Wake County Public School System
Superintendent's Proposed Budget 2019-20
Board of Education Work Session Q&A
April 17, 2019

GROWTH – MEMBERSHIP DATA

1) **Because of the publicity given to the "growth by 42 students" number, when teaching about the budget it is important to highlight the membership data in the table (page 9). K-5 there was an actual decline of 1193 students, but an increase of 1116 students in grades 6-8 and an increase of 119 high school students. This differential growth/decline at various grade levels has a significant budgetary and planning impact based on both spaces and personnel required to educate at each of those grade levels.**

   We will add a chart to page 9 that shows the increase or decrease by grade level groupings for each year.

Change from previous year							
Grade Level	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Projected
K - 5	1,429	(141)	453	1,377	(619)	(1,193)	(306)
6 - 8	974	606	(393)	(4)	694	1,116	578
9 - 12	1,167	1,419	1,936	996	805	119	287
Total	**3,570**	**1,884**	**1,996**	**2,369**	**880**	**42**	**559**

2) **Looking at "Funding for Growth" (reference: page 5 of the budget document), it says that about $5.4 million was appropriated by the county for actual enrollment growth. It states that this was based on a formula of $2,702 per pupil, up to 2000 students. It also says that the county has not yet released any of these dollars to WCPSS.**

   Can you tell me what our actual student enrollment growth was in the current fiscal year, and at $2,702 per pupil, how much money WCPSS would or should receive from the county?

   Finally, are you aware of any conditions or qualifiers that would explain why this money has not been made available to WCPSS?

   As of July 1, 2018, Wake County government approved $468,506,422 in funding for WCPSS for 2018-19.

   They reserved two additional funding amounts:
   $2,000,000 to support social and emotional learning initiatives
   $5,404,578 actual enrollment reserve

   After the start of the fiscal year, the WCPSS board of education requested the $2.0 million for social and emotional learning initiatives. The county released the reserve and allotted the funds to WCPSS.

   After the superintendent prepared her proposed budget, Wake County allotted $448,679 of the $5.4 million reserve for actual enrollment.

   Wake County government determined this amount by the following calculation per their board materials for March 18:

		Updated Appropriation
Actual Enrollment:		
WCPSS		160,471
Charter Schools		13,809
Total Actual Enrollment		174,280
Multiplied By:		
Per Pupil Funding	$	2,702.29
Updated Appropriation	$	470,955,101
Less:		
Appropriations to Date	$	(470,506,422)
Additional Funding Appropriation	**$**	**448,679**

This allotment adjusted increased the appropriation for WCPSS to $470,955,101:

County appropriation as of July 1, 2018	$ 468,506,422
Social and emotional learning reserve	$ 2,000,000
County appropriation as of Superintendent's Proposed Budget	$ 470,506,422
Actual enrollment reserve allotted	$ 448,679
County appropriation as of April 17, 2019	$ 470,955,101

There is a balance of $4,955,899 approved as part of Wake County's budget for 2018-19 but are not appropriated to the Board of Education for use.

Since the start of the fiscal year, there are costs that are coming in higher than anticipated for WCPSS. The largest categories are charter school pass-through, transportation, and utilities. Some of the costs have been covered by savings identified from position alignment between funds and second month average daily membership adjustments. All savings and costs identified after the year begins are reported to the board of education each quarter. There are not enough savings currently to cover all costs.

Therefore, on March 19, the board of education requested the commissioners allocate $4,964,143 for unanticipated transportation expenses. As of now, the commissioners have not taken action on this request.

3) Page 10 - First year enrollment – Consider adding *to enrollment numbers with* description to assure understanding.

We can change "First Year Student Membership" to "Projected First Year Enrollment" in the Board of Education's version of the budget.

New Schools	First Year Student Membership
Opening in 2019-20	
Parkside Elementary (multi-track YR)	493
Southeast Raleigh Elementary (traditional)	333
Alston Ridge Middle (multi-track YR)	749
Green Level High (traditional)	1,123
Opening in 2020-21	
South Lakes Elementary (traditional)	573

MAINTENANCE AND OPERATIONS

4) **Page 140:**

   a) **Is the industry standard referenced on for school buildings, commercial buildings, or other?**

   It is for schools.

   b) **How might the $2.5 million be used? What is the cost on one extra day of cleaning?**

   One day of sweeping & vacuuming = $1.7 million annually.

   c) **Cleaning of gym floors?**

   Resealing = $100K per year.

   d) **Other items that might be included and the associated cost?**

   - Strip & wax all hard surface floors and extraction clean carpet annually = $3.4 million.
   - Clean & apply fire retardant to stage/auditorium/multi-purpose room curtains. Required every 5 years - $120K per year.
   - $500K per year for vehicle replacement – white fleet.
   - Above represents an initial list

5) **Page 140 - The goal is to move toward "industry standards for M&O." What industry is this based on? Is this a general office-building standard? Or a standard unique to schools. Schools likely have a higher than average wear-and-tear per square foot than a standard office building.**

   The industry standard for K-12 facilities is a range between 2 percent and 4 percent. We chose the average of 3 percent as our target.

6) **Please provide an updated trend for Maintenance and Operations funding over the past several (5-10) years.**

Square Footage vs. Budget

	2008-09	2016-17	Difference
SF	20,131,522	23,502,430	3,370,908
Total MO Budget	$ 90,169,010	$ 84,395,571	($ 5,773,439)
Total $/SF	$ 4.48	$ 3.59	($ 0.89)
MO Staff	283	279	(4)

Challenges

7) Page - 10 Square footage – Please clarify the difference in Maintained, Custodial, and Utilities.

M&O School ID	CAFI	School Name	Owned/Leased	Maintained?	Custodial?	Utilities?
1004a	982	Administrative Site - Crossroads I (Bldg A)	Leased	Not Maintained	No Custodial	No Utilities
1004b	983	Administrative Site - Crossroads II (Bldg B)	Leased	Not Maintained	No Custodial	No Utilities
1386	386	Crossroads FLEX High	Leased	Not Maintained	Custodial	Utilities
E-46	E-46	E-46	Leased	Maintained	Custodial	Utilities
FD&C	FD&C	Facilities Building - Rock Quarry	Leased	Not Maintained	Custodial	Utilities
#N/A	#N/A	Garner SCORE Academy	Leased	Maintained	Custodial	Utilities
1518	518	North Wake College and Career Academy	Leased	Maintained	Custodial	Utilities
#N/A	#N/A	Poole Road Warehouse	Leased	Maintained	Custodial	Utilities
#N/A	#N/A	Reliance Flex Site	Leased	Not Maintained	Custodial	Utilities
1018	http://cafi.wcpss.net/wc	Saint Augustine's University	Leased	Not Maintained	No Custodial	No Utilities
1581	581	Vernon Malone College and Career Academy	Leased	Maintained	Custodial	Utilities
583	583	Wake Early College of Health & Science	Leased	Not Maintained	Custodial	No Utilities
1582	582	Wake NC State University STEM Early Colleg	Leased	Not Maintained	Custodial	No Utilities
1585	585	Wake Young Men's Leadership Academy Hig	Leased	Maintained	Custodial	Utilities
1586	586	Wake Young Women's Academy High School	Leased	Not Maintained	Custodial	Utilities

8) Page - 52 Utilities – electric - $30,299,561 /25,845,195sf = $1.17/sf/year. How does this compare with other LEAs in Duke's NC service area?

Charlotte-Mecklenburg Schools' total utility cost per square foot is $1.33.

9) Page 133 - There is a lease for Lufkin Road to use the Town of Apex Community Center for athletics. The gym at Lufkin was renovated and can be used for events now. I am not sure if there is a need for this space in 2019-20 or not? Maybe all sports are not able to use the gym?

Due to recent renovations at the school, the $5,900 budgeted lease amount for the Lufkin Road MS use of the Town of Apex Community Center is no longer necessary from and after July 1, 2019.

We will reduce the proposed budget by $5,900 in the Board of Education's version of the budget.

10) Page 133 - Property costs - YMCA contract - assume this is SERES. What will be ongoing lease cost for 12 month year?

The ongoing "lease cost" will be comparable to the amount noted in this budget case, subject to year over year adjustment for increases in non-rent costs.

Per 4.1 of the lease, there is not a year to year base rent amount beyond the token $1/year. The "rent" is comprised of scheduled payments (see table below) of the total tenant improvement cost to construct the Board-controlled portions of the SERES/YMCA improvements, subject to a GMP of $18,528.786 (unless change orders were approved). Those tenant improvement costs are included in the capital program for the E-46 project and should be paid from capital funds when due and the conditions precedent are met.

Original Term Payment Dates	Tenant Improvement Costs
Upon commencement of Building construction after a building permit has been issued ("Tenant Commencement Payment")	$2,500,000.00
Paid when Building construction is at 50% completion, as certified by the Architect (the "Tenant Mid Point Payment")	$2,500,000.00
Paid when Architect has issued a certificate of Substantial Completion (the "Substantial Completion Payment")	An amount equal to 90% of Tenant's share of construction cost plus construction period interest as modeled at an assumed rate of 4.5%, less amounts previously paid, including costs paid by Tenant under the Development Agreement
Paid upon completion of Punchlist items, the permanent Certificate of Occupancy is obtained and final payment is authorized by the Architect under the Construction Contract	An amount equal to 7.5% of Tenant's share of construction cost plus actual construction period interest paid, calculated at LIBOR plus 0.75%, less amounts previously paid

Per paragraph 5.2 of the lease, CAM costs include typical common area building & grounds maintenance, as well as all common area utilities, compensation and expenses of in-house property management, and trash removal. Janitorial services are not included, and metered utilities to Board spaces are not included. The Board is responsible for a proportional share of real estate taxes if levied, as per paragraph 6.2 of the lease the YMCA plans to seek an exemption under state law. Year over year increases in the expenses included in the CAM costs are impacted by market forces and are beyond the control of the Board.

The lease term is 20 years with options to extend the term three times by ten years each, for a total of 50 years.

ENTERPRISE FUNDS

11) Looking at "Revenues – Other Local Sources" (reference: Page 44 of the budget document), earned income from Before Care / After Care appears down slightly.

a) Can you explain a little more about the program? Is there any identifiable reason revenue has dropped?

Before and After School Care is an enterprise program. The tuition fees to parents for student participating in the program are used for the costs for the program. The school system charges indirect cost to each program to cover overhead costs. The indirect cost collected is a revenue stream that support the local operating budget of the school system.

At the end of each year, unspent funds in each school carry forward to the next fiscal year for the program at that school.

If a program ends at a school site, the principal of that school has one full year after the program ends to use any unspent balance for needs at that school. Programs may end due to lack of participation. Sometimes programs may shift to an outside vendor such as a YMCA providing child care rather than it being a WCPSS program.

In addition, if a school has significant carryover balances from prior year, and if the school has difficulty reconciling staffing as of day 10 of school, then the area superintendent may approve for the school to pay a regular classroom teacher from the Before and After School program for one year only to reconcile staffing.

The decrease of $203,582 in Before and After School Care on page 44 of the Superintendent's Proposed budget is based on:

1) One-time costs to cover classroom teacher day 10 reconciliation issues from significant carryover $(170,786)
2) Spending out of carryover of program(s) that ended in 2017-18 $(32,796)

These amounts are included at the end of the funding request on page 146 of the Superintendent's Proposed Budget.

Other than those two items, we make assumptions when preparing a subsequent year budget that carryover amounts, and tuition collected will be at similar levels to the current year. Once the budget becomes effective on July 1, one of the first entries of the fiscal year is to remove the estimated carryover amounts, and record actual carry over amounts. Then in September of each year, the principals revise the tuition revenues for their schools based on the actual student participation for that fiscal year.

b) Is there sufficient need and demand for more before and after care services that WCPSS might pursue in order to earn more revenue?

Demand is determined at the school level and not by the district as schools are in a better position to know the specific needs of their local community. Schools without Before and After School Care programs will try to meet the needs of their school constituencies in various ways – usually by soliciting an outside vendor or surveying the community about demand. Generally, outside vendors can offer more comprehensive and financially viable programs because (like the YMCA) they are a large organization with greater resources. Outside vendors often approach schools when there is a need within a local school community. If a school is to run a program the school must maintain a certain enrollment number of students for it to pay for itself and sometimes that can be difficult. In addition, the school is responsible for staffing, programing and other needed resources. Outside vendors can more easily adapt to the ebb and flow of enrollment and providing the needed resources because of their larger capital. If the schools choose to open and maintain Before and After School Care programs, it can be a good source of revenue but only if the school has a high number of students willing to participate and sufficient school personnel willing to staff and execute the program before and after their general workday.

12) Could you please explain the funding of all expenses under the category of Child Nutrition Services? Specifically, we have discussed – in the superintendent's budget proposal and in our legislative agenda - increasing the salaries of all non-certified staff, and described this group to include cafeteria workers, along with bus drivers, custodians, etc. However, at two public meetings discussing this topic, citizens have claimed that they have been told that <u>all</u> CNS expenses (other than some food purchases) are paid for out of the enterprise funds earned from the sale of cafeteria food, and that this includes all cafeteria worker salaries.

I am unable to discern how cafeteria workers' salaries are funded from the budget document. On Page 191, for example, a detailed breakdown of expenses related to cafeteria workers shows these costs to be paid for entirely from local funds and implies that the funding is generated from the cost of the sale of meals. On Page 50, however, the budget document $10.6 million in spending for cafeteria workers, mostly local, but including federal funds and some state funds.

Could you please explain how cafeteria worker salaries and related personnel expenses are funded and confirm whether cafeteria worker expenses, as well as other Child Nutrition Services expenses, may be supplemented by funds other than enterprise funds, or whether all of these expenses must be paid from the profits of food sales?

Revenues for grants, contracts, and enterprise funds pay the cost of salaries and benefits for employees in those programs. Child Nutrition revenues pay the salary and benefits of child nutrition staff.

The child nutrition programs have state, local and federal revenue streams that support the program, and therefore pay the salaries and benefits of the staff in the program.

State revenues	p. 44	$ 178,228	Breakfast Reimbursement
Local revenues	p. 45	$ 19,258,951	Sales Revenues
		$ 95,000	Interest Earned on Investments (part of $935,000)
		$ 200,000	Wake County Universal Breakfast Appropriation
Federal revenues	p. 48	$ 36,883,505	USDA Grants
Total		$56,615,684	

When change occur to salary schedules, these revenue streams pay the increased cost to child nutrition employees. Child Nutrition Services salaries could be supplemented by funds other than enterprise funds, but this is not currently the practice at WCPSS.

The only exception is the state requires that approximately $45k in state funds be spent on child nutrition salary and benefits each year. To meet that requirement, part of one child nutrition administrator position is assigned to the State Public School Funds each year.

13) What opportunities or restrictions exist in regard to exploring new enterprise funding from alternative programs such as:

- **a) Advertising on buses and fleet vehicles;**
- **b) Vending machine sales;**
- **c) Facility rental (expanding current community use programs, or long-term community use of fields and athletic resources); and,**
- **d) Other advertising opportunities, such as signage or electronic advertising in communications, etc.**

Are their policies or legal barriers that would prevent WCPSS from exploring other ways to generate enterprise revenue such as these?

The school system debated the marketing of fleet vehicles, buildings, or signage many years ago. One concern with marketing products, or companies, was the possible influence on the students in the school system. The process of monitoring the selection of the companies and the requirements of the selection process was difficult to structure. Finally, would a system-wide campaign compete with the fund-raising opportunities for PTA's and booster clubs and potentially impact their relationships with their respective schools?

WCPSS has a long-standing beverage contract that in the early years, provided several million dollars of revenue to the system. However, as healthy food requirements and operational restrictions increased, the revenue has decreased to $150,000 in total for schools. The contract is bid out on a five-year rotation for the best benefit to the school system.

Community schools have active facility rentals in many of our schools. The facility rental rates are designed to encourage community involvement and are structured to cover the cost of operations, not to generate revenue. Any additional funds are used to supplement maintenance and cleaning of the schools.

Board Policy 8504 speaks to vendor relations and solicitations that may cause a conflict of interest. While not necessarily directly related to advertising and marketing, this policy is in place to protect the school system from any perception of favoritism.

14) Page 44 - Before/After care- Describe potential impact of requiring all elementary schools to provide.

Overall, before and after care is a tuition-based program, so currently the system does not incur any net monetary cost.

We do not require principals to implement Before and After Care in their schools. Unless we completely restructure the current programming, the district would not recommend a requirement that all elementary principals implement Before and After Care. See additional information in a prior question in this section.

15) Page 45 - Free meals- Describe impact of free on participation and cost of paid meals.

The proposed budget includes an increase of $.20 per lunch for "Full Pay" eligible students to generate approximately $681,000 in additional revenues to try to achieve a balanced budget.

Participation rates based on the total reimbursable meals served year to date is:
Breakfast – 72 percent Free, 10 percent Reduced-price, 18 percent Paid
Lunch – 57 percent Free, 9 percent Reduced-price, 34 percent Paid

GRANTS

16) Page 21 - State grants – Describe the impact of terminating state grants vs recurring state funding.

The impact of losing the State Mental Health Personnel grant of $569,762 is unsure at this time. Due to the timing of receiving the funds, uncertain nature of the funding, and the fact that the coding of the grant made it non-rollover capable meant we could not hire permanent staff. We hired five contract employees who are providing specific services requested by principals.

These funds could be a more helpful resource if they could rollover and fund permanent positions.

The State grant for Digital Learning will be funded for 2019-2020. At the time of the printing of the Superintendent's budget, we were unsure whether or not the state would continue funding

17) Page 43 - State grants - Describe the impact from terminating state grants.

See response above.

18) Page 46 - Grants - Is it fair to say $2 million loss in grants for 2019-20? Factors contributing to changes?

The restricted revenues shown on page 45 and 46 consist of grant and non-grant revenues. The non-grant decreases are ($465,828), the remaining ($1,482,541) consists of restricted grant sources that were funded for one year or a specified number of years. These awards are intended to be one-time, non-recurring funds with a designated purpose. If recurring funds are needed staff will identify the need within the strategic plan and request local appropriations to continue the initiative.

19) Page 47 - Title II funding decrease- How have the teacher prep requirements of WCPSS changed with decrease?

Title II funding is decreasing one-time carryover funds. It is anticipated that the Title II annual funding will remain the same (approximately $3.1 million). Professional development contracts for academics and one-time contracts for strategic planning for the opening of new schools, along with the elimination of full ILT initiatives account for most of the decrease. Future professional learning opportunities will be evaluated and supported with the annual recurring Title II funds.

20) Page 47 - Title IV, III, IV-B decreases- How have the service requirements of WCPSS changed with decrease?

- Title IV ($131,998) - decrease in one-time carryover funds (no impact on services)
- Title III ($332,689) - decrease in one-time carryover funds for supplemental supplies and reduction in unbudgeted funds (no impact on services)
- Title IV-B ($381,587) - decrease in one-time funds provided for district reimbursement from DPI - due to the implementation delay of the ECATS system (no impact on services)

21) Page 47 - Restricted grants- Why have these decreased when SPED needs are increasing?

Over the past three years, the total number of Students with Disabilities (SWD) has decreased; however, 1) we continue to require staff to meet the scheduling needs of new schools and 2) while the overall SWD population is decreasing, we are experiencing an increase in the number of students with complex needs, sometimes requiring multiple providers.

22) Page 48 - Medicaid reimbursements- Why do we expect a decrease?

We received an unusual number of reimbursements during the 2018-2019 school year. The state has previously been behind on reimbursements for Cost Reporting. We do not anticipate a similar situation for 2019-2020.

TRANSPORTATION

23) Our recent request to the County for ~$5 million for funds to repair school bus engines and EC transportation services was an additional ask to cover unexpected expenses to the 2018-2019 budget. It is my recollection that these were also on-going items for which additional funding would be needed in the 2019-2020 budget. On page 16 I see that $2.3 million is added for EC transportation (operations and vendor contracts). However, I do not see the addition for continued bus engine repairs. I believe this cost might be rolled into the repair Parts, Materials and Related Labor, Grease and Anti-freeze appropriation line on page 53, but that budget line shows a net decrease by $349,331. Are other repair's displaced by the bus engine needs? Or is that cost somewhere else in the budget?

2019-20
The increases in the Superintendent's Budget are for 2019-20. See adjustments requested on pages 9, 98, 124, and 125.

2018-19
The school board requested funds from Wake County government for unanticipated transportation costs in 2018-19.

At the time the superintendent prepared her budget, there were two items in the budget where costs were projected to be higher than budget.

1) Charter School Pass Through $4.4 million
   When Wake County withheld $5,404,578 as an actual enrollment reserve for 2018-19, WCPSS applied this reduction to the charter school line item.

2) Unanticipated Transportation Expenses $5.0 million

At the time the superintendent prepared her proposed budget, there were funds available in over/under net savings from adjustments due to second month average daily membership and from position alignment. WCPSS applied these savings towards the transportation budget, leaving a shortage in the charter school budget.

After the superintendent presented her proposed budget, the school board requested funding from the county for the unanticipated transportation expenses. School system staff have been provided no indication the county will not appropriate the $5.0 million from the funds already approved in their budget for the actual enrollment reserve. Once this appropriation occurs, WCPSS will transfer the net savings previously applied to transportation to cover the shortage in the charter school budget. This is a timing issue.

24) There is a budget request for funding new bus drivers (reference: Page 98 of the budget document) to serve the newly required bus routes resulting from the opening of new schools. A specific number of drivers are listed for each new school opening.

In previous board discussions it was explained to us how our bus drivers run multiple routes, and how one driver may start the day with a high school route, but then also drive a middle school route and/or an elementary school route.

Will the new drivers to be hired through the funding request for the new schools only have the single route each, as listed on page 98, or will they drive multiple routes?

If they drive multiple routes, what impact will adding these new positions have on our other routes at other schools? For example, will the drivers hired in association with Green Level High School, also be used for nearby middle school and elementary routes, and if so will this lead to reduced ride times, shorter routes, or even allow longer routes with fewer stops that can extend the base area of schools? Please provide any information about how adding these positions may serve the system and transportation program beyond just the newly built schools, if in fact they will.

Full-time bus drivers, including those hired in response to new school openings, will be responsible for multiple bus runs consistent with our three-tiered bell schedule. A bus route includes individual bus runs. Drivers assigned longer bus runs including those associated with magnet programs that have expansive draw areas may only serve one or two schools (bus runs) rather than three. These longer runs are referred to as tier-busters. For example, most of the magnet bus runs serving Enloe HS, Ligon MS, and Carnage MS (students from these schools ride the same bus runs), are tier-busters.

Routing is based on many variables including bus seating capacity, ride time, and bell schedules. Routing must comply with Board Policy. Increasing levels of road congestion throughout the county impact route times and in turn indicate the number of buses required to meet district needs. There are material impacts on service levels when we have more bus routes than available full-time drivers. As such, current service levels are necessarily coupled to available full-time bus drivers. Creating shared runs (one bus driver is responsible two runs for the same school) has been the primary response or mechanism to address a declining number of full-time bus drivers. While efficiencies have been gained by the routing team over the past six years, the district is now at the point of diminishing returns for additional efficiencies based upon routing. New school locations and associated attendance area changes require updates to the coordination that result in new bus routes. To reduce ride time, decrease the number of riders on any given route, or reduce shared runs will require an increase in net full-time bus drivers beyond the increase needed to accommodate new schools.

25) **What would the estimated cost be to move all schools to an 8:30 am bell schedule? (I fully recognize the challenge of finding enough bus drivers to meet this goal, and I am asking so that the community has sense of the cost of such a move.)**

This would require a single tier system. $80 to $100 million are initial estimated costs. This estimate is based upon current bus driver compensation levels. As the question already infers, our current bus driver compensation schedule is not competitive in hiring and retaining bus drivers. To get to a competitive level of compensation would increase this estimate.

26) **What would be cost savings if neighborhood bus routes were changed to express bus transportation--ONLY for those choosing traditional calendar over year-round calendar? I believe we should continue neighborhood transportation for year-round calendar at this time in order to incentivize multi-track year-round schools.**

There would likely be some level of savings. To attain any meaningful estimate will require running detailed analyses of district wide routing.

27) **Page 52 - Transportation - What is the total local expense for yellow bus operations?**

Yellow bus operations are supported primarily through state funding. Local funding is used for supplies (district offices), mobile communication costs (bus drive cell phones), operations administrative staff, and workshop expenses (bus driver / operations meetings).

Local funding also pays salary differential for bus drivers, employer's dental insurance costs for transportation staff, and attendance bonuses for drivers. The total local expense for transportation costs is $15 m (excluding the local costs for contract transportation and safety assistants).

SPECIAL EDUCATION SERVICES

The following three questions include information about Student Transportation Contracts. Vendor contracts for student transportation support both special needs students and McKinney-Vento students.

28) What would the budget impact be if the Exception Children Transportation program could be assumed by Wake County Social Services or another agency, independently or in partnership, with WCPSS?

Are there any financial or legal barriers to unbundling this service, if a willing service provider could be identified?

WCPSS expects to spend $19.6 million on the EC vendor contracts this school year (2018-19). In addition, WCPSS currently has safety assistant positions that are locally funded. The total cost (includes salary and benefits) of the safety assistants for the 2018-19 school year will be approximately $6.1 million.

Other costs associated with EC transportation are administrative overhead and the 28 EC yellow bus routes at roughly $40,000 per bus.

Next year's EC Transportation contracts were approved at $22.5 million.

29) Is it feasible to work with the County to consider whether they can integrate the Special Education services transportation into their transportation plan for Wake County? Perhaps the County could see lower costs through greater economies of scale. How could that be done? OR why not/what barriers exist?

The County's transit plan is not based upon door to door service levels that most of these students require. Economies of scale may be possible by reducing the number of EC Transportation service providers.

30) Pages 124-125 - What has been the trend for EC transportation and personnel over past 10 years?

The trend for EC over the past 10 years has been a doubling of riders. Ten years ago, the EC contracts were negotiated to down to $11.6 m. The board recently approved contracts for 2019-20 totaling $22.5 million. In ten years, transportation added a director, senior administrator and two support staff to support the EC area.

31) Page 52 - Transportation-contracted - What is the total local expense for transporting special populations? (page 125)

$6.1 million in safety assistant salary (including social security, retirement, and insurance benefits)
$3.75 million in vendor contract for pre-K transportation

Total = $9.85 million

32) Page 59 - Could I get an explanation of the preschool local dollars of 46.5 MOE that we are requesting? I am sure the board has a good understanding of this need. I just need a reminder.

We are opening new preschool classrooms. The 46.5 MOE is to staff the new classrooms.

33) **Page 59 - I would like to talk further at the board table about the request of 157.5 MOE from local dollars.**

This request is being made in order to have the funding and ability to hire an additional 21 safety assistants in our EC Operations area. Currently, we have 249 total positions that service roughly up to 4,700 EC riders. With the number of riders projected to grow by 400 students in 2019-20, we would require an additional 21 safety assistants to continue to service this area of need.

Formula: 249/4700 = .0530
.0530 X 400 riders = 21.2

34) **In contrast to that, the fact that we are requesting no extra dollars for OT is something to talk about further. I would like to hear how the OTs get the paperwork done and still spend plenty of time with the student.**

OT allotments are based on overall SWD child count. While we are experiencing more students with complex needs, including those who need OT, the overall formula does not support additional OT.

35) **Page 60 - What are EC Operations Personnel – 36 MOE – local dollars?**

The processing of the safety assistants payroll is currently covered by 2 business office team leads and one processing tech who typically covers a district absent a processing tech due to leave or vacancy. Coverage pulls team leads from a quality review of payroll. Coverage typically results in extra hours creating overtime.

This funding request is being made to hire three Business Processing Technicians (BPT) to service the EC Operations' staff. Currently, the Transportation Department employs a BPT (18 total) in each transportation district to handle the transaction processing needs for an average of 50 drivers (per BPT/district). As the EC Operations' staff continues to grow, we are requesting to create three BPTs in the EC Operations area to service the transaction processing needs for this staff (around 90 employees per BPT as opposed to an average of 50/BPT in a typical Operations district). The processing work is currently being performed by Team Leads and is impacting quality review of payroll and creating over-time issues

36) **Page 121 - Could we discuss the "one-time federally funded" for special ed services?**

These positions were originally funded on federal dollars. Reduced carry over means that there are no longer available funds for these positions.

K-3 CLASS SIZE

37) **Page 66 - As noted in some preliminary discussion, it will be helpful to note that a significant portion of the County Appropriation pertaining to the K-3 class size impact is for enhancement teachers. The State only allocates enhancement teachers at a 1:191 ratio, but the current level provided by WCPSS is 1:143.**

WCPSS allots program enhancement teachers on a formula that is more aggressive than the state formula.

The state formula for program enhancement teachers is:

1 per 1:191 in K-5 ADM
Pecentage of funding required for this allotment by year:
18-19: 25% funding
19-20 50% funding
20-21 75% funding.
21-22 and thereafter 100% funding

WCPSS's formula for program enhancement teachers for elementary schools is:

A standard base of 30 MOE are provided to each school.
Schools with over 500 students in traditional and single track year-round and schools with over 515 students in multi-track year-round will receive additional months at a 1:15 ratio.

As the state implements the program enhancement formula, the teachers are applied to reduce class sizes in elementary grades. WCPSS is moving the classroom teacher formula to align with the state formula grade by grade.

			Proposed Formula Implementation		
	2017-18	2018-19	2019-20	2020-21	2021-22
K	1 to 20	1 to 19.5	1 to 18	1 to 18	1 to 18
1	1 to 20	1 to 19	1 to 16	1 to 16	1 to 16
2	1 to 20	1 to 19.25	1 to 20	1 to 17	1 to 17
3	1 to 20	1 to 19.25	1 to 20	1 to 20	1 to 17
4-5 MYR	1 to 24.27	1 to 24.2	1 to 24.5	1 to 24.5	1 to 24
4-5 Trad and SYR	1 to 26.27	1 to 25.7	1 to 24.5	1 to 24.5	1 to 24

State and local costs for this rollout of classroom teacher allotments utilizing the additional funds provided each year for program enhancement teachers is included in the funding request on page 66 of the Superintendent's Proposed Budget.

	Class Size Phase-In Cost					
	2019-20		2020-21		2021-22	
	MOE	Cost	MOE	Cost	MOE	Cost
State	808.00	$4,109,246	808.00	$4,109,246	808.00	$4,109,246
Local	662.00	$4,571,138	222.00	$1,972,927	462.00	$3,390,132
Total	**1,470.00**	**$8,680,384**	**1,030.00**	**$6,082,173**	**1,270.00**	**$7,499,378**

38) Page 4 - K-3 Impact - Consider showing max class sizes for school and district across years.

The class size average and maximums are provided on page 4 of the Superintendent's Proposed Budget:

Class size average and individual maximum for grades K-3 shall not exceed:

Year	Grade	District Average	Individual Maximum
2017-18	K-3	20	23
2018-19	K-3	20	23
2019-20	K-3	19	22
2020-21	K-3	18	21
2021-22	K	18	21
	1	16	19
	2-3	17	20

39) Page 58 - Class size phase-in - Explain rationale for using locally funded positions to phase in. If not, what would be the impact upon implementation?

WCPSS allots program enhancement teachers on a formula that is more aggressive than the state formula.

The state formula for program enhancement teachers is:

1 per 1:191 in K-5 ADM
Pecentage of funding required for this allotment by year:
18-19: 25% funding
19-20 50% funding
20-21 75% funding.
21-22 and thereafter 100% funding

WCPSS's formula for program enhancement teachers for elementary schools is:

A standard base of 30 MOE are provided to each school.
Schools with over 500 students in traditional and single track year-round and schools with over 515 students in multi-track year-round will receive additional months at a 1:15 ratio.

As the state implements the program enhancement formula, the teachers are applied to reduce class sizes in elementary grades. WCPSS is moving the classroom teacher formula to align with the state formula grade by grade.

			Proposed Formula Implementation		
	2017-18	2018-19	2019-20	2020-21	2021-22
K	1 to 20	1 to 19.5	1 to 18	1 to 18	1 to 18
1	1 to 20	1 to 19	1 to 16	1 to 16	1 to 16
2	1 to 20	1 to 19.25	1 to 20	1 to 17	1 to 17
3	1 to 20	1 to 19.25	1 to 20	1 to 20	1 to 17
4-5 MYR	1 to 24.27	1 to 24.2	1 to 24.5	1 to 24.5	1 to 24
4-5 Trad and SYR	1 to 26.27	1 to 25.7	1 to 24.5	1 to 24.5	1 to 24

State and local costs for this rollout of classroom teacher allotments utilizing the additional funds provided each year for program enhancement teachers is included in the funding request on page 66 of the Superintendent's Proposed Budget.

	Class Size Phase-In Cost					
	2019-20		2020-21		2021-22	
	MOE	Cost	MOE	Cost	MOE	Cost
State	808.00	$4,109,246	808.00	$4,109,246	808.00	$4,109,246
Local	662.00	$4,571,138	222.00	$1,972,927	462.00	$3,390,132
Total	**1,470.00**	**$8,680,384**	**1,030.00**	**$6,082,173**	**1,270.00**	**$7,499,378**

If WCPSS did not apply local funds towards the class size implementation, we would have do decrease our funding of program enhancement teachers (art, music, dance, drama, physical education, and world languages), or WCPSS would have to identify other budget reductions to offset that cost.

ACADEMICS

40) Page 71 - Middle school formula change - Please clarify program enhancement allocation. It looks like 56 10-month positions spread over 42 middle schools. What is the actual impact?

The funding request on page 71 recommends removing the 2018-19 funding formulas for WCPSS Classroom Teacher, Middle School Teaming, and Middle School Program Enhancement and replacing these with the NCDPI Classroom Teacher Middle School Formula

New formula to align with the state:

- **State Formula**: Integer(Grade 6/24 + (Grade 7 + Grade 8)/23)*10
  - Grade 6 - one position per 24 Average Daily Membership (ADM); Grade 7 and 8 - one position per 23 ADM.

Eliminate current funding formulas:

- **WCPSS ADM Teacher**: Integer((Grade 6 + Grade 7+ Grade 8)/25.12)*10
- **WCPSS MS Teaming fixed allotment**: 9.25 Months of Employment (MOE) to middle schools; 11.25 MOE to multi-track year-round middle schools. No allotment to alternative schools.
- **WCPSS MS Program Enhancement**: 1 MOE:66 students enrolled in grades 6-8 (rounded down). Plus 1 additional MOE for each multi-track year-round school. After applying the formula, small schools (including Hilburn, Wake Young Men's and Women's Academies) may be able to receive additional MOE if enrollment is 500 or under. This allotment will be based on the 10th day of school enrollment.

The impact of this change will add 111.25 months of employment across all middle schools. The number of months for an individual school will depend on their student membership in 2019-20 by grade.

41) Page 71 - Why is the proposal to align the middle school allotment formula to the state allotment formula an expense to the local, as opposed to State appropriation?

WCPSS does not anticipate any additional positions from the state based on growth in student membership. When a school district's actual student membership comes in lower than the allotted or projected student membership from the state, then the state reduces the allotment by half the amount due.

This occurred in WCPSS in 2018-19. The difference between the projected student membership and the average student membership as of second month was a decrease of 875 students. NCDPI added back half of the difference at 440 students. Then they reduced the allotment for WCPSS. Because of this, WCPSS was able to move locally funded staff to utilize the additional state funding in 2018-19. The local savings were recognized in the net over/under savings for the district. The savings were later redistributed for other costs coming in higher than anticipated.

The projected membership for WCPSS for 2019-20 is 559 students. This is almost fully offset by the 440 student allowance in 2018-19. When state formulas are applied grade by grade for 2019-20 compared to adjusted 2018-19, there is actual a decrease of 15 months estimated in 2019-20.

FY 2018-19, Allotment Adjustments for Higher of 1st or 2nd Month ADM

920 Wake County

Grade	Allotted or Projected ADM	(a) Adjusted Allotted or Projected ADM	(b) 2nd Month ADM	(c)=(b)-(a) Increase (decrease) ADM	1/2(c) Add back (1/2 of Decrease)	(e)=(b)+1/2(c) Adjusted 2nd Month ADM	(f)=(e)-(a) Difference of Adj Allotted and Adjusted 2nd Month
TMH	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Kindergarten	11,797	11,639	11,416	(223)	112	11,528	(111)
1st	11,981	11,845	11,790	(55)	28	11,818	(27)
2nd	12,195	12,067	12,040	(27)	14	12,054	(13)
3rd	12,412	12,277	12,218	(59)	30	12,248	(29)
4th	12,799	12,672	12,674	2	(1)	12,673	1
5th	12,762	12,649	12,622	(27)	14	12,636	(13)
6th	12,899	12,797	12,696	(101)	51	12,747	(50)
7th	12,907	12,853	12,733	(120)	60	12,793	(60)
8th	12,480	12,422	12,303	(119)	60	12,363	(59)
9th	13,306	13,238	13,263	25	(13)	13,250	12
10th	13,068	13,003	12,899	(104)	52	12,951	(52)
11th	12,074	12,012	12,217	205	(103)	12,114	102
12th	11,938	11,872	11,600	(272)	136	11,736	(136)
TOTAL	162,618	161,346	160,471	(875)	440	160,911	(435)

Your LEA's higher of 1st or 2nd month ADM is the 2nd Month ADM. Allotment adjustments are based on the Adjusted 2nd Month ADM.

Use LEA's Average Salaries from FY18-19 Initial Allotment		Teachers	$ 66,285
		Instr. Support	$ 78,453
Criteria Met For Adjustment ?			Yes
(2nd Month ADM - Adj Allotted ADM) <= -100 ?			Yes
(2nd Month ADM - Adj Allotted) / Adj Allotted <= -2% ?			No

Totals ADM by Grade Spans:

Grade	Adjusted 2nd Month	Adjusted Allotted	Difference
Kindergarten	11,528	11,639	(111)
K-5	72,957	73,149	(192)
1	11,818	11,845	(27)
2-3	24,302	24,344	(42)
4-6	38,056	38,118	(62)
7-8	25,156	25,275	(119)
9	13,250	13,238	12
10-12	36,801	36,887	(86)
8-12	62,414	62,547	(133)

Allotment Adjustments

Grade Span	Ratio/ADM Factor		Adjusted 2nd Month	Adjusted Initial Allotment	Position Adjustment	Dollar Adjustment	PRC / Category
Kindergarten	@1:	18	640.5	646.5	(6.0)		
1	@1:	16	738.5	740.5	(2.0)		
2-3	@1:	17	1,429.5	1,432.0	(2.5)		
4-6	@1:	24	1,585.5	1,588.5	(3.0)		
7-8	@1:	23	1,093.5	1,099.0	(5.5)		
9	@1:	26.5	500.0	499.5	0.5		
10-12	@1:	29	1,269.0	1,272.0	(3.0)		
Classroom Teachers (1)			7,256.5	7,278.0	(21.5)	$ (1,425,128)	
Program Enhancement -K-5	@1	191	96.0	96.0	0.0	$ -	
Total Teachers			7,352.5	7,374.0	(21.5)	$ (1,425,128)	001 / 001
Instructional Support (1)	@1:	$218.55	737.0	739.0	(2.0)	(156,906)	007 / 007
Noninstr. Support	ADM Factor:	$268.8594	43,262,428	43,379,382		(116,954)	003 / 003
Teacher Assistants (2)	Factor:	$36,639.3334837	41,365,807	41,549,004		(183,196)	027 / 004
Classroom Supplies	ADM Factor:	$30.12191832	4,846,948	4,860,051		(13,103)	
PSAT Funds (3)	ADM Factor:	$2.69	68,899	69,025		(126)	
	Subtotal (Classroom Supplies):					(13,229)	061 / 100
Textbooks	ADM Factor:	$38.665692	6,221,735	6,238,555		(16,820)	000 / 051
Voc. Ed. Prog. Sup. (4)	ADM Factor:	$34.09680088	2,138,118	2,142,653		(4,535)	014 / 059
				LEA Totals:	(23.5)	$ (1,916,768)	

42) Page 75 - Why are AIG funds only for added staff at the new elementary and middle schools? According to our AIG plan, students can be AIG identified K-12, thus it would seem AIG services would also be needed at a new high school? Are AIG resources not also needed for Green Level High School?

Base on the current AIG (2016-2019) plan months of employment are provided to schools to support differentiated educational services beyond those ordinarily provided by the regular educational program, collaboration with classroom teachers for planning and data analysis, leading the SBCGE (School Based Committee for Gifted Education) around student identification, facilitating data-based meetings around data of identified students and students showing high potential to perform at substantially high levels at least monthly, development and implementation of strategic plans based on Kindergarten Entry), and WGA (Whole Grade Advancement).

Elementary school allotments are based on the following ranges according to school calendar:

- 1-65 AIG students = .5 teacher position (5 MOE or 6 MOE for Multi-track YR)
- 66-130 AIG students = 1 teacher position (10 MOE or 12 MOE for Multi-track YR)
- 131-194 AIG students = 1.5 teacher positions (15 MOE or 18 MOE for Multi-track YR)
- 195+AIG students = 2 teacher positions (20 MOE or 24 MOE for Multi-track YR)

Middle school allotments are based on the following ranges according to school calendar:

• 1-250 AIG students = .5 teacher position (5 MOE or 6 MOE for Multi-track YR)
• 251-500 AIG students = 1 teacher position (10 MOE or 12 MOE for Multi-track YR)
• 501+ AIG students = 1.5 teacher positions (15 MOE or 18 MOE for Multi-track YR)

High Schools

High schools receive AIG support in the form of self-selected advanced level placement within Honors and/or AP English classes and/or in specified advanced level mathematics courses. Students may be identified in English/Language Arts, mathematics, or in both areas. These courses are designed to provide challenges and appropriate instruction for very capable students through more frequent use of higher-level skills and concepts and development of advanced, independent research projects.

43) Page 75 - AIG services - What is the local cost or how would the local cost of provided state-mandated services to AIG identified students be calculated. From identification, testing, differentiating instruction, etc. How much of that is funded by the state?

Description	State Classroom Teacher Allotment PRC 001/009	State AIG Allotment PRC 034	State Restart Allotment PRC 037	Local AIG Allotment PRC 034	Title I AIG Allotment PRC 050	Total
Salaries and Benefits	$ 439,891	$ 8,654,763	$ 370,705	$ 2,218,415	$ 113,407	$ 11,797,181
Local AIG Supplies, Testing Material, Substitutes, Workshop Expenses	$ -	$ -	$ -	$ 199,721	$ -	$ 199,721
Totals:	**$ 439,891**	**$ 8,654,763**	**$ 370,705**	**$ 2,418,136**	**$ 113,407**	**$ 11,996,902**

44) Page 93 - The statement under the social workers section that the State provides 1 position for every 218.55 students would be a ratio much better than the National recommendations, and far superior to WCPSS's goal of one social worker for every 2 schools. I believe the 1:218.55 represents the State funding formula for many types of support personnel, (social workers, psychologists, counselors, …). If this is correct, then the State allotment greatly under provides for the recommended levels rather the apparent generous funding ratio. (See also school counselors page 114 with the same 1:218.55 ratio.) If we take nationally recommended values of (1 social worker/400 students + 1 counselor per 250 students + 1 psychologist/600 students + 1 nurse/750 students) then it would be necessary to fund 1 of these service personnel for every 105.26 students, which is less than half the current state ratio of 1:218.55. (And I believe even more types of personnel fall under the State's Instructional Support Personnel.)

The state formula of 1:218 is for PRC 007 and is used to fund social workers, counselors, nurses, psychologist, and library media.

The formula listed at 1:218.55 for which the state provides all instructional support funding is accurately stated in the business cases. We utilize those funds and request local funding to help close the gap, which is still not adequate to meet the national standards for counselor to student, social worker to student, psychologist to student or nurse to student recommended ratios.

45) Page 92 - School Social Workers - With this allocation, what is the county-wide ratio of social workers to students?

Recommended one social worker position per school. Current ratio is 1:1,290 for elementary and middle schools, one social worker per two schools, elementary and middle.

46) Page 92 - School Psychologists - With this allocation, what is the county-wide ratio of psychologists to students?

Recommended one psychologist position per school. Current ratio 1:1,850, one psychologist for two schools.

47) Page 114 - School Nurses - With this allocation, what is the county-wide ratio of school nurses to students?

Recommended one nurse position per school. Current ratio is one nurse per two schools in most cases.

48) Page 114 - School Counselors - With this allocation, what is the county-wide ratio of school counselors to students?

National recommended ratio 1:250 students. Current ratios are on page 114 of the budget.

49) Page 128 - I am curious about the statement pertaining to extra duty pay that "We have not, however, spent all of the funds allocated each year." Could these non-spent funds be used to minimize the splitting of stipends between multiple employees, many of whom are doing the full load of work for a split stipend?

The unspent funds are generally caused by unfilled positions at the school. Over the past couple of years, the total dollars remaining has decreased. As the extra-duty stipends have increased, fewer positions go unfilled (as they become more desirable). We do need a cushion, since it is difficult to estimate exact stipends because of the variance in pay for experience (i.e., a coach with 15 years of experience receives more pay than a coach with 1 or 2 years of experience).

Additionally, we are currently proposing changes to the extra duty schedule to support schools, so we may ultimately need the budget we have. Also, the last year of the extra-duty increase is scheduled to occur this year, which will cause a little more uncertainty. With the changes this year, we would rather continue to over-estimate a bit until all changes are fully implemented. We will continue to look closely at this budget and decrease when we have a better sense of the numbers.

We are uncertain how we would be able to equitably roll out any remaining funds due to the number of positions that are split across the district.

50) Could you please provide a brief summary of how WCPSS funds text books and curriculum?

It has been described to me that funds for textbooks and curriculum purchasing has been greatly underfunded by the state, requiring the use of "open source" curriculum and the use of curriculum developed locally by teachers and staff. For example, we recently discussed the development of high school ELA curriculum locally, because we did not have the funding for a commercial curriculum and "open source" resources were not adequate to meet our state teaching standards, if I understood the discussion correctly?

Page 53 of the budget document shows a $5,301 increase in state funding, based on a state formula of providing $38.67 per student, to pay for text books resulting from growth in student enrollment. A total state textbook account seems to reflect $385,703 in available resources for all students.

But there is also a budget line item of $5.85 million, on page 44, for "text books and digital resources." This seems to be much more adequate than $385, 703 for the entire county.

Furthermore, on Page 50, it appears that the funding for "Curriculum Development Pay" is being decreased by almost half.

I am trying to reconcile whether our text book and curriculum funding is adequate or inadequate, and on a related note whether we have sufficient funding for internal curriculum development if that is required, if we are reducing pay for that purpose?

I feel that I am misunderstanding something and may be missing a key bit of information that would explain all of this. Can you help me to understand these different funds, their purposes, and the adequacy of funding in this area?

The state textbook and digital learning funds is the only recurring funding stream designated to support districtwide curriculum. Due to past transfer flexibility, there have been one-time local funds carried over annually to assist with the new adoption of curriculum. The adoption of new curriculum was done through an in-depth (9) month review process involving teachers, students, parents and community members. WCPSS staff selected the resources that most closely aligned with NC Standards and supported our strategic plan. The open resource content was selected based on these standards and not funding restrictions.

Below is a breakdown of these resources:

1) State funds allocated at $38.67 per ADM, 2019-20 estimated $5.8 million of which $5.6 million will be expended for recurring annual costs to purchase consumable workbooks for Math K-5, ELA grades 2-8, Middle School Math 6, 6+, 7, 7+ and 8 and the Math 1, 2, 3 and purchasing district licenses for classroom instruction. Page 44 reflects the combined state allotment (this is one source of funding that is designated by State Textbook Account (state adopted curriculum) and Textbook and Digital Resources (non-state adopted curriculum.)

2) Local funds reserved and carried over annually from ABC transfer flexibility - Textbooks and Digital Content Use (page 47) - support initiatives not covered by state funds; including professional development to implement new curriculum and curriculum writing. There are also one-time funds set aside to purchase ELA High School trade books in 2019-20.

Fiscal Implications:

Based on the current costs of obligations the local reserve funds will be depleted by June 30, 2021. The state recurring funds will support the adopted curriculum for printing Math K-5, ELA grades 2-8, Middle School Math 6, 6+, 7, 7+ and 8, and the Math 1, 2, 3 and purchasing district licenses for classroom instruction.

The current level of state funding is inadequate to support any further adoption of new curriculum. Once local reserves are depleted, a request for local recurring resources will be needed to provide curriculum writing and professional development and new adoption of districtwide curriculum.

51) **Page 149 - The description for the purchasing department reduction does not communicate to me. Is this a reduction for the replacement of kindergarten furniture? Or what is the replacement of? Clarification would be helpful.**

Purchasing has a line item in the budget to purchase or replace kindergarten furniture. In the past, this budget supported additional growth in students at a school that may require classroom furniture, or the replacement of furniture in the kindergarten classrooms which is unique to other grade levels. With the reduction in growth and the availability of funding for collaborative furniture, the need for funding from this budget has decreased. We do believe some funding must remain to support aging furniture for these areas.

52) **Page 43 - Please provide information on decrease in School Technology Fund.**

Carryover for 2019-2020:	$1,280,462
Removal of one-time allotment:	$(2,686,095)

(2018-2019) -----------------
$(1,405,633)

Additional funding needed for $(227,037)
VOIP (See eRate case) on PRC 15 -----------------
$(1,632,670)

53) Page 43 - Please provide information on decrease in Career Technical Education-Program Support Funds.

See page 108 of the Superintendent's Proposed Budget. The state allotment for Career and Technical Education Program Support Funds is projected to increase by $9,170. There was a one-time transfer from unused or lapsed Career and Technical Education months of employment to program support dollars in 2018-19. At this time, we do not anticipate that will recur. This one-time transfer in 2018-19 of $635,756 shows as a decrease when it is removed for the next year. This amount was included back in the base allotment for Career and Technical Education months of employment on page 79 of the Superintendent's Proposed Budget.

Description	2018-19	2019-20	Difference
Initial Allotment	$ 2,153,529	$ 2,162,699	$ 9,170
Transfer from Lapsed CTE MOE	635,756	-	(635,756)
Industry Credential Allotment	28,708	28,708	-
ADM Decrease	(4,535)	(4,535)	-
Charter School Reduction	(16,841)	(16,841)	-
Restart Transfer	(47,179)	(47,179)	-
Adobe License Adjustment	(71,310)	(71,310)	-
	$ 2,678,128	**$ 2,051,542**	**$ (626,586)**

54) Page 47 - Schools' Special Funds- Does this budget restore these funds to schools?

Principals must reconcile the months of employment for their school based on their day ten student membership compared to the projected enrollment for their school. In some circumstances, and if funds are available, a principal may choose to pay for a position or partial position from their individual school account in order to avoid reducing months of employment at their school. The area superintendent would review the data for the school to determine if other options were available for reconciliation before approving this option.

If a principal chooses to do this, the positions are established in the local budget. A revenue code is added to show the funds coming in as a revenue as a transfer from the individual school account. Because these are one-time approvals, these all show as decreases for the 2019-20 budget. We will not know if any arrangements like this are necessary in 2019-20 until we reach the tenth day of school and the reconciliation that occurs at that time. We do not restore these funds to schools.

55) Page 51 - Contracted services - Describe the contracted services paid for with state dollars.

Amount	Description
$ 2,161,192	Drivers Education - contracts for driving school, car repairs and online software support
$ 70,000	CTE - contracts for maintenance and repair of CTE classroom equipment and rental of equipment or space
$ 5,497	Technology - consulting services migration of Destiny to hosted services
$ 1,062,489	Technology - supplemental contracts to support technology infrastructure and devices throughout the district
$ 33,316	Reading Camps - custodial cleaning services for camps
$ 51,822	Restart Schools - contracts to support academic field trip experiences
$ 49,000	Restart Schools - contracts to support front office equipment
$ 8,790	Restart Schools - contracts to support student attendance
$ 150,233	Cooperative High School - Contracts to support early college readiness
$ 435,427	Transportation - parts management service fees and other fees for services
$ 401,214	Special Education - Developmental Day and Community Residential Services
$ 1,392,278	Special Education - Developmental Day and Community Residential Pre-K Services
$ 1,097,302	Security Resource Officer - state funds one per high school
$ 45,280	Technology - support technology infrastructure in schools
$ 6,963,840	

56) Page 55 - Teachers funded locally - Verify locally funded positions. I count 1324 + 408 locally funded.

There are 13,355.10 teachers budgeted from local funds in the Superintendent's Proposed Budget. This equates to approximately 1,336 teachers.

In addition, there are 5,631.40 months of employment budgeted from local funds in the Superintendent's Proposed Budget for other certified staff such as school library media coordinators, social workers, behavior specialists, case managers, counselors, speech pathologists, psychologists, instructional facilitators, coordinating teachers, literacy coaches, and nurses. This equates to approximately 563 staff.

57) Page 55 - Instructional Assistants-NCLB - Explain the continuation of NCLB funding and its likely life span.

This name is on page 55 because it is the assigned object code name from NCDPI.

142 Teacher Assistant – NCLB

Include the salary of the person assigned to perform the day-to-day activities of assisting the regular classroom teacher, in **roles** requiring the extra education of NCLB regardless of which school they are in.

This is the code structure for the instructional assistants working alongside teachers in the classroom.

58) Page 59 - Instructional Assistants - Compare/contrast federal and state support of instructional assistants.

Regular classroom instructional assistants are paid from state funds. The state allotment for instructional assistants is restricted for that use and cannot be transferred elsewhere. WCPSS allots resources to schools for regular classroom instructional assistants using the state formula.

Special education instructional assistants can be paid from state, local, or federal sources.

Grants also fund instructional assistants. These positions are paid from state, local, or federal depending on the organization awarding the grant.

59) Page 56 - Allocations to schools - Confirm that 95 percent of employee MOEs are either in schools or serving schools.

We confirm that 95 percent of the months of employment are for staff serving in schools. These staff are either assigned to specific schools, or are assigned centrally, but work in multiple schools (i.e. maintenance staff).

60) Page 72 - School-based Administrators - Explain the state formula for assistant principals.

The state allots assistant principals based on 1 month of employment per 98.53 average daily membership.

Estimated State Allotment 2019-20	
Projected average daily membership (ADM) 161,030 / 98.53	1,634.00
Less State Allotment 2018-19	(1,625.00)
Estimated Increase in State MOE for 2019-20	**9.00**

The funding request on page 72 is for assistant principal months for the new schools opening and calendar changes in 2019-20.

New Schools/Calendar Changes	Principal	AP
Parkside ES	12 MOE	12 MOE
Southeast Raleigh ES	12 MOE	11 MOE
Alston Ridge MS	12 MOE	23 MOE
Green Level HS	12 MOE	24 MOE
Calendar Changes		(3) MOE
MOE Needed in 2019-20	**48 MOE**	**67 MOE**

Sixty-seven new months are needed for the current formula for assistant principals in 2019-20, and if there will likely be 9 additional months funded by the state, then the difference of 58 months must be requested in local funds.

61) Page 79 - Career development coordinator - Is this position funded in all middle schools? How is the middle school CTE program offering changing, being supported, etc.?

Each middle school is allotted a half position (5 or 6 months) for the purpose of career development. Some schools elect to convert that allotment to teacher months but in so doing agree to designate a staff member in CTE who will still serve as the primary contact for career development efforts.

We want to expand the types of programs offered in middle grades to allow for greater exploration. Our current model is place business, technology education, and family and consumer science programs. We are making efforts to place more agriculture programs and hope to add a newly created health science course in the next new middle school plan.

The number of programs/teachers is determined based on the enrollment at the school.

62) Page 81 - High school intervention - How is the effectiveness of this position being evaluated? Academic gains? Changes in student behavior? Some combination? Other? In what areas are we seeing positive results?

EOC- Based on EVAAS Growth report, five high schools in WCPSS displayed "Not Met" status. This data was used to specifically target schools for support around systems and structures and data-based problem solving.

In the targeted high schools, 43 percent of students passed the mid-year EOC for ENG II and 56 percent of students passed the mid-year Biology EOC. This averages to a 51 percent pass rate. This equates to an increase of 19 percent when compared to the end of year 2017-18 College and Career Ready data and a 22 percent increase when compared to 2017-18 end of year Grade Level Proficiency data.

School name	GLP 2017-18	CCR 17-18	GLP 18-19	CCR 18-19
Apex HS	78%	71%	73%	67%
Cary HS	60%	52%	66%	55%
East Wake HS	35%	29%	43%	32%
Garner HS	0%	0%	68%	68%
Knightdale HS	10%	10%	43%	35%
Percent Total	37%	32%	59%	51%

Credit Recovery- 63.5 percent of students who enrolled in a credit recovery course have received credit.

2017-2018 Pass/Fail Rate	2018-2019 Pass/Fail Rate (mid-year)
33%	63.5%

Intervention Matrix- 77 percent of WCPSS high schools completed the Intervention Matrix in 2018-19 in comparison to 34 percent completion rate in 2017-18.

2017-2018	2018-19
34%	77%

The Intervention matrix specifically targets Literacy, Math, and Behavior. The Intervention Matrix provides a structure that outlines timely, additional assistance that is tailored to students' needs. This is a systemic response for groups of students who need support in addition to Core Instruction to meet standards.

63) Page 82 - Instructional Facilitators (IF) - This allocation suggests that a 50 percent person is sufficient for each school. Is it? How do assistant principals and principals coordinate responsibilities with the IF?

Based on available funding a 50% Instructional Facilitator is provided for each school. Instructional Facilitators provide communication between the Elementary School Programs/Middle School Programs and the school. They support the classroom teacher in implementing best instructional practices. Instruction Facilitators also coordinate and conduct staff development. They report and are evaluated by the principal or school designee.

Ideally, Principals would want a 100% IF. Principals can combine it with intervention, magnet, or convert Title I funds (if a Title I school). As for coordinating duties and responsibilities with the IF, it varies based on the needs of the school, but typically principals/APs assign the position to a teacher who is not a teacher of record, e.g., an interventionist, program coordinator, literacy/math coach. IFs are assigned duties such as testing coordinators (with extra duty pay), mentoring, school improvement chair, etc.).

64) Page 88 - Program Enhancement teachers - Understanding the formula for existing schools. For example, an 850 student multi-track elementary received base of 30 MOE plus 1:15 for 285 ADM or 19 MOE additional?

A standard base of 30 MOE are provided to each school to cover arts disciplines including, art, music, and physical education and other supplemental classes as defined by the State Board of Education.

Additional months at a ratio of 1:15 are provided as follows:
500+ students in traditional and single track year-round
515+ students in multi-track year-round

65) Page 91 - ALC - Is this level of resource sufficient to properly intervene and change student behaviors and/or academic outcomes? What level would be?

Requested were 18 months for ALC for a 12-month position for Alston Ridge Middle and a 10-month position for Green Level HS. Additionally, it adds months for two middle schools with a calendar change to year-round.

ALC positions are currently funded at one position per middle and high school to support alternative learning environments within the school. We are currently undertaking a review of our ALC programs as part of the OCR agreement. Following the review, we will have a better knowledge of the successes and limitations of the program. It is hard to know at this time, without the review, if one position is adequate or what more might be needed. One position at middle and high schools would likely be adequate in conjunction with more counselors, social workers, psychologists, and nurses as part of a broader support for students who require Tier II and Tier III services and support to be successful. Additional resources are needed for elementary school positions to support Tier II and Tier III services. We do not currently have the funding for comparable elementary ALC type positions.

66) Page 107 - School/Classroom Supplies - Break out/explain how Wake distributes state and local supply dollars.

State law allows the transfer of funds from Program Report Code (PRC) 061 Classroom Materials, Instructional Supplies, and Equipment with no restrictions.

061	Classroom Mat., Inst. Supp., Equip.	No restrictions.

WCPSS utilizes this flexibility and transfers all of the state funding for this category to other programs for personnel. This is fiscally responsible because the state will then pay longevity pay, annual leave payout, bonus annual leave payout, disability, and workers' compensation for the personnel without decreasing any of the system's position, categorical, or dollar allotments.

WCPSS then transfers the local budget previously designated for the personnel that are recoded to state funds to the schools. The formula from the state is $30.12 per student plus the local formula of $34.88 per student are allotted as one formula of $65.00 per student in the local budget.

By doing this transfer, principals receive all of their allotment for classroom materials, instructional supplies and equipment in the local budget. Since the state budget is on cash basis, and the local budget is accrual basis, principals have a longer amount of time to utilize the budget. It extends the time for using the funds up until the very end of the fiscal year on June 30.

State Formula: $30.12 per K-12 ADM + $2.69 per ADM in grades 8 and 9 for PSAT testing

Local Formula: $34.88 per Day 10 Student Membership

Total Formula: $65.00 per Day 10 Student Membership

Principals use this budget to support the school's improvement and spending plan. The funds are applied to many items such as supply purchases, professional development, copier costs, field trips, cell phone bills, and software licenses, etc.

67) Page 110 - LEP Budget adjustment - Why does Wake need to pick up more responsibility here?

State funds were never expected to provide all that a district would need to meet the needs of English learners across learning contexts. State funds were not to supplant district efforts at the time LEP funds became part of the recurring appropriations cycle (~2000-2001).

Special Provision: "The funds shall be used to supplement local current expense funds and shall not supplant local current expense funds."

68) Page 60 - 203 MOE – local dollars for clerical support. I just want a better understanding of where those go.

Refer to page 73 in the Superintendent's Proposed Budget. The clerical support positions are for new schools opening in 2019-20 and adjustments for calendar changes from multi-track year-round to single-track year-round and traditional calendars.

<u>CHARTER SCHOOLS</u>

69) The proposal for the $400 going to the teachers – Is that money already going to charter schools?

The proposal uses funds currently allotted to local school administrative units in the allotment category of Classroom Materials/Instructional Supplies/Equipment.

The bill indicates that "a public school unit, other than a local school administrative unit, may also opt in to the program by August 1 of the fiscal year using funds available to that public school unit."

If passed, the bill would require districts like WCPSS to participate in the program, and charter schools could choose to participate in the program.

The funds are in our State Public School Funds allotments. Charter schools receive those funds directly from the state, so it is not part of the pass-through to charter schools that occurs in our local budget.

Here is the link to proposed Senate Bill 580: https://www.ncleg.gov/BillLookUp/2019/s580.

70) In the Budget at a Glance tables (pages 2, 3, 5), a transfer to charters is listed as $40.6 million, but the legislative impact table (page 65) and in the superintendent's letter it is suggested that $45.0 million of local funds paid to charters. How should these numbers be resolved?

At the time the superintendent prepared her budget, there were two items in the budget where costs were projected to be higher than budget.

1) Charter School Pass Through $4.4 million

When Wake County withheld $5,404,578 as an actual enrollment reserve for 2018-19, WCPSS applied this reduction to the charter school line item when balancing the budget. The plan was that when the county released the reserve, we would apply it towards the charter school line item.

2) Unanticipated Transportation Expenses $5.0 million

At the time the superintendent prepared her budget, there were funds available in over/under net savings from adjustments due to second month average daily membership and from position alignment. WCPSS applied these savings towards the transportation budget, leaving a shortage in the charter school budget.

On March 19, the board of education requested the commissioners allocate $4,964,143 for unanticipated transportation expenses. As of now, the commissioners have not taken action on this request. Assuming this appropriation occurs, WCPSS will transfer the net savings previously applied to transportation to cover the shortage in the charter school budget.

This is a timing issue. Per the funding request on page 65 of the Superintendent's Proposed Budget, the cost for charter schools is projected to be $37,994,616 for 2018-19. However, the amount in the budget for 2018-19 for charter schools when the superintendent prepared her budget was $33,584,716, which is $4,409,900 less than needed. At the time the superintendent prepared the budget, WCPSS assumed the county would release the actual enrollment reserve, which would apply towards this part of the budget after the adjustment through transportation. Once applied, that amount would be in the 2018-19 base budget, and would remain in the 2019-20 base budget.

	2018-19	Increase Projected for 2019-20	2019-20	
Charter School Budget when Superintendent's Budget was prepared	$ 33,584,716	$7,000,000	$40,584,716	p. 2, 3, 5, 54
Projected Shortage in charter school funding - WCPSS plans to adjust through a transfer from transportation after Wake County appropriates funds for unanticipated transportation costs	$ 4,409,900		$ 4,409,900	
Projected Charter School Costs for 2018-19	$ 37,994,616	$7,000,000	$44,994,616	p. 65

71) From a communication standpoint, I wonder whether we should prepare two separate Local Revenue and Local Budget tables (top of page 5). I believe there tends to be some confusion between the county appropriation, and the other local funding. Things like tuition and fees and child nutrition are specifically committed funds that, if I understand correctly, cannot be shifted to cover other expenses. By contrast the county appropriation is the primary budget line where the Board (and the school system) can re-prioritize by shifting funding from one budget line to another. Of course, transfer of funding to charter schools pertains only to the county appropriation. If the charter transfer is considered with respect to all local revenue the transfer to charters (using the $45 million as noted below) is 7.65 percent of the local revenue. However, the charter transfer only comes from the county appropriation, and as such would be 8.67 percent of that appropriation.

The following revenues support expenditures in the local budget. Multiple revenue streams support multiple expenditure amounts. There is not a one-to-one correlation. This is similar as an example to two individuals in one household having a joint checking account. The wages from both people deposit into one account. They pay living expenses and other costs from the same account. There is not a direct correlation as to which person's income pays which expenses.

- County Appropriation
- Parking Fees
- Regular Tuition
- Fines and Forfeitures

- Interest Earned
- Red Light Camera Fines
- Rebates
- Property Rental
- Indirect Cost
- Cellular Lease
- Fund Balance Appropriation

The county appropriation is not the only item that pertains to the transfer to charter schools. The following revenues are a pass through to charter schools:

- County appropriation in local current expense fund
- Fines and forfeitures
- Tuition and fees
- Red light camera fines

72) On page 5 the projected charter enrollment number is 15,276 whereas in the County's presentation to the joint board meeting they projected 15,701. Both presentations use the same projected WCPSS number of 161,030. How should we understand the extra 425 charter students predicted by the county?

WCPSS sent a confirmation letter to each charter school that currently receives payment from WCPSS. The letter requested each charter school confirm the number of Wake County students attending the charter school in 2018-19, as well as the number of Wake County students projected to attend their school in 2019-20. In addition, WCPSS added the number of Wake County students projected to attend the new charter school opening in 2019-20 per information on NCDPI's website in their application.

WCPSS does not know where Wake County government obtained their projected charter school membership for 2019-20.

Charter School	Total
Cardinal	1,000
Carter Community Charter School	2
Casa Esperanza	595
Central Park	18
Central Wake	264
Chatham Charter High School	1
Clover Garden	1
Cross Creek	6
East Wake Academy	891
Endeavor	463
Eno River Academy	2
Envision Science Academy	604
Excelsior	7
Expedition	1
Exploris	433
Falls Lake	81
Franklin Academy	1,183
Global Scholars Academy	3
Hawbridge	3
Healthy Start	2

Henderson	4
Institute Development Young Leaders	18
Johnston Charter	84
Kestrel Heights	17
Longleaf School of the Arts	325
Magellan	399
Maureen Joy Charter	3
NC Connections	308
NC Virtual Academy	276
Neuse Charter	12
Oxford	2
Pave SE Ral	482
Peak Charter Academy	673
Pine Springs Prep	792
PreEminent Charter	594
Quest	129
Raleigh Charter	547
Raleigh Oak	229
Reaching All Minds	2
Research Triangle Charter Academy	31
Research Triangle High	292
Rolesville Charter	568
Sallie B Howard	1
Southern Wake	651
Sterling	490
Torchlight Academy	681
Triangle Math & Science	1,095
Vance	1
Voyager	34
Wake Forest Charter Academy	590
Willow Oak	6
Wilson Preparatory Academy	7
Woods Charter	25
Youngsville Academy	71
New Charter School to open 2019-2020	
Kaleidoscope Charter HS	277
TOTAL	**15,276**

73) This year (2018-2019) with 13,807 Charter students and 160,471 WCPSS students, charters made up 7.9 percent of the enrollment receiving a portion of the County Appropriation. Using the above WCPSS numbers, this increases to 8.7 percent (or using the County's numbers 8.9 percent) projected for the 2019-2020 school year. Is it correct that this means for every $1 the county appropriated for K-12 education by Wake County, 8.7 cents will be paid to charter schools, leaving only 91.3 cents available to WCPSS? Is there any local appropriation for which the 8.7 percent "Charter Tax" does not apply? (i.e. does a per capita share of the County Appropriated funds to repair the school bus engines get transferred to charters even though they do not have the busses to repair?)

Put another way, is the following correct.

Because a per capita fraction of the local appropriation must be transferred to charter schools, if WCPSS has a $1 million local need, then in 2018-19 it needed to ask for a $1,085,776 local appropriation, but in 2019-2020 to cover that same $1 million local need it must ask for a $1,095,290 local appropriation. Furthermore, because this is a function of differential growth (i.e. charters growing faster than WCPSS), the required 1 percent increase in appropriation to cover a WCPSS fixed local cost translates into a 1 percent increase in the per-capita value transferred to charter schools, such that charters receive more $ for each student, as well as an increase in the total transfer because of their increased enrollment.

The following revenues are paid as a pass-through to charter schools:

- County appropriation in the local current expense fund (does not include county appropriation applied to the capital outlay fund or to the other restricted fund for the Crossroads lease)
- Fines and Forfeitures
- Tuition and Fees
- Red Light Camera Fines

The amount of funds WCPSS distributes to charter schools fluctuates each month based on the following variables:

- WCPSS student membership
- Charter school membership of WCPSS students
- Collections of local current expense revenues

It is accurate that approximately 8 percent of the local current expense portion of the county appropriation passes through to charter schools.

74) Page 64 - Charter schools - More fully describe the flexibility charters have for transportation, meals, calendar, length of school year/day, observance of holidays and minimum teacher workdays, vacations, etc. Charter contributions to state benefit programs? Clarify what local funds are in the pot distributed to charters whether they provide the service or not. Need clear, definitive descriptions.

Charter schools are public schools of choice that are authorized by the State Board of Education and operated by independent non-profit boards of directors. State and local tax dollars are the primary funding sources for charter schools, which have open enrollment and cannot discriminate in admissions, associate with any religion or religious group, or charge-tuition. Charter schools operate with freedom from many of the regulations that govern district schools, but charter schools are held accountable through the State assessment and accountability system.

Here is a link to NCDPI's website with information regarding charter schools:

http://www.ncpublicschools.org/charterschools/

And a link to General Statutes for Charter School Laws.

http://www.ncpublicschools.org/charterschools/policy/legislation/

In particular, this statute is interesting: **§ 115C-218.10. Charter school exemptions.**

Except as provided in this Article and pursuant to the provisions of its charter, a charter school is exempt from statutes and rules applicable to a local board of education or local school administrative unit. (1995 (Reg. Sess., 1996), c. 731, s. 2; 1997-430, s. 4; 2013-355, s. 1(e); 2014-101, s. 7.)

75) Page 53 - Athletic Insurance - Is this pass-thru? Collected from players?

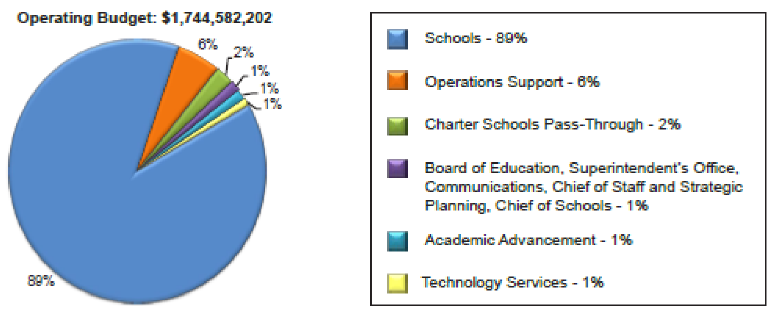
No, this is not a pass-through. We do not collect funds from players. Local funds in the budget pay for scholastic accident insurance. Scholastic accident insurance is not only for athletics. It covers catastrophic insurance for middle school football, field trip accident coverage, band and cheerleading activities. This is secondary insurance coverage.

76) Pages 1 and 2 - Operating Budget – Show charter distribution.

The figures on page one identifies revenue sources for the school system. Pass through payments to charter schools are an expenditure for the school system. We show this on page 2 of the Superintendent's Proposed Budget in the column identifying where local funds are spent and in the pie chart at the bottom of page 2. We will change the description to Charter School Pass-Through in the chart at the top of page 2 to align with the description at the bottom of page 2 in the Board of Education's version of the budget.

The online version of the Superintendent's Proposed Budget includes the charter distribution. This change occurred after the hard copy documents were printed.

The vast majority of the school system's funding, 89 percent, goes directly to the schools, and 2 percent is a pass-through to charter schools. Operations Support which includes Finance, Human Resources, Child Nutrition Services, Transportation, Maintenance and Operations, and Utilities makes up 6 percent. The remaining 3 percent is made up by Academic Advancement (which includes Academics, Special Education, and Student Services), Technology, and the other central services divisions.



The local budget pays for:	
Salaries and Benefits	$392.7 m
Purchased Services	$74.3 m
Transfers to Charter Schools	$40.6 m
Supplies and Materials	$40.4 m
Utilities	$39.7 m
Capital Outlay (mobile units, vehicles, and equipment)	$0.7 m

Local salary supplement for all teachers and school-based administrators is included in salaries and benefits.

FUND BALANCE

77) Where is the list of fund balance one-time expenditures?

The list of fund balance one-time expenditures is in the Revenues section on page 47.

Special Revenue Services				
Beginning Appropriated Fund Balance	$ 4,900,000	$ 6,000,000	$ 1,100,000	
Textbooks and Digital Content Use	5,286,517	-	(5,286,517)	
Carryforward Purchase Orders	1,942,263	-	(1,942,263)	
Class Size Reserve	1,000,000	-	(1,000,000)	
Utilities Increase	1,000,000	-	(1,000,000)	
Curriculum Resources	750,000	-	(750,000)	
Workers' Compensation Claims	600,000	-	(600,000)	
General Liability Claims	500,000	-	(500,000)	
Startup Dollars - New Schools	129,683	-	(129,683)	
Salary Audit	57,192	-	(57,192)	
Carryover Hurricane, Flood, and Fire Losses	25,296	-	(25,296)	
Preparing and Archiving Student Records	16,068	-	(16,068)	
Subtotal Special Revenue Services	**$ 16,207,019**	**$ 6,000,000**	**$ (10,207,019)**	**(63%)**

78) **Page 40 - Fund balance - Suggest including "actual" in description: ...revenues over actual expenditures"…**

We can change the first sentence to read:
"Fund Balance is the excess of actual revenues over actual expenditures." This change will be in the Board of Education's version of the budget.

MISCELLANEOUS

79) **In our legislative agenda we request to be granted the same sales tax reimbursement that is afforded to other government agencies. Approximately how much of our budget is paid in sales tax that could otherwise be allocated for educational purposes should such a sales tax reimbursement be granted?**

In 2017-18, approximately $4 million was paid in sales tax for purchases and services received for the school system. WCPSS was reimbursed $1.2 million for the local sales tax with $2.8 million paid and not reimbursed for state sales tax.

80) **I understand that our budget process follows certain statutory requirements and must be submitted for approval, most often before we actually know how much money we will be allotted each year from the state.**

Can you provide me with the last 4 years of the starting projections for state money for WCPSS derived from the governor's budgets that WCPSS staff used as the starting point for the superintendent's budget each of the past four years?

Can you provide me with the last 4 years of the actual state money provided to WCPSS under the budgets adopted by the general assembly each year?

I am trying to compare the ranges each year from where we began in our state budget assumptions and where we ended up after the legislature ultimately approved the state budget.

The following table shows the difference between the Superintendent's Proposed Budget and the actual budget at the end of the fiscal year for the past four years for state sources.

	2015-16	2016-17	2017-18	2018-19
Superintendent's Budget	$ 827,042,982	$ 873,867,529	$ 922,271,164	$ 974,015,166
Final Budget	$ 852,591,617	$ 890,206,395	$ 935,831,836	$ 975,937,421
Difference	$ 25,548,635	$ 16,338,866	$ 13,560,672	$ 1,922,255
Percentage	3.09%	1.87%	1.47%	0.20%

The starting projections are not derived from the governor's budget.

81) **Looking at "Potential Risks" (reference: Page 8 of the budget document), the section discusses necessary Oracle migration (moving HR data, I believe) and states that the money for this should be provided by the state but might not be.**

a) **If DPI does <u>not</u> fund this task, how much will be needed to complete the migration?**

- Cost for cloud subscription: $1.2 million
- Cost for implementation: $10-14 million estimated

b) Is this an expense that will need to be assumed immediately, could it be completed and paid incrementally, or could it be deferred? Are there any penalties or contractual obligations we should be aware of regarding this work?

- Oracle bills us quarterly in arrears.
- We are not able to defer payment.
- At this time, we have no contractual obligation.

*State will be announcing the award for contract of Business Modernization in the next few weeks. We were told that one year of subscription plus implementation costs will be funded by the state. We will know more after the contract has been announced.

82) Many in community continue to claim that WCPSS is heavy in central services administration. Past audits have found that not to be the case. There is no increase for the Superintendent or Assoc/Dept Supt positions in this budget. (page 55) Please provide current information on Central Office staffing as percentage of overall budget.

See page 57 of the Superintendent's Proposed Budget. There is a change in the assistant superintendent category. A funding request on page 139 requests 12 months of employment to continue funding one area superintendent. A funding request on page 147 reflects a decrease of 12 months of employment due to the end of the elementary support model. There is zero change in total. The area superintendent previously supporting schools in the elementary support model will continue to serve schools. There will likely be a redistribution of schools among all area superintendents. There will be a fair distribution of the number of schools each area superintendent supervises and supports.

Refer to page 56 in the Superintendent's Proposed Budget. Central Services months of employment for staffing are 5% of the total months of employment for the school system. Central services staffing is more than the Superintendent's Leadership Team.

83) Please provide a short summary describing the difference between the capital and operating budgets. Many in the community ask about how the passage of the bond impacts our operating budget.

See page 1 of the Superintendent's Proposed Budget.

The Operating Budget pays the for day-to-day costs of operating the school system, such as salaries and benefits, purchased services, supplies and materials, maintenance, transportation, and utilities. This is the current expense portion of the operating budget. The capital outlay portion of the operating budget includes vehicles and equipment. The primary sources of funding for the operating budget are state, federal, and county tax dollars, as well as, grants, fees, fines and forfeitures, and interest income.

The Capital Improvements Budget, or the building program, pays for design and construction of new schools, expansion of existing schools, and major renovation and replacement of older facilities to meet educational standards. The issuance of bonds, where voters authorize the state or county to borrow money, pays these costs. County revenues pay the bonds over a number of years.

84) Page 1 - Operating Budget – In some way demonstrate that the NC Lottery does not write a check to LEAs.

DPI distributes lottery funds directly to the county.

PUBLIC SCHOOLS OF NORTH CAROLINA
STATE BOARD OF EDUCATION William C. Harrison, Ed.D., *Chairman*
DEPARTMENT OF PUBLIC INSTRUCTION June St. Clair Atkinson, Ed.D., *State Superintendent*
WWW.NCPUBLICSCHOOLS.ORG

July 26, 2018

MEMORANDUM Page 1

To: Loretta Alston 919-856-6880
Wake County

Mark Winters 919-431-7563
Wake County Schools

From: Dennis Hilton, School Planning Consultant
NC Department of Public Instruction

The below listed Application(s) have been approved for transferring the following funds from the North Carolina Education Lottery Fund and/or ADM Fund, through the Public School Building Capital Fund:

	Project Title	ADM Fund	Lottery Fund
1.	2017-18 Debt Payment - 2009B General Obligation Bonds	$0.00	$8,243,695.95
	Total this month:	$0.00	$8,243,695.95

The funds, as noted above, will be transferred to the county disbursing account in the State Treasurer's Office on the last day of this month and will be available for drawdown on the first or second working day of next month. Questions concerning the disbursing account, checks, signature cards, etc. should be directed to Mr. Mark Carlson, Disbursing Account Services Supervisor, in the State Treasurer's Office: Phone Number 919-814-3904.

A final report is required showing the actual state and local expenditures and the actual completion date. If the expenditures of state funds are less than the amount approved and transferred to the disbursing account in the State Treasurer's Office, request that the balance be released from the disbursing account for re deposit into the county account in the Public School Building Capital Fund for reallocation to additional construction projects.

If you have any questions, please do not hesitate to call.

85) Page 29 - Leadership positions - Are the open positions (pages 27-31) fully funded?

See page 8 of the Superintendent's Proposed Budget. All vacant positions in the budget are not fully funded.

Lapsed Salaries
The budget includes 5,000 months of employment, or approximately 500 positions or $19.0 million, to be paid by lapsed salaries. This equates to 2.4 percent of all months. The typical vacancy rate has been 4.8 percent. There is less opportunity to fund positions through lapsed salaries now that schools participating in the Restart Model retain their lapsed salaries and benefits for other uses at the school.

Of the 5,000 months budgeted to be paid from lapsed salaries, 60 months are for central services administrators at the administrator level and above. The organization charts on pages 27-31 display positions at the senior director level and above.

The areas where lapsed salaries are applied in the budget may differ from where vacancies occur. Budget transfers are processed as needed based on projections for actual salaries and benefits.

86) Page 29 - Facility Design & Construction - Is this position missing? Explain please.

The senior director level people in Facility Design and Construction are under contract arrangements with WCPSS. These individuals are not employees and therefore are not displayed in the organization chart.

87) Page 67 - Retirement benefits - Describe the current state of benefits for current and future hires. What changes when?

Prior to 2006, teachers needed 5 years of experience to receive retiree health benefits upon retirement. Since Oct 2006, they have needed 20 years. Currently, employees hired after January 2021 will not receive retiree health benefits.