



HANOVER PUBLIC SCHOOLS
FY '21 BUDGET UPDATE
June 3, 2020



FY '21 Budget Approval Schedule

Meeting purpose	Date	Scheduled budget discussion and agenda items
Board of Selectmen	Jan 6: Monday	Town Manager presents preliminary Town Budget to Board of Selectmen
School Committee	Jan 22: Wednesday	FY '21 School Department Budget 1.0 presentation to School Committee
Town Manager Budget due to Board of Selectmen	Feb 3: Monday	Town Manager submits FY '21 budget to Board of Selectmen
School Committee Vote	March 11, 2020	School Committee Voted Original Level Services Budget 4.2%
School Committee	April 21, 2020	Vote to cut \$400,000 from Operating Budget at request of Town
School Committee	May 21, 2020	School Committee asked to consider additional \$400,000 cut to Operating Budget at request of Advisory Board
School Committee and Advisory Committee	June 3, 2020	Update on reductions to revenue projections (State Aid) and process for addressing budget shortfalls
Annual Town Meeting	June 29, 2020	TBD
School Committee	Summer 2020	TBD



Budgeting and Planning Challenges

Current Local Parameters:

- No net property tax increase
- Limited use of free cash to offset state aid (revenue) shortfall
- No new or increased user fees

Presently unknown and presumed to be reduced:

- State aid (Chapter 70): -10%
- Circuit Breaker reimbursement funds (CB): - 30-40%
- State and federal grants: -\$50-\$75,000
- Revenue for school services and programs

Unknown with budget impact:

- Will schools be open? Virtual? Hybrid model? Staffing for both?
- Will there be transportation?
- Will special education needs/expenses increase beyond available funding?
- Will Full Day Kindergarten be offered? If no = \$500,000 revenue loss



Identifying the FY '21 Operating Budget Gap

Trajectory:

- March: Start with level services increase: +\$1,227,150
- April: Reduce level services by -\$400,000 (operating budget)
- May: Reduce level services by -\$400,000 (eliminate free cash)
- May: Reduce level services by -\$215,000 (30 - 40% cut to state grants and Circuit Breaker)
- June: Reduce level services by -\$710,000 (10% cut to Ch. 70/state aid)
- Outcome: -\$1,725,000 budget gap = -\$497,850 below FY 2020 Operating Budget



Before Covid 19	March 11	\$30,445,776.00	+\$1,227,150.00	Level Services		
Budget Phase	Date	Amount	(Decrease)	Reason	(Jobs)	Positions
Phase 1 cuts	April 21: Voted by SC	\$30,045,776.00	-\$400,000.00	Local - budget constraints	-4.0	3 Administrators, 1 Teacher, 20% Expenses
Phase 2 cuts	May 21	\$29,645,776.00	-\$400,000.00	Local - reduce use of free cash (under evaluation)	-5.0	5 Teachers/positions
Phase 3 cuts	Summer	\$29,430,776.00	-\$215,000.00	State Grants (-30-40%)	-3.0	3 Teachers/positions
Phase 4 cuts	Summer	\$28,720,776.00	-\$710,000.00	Ch. 70 State Aid (-10%)	-10.0	10 Teachers/positions
Totals: Operating		\$28,720,776.00	-\$1,725,000.00		-22.0	
Phase 5 cuts, Pending opening status	Summer	\$28,720,776.00 No impact	-\$500,000.00	Local Revenue: Full Day Kinder.	-10.0	5 Teachers, 5 Paraprofessionals
Phase 6 cuts, Pending opening status	Summer	\$28,720,776.00 No impact	-\$1,000,000.00	Local Revenue: FACE/Food Serv.	-40	FACE/Food Services Staff



Closing the FY '21 Operating Budget Gap

- May/June: Develop a list of expense and personnel reductions to close the \$1.725 million gap
- Notifications (pink slips) to HPS Staff for reduction in force to cover anticipated budget gap and unknown programming needs for 2020-2021
- Offer local early retirement incentive for teachers
- Enter into negotiations with unions (letter being sent on June 4th)
- Advocate for budget support at Annual Town Meeting
- Monitor and advocate for state funding and preservation of state aid and grants
- Advocate for, and pursue, federal funding (CARES Act, and more?)

