

# Hanover Public Schools

**Matthew Ferron**  
*Superintendent of Schools*



**Keith Guyette**  
*Director of Student Services*

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

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

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## Memorandum

To: Hanover School Committee  
From: Thomas R. Raab, Assistant Superintendent  
Cc: Matthew A. Ferron, Superintendent of Schools  
Date: May 20, 2020  
Re: FY 2020 and 2021 Budget Updates

### **FY 2020**

Since our last meeting, I continue to evaluate all of our FY 20 budget lines and revolving accounts in an attempt to maximize savings and provide for revolving accounts that were impacted negatively by the COVID-19 crisis, most especially; Lunch, Athletics, FACE, and Kindergarten. In addition, I've also been trying not to request the \$100,000 we set aside in the Special Education Stabilization account so that we can use that to hedge against unforeseen expenses in FY 21. I am also trying to maximize savings in the Circuit Breaker account for the same purpose. As of today, May 20, 2020, I can report the following with the understanding that this is a snapshot today and there are a thousand moving parts to this discussion.

My goals are simple; fully expend the FY 20 operating budget, end the fiscal year with a small amount of funds available in each of the FACE, LUNCH, and Athletics accounts and attempt to leave \$80,000 in the Kindergarten Revolving account and \$15,000 in PreSchool Revolving. In addition, I'd like to leave the \$210,000 in the Special Education Stabilization account and as much as possible in Circuit Breaker.

In order to meet these goals, we furloughed over 90 staff members including cafeteria workers, paraprofessionals, tutors, our Athletic Trainer, and most of the FACE staff. After taking into account the savings from the furloughs, I've moved 2 FACE staff to the budget, 2 remaining Food Service staff to the budget, and 2 Kindergarten Teachers from Kindergarten Revolving to the budget for the rest of the School Year. After these moves, as of tomorrow's payroll, we have \$106,000 available to help the revolving accounts from savings as result of the furloughs. It is enough to handle the loss of revenue in Athletics, Lunch, Kindergarten, and Preschool and provide for about half of the FACE program's needs at this time. Much of the FACE program's needs will be determined by whether or not we can run a summer program. If they can run something, however limited, deposits for that will help us be OK for June 30.

Unfortunately, making predictions during a time of uncertainty is difficult, but everyone is working together toward the same goals of fiscal responsibility and ending the year well poised for FY 21.

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## CARES FUNDING

### Coronavirus Relief Fund

“Through the Coronavirus Relief Fund, the CARES Act provides for payments to State, Local, and Tribal governments navigating the impact of the COVID-19 outbreak.

The CARES Act requires that the payments from the Coronavirus Relief Fund only be used to cover expenses that—

(1) are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19); (2) were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and (3) were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.”

For more information see: <https://home.treasury.gov/policy-issues/cares/state-and-local-governments>.

The Town Manager has put together a task force with representation from the Board of Selectmen and School Committee to identify COVID-19 expenses that are eligible for reimbursement under the guidelines above.

### Elementary and Secondary School Emergency Relief (ESSER) Fund

“The Coronavirus Aid, Relief, and Economic Security (CARES) Act, Elementary and Secondary Education Emergency Relief (ESSER) Fund provides resources to school districts to address the impact the Novel Coronavirus Disease (COVID-19) has had and continues to have, on elementary and secondary schools.” Managed by the Department of Elementary and Secondary Education, it is in addition to the program described above. This is Federal Grant funding that we must apply for similar to any other federal grant. Hanover has been allocated \$50,931 from this grant. We can use it for salary and expenses related to COVID-19. The School Department must choose a June 15 application deadline for FY 20 reimbursement or a July 1 deadline for FY 21 reimbursements. At this time, my recommendation is for Option 2 and apply the \$50,931 toward unforeseen expenses next year related to remote learning and/or Special Education. More information on this grant opportunity can be found at:

<http://www.doe.mass.edu/grants/2021/113/>

## FY 2021

At its regular meeting on April 21, 2020, the School Committee voted to accept a \$400,000 reduction to the FY 21 Operating Budget for a new total of \$30,045,776. We continue to evaluate all opportunities through retirements and transfers to minimize the impact of the reduction on class size and direct instruction to students. Having said that, the Commonwealth is taking a second look at the FY 2021 state budget and we are all concerned about the impact of

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the loss of revenue both at the state and local level. All options are on the table and it is very difficult to be prepared for so many different scenarios. We received word last week that depending on state revenue projections, our FY 2021 Chapter 70 funding could be threatened as well as our Circuit Breaker funding. Any negative change to either of these two sources of revenue would impact our decisions and our funding for next year. We anticipated an increase of \$74,000 in Chapter 70 Aid. If Circuit Breaker were cut from the current 75% reimbursement rate to 50% reimbursement rate we stand to lose over \$100,000 in anticipated revenue. In addition, state grants such as our Comprehensive School Health grant for \$75,000 could be threatened as well. These losses, if realized, would result in deeper personnel and expense adjustments beyond the \$400,000 already determined.

Many of us have been through difficult budget times before and are prepared to make difficult decisions regarding educational services. The COVID-19 situation is unique and presents a new set of challenges. It would be worrisome enough if all we had to do was plan for cuts; however, at the same time we are worrying about loss of budget revenue and need to plan for it, we are attempting to determine unanticipated expenses related to opening school in a “new normal” that might include regular health checks for students and staff as well as strict social distancing and cleaning guidelines to name a few of the challenges ahead. All of these changes take an emotional and financial toll. The reality is we may be in a position to have to cut in one area but add in another to meet the needs of our “new normal.” As we gain more insight into these issues, we’ll keep everyone informed. It’s important to realize that we might be in a position of having to cut in one area so that we can add in another. We will be in a position of having to re allocate resources and cut at the same time, enough said.

The entire administrative team is aware of these challenges and they form the agenda for our discussions moving forward. We are currently working together to identify all opportunities for reductions while at the same time beginning to list possible additional costs related to social distancing, remote learning, cleaning, health and safety. The health and safety of everyone is our primary concern and will continue to drive our decision making. Further guidance from the state is forthcoming and we look forward to it as we plan for the next school year.

Please do not hesitate to contact me if you have any questions.