

HANOVER FINANCE COMMITTEE

Position on the Proposed Hanover School District Budget for FY12 (2011-12)

The Hanover Finance Committee (HFC) consists of seven town residents (all appointed), including one Hanover Selectboard member representative and one Hanover School Board (HSB) member representative. The HFC is advisory and opines on financial matters concerning the Hanover School District (HSD) and the Town of Hanover. In addition, HFC members automatically serve on the Dresden Finance Committee that advises Dresden School District financial matters. Members are Thomas Blinkhorn, Peter Christie (Selectboard), Kevin Cotter (HSB), Kristi Fenner (vice chair), William Garrity (chair), and Michael Gerling; one seat is open.

The HFC's recommendation to the HSB and the Ray Elementary School and School Administrative Unit 70 administrations at the beginning of the FY11 budget development process was:

The Hanover Finance Committee . . . recommends that the Hanover School Board adopt a budget that provides for a net assessment increase of no more than 2% for the coming year, 2011-2012.

"Net assessment" is the difference between budgeted district expenses and budgeted non-tax revenue, and so represents the amount of money that must be raised from residents as taxes. A 2% cap in net assessment growth was selected because it was thought to represent the best, most realistic compromise reflecting the local economy, cost-of-living changes, and compensation obligations, matched to an intention to maintain the district's excellent education program.

The proposed budget for 2011-2012 yields a HSD net assessment increase of 3.1%, and an increase in the tax rate estimated at 3.0%.

The Hanover Finance Committee voted unanimously, with five of six members present, at its January 25, 2011, meeting to support the proposed FY12 (2011-2012) Hanover School District budget of \$14,464,000. We recommend its support by voters on March 1, 2011.

The Hanover Finance Committee voted unanimously at the same meeting to support the proposed FY12 Hanover School District warrants.

- Article 3, raise \$25,000 to establish a contingency fund to meet the cost of unanticipated expenses.
- Article 4, raise \$25,000 to replenish the school building maintenance fund.
- Article 5, raise \$60,000 to reserve funding for exceptional special education out-of-district placements.
- Article 6, raise \$50,000 to reduce the general fund deficit.
- Article 7, raise \$5,551 to fund the salaries of school district officers.
- Article 8, raise \$11,600 to fund the estimated increase in support staff salaries and benefits for the 2011-2012 fiscal year brought about by the two-year collective bargaining agreement between the HSB and the Hanover Support Staff, NEA-NH.

The cost of these articles (except article 6) is included in the proposed district budget of \$14,464,000.

As was the case for 2010-2011, the HSD budget for 2011-2012 has been formulated in a time of continued economic retraction and uncertainties about local impacts. The HFC compliments the HSB and the Ray School and SAU administrations for their work within significant constraints to

develop a budget that balances maintaining programs and trimming costs. The HFC also recognizes the efforts of the joint board-administration-resident Cost Reduction Committee.