in the past few years and the candidate pool for many positions has significantly decreased. It takes a minimum of a month to hire a new person between advertising, interviewing, and completing the hiring process (paperwork, employee records check, etc.).

It takes three years to provide mentoring, professional development/training, and evaluative feedback for teachers and staff to develop an understanding of their responsibilities and support new teachers’ pedagogy, instructional, and assessment practices.

The level of turnover has also increased in recent years:

	Staff Turnover Rate	Teacher Turnover Rate
2020-2021	8%	19%
2021-2022	12%	22%
2022-2023	11%	21%
2023-2024	10%	13%

Staff includes paraprofessionals, food service, custodial and maintenance, office staff and staff in other departments.

The level of pay had previously caused many staff members to seek jobs in other districts or other career opportunities during the prior three years. The voters approved a contract for our teachers in March 2023 which has improved salaries with our neighboring districts. The School Board is in negotiations with the Hudson Federation of Teachers, and the goal to continue to have competitive salaries with surrounding districts is a key priority.

The New Hampshire Department of Education allows districts to hire people who do not have a teaching certification, especially in critical shortage areas such as math, science, and special education. Due to a low applicant pool, the number of staff with “alt certification” has increased.

Staff hired under an alternative certification are offered additional support and have a teacher mentor. Individualized educator plans are developed based on requirements for further professional development. A credentialing coordinator (stipend role) supports alternative certification staff to obtain their educator certification.

Two master teachers (stipend role) support the new teachers through Hudson University, receiving a stipend for their efforts in providing professional courses to support educator competencies. Supporting staffs’ professional development is integral to students’ academic success.

	Staff with Alt Certification
2020-2021	11
2021-2022	21
2022-2023	18
2023-2024	19
2024-2025	36

### Curriculum, Instruction, and Assessment

Educating students is our mission. To fulfill that mission, we must constantly review and evaluate our curriculum, instruction, and assessment practices.

#### Curriculum

Assessment data has shown an area for improvement is in reading proficiency. The continued implementation of the reading program, *Magnetic Reading*, is being done this year in grades 3-5 and an innovative writing program, *Being a Writer*, for students in kindergarten through grade 5 is showing early results.

The math curriculum is being reviewed by the math curriculum committee to update and align the instructional resources for students in kindergarten through grade 9.

The science curriculum is being reviewed to ensure it is aligned with the Next Generation Science Standards and supports inquiry-based science labs.

#### Instruction

“Hudson University” was a new initiative in the 2023-24 school year which provided embedded professional development for teachers districtwide. This program is continuing into the 2024-25 school year and is expected to continue into the 2025-26 school year and beyond. Additional academic interventions have been introduced at the high school to improve the 24-credit diploma graduation rates including a credit-recovery program implemented last school year.

### **Assessment**

The district is in the third year of using the i-Ready assessment, which indicates academic progress in reading and writing. This assessment provides data to inform curricular and instructional decisions and for progress monitoring. Based on district and state assessment results, math and science continue to be high priority areas for the district.

### **Technology**

Over the past seven years, the Hudson School District has invested in improvement and access to computer hardware, software, and infrastructure designed to support the district’s strategic plan, 21<sup>st</sup> century learning, and to improve the security posture of the district.

This FY26 budget includes the replacement cycles for computers across the district, consolidation of software from multiple budgets, including the SAU budget and the final items from ESSER that will be continuing into the next budget cycle. Also, in this budget are:

- Implementation of a new HRIS/Finance System (replacement for Munis)
- Monitoring for improved security for the network
- Starting the replacement cycle for the district’s network switches

### **Capital & Facility Improvements**

The first pillar of the strategic plan is a “Strong Learning Environment” which includes safe and secure schools and maintaining a learning environment to meet the needs of students.

The NH Department of Homeland Security completed a school safety and security audit of Hudson schools in January 2023. The report provided an updated assessment of school safety and infrastructure planning for the district. Items identified in the report were addressed in end-of year spending requests. Future safety and security needs are being addressed in the operating budget.

The proposed budget continues a long-term investment in our buildings by providing the required maintenance of facilities, as outlined in the capital improvements project list developed by the Director of Facilities.

A study of school facilities for preschool – grade 8 was completed by Lavallee Brensinger in March 2023, which provides a comprehensive assessment of our buildings. The report serves as a foundational document to guide the strategic planning committee and capital improvement committee. The Early Learning Center Committee was instituted this fall to review the school facilities report and to provide a recommendation or recommendations to the School Board for consideration.

[Facilities Study Report from Lavallee Brensinger – March 2023](#)

## Warrant Articles

As part of the budget process, the Board will review and recommend warrant articles to appear on the ballot in March 2025.

Potential warrant articles include:

- Collective bargaining agreement for Secretaries
- Collective bargaining agreement for HFT
- Replacement of the fire alarm panel at Hudson Memorial School (\$75,000 – proposed to come from the June 30, 2025 Fund Balance)
- Installation of additional emergency alert beacons (\$63,800 – proposed to come from the June 30, 2025 Fund Balance)
- The third phase of the planned four-phase science lab update project at Hudson Memorial School (\$225,000– proposed to come from the June 30, 2025 Fund Balance)
- Contribute to the Capital Reserve Account for the Alvirne Farm (\$150,000 – proposed to come from the June 30, 2025 Fund Balance)
- Increasing Funds in the Capital Reserve School Renovation Fund (\$150,000 – proposed to come from the June 30, 2025 Fund Balance)

## Default Budget

Description:

*RSA 40:13, IX (b) The “Default budget” is the amount of the same appropriations as contained in the operating budget authorized from the previous year, reduced and increased, as the case be, by debt service, contracts (approved by voters), and mandated by law, or reduced by one-time expenditures contained in the operating budget. For this paragraph’s purposes, one-time expenditures shall be appropriations not likely to recur in the succeeding budget, as determined by the governing body, unless the provisions of RSA 40:14-b are adopted, of the local political subdivision.*

*RSA 40:13-The amount cannot be amended by legislative body.*

Calculations: Contractual increases (salaries and benefits), retirement commitments, and special education costs are examples of what is calculated in a default budget.

## Grant Funding Sources

The Hudson School District receives federal and state grants and one-time grants. Each grant has specific requirements for spending and oversight and, in most cases, are overseen by the NH Department of Education. Grants are categorized as revenue and grant expenditures and are included in the operating budget.

### Federal and State Grants Received on a Multi-Year Basis

This table includes grants the school district has received for the past five years. Some grants run for two to three years. The ESSER III and the Project Aware grant funds expired on September 30, 2024.

Grant	20/21	21/22	22/23	23/24	24/25
Project Aware	\$347,087.67	\$300,000.00	\$183,333.33	\$199,778.00	-

Perkins Grant	\$152,405.08	\$137,432.12	\$146,794.32	\$127,012.53	\$113,896.26
ARP IDEA-Preschool	-	\$175,350.46	-	-	-
ARP IDEA-Preschool	-	\$14,984.38	-	-	-
IDEA	\$827,186.42	\$853,773.13	\$876,149.60	\$917,309.87	\$907,855.31
IDEA-Preschool	\$14,638.05	\$14,854.06	\$15,912.03	\$16,414.46	\$16,446.86
Title I	\$567,585.72	\$304,729.55	\$633,890.71	\$625,924.09	\$218,556.14
Title II	\$142,944.01	\$142,419.77	\$154,474.24	\$142,262.58	\$127,808.67
Title III	-	-	\$15,870.40	-	-
Title IV	\$75,056.05	\$75,284.64	\$84,146.59	\$83,803.02	\$69,932.57
ESSER III	-	\$4,082,746.60	-	-	-
CRRSA-ESSER II	\$1,816,122.62	-	-	-	-
CARES-ESSER	-	-	-	-	-
SAFE Grant					\$100,000

**Current Staff Positions Supported, by Grant**

All staff in grant funded positions are informed – at hiring – that the position is grant funded and will not necessarily last beyond the life of the grant or could be impacted by reductions in funding.

Current staffing in grants for FY25:

Grant	# Staff
IDEA	13
Title I	16
Title II	1
Perkins Grant/CTE	1