



Interim Budget Process for 2026-27

Budget and Finance Committee Meeting

May 19, 2026

Budget and Finance Committee Meeting

Today

- Discuss interim budget process
- Review state budget information
- Review the process toward a budget resolution
- Share deferred budget issues

Budget and Finance Committee Meeting

Budget Timeline

- May 5 - Wake County Board of Education (WCBOE) approved the Board's proposed 2026-27 operating budget
- May 11 - Wake County Board of Commissioners (WCBOC) budget work session.
- May 12 - NC legislative leaders announce a budget framework agreement
- May 13 - Board of Education's Proposed Budget delivered to county commissioners
- May 18 - WCBOC budget public hearing
- May 21 - WCBOC budget work session
- June 01 - WCBOC budget adoption
- June 16 - WCBOE approves an Interim Budget Resolution for 2026-27

Board of Education's Proposed 2026-27 Operating Budget

County Appropriation Request

The Wake County Board of Education requests an increase of \$25.3 million for 2026-27 for a total county appropriation of \$768.2 million.

	2025-26	Proposed 2026-27	Difference	Percent Increase
County Appropriation				
Current Expense - Recurring	\$ 741,944,152	\$ 767,203,363	\$ 25,259,211	
Crossroads Lease	963,164	971,806	8,642	
	<u>\$ 742,907,316</u>	<u>\$ 768,175,169</u>	<u>\$ 25,267,853</u>	3%
Student Membership				
WCPSS	160,510	160,461	(49)	(<1%)
Charter Schools	18,730	18,939	209	1%
	<u>179,240</u>	<u>179,400</u>	<u>160</u>	<1%
Allocation Per Student	\$ 4,145	\$ 4,282	\$ 137	3%

Interim Budget

§ 159-16. Interim budget.

In case the adoption of the budget ordinance is delayed until after July 1, the governing board shall make interim appropriations for the purpose of paying salaries, debt service payments, and the usual ordinary expenses of the local government or public authority for the interval between the beginning of the budget year and the adoption of the budget ordinance. Interim appropriations so made shall be charged to the proper appropriations in the budget ordinance. (1927, c. 146, s. 14; 1955, cc. 698, 724; 1971, c. 780, s. 1.)

Interim Budget

Interim Budget – What Does It Mean for July 1, 2026

- July 1 budget will align with the Board of Education's Proposed Budget
- Salaries and matching benefits will continue at 2025-26 levels
- Resources are provided for Hilltop Needmore ES, the calendar change at Lake Myra ES, and the addition of 11th grade at Felton Grove HS
- Resources are provided to schools based on projected student membership
- Positions are moved from federal to local for program continuity funding requests (Special Education and Magnet teachers)
- Strategic budget realignment funding request adjustments (reductions) are in place

State Budget

State Lawmakers Agreement– what we know now based on the press conference

- *Agreement has not yet been documented in legislation*
- **Teachers**
 - Starting teacher annual salary of \$48k (current base is \$41k) – 17% increase
 - Average raise of 8% for teachers
 - One-time bonus of \$1,000 for teachers with more than 16 years of experience; \$500 bonus for teachers with less than 16 years of experience
- **Other School Personnel**
 - 3% salary increase
 - One-time bonus of \$1,750 for employees making less than \$65k per year and a \$1,000 bonus for those making higher salaries
- *If budget becomes law before July 1, bonuses will be effective in July. If the budget becomes law later, bonuses will be effective when it passes*

State Budget

State Budget – Next Steps

- Legislature works to complete a comprehensive budget bill including funds for the items in the agreement
- House and Senate approve the budget bill. Republicans control both chambers
- After the budget bill passes, it must go to the Governor
- Governor Stein has ten days to approve and sign the budget, veto the budget, or let it become law without his signature

State Budget

Once a State Budget is Approved

- NCDPI will provide interpretation of legislative changes and initial allotments to school districts
- WCPSS staff will analyze the impact of the legislation and provide updates to the superintendent and his team
- The superintendent will bring recommended budget adjustments to the BOE for consideration and approval
- Additional budget realignment may be necessary since local costs for salaries and matching benefits will likely be higher than estimated in the Board of Education's Proposed Budget
- No funds were in the proposed budget for bonus payments for locally funded employees

Budget Resolution

Process for Applying Salary and Benefit Changes

- Human Resources will update salary schedules and bring to the BOE for approval
- Employees move a step and new salary schedules implemented
- Timing depends on when the legislature approves a budget
- If the state approves a budget in June, it is unlikely the salary roll will occur in July
- It takes time for the analysis and application of legislative changes
- There are limited board meeting opportunities for the board to approve budget adjustments and salary schedules
- One board meeting in July after the July payroll has processed
- Bonuses could be paid based on legislative requirements. If there are local costs, WCPSS will need to identify funds from one-time appropriations or from budget realignment

Budget Resolution

Budget Resolution

- Staff will adjust the budget based on the new salary schedules after they have been implemented (staff has been paid on the new schedule and received retro pay if applicable)
- Data from the end of that month will be used to prepare the budget resolution
- For example, if pay adjustments occur in August, the budget resolution could be brought to the BOE for approval at the second meeting in September
- It is important for the budget to be accurate by purpose code based on how the commissioners allot resources to the school system

Budget Resolution

Historical Timing for Budget Resolution

	State Budget		
	NC General Assembly approves budget	Notes	WCPSS Approves Budget Resolution
2025-26	NA	No budget; NC only state with failed negotiations; operated under a continuing resolution	11/18/2025
2024-25	NA	No budget; relied on second year of 2023 SL 2023-134 and enacted mini-budget bills	10/15/2024
2023-24	10/3/2023	HB 259 SL 2023-134	12/19/2023
2022-23	7/11/2022	HB 103 SL 2022-74	10/18/2022
2021-22	11/18/2021	SB 105 SL 2021-180	2/15/2022
2020-21	NA	Budget stalemate; lawmakers passed numerous mini-budget bills	10/20/2020

Deferred Budget Items

2027-28 \$10.8m

- Special Education – IDEA Grant Carryover will likely be \$4 million less
- Community Schools - \$1 million of utility costs will shift back to local in 2027-28
- Medicaid - Two years of reimbursements will support the 2026-27 budget. Revenues will be approximately \$5 million less in 2027-28
- MSAP Synergy Magnet Grant ends 9/30/27. Teacher positions transition to local funding for approximately \$0.8m

2028-29 \$0.5m

- MSAP Elevate Magnet Grant ends 9/30/28 Teacher positions transition to local funding for approximately \$0.8m

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Questions?





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