

Board of Education Meeting



June 18, 2018
2018-2019 Budget Update

Celebrate! Gaston County Schools



Budget Overview

- State Funding
- Local Funding
- Other Funding
- School Bonds
- Conclusion



State Funding

Senate Bill 99 – An Act to Modify the Current Operations Act of 2017 and to make Other Changes in the Budget Operations of the State

- Passed General Assembly - 06-01-18
- Vetoed by Governor - 06-06-18
- Veto Overridden - 06-12-18

Senate Bill 99

Teacher Compensation

- Average salary increase of 6.5%
- Recurring funding for \$2,000 bonus program for qualified 4th-5th grade reading teachers and 4th-8th grade math teachers
- Continued funding of a \$50 bonus for each advanced placement (AP) teacher when their student received a score of 3 or higher on the College Board Placement Exam

Senate Bill 99

Teacher Staffing

	2016-17	2017-18	2018-19
ADM	32,273	31,809	32,034
State Teacher Allotments	1,502	1,517	1,530
ES Teacher Allotment Ratio	21.52	19.88	19.97
MS Teacher Allotment Ratio	19.25	20.75	21.17
HS Teacher Allotment Ratio	22.70	22.97	22.59

Senate Bill 99

Principal Compensation

- Average salary increase of 6.9%
- Hold harmless extended through 2018-19
- Principals will be paid based on the current ADM of their school beginning 01-01-19
- Principals will be paid according to their growth scores for 2015-16, 2016-17 and 2017-18 beginning 01-01-19
- Consolidates the two principal bonus plans

Senate Bill 99

Other Compensation

- Increase AP salary from 17% to 19% of the “A” Teacher Salary Schedule
- Bus drivers to receive an equitable increase in average pay
- All other employees to receive a 2% raise
- Retirees to receive a one-time 1% supplement
- Health insurance increase from \$5,869 to \$6,104 and retirement increase from 17.13% to 18.86%

Senate Bill 99

Other Provisions

- School safety grants totaling \$28 million
- Increases in per pupil allotments: EC from \$4,125 to \$4,442 / AIG from \$1,315 to \$1,339
- Maintains enhancement teacher allotment
- Increase in transportation due to rising fuel costs
- Increased funding for textbooks and school technology fund

Senate Bill 99

Other Provisions

- Cuts to funding for Central Office staff and DPI
- A \$20,000 reduction in funding for Gaston Early College
- Restricts moving Driver's Ed funding
- \$10 million incr. in Opportunity Scholarship
- Allows cities to use revenues for public education
- Modifies 529 rules to pay for K-12 education

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Local Funding

County Budget approved June 12, 2018:

FY 2017-18	
Operating Funds	47,751,704
Commissioner's School	65,000
SRO Funding	1,182,310
Total 2017-18 Funding	\$ 48,999,014

FY 2018-19	
2017-18 Funding	48,999,014
PLUS:	
Teacher Supplement	500,000
Stanley STEAM	100,000
Additional SROs	707,697
Total 2018-19 Funding	\$ 50,306,711

Local Funding

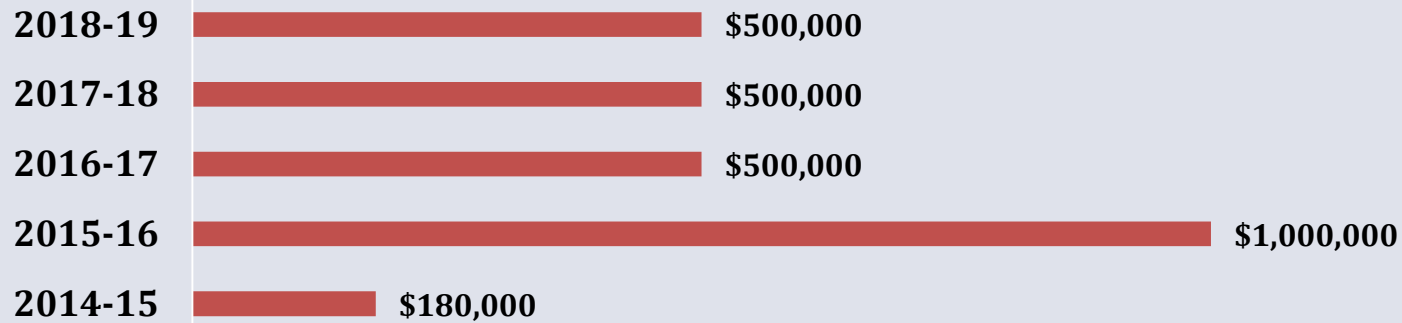
Local General Fund:

FY 2017-18		
County Appropriation	\$	47,751,704
Local Revenues		750,000
Fund Balance Appropriated		1,200,000
Total 2017-18 Local Funding	\$	49,701,704

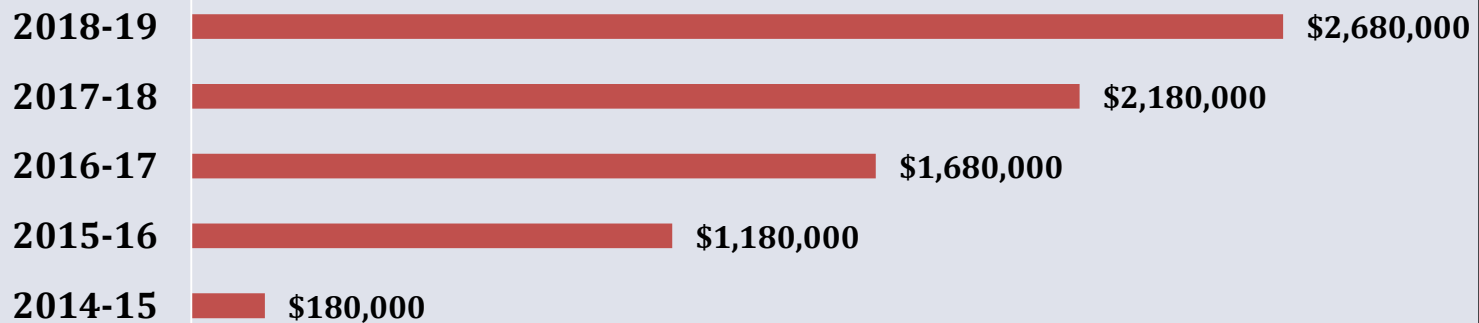
FY 2018-19		
County Appropriation	\$	48,351,704
Local Revenues		750,000
Fund Balance Appropriated		0
Total 2018-19 Local Funding	\$	49,101,704

Teacher Supplements

District Increases



Cumulative District Increases

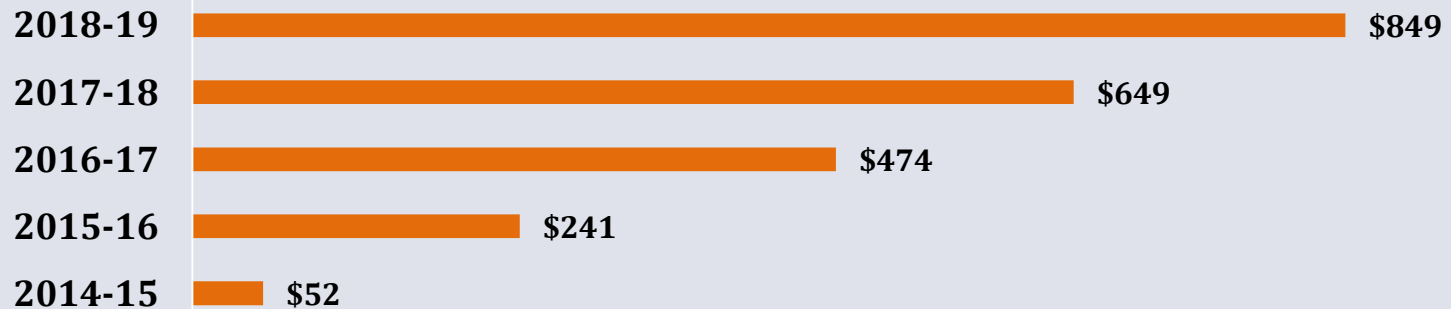


Teacher Supplements

Average Teacher Supplement



Cumulative Avg. Supplement Increase



Local Funding

Challenges:

- No new unrestricted local funding
- All local/federal non-certified employees will receive a 2% salary increase
- Higher benefits costs for local/federal employees
- Salary increase for locally paid APs
- Replacement costs for aging technology
- No budgeted use of fund balance (\$1.2M)

Fund Balance

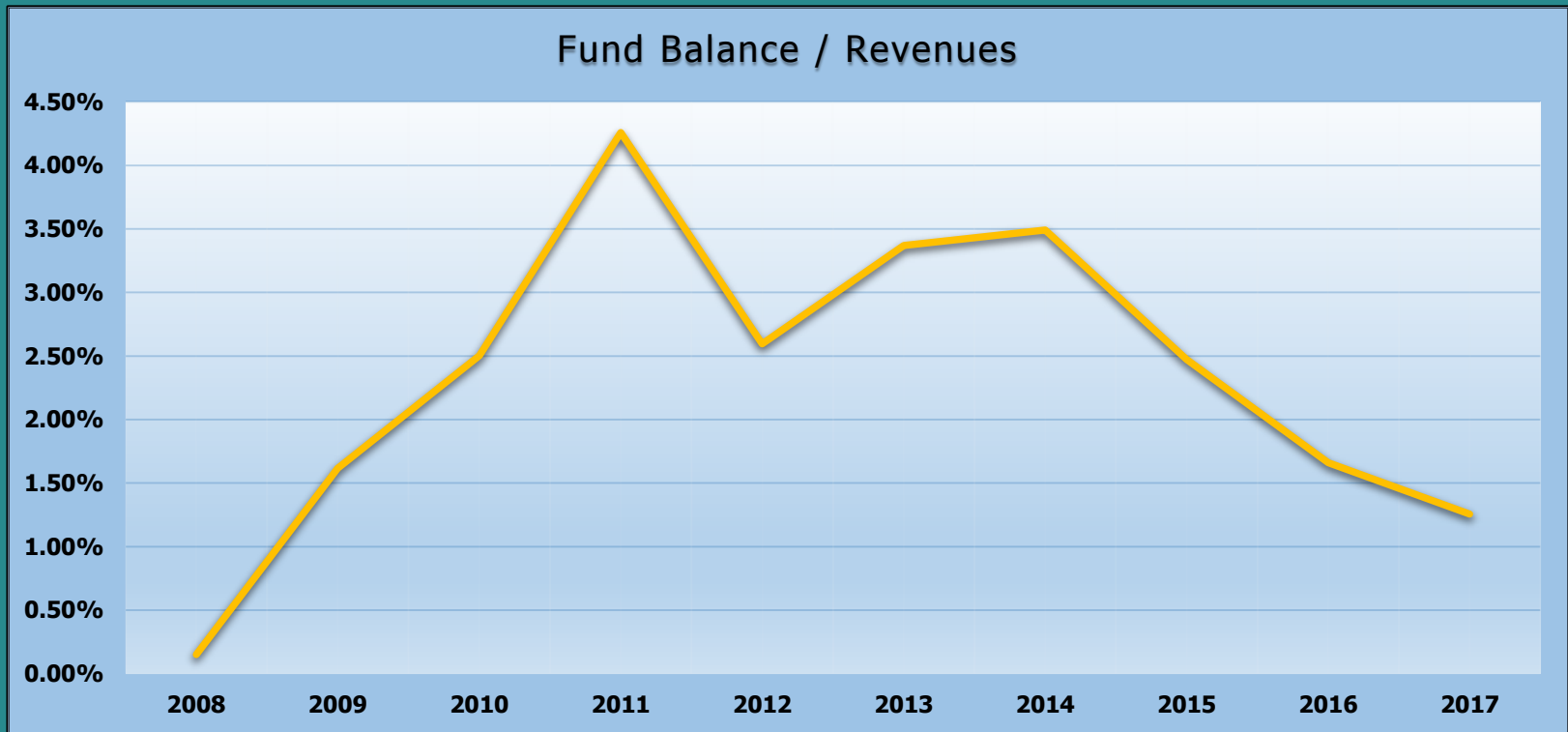
LEA Name	ADM	Unassigned Fund Balance	Total Revenues	Fund Balance / Revenues
Lincoln County Schools	11,383	259,310	97,382,021	0.27%
Union County Schools	41,511	1,896,467	369,420,055	0.51%
Durham County Schools	33,151	2,835,538	379,233,829	0.75%
Johnston County Schools	35,088	2,805,807	317,884,149	0.88%
Catawba County Schools	16,353	1,455,716	138,742,993	1.05%
Gaston County Schools	31,499	3,713,330	295,813,630	1.26%
AVERAGE	26,238	4,418,015	251,603,937	1.76%
Cabarrus County Schools	31,909	7,406,823	314,915,870	2.35%
Iredell-Statesville Schools	20,418	4,481,667	173,681,530	2.58%
Cleveland County Schools	14,779	3,816,234	136,455,468	2.80%
New Hanover County Schools	26,287	15,509,260	292,509,821	5.30%

Source: LEA's 2016-17 CAFR (Exhibits 3 and 4) & DPI website (ADM)

Celebrate! Gaston County Schools



Fund Balance



	2008	2009	2010	2011	2012
Unassigned Fund Balance	393,500	4,472,775	6,619,094	11,475,596	6,810,382
Fund Balance / Revenues	0.15%	1.62%	2.50%	4.26%	2.59%

	2013	2014	2015	2016	2017
Unassigned Fund Balance	8,543,572	8,421,435	6,299,324	4,267,131	3,713,330
Fund Balance / Revenues	3.37%	3.49%	2.47%	1.66%	1.26%



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Title 1 Funding

Planning Budget:

	2018-2019	2017-2018	2016-2017
District	\$ 4,281,689	\$ 5,282,428	\$ 5,512,995
Schools	\$ 4,648,099	\$ 3,827,360	\$ 3,530,798
Total Title 1 Planning	\$ 8,929,788	\$ 9,109,788	\$ 9,043,793

Title 1 is a Federal program designed to improve the academic achievement of the disadvantaged. This program is administered by NC DPI.

Title 1 Funding

Transition from District funding to School funding:

- District paid Instructional Facilitators to School paid Content Teachers
- Title 1 school SIT Teams determined the need for Content Teachers
- All Instructional Facilitators remained with GCS except for 2 employees

Title 1 Funding

	2018-2019	2017-2018	2016-2017
WOODHILL ELEM SCH	\$ 258,352	\$ 257,928	\$ 198,961
LINGERFELDT ELEM	190,567	172,533	141,723
ED SADLER ELEMENTARY	188,862	209,131	184,337
YORK-CHESTER MIDDLE	166,266	149,877	122,098
H.H. BEAM ELEMENTARY	302,264	295,106	224,059
BESSEMER CITY PRIMARY	200,372	189,379	161,890
BESSEMER CITY CEN.	185,877	156,267	139,446
BESSEMER CITY MIDDLE	229,362	173,965	164,861
GRIER MIDDLE SCHOOL	285,211	216,683	204,096
WARLICK SCHOOL	47,748	47,054	32,262
SOUTHWEST MIDDLE	326,564	254,442	241,696
PLEASANT RIDGE ELEM	343,191	241,662	205,083
CHAPEL GROVE ELEM	159,445	134,192	141,120
CARR ELEMENTARY	250,252	218,425	226,568
BROOKSIDE ELEMENTARY	212,309	164,400	162,448
NORTH BELMONT ELEM	131,734	108,632	121,051
TRYON ELEM	110,040	112,117	123,229
GARDNER PARK ELEM	189,921	171,371	190,223
SHERWOOD ELEM.	183,400	196,350	177,916
SPRINGFIELD ELEM	118,599	100,499	120,754
CATAWBA HEIGHTS ELEM	83,957	63,320	78,586
MCADENVILLE ELEM	46,054	45,893	44,206
CHERRYVILLE ELEM	56,718	104,565	80,197
KISER ELEM SCH	57,930	-	-
LOWELL ELEMENTARY	74,897	-	-
W.BLAINE BEAM INTERMEDIATE	24,239	43,569	43,988
RANKIN	73,928	-	-
COSTNER	52,840	-	-
PINEWOOD	55,022	-	-
ROBINSON ELEMENTARY	42,175	-	-

DEC Funding

State: Not yet allotted by DPI. Increased per pupil allotment. Should be around \$19 million which is slightly higher than this year.

Federal: Not all allotments have been received. Medicaid funding lags by about two years and varies each quarter.

Local: Funding for four teaching positions and supplements for specialists.

Pre-K Funding

Pre-K Strategy:

- At the beginning of 2017-18, the new K-3 class size requirements were expected to be fully implemented for 2018-19

Class Size Requirements

“Phase in class size requirements over two years”

Grade Level	Funded Allotment Ratio	Max Avg Class Size	Max Individual Class Size
2016-17 Class Sizes			
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	1:20	1:23
Grade 1	1:16	1:20	1:23
Grades 2-3	1:17	1:20	1:23
2018-19 Class Sizes			
Kindergarten	1:18	1:18	1:21
Grade 1	1:16	1:16	1:19
Grades 2-3	1:17	1:17	1:20

Pre-K Funding

Pre-K Strategy:

- Transition five Pre-K classrooms from elementary schools that would be negatively impacted by the K-3 class size legislation.
- Four of the five teachers accepted teaching positions with GCS.
- Budget of about \$5.0 million is expected to be flat next year.

Class Size Update

House Bill 90 – Passed February 2018

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
17 Class Sizes (Current)			
Kindergarten	1:18	1:24	1:24
Grade 1	1:16	1:19	1:24
Grades 2-3	1:17	1:20	1:24
17 Class Sizes (Proposed)			
Kindergarten	1:18	1:21	1:21
Grade 1	1:16	1:19	1:19
Grades 2-3	1:17	1:20	1:21
17 Class Sizes (Target)			
Kindergarten	1:18	1:24	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

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School Bonds

School Bond Funding approved June 12, 2018:

Belmont Middle	\$	40,000,000
Additions to Schools		10,000,000
Renovations & Repairs		<u>10,000,000</u>
Total	\$	60,000,000

Bonds will likely be sold in the 4th quarter of 2018 and proceeds will be available during the first quarter of 2019.

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Conclusion

- The combination of not having any new unrestricted local funding *and* no longer budgeting fund balance will limit our ability to supplement staffing levels and programs that are not fully funded from other sources.

Conclusion

- We do expect some additional State funding that will help moderate this concern.
- Federal funding levels are still unresolved, but not expected to vary significantly from this year's funding.

Thank You



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