



Winston-Salem/Forsyth County Schools
Executive Summary
August 12, 2025

The Winston-Salem/Forsyth County Schools (WSFCS) engaged HIL Consultants to comprehensively assess the budget deficit, propose strategies for balancing the 2025-2026 fiscal year budget, and recommend best practices and efficiencies for sustainable cost savings. HIL Consultants has supported over 85 North Carolina public school districts, as well as several public-school districts across three states during the past 15 years. Our recommendations are grounded in industry best practices and proven efficiencies gained through our extensive experience in public education. Since initiating our collaboration with WSFCS, we have identified and put forward the following recommendations to address and ultimately eliminate the budget deficit in excess of \$46 million.

Observations:

- Legacy manual processes make it difficult to determine the actual cost and salary projections. Example: The district is still using paper timesheets filled in by employees which then are keyed manually into payroll. (We understand the district is in the process of automating timekeeping in the near future.)
- Active employees and some past retirees receive free dental coverage costing the district over \$2 million annually.
- HIL's site visits and remote work reviewing reports generated by the district reflect significant differences in potential cuts. This is partly due to the district trying to get a comprehensive dollar value on both payroll and non-payroll projections. Historically there have not been verifiable allotment formulas used for both certified and non-certified staff, resulting in over hiring without sufficient resources.
- The staffing for the Exceptional Children's programs significantly exceeds those of NC State standards and those of comparable size districts. For example, an exceptional children resource teacher may be serving only 12 to 15 students when the state standards allow up to 35 students to serve in the elementary grades and up to 50 students in middle and high schools. WSFCS is currently supplementing the Exceptional Children's program from regular instructional funds approximately \$30 million in excess of the Exceptional Children's PRCs.
- For the 2025-2026 school year, the State funds 51.5 ten-month assistant principals. WSFCS currently employs 149 assistant principals. All assistant principals are presently employed on either an 11-month or 12-month contract. The assistant principal allocation from the state may be reduced once the General Assembly passes a full budget.

Recommendations:

The following recommendations are based upon HIL conducting independent studies by HIL program consultants with extensive experience in the respective program areas and CPAs.

- The district should consider an independent review of the Exceptional Children's program staff ratios and processes for identifying students. Our most recent studies for districts resulted in right sizing the EC program staffing and still providing quality services to students with needs. The current trajectory for WSFCS indicates the district cannot continue to sustain the current level of staffing and funding without significant additional resources. HIL recommends the district make reductions to the current fiscal year EC budget.
- Recommend the district consider employees begin paying their dental premium beginning with the new year January 1, 2026. The dental premiums would be included in the voluntary deduction offerings and would be deducted before tax. Most districts no longer offer employer paid dental programs. This change will save WSFCS over \$2 million annually.
- HIL recommends the district review central services staffing and consider obtaining an independent assessment to identify potential efficiencies in services provided to schools. Central services departments, including all program areas, and non-certified employee support groups should be appropriately staffed to deliver quality service to both schools and the community. We understand 81 central services staff and vacancies were cut from the proposed 2025-2026 budget, but additional reductions should be made to central services support staff and to the school-based support positions.
- Recommend the district review the number of assistant principals and months of employment. The state does not provide an adequate allocation of assistant principals, necessitating that districts rely on local and alternative funding sources. However, WSFCS exceeds the number of positions normally needed for the size of the individual schools in the district. The state is currently allocating one month of an assistant principal for every 98.53 students or one 10-month assistant principal for a 985-student school. Reducing approximately 50 full-time equivalent assistant principals would save WSFCS over \$5 million dollars. This would still leave 50 additional assistant principals paid from other resources.
- Recommend staff prioritize ongoing coordination with the independent CPA firm to ensure the audit is completed and presented to Board of Education by the November deadline. Any issues that would prevent meeting the deadline would need to be communicated immediately.

Summary

Over 85 percent of the WSFCS budget goes to salaries and benefits. HIL recognizes that staffing cuts are challenging, but the current \$46 million deficit results from ongoing hiring despite declining enrollment. Independent audits show these deficits have persisted for years, so it is unrealistic to make all necessary cuts in a single year. HIL recommends the Board and district leadership begin reducing staff and expenditures in the identified areas immediately. In order to begin reducing the deficit and begin repaying the state and vendors, WSFCS should reconcile the budget to expend less than the amount WSFCS will receive from the Forsyth County Commissioners for the current fiscal year.

Based upon preliminary reports provided by staff, our estimates reflect that funds are not available to begin to repay the County and State for the past fiscal year without significant additional cuts. See attached.