

To: Hanover School Committee  
From: Michael Oates, Director of Finance and Operations  
Cc: Matthew Ferron, Superintendent of Schools  
Date: October 25, 2023  
Re: FY 2024 Budget Transfer Request

Please find attached the requested transfers from the Annual Town Meeting approved FY 2024 School Department Budget. While the total FY 2024 budget allocation of \$35,031,299 remains the same, I am respectfully requesting that the School Committee approve these transfers. These transfers more accurately reflect current expense obligations that have changed since the budget was voted on in March and approved at Town Meeting in May. In addition, the updated line item allocations will be utilized to create the FY25 School Operating Budget.

Below is a table summarizing the budget by category. Though there are a number of line transfers in regular education expenses, the total budget allocation in this category does not change. Attached to this memo are the individual lines affected by the transfers. I respectfully request that the School Committee vote to approve the line item transfers in regular education expenses.

As the table illustrates, we have realized an additional \$291,587 salary liability since March if we are at full staffing, and many of the salary lines have changed. The shift in salary lines at each building reflects a more accurate placement of positions in each school/department. We are resetting all of the salary lines in Softright (paired with Kettle) to reflect the people and salaries whose primary location is within that building. Post COVID, many positions/people have changed and staff locations have moved based on need, enrollment, etc. The column titled "FY24 Actuals as of 9/19" in the transfer document will now match the FY24 Actuals column used to establish the FY25 budget that will be loaded into Softright. These line level corrections will accurately reflect the primary location of each staff member, their current position, and salary. This process will set the table for FY25 and beyond.

As you are aware, our special education costs continue to exceed the amount budgeted in the special education expense lines. With the possibility of savings realized within salary lines for the remainder of the year (related to hard to fill positions, medical leaves, and other typical changes), we are not recommending salary transfers at this time. As we expect to use all available offsets including remaining ARPA, Circuit Breaker reimbursement, Federal Grants, and the Special Education Reserve funds to cover the special education expense increases, we do not recommend individual line transfers in this category as well.

As stated, we expect to use the full Circuit Breaker reimbursement, ARPA funds, Federal Grants as well as up to \$750,000 of the Annual Town Meeting Special Education Reserve Article in order to balance the budget for FY24. As in the past, we will not request votes of the School Committee and the Board of Selectmen for the funds until later in the spring once we know exactly the level of funding needed to balance the budget.

Respectfully submitted,

Michael Oates  
Director of Finance and Operations  
Hanover Public Schools

<b>FY2024 October Budget Update &amp; Transfer Requests</b>			
	<b>FY24 Budget Projections in March</b>	<b>FY24 Budget Actuals as of 9/19/23</b>	<b>Difference</b>
Cedar Salaries	\$4,638,123	\$4,211,172	\$426,951
Center Salaries	\$5,553,484	\$5,601,446	-\$47,962
Hanover Middle School Salaries	\$7,888,725	\$8,305,445	-\$416,720
Hanover High School Salaries	\$8,685,114	\$8,426,696	\$258,418
System-Wide Salaries	\$2,515,028	\$2,948,899	-\$433,871
Substitute Pay	\$309,225	\$297,536	\$11,689
Coaches	\$253,116	\$343,208	-\$90,092
<b>Salary Totals:</b>	<b>\$29,842,815</b>	<b>\$30,134,402</b>	<b>-\$291,587</b>
Cedar Expenses	\$75,876	\$73,376	\$2,500
Center Expenses	\$105,049	\$102,969	\$2,080
Hanover Middle School Expenses	\$99,161	\$97,681	\$1,480
Hanover High School Expenses	\$299,590	\$297,090	\$2,500
System-Wide Expenses	\$2,628,901	\$2,637,461	-\$8,560
<b>Expense Totals:</b>	<b>\$3,208,577</b>	<b>\$3,208,577</b>	<b>\$0</b>
<b>Special Education Totals:</b>	<b>\$2,087,140</b>	<b>\$5,147,740</b>	<b>\$3,060,600</b>