

Superintendent's Proposed 2024-25 Operating Budget

March 19, 2024



Superintendent's Proposed 2024-25 Operating Budget

Today

Presentation for informational purposes

- Context for the proposed budget
- Review of funding requests
- Review of potential risks
- Status of priority areas
- Transition from Superintendent to Board of Education & related timeline

Superintendent's Proposed 2024-25 Operating Budget

State Budget

- 2024-25 State Budget is the second year of Biennium
- General Assembly will convene April 2024 to consider changes
- Superintendent's Proposed Budget includes state increase of \$29.1 million

State will provide pay increases	\$ 29.8 m
State will provide resources for new schools, student membership changes, and special education services	5.8 m
Changes in carryover funds and categorical allotments	(5.9 m)
Employer matching retirement and hospitalization insurance rate changes	(0.6 m)
	<u>\$ 29.1 m</u>

Superintendent's Proposed 2024-25 Operating Budget

Federal Funding

- Remaining one-time federal pandemic grants end in the 2023-24 fiscal year
- Proposed 2024-25 Budget shifts remaining \$22.9 million recurring costs from federal relief funds to local funds:
 - Behavioral Health Supports position expansion
 - Building Substitutes
 - Extended Care for Bus Riders*

*Previously described as Learning Labs

Superintendent's Proposed 2024-25 Operating Budget

Local Revenues

- Indirect Cost decreasing \$3.3 million due to federal grants ending
- Fines and Forfeitures decreasing \$3.0 million due to one-time JUUL settlement and a processing change in the court system
- Parking Fees decreasing \$213,750 to reduce annual parking fee from \$200 to \$175 based upon request from Board of Education

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County Appropriation Request

The superintendent recommends the Wake County Board of Education request an increase of \$58.3 million for 2024-25 for a total county appropriation of \$702.6 million.

	2023-24	Proposed 2024-25	Difference	Percent Increase
County Appropriation				
Current Expense - Recurring	\$ 643,317,101	\$ 701,652,205	\$ 58,335,104	
Crossroads Lease	945,215	954,294	9,079	
	<u>\$ 644,262,316</u>	<u>\$ 702,606,499</u>	<u>\$ 58,344,183</u>	9%
Student Membership				
WCPSS	159,995	160,445	450	<1%
Charter Schools	17,716	18,717	1,001	6%
	<u>177,711</u>	<u>179,162</u>	<u>1,451</u>	1%
Allocation Per Student	\$ 3,625	\$ 3,922	\$ 297	8%

Changes in revenues supporting local expenditures (pages 49-51)

Tuition and Fees	\$ (143,804)
Child Nutrition	1,025,081
Local Unrestricted Revenues	(3,817,346)
Local Restricted Revenues	(3,600,886)
Positions Funded by Individual School Accounts	(788,323)
	<u>\$ (7,325,278)</u>

Decreases in fund balance appropriated for the local budget (page 51)

Beginning appropriated fund balance	\$ 3,320,471
Mid-year appropriations of fund balance for one-time costs	(22,069,369)
	<u>\$ (18,748,898)</u>

Changes in local expenditures (page 17)

Employee Compensation	\$ 13,900,759
Legislative Impact	7,229,969
New Schools and School Changes	4,025,509
Student Membership Changes	533,764
Program Continuity	26,057,479
Increasing Property Costs	2,270,314
Removal of Prior Year One-time Costs	(21,827,235)
New or Expanding Program	356,760
Changes to Grants, Donations, and Fees	(49,030)
Grants, Donations, and Fees Ending	(228,282)
	<u>\$ 32,270,007</u>

Equals change in county appropriation (page 48)

	<u>\$ 58,344,183</u>
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Use of Fund Balance

- Invests \$32.4 million of fund balance
- The unassigned fund balance as of June 30, 2023, was \$52.6 million
- \$32.4 million investment represents 62% of unassigned amount & would require waiver of board policy 8101

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Local Budget Adjustments

Student Knowledge and Skills

- Building Substitutes - \$7.6 million
- Local Master's Pay for New Hires - \$3.1 million
- New Schools and School Changes - \$4.0 million

Student Dispositions and Well-Being

- Behavioral Health Supports - \$13.8 million

Operational Effectiveness

- State-Legislated Salary Increase of 3 percent - \$9.9 million
- Transfer to Charter Schools Legislative Requirement - \$9.0 million
- Extended Care* for Bus Riders - \$2.5 million

*Previously described as Learning Labs

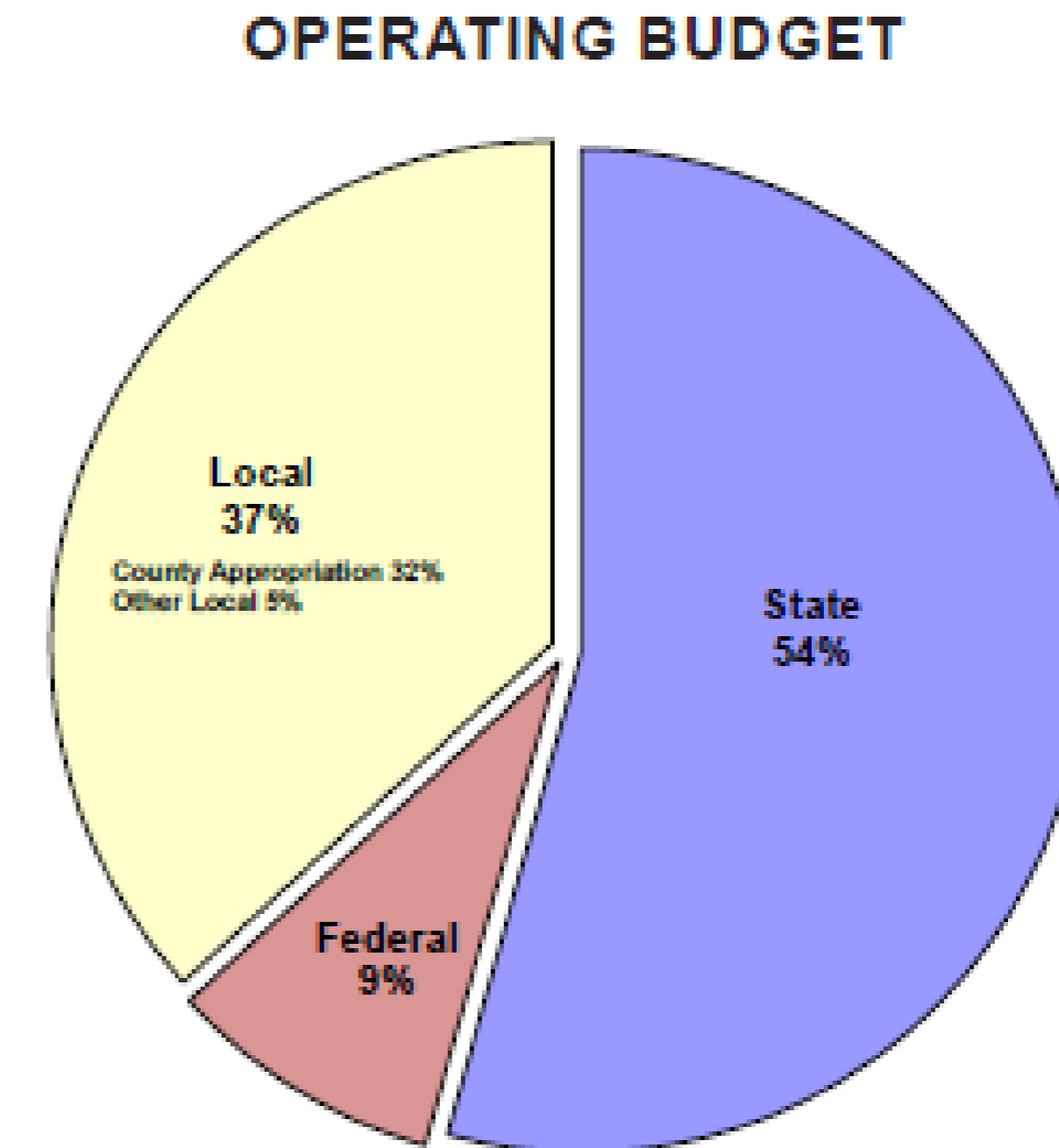
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Other Local Budget Adjustments

- Increasing Property Cost - \$2.3 million
- Local salaries & benefits due to increased fill rates & additional restart schools - \$1.2 million
- Extra Duty - \$0.9 million
- Early College Programming - \$0.8 million
- Increase due to student membership changes - \$0.5 million
- Human Resources positions - \$0.4 million
- Wendell Magnet Middle and East Wake Magnet High - \$0.2 million
- Employer Matching Retirement and Hospitalization Rate Changes (\$1.7 million)

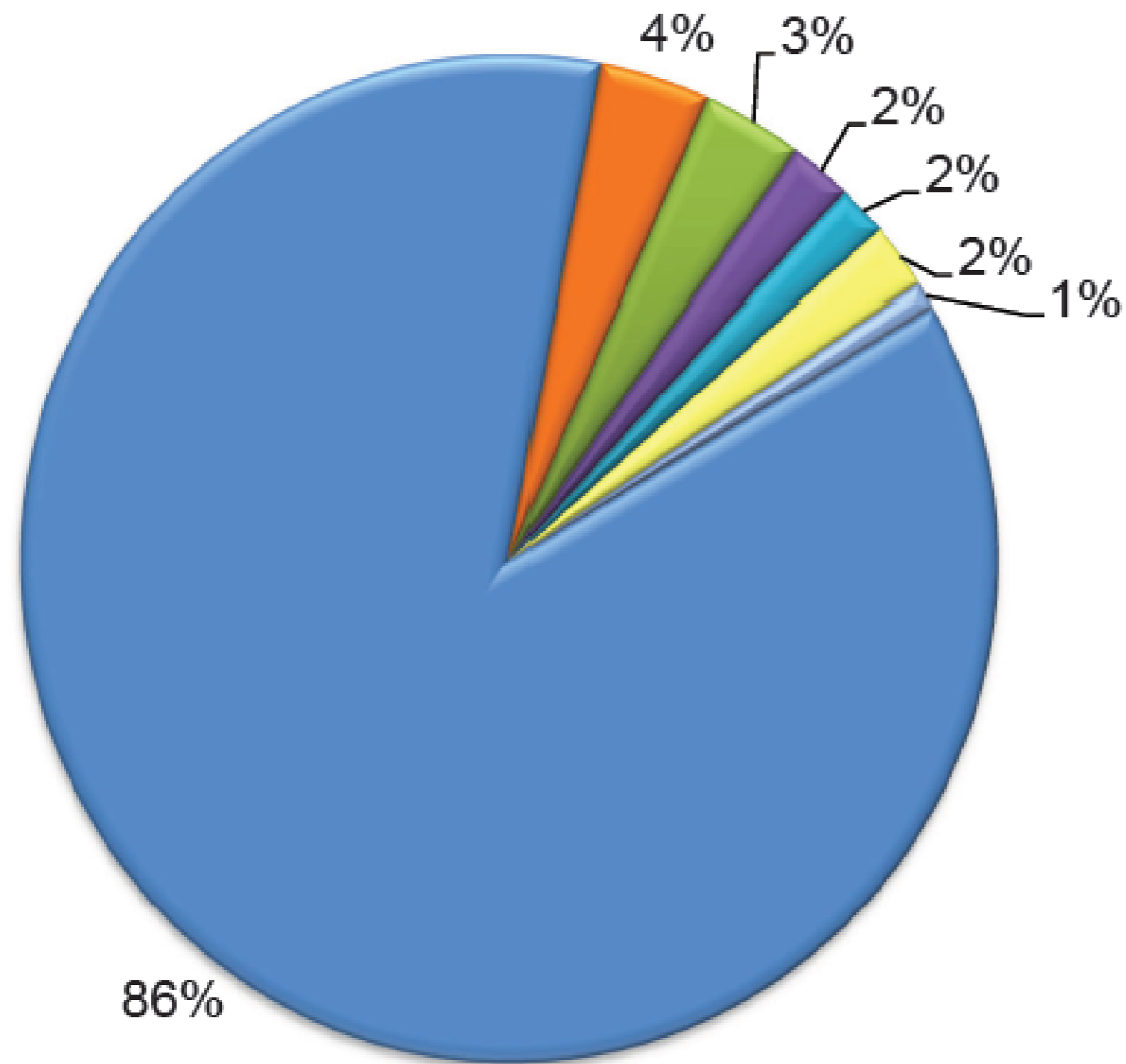
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OPERATING BUDGET FOR 2024-25			
	Operating Budget		Per Pupil Budget
State	\$ 1,192,806,869	54%	\$ 7,434
County Appropriation	\$ 702,606,499	32%	\$ 3,922
Enterprise Funds	\$ 47,680,115	2%	\$ 297
Fund Balance Appropriation	\$ 32,396,095	1%	\$ 202
Other Local	\$ 23,187,964	1%	\$ 145
Local - Current Expense Non-Restricted	\$ 2,898,864	<1%	\$ 16
Local	\$ 808,769,537	37%	\$ 4,582
Federal	\$ 195,034,954	9%	\$ 1,216
TOTAL	\$ 2,196,611,360	100%	\$ 13,232



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Operating Budget: \$2,196,611,360



- Schools - 86%
- Facilities and Operations - 4%
- Charter Schools Pass-Through - 3%*
- Board of Education, Superintendent's Office, Communications, Chief of Staff and Strategic Planning, Chief of Schools - 2%
- Academic Advancement - 2%
- Administrative Services - 2%
- Technology Services - 1%

*Charter schools receive state funds directly from NCDPI. The local pass through to charter schools represents over 10% of the local funds due to charter schools.

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Potential Risks

- Charter Schools
- Child Nutrition Services
- Funding in Arrears
- Lapsed Salaries
- Legislative Impact
- New Magnet Schools
- Projected Student Membership
- Targeted Enrollment
- Transportation

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Status of Priority Areas

- In 2019-20, WCPSS began multi-year initiatives to address long-term needs
- Multi-year initiatives remain priorities for WCPSS
- The proposed budget does not include additional resources for the priority areas in 2024-25 due to the transition off one-time federal relief funding
- WCPSS plans to resume implementation in 2025-26



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Status of Priority Areas – Employee Compensation

- \$64.3 million invested in increases for non-certified personnel beyond state-legislated increases
- Raised minimum hourly rate from \$11.58 in 2018-19 to \$17 per hour in 2023-24

Year	State	Locally Funded Salary Increases Beyond State-Legislated Increases	Cost
2019-20	0 percent	<ul style="list-style-type: none"> • 3 percent • Bus drivers: \$15/hour minimum beginning January 1, 2020 	\$ 7,700,000
2020-21	0 percent	<ul style="list-style-type: none"> • Bus drivers: \$15/hour minimum for July through December 	\$ 1,568,000
2021-22*	2.5 percent \$13/hour minimum	<ul style="list-style-type: none"> • 0.5 percent beyond state-legislated increase • Regular Instructional Assistants (IAs) and bus drivers moved to Grade 20 • Special Education IAs and bus driver team leads moved to Grade 21 • \$5,000 retention and recognition bonuses paid in increments of \$1,250 	\$23,300,000
2022-23*	4 percent \$15/hour minimum	<ul style="list-style-type: none"> • \$16/hour minimum • 0.5 percent beyond state-legislated for administrative/technology band/ superintendent's leadership team for a total of a 4.5 percent increase 	\$21,694,000
2023-24*	4 percent	<ul style="list-style-type: none"> • \$17/hour minimum • 1.5 percent beyond state-legislated for administrative/technology band/ superintendent's leadership team for a total of a 5.5 percent increase 	\$10,000,000
Total Local Funds Invested in Salary Increases Beyond State-Legislated Increases			\$64,262,000

*Since January 1, 2022, WCPSS maintains a 25 cent step differential and 40 cent grade differential to address compression on the non-certified salary schedule.

Superintendent's Proposed 2024-25 Operating Budget

Status of Priority Areas

- Instructional Support Technicians**

Invested \$3.0 million
Added 34 positions

Multi-Year Plan - Actual		
	MOE	Amount
2019-20	84.00	\$ 603,127
2020-21	84.00	\$ 614,884
2021-22	120.00	\$ 869,778
2022-23	120.00	\$ 960,237
2023-24	-	\$ -
Total	408.00	\$ 3,048,026

Multi-Year Plan - Proposed		
	MOE	Amount
2024-25	-	\$ -
2025-26	120.00	\$ 1,001,643
2026-27	120.00	\$ 1,001,643
Total	240.00	\$ 2,003,286

- Behavioral Health Supports**

Invested \$15.8 million
Added over 2,000 months of employment

Multi-Year Plan - Actual		
	MOE	Amount
2019-20	356.00	\$ 2,600,000
2020-21	310.00	\$ 2,300,000
2021-22	1,017.00	\$ 8,000,000
2022-23	94.00	\$ 900,000
2023-24	250.00	\$ 2,000,000
Total	2,027.00	\$ 15,800,000

Multi-Year Plan - Proposed		
	MOE	Amount
2024-25	-	\$ -
2025-26	527.00	\$ 4,500,000
2026-27	527.00	\$ 4,500,000
2027-28	527.00	\$ 4,500,000
Total	1,581.00	\$ 13,500,000

- Maintenance and Operations**

Invested \$16.5 million to reach industry standard

Multi-Year Plan - Actual	
2019-20	\$ 2,500,000
2020-21	\$ 1,000,000
2021-22	\$ 10,000,000
2022-23	\$ 3,000,000
2023-24	\$ -
Total	\$ 16,500,000

Multi-Year Plan - Proposed	
2024-25	\$ -
2025-26	\$ 8,009,873
2026-27	\$ 8,009,873
2027-28	\$ 8,009,872
2028-29	\$ 8,009,872
Total	\$ 32,039,490

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Orientation to Budget Document

- Budget document now posted at www.wcpss.net
- PDF available to view or download

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Next Steps

- Budget transitions from Superintendent's proposal to Board of Education
- Board discussion & potential directives to superintendent and staff to make revisions
- Submit questions to Terri Kimzey, Sr. Director of Budget at tkimzey@wcpss.net
- Questions & responses to be reviewed in work-sessions and posted online
- Public Hearing during April 2 Board Meeting
- Budget Work-Sessions April 2 & April 16 → additional Work-Sessions as needed
- Board of Education's Proposed Budget delivered to county commissioners by May 15

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