

WAKE COUNTY

RECOMMENDED BUDGET

FY 18

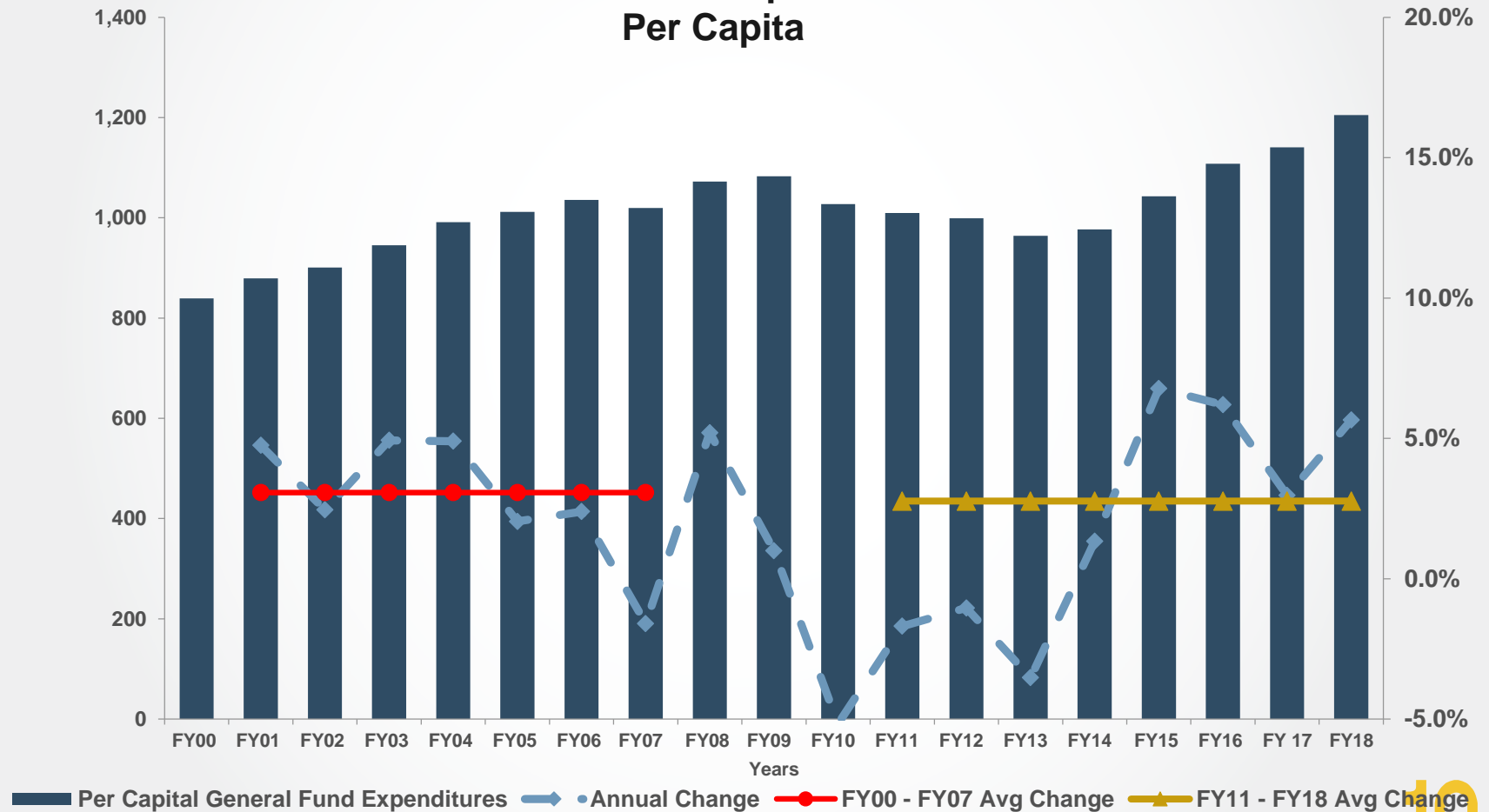
Overview

- **Highlights from March Board Retreat**
- **FY 2018 Recommended Budget Overview**
- **Budget Ordinance Overview**
- **Items of Clarification**
- **Public Hearing Feedback and Other Funding Requests**
- **WCPSS**
- **Other Topics and Comments from Commissioners**
- **Next Steps**

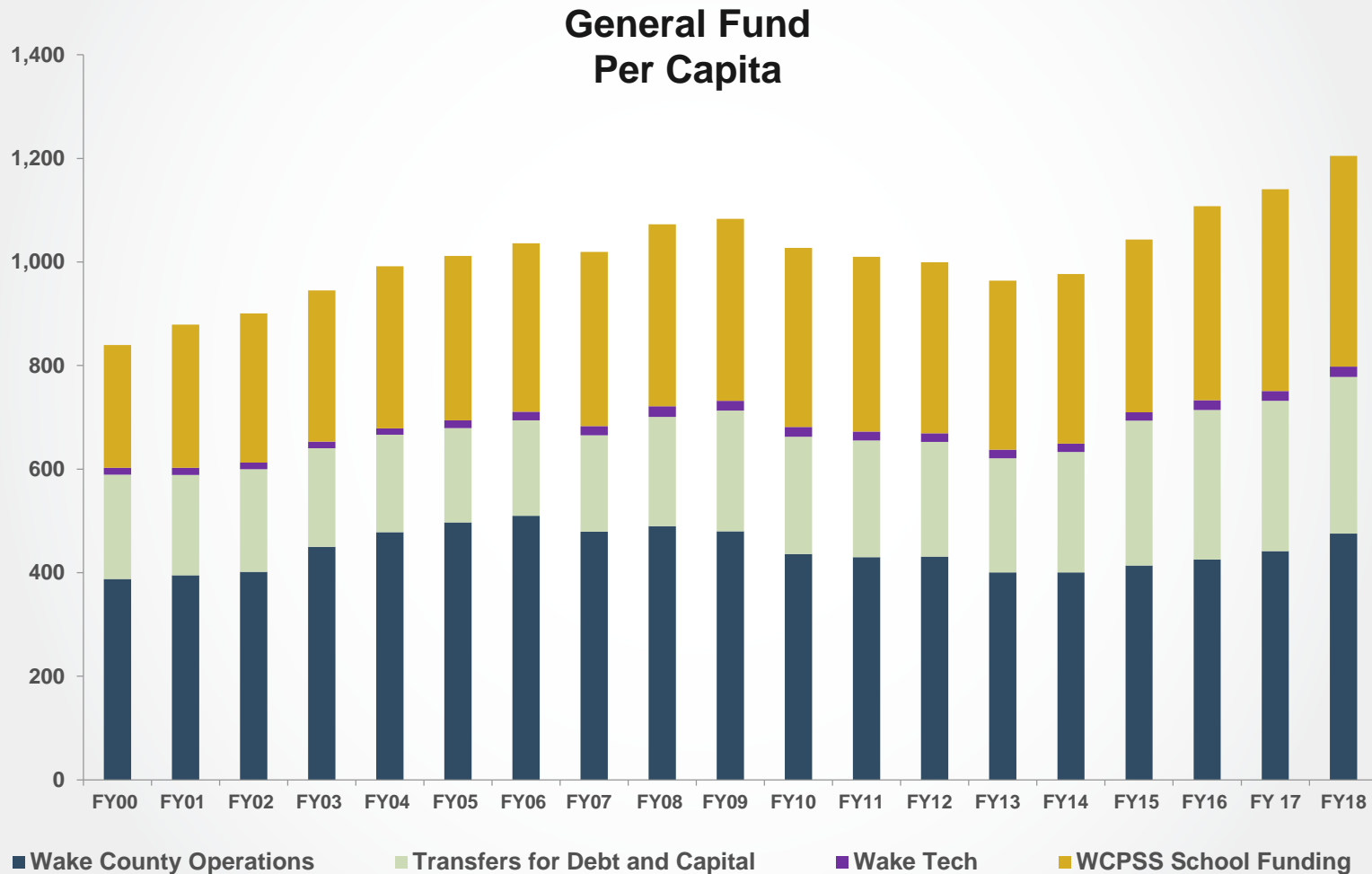
Highlights from March Board Retreat

General Fund Per Capita Growth Lower on Average than Before the Recession; 3.1% vs. 2.8%

**General Fund Expenditures
Per Capita**



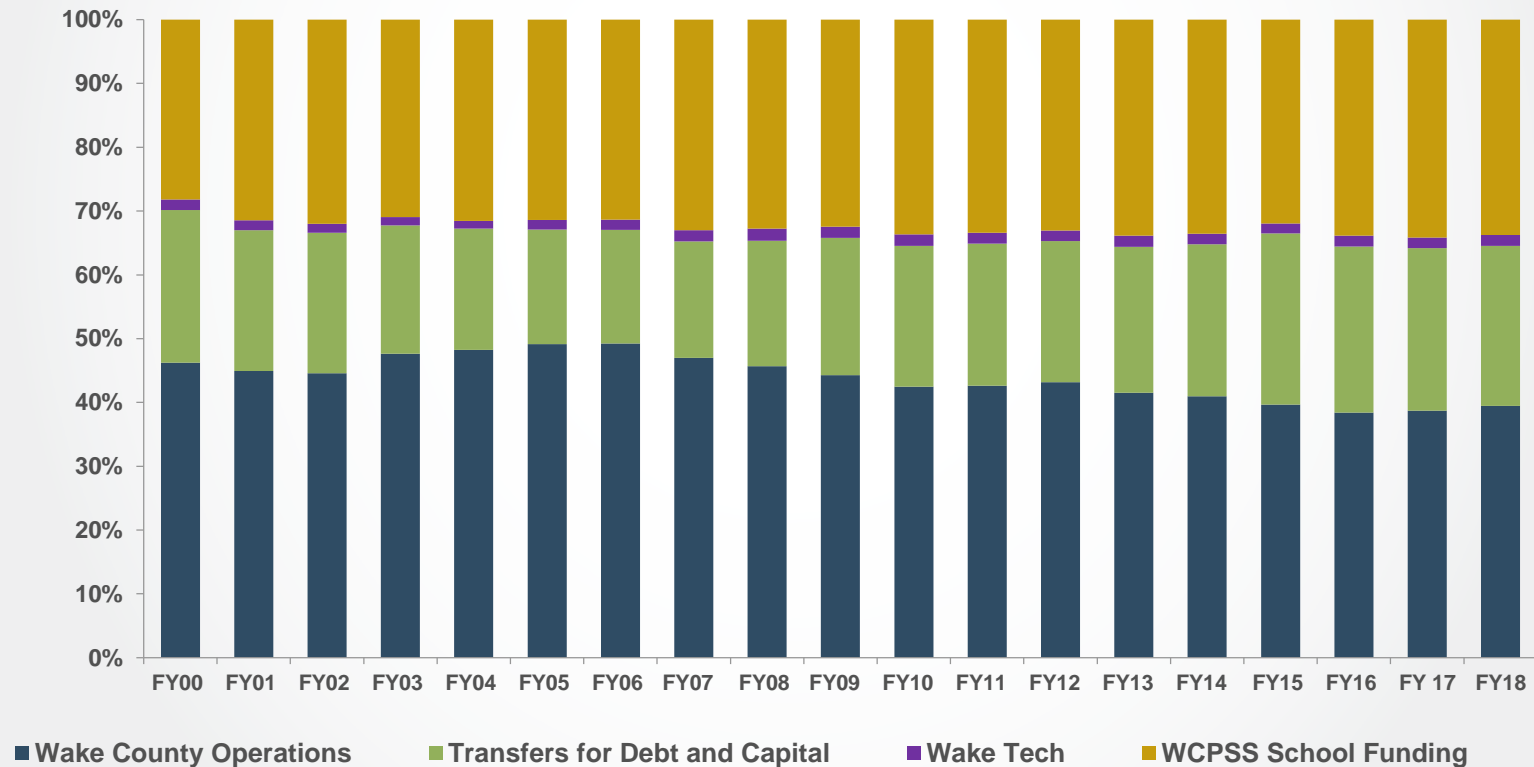
General Fund by Component Per Capita



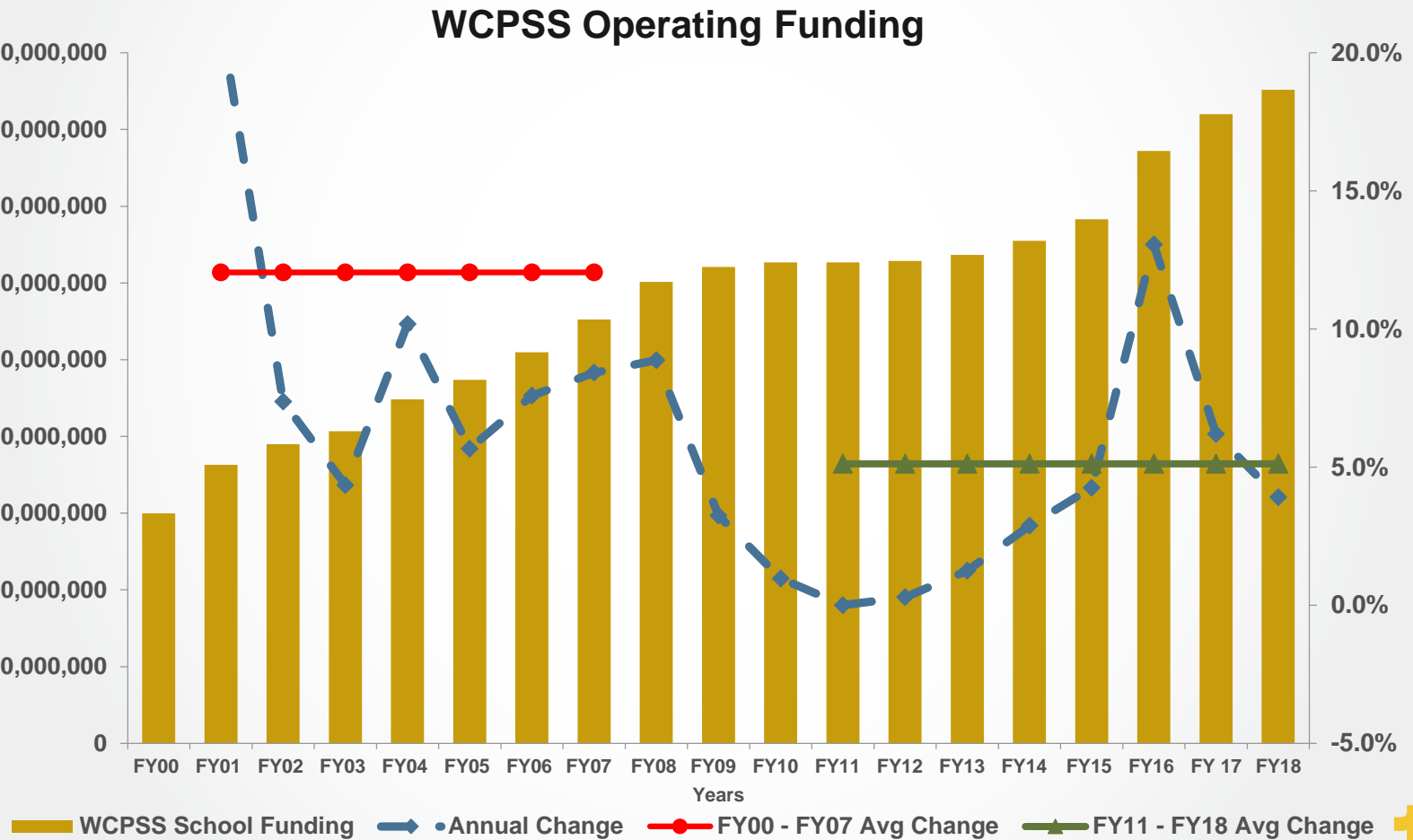
General Fund Percentage, by Component

- WCPSS and Wake Tech allocations remains relatively constant
- Transfers are growing as a % of total budget
- County Operations declining as % of budget since 2006

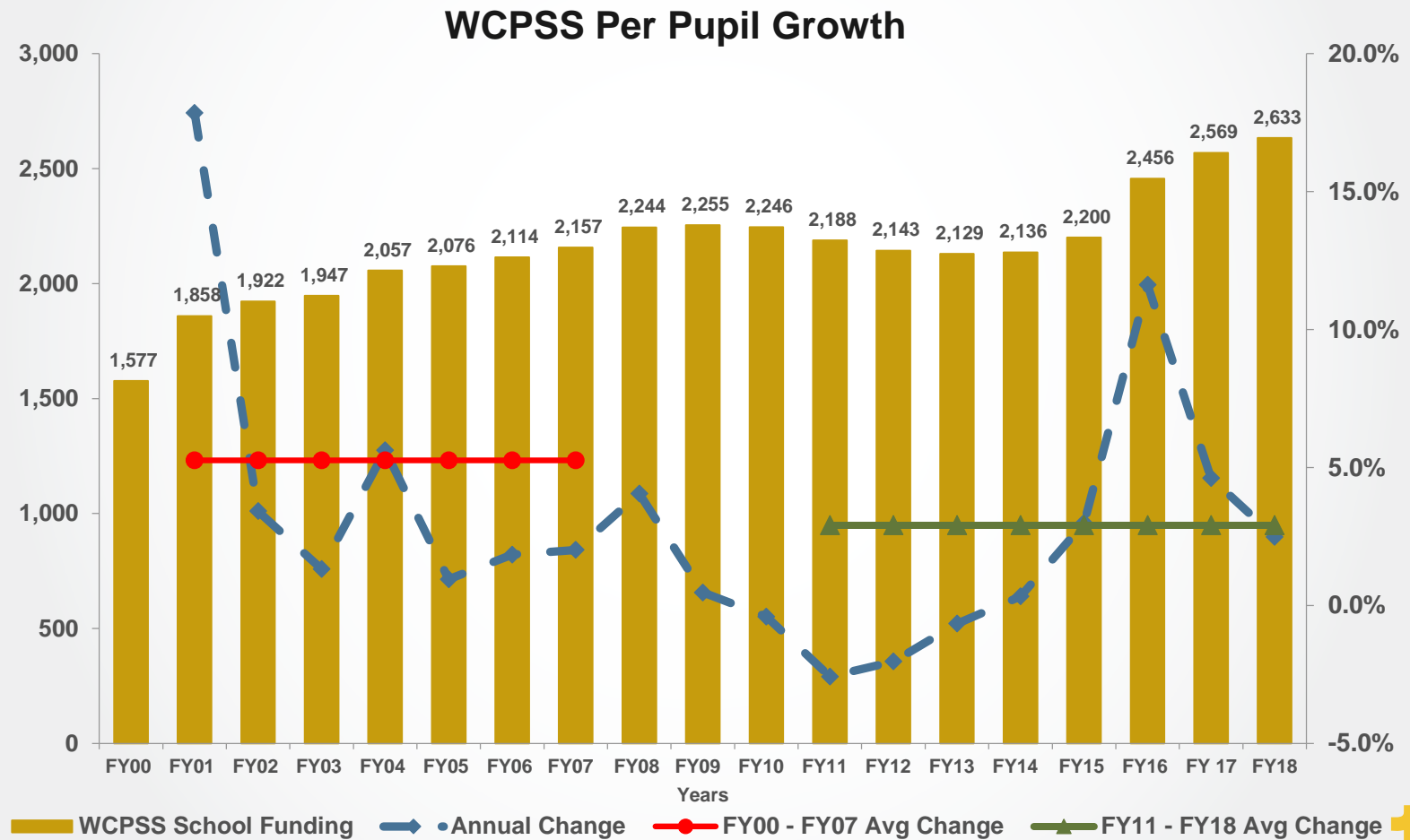
Wake County Operations, Transfers for Debt Service, Capital, Wake Tech, and WCPSS Operating



WCPSS Operating in Dollars

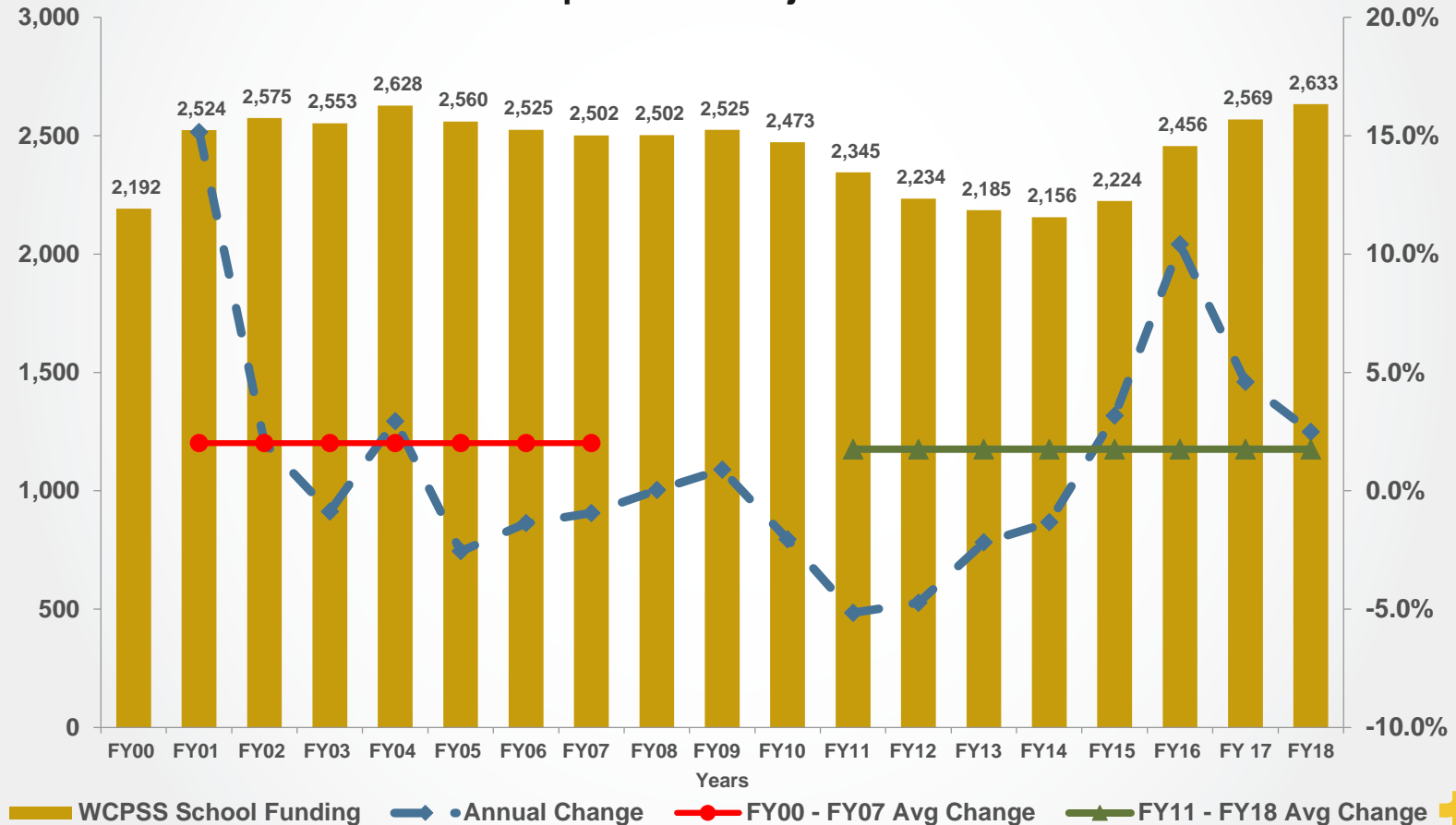


WCPSS Operating Per Pupil

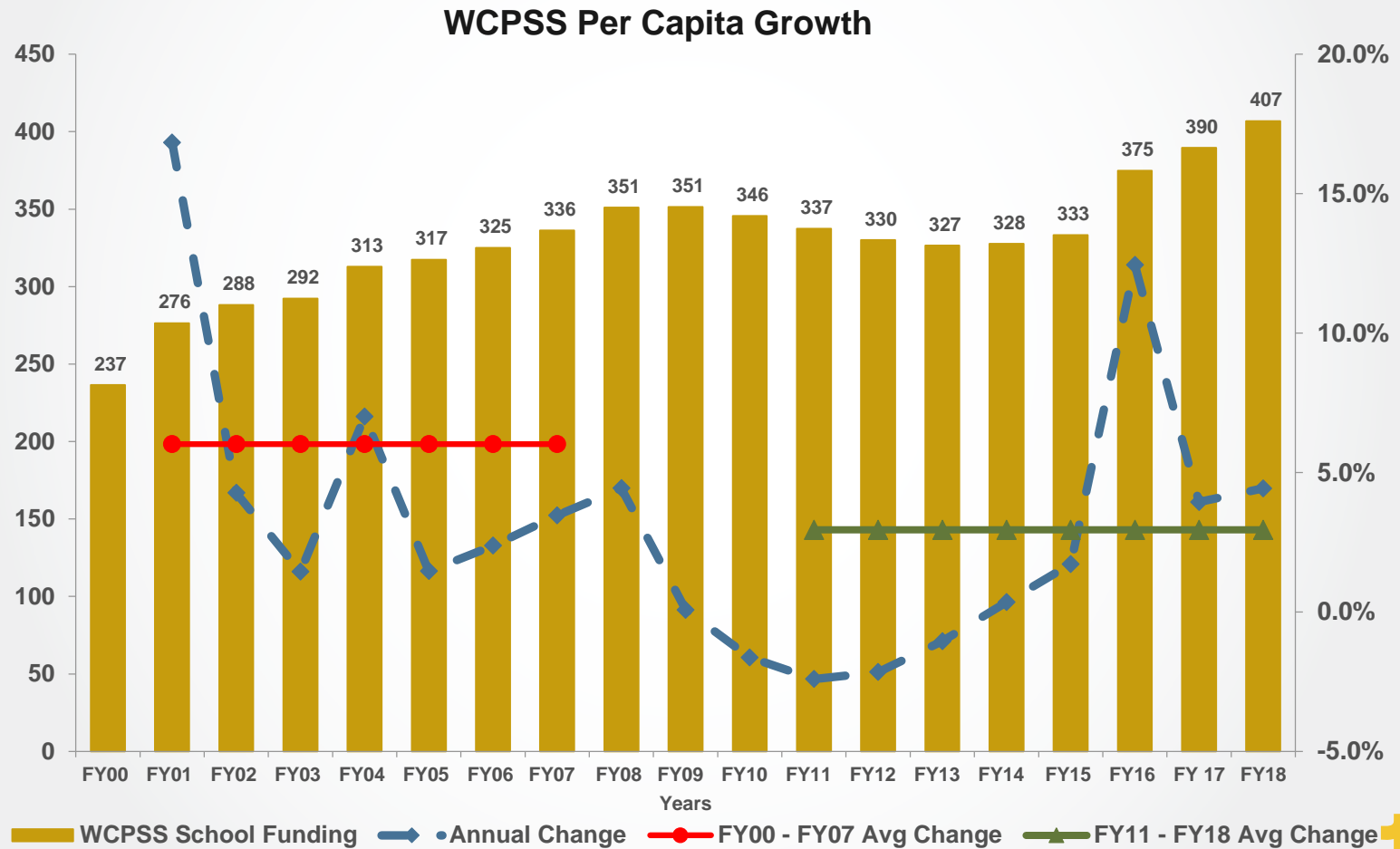


WCPSS Operating Per Pupil Adjusted for Inflation

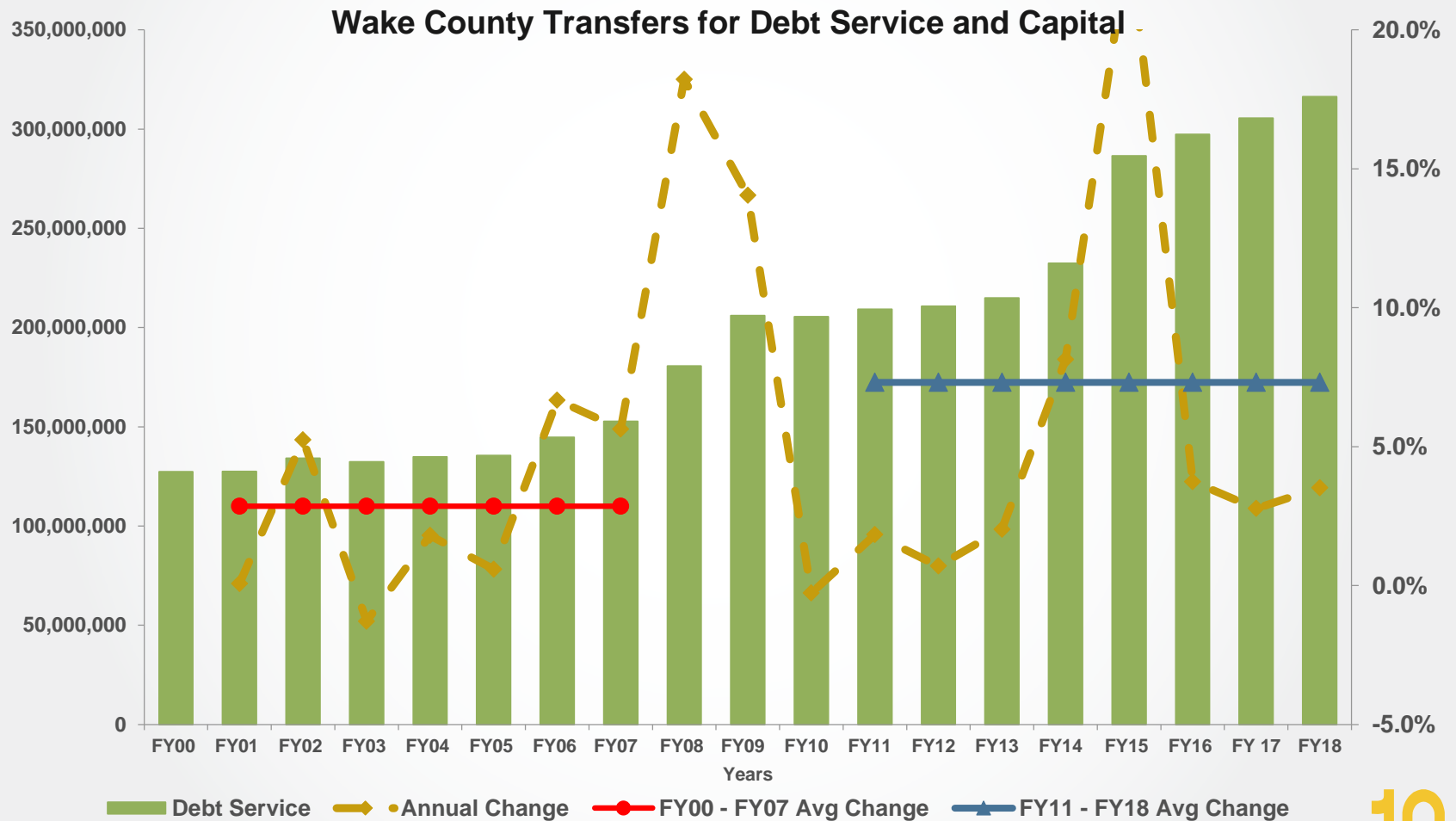
WCPSS Per Pupil Growth Adjusted for Inflation



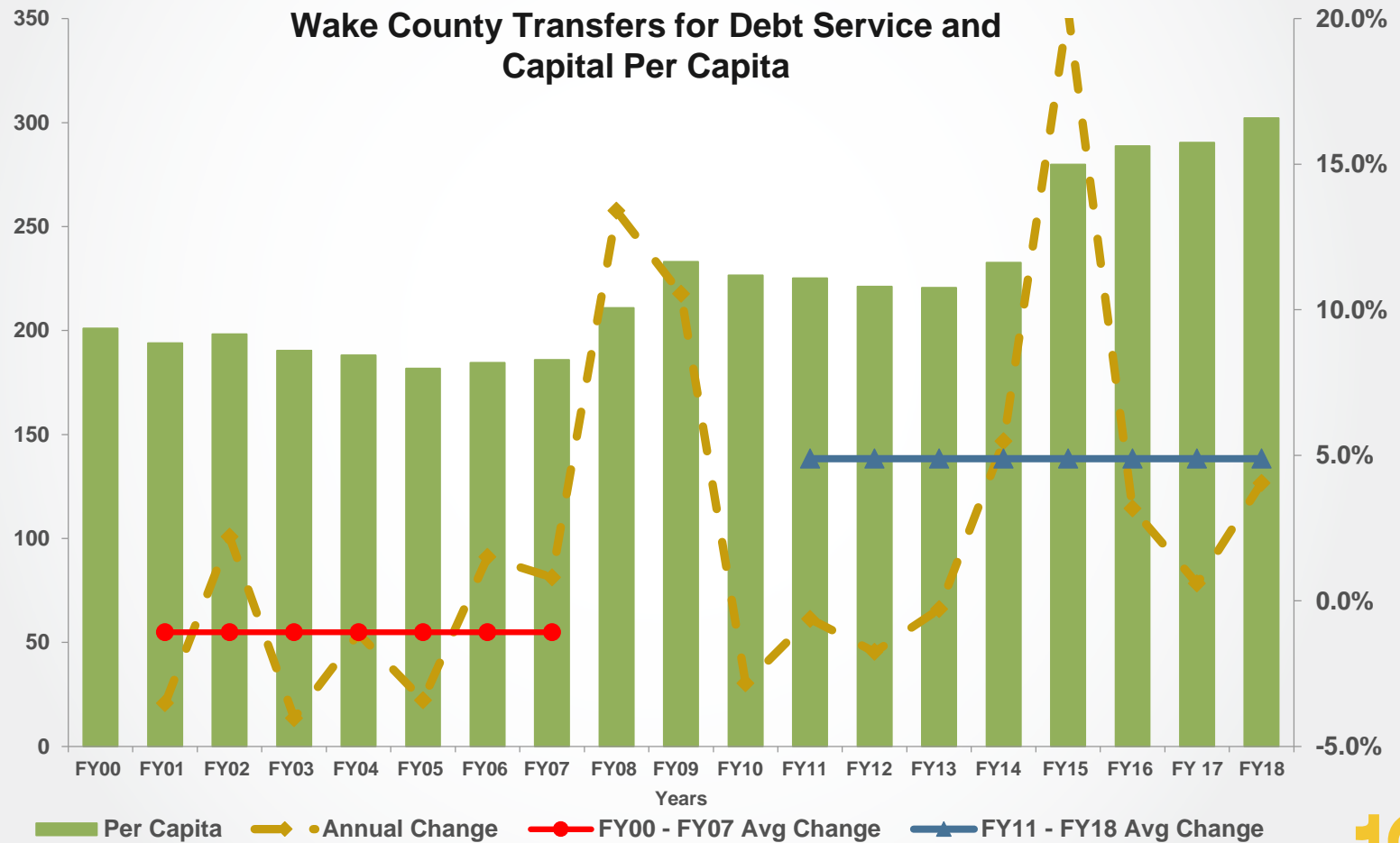
WCPSS Operating Per Capita



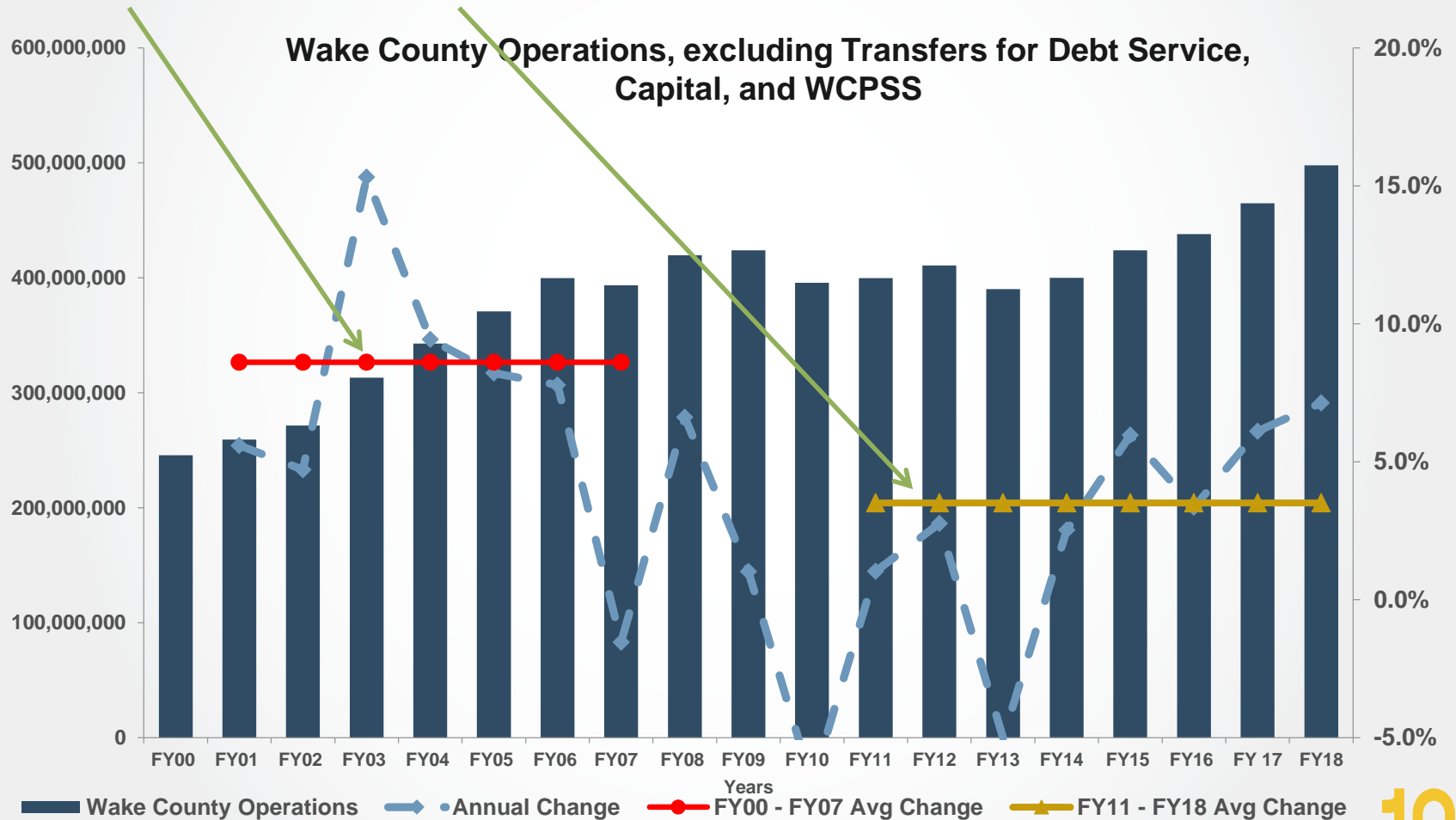
Transfers for Debt & Capital Dollars, Driven by Capital Plans



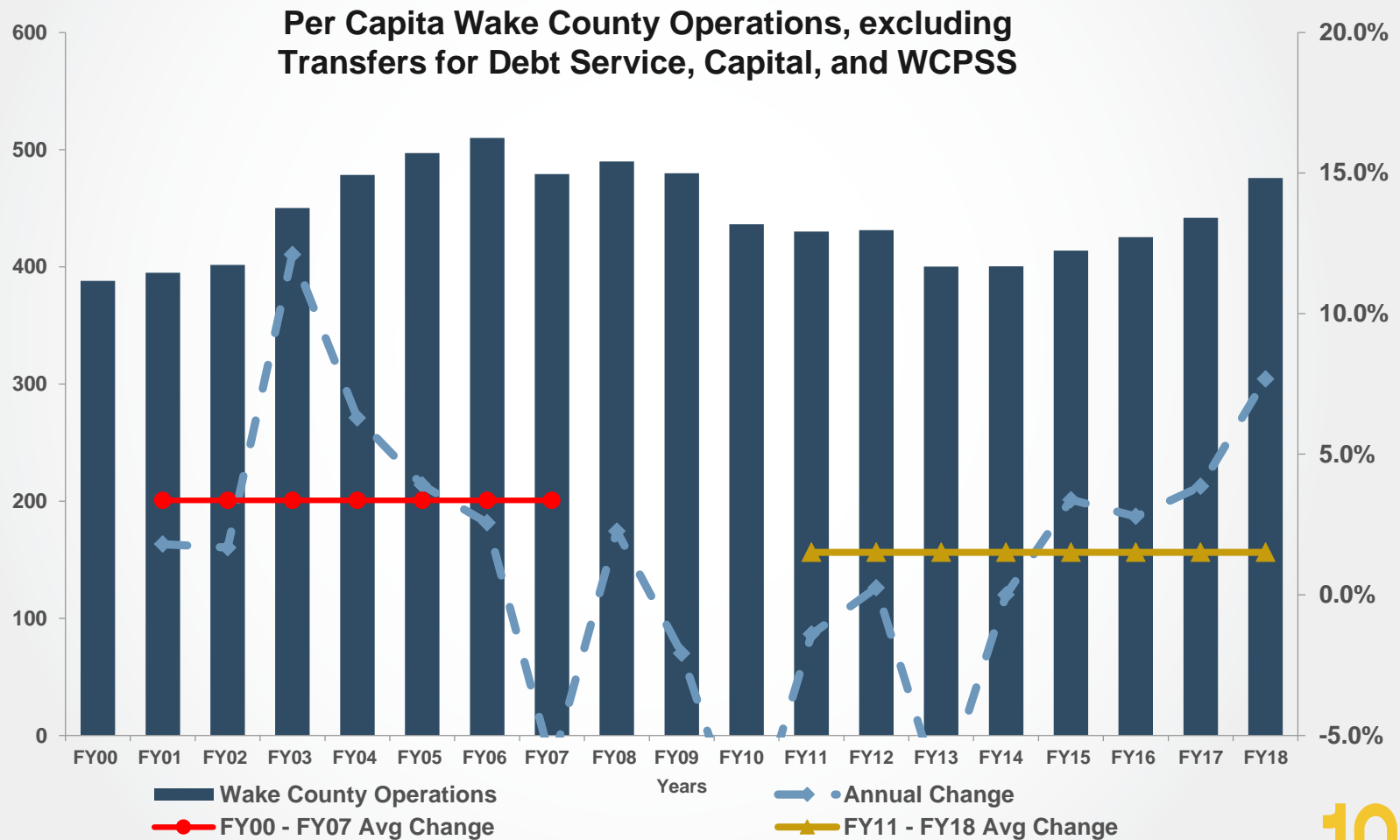
Transfers for Debt & Capital Dollars Per Capita



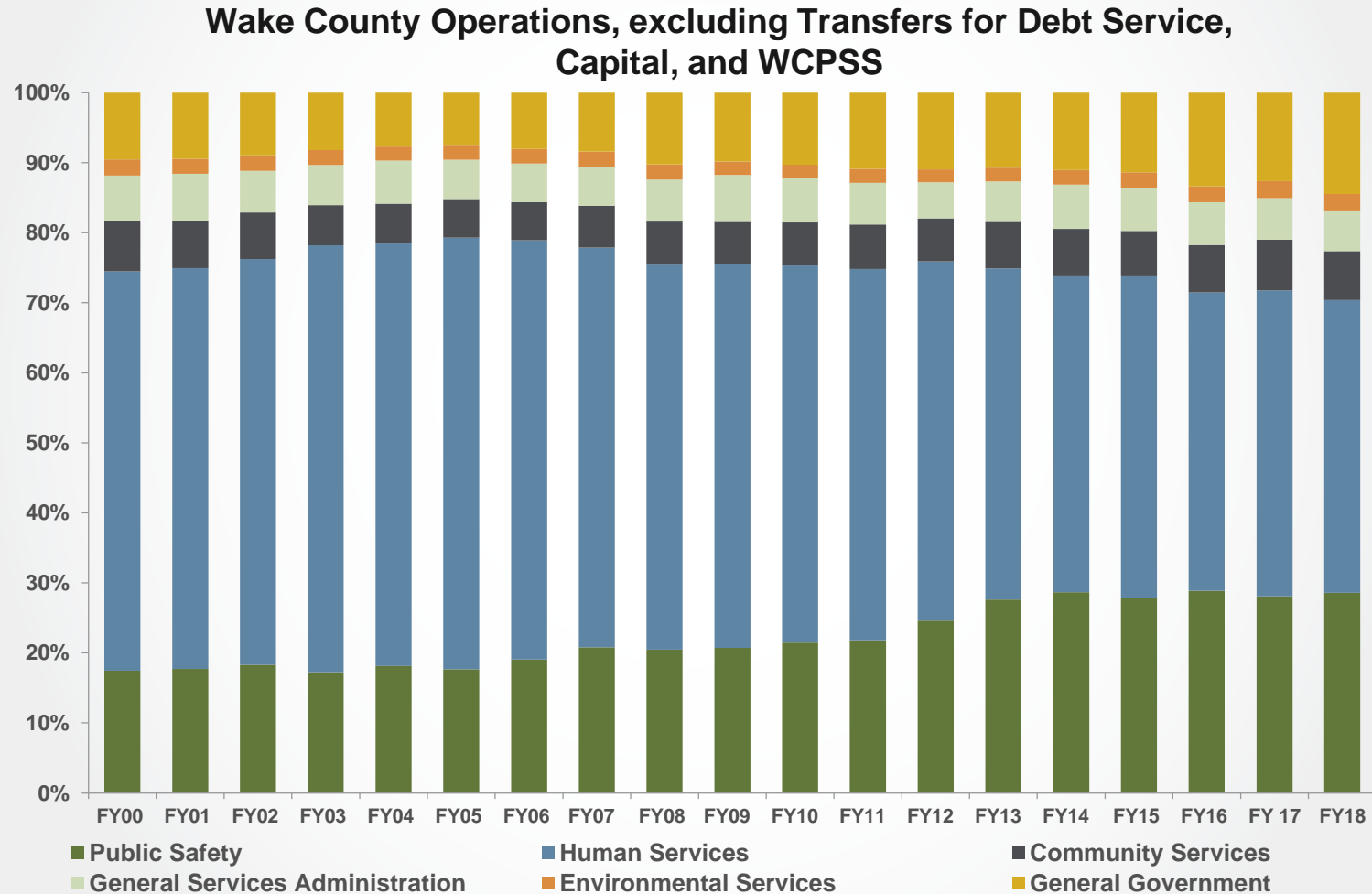
County Operations are Increasing at a Lower Rate on Average than Before the Recession; 8.6% vs. 3.5%



County Operations Per Capita Lower than Before the Recession



Human Services Percent Reduced; Public Safety has increased as portion of budget



Quadrant Definitions

No Service Choice/No Funding Choice

County is required to provide service through its existing policies or legislative (federal or state) requirements and the service minimum and funding levels are prescribed

No Service Choice/Funding Choice

County is required to provide service through its existing policies or legislative (federal or state) requirements, but has flexibility in the level of funding

Service Choice/No Funding Choice

County has the option to provide the service. However, if the County chooses to offer the service, funding levels are prescribed

Service Choice/Funding Choice

County has complete discretion over both service and funding levels

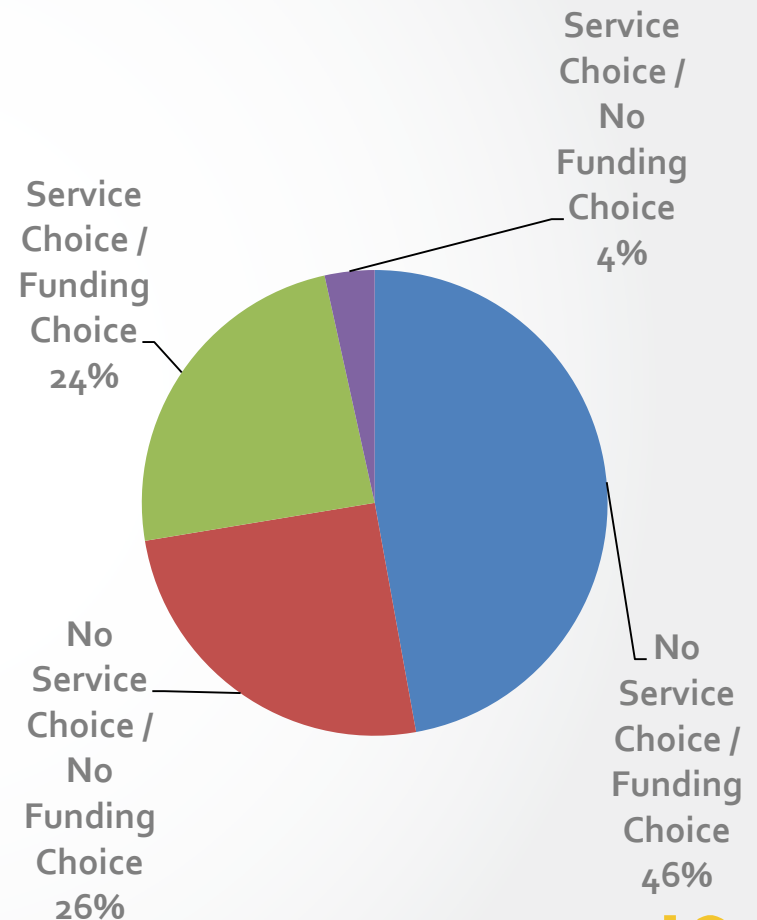
County Operations Service Matrix

Majority (72%) of County services are required (blue and red)

Wake County choice mostly around funding, which drives

extent to which we meet growth demands,

extent to which we meet service delivery demands



FY 2018 Recommended Budget Overview

Recommended FY 2018 General Fund Budget

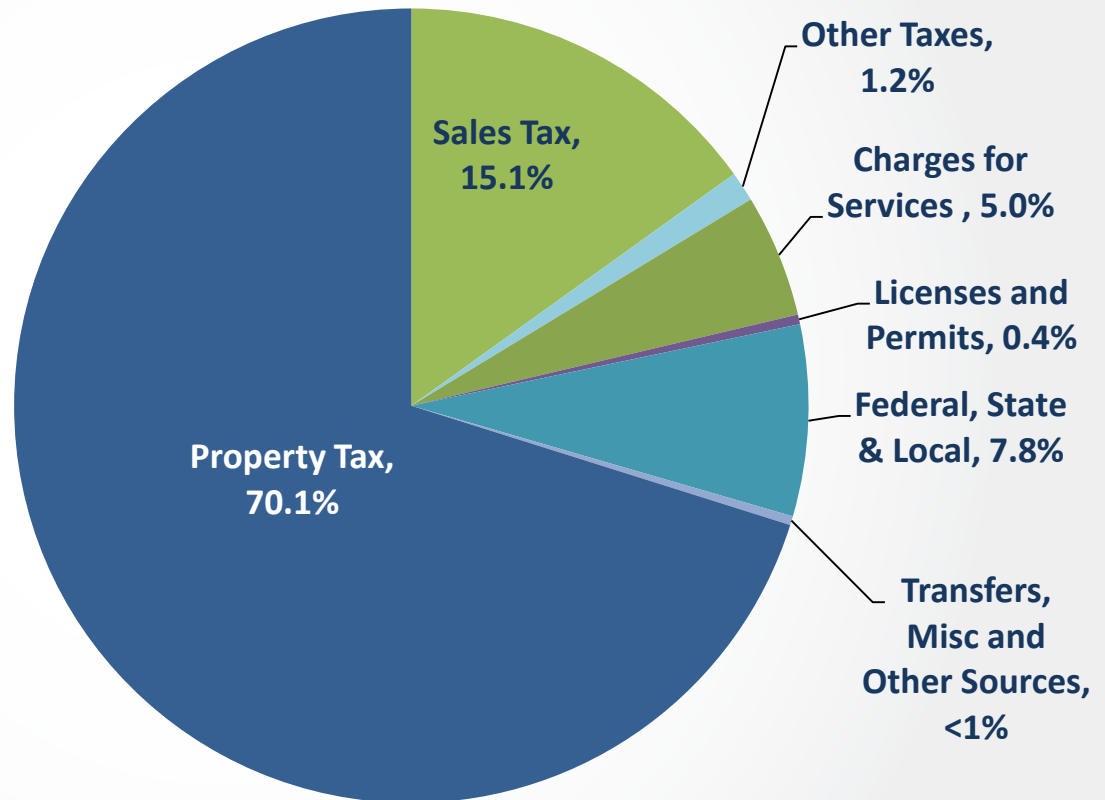
\$1,261,415,000

Recommended property tax rate -
61.5 cents

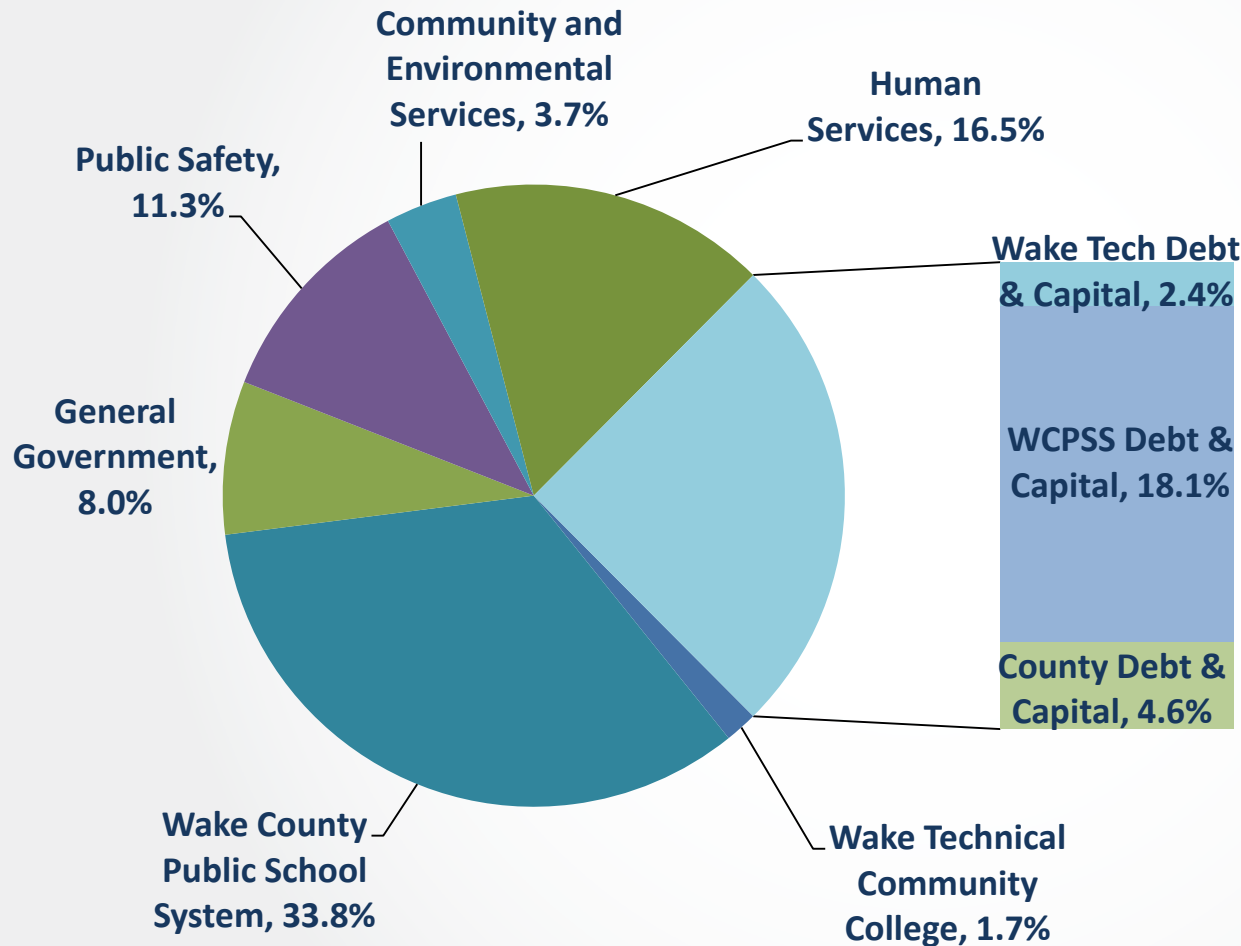
1.45 cent increase from FY 2016-17

FY18 General Fund Revenues

Property and Sales Taxes make up 85% of the County General Fund revenue



FY18 General Fund Expenditures



44% (\$556.3 million)
supports spending
for County
operations, debt
service and capital

52% (\$654.1 million)
supports WCPSS
operating and
capital

4% (\$51 million)
support Wake Tech

FY 2018 Appropriations

<u>Fund</u>	<u>Primary Revenue Source(s)</u>	<u>FY18 Adopted</u>
General Fund	Property and sales taxes, charges for service	\$1,261,415,000
Debt Service	Transfers from property & sales taxes, Bonds	\$273,360,000
Housing and Community Revitalization	Intergovernmental - Federal	\$7,828,000
Capital Area Workforce Development	Intergovernmental - Federal	\$5,089,000
Fire Tax District	Property taxes	\$26,496,000
Transportation	Grants, Medicaid, Fare Box	\$8,730,000
Grants	Intergovernmental	\$2,802,454
Major Facilities	Prepared food & occupancy taxes	\$56,322,000
Solid Waste Operating	Charges for Services	\$14,500,000
South Wake Landfill Partnership	Charges for Services	\$17,500,000
Corporate Fleet	Charges for Services	\$9,648,000
County Capital CIP	Transfers from property taxes, bonds	\$38,712,000
Education CIP	Transfers from property taxes, bonds	\$332,998,014
Fire Rescue CIP	Property taxes, debt financing	\$5,240,000
Major Facilities CIP	Prepared food & occupancy tax transfers	\$3,000,000
Solid Waste CIP	Charge for Service transfers	\$1,600,000
TOTAL ALL FUNDS		\$2,065,240,468

Budget Ordinance Overview

Ordinances for Consideration

Operating Budget Ordinances

- General Fund
- Debt Service Fund
- Fire Tax District Fund
- Major Facilities Fund
- Solid Waste Enterprise Fund
- South Wake Landfill Partnership Fund
- Corporate Fleet Fund
- Human Services Transportation Fund

Capital Improvement Fund Project Ordinance

- County Capital Projects
- Fire Tax District Capital Projects
- Major Facilities Capital Projects
- Solid Waste Capital Projects
- Wake Technical Community College Capital Projects Fund
- Wake County Public School System Capital Projects Fund

Project Ordinances

- Housing and Community Revitalization Fund Projects
- Capital Area Workforce Development Fund Projects
- Grants and Donations Fund Projects

Personnel Authorization Ordinance

NC General Statute - Ordinance

Article 3. The Local Government Budget and Fiscal Control Act

§ 159-8. Annual balanced budget ordinance.

(a) Each local government and public authority shall operate under an annual balanced budget ordinance adopted and administered in accordance with this Article. A budget ordinance is balanced when the sum of estimated net revenues and appropriated fund balances is equal to appropriations. Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget year. It is the intent of this Article that, except for moneys expended pursuant to a project ordinance or accounted for in an intragovernmental service fund or a trust and agency fund excluded from the budget ordinance under G.S. 159-13(a), all moneys received and expended by a local government or public authority should be included in the budget ordinance. Therefore, notwithstanding any other provision of law, no local government or public authority may expend any moneys, regardless of their source (including moneys derived from bond proceeds, federal, state, or private grants or loans, or special assessments), except in accordance with a budget ordinance or project ordinance adopted under this Article or through an intragovernmental service fund or trust and agency fund properly excluded from the budget ordinance.

(b) The budget ordinance of a unit of local government shall cover a fiscal year beginning July 1 and ending June 30. The budget ordinance of a public authority shall cover a fiscal year beginning July 1 and ending June 30, except that the Local Government Commission, if it determines that a different fiscal year would facilitate the authority's financial operations, may enter an order permitting an authority to operate under a fiscal year other than from July 1 to June 30. If the Commission does permit an authority to operate under an altered fiscal year, the Commission's order shall also modify the budget calendar set forth in G.S. 159-10 through 159-13 so as to provide a new budget calendar for the altered fiscal year that will clearly enable the authority to comply with the intent of this Part. (1971, c. 780, s. 1; 1973, c. 474, s. 5; 1975, c. 514, s. 3; 1979, c. 402, s. 1; 1981, c. 685, s. 2.)

General Fund Ordinance

- Establishes the tax rate for the County and the Wake County portion of Research Triangle Park
- Establishes the General Fund revenue sources and expenditure budget by department
- Describes administrative authority, fee changes, and other requirements
- Reflects the WCPSS Purpose and Function allocation

User Fee Changes for FY 2018

<u>Description</u>	<u>Current Fee</u>	<u>Proposed Fee</u>
Engineer Option Permit (Allows County to charge plan review fee for homeowners who contract a private engineer to draft septic system plans.)	\$0	\$120
Ground Water Sample Testing Waiver for Wake County Priority List outreach (Temporary waiver for households identified during outreach events to encourage participation.)	\$50	\$0)
Food Service Plan Review Fee to maximize allows fee by statute	\$200	\$250
<u>EMS System Special Event User Fees</u>		
Ambulance	\$105	\$155
Bike Team	\$90	\$125
Venue Team	N/A	\$90
Supervisor/Single Responder	\$50	\$70
<u>Planning, Development and Inspection User Fees</u>		
Zoning Appeal	\$250	\$300
Planned Compliance Permit Application	\$375	\$800
Major Site Plan Review	\$800	\$500
Final Subdivision Review	\$300	\$600
Modification of a Previously Approved Rezoning	\$750	\$1,000
Grave Removal	\$300	\$500
Traffic Impact Analysis	\$1,000	\$1,500
Special Use Permit	\$375	\$800
Sign Permit	\$50	\$100

Generates \$130,000 in new revenue

FY 2017 Purpose and Function

PURPOSE →

FUNCTION {

Instructional Services	
Regular Instructional Services	\$115,559,528
Special Populations Services	41,555,978
Alternative Programs and Services	15,271,189
School Leadership Services	22,292,621
Co-Curricular Services	13,106,927
School-Based Support Services	17,308,650
	<hr/>
	225,094,893
System-wide Support Services	
Support and Developmental Services	9,647,170
Special Populations Support and Development Services	3,712,918
Alternative Programs and Services Support and Development Services	1,683,811
Technology Support Services	13,935,691
Operational Support Services (WCPSS Fund 02)	97,880,033
Operational Support Services (WCPSS Fund 04)	1,150,969
Operational Support Services (WCPSS Fund 08)	888,574
Financial and Human Resource Services	14,850,579
Accountability Services	2,431,361
System-wide Pupil Support Services	5,520,977
Policy, Leadership, and Public Relations Services	7,697,461
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	159,399,544
Ancillary Services	
Community Services	0
Nutrition Services	0
Adult Services	0
	<hr/>
	0
Non-Programmed Charges	
Payments to Other Governmental Units	25,416,563
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TOTAL WAKE COUNTY PUBLIC SCHOOLS APPROPRIATION	\$ 409,911,000

Other Funds: \$2,039,543
General Fund: \$407,871,457

Purpose and Function Statute

§ 115C-429. Approval of budget; submission to county commissioners; commissioners' action on budget.

(a) Upon receiving the budget from the superintendent and following the public hearing authorized by G.S. 115C-428(b), if one is held, the board of education shall consider the budget, make such changes therein as it deems advisable, and submit the entire budget as approved by the board of education to the board of county commissioners not later than May 15, or such later date as may be fixed by the board of county commissioners.

(b) The board of county commissioners shall complete its action on the school budget on or before July 1, or such later date as may be agreeable to the board of education. The commissioners shall determine the amount of county revenues to be appropriated in the county budget ordinance to the local school administrative unit for the budget year. The board of county commissioners may, in its discretion, allocate part or all of its appropriation by purpose, function, or project as defined in the uniform budget format.

(c) The board of county commissioners shall have full authority to call for, and the board of education shall have the duty to make available to the board of county commissioners, upon request, all books, records, audit reports, and other information bearing on the financial operation of the local school administrative unit.

(d) Nothing in this Article shall be construed to place a duty on the board of commissioners to fund a deficit incurred by a local school administrative unit through failure of the unit to comply with the provisions of this Article or rules and regulations issued pursuant hereto, or to provide moneys lost through misapplication of moneys by a bonded officer, employee or agent of the local school administrative unit when the amount of the fidelity bond required by the board of education was manifestly insufficient. (1975, c. 437, s. 1; 1981, c. 423, s. 1.)

Personnel Ordinance

- Establishes FTE authorization
- Establishes Pay Bands and Position Classifications

Pay Band Adjustments

- **Living Wage - \$15.06 per hour**
(Universal Wage of \$16.56 less \$1.50 for benefits)
- **New Detention and Sheriff Bands**

New Detention Officer Series

NON-EXEMPT

<u>Classification</u>	<u>Current Band</u>	<u>New Band</u>
Detention Officer	Band 5	Band 80
Detention Officer - Master	Band 6	Band 81
Detention Officer - Sergeant	Band 7	Band 82
Detention Officer - Lieutenant	Band 8	Band 83

EXEMPT

<u>Classification</u>	<u>Current Band</u>	<u>New Band</u>
Detention Officer - Captain	Band 29	Band 84
Detention Officer - Major	Band 30	Band 85
Assistant Director of Detention Services	Band 31	Band 86
Director of Detention Services	Band 33	Band 87

New Deputy Sheriff Series

NON-EXEMPT

<u>Classification</u>	<u>Current Band</u>	<u>New Band</u>
Deputy Sheriff	Band 6	Band 90
Deputy Sheriff – First Class	Band 6	Band 90
Deputy Sheriff – Master	Band 7	Band 90
Deputy Sheriff – Investigator	Band 7	Band 91
Deputy Sheriff – Senior Investigator	Band 8	Band 92
Deputy Sheriff – Sergeant	Band 10	Band 93
Deputy Sheriff – Lieutenant	Band 11	Band 94

EXEMPT

<u>Classification</u>	<u>Current Band</u>	<u>New Band</u>
Deputy Sheriff – Captain	Band 31	Band 95
Deputy Sheriff – Major	Band 33	Band 96
Chief of Staff – Sheriff	Band 34	Band 97

Pay Band Adjustments

- Labor Market Adjustments

Proposed Changes

NON-EXEMPT

<u>Classification</u>	<u>Reason for Change</u>	<u>Current Band</u>	<u>New Band</u>
Environmental Program Coordinator	Labor Market	Band 7	Band 8
Environmental Services Team Leader	Labor Market	Band 8	Band 9
Revenue Agent	Labor Market	Band 5	Band 6
Wellness Coordinator	Labor Market	Band 5	Band 8

Off-Cycle Changes*

<u>Classification</u>	<u>Current Band</u>	<u>New Band</u>
Environmental Consultant	Band 30	Band 31
Environmental Health Manager	Band 30	Band 31
Facilities Engineer	Band 30	Band 31
New: CCBI Senior Agent	N/A	Band 9
New: Certified Medical Assistant	N/A	Band 5
New: HS CPS Investigator/Assessor	N/A	Band 9
Senior Facilities Engineer	Band 31	Band 32

*Various effective dates

Items of Clarification

General Fund – Technical Changes

	<u>Revenues</u>	<u>Expenditures</u>
General Fund - Recommended	\$1,261,415,000	\$1,261,415,000
Sales Tax Updated June Projection	\$1,500,000	
Technical Corrections		
- Non-Departmental: Salary and Benefit Reserve		-\$50,000
- Sheriff		+\$50,000
- Register of Deeds	+\$330,000	+\$330,000
- Board of Elections	+\$48,000	+\$48,000
Additional Capacity – Use to be determined by the Board		+\$1,500,000
General Fund - Adopted	\$1,263,293,000	\$1,263,293,000

-
- Sheriff - Workforce Development for Inmates through CSI
 - Register of Deeds – Capital project funded out of Automation reserves
 - Board of Elections - City of Raleigh Council committed to funding 3.5 days of early voting at 5 sites for municipal elections
 - Items to be determined by the Board
 - Technical corrections offset by revenue, no tax rate change

Personnel – Technical Changes

	<u>FTE Change</u>
Recommended Personnel	4,102.372
Community Services: Libraries (Wake Forest)	4.000
Adopted	4,106.372

- Community Services: 4.00 FTEs added for Wake Forest Branch Library addition (1.00 FTE Librarian I & 3.00 FTE Library Assistants).
- FY18 Recommended Budget included the funding for these positions; the FTE authorization was inadvertently omitted. The FTE count will be corrected throughout the Adopted Budget document.

Public Hearing Feedback and Other Funding Requests

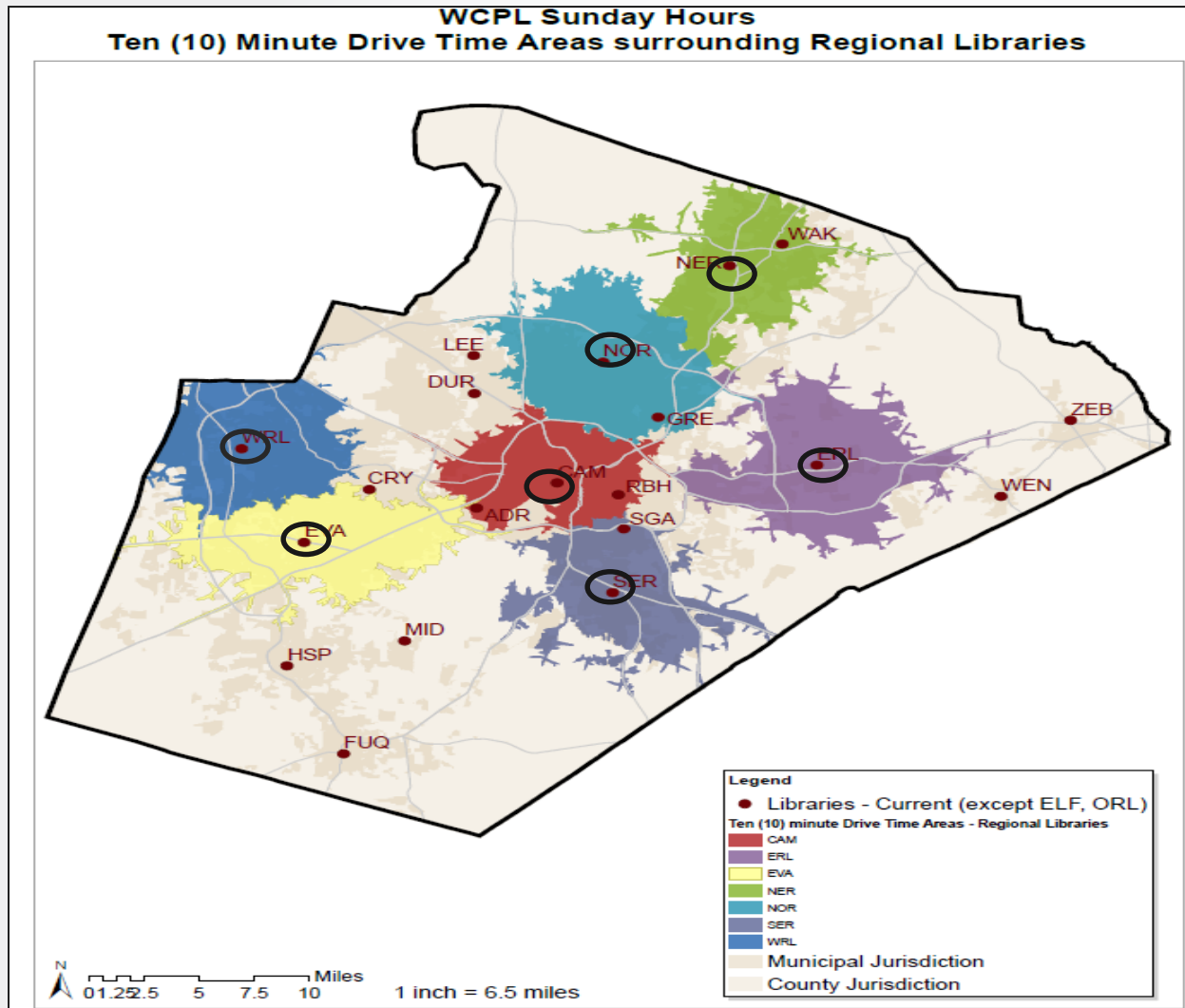
Public Comment Topics

- Library Hours
- Rolesville Library
- Wake Smiles
- Legal Aid
- Wake County Public School System

Expand to Sunday Hours at Community Libraries (Attachment 2)

- 6.5 FTEs + Utilities, Security & Housekeeping to operate 1 - 5pm on Sundays at 13 Community Libraries, total **cost = \$318,424**
- Options
 - Large Community Libraries (8,000 sf) – Cary, Holly Springs, Green Road, Leesville, Harrison, Middle Creek, Athens Drive, **Cost = \$176,400**
 - Small Community Libraries (5,000 sf) – Wake Forest, Southgate, Zebulon, Fuquay-Varina, Wendell, Duraleigh, **Cost = \$142,024**
- Currently Regional Libraries have Sunday hours (1 - 5pm) East Regional, Eva Perry, Cameron Village, North Regional, NE Regional, SE Regional, West Regional
- Small community libraries can open at 9am instead of 10am, Monday through Thursday: **Fuquay-Varina, Southgate, Zebulon, Wendell, Wake Forest, and Duraleigh.**
- All Community and Regional Libraries would be on the same schedule, making it easier for customers.

Libraries Across the County



Circled sites are currently open on Sundays

All branches other than ELF and Olivia Rainey would be open on Sunday with request

Request for Rolesville Library Location

- In September of 2015, the Town asked County to partner in providing library inside Town's municipal limits in a town-owned facility
- Proposed location is 6.4 miles from Wake Forest Community Library and 6.1 miles from NE Regional Library
- Community Services staff reviewed request and worked with the Town to prepare a service model and worked with County General Services and Facilities staff to determine upfit costs

	Year 1	Year 2
Rolesville		
Building Upgrades	\$ 50,000	---
Furnishings, Fixtures, & Equipment	\$ 5,000	---
Operating Costs	\$ 23,400	\$ 24,570
Subtotal, Rolesville	\$ 78,400	\$ 24,570
Wake County		
Security Upfit (GSA)	\$ 26,000	---
Furnishings, Fixtures, & Equipment	\$ 153,421	---
Operating Costs	\$ 264,661	\$ 264,661
Subtotal, Wake County	\$ 444,082	\$ 264,661
Total	\$ 522,482	\$ 289,231

Legal Aid (Attachment 3)

- May 24th letter requesting \$50,000

Wake Smiles

- \$145,000 FY 2017 budget request was not funded.
- Dental care for adults is a documented need, but not a mandated service.
- HS Board Chair and staff met with the NC Dental Society about looking for alternative funding, first secure \$75,000 and then request a County match. Dental Society was unable to secure the external \$75,000.
- Wake Smiles continues to request \$75,000 to expand services.

WCPSS

(See Separate Presentation)

Commissioner Questions

Per Pupil Funding by District

School District	Per-Pupil Amount Rank	Graduation Rate Rank	Average SAT Score Rank	Current County Tax Rate Rank
Chapel-Hill/Carrboro City Schools *	\$ 5,710 1	90.1 4	1781 1	\$ 1.0864 1
Dare County Schools	\$ 4,180 2	>95 1	1501 9	\$ 0.4300 14
Orange County Schools	\$ 3,911 3	89.3 8	1539 6	\$ 0.8780 2
Asheville City Schools *	\$ 3,829 4	85.4 12	1569 5	\$ 0.7540 5
Durham County Schools	\$ 3,712 5	82.3 16	1387 16	\$ 0.7404 6
Chatham County Schools	\$ 3,334 6	86.7 11	1476 11	\$ 0.6338 9
Transylvania County Schools	\$ 3,245 7	84.5 13	1511 8	\$ 0.5110 12
Watauga County Schools	\$ 2,922 8	90.8 3	1582 3	\$ 0.3130 15
Charlotte-Mecklenburg Schools	\$ 2,764 9	89.6 6	1475 12	\$ 0.8157 3
New Hanover County Schools	\$ 2,726 10	83.3 14	1529 7	\$ 0.5540 11
Guilford County Schools	\$ 2,567 11	89.4 7	1446 13	\$ 0.7550 4
Brunswick County Schools	\$ 2,529 12	82.8 15	1405 15	\$ 0.4850 13
Hyde County Schools	\$ 2,518 13	91.3 2	1424 14	\$ 0.6400 8
Mooresville City Schools *	\$ 2,492 14	90.1 5	1478 10	\$ 0.7125 7
Carteret County Schools	\$ 2,468 15	87.3 9	1588 2	\$ 0.3100 16
Wake County Schools	\$ 2,457 16	87.1 10	1570 4	\$ 0.6005 10

Source: NC DPI for academic statistics. Jurisdiction webpages for tax rates.

* Note: Tax rate reflects County Tax Rate and the separate School District Tax Rate for these jurisdictions

Teacher Average Salary

WCPSS staff email response:

The WCPSS 2015-16 Budget included a request for local funding of \$16 million to adjust the Teacher Salary Supplement Schedule (TSSS). Additional County Appropriation that year was such that the decision was made to use \$16 million of additional local funding towards adjusting the TSSS.

At the time it was estimated that a total of \$80 million would be required to bring our teachers to the National Average, thus we listed \$64 million as a deferred need, and planned at that time to make requests of an additional \$16 million in each of the next four years (beginning w 2016-17) for continued adjustment to the TSSS.

Since the \$16 million adjustment to the TSSS in 2015-16, no further adjustments have been requested or made with regard to this endeavor. As a result, we have not revised upward the deferred needs amount of \$64,000,000 that is listed.

United States	\$	58,353
Average of States Ranked 11-40	\$	53,400
Wake Average	\$	50,803

WCPSS Deferred Needs List

Fiscal Year 2015-16 Deferred Needs

The Deferred Needs list indicates business cases that were considered, but were not included in the Board of Education's Proposed Budget. If additional resources should become available, the board of education recommends using those resources towards these requests. Staff will continue to monitor actual costs and collections compared to budgeted amounts on an ongoing basis to identify savings that occur during the year that could be applied towards these items.

ADDITIONAL COUNTY APPROPRIATION NEEDED TO SUPPORT THE BOARD OF EDUCATION'S PROPOSED BUDGET

GROWTH
Elementary Academics Technology Refresh
Maintenance and Operatic Safety Assistants

PROGRAM CONTINUITY

INSTRUCTIONAL SUPPORT TECHNOLOGY
Adjusting Teachers' Salary
Technology Refresh
Salary Adjustments Due to
Revise Extra Duty Schedule
Instructional Technology F
Assistant Principal Formul
Refinishing and Resealing
Electronic Cumulative Stu
Data Governance Audit

REPLACEMENTS
Annual Replacement of Se
Activity Buses
Diesel Exhaust Fluid Tank
Plumbing Jet Truck
Grounds Maintenance - E

TOTAL DEFERRED NEEDS

COUNTY APPROPRIATION NEEDS WERE ADDED TO

Fiscal Year 2016-17 Deferred Needs

The Deferred Needs list indicates business cases considered but not included in the Board of Education's Proposed Budget. The superintendent and staff will analyze the impact of funding later in the summer once the General Assembly approves a budget, the federal government finalizes grant awards, and the county commissioners approve funding for 2016-17. Staff will continue to monitor actual costs and collections compared to budgeted amounts on an ongoing basis to identify savings during the year that could be applied towards these items.

ADDITIONAL COUNTY APPROPRIATION NEEDED TO SUPPORT THE BOARD OF EDUCATION'S PROPOSED BUDGET

Teacher and School-Based Administrator Supplement Pay Increase (Years 2-5)
Student/Teacher Device Replacement in Schools
Implementation of Compensation Study Market Adjustments
Extra Duty Salary Increase (Years 3-5)
Establish Facility Painting Schedule
Instructional Technology Facilitators
Activity Mini Buses
Assistant Principal Formula for Middle Schools
Maintenance Square Footage and Ground Acreage Support Vehicles
Literacy K-12 Academic Initiatives
Elementary Support Model and State-Identified Learning Performing Schools
Online Registration and Electronic Cumulative Record Office of Equity Affairs Expansion
Talent/Professional Learning Management System
Academically or Intellectually Gifted Co-Teachers
Leadership Development
Instructional Technology Coordinating Teachers
Recruiter
Resealing of Hardwood Floors
Intervention Services Program Director
Customer Service for Transportation
Senior Administrator for Student Assignment
Senior Administrator - Enterprise Systems
Data Governance Audit
Integrated Pest Management Master Craftsman
Payroll Operations Specialist
Before and After School Programs Senior Administrator
Beginning Teacher Coordinator

Fiscal Year 2017-18 Deferred Needs

The Deferred Needs list indicates business cases considered but not included in the Board of Education's Proposed Budget. The superintendent and staff will analyze the impact of funding later in the summer once the General Assembly approves a budget, the federal government finalizes grant awards, and the county commissioners approve funding for 2017-18. Staff will continue to monitor actual costs and collections compared to budgeted amounts on an ongoing basis to identify savings during the year that could be applied towards these items.

	MOE	Recurring Cost	One-Time Cost	Total Cost
ADDITIONAL COUNTY APPROPRIATION NEEDED TO SUPPORT THE BOARD OF EDUCATION'S PROPOSED BUDGET				
\$ 45,218,360				
Teacher and School-Based Administrator Supplement Pay Increase (Years 2-5)	-	\$ 64,000,000	\$ -	\$ 64,000,000
Academically/Intellectually Gifted Program Funding	-	-	-	-
Eligible Students Beyond State Cap	1,840.00	23,323,420	-	23,323,420
Counselors and Other Instructional Support (Years 2-3)	2,944.00	19,993,950	-	19,993,950
Employee Minimum Pay at \$15 per Hour*	-	14,769,521	-	14,769,521
Formula Alignment - Maintenance Square Footage and Acreage	-	8,157,472	-	8,157,472
Student/Teacher Device Replacement in Schools	-	8,000,000	-	8,000,000
Market Salary Adjustments	-	5,500,000	-	5,500,000
Formula Alignment - Custodial Cleaning	-	5,078,153	-	5,078,153
Facility Painting Schedule	-	4,521,974	-	4,521,974
Textbooks Local Funds	-	4,074,659	-	4,074,659
Instructional Technology Facilitators	605.00	3,401,663	-	3,401,663
Special Education Teacher Funding Eligible Students Beyond State Cap	565.00	3,311,350	-	3,311,350
Custodial Services - Annual Stripping, Waxing, and Carpet Cleaning	-	2,526,337	-	2,526,337
Extra Duty Salary Increase (Years 4-5)	-	1,632,802	-	1,632,802
Assistant Principal Formula for Middle Schools	165.00	1,286,704	-	1,286,704
Central Services Hiring Freeze	-	1,000,000	-	1,000,000
Activity Buses	-	-	852,066	852,066
Occupational Therapists	104.06	753,933	4,000	757,933
District Office Receptionists	216.00	684,407	9,000	693,407
Instructional Technology and Library Media Services Expansion	84.00	644,110	-	644,110
Connections Alternative High School	64.00	432,974	80,000	512,974
Online Registration and Forms	-	275,000	147,500	422,500
Middle School Academics Visual and Performing Arts	75.00	421,692	-	421,692
Recurring Replacement of Support Vehicles	-	400,000	-	400,000
Magnet Theme Development at Slough and Daniels	50.00	292,308	-	292,308
Digital Portfolio Software Solution	-	290,000	-	290,000
Refinishing and Resealing of Hardwood Floors	-	234,775	-	234,775

*It would cost an additional \$2.025 million for Child Nutrition employees.

Fiscal Year	# Items	Total Cost of Items
2015-16	18	\$94,439,175
2016-17	34	\$98,656,910
2017-18	58	\$179,256,047

Attachment 4

Deferred List Change from FY17

Major New Items for 2017-18	Amount
Academically and Intellectually Gifted (AIG) Program Funding Eligible Students beyond cap	23,323,420
Counselors and Other Instructional Support (Years 2-3)	19,993,950
Employee Minimum Pay at \$15/Per Hour	14,769,521
Formula Alignment - Maintenance Square Footage and Acreage	8,157,472
Formula Alignment - Custodial Cleaning	5,078,153
Textbooks Local Funds	4,074,659
Special Education Teacher Funding Eligible Students Beyond State Cap	3,311,350
Custodial Services - Annual Stripping, Waxing and Carpet Cleaning	2,526,337
	\$ 81,234,862

WCPSS Multi-Year Impact of Counselors

WCPSS Staff Response

53. Page 149 –

- a) **Are counselors and social workers 12-month positions? How many positions would be added by the proposed \$10 million request for 1,472 MOE?**

Counselor and social worker positions vary in length. Some are 10, 11, or 12 months. Some are 5 and 6 months. The vast majority of the positions are 10 months. So, generally, it would equate to approximately 147 positions at the high end.

- b) **How many counselor and social workers do we currently have? How many additional counselors and social workers will we get for \$10 million? Do we plan to increase them at all schools or schools with the greatest need? This seems to be a multi-year plan so how many new counselors and social workers are we anticipating each year? How many years do they mean regarding the multi-year plan?**

The \$10 million would add about 147 positions (salary and benefits) to the current count of approximately 465 counselors and social workers. It would take another \$20 million over two years (\$10 million each) to reach recommended national ratios. These are estimates based on current costs and MOE.

WCPSS receives funding in PRC 007 to fund school counselors, social workers, nurses, media specialists, and psychologists. The state does not delineate ratios for each of the allowable categories in this program code (PRC 007) - certified instructional support.

For 2016-17 totals are:

3,799.00 MOE for School Counseling - WCPSS ratio is 1:628(ES); 1:372(MS); 1:387(HS)

1,001.00 MOE for Social Workers - WCPSS ratio is 1:1611(ES&MS); Only two HS have social workers

701.00 MOE for Psychologists - WCPSS ratio is 1:1802

2,135.70 MOE for Media Specialists - WCPSS ratio is 1:750

73.00 MOE for School Nurses - WCPSS ratio is 1:1781 (includes 87 positions funded by WCHS)

For the proposed expansion of counselor/social workers in schools, WCPSS staff is developing an acuity model for the distribution of additional counselor/social work positions to schools. Schools with greater needs/greater concentration of students with needs will be prioritized in the model. WCPSS already uses an acuity model to assign nursing support to schools.

\$30 million over three years, \$10 million in fiscal years FY18, FY19 and FY20

Multi-Year Impact of Salary Gap

WCPSS staff email response:

The Business Case is for \$2.25 million for market responsive salary adjustments for difficult to fill vacant position types that do not have competitive market compensation.

The legislature is also considering a state adjustment for bus drivers. Bus Drivers are one type of such positions that have an impact on the WCPSS operation.

There could be future year requests for additional funding for market competitive salary adjustments.

Multi-Year Impact of K-3 Class Size Reduction

WCPSS staff email response:

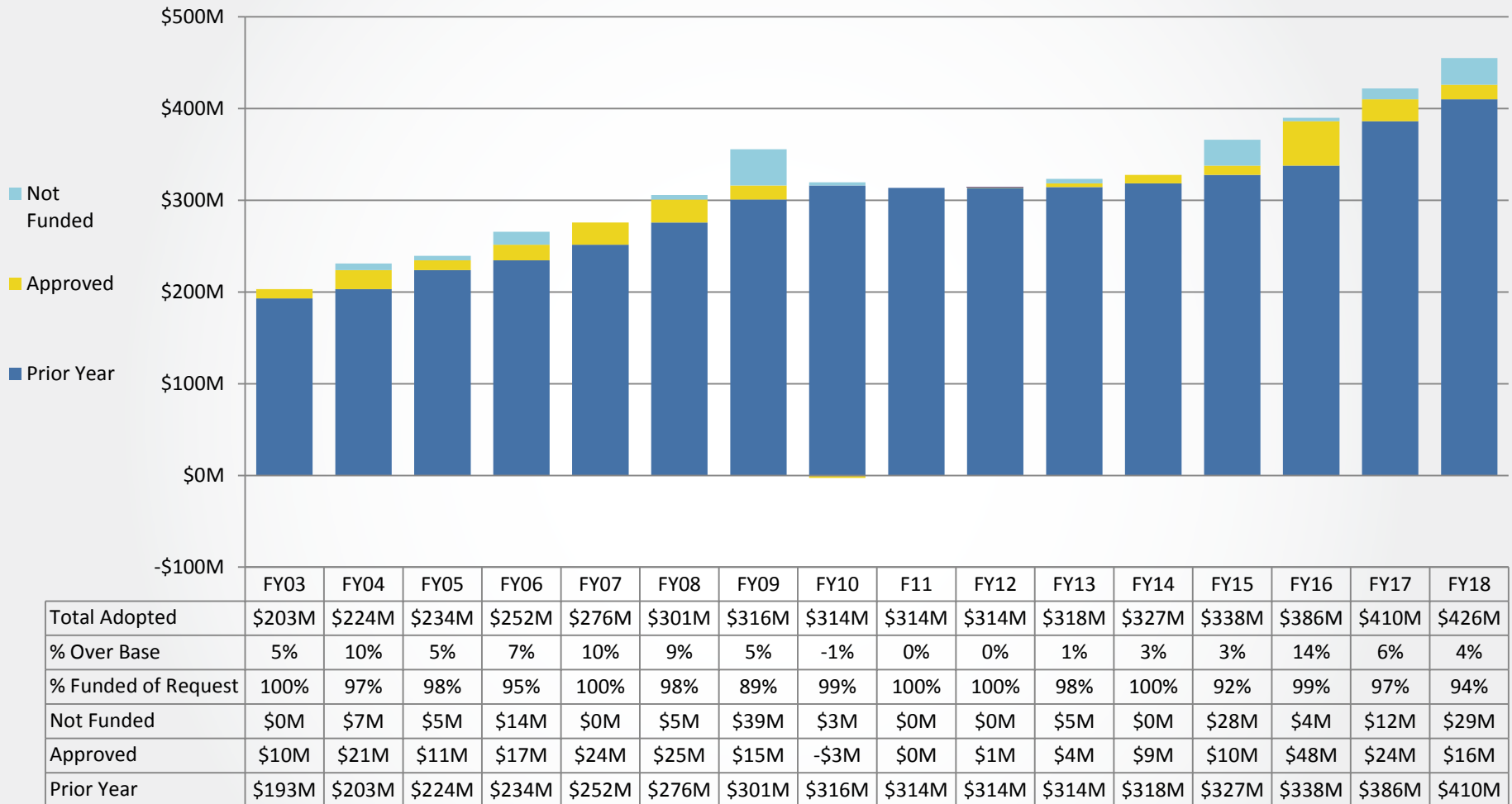
If the state does not provide additional funding for program enhancement in order to maintain programs, an additional \$24.6 million would be required as recurring funding in order to retain the elementary specials of art, music, and physical education.

Per the Potential Risks provided to the Board of Education at this week's worksession:

Class size Legal Requirement for Compliance

HB13 provided flexibility in the class size legislation for 2017-18; however, school districts will be required to lower class sizes in grades K-3 in 2018-19 if no additional dollars from the state for program enhancement.

BOE Requests vs. Funding



WCPSS Funding Methodologies

<u>School Year / Fiscal Year</u>	<u>Board of Education Request (\$)</u>	<u>Manager's Recommended Budget (\$)</u>	<u>Changes by BOC (\$)</u>	<u>Total Adopted Budget (\$)</u>	<u>Adopted as % of Request</u>	<u>Total Amended Budget (\$)</u>	<u>Methodological Approach</u>
2001-2002	\$208,942,000	\$183,280,000	\$9,720,000	\$193,000,000	92%	\$194,529,600	Equivalent Tax Rate/Growth in Tax Base
2002-2003	\$203,000,000	\$203,000,000	\$0	\$203,000,000	100%	\$203,000,000	Equivalent Tax Rate/Growth in Tax Base
2003-2004	\$231,000,000	\$223,700,000	\$0	\$223,700,000	97%	\$223,700,000	Per Pupil, New Initiatives and Operating Costs Assoc. with New Schools
2004-2005	\$239,405,000	\$234,405,000	\$0	\$234,405,000	98%	\$236,405,000	Per Pupil and Operating Costs Associated with New Schools
2005-2006	\$265,760,610	\$248,711,000	\$2,857,000	\$251,568,000	95%	\$254,376,000	Per Pupil and Operating Costs Associated with New Schools
2006-2007	\$275,826,781	\$272,991,000	\$2,836,000	\$275,827,000	100%	\$275,827,000	Per Pupil and Operating Costs Associated with New Schools
2007-2008	\$305,725,608	\$294,744,100	\$6,000,000	\$300,744,100	98%	\$300,744,100	Evaluation of WCPSS Budget Request
2008-2009	\$355,484,906	\$319,200,000	(\$3,000,000)	\$316,200,000	89%	\$310,500,000	Equivalent Tax Rate/ Growth in Tax Base
2009-2010	\$316,841,499	\$313,503,224	\$0	\$313,503,224	99%	\$313,503,224	Per Pupil
2010-2011	\$313,503,224	\$313,503,224	\$0	\$313,503,224	100%	\$313,503,224	No Change
2011-2012	\$313,503,224	\$314,411,592	\$0	\$314,411,592	100%	\$314,411,592	Transfer of County programs to WCPSS
2012-2013	\$323,190,913	\$318,341,737	\$0	\$318,341,737	98%	\$318,341,737	Equivalent Tax Rate/Growth in Tax Base
2013-2014	\$326,639,200	\$327,496,020	\$0	\$327,496,020	100%	\$327,496,020	Equivalent Tax Rate/Growth in Tax Base + Funds for Crossroads Admin Lease
2014-2015	\$365,957,404	\$337,676,400	\$0	\$337,676,400	92%	\$341,426,400	Capacity within the Tax Rate; Increase for Teacher Supplement
2015-2016	\$389,773,230	\$376,000,000	\$10,000,000	\$386,000,000	99%	\$386,000,000	Restore Per-Pupil Funding to Pre-Recession Levels; Increase for Teacher Supplement
2016-2017	\$421,749,600	\$409,911,000	\$0	\$409,911,000	97%	\$409,911,000	Per Pupil and Operating Costs Associated with New Schools
2017-2018	\$455,129,360	\$425,911,000					Increase \$16 million, 2.5% on Per Pupil; Encourage BOE to allocate recurring unspent appropriation

TOPICS AND COMMENTS FROM COMMISSIONERS

BALANCING OPTIONS

Tax Revenues

- Additional Sales Tax capacity of \$1.5 million to be used for Board priorities
- FY18 Recommended Property Tax rate of 61.5 cents per \$100 valuation
 - Each .10 cent on tax rate generates \$1,431,900

Reduce Transfer to Debt and Capital

- 19.01 cents dedicated as a transfer to support Debt and Capital
 - .10 cent reduction would reduce transfer by \$1,431,900
- FY18 transfer of \$316,308,000
- Impacts WCPSS and Wake Tech building programs or reduce cash funded County Capital projects

Reduce County Expenditures

- Reduce or eliminate expansions
- Reduce existing programs

Next Steps

- **Incorporate any consensus changes from today's work session into the budget**
- **Place all ordinances on the June 19 Regular Meeting agenda for consideration of adoption**