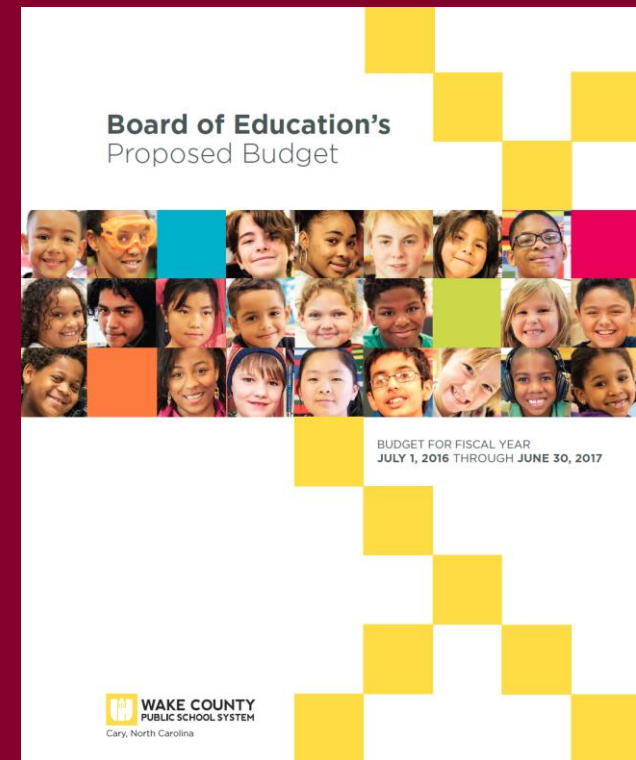


Board's Proposed 2016-17

Operating Budget Update & Recommended Adjustments



August 16, 2016 – BOE Work-Session

Board's Proposed 2016-17 Operating Budget

July 19 Work-Session

- Review of final State Budget
- Recommendations for addition & adjustments to balance

August 2 Board Meeting

- Update on Employer Benefit Rate Contributions
- Review recommendations for addition & adjustments
- Board discussion of recommended adjustments

Today

- Review August 2 presentation
- Board discussion
- If consensus on recommended changes request Board approval tonight
- If not direction on changes to make

Board's Proposed 2016-17 Operating Budget

Employer Benefit Contribution Rate Update

- New direction from DPI on July 22, 2016
- Budget for the year:
 - Retirement 16.33%
 - Health Insurance \$5,659 / employee (even though \$5,471 now)
 - State covers state funded employees
 - ≈ \$840 k impact for locally funded staff
- Balance with:
 - Anticipated that State F&F revenues will come in higher (DPI)
 - Review of other carryover balances coming in over budgeted amounts
 - Does not change staff recommendations presented July 19, 2016

Board's Proposed 2016-17 Operating Budget

WCPSS Operating Budget – Recommended Addition

- Add a business case to provide 1.5% locally funded support staff increase
- Estimated state legislated increase was 3%
- With State 1.5% provides support staff a recurring 3% increase
- Wake County & Raleigh → 3% & 3.25% respectively
- Consecutive years since 2009-10 with no or limited change
- Continued balancing budget by impacting employees not aligned with Strategic Plan
- \$2.96 m required to fund

Board's Proposed 2016-17 Operating Budget

WCPSS Operating Budget – Balancing the Budget

- \$17.5 m required to balance (funding gap)
- Great Recession focus on mitigating impact on schools year after year
- ≈ 94% of funding goes to schools
- Extensive review by Superintendent & Leadership Team Staff
- Input from Division of Principals
- No easy answers
 - Consecutive years of funding reduction followed by
 - Years of catching up without full funding
- All Business Cases not included within adjustments remain

Board's Proposed 2016-17 Operating Budget

WCPSS Operating Budget – Recommended Adjustments

- Freeze Central Office vacancies 90 days - \$1 m savings
- Increase Indirect Cost Revenue estimate - \$700 k
- Reduce Central Services Contract budgets - \$2 m
- Transportation budget reduction to absorb state reduction - \$200 k
- Remove New Business Case for Instructional Technology Facilitators - \$843 k
- Remove New Business Case for MS Performing & Visual Arts MOE - \$400 k
- Remove Program Continuity Business Cases for Title II - \$1.1 m
- Repurpose DSSF funding - \$1 m
- Adjust Academics Allotments based upon actual allotments - \$229 k

Board's Proposed 2016-17 Operating Budget

WCPSS Operating Budget – Recommended Adjustments

- Custodial service reduction of 1 day/week - \$3.6 m
- Heating & Cooling set points adjusted by 1 degree \$405 k
- Decrease Instructional Supply allotment by \$3.04 per student* - \$481 k
- Increase Elementary & Middle School ADM formulas by .3 & .15 respectively - \$2.7 m
- Increase fund balance appropriated by \$3 m

*Reduction from 2015-16 allotment, also assumes \$250 k in new state funding is repurposed

Board's Proposed 2016-17 Operating Budget

WCPSS Operating Budget – Board Discussion

- Board discussion of staff recommendations
- Direction to staff to make accept recommendations & take action tonight:
 - Waiver of Board Policy 8101
 - Approval of 2016-17 Budget with recommended addition & adjustments
 - Final resolution to follow
- Or direction to staff on changes to make & return September 6
- Pull 2 Action items from tonight's Agenda

Board's Proposed 2016-17 Operating Budget

WCPSS Operating Budget - Scenario 1

Maintain current (3 days/wk) school custodial frequency at all levels

- \$3.6 m required

Funding Option 1

- Additional \$3 reduction to instructional supply formula - \$480 k
- Additional use of Fund Balance* - \$796 k
- Estimated savings from Transportation Routing changes** - \$694 k
- Use of Community Schools funding*** - \$1.63 m

Funding Option 2

- Additional \$1.50 reduction to instructional supply formula - \$240 k
- Additional use of Fund Balance* - \$796 k
- Estimated savings from Transportation Routing changes** - \$694 k
- Use of Community Schools funding*** - \$1.87 m

*Would bring unused amount to 1% of County Appropriation. Non-recurring funding source.

** Estimate only. 2016-17 routes continued to be designed as new students enroll

***Non-Recurring funding source

Board's Proposed 2016-17 Operating Budget

WCPSS Operating Budget – Custodial Scenario 2

Maintain ES at current (3 days/wk) & adjust MS & HS as recommended (2 days/wk)

- \$2.5 m required

Funding Option 1

- Additional \$3 reduction to instructional supply formula - \$480 k
- Additional use of Fund Balance* - \$476 k
- Estimated savings from Transportation Routing changes** - \$694 k
- Use of Community Schools funding*** - \$850 k

Funding Option 2

- Additional \$1.50 reduction to instructional supply formula - \$240 k
- Additional use of Fund Balance* - \$466 k
- Estimated savings from Transportation Routing changes** - \$694 k
- Use of Community Schools funding*** - \$1.1 m

Funding Option 3

- Additional use of Fund Balance* - \$476 k
- Estimated savings from Transportation Routing changes** - \$694 k
- Use of Community Schools funding*** - \$1.33 m

*Non-recurring funding source.

** Estimate only. 2016-17 routes continued to be designed as new students enroll

***Non-Recurring funding source

Board's Proposed 2016-17 Operating Budget

WCPSS Operating Budget Scenario 3

Adjust ES to 5 days/2 wks & adjust MS & HS as recommended (2 days/wk)

- \$1.5 m required

Funding Option 1

- Additional \$1.50 reduction to instructional supply formula - \$240 k
- Estimated savings from Transportation Routing changes** - \$694 k
- Additional use of Fund Balance* - \$266 k
- Use of Community Schools funding*** - \$300 k

Funding Option 2

- Estimated savings from Transportation Routing changes** - \$694 k
- Additional use of Fund Balance* - \$400 k
- Use of Community Schools funding*** - \$406 k

*Non-recurring funding source.

** Estimate only. 2016-17 routes continued to be designed as new students enroll

***Non-Recurring funding source

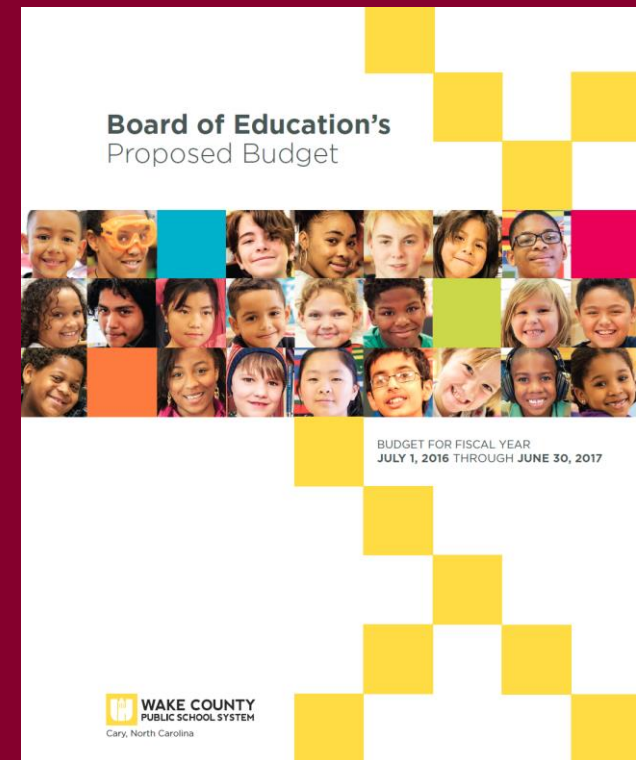
Board's Proposed 2016-17 Operating Budget

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Board's Proposed 2016-17

Operating Budget Update & Recommended Adjustments



August 16, 2016 – BOE Work-Session