

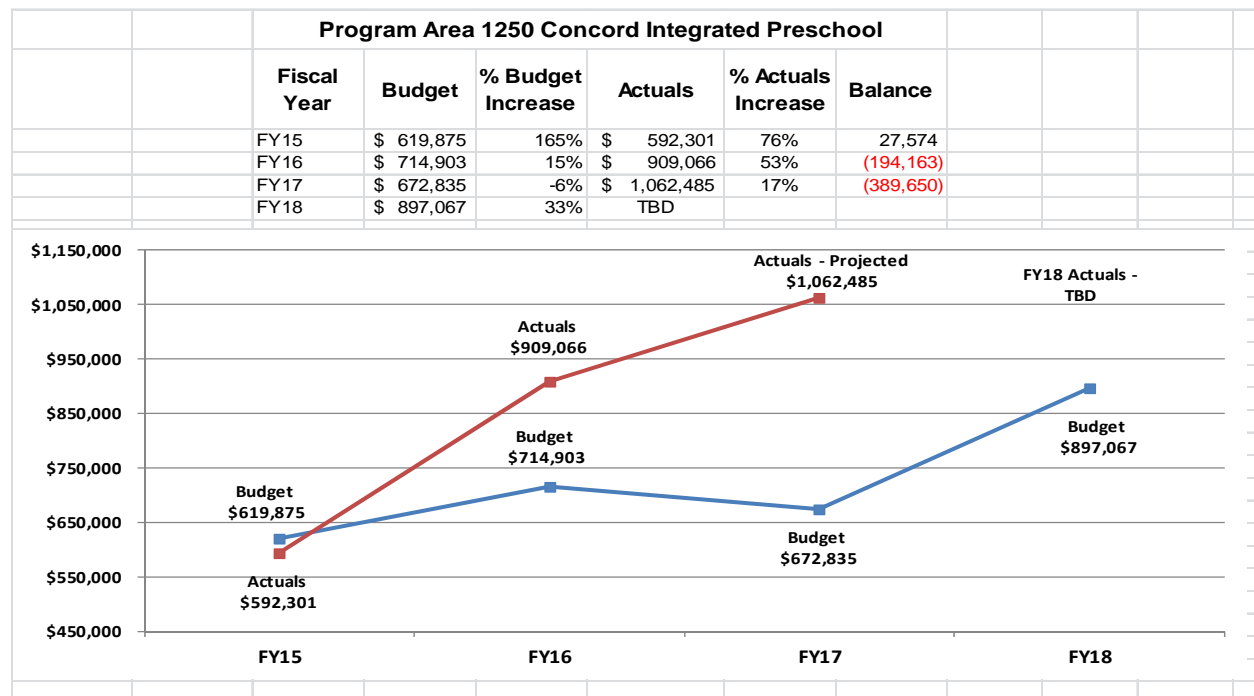
CONCORD PUBLIC SCHOOLS CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

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To: Diana F. Rigby, Superintendent of Schools
 From: John F. Flaherty, Deputy Superintendent of Finance & Operations
 Date: December 8, 2016
 Re: 2017 Town Meeting Warrant Articles – FY2017 CPS Supplemental Request

In preparation for a midyear FY2017 Concord Public Schools budget status presentation I have identified three specific problem areas that are in excess of our budget levels. One of the three specific areas is related to FY17 salary expenditures for unanticipated medical leaves that are above and beyond the typical maternity leaves and other short term illnesses we are currently experiencing; the positions affected require coverage for the school year at a cost \$160,000 above budget for the two positions involved. We also experienced significant expense related to cleanup of fallen trees subsequent to the extraordinary tornado event at the Ripley site; this event required \$50,000 of unanticipated of contracted services to remove partially fallen trees and other safety hazards.

The third area of concern is the most significant, cost growth in the Integrated Pre-School for the current budget year is projected to exceed budget by \$389,650, and when combined with the medical and tornado expenses is the catalyst for my recommendation that a FY2017 CPS Supplemental Request be considered by the Concord School Committee. The table below illustrates the volatility and rapid budget growth in the Integrated Preschool; it is also important to recognize that while this program's cost have expanded, its expansion has mitigated cost growth in out-of-district tuition costs for the 3 to 5 year olds served, as well cost containment as they move through grades K8.



The table of budgets and actual yearly expenses illustrate that significant increases in budget levels were made to keep pace with cost growth, and the graph illustrates the FY17 deficit and a high probability of a deficit in FY18.

As the three areas of concern total \$600,515 for FY17, I recommend the FY2018 CPS SC Adopted request recommendation be reconsidered and exclude the previous identified Special Education reduction of \$240,000; eliminating this reduction will offset increased and recurring Concord Integrated Preschool costs above initial forecast for the FY18 budget.

Regarding the current 2017 Fiscal Year, and recognizing that winter weather impacts lie ahead, I recommend that the Concord School Committee submit a Supplemental Warrant Article in the amount of \$400,000 to address the overage in Special Education costs in the Integrated Pre-School. We will work towards managing the remaining \$200,000 of cited overages within existing budget limits. At Town Meeting in April we will know the impact of winter costs we have experienced and able to determine if the Supplemental Request should be moved.

cc: Wallace Johnston, Concord School Committee Chairperson
Michael Lawson, Concord Select Board Chairperson
Linda Miller, Finance Committee Chairperson
Christopher Whelan, Town Manager
Kerry Lafleur, Concord Finance Director