

Board of Education Retreat March 5, 2018



Budget Discussion for
FY 2018-19

Budget Overview

- **Budget Calendar**
- **Class Size Update**
- **Funding Review**
- **Funding Priorities**
- **Next Steps**



Budget Calendar

- **January 20** – Board retreat
- **January & February** – Met with Cabinet and/or Fund Managers
- **March 5** – Board budget work session
- **March 19** – Present Superintendent's budget to Board of Education
- **April 16** – Board adoption of budget resolution

Budget Calendar

- **May 15** – Deliver Board of Education budget request to County
- **May or June** – County approves local budget
- **June 18** – Board of Education approves balanced interim budget
- **July or August** – General Assembly and the Governor approve State budget
- **August or September** – Board of Education approves final budget resolution

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Class Size Update

House Bill 90 – Passed February 2018

- 1) Provides a four-year phase-in to reach K-3 class size caps that otherwise would have taken effect for the 2018-19 school year. This includes new K-3 class size requirements that do not change from current requirements for the first year of the phase-in.

Class Size Update

Old K-3 Class Size Ratios

Grade Level	Funded Allotment Ratio	Max Avg Class Size	Max Individual Class Size
2016-17 Class Sizes (Current)			
Kindergarten	1:18	1:21	1:24
Grade 1	1:16	1:21	1:24
Grades 2-3	1:17	1:21	1:24
2017-18 Class Sizes			
Kindergarten	1:18	1:18	1:21
Grade 1	1:16	1:16	1:19
Grades 2-3	1:17	1:17	1:21
2017-18 Class Sizes (HB 13)			
Kindergarten	1:18	1:21	1:24
Grade 1	1:16	1:19	1:22
Grades 2-3	1:17	1:20	1:23

Class Size Update

Old K-3 Class Size Ratios

Grade Level	Funded Allotment Ratio	Max Avg Class Size	Max Individual Class Size
17 Class Sizes (Current)			
Kindergarten	1:23	1:24	1:24
Grade 1	1:23	1:24	1:24
Grades 2-3	1:23	1:24	1:24
17 Class Sizes (Proposed)			
Kindergarten	1:21	1:21	1:21
Grade 1	1:19	1:19	1:19
Grades 2-3	1:21	1:21	1:21
17 Class Sizes (Target)			
Kindergarten	1:18	1:20	1:24
Grade 1	1:16	1:19	1:22
Grades 2-3	1:17	1:20	1:23

Class Size Update

House Bill 90

Year	Grade(s)	District Average	Individual Maximum
2018-19	K-3	20	23
2019-20	K-3	19	22
2020-21	K-3	18	21
2021-22	K	18	21
	1	16	19
	2-3	17	20

Class Size Update

House Bill 90

- 2) Fully funds K-5 enhancement teachers through a new allotment established through a four-year phase-in. The allotment is one K-5 enhancement teacher for every 191 K-5 students. The phase-in will be funded at 25% per year beginning FY 2018-19.

Class Size Update

House Bill 90

- 3) Places new restrictions on the Classroom Teacher allotment effective FY 2021-22 to prevent these funds from covering K-5 enhancement teachers which will be fully covered in the new allotment in that year.
- 4) Funds in the K-5 enhancement allotment may be used for classroom teachers but not vice versa.

Class Size Update

House Bill 90

- 5) Exempts all enhancement classes in Grades K-12 and electives or supplemental courses from class size restrictions and caps, thereby eliminating the need for districts to seek waivers for these classes in certain circumstances as required under current law.

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Funding Review

- **Operating** – for the daily operation of GCS, for the purposes of fulfilling the vision and mission statement set forth by the Board of Education
- **Capital** – for the construction of new schools, additions to existing schools and maintenance and repairs of existing buildings

County Funding

- Last year, we received \$47.8 million of operating funds from the County; an increase of \$2.4 million from the previous year.
- This additional funding was used to increase local teacher salary supplements, adjust employee salaries, replace end-of-life devices and fund the Pleasant Ridge magnet program.

County Funding

- Recurring costs impacting the local budget:
 - Employer paid retirement
 - Employer paid health insurance
 - State-mandated salary increases
 - Charter school payments

County Funding

School District Name	2014	2015	2016	2017
Durham County Schools	5	4	5	5
New Hanover County Schools	16	16	14	11
Buncombe County Schools	30	25	20	19
Charlotte-Mecklenburg County Schools	26	24	23	25
Union County Schools	38	28	32	34
Cabarrus County Schools	61	44	39	39
Rowan-Salisbury County Schools	46	52	63	44
Cleveland County Schools	33	42	47	46
Iredell-Statesville Schools	18	31	74	65
Gaston County Schools	84	76	77	72
Johnston County Schools	66	70	73	73
Catawba County Schools	56	57	66	76
Lincoln County Schools	74	77	78	95

Source: DPI Table 25

Peer Group includes LEAs that are comparable in either size and/or geographic location

Total number of LEAs in NC is 115

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State Funding

- FY 2018-19 will be the first year of the new biennial State budget.
- According to DPI, development of the State Planning Allotments are behind schedule. No time table for when these may be available.
- We will receive funding for 25% of our enhancement teachers based on the new allotment. This would amount to about 16-18 additional teaching positions.

Federal Funding

- USDA grants – FY 2017-18 budget of \$13.4 million
- IDEA – FY 2017-18 budget of \$8.3 million
- Title I – FY 2017-18 budget of \$9.9 million
- Title II – FY 2017-18 budget of \$896,000, a decrease of 10% from the previous year
- SIG – FY 2017-18 budget of \$660,000

Federal Funding

- President Trump's FY 2018-19 budget includes the following proposals:
 - A 13% decrease in discretionary funding;
 - A more limited Federal role in education;
 - Elimination/reduction of 30 programs;
 - Creating new options through school choice.

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Budget Survey Options

Please check the box next to the initiatives listed below that you believe best supports the educational goals of the District. Please only select your **top five** choices (all are important):

- | | |
|---|--|
| <input type="checkbox"/> Increase Teacher Supplement | <input type="checkbox"/> More Teacher Assistants |
| <input type="checkbox"/> Incr. Principal/AP Supplement | <input type="checkbox"/> Increase Student Support |
| <input type="checkbox"/> Increase Classified Salaries | <input type="checkbox"/> Increase Instructional Support |
| <input type="checkbox"/> Expand CTE Program Offerings | <input type="checkbox"/> More School Support Staff |
| <input type="checkbox"/> Offer more Instructional Programs | <input type="checkbox"/> Provide more Computing Devices |
| <input type="checkbox"/> Expand AIG Program | <input type="checkbox"/> Increase Number of Library Books |
| <input type="checkbox"/> Increase the Number of AP Classes | <input type="checkbox"/> Expand Classroom Libraries |
| <input type="checkbox"/> Offer more ESL Classes | <input type="checkbox"/> Upgrade School Safety Systems |
| <input type="checkbox"/> Increase Funding for the Arts | <input type="checkbox"/> Increase PD for Teachers |
| <input type="checkbox"/> Provide more Choice Options | <input type="checkbox"/> Other |

Budget Survey Results

Top Funding Priorities	<u>Weighted Average</u>				Change
	2015	2016	2017	2018	2015-18
Increase Teacher Supplement	84%	76%	68%	67%	-17%
Increase Classified Salaries	34%	38%	37%	34%	0%
Increase Computing Devices	37%	36%	36%	33%	-4%
More Teacher Assistants	57%	38%	35%	33%	-24%
Upgrade School Safety Systems	NA	NA	NA	33%	NA
Expand CTE Program Offerings	15%	22%	31%	32%	17%
Provide more Choice Options	NA	30%	37%	29%	NA
<i>Respondents</i>	140	169	190	251	111



#1 Teacher Supplements

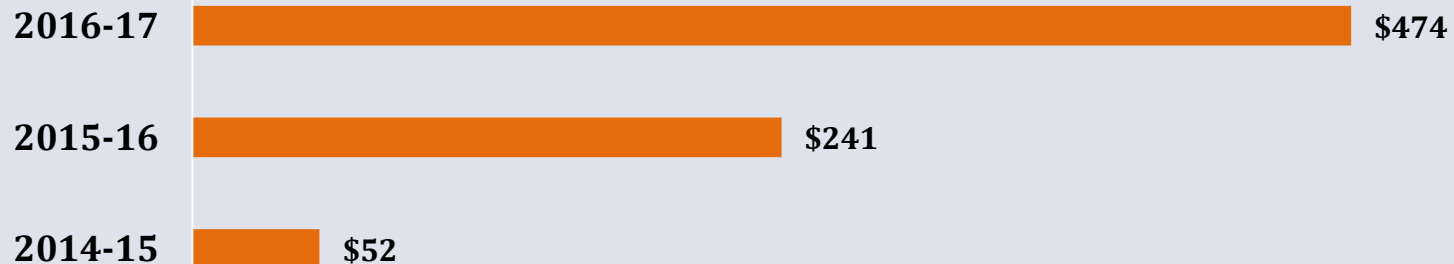
- The County has agreed to systematically increase teacher supplements over a multi-year period
- Over the past two years, the County has increased teacher supplements by one million dollars
- A **\$500,000** increase next year would improve annual supplements by about \$250-\$300 per teacher

#1 Teacher Supplements

Average Teacher Supplement



Cumulative Avg. Supplement Increase



#1 Teacher Supplements

LEA - Neighboring (ADM)	Average Supplement
Charlotte-Mecklenburg (147,157)	\$ 6,985
Union (41,511)	4,476
State Average	4,194
Catawba (16,353)	3,797
Cabarrus (31,909)	3,053
Lincoln (11,383)	2,926
Iredell-Statesville (20,418)	2,781
Gaston (31,499)	2,651
Cleveland (14,779)	1,867

Source: DPI FY 2016-17 Table 20 for average supplement
DPI FY 2016-17 Table 10 for ADM

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#2 Employee Compensation

- Due in part to having no salary increases for a number of years following the recession, many of our classified employee salaries are below the industry average
- Includes classified employee salaries (cafeteria workers, maintenance personnel, teacher assistants, clerical, central office, etc.) and coaching supplements

#2 Employee Compensation

Coaching Supplements:

- No supplement increase since 2006
- First Responder/Athletic Trainer coverage
- First Responder at Middle Schools

#2 Employee Compensation

Coaching Supplements Comparison:

	Wake	CMS	Guilford	Cumberland	W-S/Forsyth	Union	Durham	Johnston	Gaston	Cabarrus	Cleveland	Lincoln
	3 steps	Flat Rate	School Based	6 steps/14 years	19 steps/18 years	Flat Rate	8 steps/26 years	11 steps/10 years + longevity	7 steps/21 years	13 steps	29 steps	8 steps
Head Football	3185-4095	4172	3400-5100+	2550-3380*	3563-5936	3795	3379-8318	2831-4846	3402-4253	4550-6950	3380-6943*	2800-3500
Asst. Football	2389-3299	2038	1300-2700+	1370-1930+*	2041-3738	1870	2080-3927	1769-2809	1994-2492	1775-3425	2200-3834*	900-2700
Head Volleyball	2389-3299	1798.5	1400-2200+	770-1040*	1521-2532	1375	1848-3003	1769-2809	997-1246	1525-3150	1600-2791*	800-1800
Asst. Volleyball	1593-2503	1019.5	800-1600+	550-820*	963-1608	770	924-2310	1125-1844	532-665	1225-2600	1000-1740*	450-1400
Head Baseball	2389-3299	2877.6	1800-3000	1370-1930+*	2090-3479	1925	1848-3003	2212-3733	1714-2143	1525-3150	2000-3483*	1200-2400
Head Softball	2389-3299	2877.6	1800-3000	1370-1930+*	2090-3479	1925	1848-3003	2212-3733	1714-2143	1525-3150	2000-3483*	1200-2400
Head Soccer (B)	2389-3299	2877.6	1500-2250+	910-1220*	2079-3455	1925	1848-3003	1769-2809	1289-1611	1525-3150	1600-2791*	1200-2400

#2 Employee Compensation

Coaching Supplement Proposal:

- Raise supplement levels (\$180,000):
 - High School from \$570,000 to \$680,000
 - Middle School from \$150,000 to \$220,000
- Add First Responder to Middle Schools (\$20,000)

#2 Employee Compensation

Coaching Supplement Proposal:

- Create fewer categories for coaching supplements (currently eleven in high school and seven in middle school)
- Increase current coaching/athletic director supplements by \$100 for each level of certification attained (voluntarily) through the NFHS and NIAAA programs

#2 Employee Compensation

- In an effort to attract and maintain qualified employees, we propose a 3% salary increase for classified employees
- This 3% increase is consistent with the increase provided to employees of other government agencies
- This proposal would amount to about **\$850,000** for over 800 employees

#3 Increase Computing Devices

- The current student to mobile device ratio is approximately 1.3:1
- In order to continue to move our District toward a 1:1 student to device ratio, we will need to replace failing devices
- We have about 10,350 devices that were put into service in FY 2014-15, making them at least three years old next year

#3 Increase Computing Devices

- We anticipate about 1/3 of the devices (3,450 devices) acquired in FY 2014-15 will fail next year
- At a cost of \$150 per device, this would amount to **\$517,500**
- This does not add any additional devices to the District

Other Considerations

- Increases in State mandated health and retirement benefits
- State mandated increases in classified and certified employee salaries
- Reduction in ERate reimbursements
- Inflationary costs for supplies, contracted services, books, utilities, etc.

Other Considerations

- Increasing school choice in the District
- Changes in school enrollment due to charter and private schools
- Costs related to moving to a 1:1 student to device ratio for the District
- Keeping up with ever-changing technology products, needs and opportunities

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Next Steps

- Document new funding request proposals based on needs identified in budget questionnaire and discussions with fund managers
- Identify and prioritize the capital needs of the District and request sufficient funding from the County to address those needs

In Conclusion

Our budget request should support the GCS Vision to **“inspire success and a lifetime of learning”** for all of our students.



Discussion

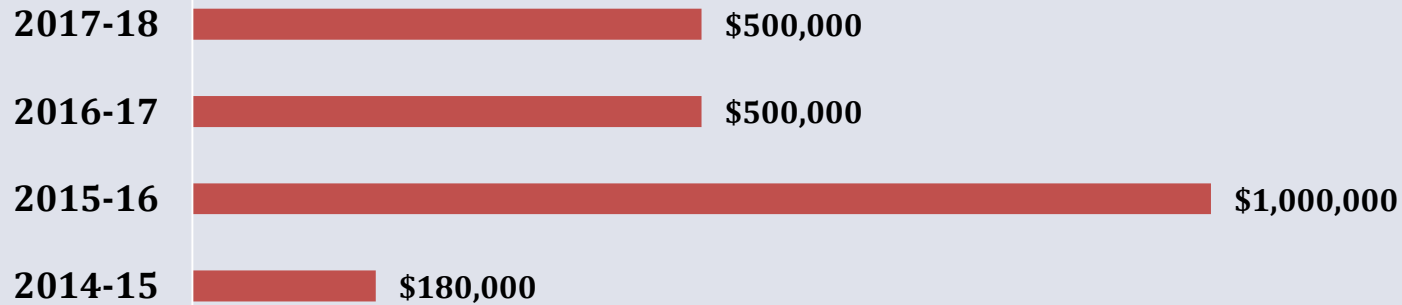


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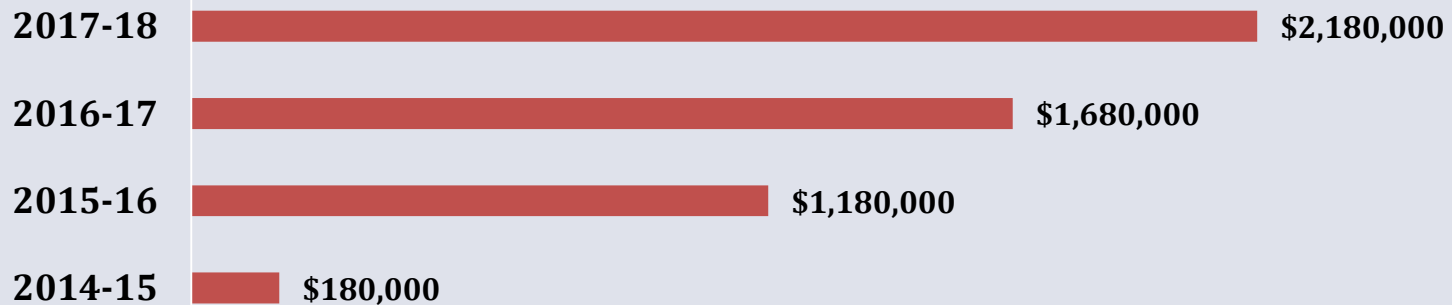


Teacher Supplements

District Increases



Cumulative District Increases



Teacher Supplements

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DPI FY 2016-2017 Table 10 for ADM