

HANOVER FINANCE COMMITTEE

Statement on the Proposed Hanover School District Budget for FY2022-23

The Hanover Finance Committee (HFC) is an appointed Town Committee composed of Hanover residents.¹ The HFC is charged with reviewing the Town's financial matters and providing guidance to the Town officials, the Hanover School Board (HSB), and Town residents. When discussing the proposed Hanover School District Budget for FY23 (2022-23), HFC members reviewed projected revenue and expenditure data, attended HSB public meetings, attended HSB Budget Committee meetings as appropriate, and discussed budget details with HSB members and school administrators.

During a public meeting on January 13, 2022, the Hanover Finance Committee voted unanimously to support the proposed FY23 Hanover School District Budget, in all articles, of \$14,303,350 (Articles, 6, 2, and 3). On a comparable basis (see below), this represents an increase in appropriations of \$550,984, or 4.01%, over FY22. After factoring in Hanover's share of the Dresden district costs and offsetting revenues, including one-time tax relief from the state, this generates a school tax rate of \$10.78, an increase of 11 cents, or 1.03%. HFC also voted unanimously to support new collective bargaining agreements with the Hanover Education Association (HEA) (Article 4) and the Hanover Support Staff (Article 5) and the raising and appropriating of \$150,000 to the School Buildings Maintenance Fund (Article 7). If all warrant articles from Hanover and Dresden pass, the school tax rate moves to \$11.04, an increase of 37 cents, or 3.47%.

Directly comparing this budget and tax rate with prior years is complicated by two factors: a) the pending absorption of Hanover sixth-graders into the Dresden district, and b) a likely one-time tax relief payment from the state for Hanover taxpayers in the amount of \$1,308,224. Last year's Hanover School District Budget of \$15,901,987 included funding both a one-time technology outlay and tuition paid to the Dresden district for the education of Hanover sixth graders. Excluding these items yields an adjusted (comparable) prior year budget of \$13,752,366. Using the higher, unadjusted budget figure, taxpayers will accordingly see a decrease in appropriations of \$1,353,303 or 8.64%, as the sixth-grade expense is shifted into Dresden. Further benefitting district taxpayers is the NH state tax relief, above, resulting in a Hanover assessment that is expected to decrease by \$2,379,444 or 16.80%. Given the absorption of 6th grade students into Dresden, Hanover's share of its sister district costs rises by 17.8% or \$2,568,779. This more than offsets the Hanover reduction, hence the overall tax increase.

In Article 4, the two-year collective bargaining agreement between the HEA and the HSB increases the budget by \$195,827 in FY23 and \$157,769 in FY24. This includes an increase on base salary of 2% yearly for staff and an increase in the 403B annuity match for "top step" staff from 3.0% to 3.5%. The agreement also includes reduction in spousal eligibility for supplemental benefits associated with opting into early retirement, and staff health insurance premium contribution increases by 1% yearly, to 10% and then 11%. In Article 5, a new three-year collective bargaining agreement between the Hanover Support Staff-NEA and the HSB includes wage increases of 1%, 2%, and 2.5% in years 1-3, and employee medical co-pays increase .5% yearly from the current level of 6.0%. The addition in

¹ Members of the Finance Committee are Kari Asmus, Carey Callaghan, Jeffrey N. Ives, Mac Gardner, Herschel Nachlis, William V. Geraghty (Hanover Selectboard), and Kimberly Hartmann (Hanover School Board).

Article 7 of \$150,000 to the Maintenance Fund will replenish funds used for technology in FY22 in lieu of borrowing.

HFC recognizes the Hanover administration and School Board's well-run budgeting and contract negotiation processes, especially amidst pandemic-related disruption and uncertainty. The HFC encourages attentiveness in FY24's budget to the tax rate implications of the loss of the state's significant one-time tax relief in FY23. The HFC also extends its sincere gratitude to district faculty, staff, and students for, even in the midst of ongoing challenges, their ongoing pursuit of educational excellence.