

**CONCORD PUBLIC SCHOOLS
CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT**

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To: Concord Carlisle Regional School Committee
 Concord Finance Committee
Cc: Anthony Ansaldi, Concord Finance Director
 Kerry LaFleur, Concord Town Manager
 Carlisle Finance Committee
From: Dr. Laurie Hunter, Superintendent
Re: FY25 CCRSD Budget
Date: April 4, 2024

I write to provide an overview of the FY25 Concord Carlisle Regional School District (CCRSD) budget status. Given that the Concord Finance Committee (CFC) voted No Action on the CCRSD budget on March 30, 2024, in a 10-1 vote, and the resulting lack of alignment with the approved Concord Carlisle Regional School Committee (CCRSC) budget going into the 2025 Annual Town Meeting, all of the facts must be accurate and clear.

Budget Process and Factors

As has been explained on multiple occasions, the budget is built from the bottom up. This is done at every level and in every category. From the outset, it results in a lean budget that aims to reduce costs to offset increases.

Bringing a 3.08% operational increase was a tremendous task in FY25. Costs are increasing in essentially every category, including salaries, utilities, insurance, workers' compensation, special education, facilities and maintenance, and materials. It is worth noting that the CFC guideline does not appropriately provide sufficient funds to cover the known contractual obligations going into the budget process.

All aspects of the budget are reviewed, including enrollment. The enrollment decline allowed three FTEs to be reduced (one math teacher, two special education teachers). To realize FTE savings in a high school schedule, we must review every section, class size, and course offering. The math teacher reduction was made after the initial budget presentation due to ongoing review and the goal of getting closer to the CFC guideline. Several retirements are also assumed to reduce costs. The FY25 budget reductions offset teacher salary increases by only 1.3%. In addition, four full-time tutors were reduced during the budget build.

The intensive in-district special education programs currently serve almost 40 students who would have gone out of district. The budget accounts for current out-of-district placements for students' needs more significant than those in the intensive programs. Students from other districts are now tuitioning in,

resulting in revenue. Circuit breaker (special education state subsidy) is used to manage unexpected additions. In FY24, it is anticipated that between \$300,000-\$400,000 of circuit breaker will be expended. All unbudgeted placements will draw from circuit breaker in FY25.

Schools must manage ongoing mandates and regulations. In July of 2023, an extensive overview of the many mandates and related fiscal outcomes was shared. The mandates are the foundation of the budget. The emergency shelter students have not impacted the CCRSD budget, given healthy state subsidies.

The region's operating budget includes revenue incomes. Currently, \$300,000 has been a standing revenue drawn from the Excess and Deficiency (E and D) Fund. Other revenues primarily come from state aid. The budget understates the state aid number by \$84,000 based on current state projections.

E and D is the region's stabilization fund akin to free cash at the town level. State law allows for up to 5% of the operating budget. While recent amounts have been almost 5%, CCRSD now faces \$395,000 in insurance run-off costs due to a transition in the group provider. This brings E and D to 3.8%.

Concord's assessment is increased by \$55,000 in FY25 due to the student enrollment shift where additional Concord students and few Carlisle students attend CCHS. This is not an operational increase and should be considered a fixed cost outside of guideline.

All COVID ESSER funds are allocated and must be spent by September 30, 2024. The only position funded within those over the years has now been absorbed.

The delta currently between the CFC guideline and the approved budget is \$120,582. These will be applied to the regional formula, and reductions will be made to Carlisle's assessment because the total amount must be proportional to the overall assessment. The total required budget reduction is thus \$157,789.

Other Local Budget Comparables

FY25 is proving to be a challenging budget year in many districts, including some that are regularly considered our peers. Below, it is shown that the average increase this year is 4.85%.

	% FY24 to FY25
Acton Boxborough*	7.68
Bedford	6.1
Lexington	4.29
Lincoln Sudbury	3.4
Needham	6.01
Newton	3.68
Wayland	4.94
Wellesley	3.37
Westford*	5.81
Weston	3.31
*override needed	4.859

Concerns

In FY24, the Concord Public School (CPS) budget required funds beyond the guideline. For FY25, my administrative team worked diligently to bring responsible budgets that met student needs. In this environment, I was proud to bring budgets that met both the school and community needs. I looked forward to a budget season of collaboration and shared purpose.

The FY25 CPS budget is at guideline. The CPS Capital plan was reduced from \$900,000 to \$446,000. The CCRSC amenities building warrant article was withdrawn at my recommendation. All compromises have been made only by the schools.

CCRSB is beginning to tap its reserves to bring reasonable budget numbers, including the 3.08% in FY25. In 2018, we were cited by Moody's for E and D being under 3% and a lack of any circuit breaker funds for special education. I grow more concerned that we are beginning a path to return to this direction.

The CCHS guideline includes fixed costs not included in the Town's guideline. The resulting impact is that items such as health insurance increases of over 10% need to be negated within the increase. Previously, the CFC guideline would factor in these variables and adjust the guideline to compensate.

I met with the CFC at least six times between July and February. Each time, the intent was to share facts and patterns seen in the budgeting process with a goal of level service. In listening to the recent CFC deliberations, references to the information provided are rare. I would appreciate future guidance on whether the context in which we build the budget will be considered in the guideline process. In fact, at one meeting this winter, I arrived ready to present and answer questions. Instead, the meeting opened with a presentation that had not been shared before the meeting and set a tone of irresponsible spending and declining performance of the schools. Conclusions had apparently already been made. At many meetings, it has been difficult to present or respond before being interrupted. Last spring, one comment was pulled out of context in the FY24 Finance Committee Report to make it appear that I expected to bring 4% budget increases in the future. I have proven that not to be the case.

Since 2017, the CSC and CCRSC, along with my administrative team, have effectively managed well over \$500 million in school budgets and other allocations like the \$110 million new CMS. In 2017, there was no trust between the schools and town, the schools and unions, the schools and CFC, and the schools and community. We have worked tirelessly to build transparency and trust. I still regularly receive accolades from previously critical community members thanking me and my team for the change. What more needs to be done to reset the tone and process with the CFC based on the current dialogue is unclear to me.

Budget Reduction Recommendations

Given the use of reserves, risks in revenue, and lack of contingency for unbudgeted needs, I am making the following recommendation for reductions should the CCRSC approved budget not be funded. There are no options that do not touch students and programs, as we have already taken them. The recommendations and impact are as follows:

Reduction	Description	Amount
1 FTE Computer Science Teacher	Retirement not to be replaced Loss of electives and engineering certificate program requirement	\$134,330
.25 Chorus Teacher	Reduce select chorus sections	\$ 25,108
Total		\$159,438

Conclusion

The administration is very determined to collaborate with the local leaders to provide sustainable, responsible, and effective budgets for the children in the Concord schools. The hope is that the named reductions can be avoided through cooperation and mutual respect with the goal of aligning in what is best for the entire community.