

HANOVER PUBLIC SCHOOLS

Budget Impact Analysis



Hanover School Committee - December 6, 2023

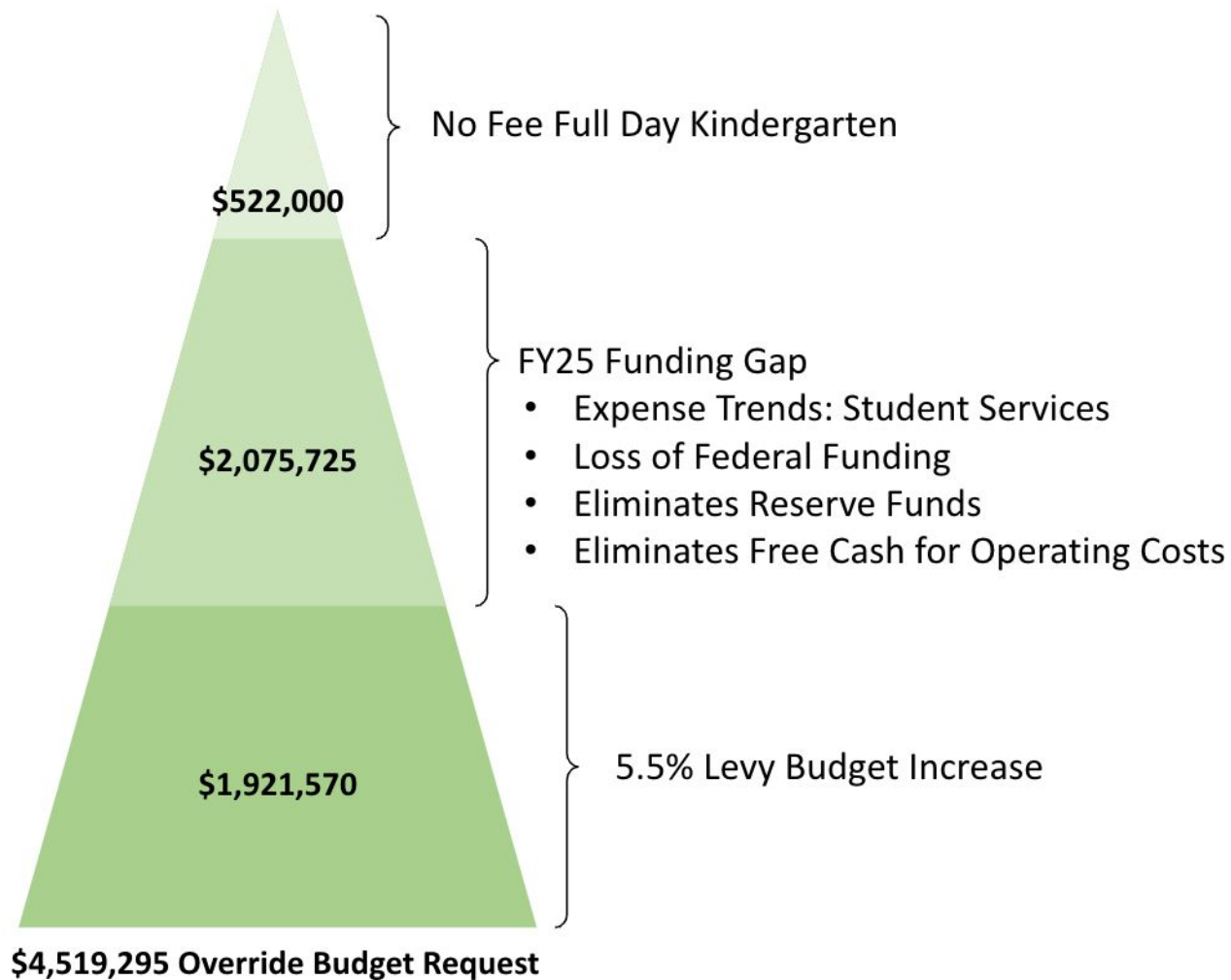


Presentation Outline

- Definitions of key terms and process
- Updated FY25 budget projections (since 11/15/23)
- Updated FY25-FY30 Projections
- Levy Budget vs. Override Budget impact
- Discussion and questions



FY25 Levy Budget vs. Override Budget



Key Definitions

1. **Level Services:** The funding required to maintain the current level of staffing, programming, and services for students, staff, and families. It does not add staff, programs, equipment, or additional resources for students
2. **Levy Budget:** This is the funding level that can be generated by the Town's current capacity to raise revenue via property tax
3. **Override Budget:** This is the funding level required to maintain (at minimum) "level services." For the purposes of ongoing discussions, Override Budget and Level Services Budget are synonymous for this planning cycle



Planning for Two Possibilities

- **Budget 1: “Base Budget”** = within the Levy Limit:
 - This is a typical step in the annual budget process
 - Requires majority vote at Town Meeting
 - Funds 5.5% = \$36,952,869 or + \$1,921,570
 - Shortfall: \$2,597,725 (+FDK), \$2,075,725 (-FDK)
- **Budget 2: “Override Budget”** = Level Service
 - This is an additional step required for an override
 - Requires majority vote at Town Meeting
 - Funds 12.9% = \$39,550,594 or \$4,519,295 (+FDK)
- If approved by the Hanover Select Board, an override question will be on the ballot for consideration at the local election (May 18)

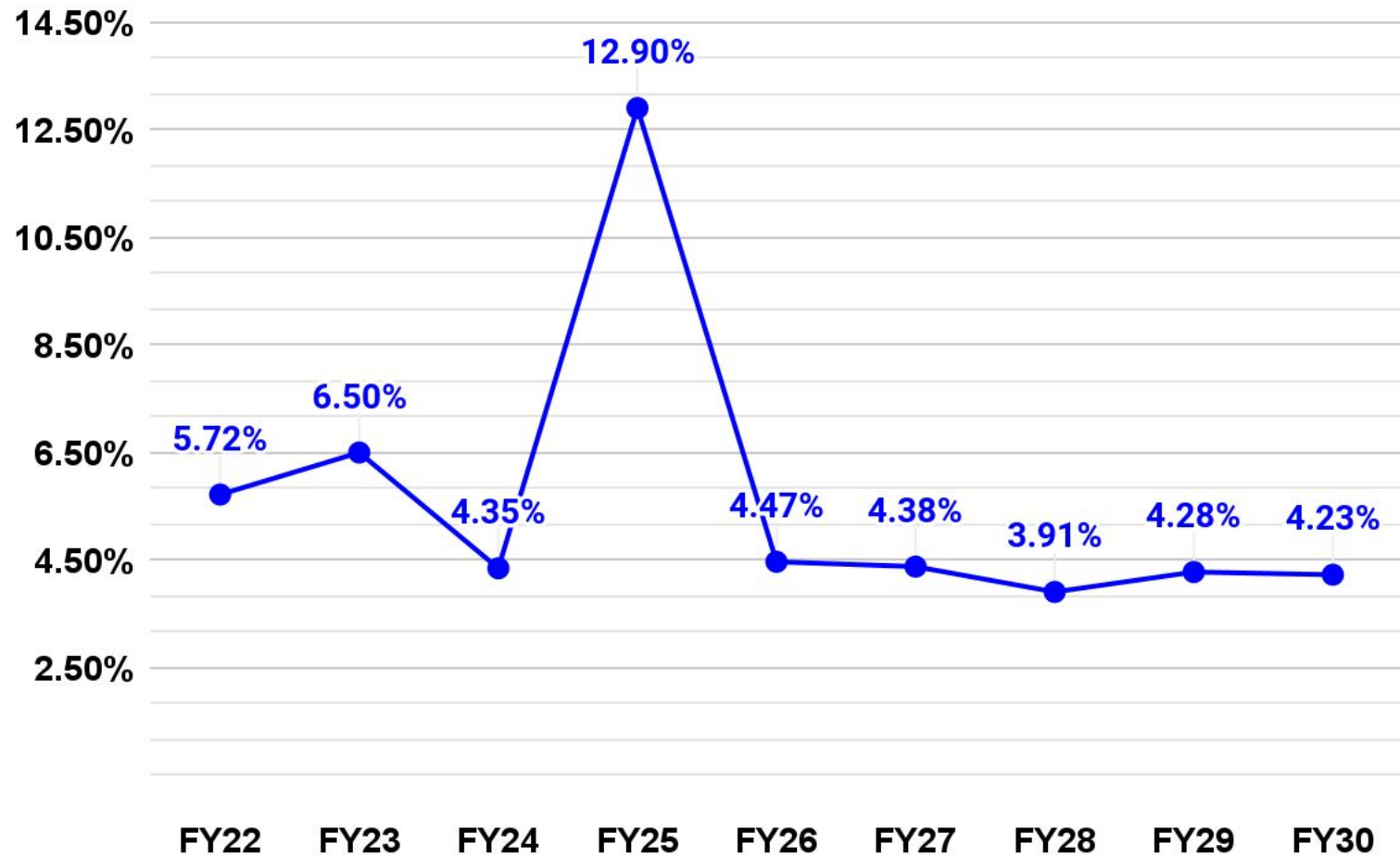


FY25 Levy Budget vs. Override Budget

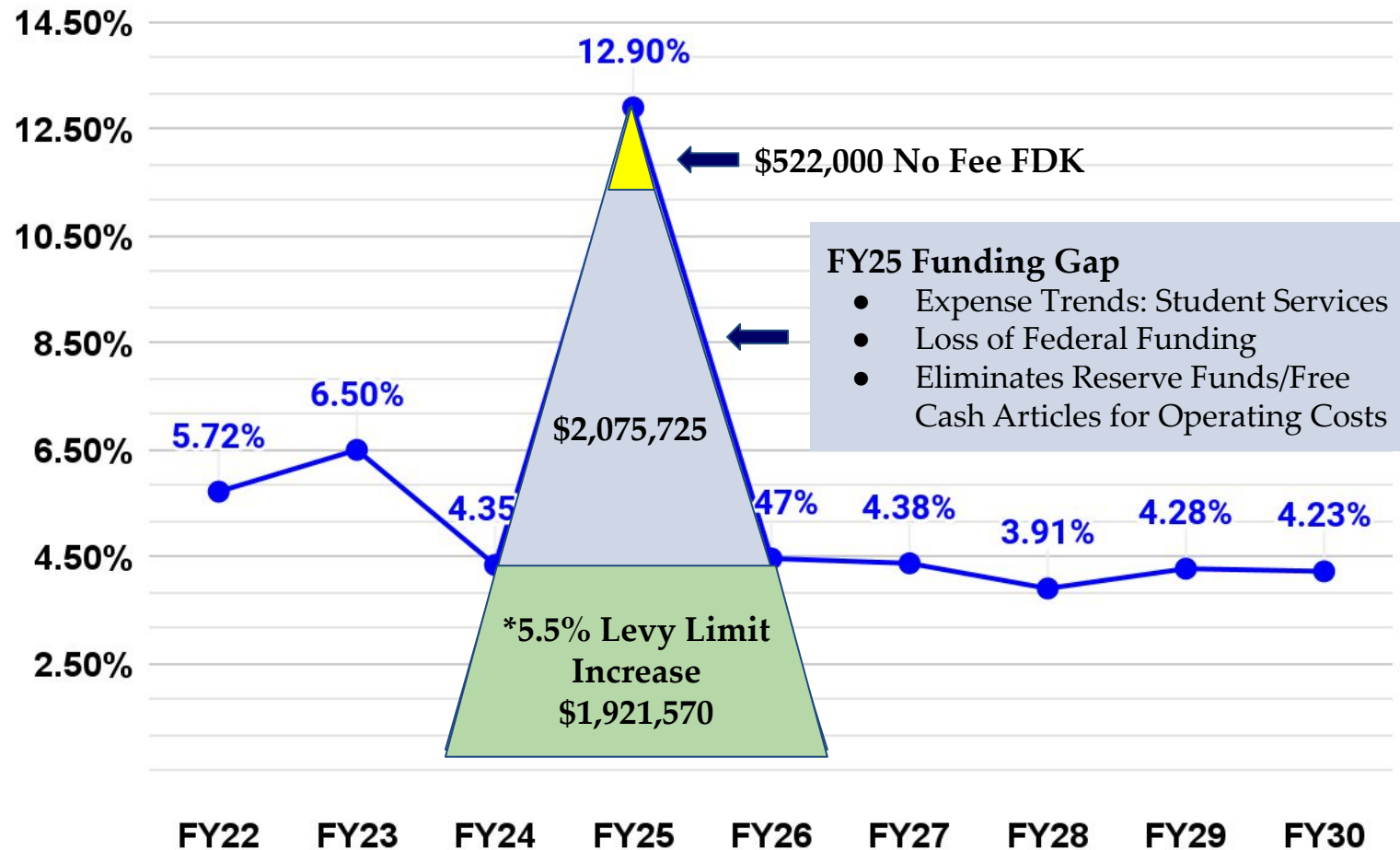
Cost Center	FY25 Projection	Projected Change	Percentage Change
Operating Budget: Salaries:	\$32,015,399	\$2,012,515	6.71%
Operating Budget Expenses	\$9,709,857	\$1,353,540	16.20%
Total Salaries & Expenses	\$41,725,256	\$3,366,055	8.78%
Circuit Breaker	-\$1,347,825	\$0	
DESE Federal Grants	-\$826,837	\$0	
Special Education Reserve	\$0	\$750,000	
ARPA*	\$0	\$406,589	*
"Override" Budget Projection	\$39,550,594	\$4,519,295	12.90%
"Levy" Budget Projection	\$36,952,869	\$1,921,570	5.50%
FY25 Budget Gap	\$2,597,725		



FY22-FY30 Operating Budget Projections

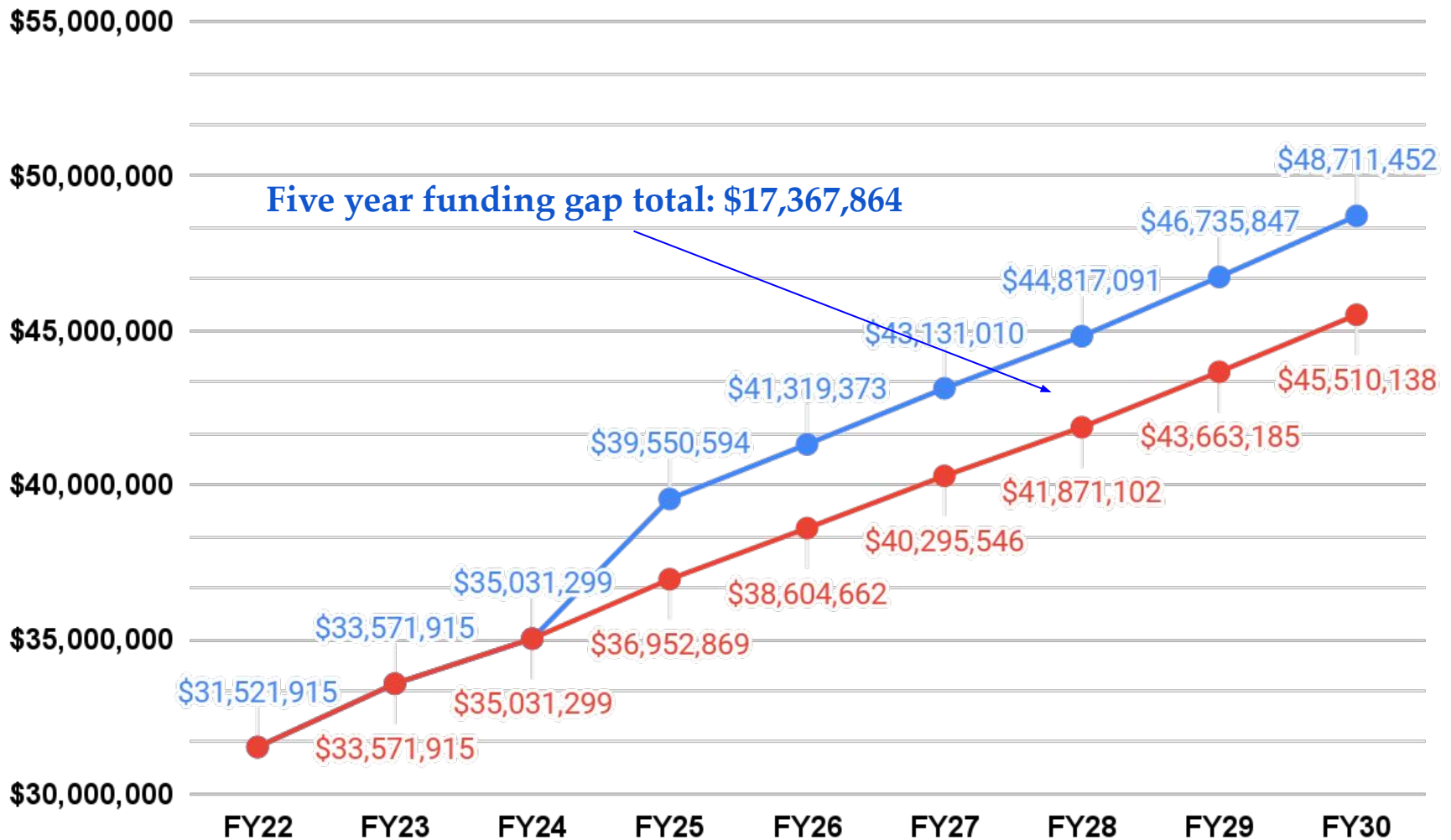


FY22-FY30 Operating Budget Projections



FY22-FY30 Operating Budget Projections:

Levy Budget vs. Override Budget



FY25 Levy Budget Impact

- Increased class sizes - grades 2-12
- Fewer academic offerings - grades 5-12
- Reduced capacity for health services, counseling, and mental health supports
- Fewer extracurricular/enrichment activities
- Reduced capacity for supervision required for building security and student behavior
- Tuition required for full-day Kindergarten
- Significant staff reductions across all levels
- High turnover in key roles related to student services
- New and increased fees for services



FY25 Override Budget Impact

- “Resets” the HPS operating budget to a funding level that supports our current programming, staff, and services
- Ends/limits reliance on non-recurring funds (Spec. Ed. Reserve, ARPA, free cash articles, etc.) for general operating costs
- In general, it supports our current staffing levels, class size and offerings, extracurricular/athletic programs, and academic resources
- FDK becomes tuition free
- Limits fee increases
- Includes no “wish list” programs, staff, or services



FY25 Levy Budget vs. Override Budget

Draft Progression of Budget Reductions



\$4,519,295

Level Services
+ Full Day Kindergarten



\$3,997,295

Level Services
– Full Day Kindergarten



\$3,597,295

– Full Day Kindergarten
+ Additional Student Fees



\$3,097,295

– Full Day Kindergarten
+ Additional Student Fees
– Non-instructional Services



\$1,921,570

– Full Day Kindergarten
+ Additional Student Fees
– Non-instructional Services
– Classroom Instruction

Override Budget-----> Levy Budget



Discussion and Questions

