



Strategic Budget

Realignment

Board Finance Committee | March 25, 2025

Strategic Budget Realignment

Today

- Brief background leading to the need to repurpose existing operating budget
- Overview of repurposing recommendations
- No easy decisions
- Recommendations are made to mitigate impact on core business
- WCPSS ranks at the bottom of per pupil funding in the country, yet results belie this
- Margins have long been eliminated
- Any recommendations will indirectly or directly impact our mission

Strategic Budget Realignment

Context & Landscape

- Looking back to the Board's December 2024 Retreat
- Over \$60 million in estimated local funding needs to support 2025-26 operations
- Forecasted Wake County Revenues not in support of that level of increase
- Information presented again at Joint Boards Meeting in 2025
- With additional issues now at the Federal level
- Proposed Budget includes Strategic Repurposing (reductions to existing base budgets)

Strategic Budget Realignment

Context & Landscape

- Budget presented in uncertain times
- Federal funding supports the State & Wake County
- Federal funding changes for state/county can have implications for WCPSS
- WCPSS also receives Federal funding directly via NC DPI passthrough
- Will the state mirror actions at the federal level?
- One thing is certain → Uncertainty will prevail

Strategic Budget Realignment

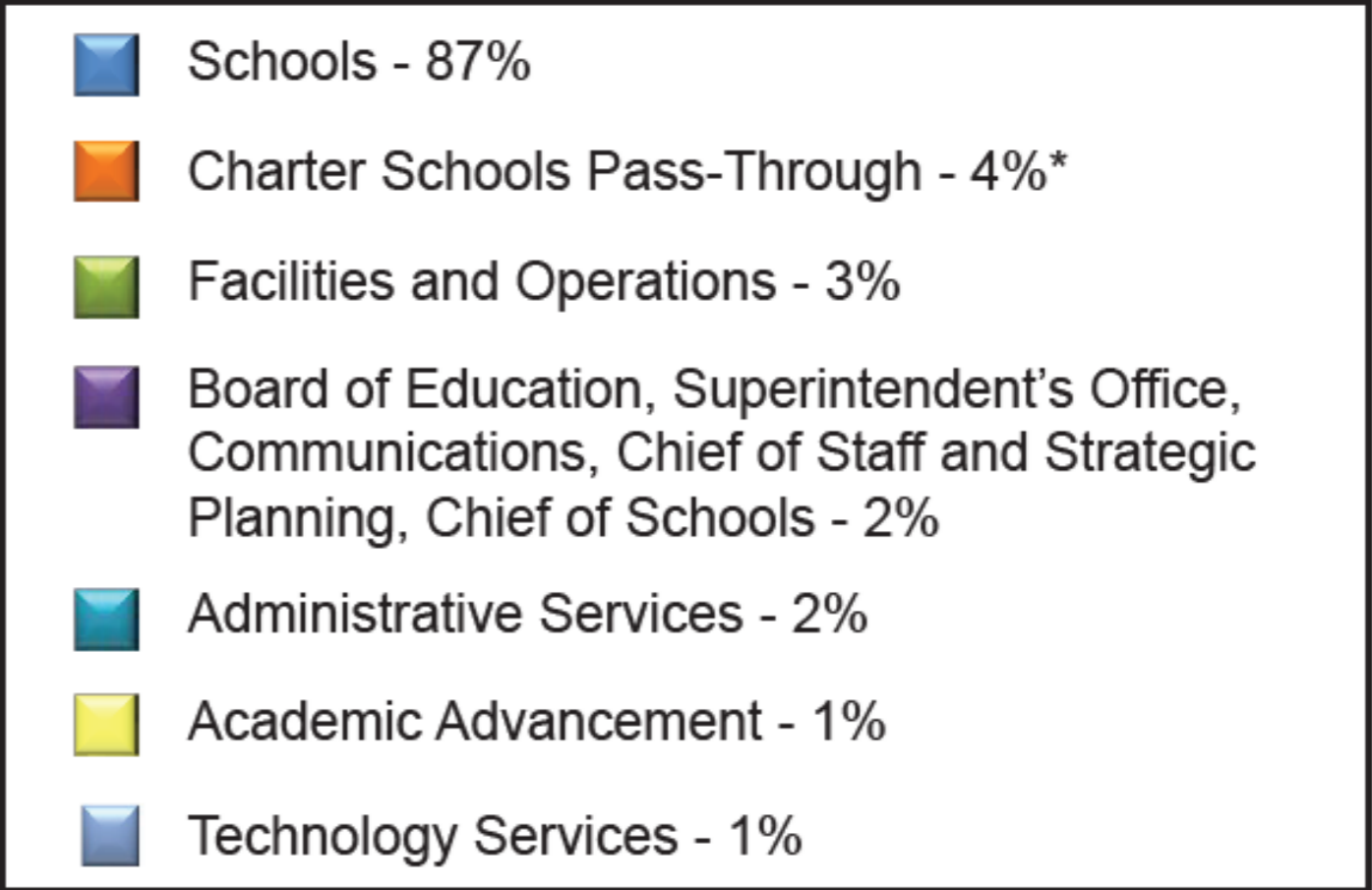
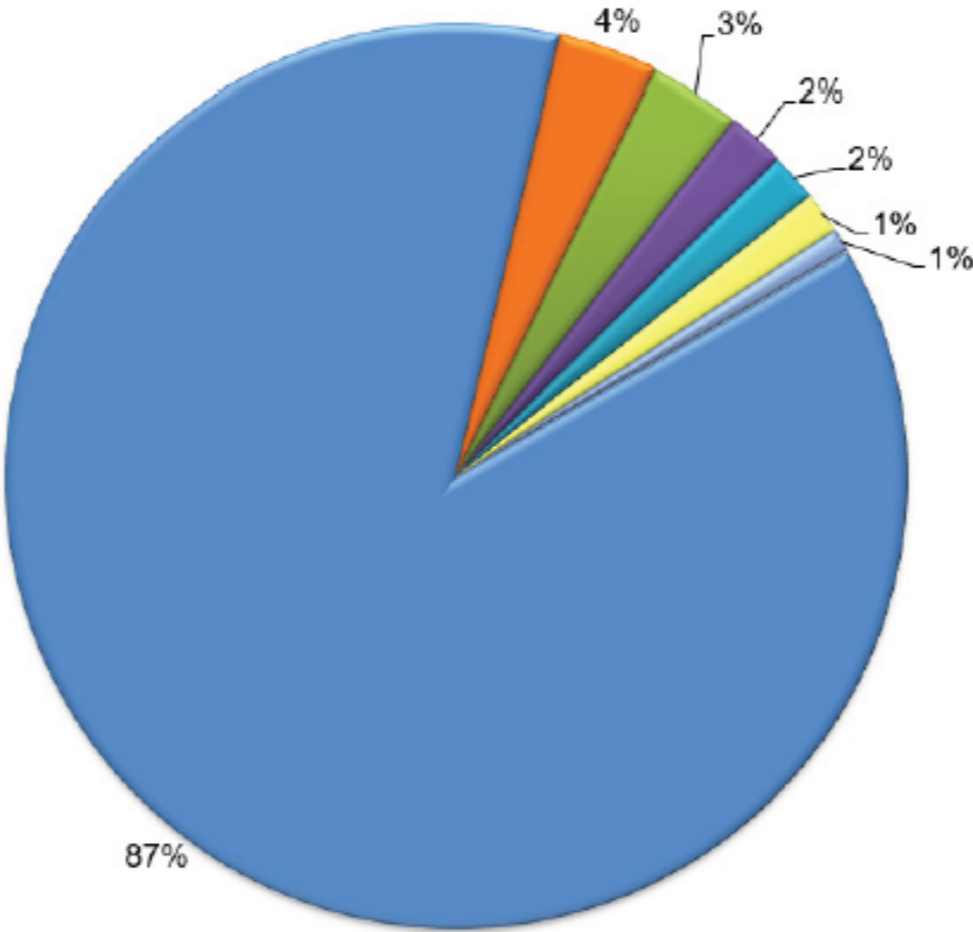
Context & Landscape

- WCPSS must identify local funding to:
 - Support the opening of 4 new schools
 - Fund state legislated increases to employee benefit rates
 - Fund state legislated increases to compensation schedules
 - Increases legislatively required to pass through to charter schools
 - Provide Program Continuity for Behavioral Health Support Services for students

Strategic Budget Realignment

- Requested county appropriation increase will not meet need for additional local funds required
- Repurposing existing budget to provide funds to fill gap
- Extremely difficult decisions
- 90% of our budget goes to schools
- Direct school funding, student transportation, utilities & maintenance of the buildings, CNS
- Any decisions will have indirect or direct impact on core business

Operating Budget: \$2,280,775,948



*Charter schools receive state funds directly from NCDPI. The local pass through to charter schools represents 11% of the local funds due to charter schools.

Systemwide

> Employer contributions for dental insurance

Remove employer contributions for dental insurance effective January 2026

- Estimated additional cost for employees is \$28/month (\$336 annually)
- 16K employees currently participate

\$2.5M

Chief of Schools

> Adjustments to Staffing Levels

Five positions previously funded by local resources have been removed as part of budget adjustments.

- **Senior Leadership** | Remove the expansion of vacant Area Superintendent, Special Assistant, and Administrative Assistant positions
- **Student Assignment** | Remove vacant Director position
- **Student Assignment** | Shift one position off local funds to building program

\$0.4M

Chief of Schools

> Reduction to Supplies, Materials

- **Magnet Programs:** Reduction in non-personnel budget
- **Geospatial:** Reduction in supplies and materials
- **Real Estate Services:** Reduction in supplies and materials
- **Student Assignment:** Reduction in workshop and printer costs

\$0.2M

Administrative Services

> Adjustments to Staffing Levels, Contracted Services

- **Talent Acquisition:** Removal of vacant Senior Administrator position
 - Removal aligns with removal of 10th Area Superintendent
- **Administrative Services:** Reduction in contracted services
 - Optimize cost efficiencies by leveraging strategic negotiations and premium adjustments to drive sustainable financial savings

\$0.6M

Academic Advancement

> Adjustments to Staffing Levels, Contracted Services

- **Digital Learning:** Removal of (10) Coordinator positions
- **Academic:** Reduction in supplies and materials
- **Health Services:** Removal of (5) vacant certified nurse positions
- **Academic:** Fund balance appropriation of one-time settlement funds

\$4.0M

Facilities and Operations

> Adjustments to Purchases and Contracted Services

- **Transportation:** Reduction in fuel purchases
- **Transportation:** Reduction in contracted services
- **Custodial:** Reduction to contracted services
- **Regional Maintenance:** Reduction to contracted services
- **Energy and Physical Plant:** Reduction to contracted services
- **Grounds Maintenance:** Reduction to contracted services

\$2.7M

Communications

> Adjustments to Software

- **Communications:** Elimination of Let's Talk (customer service forms). Schools will transition back to email, phone and Contact Us forms (via Google Form).

\$0.2M

Superintendent's Office

> Adjustments to General Expenses

- **Superintendent's Office:** Reduction in membership dues
- **Superintendent's Office:** Reduction in travel expenses
- **Superintendent's Office:** Reduction in supplies and materials

\$56K

Board of Education

> Adjustments to Software and Supplies

- BOE: Reduction in computer software
- BOE: Reduction in supplies

\$6K

Technology

> Adjustments to Contracted Services, Software

- **Non-renewal of Oracle Bridge Support contract** - Bridge Support is no longer needed due to the successful Oracle upgrade to 12.2 version.
- **Non-renewal of IBM MaaS360 License for Android** - Migration from Android to iPhones for M&O staff eliminates the need.
- **Non-renewal of contracted services** - Resources are strategically realigned to minimize dependence on external services.
- **Non-renewal of SignUp Genius software** - Software is now unnecessary due to process changes.

\$0.3M

Chief of Staff

> Adjustments to Contracted Services, Software

- **Senior Leadership:** Removal of vacant Assistant Superintendent position
- **Chief of Staff:** Reduction in general budget

\$0.4M

Schools

> Removal of Building Substitutes

Backfill with regular substitute pay. HR will work closely with affected staff to identify potential opportunities within the district and provide support throughout the transition process.

\$3.7M

Schools

> Adjustments to Clerical Staffing Levels

No impact on positions such as lead secretary, student information data manager, bookkeeper, registrar, and receptionist. HR will work closely with affected staff to identify potential opportunities within the district and provide support throughout the transition process.

- **Schools:** Remove additional school secretary position in the high schools
- **Schools:** Revise allotment bands for clerical months of employment based on school size at the middle and high schools

\$2.7M

Schools

> Adjustments to Restart Allotments

Reduce resources for Area Superintendents to use for allotments beyond formula for Restart schools from \$6 million to \$5 million

\$1M

Schools

> Adjustments to High School Assistant Principal formula

Adjust Assistant Principal formula by 100 students per tier at high schools

- **Will impact 9 high schools** - Note some of these positions would have been impacted because of student enrollment changes outside of this budget proposal

\$727K

Schools

> Reductions to instructional supplies

Reduce instructional supply allotment to schools from \$65.72 to \$60.72

\$0.8M

Schools

> Adjustments to counselor and social worker positions

Reduction of funding for Counselor & Social Worker positions

- Total number of positions district wide will be reduced by 20
- As positions become vacant, they will be removed
- Allotment formulas have been revised to align with changes

\$1.6M

Schools

> No changes to Extra Duty pay scale

Extra duty pay scale will remain at 2024-25 levels for 2025-26.

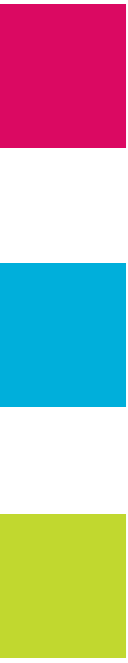
Strategic Budget Realignment

Summary of Today's Review & Next Steps

- Brief background leading to the need to repurpose existing operating budget
- Overview of repurposing recommendations
- No easy decisions
- Recommendations are made to mitigate impact on core business
- WCPSS ranks at the bottom of per pupil funding in the country, yet results belie this
- Margins have long been eliminated
- Any recommendations will indirectly or directly impact our mission
- Board Budget Work Sessions on April 8, April 22, & April 29 as needed

Strategic Budget Realignment

Q&A





Strategic Budget

Realignment

Board Finance Committee | March 25, 2025