

## HANOVER FINANCE COMMITTEE

### Statement on the Proposed Dresden School District Budget for FY2024-25

The Hanover Finance Committee (HFC) is an appointed Town committee composed of Hanover residents<sup>1</sup> charged with reviewing school and municipal financial matters and offering guidance on those matters to public officials and residents. In the past, HFC joined with Norwich citizens to form a Dresden Finance Committee, and although that is no longer the case, efforts are made to understand the impacts of the budget for both communities.

**During public meetings on January 4 and 11, 2024, HFC voted unanimously to support the proposed FY25 Dresden School District Budget of \$30,250,519 (Article 4), new salaries for district officials (Article 2), and the collective bargaining agreement with teachers and other certified staff (Article 3, at a cost of \$791,970). With the last payment of the 2003 construction bond having now been made, the FY25 budget shows a dramatic decrease in debt service payments of \$2,002,292. After all costs are factored in, the Dresden budget will decrease by \$80,207 (-.3%). Bond-related revenues are also decreasing, however. The amount needed to be raised by taxation is expected to increase by \$133,719 or .5%. In FY25, the increase will fall primarily on Hanover due to the loss of NH Building Aid, requiring an increase of \$117,967 or .6% in its Dresden assessment. Norwich 's share of the increase is projected to be \$15,752 or a .2% higher assessment.**

Including all warrant articles, school-level budget increases are \$652,492 (7.3%) at the Richmond Middle School (which expects a budget-to-budget increase in enrollment of 9 student) and \$1,198,648 (7.2%) at Hanover High School (which expects ten additional students). The “district-wide” portion of the budget is down by \$1,931,347 (-34.4%), reflecting the reduction in debt service payments mentioned above.

Along with an anticipated 10% increase in health insurance, costs associated with the proposed teacher contract contribute significantly to the school-level budgets with a 5% base salary increase scheduled for FY25. HFC wholeheartedly supports this increase (and the proposed base salary increases of 4% and 2% in FY26 and FY27) noting that teachers have received 2% base increases in each of the past five years while inflation has ranged from 1.1% to 7.3%. HFC recognizes the importance of hiring and retaining quality staff. This means keeping salaries competitive with other top schools in New Hampshire and Vermont while ensuring that compensation is commensurate with pre-inflation levels for the majority of staff who have only been eligible for base increases.

Other cost drivers include \$138,900 in building improvements at RMS as well as funding for a sabbatical and for incremental staff additions at the high school.

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<sup>1</sup> Members are Kari Asmus, John Dolan, Rich Greger, Herschel Nachlis, Greg Snyder, Antonia Barry (Hanover School Board) and Carey Callaghan (Hanover Selectboard).

In the coming year, HFC understands that discussions revolving around both the introduction of sports to the middle school (with attendant additions of staff and transportation) and the possibility of Norwich 6<sup>th</sup> graders attending RMS will be important. We encourage close coordination with the Hanover Recreation Department and broad community engagement, whether through surveys or involvement at the committee level.

HFC also supports a policy discussion regarding annual retainage of funds as well as how to best utilize the anticipated FY26 windfall as additional bonds are paid off in FY25. While taxpayers may reap the benefit of a reduced budget, it is also important to understand whether any strategic opportunities are available by using the windfall to pre-pay other bond obligations—and what impact, if any, such decisions could have on Norwich taxation in future years.

Finally, HFC continues to advocate for evaluation of staffing levels and new initiatives and for the sharing of this information along with Educational Quality Indicator Reports for both schools in a readily accessible location and ideally online.

In closing, HFC again commends the efforts of administrators, faculty and staff in our district's pursuit of educational excellence. This year, however, we would like to especially thank the twelve individuals who comprise the volunteer Dresden School Board for their untold hours of service and note our support for the over-due increase in stipends included in Article 2—the first such increase in 20 years.