

Hanover Public Schools

Matthew Ferron
Superintendent of Schools



Joan Woodward, Ed.D.
Director of Student Services

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

Thomas Raab, Ed.D.
*Assistant Superintendent
for Business & Finance*

Memorandum

To: Hanover School Committee
From: Thomas R. Raab, Assistant Superintendent for Business and Finance
Cc: Matthew A. Ferron, Superintendent of Schools
Date: August 29, 2018
Re: FY 2019 Budget Update

We've had a very busy summer in the Business Office managing hiring and preparing for the opening of the new school year. I write to update the committee on the status of the FY 2019 Budget. While the bottom line FY 2019 budget of \$28,082,846 hasn't changed, several budget lines require updating since the budget was approved at Town Meeting in May. This evening, I'll provide a high level summary of the changes pending a formal review and vote on transfers on September 12, 2018. At the September 12, 2018 meeting, I'll provide the committee with line by line detail of the proposed transfers as I have done in the past. The changes are a work in progress until the first day of school. As I mentioned in my FY 2018 closeout report in June, FY 18 challenged us with some personnel issues requiring careful and deliberate budgeting of time, substitutes, and resources, increased Special Education tuition costs, and increased needs in Preschool. In the end we were able to carry \$74,206.22 in Circuit Breaker and \$15,212.14 in remaining Vision 2020 funds into FY 2019. The chart below summarizes the FY 19 budget as of this writing.

	FY 2019 Budget 3.0	FY 2019 Budget 3.0 Adj.	Difference
Salaries	\$23,748,346.00	\$23,875,667.00	\$127,321.00
Expenses	5,502,833.00	5,360,711.00	-142,122.00
Less Circuit Breaker	-617,333.00	-575,000.00	42,333.00
Less 240 Grant	-539,000.00	-566,532.00	-27,532.00
Less FACE Contribution	-12,000.00	-12,000.00	0.00
Grand Total	\$28,082,846.00	\$28,082,846.00	\$0.00

Salaries and Expenses

The salary increases are primarily a result of increased needs in Kindergarten and Preschool. Upon careful examination, I also realized that I had been a little over zealous in using anticipated Kindergarten Revolving funds, so I had to move some Kindergarten funds back to the budget. We had to increase Cedar Kindergarten from 3.5 FTE to 4.0 FTE to accommodate enrollment increases. We also increased ABA tutor support in preschool and at HMS and HHS to accommodate students transferring from 4th to 5th grade and 8th to 9th grade. On the expense side, the savings were primarily a result of Special Education tuitions that weren't needed as a result of students moving or a change in placement.

Circuit Breaker

I decreased our reliance on Circuit Breaker funds to \$575,000 in order to begin to slowly build back our Circuit Breaker reserves in the event of unanticipated Special Education expenses. This year, I anticipate \$530,000 in Circuit Breaker revenue in addition to the \$74,206.22 mentioned above. Of the total of \$604,206.22 anticipated, we need \$575,000 to cover the FY 2019 budget. As a result we only have \$29,206.22 available in unencumbered reserves. As the committee is aware, I prefer to budget with

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\$200,000 in reserves. The low reserves have forced us to be very careful with all spending and carefully evaluate all open non teaching positions. We are evaluating these in a strategic manner in order to attempt to increase the reserves.

240 Special Education Entitlement Grant

We have received our 240 grant projections for FY 2019 and they are increased from last year. As a result I raised our reliance on 240 grant funds to a total of \$566,532 creating a \$27,532 saving to the budget. The other grants were basically flat from FY 2018 to FY 2019.

The primary FY 2019 budget goal is to increase our reserves in Circuit Breaker during the course of the school year while maintaining the high quality educational experience for our students and professional development for the staff. I will be looking for all opportunities with regard to cost savings and using these to slowly increase our Circuit Breaker reserves. Please do not hesitate to contact me if you have any questions so that I may be fully prepared to answer them during the meeting.