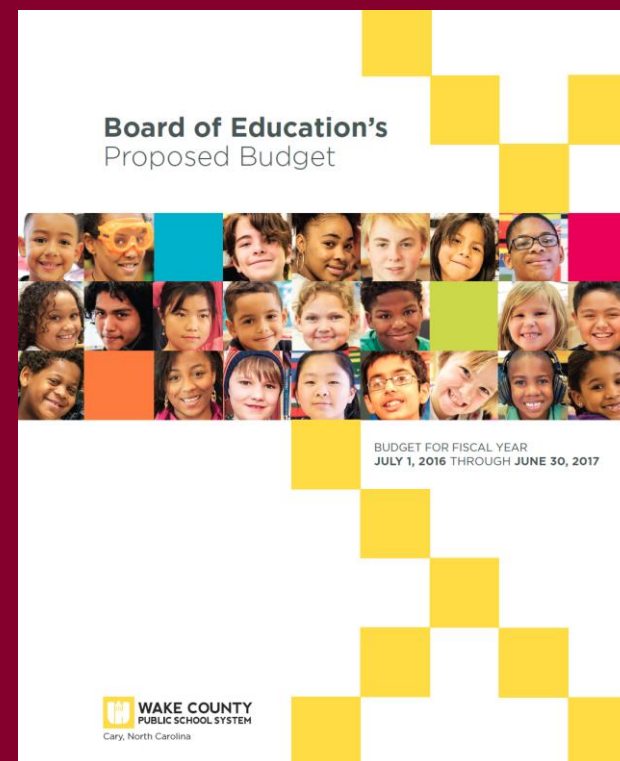


## Operating Budget Overview & Input



# Operating Budget

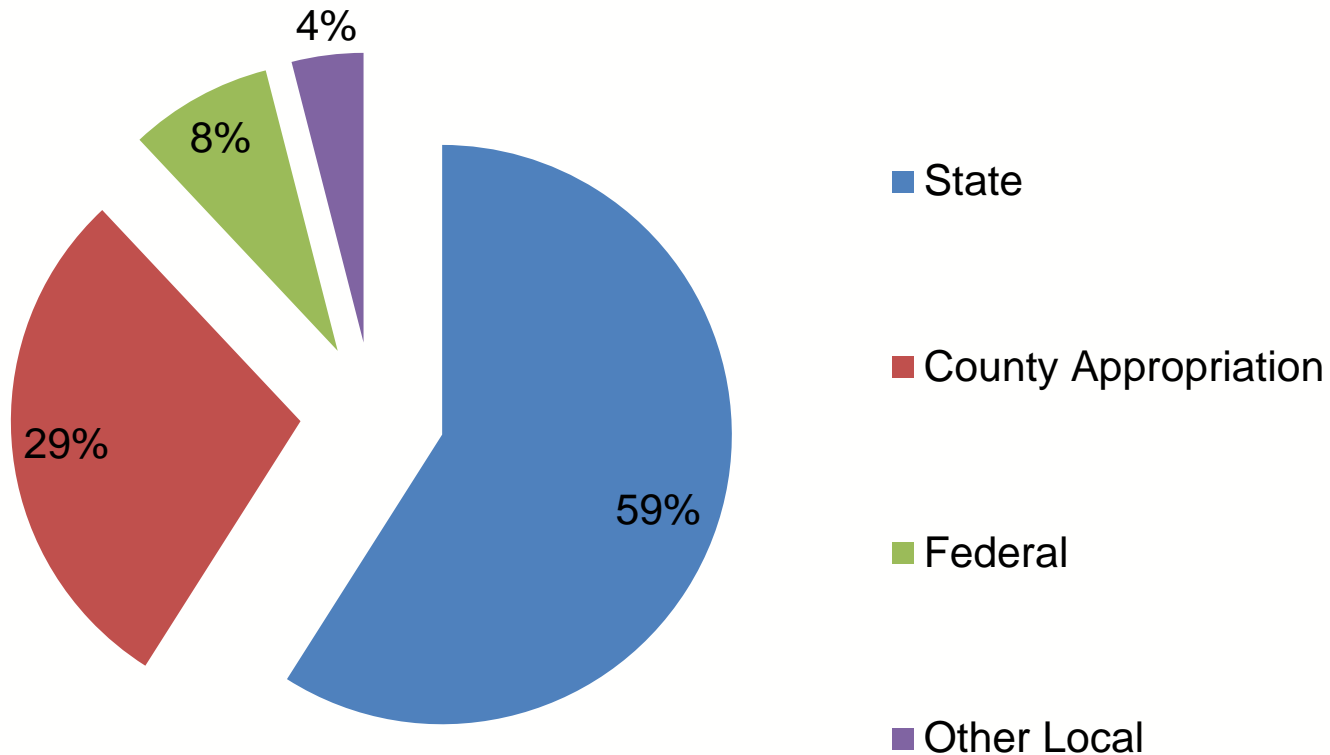
- Overview of WCPSS Operating Budget
- Review budget development timeline
- Discussion & input on priority areas

# Operating Budget

- Boards of Education in NC are different than most of the rest of the country
- Nationally, over 90% Local Board's of Education are fiscally independent
- NC School Boards are all fiscally dependent on:
  - Federal Funding
  - State Funding
  - Local County Appropriation

# Operating Budget

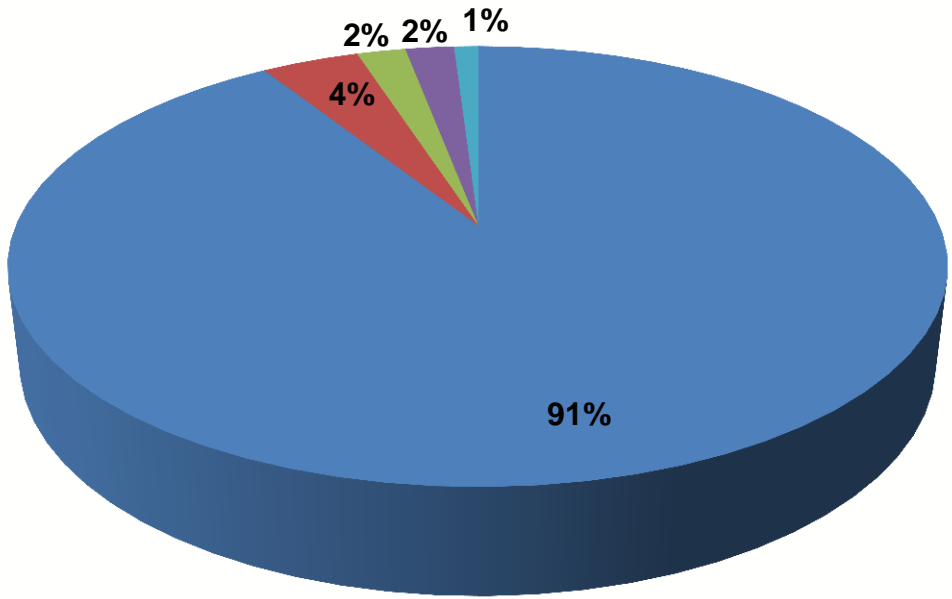
## WCPSS Funding by Source



# Operating Budget

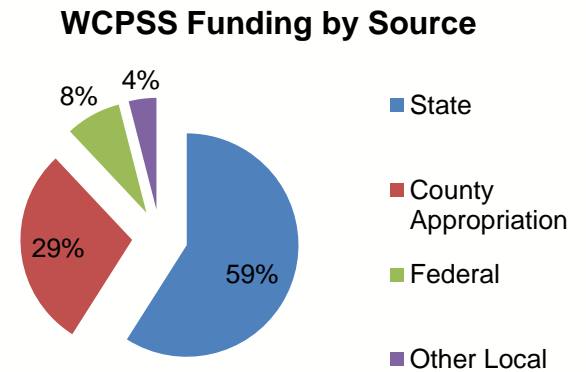
\$1.5 billion operating budget

- Schools
- Transportation, CNS, Maintenance, Utilities
- Administrative Services & Technology
- Academic Advancement
- BOE, Superintendent, COS, Communications



# Operating Budget

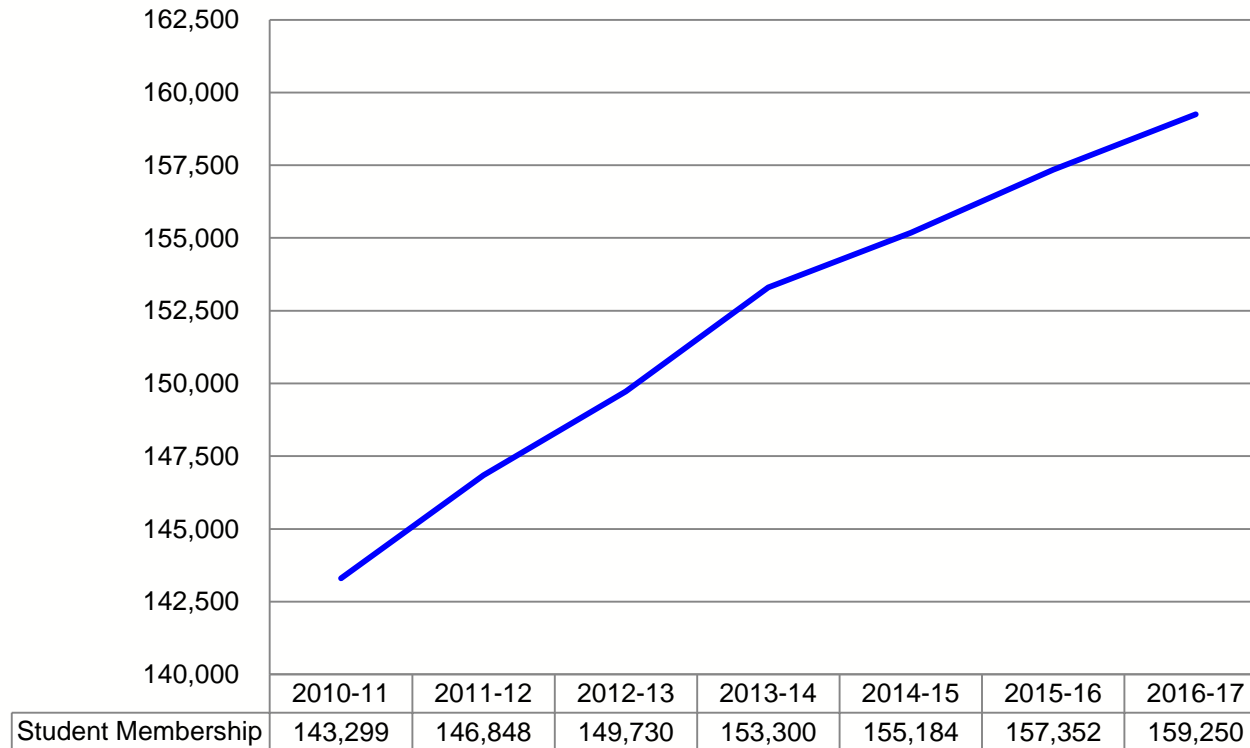
- State Funding & County Appropriation represent **88%**.....
- **State & County decisions frame the budget**



# Operating Budget

*Student growth continues to drive needs*

**2,000 more in 2017-18?**



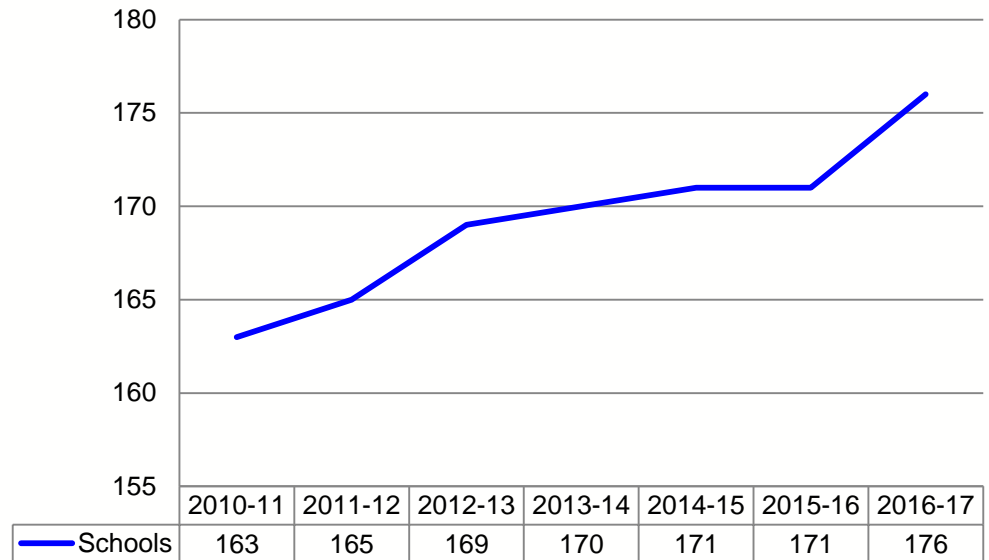
# Operating Budget

*Student growth continues to drive needs*



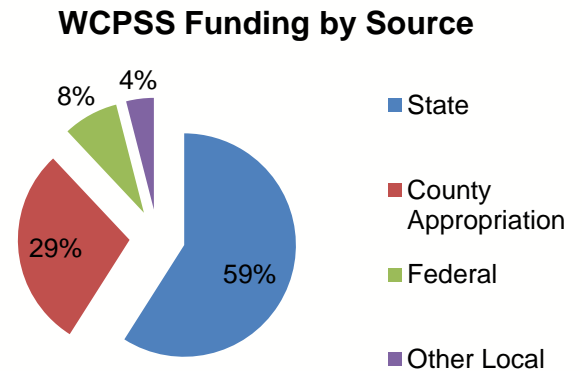
New Schools	Estimated Student Membership
<b>Traditional Calendar</b>	
1. Beaverdam Elementary	688
2. Oakview Elementary	570
3. Pleasant Grove Elementary	507
4. White Oak Elementary	228
<b>Year-Round Calendar</b>	
5. Pine Hollow Middle	801

2017-18 → 4 More  
 2 Elementary  
 1 Middle  
 1 High/Early College



# Operating Budget

- Development begins late Fall of prior year
- Presentation to Board in Spring
- BOE must present Proposed budget by May 15
- BOE must adopt Budget by June 30.....
- ..... & begin operating schools July 1...
- .....usually without knowing its funding.....
- ....fiscally dependent.....



# Operating Budget

## Timeline – Challenges

January or April / ? State Legislature in session / State Budget

June – County Commissioners Adopt County Budget

June 30 – BOE must adopt a Final Budget or Interim Budget.....

Usually without a State Budget.....

And on the heels of learning what the County Appropriation will be.....

County Appropriation more or less than requested / adjustments?

Status of State Budget and implications for WCPSS Budget?

# Operating Budget \*

## Budget at a Glance

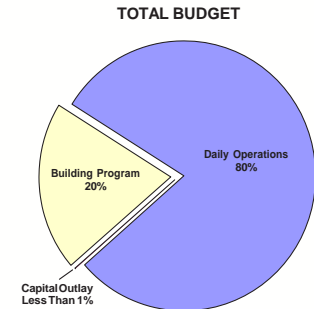
There are two major components of the Total Budget: Operating Budget and Capital Improvements Budget.

**The Operating Budget** pays for day-to-day costs of operating the school system, such as salaries and benefits, purchased services, supplies, maintenance, transportation, and utilities. This is the current expense portion of the operating budget. The capital outlay portion of the operating budget includes vehicle and equipment replacement, leases, and relocation of mobile units. 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.

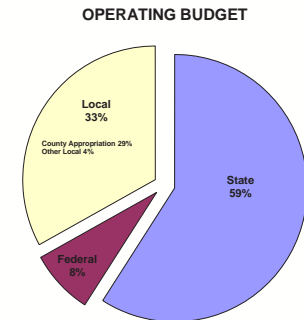
**The Capital Improvements Budget**, or the building program, pays for design and construction of new schools, expansion of existing schools, and major renovation and replacement of older facilities to meet educational standards. The issuance of bonds, where voters authorize the state or county to borrow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

- No control over federal / state funding
- **Limited influence over local funding**
- Local funding constrained by growth

TOTAL BUDGET FOR 2016-17		
DAILY OPERATIONS	\$ 1,469,222,943	80%
+ Capital Outlay (mobile units, furniture, and vehicles)	\$ 1,884,747	<1%
<b>EQUALS OPERATING BUDGET</b>	<b>\$ 1,471,107,690</b>	<b>80%</b>
+ Building Program (provided by taxpayer bonds)	\$ 373,300,000	20%
<b>EQUALS TOTAL BUDGET</b>	<b>\$ 1,844,407,690</b>	<b>100%</b>

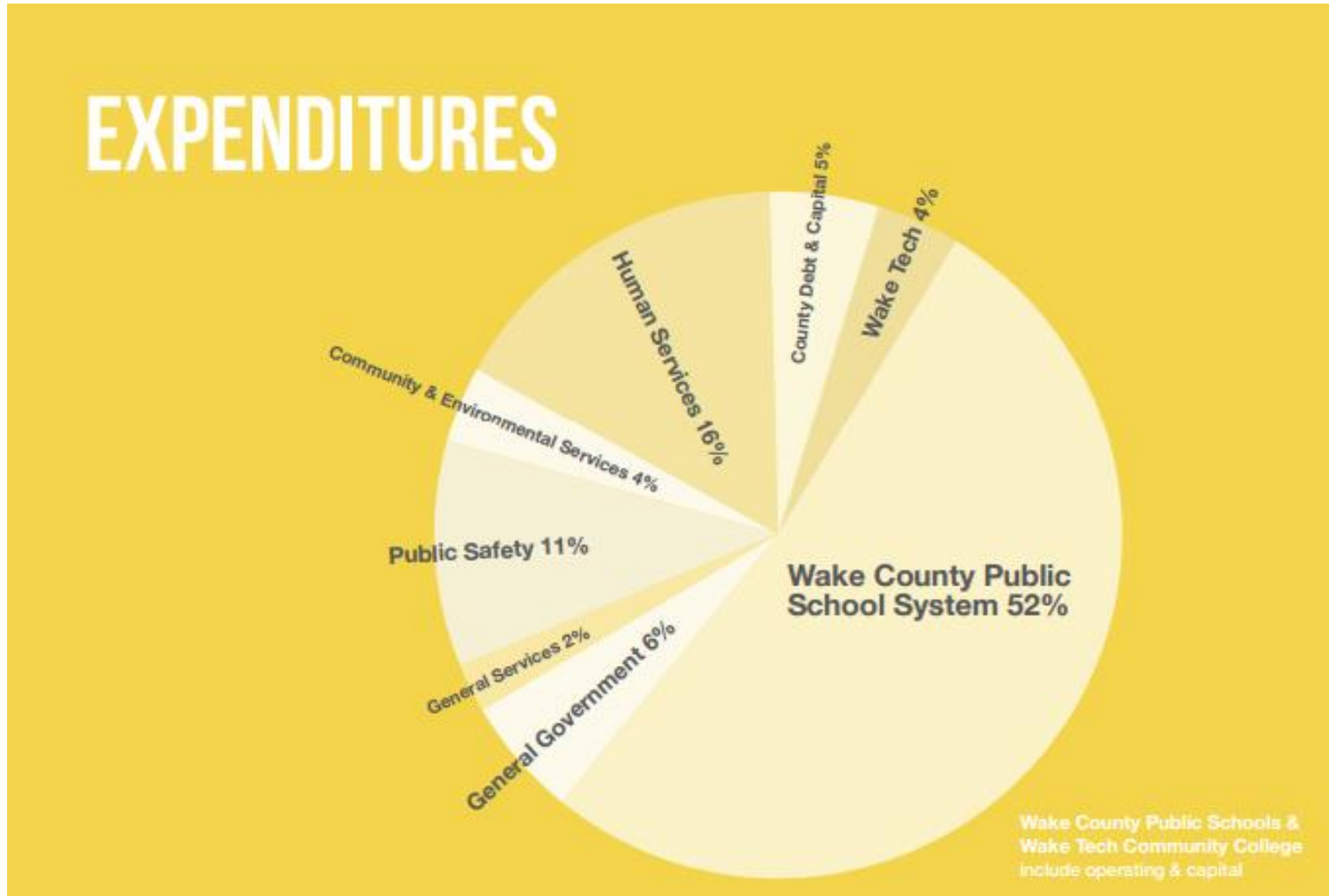


OPERATING BUDGET FOR 2016-17			
	Operating Budget		Per Pupil Budget
State	\$ 873,867,529	59%	\$ 5,487
County Appropriation	\$ 421,749,600	29%	\$ 2,477
Enterprise Funds	\$ 39,077,851	3%	\$ 245
Fund Balance Appropriation	\$ 7,000,000	<1%	\$ 44
Other Local	\$ 8,700,398	1%	\$ 55
Local - Current Expense Non-restricted	\$ 5,825,000	<1%	\$ 34
<b>Local</b>	<b>\$ 482,352,849</b>	<b>33%</b>	<b>\$ 2,855</b>
<b>Federal</b>	<b>\$ 114,887,312</b>	<b>8%</b>	<b>\$ 721</b>
<b>TOTAL</b>	<b>\$ 1,471,107,690</b>	<b>100%</b>	<b>\$ 9,063</b>



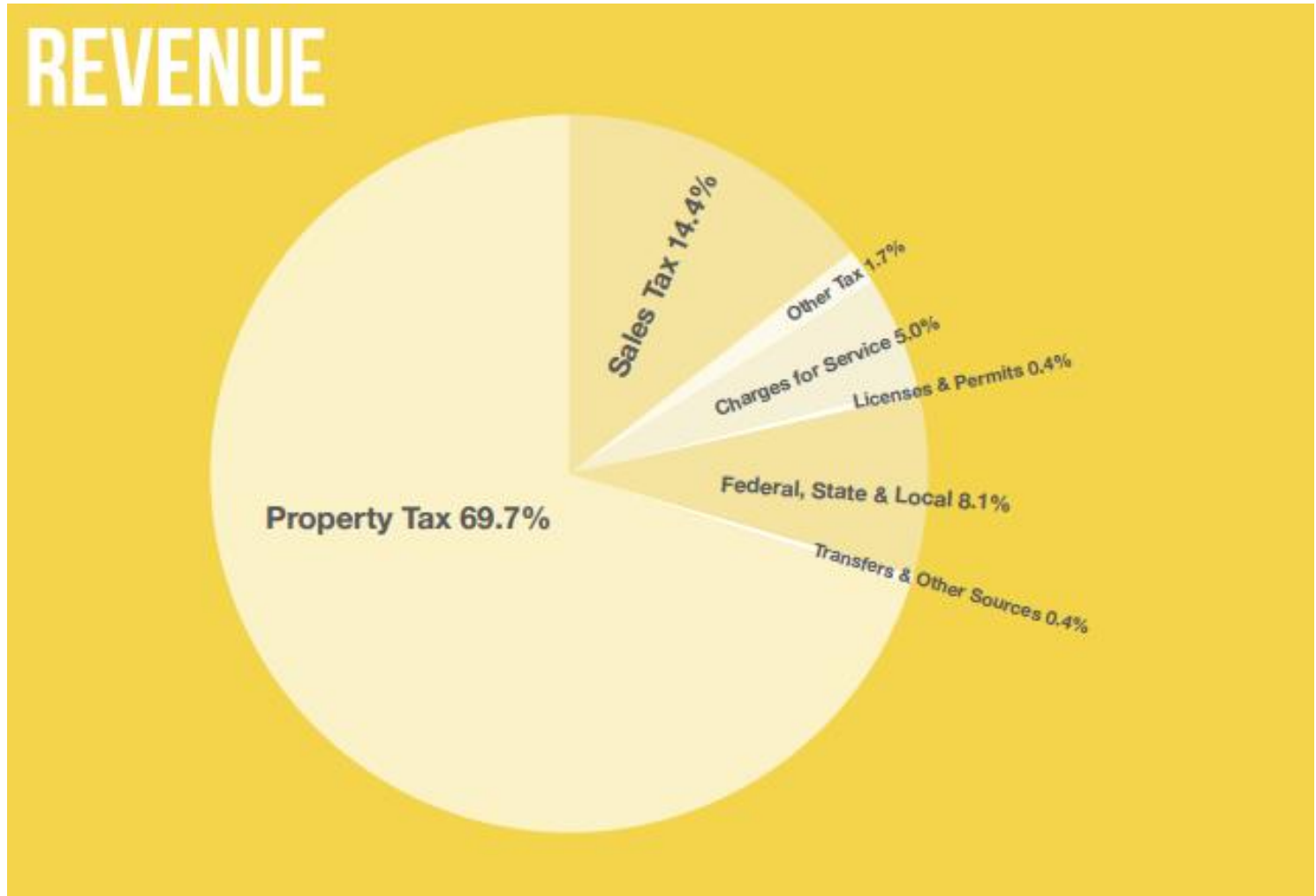
# Operating Budget

## Wake County 2016-17 Budget



# Operating Budget

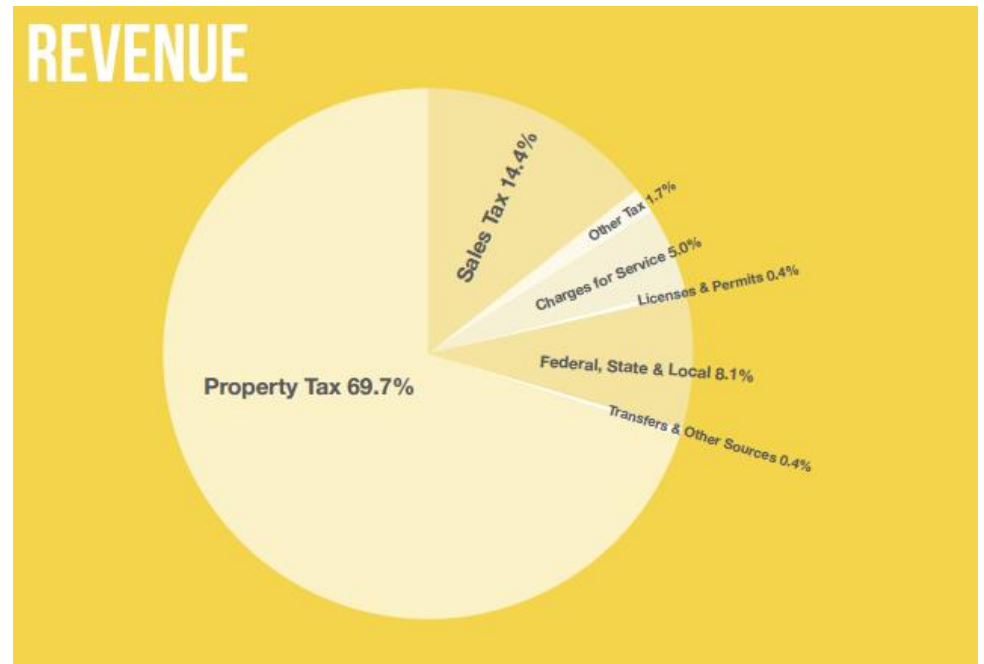
## Wake County 2016-17 Budget



# Operating Budget

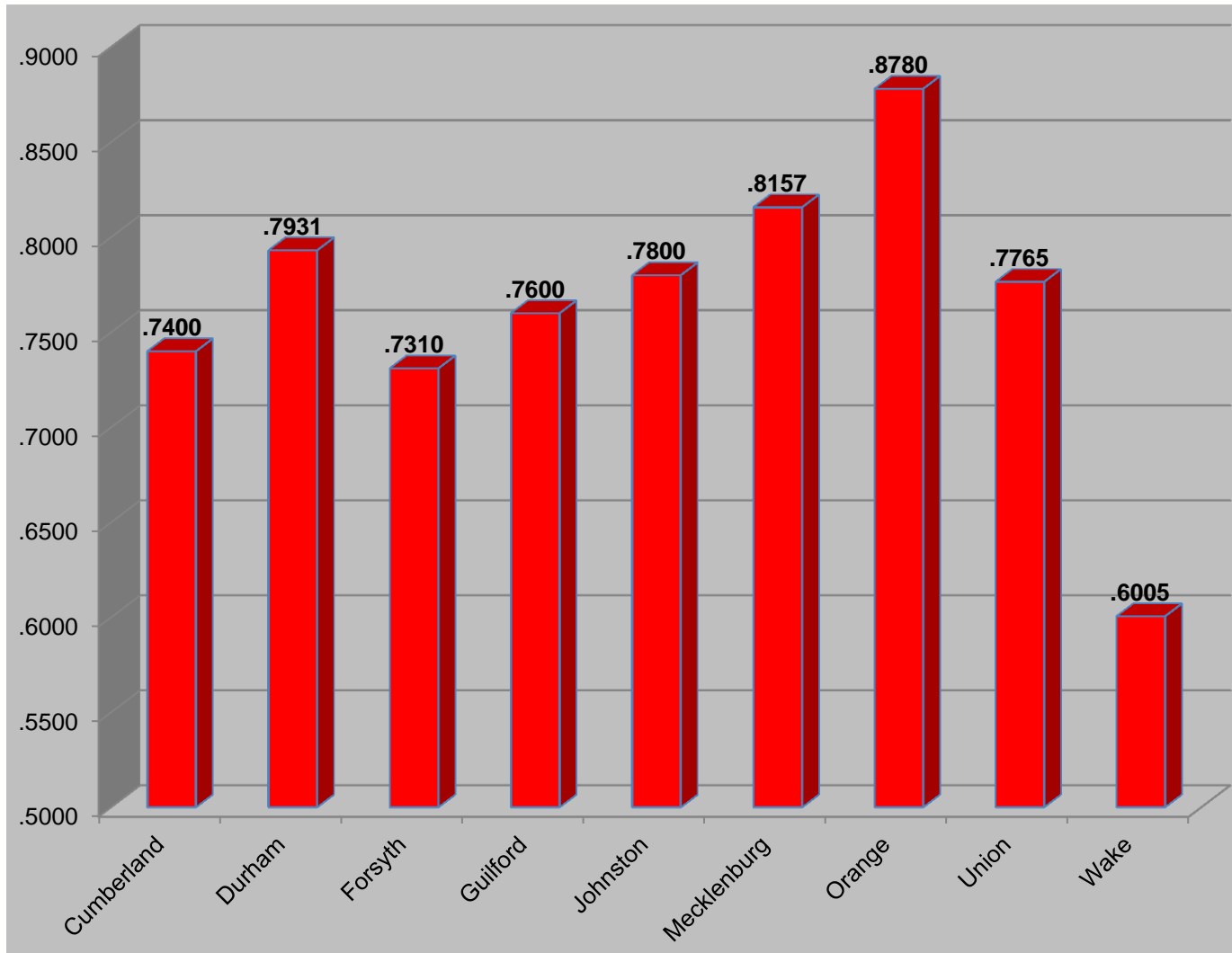
## Wake County 2016-17 Budget

- Property tax generates 70% of all County Revenue
- County sets property tax rate
- Each 1 cent per \$100 valuation generates  $\approx$  \$14 million revenue



# Operating Budget

## Wake County Property Tax



# Operating Budget \*

## Operating Budget

- Growth (\$12.2 m local)
  - Legislative Impact (\$12.6 m local)
  - Program Continuity (\$3.7 m local)
- } 80% of local increase requested
- New / Expanding Programs (\$3.7 m local)
- } 10% of local increase requested
- Other reductions, costs, adjustments (\$3.5 m local)
- } 10% of local increase requested
- Funding New / Expanding Programs limited by funding sustained growth

# Operating Budget \*

## Deferred Needs

The Deferred Needs list indicates business cases considered but not included in the Superintendent's Proposed Budget. The superintendent and staff will analyze the impact of funding later in the summer once the General Assembly approves a budget, the federal government finalizes grant awards, and the county commissioners approve funding for 2016-17. Staff will continue to monitor actual costs and collections compared to budgeted amounts on an ongoing basis to identify savings during the year that could be applied towards these items.

	MOE	Recurring Cost	One-Time Cost	Total Cost
<b>ADDITIONAL COUNTY APPROPRIATION NEEDED TO SUPPORT THE SUPERINTENDENT'S PROPOSED BUDGET</b>				<b>\$ 35,749,600</b>
Teacher and School-Based Administrator Supplement Pay Increase (Years 2-5)	-	\$ 64,000,000	\$ -	\$ 64,000,000
Student/Teacher Device Replacement in Schools	-	8,000,000	-	8,000,000
Implementation of Compensation Study Market Adjustments	-	7,500,000	-	7,500,000
Extra Duty Salary Increase (Years 3-5)	-	4,364,982	-	4,364,982
Establish Facility Painting Schedule	-	4,235,456	-	4,235,456
Instructional Technology Facilitators	455.00	2,558,276	-	2,558,276
Activity Mini Buses	-	-	1,421,232	1,421,232
Assistant Principal Formula for Middle Schools	165.00	1,286,704	-	1,286,704
Maintenance Square Footage and Ground Acreage	-	618,404	-	618,404
Support Vehicles	-	-	605,020	605,020
Literacy K-12 Academic Initiatives	98.00	549,286	-	549,286
Elementary Support Model and State-Identified Low-Performing Schools	-	500,000	-	500,000
Online Registration and Electronic Cumulative Records	-	300,000	177,500	477,500
Office of Equity Affairs Expansion	36.00	445,064	-	445,064
Talent/Professional Learning Management System	-	230,000	-	230,000
Academically or Intellectually Gifted Co-Teachers	36.00	202,414	-	202,414
Leadership Development	-	194,000	-	194,000
Instructional Technology Coordinating Teachers	24.00	132,637	-	132,637
Recruiter	12.00	125,435	850	126,285
Resealing of Hardwood Floors	-	114,558	-	114,558
Intervention Services Program Director	12.00	110,428	-	110,428
Customer Service for Transportation	12.00	110,428	-	110,428
Senior Administrator for Student Assignment	12.00	98,671	4,600	103,271
Senior Administrator - Enterprise Systems	12.00	98,671	-	98,671
Data Governance Audit	-	-	95,000	95,000
Integrated Pest Management Master Craftsman	12.00	54,920	27,000	81,920
Payroll Operations Specialist	12.00	79,466	-	79,466
Before and After School Programs Senior Administrator	12.00	69,621	-	69,621
Beginning Teacher Coordinator	12.00	66,318	2,350	68,668

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## Deferred Needs

	MOE	Recurring Cost	One-Time Cost	Total Cost
Accountant	12.00	\$ 65,970	\$ 850	\$ 66,820
Elementary Intervention Coordinating Teacher	12.00	66,318	-	66,318
Research Associate for Data, Research, and Accountability	12.00	63,459	-	63,459
Instructional Technology and Library Media Secretary to Senior Director	12.00	44,925	-	44,925
Literacy K-12 Secretary to Director	12.00	42,273	-	42,273
Hardware and Software Management Solution	-	41,880	-	41,880
Bus Driver Uniforms	-	-	39,142	39,142
<b>TOTAL DEFERRED NEEDS</b>	<b>982.00</b>	<b>\$ 96,370,564</b>	<b>\$ 2,373,544</b>	<b>\$ 98,744,108</b>

**COUNTY APPROPRIATION INCREASE NEEDED IF DEFERRED NEEDS WERE ADDED TO THE BUDGET REQUEST**

**\$ 134,493,708**

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## BOARD OF EDUCATION'S FOCUS AREAS FOR THE 2016-17 OPERATING BUDGET

At the February 2 board of education work session, the superintendent provided a summary of focus areas being considered for the proposed budget. Board members were divided into two groups for discussion. Each group then reported a summary to the full board. The focus areas identified by the board are:

### Academics

- Foreign language instruction in elementary grades
- Alternative programs
- Programs for academically at-risk students - Limited English Proficiency (LEP), Student with Disabilities (SWD), Emotionally Disturbed (ED)
- Programs for Academically or Intellectually Gifted (AIG) students
- Expansion of Pre-K (Ready to Learn Centers)
- Flex Academy/alternative learning center for suspended students
- More choice models in and around central Wake
- Reformulate and enhance the arts
- Reduce testing
- Redesign and enhance CMAPP (Curriculum Management Application)

### Differentiated Resourcing

- Elementary Support Model (ESM) schools: professional development, staffing strong teachers, and more incentives
- Directing more resources toward equity efforts with proven results
- A middle school emphasis on literacy, social services, support, electives, arts, textbooks, salaries, and incentives
- Full-time social worker and smaller class sizes in schools with greater than 60 percent of students considered low-income

### Professional Development

- An emphasis on Human Capital needs
- An emphasis on recruitment and retention
- Leadership development: creating a pipeline of teachers, leaders, and assistant principals

### Technology/Supplies

- Tech support for instructional staff
- Tech device plan
- Supplies for classrooms

### Administration

- Equity Study
- Improve customer service communication

# Operating Budget

## K-3 CLASS SIZE ALLOTMENT RATIOS

**SECTION 8.33.(a)** G.S. 115C-301(c) reads as rewritten:

"(c) **Maximum Class Size for Kindergarten Through Third Grade.** – The average class size for kindergarten through third grade in a local school administrative unit shall at no time exceed the funded allotment ratio of teachers to students in kindergarten through third grade. At the end of the second school month and for the remainder of the school year, the size of an individual class in kindergarten through third grade shall not exceed the allotment ratio by more than three students. The funded class size allotment ratio for kindergarten through third grade shall be as follows:

- (1) For kindergarten, one teacher per 18 students.
- (2) For first grade, one teacher per 16 students.
- (3) For second grade, one teacher per 17 students.
- (4) For third grade, one teacher per 17 students.

In grades four through 12, local school administrative units shall have the maximum flexibility to use allotted teacher positions to maximize student achievement."

**SECTION 8.33.(b)** Notwithstanding G.S. 115C-301, as amended by this section, and any other provision of law, for the 2016-2017 school year, class size requirements in kindergarten through third grade shall remain unchanged. The class size requirements set forth in G.S. 115C-301 shall apply beginning with the 2017-2018 school year.

# Division of Principals Input

# Elementary – Priorities (Higher Number = Higher Importance)

1. Full-time IRT or additional IRT Months (115)
2. Literacy Support/Full-time Coach (88)
3. Instructional Technology Support for All Schools (76)
4. Additional AP MOE for Enrollment over 900 (54)
5. Salary Increases for School-Based Administrators (44)
6. Increased Intervention MOE (42)
7. Mental Health Workers or Support at all Schools (40)
8. Curriculum Core Reading and Math Materials (35)
9. MOE for Testing Coordinator (28)
10. District-supported Benchmark Assessment Structure (23)
11. Custodial and Contract Services Fully Funded (23)
12. Increase Instructional Supply Budget (22)
13. Student/Teacher Device Replacement in Schools (22)
14. Full-time Math Coaches (21)
15. Increased ESL Allotment (20)

# Elementary – Priorities (Higher Number = Higher Importance)

16. Instructional Technology Support for all Schools (non-certified) (19)
17. 10 Month TAs (16)
18. Continued Salary Supplement Increases (15)
19. Allotment Formulas More Similar to the State (12)
20. New Furniture and TVs (12)
21. Faculty Painting Schedule/Increased Frequency (10)
22. Flexible Seating (9)
23. 12 Month positions for Year-round Specialists (9)
24. Intervention Coaches or Support for All Schools (9)
25. Adaptive Resources (6)
26. Increased Clerical MOE (6)
27. 20-1 Funding (6)
28. Renovation of Older Schools (6)
29. Common Resources (2)
30. School-Based Professional Development (2)
31. Texts or Budget for Copying Locally-Mandated Program Materials (Read to Achieve, leveled texts, etc.) (1)
32. Literacy K-12 Initiatives (1)

# Elementary – Cost Savings (Higher Number = Higher Importance)

1. Cut Busing for Grandfathered Students (104)
2. Nothing- Budgets are Currently Too Limited (100)
3. Distribute Central Services Coordinating Teacher MOEs to Schools (96)
4. Review All Central Services Positions for Reduction or Elimination (53)
5. Eliminate MTSS Coaches (51)
6. Cut Money Spent on Testing Assessments (49)
7. Eliminate Expensive PD for Administrators (49)
8. Eliminate Achieve 3000 (29)
9. Reduce or Eliminate PD for Learner Agency (29)
10. Eliminate Bus Driver Uniforms (28)
11. Eliminate Area Superintendent Special Assistants (24)
12. Eliminate Discovery Education (23)
13. Reduce County-Directed and Delivered PD (17)
14. Eliminate Case 21 (13)

# Elementary – Cost Savings (Higher Number = Higher Importance)

15. Repurpose Teacher Grants and use Donor's Choose, etc. (12)
16. Reduce Customer Service Personnel in Transportation (12)
17. Increase Fees to Students (11)
18. Reduce Field Trip Spending (11)
19. Reduce Data and Accountability Personnel (10)
20. Reduce HR Talent Acquisition Team (10)
21. Eliminate Extra Duty Pay Increase (8)
22. Address Energy Savings Measures in All Buildings (8)
23. Reduce Per Pupil Spending (5)
24. Eliminate All Other Deferred Business Cases from the Previous Year (5)
25. Eliminate Pest Control Staff (2)
26. Eliminate Hardwood Floor Resealing (2)
27. Repurpose Literacy Coach Positions (2)
28. Decrease TA Positions (0 – On brainstorm list, but no votes)

# Elementary – Critical (Do Not Cut)

1. Teacher Allotments/ADM/Class Size (20)
2. School Personnel (11)
3. High-Needs Schools Support (4)
4. TA Allotments (4)
5. Custodial Services (3)
6. Intervention Months (1)
7. IRT Allotments (1)
8. Literacy Allotments (1)
9. Pay Increases (1)
10. Teacher Allotments for Academics and SPED (1)
11. Year-Round Support (1)

# Middle – Priorities

- Restore Middle School AP Formula (20 top 3 votes)
- Solidify Core Instructional Resources (18 top 3 votes)
- ADM Allotment Adjusted to Reduce Class Size (18 top 3 votes)
- Full-time Instructional Technology Facilitators (12 top 3 votes)
- Allotment for Testing Coordinator (11 top 3 votes)
- Recurring Money for Technology Resources (11 top 3 votes)
- Balanced Assessments (6 top 3 votes)
- Add Activity Mini Buses (3 top 3 votes)

## Middle – Cost Savings

- Significant Reduction in Centrally-based Instructional Coaches (22 top 3 votes)
- Significant Reduction in Centrally Based Coordinating Teachers (19 top 3 votes)
- End Grandfathering Transportation Provision (19 top 3 votes)
- Do Not Expand Any Programs (12 top 3 votes)
- Discontinue Creation of New Central Office Positions (11 top 3 votes)
- Reduce Central Office Printing (9 top 3 votes)
- Reduce District Professional Development (4 top 3 votes)
- Charge Fees for Athletics and Extracurricular Activities (4 top 3 votes)
- Reduce Instructional Supply Money (3 top 3 votes)
- Reduce Custodial Services (2 top 3 votes)

## Middle – Critical (Do Not Cut)



- Salary (22 top 3 votes)
- AP Allotment Formula (19 top 3 votes)
- Class Size (17 top 3 votes)
- Salary Supplement (16 top 3 votes)
- Instructional Supply Money (16 top 3 votes)
- All Allotment Formulas (13 top 3 votes)
- Facilities (7 top 3 votes)
- Device Replacement (6 top 3 votes)
- After School Activity Bus (6 top 3 votes)

# High – Priorities (Lower Number = Higher Priority)

1. Restore Allotment Formula for High School to Decrease Class Sizes (54)
2. Employee Raises (81)
3. Increase Textbook/Digital Textbook Curriculum (91)
4. Increase High School Assistant Principal Allotments (94)
5. Full-time Testing Coordinator (95)
6. Multi-Discipline Instructional Coach (102)
7. Technology Facilitator (107)
8. Social Workers at High-needs High Schools (111)
9. Increase Funding to Eliminate Double-Back Buses (112)
10. Restore Building Cleaning Schedule (117)
11. 1 to 1 Technology (119)
12. Keep literacy Coaches in High Schools (133)
13. Restore Mowing/Lawn Care Schedule (135)
14. Restore Funding for Students to Take PSAT (149)

# High – Cost Savings (Lower Number = Higher Priority)

1. Decrease Testing/Assessments (60)
2. Adjust Central Office Temperatures by 1 Degree or More (66)
3. No Transportation for Grandfathered Students (73)
4. Reduce or Cut Central Office Teacher Positions (74)
5. Decrease Coaches in the District (78)
6. Increase Communities in Schools Rental Rates (80)
7. Literacy Coaches (82)
8. Eliminate Smaller High Schools If Admission Continues to be so Rigorous (90)
9. Increase Student Parking Fees (92)
10. Instructional Supplies Funding (96)

# High – Critical (Do Not Cut)

1. The Arts
2. Assistant Principal Months
3. ADM/Teaching Positions
4. Intervention Coordinators
5. Extra Duty Pay
6. Cleaning

# Operating Budget

## Small Group Discussion & Feedback

Budget priority areas

What can we stop doing or do less of to fund priority areas

Report out

## Operating Budget Overview & Input

