

Hanover Public Schools Initial Budget Update: January 5, 2022

We are working daily to prepare our budget for next year on a parallel track with managing our current fiscal year budget for the next six months. An important part of our budget planning for next year is predicated on any remaining balances in our revolving accounts, federal and state grants, special education circuit breaker, and any use of our special education reserve account. The pandemic has significantly altered our traditional approach to budgeting and planning as our staffing plans along with student needs change on a daily basis.

As we look to next year, we are building the budget in phases as we have for the past several years. In our initial phase, we identify the projected salaries for all current personnel and apply any contractual increases. We then evaluate our expenses with a focus on the largest cost centers (supplies, transportation, technology/software needs, and tuition increases for out-of-district special education schools). These projections help us build and predict a “level services” budget. Essentially, level services accounts for everything we are doing this year and projects it forward to next year. For many years, the HPS has focused on maintaining a level services budget while making adjustments to staffing and other resources as needed. Using our current projections, a **level services** budget breaks down as follows:

Salaries and Expenses This School Year: FY '22	Salaries and Expenses Next School Year: FY '23	Projected Increase
\$31,543,692	\$32,949,708	\$1,406,016

Preparing the budget for next year is especially challenging given all of the uncertainty of the pandemic, the variability of state and federal funding related to recovery, and all of the student supports and resources we continue to identify as both requirements and important priorities for next year. These priorities include the implementation of the New England Center for Children (NECC) program at HMS for students on the autism spectrum. We are also proposing the addition of a school psychologist to meet the legal requirements for student testing and evaluation, an adjustment counselor at the elementary level to support mental health needs, maintaining Department Heads at HMS and HHS (currently a pilot program), recovering two administrator positions that have been cut over the past three years (Humanities Director for 7-12 and Curriculum Director for K-6), and adding a special education/reading teacher at HHS. We estimate that these critical positions will cost approximately \$794,860. The breakdown of this level services budget - plus - the additional resources for recovery breaks down as follows:

Salaries and Expenses This School Year: FY '22	Salaries and Expenses Next School Year: FY '23	Projected Increase
\$31,543,692	\$33,744,568	\$2,200,876

It is important to understand that these projections are based on personnel, expenses, and additional resources that we currently are aware of. There are hundreds of moving parts and changes that will be made as we work with the School Committee, Leadership Team, Town Manager, Select Board, and Advisory Committee to determine the funding capacity of our community, other revenue sources, potential reductions and offsets, and the changing needs of our students over the next several months. We will have a more detailed presentation at the next School Committee meeting and will be working with the above mentioned stakeholders to build and refine our projected budget until Town Meeting in May.