

Hanover Public Schools

Matthew Ferron
Superintendent of Schools

Deborah St. Ives
*Assistant Superintendent
for Curriculum & Instruction*



Kaitlin Morelli
Director of Student Services

Michael Oates
*Director of Finance
& Operations*

MEMORANDUM

To: Hanover School Committee
From: Michael Oates, Director of Finance and Operations
Cc: Matthew Ferron, Superintendent of Schools
Re: FY23/FY24 Budget Update
Date: September 22, 2023

Please find attached a chart summarizing the FY23 & FY24 budgets as of September 22, 2023. As has been broadly discussed over the past six months, FY23 included expense costs that exceeded the budgeted amounts in the approved FY23 budget. We realized significant out-of-district tuition and transportation increases after the FY23 budget was approved, thus requiring the use of the entire \$650,000 Special Town Meeting Article and the \$510,000 Special Education Reserve fund. In addition, we applied \$1,478,833 of Circuit Breaker funding which included the FY22 rollover (\$268,056), the FY23 annual allocation (\$1,008,157), and the FY23 extraordinary relief (\$202,620). Finally, working closely with our Town Manager and Town Finance Director, we were able to apply \$125,325 of ARPA money to balance our FY23 budget. Successfully closing out FY23 required a great deal of collaboration between the schools and other town departments. Though we are confident FY23 is closed as required, the ending balance may adjust slightly as the Town Finance Director finalizes all journal entries for FY23 over the next couple of weeks.

As we approach the end of the first quarter of the fiscal year, we have a better understanding of the trajectory of the FY24 budget. Our salary and expenses lines are trending consistent with our projections for FY24. Unless we incur an extraordinary amount of unanticipated expenses in the months ahead, we are confident that our budget allocation, combined with the various previously identified budget offsets, will provide the necessary funds to balance the FY24 budget. We will provide frequent updates to keep the Committee informed of the budget projections throughout the school year.

At the October 25th meeting, I will be requesting authorization on account transfers within the approved FY24 School Department Budget lines. While the total FY24 budget amount of \$35,031,299 remains the same, some transfers within major cost centers are required to better reflect current salary and expense obligations that have changed since the budget was voted by the Committee March 2023 and approved at Town Meeting in May 2023.

Preparations for the FY25 budget development are now underway. Our first draft is due to the Town Manager's office on October 20th. I will present FY25 budget 1.0 to the Committee at our October 11th meeting.

Hanover Public Schools

Matthew Ferron
Superintendent of Schools

Deborah St. Ives
*Assistant Superintendent
for Curriculum & Instruction*



Kaitlin Morelli
Director of Student Services

Michael Oates
*Director of Finance
& Operations*

Please do not hesitate to contact me if you have any questions so that I may be fully prepared for our next meeting.

	FY23 Close Out	FY24 Trajectory
Salaries	\$29,394,023	\$30,175,440
Expenses	\$7,708,352	\$8,435,442
Total Operational Cost	\$37,102,375	\$38,610,882
Town Budget Allocation	-\$33,571,915	-\$35,031,299
Balance	\$3,530,460	\$3,579,583
Recurring Offsets		
Circuit Breaker	\$1,478,833	\$1,445,000
DESE Grants	\$795,267	\$826,837
Balance	\$1,256,360	\$1,307,746
Nonrecurring Offsets		
ARPA	\$125,325	\$470,000
Special Education Reserve*	\$510,000	\$750,000
Special Town Meeting Article	\$650,000	\$0
Ending Balance	-\$28,965	\$87,746

* To be used after all other funding sources are exhausted. This is TBD.