



WAKE COUNTY
PUBLIC SCHOOL SYSTEM

Budget Update

June 6, 2017 – BOE Work Session

Budget Update

- June 19 – County Commissioners Adopt Budget

Today

- Review of Senate and House Budgets
- Impact of Senate and House Budgets

Teacher Salaries

Senate

- Increases including the step: range from 0% to 8.5%; salary schedule increased for all steps except 25 years and above.
- Support Highly Qualified NC Teaching Graduates
 - Highly Qualified = New teacher; graduate from a NC approved educator preparation program; GPA of 3.75 or higher & a score of 48 or higher on the edTPA or equivalent assessment
 - A highly qualified graduate is paid as:
 - A04 if teaching in a low performing school
 - A03 if license and teaching in EC, science, technology, engineering or mathematics
 - A02 for all others

House

- Teacher pay increases range from 0.6% to 6.9% depending on years of experience
- Starting teacher pay is increased from \$35,000 to \$35,300
- Retention bonus of up to \$5,000 for teachers with 27+ years of experience if they agree to teach an additional two years.
- Compared to the Senate plan, the House plan is more advantageous for teachers moving to steps 0, 1, 3, 5, 17, 18, 19, and steps 21 and greater.

School Counselors

House

- The House pay plan includes a provision for School Counselors [Section 8.1.(c)] that would pay school counselors according to the school psychologist schedule. In effect, these personnel will receive a six-year jump in their years of experience. It is unclear how much the House budget appropriates for this policy shift.

Assistant Principal Salaries

- Currently, Assistant Principals are paid on the higher of the Teacher Salary Schedule or Assistant Principal Salary Schedule
- Is based on total years of experience as an educator and degree level
- Receive longevity if eligible
- Receive an additional \$126 per month for an advanced (6th year) degree or \$253 per month for a doctoral degree

Assistant Principal Salaries

Senate

- Schedule linked to A schedule at A + 13% (2013 M + 1%)
- No longer eligible for longevity
- Advanced and Doctorate supplements still apply
- No ABC Bonus (unless under hold harmless)
- Hold harmless clause

House

- Assistant principals will receive monthly salary based on the teacher A schedule plus 22%.
- Longevity pay is included
- Advanced and Doctorate supplements still apply
- Hold harmless clause

Principal Salaries

- Currently, the state's Principal salary schedules are calculated based on the following factors:
 - Total years of experience as an educator
 - Size of school based on the number of state-paid licensed staff in the school
 - For those eligible, additional percentages for safe-schools and ABC performance bonuses
- Receive longevity if eligible
- Receive an additional \$126 per month for an advanced (6th year) degree or \$253 per month for a doctoral degree
- Locally, Principals receive additional monies for serving in a Magnet school or in a multi-track Year Round school

Principal Salaries

Senate

- Eliminates current Principal schedules
- Implements schedule with ranges based on ADM
- Bonuses for student growth
- No longer eligible for longevity
- No longer eligible for Advanced and Doctorate supplements
- Hold harmless clause
- No ABC Bonus (unless under hold harmless)
- Funded on Lottery receipts

House

- Eliminates current Principal schedules
- Implements schedule with **base** per years of experience **+ additional pay** based on school ADM and number of students eligible for free and reduced lunch (FRL)
- No longer eligible for longevity
- No longer eligible for Advanced and Doctorate supplements
- Hold harmless clause
- No ABC Bonus (unless under hold harmless)

Noncertified and Central Office Salaries

Senate

- Permanent full time personnel receive a 1.5% increase or \$750 increase, whichever is higher. Recurring increase.
- Occupational Therapists and Physical Therapists - Every local board shall adopt minimum salary schedules based on SBE ranges. No experienced based interval shall be greater than 5 years.

House

- Permanent full time personnel receive a \$1,000 salary increase.
- An additional \$1,000 is appropriated for the second year of the biennium budget.
- Of the salary funds appropriated \$16.9m (statewide) shall be allocated to LEAs to increase bus driver pay. This is in lieu of the \$1,000 increase.

Revise Teacher Bonus Program

AP/IB and CTE Bonuses (*House and Senate*)

- Continues the bonuses through 2018-19
- Removed “licensed” teachers
- Includes Charter Schools
- Removes requirement to be still teaching Advanced courses/CTE
- *House only*
 - Adds Cambridge AICE exams to the bonus program for grade E or better
 - Increases the maximum per teacher to \$3,500
- *Senate only*
 - Changes so that the teacher must remain in the same *school* (previously the same *LEA*)

Third Grade Bonuses (*House and Senate*)

- Removed “licensed” teachers
- Removes requirement to be still teaching third grade
- Changes that the teacher must remain in the same school (previously the same LEA)

Retroactive Pay based 2015-16 exam results (*House and Senate*)

- Provides charter school teacher bonuses for 2015-16 (previous language excluded charters)
- Provides the bonus to any teacher who was excluded because they were not teaching the same grade or subject.
- *House only*
 - Provides bonuses to teachers who taught a Cambridge AICE program course

Benefit Contribution Rates

Senate

- **Increase Employer Benefit Contribution Rates**
 - Retirement 16.69%
 - Health Insurance \$5,869 / employee

Impact on WCPSS

- Retirement
 - an additional \$956,000 state cost
 - an additional \$351,000 local cost
- Health Insurance
 - an additional \$347,000 state cost
 - an additional \$58,000 local cost

House

- **Increase Employer Benefit Contribution Rates**
 - Retirement 17.21%
 - Health Insurance \$5,869 / employee

Impact on WCPSS

- Retirement
 - an additional \$4,270,000 state cost
 - an additional \$1,566,000 local cost
- Health Insurance
 - an additional \$347,000 state cost
 - an additional \$58,000 local cost

Special Annual Leave Bonus

House

SPECIAL ANNUAL LEAVE BONUS

SECTION 35.18A.(a) Any person who is (i) a full-time, permanent employee of the State, a community college, or a local board of education on July 1, 2017, and (ii) eligible to earn annual leave shall have a one-time additional five days of annual leave credited on July 1, 2017.

SECTION 35.18A.(b) Except as provided by subsection (c) of this section, the additional leave granted in this act shall be accounted for separately with the leave provided by Section 28.3A of S.L. 2002-126, by Section 30.12B(a) of S.L. 2003-284, by Section 29.14A of S.L. 2005-276, and by Section 35.10A of S.L. 2014-100. The leave shall remain available during the length of the employee's employment, notwithstanding any other limitation on the total number of days of annual leave that may be carried forward. Part-time, permanent employees shall receive a pro rata amount of the five days.

SECTION 35.18A.(c) The additional leave awarded under this section has no cash value, is not eligible for cash in, and does not count towards retirement.

Central Office Reductions

Senate

- 10.5% or \$10m reduction in 2017-18
- Increase to \$15m reduction in 2018-19

Impact on WCPSS

- \$1.0m reduction in 2017-18

House

- 5% or \$5m reduction in 2017-18
- Increase to \$10m reduction in 2018-19

Impact on WCPSS

- \$0.5m reduction in 2017-18

Textbook and Digital Resources

Senate

- Replacing a non-recurring (NR) appropriation with \$10m recurring (R) and adding \$1.1m NR

Impact on WCPSS

- \$1.11m increase (\$1.0m R and \$0.11m NR)

House

- Continues \$10.4m NR appropriation

Impact on WCPSS

- \$1.04m increase (NR)

Children with Disabilities and Academically Gifted

Children with Disabilities (House and Senate)

- \$4,125.27 per headcount (2017 \$3,985.53 per headcount)

House only

- Increases funding cap for children with disabilities to 13%. The current cap is 12.5%.
 - Impact on WCPSS
 - \$3.3m increase in state funds

Academically Gifted (House and Senate)

- \$1,314.56 for 4% of Allotted ADM
 - (2017 \$1,280.70 for 4% of the allotted ADM)

Cooperative Innovative High Schools

Senate

- Directs a collaborative study of the operation and cost of Career and College Promise and Cooperative innovative HS.
- Provides a 25% reduction for CIHS in Tier III which have received an allotment for at least 3 years. 50% reduction in the years after.
- For all CIHS in Tier I which did not receive funding, the remaining allotment shall be distributed evenly.
- For the remaining CIHS which are not in Tier I, they shall be permitted to operate as CIHS – this includes Wake CTE HS North.

Impact on WCPSS

- \$237,486 decrease in state funds

House

- Directs a collaborative study of the operation and cost of Career and College Promise and Cooperative innovative HS.
- Allotment for all Cooperative Innovative High Schools becomes \$200,000.

Impact on WCPSS

- \$66,584 decrease in state funds

Budget Flexibility (GS 115C-105.25)

Senate

- 7.1 No funds shall be transferred out of Children with Disabilities
- 7.2 No funds shall be transferred out of Academically & Intellectually Gifted
- 7.12 No funds shall be transferred out of LEP allotment
- 7.13 No funds shall be transferred out of Textbooks and Digital Resources
- 7.14 Classroom Teacher allotment for 6-12 may be transferred and converted at the A00 step
 - No transfers are allowable for K-5 teachers

Impact on WCPSS

- \$4.8m shifts from state to local

Driver Safety Incentive Program

Senate

- Changes driver training from Civil Penalty and Forfeiture Fund to General Fund appropriation.
- No change in funding level.
- Program changed to a fee reimbursement program.
- Student must be at least 15 and less than 18 years old and must successfully obtain a learners permit on the first attempt to be eligible for a reimbursement.
- Maximum reimbursement is \$275.
- The reimbursement shall be applied for from NCDPI.
- The annual cost per student for WCPSS is \$260-\$280.

At-Risk Student Services

Senate

Extended Learning & Integrated Student Supports Competitive Grant Program

- Of the funds appropriated for the At-Risk Student Services Allotment, DPI shall use up to \$6m for the 2017-2018 fiscal year for the Extended Learning and Integrated Student Supports Competitive Grant Program. DPI may use up to \$200,000 to administer the program.

Life Changing Experiences School Pilot Program

- Of the funds appropriated for the At-Risk Student Services Allotment, DPI shall use up to \$360,000 for the 2017-2018 fiscal year to contract with Children and Parent Resource Group Inc to design and implement a 2 year Life Changing Experiences School Pilot Program.

Impact on WCPSS

- \$36,000 decrease in state funds

BOE and County Disputes

Senate

School Boards Can't Sue Counties GS 115C-431

- Removes most of the language under this section related to procedures for resolution of dispute between board of education and board of county commissions and replaces it with
 - The decision of the county commissioners is final. The local education board shall not file legal action challenging the sufficiency of the funds appropriated by the board of county commissioners to the local current expense fund, the capital outlay fund or both.

Senate Budget Impact

Senate Budget Impact	State	Local*
Adjusting the Salary Increase based on the Senate Budget Salary Adjustments	To Be Determined	To Be Determined
Adjusting the Retirement Rate from 16.54% to 16.69%	\$ 956,000	\$ 351,000
Adjusting the Hospital Rate from \$5,844 to \$5,869	\$ 347,000	\$ 58,000
Change in Flexibility for LEP	\$ (2,600,000)	\$ 2,600,000
Change in Flexibility for AIG	\$ (2,200,000)	\$ 2,200,000
Central Office Reduction	\$ (1,000,000)	\$ 1,000,000
Textbook and Digital Resources - Recurring	\$ 1,000,000	
Textbook and Digital Resources - Non-Recurring	\$ 110,000	
Cooperative Innovative High Schools (CIHS)	\$ (237,486)	
At-Risk Student Services	\$ (36,000)	

* Additional costs require additional local dollars

House Budget Impact

House Budget Impact	State	Local*
Adjusting the Salary Increase based on the House Budget Salary Adjustments	To Be Determined	To Be Determined
Adjusting the Retirement Rate from 16.54% to 17.21%	\$ 4,270,000	\$ 1,566,000
Adjusting the Hospital Rate from \$5,844 to \$5,869	\$ 347,000	\$ 58,000
Children with Disabilities Funding Cap	\$ 3,300,000	\$ (3,300,000)
Central Office Reduction	\$ (500,000)	\$ 500,000
Textbook and Digital Resources – Non-Recurring	\$ 1,040,000	
Cooperative Innovative High Schools (CIHS)	\$ (66,584)	

* Additional costs require additional local dollars