

# Board of Education Meeting



## Finance Updates

June 12, 2023

# Finance Updates

1. Out of County Tuition (approval)
2. Budget Update (information)
  - State
  - Local
  - Federal
3. Interim Budget (approval)
4. New Classroom Teacher Bonus (approval)



# Out of County Tuition

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# Out of County Tuition

Historical tuition rates for Gaston County students domiciled **outside** of Gaston County were as follows:

	<u>In state</u>	<u>Out of State</u>
• 2020-21	\$1,656	\$7,885
• 2021-22	\$1,715	\$7,981
• 2022-23	\$1,759	\$8,717

# Out of County Tuition

Tuition rates are calculated based on the total **local operating revenue** divided by the 20 day **student count** for the first month. The in-state, **out of county tuition** for 2023-2024 is recommended to be **\$1,779** which was calculated as follows:

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Local Operating Revenue	\$53,251,704
<i>divided by</i>	<i>divided by</i>
Student Count (PMR 1)	29,936

**Local operating revenue includes both the County appropriation (\$52,501,704) and fines, forfeitures and interest (\$750,000)**

# Out of County Tuition

Tuition for **out of state students** includes the out of county tuition rate of **\$1,779** plus the State per pupil expenditure (PPE) for 2021-2022. DPI has reported the 2021-2022 PPE to be **\$7,166**. Therefore the out of state tuition is recommended to be **\$8,945**.



# Out of County Tuition

**Recommend** approval of the out of county student tuition rate of:

- **\$1,779** for in-state, out of county students and
- **\$8,945** for out of state students

for the 2023-2024 school year.



# Budget Update

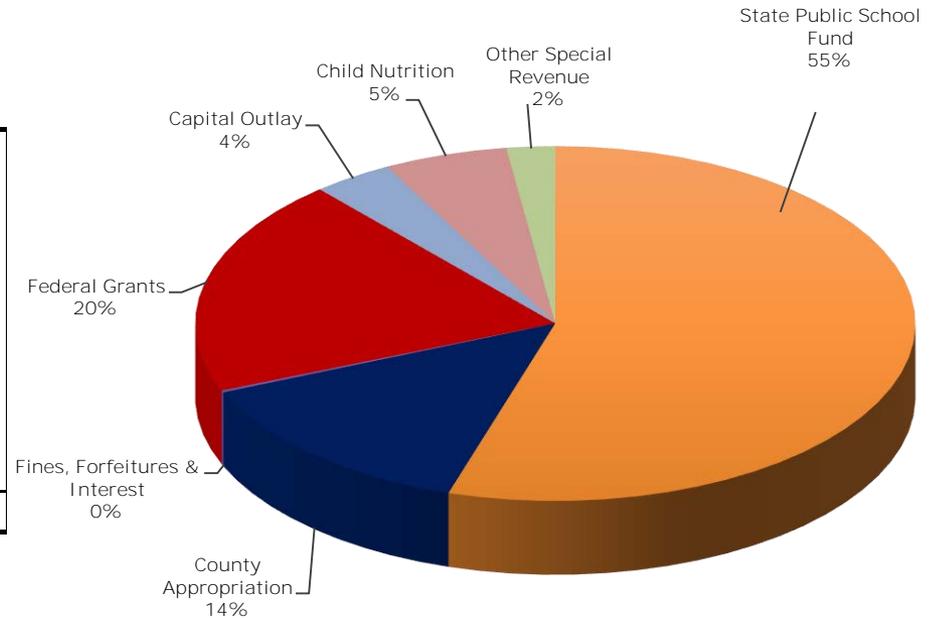
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# Budget Update

## SOURCES OF REVENUE

State Public School Fund	\$	207,728,799
County Appropriation		52,501,704
Fines, Forfeitures & Interest		750,000
Federal Grants		75,081,040
Regular Grants	\$	2,201,784
COVID Funds	\$	72,879,256
Capital Outlay		13,739,098
Child Nutrition		21,090,500
Other Special Revenue		8,259,577
<b>TOTAL</b>	<b>\$</b>	<b>379,150,718</b>



Represents the FY 2022-23 beginning operating budget as of July 1, 2022

# State Budget

Budget



# State Funding

## Primary Use of State Funds

- Classroom Teachers
- School Administrators
- School Psychologists
- Instructional Support (Counselors, Social Workers, etc.)
- Teacher Assistants
- Clerical and Custodial personnel

# State Funding

## Primary Use of State Funds

- Transportation services
- Central office administration
- Special programs – AIG, CTE, ML, EC, etc.
- School safety – School Resource Officers
- At-risk and disadvantaged students
- Classroom supplies, textbooks and technology

# State Funding

## State FY 2023-2025 Biennial Budget Proposal

- Governor – released March 16th
- House – released March 29th
- Senate – released May 15th

**Reminder:** There is a supermajority in the NC House and NC Senate that could override a veto by the Governor

# State Funding

<u>Item</u>	<u>House</u>	<u>Senate</u>
State Income Tax (4.75%)	4.50%	4.50%
Teacher Masters Pay	Yes	No
Teacher Supplement	Yes	No
<b>Salary (2023-2024):</b>		
Principals	4.25%	2.50%
Central Office	4.25%	2.50%
Teachers	4.25%	5.13% - 0.37%

# State Funding

## Teacher Salary Schedule Proposals

Years of Experience	Current Monthly Salary	Proposed Monthly Salary	
		House	Senate
0	\$3,700	\$3,857	\$3,900
1	\$3,800	\$3,962	\$4,000
2	\$3,900	\$4,066	\$4,100
3	\$4,000	\$4,170	\$4,200
4	\$4,100	\$4,274	\$4,300
5	\$4,200	\$4,379	\$4,400
6	\$4,300	\$4,483	\$4,480
7	\$4,400	\$4,587	\$4,560
8	\$4,500	\$4,691	\$4,640
9	\$4,600	\$4,796	\$4,720
10	\$4,700	\$4,900	\$4,800
11	\$4,800	\$5,004	\$4,880
12	\$4,900	\$5,108	\$4,960
13	\$5,000	\$5,213	\$5,040
14	\$5,100	\$5,317	\$5,120
15-24	\$5,200	\$5,421	\$5,220
25+	\$5,400	\$5,630	\$5,420

Proposed Monthly Salaries are for FY 2023-2024

# State Funding

## Teacher Salary Schedule Proposals

Years of Experience	Current Monthly Salary	Proposed % Change	
		House	Senate
0	\$3,700	4.24%	5.13%
1	\$3,800	4.26%	5.00%
2	\$3,900	4.26%	4.88%
3	\$4,000	4.25%	4.76%
4	\$4,100	4.24%	4.65%
5	\$4,200	4.26%	4.55%
6	\$4,300	4.26%	4.02%
7	\$4,400	4.25%	3.51%
8	\$4,500	4.24%	3.02%
9	\$4,600	4.26%	2.54%
10	\$4,700	4.26%	2.08%
11	\$4,800	4.25%	1.64%
12	\$4,900	4.24%	1.21%
13	\$5,000	4.26%	0.79%
14	\$5,100	4.25%	0.39%
15-24	\$5,200	4.25%	0.38%
25+	\$5,400	4.26%	0.37%

Proposed Monthly Salaries are for FY 2023-2024

# State Funding

## **HB 259 – 2023 Appropriations Act**

- House – Conference Committee Appointed 06/01
- Senate – Conference Committee Appointed 06/05

Conference Budget is **expected before 06/30**

**Reminder:** There is a supermajority in the NC House and NC Senate that could override a veto by the Governor

# Local Budget



# Local Funding

## Primary Use of Local Funds

- Salary supplements
- Instructional supplies
- Maintenance and custodial supplies
- Technology
- Utilities and insurance
- School Resource Officers
- Athletics and arts programs
- Charter school allotments

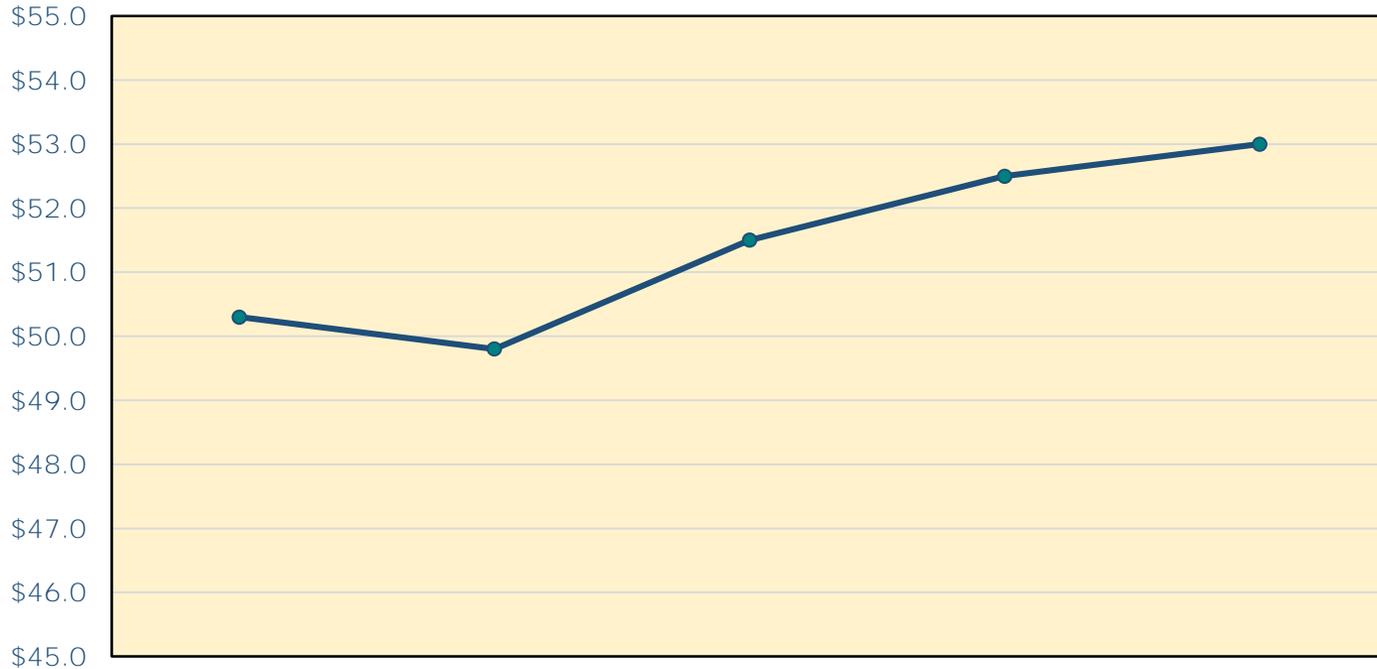


# Local Funding

<b>County Request</b>	<b>2023-24</b>
<b>Prior Year County Appropriation</b>	<b>\$52,501,704</b>
<b>Requested Funding Increase</b>	<b>\$2,885,000</b>
<b>Total County Request</b>	<b>\$55,386,704</b>

<b>County Funding</b>	<b>2023-24</b>
<b>Prior Year County Appropriation</b>	<b>\$52,501,704</b>
<b>Actual Funding Increase</b>	<b>\$500,000</b>
<b>Total County Appropriation</b>	<b>\$53,001,704</b>

# Local Funding



Date	2019-20	2020-21	2021-22	2022-23	2023-24
Total	\$ 50,311,704	\$ 49,811,704	\$ 51,501,704	\$ 52,501,704	\$ 53,001,704
Change	\$ 1,960,000	\$ (500,000)	\$ 1,690,000	\$ 1,000,000	\$ 500,000

# Local Funding

## Future Challenges

- State increases in salaries and benefits will result in higher expenses for locally paid employees
- The impact of inflation on the cost of goods and services could be significant
- ESSER II funding will expire in September 2023
- ESSER III funding will expire in September 2024

# Capital Outlay

Capital Outlay is used for the following purposes:

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

# Capital Outlay

- All schools and administrative buildings total about **5.1 million square feet**
- This year we received \$2.2 million in capital outlay, or about **\$0.44 per square foot**
- We requested **\$6.5 million** in capital outlay for 2023-24. This request amounted to **\$1.27 per square foot**

# Capital Request

Expenditures	Adopted Budget					Proposed 2023-24
	2018-19	2019-20	2020-21	2021-22	2022-23	
Technology	\$ 100,000	\$ 100,000	\$ 50,000	\$ 50,000	\$ -	\$ 100,000
Vehicles	150,000	150,000	100,000	100,000	225,000	100,000
General Renovations	882,000	1,882,000	1,027,000	1,027,000	2,002,000	6,150,000
Furniture	95,000	95,000	50,000	50,000	-	150,000
<b>TOTAL COUNTY CAPITAL</b>	<b>\$ 1,227,000</b>	<b>\$ 2,227,000</b>	<b>\$ 1,227,000</b>	<b>\$ 1,227,000</b>	<b>\$ 2,227,000</b>	<b>\$ 6,500,000</b>

Revenues	Adopted Budget					Approved 2023-24
	2018-19	2019-20	2020-21	2021-22	2022-23	
County Funds	\$ 1,227,000	\$ 2,227,000	\$ 1,227,000	\$ 1,227,000	\$ 2,227,000	\$ 2,227,000
State Funds	-	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 1,227,000</b>	<b>\$ 2,227,000</b>	<b>\$ 1,227,000</b>	<b>\$ 1,227,000</b>	<b>\$ 2,227,000</b>	<b>\$ 2,227,000</b>

# Federal Budget



# Federal Budget

## Primary Federal Funding Sources:

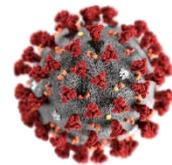
- Title 1 (30 Schools)
- Individuals with Disabilities Act (IDEA)
- Career and Technical Education (CTE)
- Remaining COVID-19 Funding:
  - ESSER II (\$323,000)
  - ESSER III (\$46.0M)



# Federal Budget

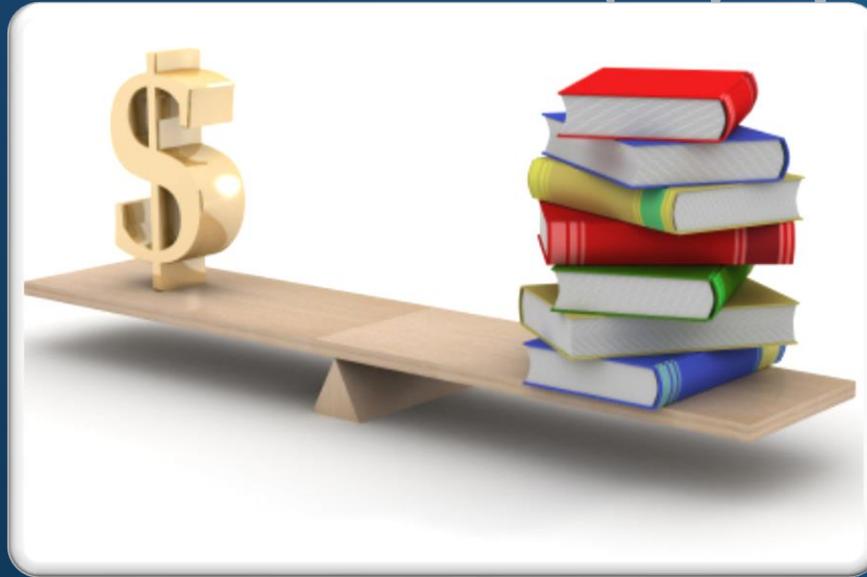
## COVID-19 funds have been used for:

- COVID retention bonuses
- Chromebooks and Wi-Fi access devices for students
- Books, supplies and online learning materials
- Summer learning program and after school tutors
- School nutrition financial support
- EC student support, health support personnel, etc.
- Additional teaching allotments
- Dedicated substitute teachers
- Air purifiers for all classrooms



# Interim Budget

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# Interim Budget

- This is the **last scheduled Board meeting** prior to the start of the 2023-2024 fiscal year
- The State has **not yet approved** the 2023-2024 State budget
- Therefore a **GCS Budget Resolution will not be approved prior to the start of the 2023-2024 fiscal year (July 1, 2023)**

# Interim Budget

- **State law** (G.S. 115C-434) requires that the Board of Education make **interim appropriations** to pay salaries and other usual expenses for the interval of time between the start of the fiscal year and the approval of a **budget resolution**
- **Recommend** approval of a 2023-2024 interim budget at the level of **80% of the 2022-2023 Budget**

# New Classroom Teacher Bonus

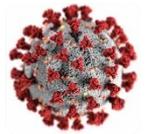
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# New Classroom Teacher Bonus

## Historical COVID Retention Bonuses:

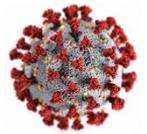
Over the past two school years, qualified full-time employees have had the opportunity to receive up to **\$5,000** in COVID retention bonuses. This was paid due to the additional challenges, duties and responsibilities that educational employees have endured since the inception of the pandemic.



# New Classroom Teacher Bonus

## **New Classroom Teacher Bonus:**

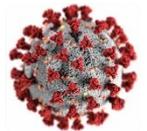
Since returning to work after the pandemic, we have experienced a higher than normal level of vacancies. This has had a significant impact in our schools. **Teacher vacancies** in the classroom are often covered by substitutes, existing teachers or other school personnel.



# New Classroom Teacher Bonus

## Summary of New Classroom Teacher Bonus:

In an effort to attract additional qualified teachers to GCS, we are proposing the following **recruitment and retention bonus** that would be paid to new classroom teachers for the 2023-2024 school year.



# New Classroom Teacher Bonus

## New Classroom Teacher Eligibility:

Must meet **ALL** of the following criteria:

- Must be **newly hired** for the 2023-2024 school year (not employed by GCS during the 2022-2023 school year)
- Must be working by **September 15, 2023**
- Must be the **teacher of record** for GCS K-12 students
- Must be a **full-time permanent** employee

# New Classroom Teacher Bonus

## Projected Payment Dates:

- **\$1,000** signing bonus paid on September 27, 2023
- An additional **\$1,000** signing bonus paid on September 27, 2023, for K-12 EC teachers, secondary (6-12) math and secondary (6-12) science teachers
- **\$1,000** retention bonus paid in December 2023

*(Bonuses are not subject to State retirement, but are subject to income taxes)*

# New Classroom Teacher Bonus

## **Recommendation:**

**Approval** of the new classroom teacher recruitment and retention bonus in the amount of **\$2,000** for all new classroom teachers and **\$3,000** for new K-12 EC teachers, 6-12 secondary math and 6-12 secondary science teachers.

