

TO: Hanover Selectboard and Town Manager

FROM: Libby Corbo, Chair
Hanover School Committee

DATE: April 3, 2023

RE: Special Town Meeting / Town Meeting Warrant Articles

Attached please find two warrant articles. One is for the Special Town Meeting and one for the Annual Town Meeting. Both articles seek to close funding gaps created by unprecedented and rising costs related to student services. Specifically, the Special Town Meeting Article seeks up to \$650,000 to close the FY23 deficit resulting from cost overruns in special education expenses.

As these expenses will carry over into FY24, the current Town budget submitted in January does not provide sufficient funding to support these non-discretionary student services along with the typical increases needed for contractual obligations, supplies, technology, and other operating needs. To close the FY24 budget gap of over \$600,000 between the Town's proposed budget and Hanover Public Schools' projected FY24 budget, the School Committee also voted to amend the Special Education Reserve Article to increase it from \$500,000 to \$750,000 (an increase of \$250,000 over what is currently in the annual warrant). We are hopeful that the remaining gap will be closed by increased state aid that is currently provided in the Governor's supplemental budget.

Pursuant to M.G.L. c. 41, s.13E, the Special Education Reserve Account (SERA) is to be used for "unanticipated or unbudgeted costs" related to special education. It is not meant to be a source of operational funding or for known budget expenses. Using the SERA to balance the operating budget creates a funding cliff for FY25. We will have no source of funding for the FY23 and FY24 expenses that have been covered by ARPA (FY24 budget uses \$470,000 in ARPA to balance the budget) and the additional expenses covered by the SERA.

While an increase in the operating budget is the preferred method of funding operational costs, the SERA has been used to offset special education operational expenses in the past and, given the volatility of the FY23 special education expenses, it will provide a temporary solution to assist with the funding gap while the District assesses the permanency of the post-COVID spike in student service needs.

As we look to FY25, proper funding of the School Operational Budget with sustainable funding sources will need to be carefully planned. HPS is committed to continuing its work and collaboration with the Town on this important goal.

We thank you for your thoughtful consideration of these articles. We are grateful for the Town's continued support of HPS and ask that the Board support these articles so that we can continue supporting our students, staff and families.

SPECIAL TOWN MEETING

ARTICLE ---. PAYMENT OF PRIOR YEAR EXPENDITURES: SCHOOL DEPARTMENT

To see if the Town will vote to appropriate a sum of money or transfer from any available funds, or to transfer from other accounts, to pay such accounts as may be presented against the School for which an appropriation does not exist or is insufficient for special education expenses, or take any other action relative thereto not to exceed the amount of \$650,000.

School Superintendent

Hanover School Committee

ARTICLE 11 AMENDMENT

ANNUAL TOWN MEETING

ARTICLE 11. APPROPRIATE FUNDS – SPECIAL EDUCATION RESERVE

To see if the Town will vote to raise and appropriate, appropriate from available funds and/or borrow in accordance with Chapter 44 of the Massachusetts General Laws the sum of up to ~~\$500,000~~ **\$750,000** or another sum for the Special Education Reserve Fund, or take any other action relative thereto.

School Superintendent

Hanover School Committee