

HANOVER PUBLIC SCHOOLS

FY25 Budget 2.0



Hanover Select Board - December 4, 2023



Outline

- FY25 Budget 2.0 projections: Levy vs. Override
- Background and major budget drivers
- Review data and assumptions used for projections
- FY25-FY30 projections
- Update on other district “comparables”
- Discussion and questions



FY25 Levy Budget vs. Override Budget

Cost Center	FY24	FY25 Projection	Projected Change	Percentage Change
Operating Budget: Salaries:	\$30,002,884	\$32,015,399	\$2,012,515	6.71%
Operating Budget Expenses	\$8,356,317	\$9,709,857	\$1,353,540	16.20%
Total Salaries & Expenses	\$38,359,201	\$41,725,256	\$3,366,055	8.78%
Circuit Breaker	-\$1,347,825	-\$1,347,825	\$0	
DESE Federal Grants	-\$826,837	-\$826,837	\$0	
Special Education Reserve	-\$750,000	\$0	\$750,000	
ARPA*	-\$406,589	\$0	\$406,589	*
"Override" Budget Projection	*\$35,031,299	\$39,550,594	\$4,519,295	12.90%
"Levy" Budget Projection	*\$35,031,299	\$36,952,869	\$1,921,570	5.5%
FY25 Budget Gap		\$2,597,725		

*\$35,031,299 is our FY24 Town Meeting Approved Operating Budget Allocation.
Our FY24 actual budget number as of 11/30 is \$35,027,950.



Override Budget vs. Levy Budget

- Override Budget Outcomes:

- “Resets” the current operating budget
- Provides level services for all staff and programming
- In general, no new resources or staff
- FDK becomes tuition free
- Limited fee increases
- Ends/limits reliance on non-recurring funds
- No “wish list” programs, staff, or services

- Levy Budget Outcomes:

- Negative impact on class size at all levels
- Significant reductions to staff, student activities, and educational resources
- Fewer academic offerings all levels
- FDK - tuition remains
- Fee increases (bus, activities, athletics, etc)
- Continued reliance on non-recurring funds



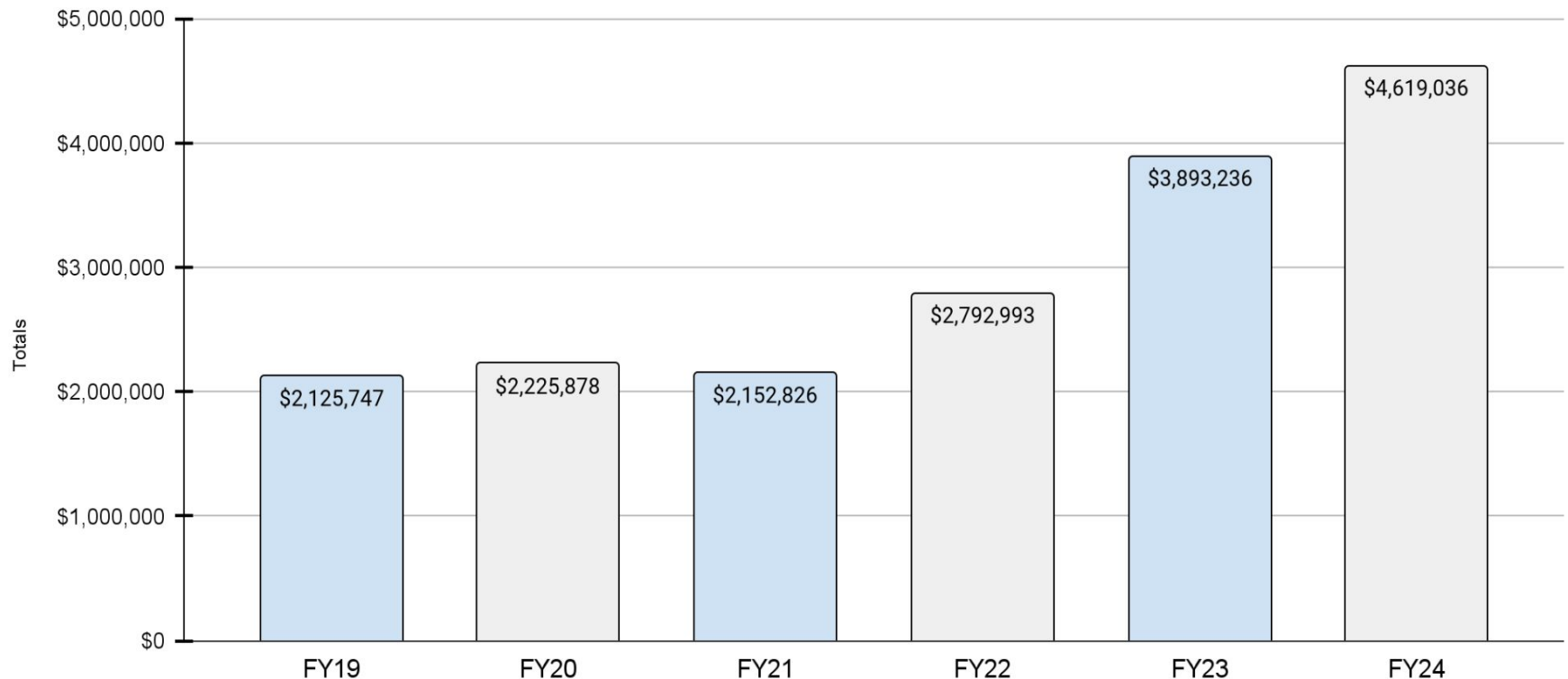
Budget Drivers: Override Budget



Tuition/Transportation Expenses as of 10/17/23

Over 200% increase: \$2,466,210 since FY21

Out of District Tuition and Transportation Expenses: Post-Covid Trends

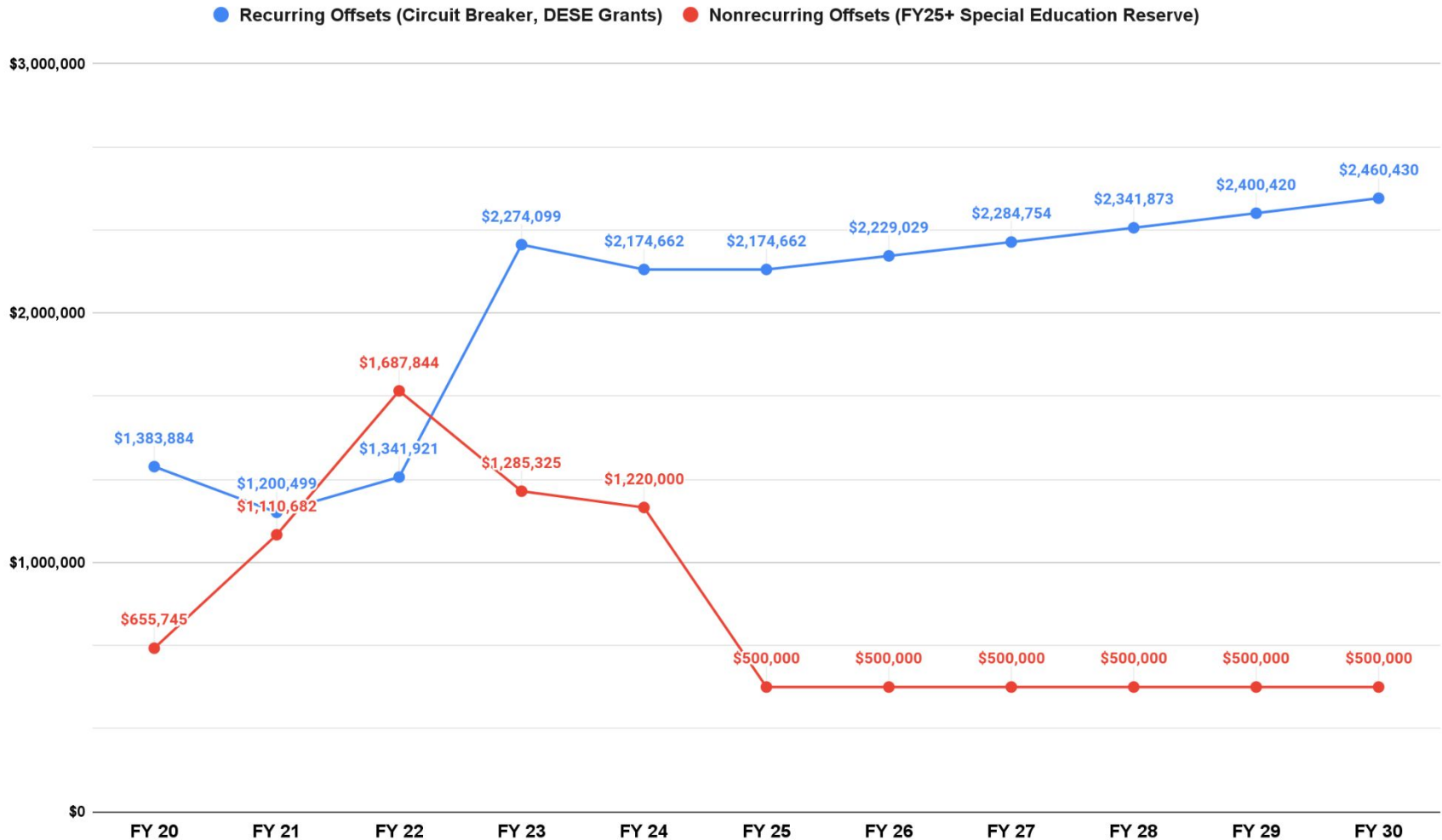


5 Prior Years of Offset Reliance: FY20-FY24

Recurring Offsets (funding sources)					
	FY 20	FY 21	FY 22	FY 23	FY 24
Circuit Breaker	\$634,584	\$440,189	\$549,960	\$1,478,832	\$1,347,825
DESE Federal Grants	\$749,300	\$760,310	\$791,961	\$795,267	\$826,837
Nonrecurring Offsets (funding sources)					
CARES/ARPA	\$255,745	\$510,589	\$759,936	\$125,325	\$470,000
Special Education Reserve	\$400,000	\$350,000	\$350,000	\$510,000	\$750,000
Special Town Meeting Article	0	0	0	\$650,000	0
ESSER and other Federal Grants	0	\$250,093	\$577,908	0	0
Total Non-Recurring Revenue (offsets)	\$655,745	\$1,110,682	\$1,687,844	\$1,285,325	\$1,220,000



Budget Offset Projections: FY25 - FY30



Five Year Projections: FY25-FY30



Assumptions and Data used for 5 Year Projections: FY25-FY30

Budget Category	Data Used	Assumptions Used
Staff Salaries	Kettle: Projects salary steps and COLA based on union contracts currently in place	<ol style="list-style-type: none"> 1. Personnel costs will increase 3-4% annually 2. Used 10 years of COLA data to estimate personnel costs 3. All current staff returns in FY25: level service staffing plans
Grants/Circuit Breaker	<ol style="list-style-type: none"> 1. Historical trend data 2. Current expenses for student services 	<ol style="list-style-type: none"> 1. Grants will remain fairly flat 2. Circuit Breaker will remain fairly flat base on current trends
Expenses	<ol style="list-style-type: none"> 1. Current tuition and transportation costs 2. Review of cost increases for supplies and services 	<ol style="list-style-type: none"> 1. A 10% increase in student services expenses 2. 4% increase on predictable expenses
No Fee Full Day Kindergarten	<ol style="list-style-type: none"> 1. Current salaries for staff paid via the revolving account 2. Historical enrollment trends 	<ol style="list-style-type: none"> 1. All current Kindergarten staff will return in FY25 2. Enrollment may increase slightly but will not exceed capacity using current staffing levels

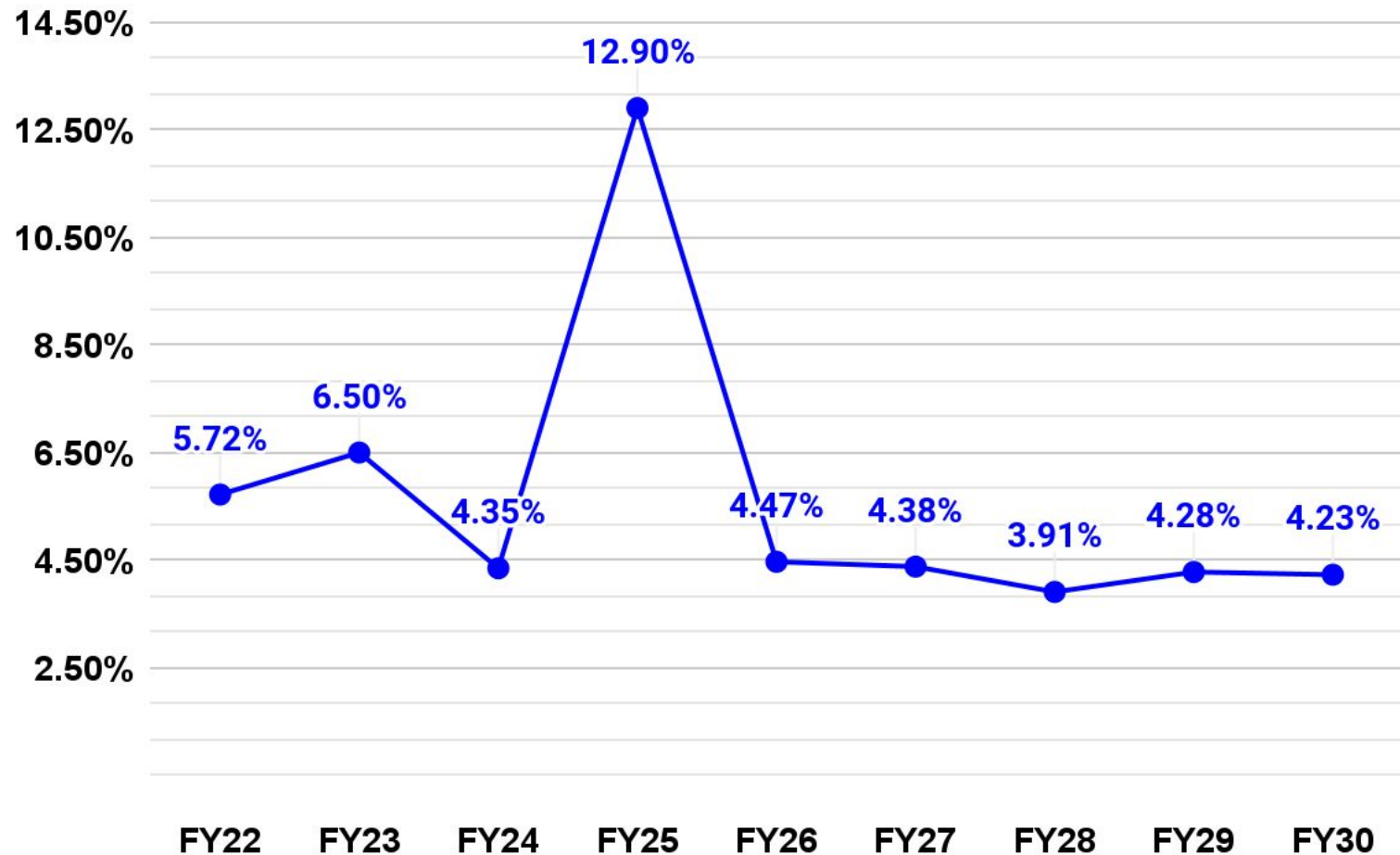


FY25-FY30 Operating Budget Projections: Level Services

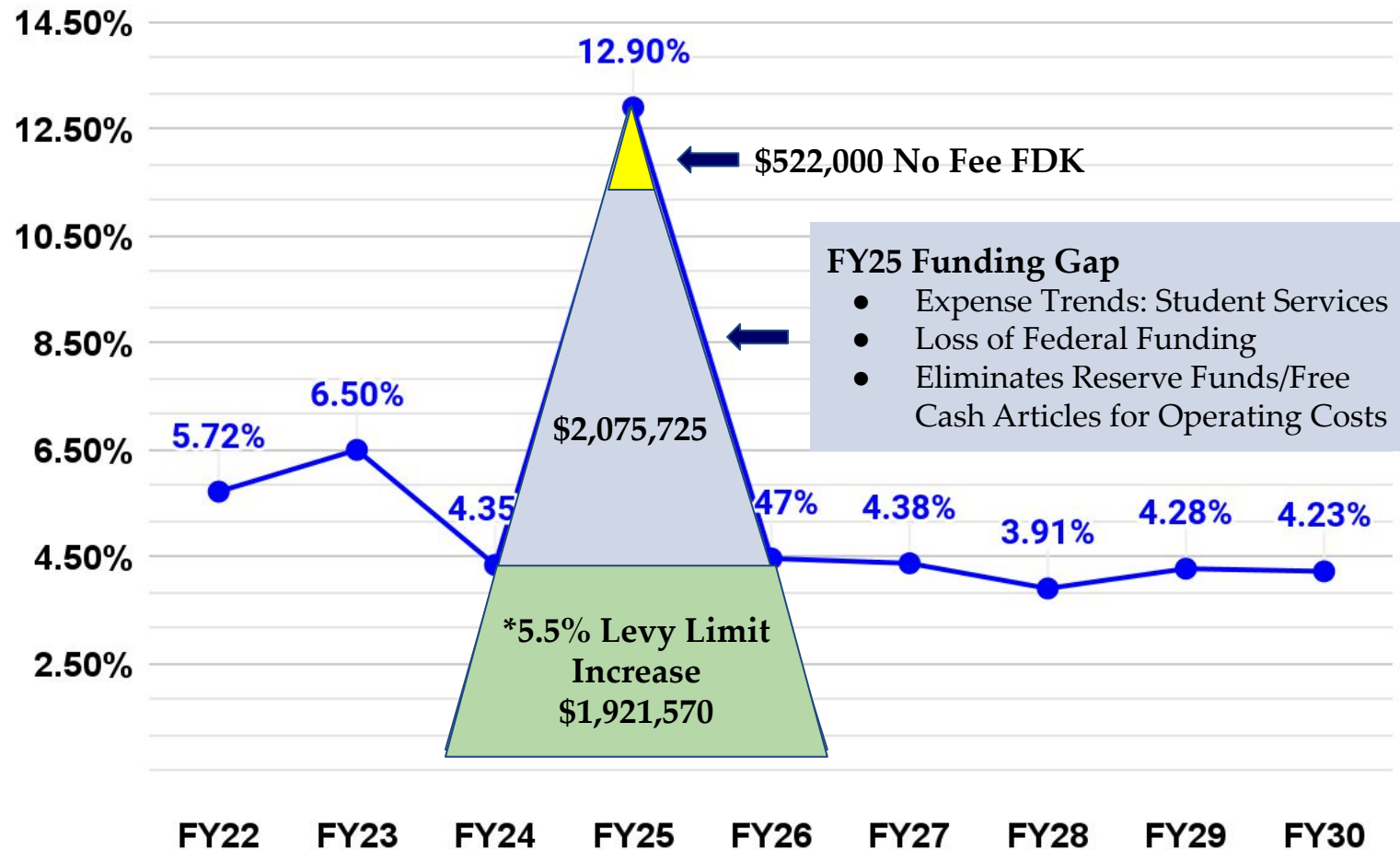
Cost Center	FY25	FY26	FY27	FY28	FY29	FY30
Salaries	\$32,015,399	\$33,271,182	\$34,533,456.26	\$35,631,157.20	\$36,919,668.24	\$38,220,107.21
Expenses	\$9,709,857	\$10,277,219	\$10,882,308	\$11,527,807	\$12,216,598	\$12,951,775
Circuit Breaker & DESE Grants	\$2,174,662	\$2,229,029	\$2,284,754	\$2,341,873	\$2,400,420	\$2,460,430
Budget	\$39,550,594.20	\$41,319,373.27	\$43,131,010.15	\$44,817,091.30	\$46,735,846.79	\$48,711,452.05
Percentage Increase	12.90%	4.47%	4.38%	3.91%	4.28%	4.23%



FY22-FY30 Operating Budget Projections

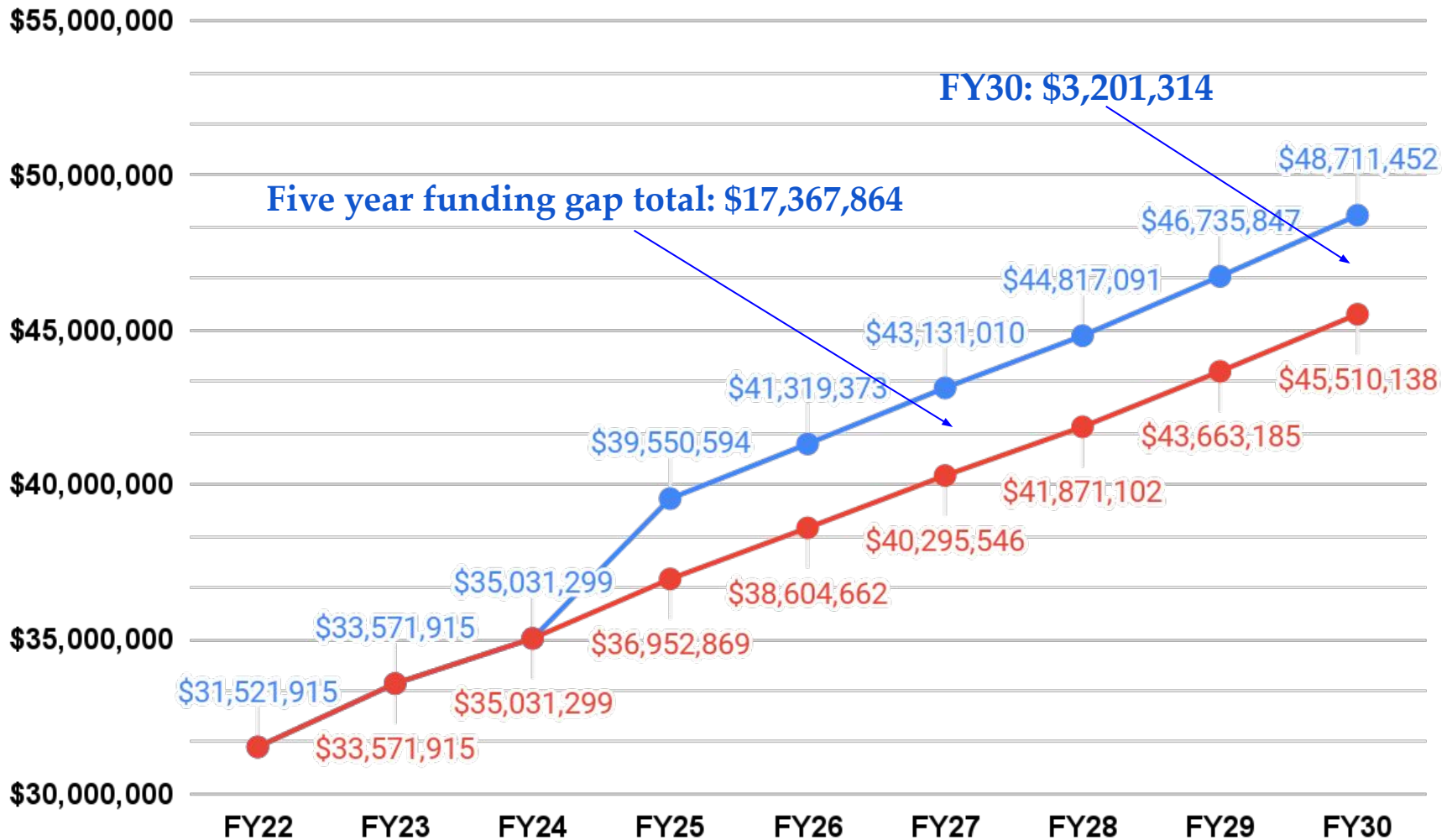


FY22-FY30 Operating Budget Projections



FY22-FY30 Operating Budget Projections: Overview

Budget vs. Levy Budget



District Comparables: DESE Data

- Purpose and Value:
 - To provide context to spending related to similar districts
 - To provide context to spending related to the state (all districts)
 - To demonstrate overall efficiency in spending in Hanover over time
- It is **not**:
 - To state that we are not meeting the needs of our students
 - To state that these are perfect comparisons - each district has different needs and priorities
 - To create controversy. These are objective data points from DESE that help community members understand the scope and complexity of these issues. Additional data tables are posted on the HPS website and are also available on the DESE website. More to follow going forward



Discussion and Questions

