

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

1



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:

Local Operating Revenue
divided by
Student Count (PMR 1)

\$53,251,704
divided by
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

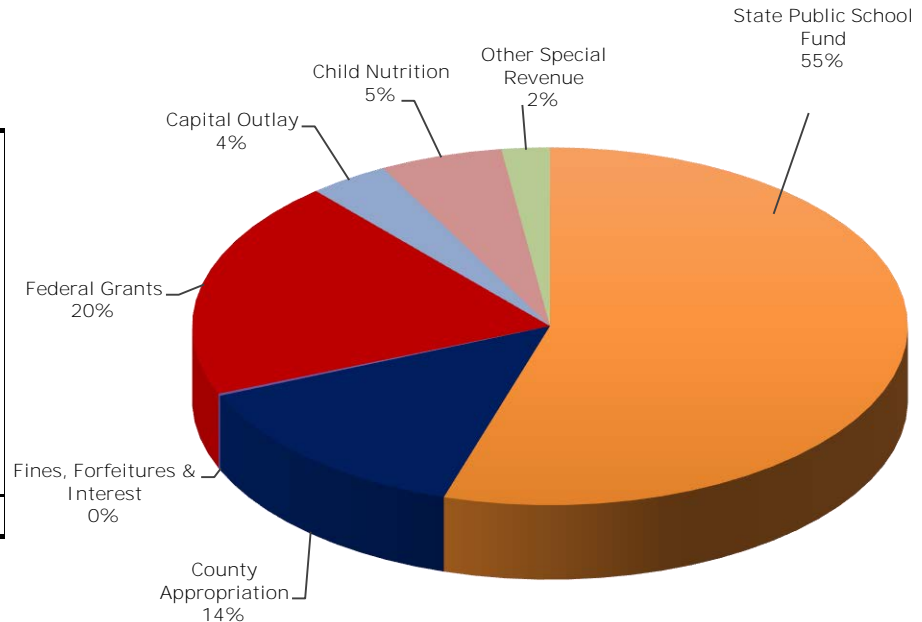
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Budget Update

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
TOTAL		\$ 379,150,718



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

Item	House	Senate
State Income Tax (4.75%)	4.50%	4.50%
Teacher Masters Pay	Yes	No
Teacher Supplement	Yes	No
Salary (2023-2024):		
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

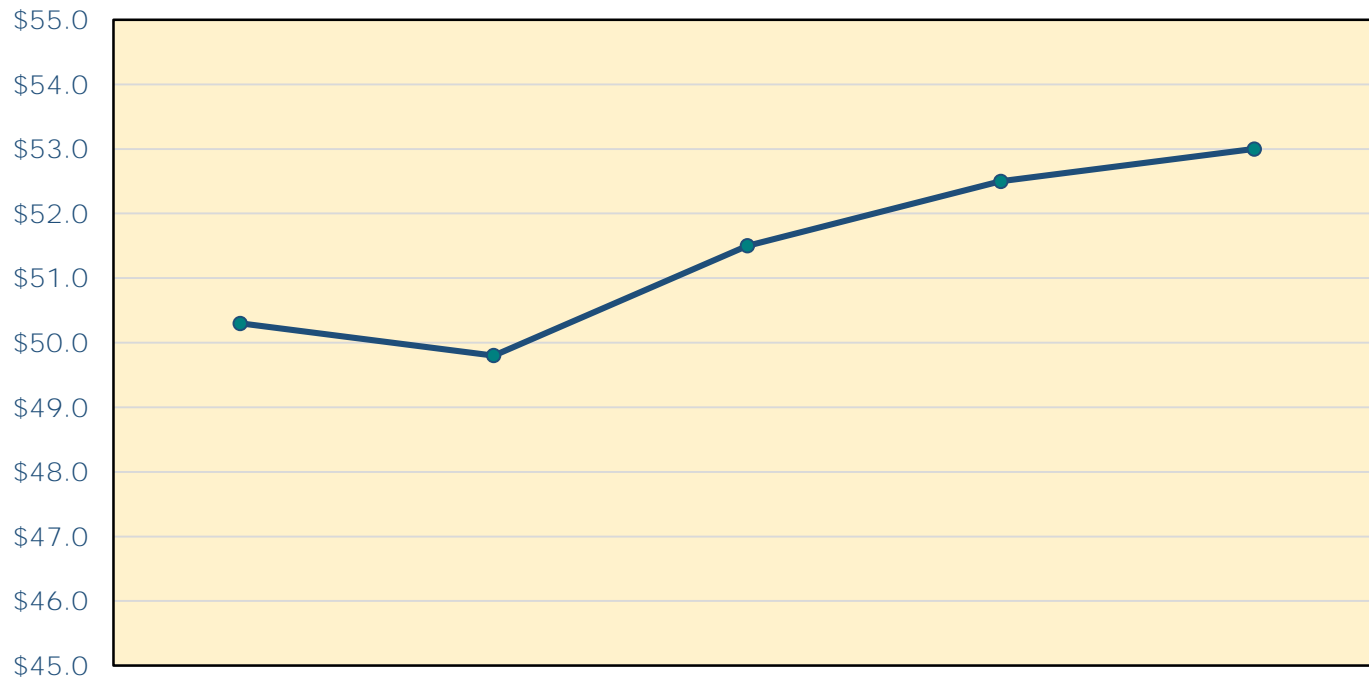


Local Funding

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

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

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						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
TOTAL COUNTY CAPITAL	\$ 1,227,000	\$ 2,227,000	\$ 1,227,000	\$ 1,227,000	\$ 2,227,000	\$ 6,500,000

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	-	-	-	-	-	-
TOTAL	\$ 1,227,000	\$ 2,227,000	\$ 1,227,000	\$ 1,227,000	\$ 2,227,000	\$ 2,227,000

Federal Budget



Federal Budget

Primary Federal Funding Sources:

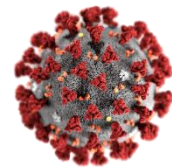
- Title 1 (30 Schools)
- Individuals with Disabilities Act (IDEA)
- Career and Technical Education (CTE)
- Remaining COVID-19 Funding:
 - ESSER II (\$323,000)
 - ESSER III (\$46.0M)



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

3



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

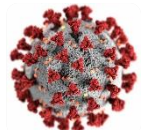
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New Classroom Teacher Bonus

Historical COVID Retention Bonuses:

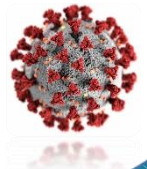
Over the past two school years, qualified full-time employees have had the opportunity to receive up to **\$5,000** in COVID retention bonuses. This was paid due to the additional challenges, duties and responsibilities that educational employees have endured since the inception of the pandemic.



New Classroom Teacher Bonus

New Classroom Teacher Bonus:

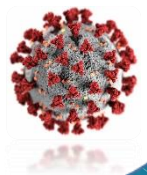
Since returning to work after the pandemic, we have experienced a higher than normal level of vacancies. This has had a significant impact in our schools. **Teacher vacancies** in the classroom are often covered by substitutes, existing teachers or other school personnel.



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.

