

# Board of Education Meeting



## Superintendent's Budget Request

March 15, 2021

# Budget Overview

- Budget Update
- Operating Request
- Capital Request
- Discussion



# Budget Calendar

- January 15 – Board Retreat
- February – Directors and Department Supervisors Prepare Their Budget Request
- **March** – Present Superintendent's Budget Request to BOE
- **April** – Adoption of GCS Budget Request



# Budget Calendar

- **May** – Deliver GCS Budget Request to County
- **May or June** – County approves local budget
- **June** – BOE approves balanced interim budget
- **June to August** – General Assembly and Governor approves NC State budget
- **July to October** – BOE approves final budget resolution

# Operating Request



# Local Funding

## Three Year History

<b>FY 2017-18 Actual</b>		<b>\$47,751,704</b>
Teacher supplements	\$500,000	
Choice programs	\$100,000	
Total Change in Funding		\$600,000
<b>FY 2018-19 Actual</b>		<b>\$48,351,704</b>
Teacher supplements	\$500,000	
Choice programs	\$850,000	
Technology	\$610,000	
Total Change in Funding		\$1,960,000
<b>FY 2019-20 Actual</b>		<b>\$50,311,704</b>
Operating budget cut	(\$500,000)	
Total Change in Funding		(\$500,000)
<b>FY 2020-21 Actual</b>		<b>\$49,811,704</b>

# Local Funding

**FY 2020-21 Local Allotment - \$49,811,704**

- Teachers and Support Staff
- Classroom Technology
- School Administrators
- School Magnet and Choice Programs
- School Maintenance
- School Safety and Security
- Instructional Supplies and Equipment
- Utilities and Insurance

# Local Funding

The following amounts are hereby appropriated for the operation of the school administrative unit in the **Local General Fund** for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

## INSTRUCTIONAL SERVICES

Regular Instructional Services	\$ 13,807,603
Special Population Services	1,638,313
Alternative Programs and Services	276,050
School Leadership Services	6,869,424
Co-Curricular Services	1,711,098
School-Based Support Services	1,952,226

## SYSTEM-WIDE SUPPORT SERVICES

Support and Development Services	633,343
Special Population Support and Development Services	179,492
Alternative Programs and Services Support	31,166
Technology Support Services	2,663,344
Operational Support Services	12,638,592
Financial and Human Resource Services	1,738,109
Accountability Services	522,091
System-Wide Pupil Support Services	482,883
Policy, Leadership and Public Relation Services	1,417,826

## ANCILLIARY SERVICES

Community Services	144
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## NON-PROGRAMMED CHARGES

Payments to Other Governmental Units - Charter Schools	4,000,000
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## **TOTAL LOCAL GENERAL FUND APPROPRIATION**

**\$ 50,561,704**

The following revenues are estimated to be available to the **Local General Fund** for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

County Appropriation	\$ 49,811,704
Fines, Forfeitures and Interest	750,000
<b>TOTAL LOCAL GENERAL FUND REVENUE</b>	<b>\$ 50,561,704</b>



# Operating Request

## Ongoing Expenditures

Expenses related to the ongoing operations that are impacted by changes in the law, inflation, end of life for technology, etc.

## New Initiatives

Expenses related to new programs, projects, initiatives, etc. that are supportive of the GCS mission and vision or are required by law.

# Budget Survey Results

Top Funding Priorities	<u>% in Top Five Priorities</u>					Change
	2017	2018	2019	2020	2021	2017-21
Increase Teacher Supplement	68%	67%	63%	67%	75%	7%
Increase Classified Salaries	37%	34%	36%	47%	51%	14%
Increase Student Support	14%	21%	49%	51%	51%	37%
Increase Computing Devices	36%	33%	34%	23%	35%	-1%
More Teacher Assistants	35%	33%	35%	34%	25%	-10%
Upgrade School Safety Systems	0%	33%	41%	26%	24%	-9%
Improve School Interior	0%	0%	0%	19%	21%	2%

\* Change is from the date that data began being collected

# Budget Survey Results

Top Funding Priorities	2021-22	Funding Source
Increase Teacher Supplement	75%	County Expansion Request
Increase Classified Salaries	51%	County Expansion Request
Increase Student Support	51%	COVID Funds
Increase Computing Devices	35%	COVID Funds
More Teacher Assistants	25%	State Funded
Upgrade School Safety Systems	24%	School Bond Funds / Capital Outlay
Improve School Interior	21%	School Bond Funds / Capital Outlay

# Expansion Request

## Ongoing Expenditures - \$740,000

Ongoing Expenditures	
State Mandated Increase in Employer Paid Benefits	\$ 528,000
Replace End-of-Life Mobile Devices	COVID Funds
Inflation - Operating Expenses	212,000
<b>Total</b>	<b>\$ 740,000</b>

# Ongoing Expenditures

## State Mandated Increase in Employer Benefits:

- Next year employer provided benefits is projected to increase by **\$528,000** as follows:
  - Health insurance is projected to increase by **6.0%** from \$6,326 to \$6,700;
  - Employer retirement contribution is projected to increase by **7.0%** from 21.7% to 23.2%.

# Ongoing Expenditures

## Replace End-of-Life Student Chromebooks:

- New Chromebooks will be issued to all **6,900** 2<sup>nd</sup>, 6<sup>th</sup> and 9<sup>th</sup> grade students each year.
- Students will keep these same devices each year.
- Cost to replace these 6,900 devices amounts to about **\$1.3 million** per year.
- This cost will be **covered by COVID** funds for the next two years.

# Ongoing Expenditures

## Expected Inflationary Impact:

- The expected inflation rate for next year is **2.3%** for purchases of goods and services.
- The estimated impact of inflationary costs on our \$9.2 million of purchases of goods and services is **\$212,000**.



# Expansion Request

## New Initiatives - \$950,000

New Initiatives	
Certified Employee Salary Supplement Adjustment	500,000
Employee Compensation Adjustment - Classified	261,000
Employee Compensation Adjustment - Certified	189,000
Student Support Personnel	COVID Funds
Custodial Allotment Increase	COVID Funds
Total	\$ 950,000



# New Initiatives

## Teacher Salary Supplements

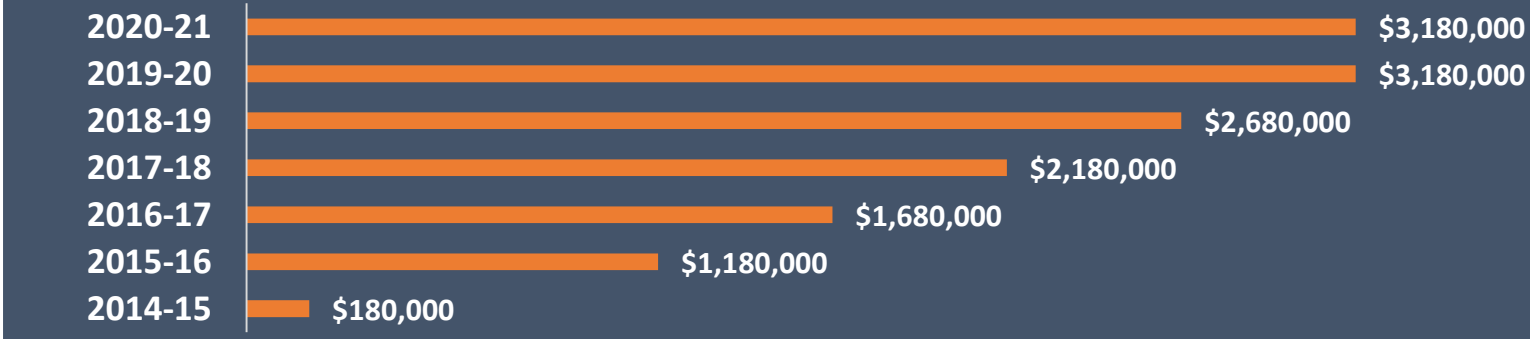
- Over the past seven years, the County has increased teacher supplements by **\$3.18 million**.
- There was **no increase in teacher supplements** for 2020-2021 due to the impact of the pandemic on local sales tax revenues.
- A \$500,000 increase in teacher supplements would improve net average annual supplements by about **\$180 per teacher**.

# Teacher Salary Supplements

## District Increases

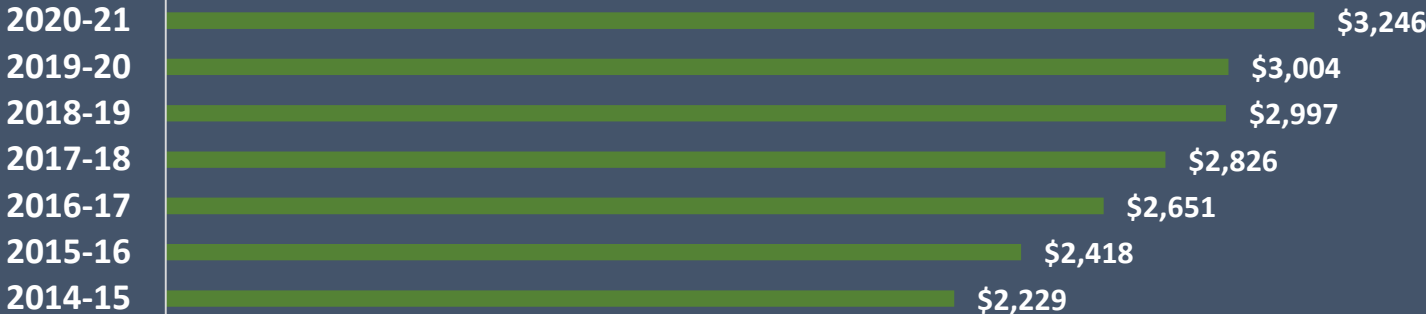


## Cumulative District Increases

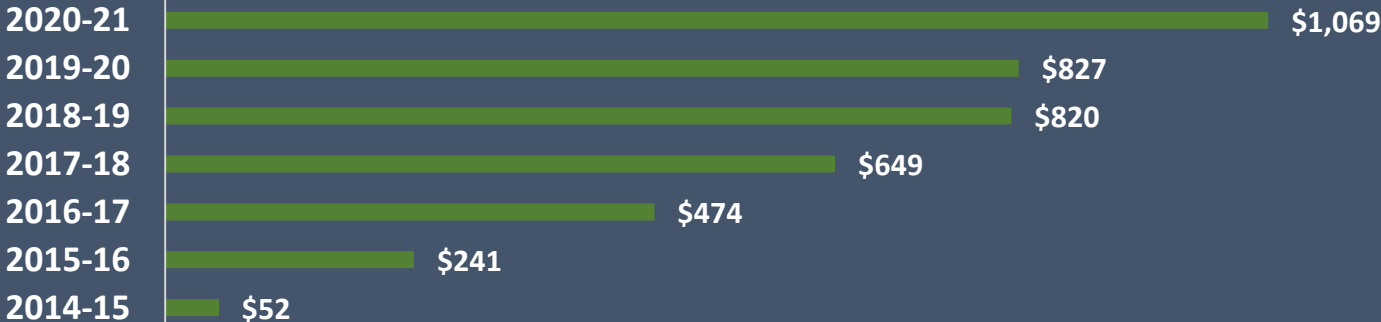


# Teacher Salary Supplements

## Average Teacher Supplement



## Cumulative Avg. Supplement Increase



# Teacher Salary

<b>Neighboring Districts (ADM)</b>	<b>Average Supplement</b>
Charlotte-Mecklenburg (140,073)	\$ 8,818
State Average	4,942
Union (39,934)	4,459
Lincoln (11,077)	4,258
Cabarrus (32,729)	4,240
Catawba (15,370)	3,728
<b>Gaston (29,490)</b>	<b>3,246</b>
Iredell-Statesville (20,038)	3,055
Rowan-Salisbury (18,004)	3,007
Cleveland (13,865)	2,116

Source: DPI FY 2020-21 Table 20 for average supplement

DPI FY 2020-21 Table 10 for ADM

# New Initiatives

## Classified Employee Compensation:

- Salary increases for our non-certified employees (custodians, bus drivers, etc.) have lagged the increases of other similar government employees.
- A requested **3.0%** compensation increase for locally paid non-certified employees would cost **\$261,000.**

# New Initiatives

## Certified Employee Compensation:

- Our certified employees (teachers, guidance counselors, etc.) have not received any increased compensation for the past two fiscal years due to the State budget impasse.
- A requested **4.0%** compensation increase for locally paid certified employees would cost **\$189,000.**

# New Initiatives

## Additional Nursing Positions in Schools:

- Add **30 nursing positions** so Gaston County Schools would have one nurse for each of our 55 schools. This would provide immediate and acute medical care to students on all campuses.
- The projected cost would be **\$1.9 million** which would be **covered using COVID funds** for two years.

# New Initiatives

## Custodial Allotment Increase:

- Add ten school custodial FTEs to reduce the average area cleaned per custodian.
- Add four district custodians to provide support to schools when absences and vacancies occur.
- The projected cost would be **\$565,000** which would be **covered using COVID funds** for two years.



# Operating Request Summary

<b>County Request</b>	<b>Amount</b>	
	<b>2020-21</b>	<b>2021-22</b>
<b>Prior Year County Appropriation</b>	<b>\$50,311,704</b>	<b>\$49,811,704</b>
<b>Ongoing Expenditures</b>	<b>\$1,315,000</b>	<b>\$740,000</b>
<b>New Initiatives</b>	<b>\$1,625,000</b>	<b>\$950,000</b>
<b>Total County Request</b>	<b>\$53,251,704</b>	<b>\$51,501,704</b>

The County request for 2021-22 is \$1.8 million less than last year's request

# Capital Outlay



# Capital Request

## School Bonds:

- New construction
- Classroom additions
- Capital replacements

## Capital Outlay:

- Preventative maintenance
- Minor repairs
- Contracted facility services



# Capital Outlay

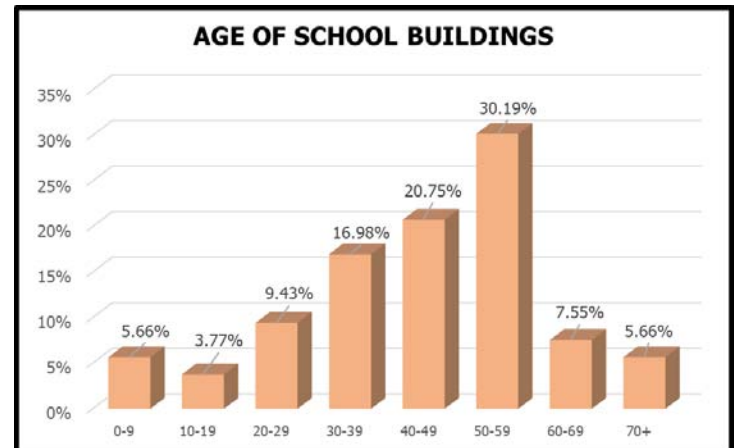
Capital Outlay is used for the following purposes:

- Roofing
- HVAC
- Vehicles
- Plumbing
- Site Improvements
- Electrical
- Technology
- Furniture
- Life Safety
- Other Maintenance

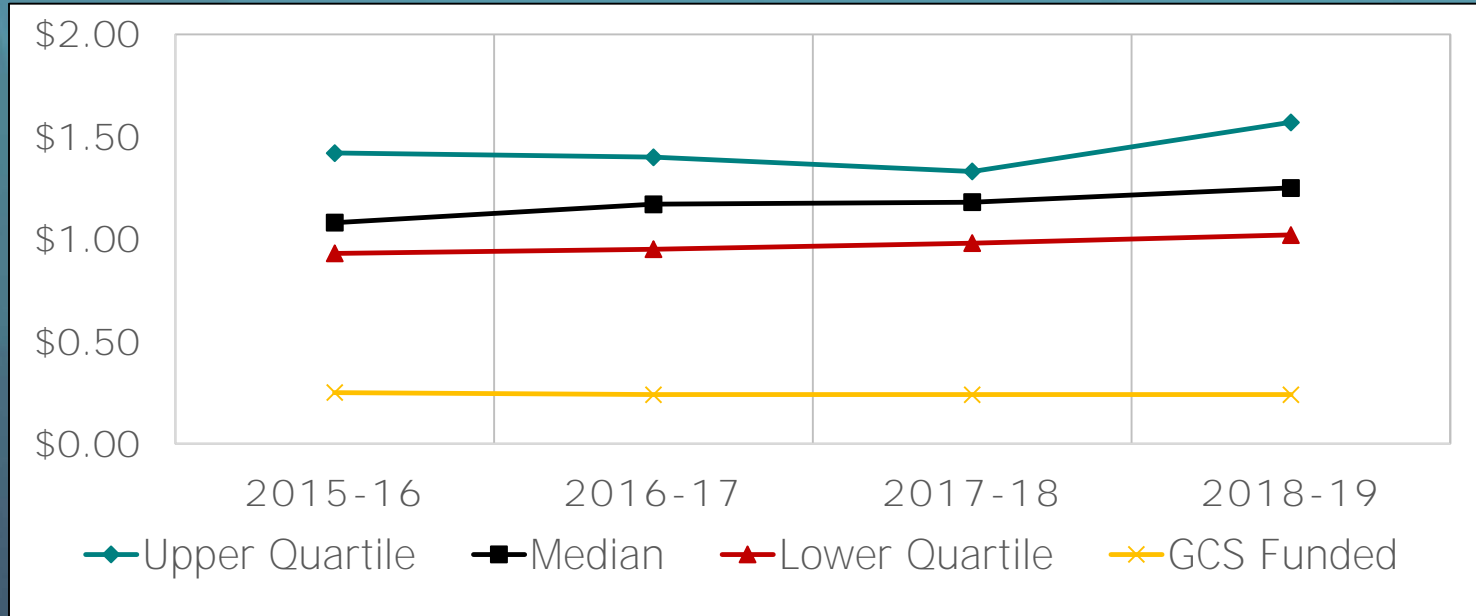
# Capital Outlay

## Maintenance Costs Are Affected By:

- Age of the Buildings
- Quality and Experience of Custodial Staff
- Training of Custodial Staff
- Deferred Maintenance Backlog



# Maintenance Cost per Square Foot



	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
Upper Quartile	\$ 1.42	\$ 1.40	\$ 1.33	\$ 1.57
Median	1.08	1.17	1.18	1.25
Lower Quartile	0.93	0.95	0.98	1.02
GCS Funded	0.25	0.24	0.24	0.24

Source: Managing for Results in America's Great City Schools – 2020 (results from fiscal year 2018-2019)

# Capital Request

- We have 60 school and administrative buildings measuring about **5.2 million square feet**
- This year we received \$1.2 million in capital outlay, or about \$0.24 per square foot
- **We are requesting \$6.5 million** in capital outlay for 2021-22. This request amounted to \$1.25 per square foot which is the **median** maintenance cost per square foot.

# Capital Request

Expenditures		Adopted Budget					Proposed 2021-22
		2016-17	2017-18	2018-19	2019-20	2020-21	
	Technology	\$ 84,020	\$ 100,000	\$ 100,000	\$ 100,000	\$ 50,000	\$ 150,000
	Vehicles	150,000	150,000	150,000	150,000	100,000	150,000
	General Renovations	882,980	882,000	882,000	1,882,000	1,027,000	6,050,000
	Furniture	110,000	95,000	95,000	95,000	50,000	150,000
TOTAL	COUNTY CAPITAL	\$ 1,227,000	\$ 1,227,000	\$ 1,227,000	\$ 2,227,000	\$ 1,227,000	\$ 6,500,000
	STATE FUNDS	-	-	-	-	-	-
	GRAND TOTAL	\$ 1,227,000	\$ 1,227,000	\$ 1,227,000	\$ 2,227,000	\$ 1,227,000	\$ 6,500,000



# Conclusion

The Superintendent's Budget Request supports the Gaston County Schools' Vision to **“inspire success and a lifetime of learning”** for all of our students.



# Discussion

