

**Wake County Commissioner Questions
Board of Education's 2018-19 Budget Request
May 29, 2018**

1. What is the Board of Education's goal for teacher pay? Is there a gap between current pay and the Board's goal? If so, what is the gap and what progress would this budget request make towards closing the gap? (Portman)

See pages 114-115 of the Board of Education's proposed budget. The proposed budget does not request additional local funding to increase the teacher salary schedules. Rather, it requests local funding required to maintain our current teacher allotment formulas and our existing salary supplement schedule with an estimate the state would legislate a 2% increase.

- The school system has locally funded certified employees. The budget requests additional local funding for these employees based upon our estimate of the state legislated increase will be.
- WCPSS has a locally funded supplementary pay scale. The supplementary pay scale for certified employees is calculated as a percent of base pay. As base pay is projected to increase, the supplementary pay will also increase. This is a local cost for both state and locally funded employees.

Here is an example of part of the entry level teacher pay schedule.

**WAKE COUNTY PUBLIC SCHOOL SYSTEM
2017-2018 Salary Schedule
CLASSROOM TEACHERS - VOCATIONAL TEACHERS
Bachelor's Degree ("A" License), Not National Board Certified**

Years on License	Traditional Calendar Schools			Year-Round Schools			Annual	Local Percent
	State Base	Local Supplement	Total Salary	State Base	Local Supplement	Total Salary	10 Month Salary	
0	3,500	603.75	4,103.75	2,916.67	503.13	3,419.80	41,037.50	17.25%
1	3,600	621.00	4,221.00	3,000.00	517.50	3,517.50	42,210.00	
2	3,630	626.18	4,256.18	3,025.00	521.82	3,546.82	42,561.80	
3-4	3,730	652.75	4,382.75	3,108.33	543.96	3,652.29	43,827.50	17.50%
5-6	3,830	670.25	4,500.25	3,191.67	558.55	3,750.22	45,002.50	
7	3,930	687.75	4,617.75	3,275.00	573.13	3,848.13	46,177.50	
8	3,930	697.58	4,627.58	3,275.00	581.32	3,856.32	46,275.80	17.75%
9-10	4,055	719.77	4,774.77	3,379.17	599.81	3,978.98	47,747.70	
11-12	4,205	746.39	4,951.39	3,504.17	622.00	4,126.17	49,513.90	

Base and supplementary pay are paid by grant and fee-drive programs for positions in self-supporting revenues. See the chart below. Employer matching benefits are prorated based on the funding source.

	Base Pay	Supplementary Pay	Employer Matching Social Security	Employer Matching Retirement	Employer Matching Hospitalization	Employer Matching Dental
State Position						
Local Position						
Grant Position						
Fee Driven Program Position						
State Cost						
Local Cost						
Grant or Fee Driven Program Cost						

- What is currently being spent to clean school facilities? Is there a gap between current spending levels of \$1.33/square foot and spending levels required to properly clean? If so, what is the cost of closing the gap? (Portman)

See pages 66-72 of the Board of Education's proposed budget. The proposed budget includes a request for custodial services for new schools, swing space, and schools with changing square footage. The funding request includes custodial positions and custodial services for the changes in square footage. The request in the proposed budget simply maintains current funding formulas in place for custodial services.

Based upon the March 2016 State of Our Schools Report by the National Council of School Facilities, 21st Century School Fund and Center for Green Schools and the WCPSS 2017-18 Operating Budget and CIP Update 2018:

Square Footage	24,000,000			
Replacement Cost per SF	\$ 176.00			
Current Replacement Value (CRV)	\$ 4,224,000,000	Spending Needs**	Current Budget***	Shortfall
Annual M&O - cleaning, grounds keeping, routine and preventive maintenance, minor repairs, utilities, and security -- 3% of CRV	0.03	\$ 126,720,000	\$ 90,000,000	(\$36,720,000)
Periodic Renewals - replacing key components that wear out, roofs, windows, doors, boilers, etc -- 2% of CRV	0.02			

Square Footage	24,000,000			
Replacement Cost per SF	\$ 176.00			
Current Replacement Value (CRV)	\$ 4,224,000,000			
As-Needed Alterations - such as adding space for smaller classes, expanding early childhood, addressing environmental concerns, integrating technology, and improving safety and security -- 1% of CRV	0.01	\$ 168,960,000	\$ 150,000,000	(\$18,960,000)
Systematic reduction of deferred maintenance - making up for delayed M&O, renewals, and alterations -- 1% of CRV	0.01			
		\$ 295,680,000	\$ 240,000,000	(\$55,680,000)
* New Construction for Enrollment Growth not included				
**Source: March 2016 State of Our Schools Report by the National Council of School Facilities, 21st Century School Fund and Center for Green Schools				
***Source: WCPSS 2017-18 Operating Budget and CIP Update 2018				
		2006-2009		
	2001/2 \$/SF	Highest \$/SF	2017/18 \$/SF	
Facility Maintenance	\$ 0.88	\$ 1.06	\$ 0.90	
Grounds	n/a	\$ 1,321.00	\$ 939.00	
Housekeeping	\$ 1.31	\$ 1.56	\$ 1.19	
Utilities	\$ 1.01	\$ 1.54	\$ 1.27	
Data includes state and local funding				

3. I heard from two principals of new schools that they do not have the funds to maintain new schools and if they got them they would be reallocated to higher needs? Is there a gap between current maintenance funding for school facilities and levels needed for proper facility maintenance? If so, what is the dollar amount required to close it and would this budget request accomplish that? If not, what is the remaining gap? Do principals have the ability to reallocate maintenance funding to other needs at their discretion? (Portman)

See pages 66-72 of the Board of Education's proposed budget. The proposed budget includes a funding request for maintaining square footage and acreage for new schools, swing space, and schools within the same formula and with the additional square footage and acreage. The funding request includes maintenance budget for changes in square footage and acreage. There is no change in requested budget for increases to the existing funding formulas for maintenance.

See the response to question 2. Principals do not have the ability reallocate maintenance funding to other needs at their discretion.

4. I was told at the joint meeting that the state allotment for counselors, social workers and psychologists, media, arts, and nurses is one per 215 students. What does it need to be and is this gap included in the budgets? If not, what is the gap? Is there any school in N.C. is funded to the goal? If not any in the USA? (Portman)

See pages 91-93, and 150 of the Board of Education's proposed budget.

The state of North Carolina's allotment formula is 1:218.55 (one position to every 218.55 students) collectively for Instructional Support positions. These positions include School Counselors, School Social Workers, School Psychologist and School Media Specialists.

The nationally recommended ratio for school counseling is 1:250; School social work 1:250 cases with a goal of one in each school; School Psychology one in each school and school nursing 1:750 with a goal of one in each school. In the initial case to get to the national average we would need \$34.5 million dollars to gain the 4,665 months of employment needed.

Virginia has introduced legislation to address school counselor ratios:

<https://lis.virginia.gov/cgi-bin/legp604.exe?181+ful+HB252>

Vermont and Wyoming are the only two states with ratios at or below the 1:250.

https://www.schoolcounselor.org/asca/media/asca/home/Ratios14-15_1.pdf

Student-to-School-Counselor Ratio 2014-2015

www.schoolcounselor.org

5. For special education services, what is the breakdown between what is funded with state, federal and local sources? Is there a gap between required services and funding sources? Would the budget request close the gap? (Portman)

See pages 80-85, and 89-90 of the Board of Education's proposed budget.

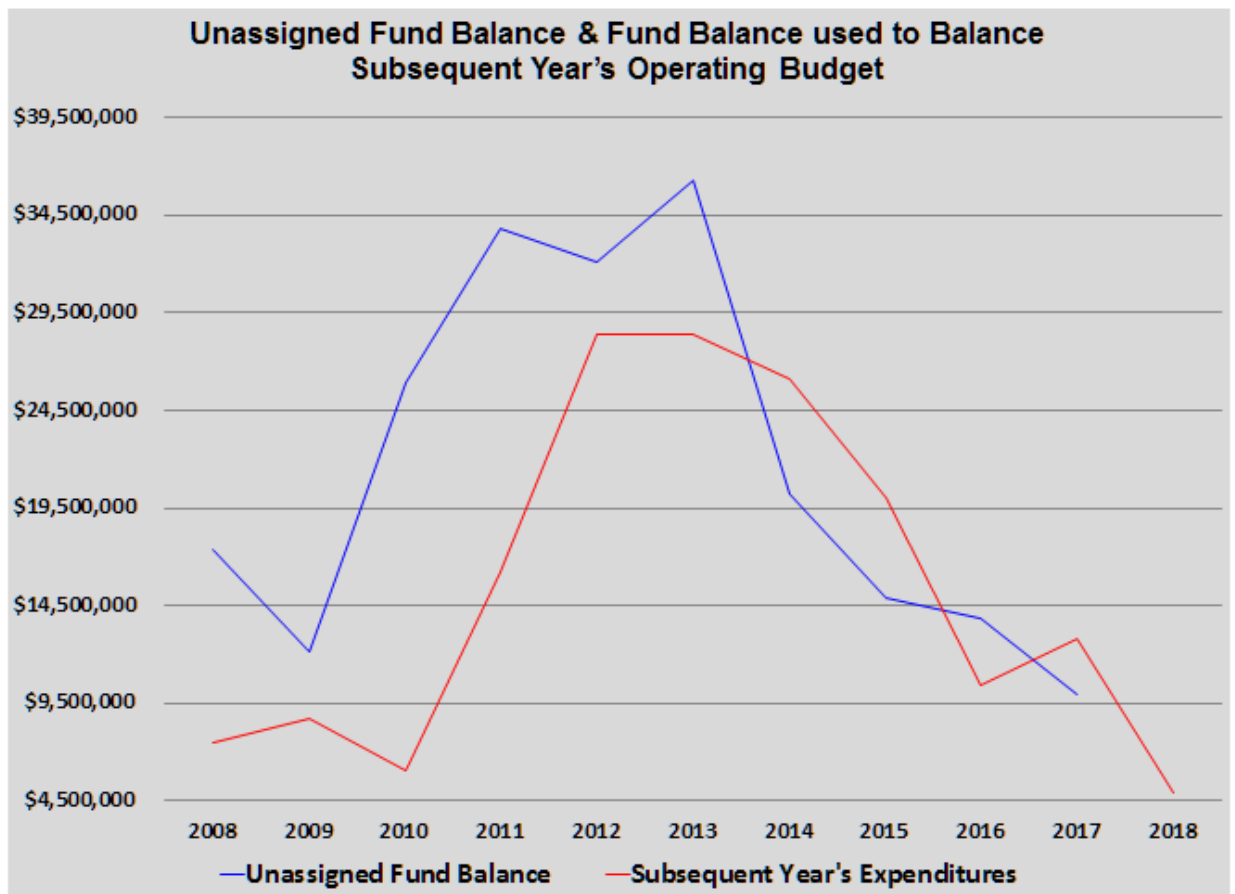
Every school year, WCPSS submits to NCDPI waivers for classrooms and service providers who exceed state mandated class size/caseload. The funding request will allow us to maintain current levels of service.

6. What was the budget vs. actual spending for the General Fund in FY 2017? Is this consistent with prior year trends? (Portman)

Actual revenues were \$414,769,208 and expenditures and other financing uses were \$414,972,557 which created a net decrease in fund balance of \$203,349.

7. I read in the budget fund balance is been depleted to \$5 million but I thought last year's fund balance was unchanged? Am I mistaken? How did it get depleted after last fiscal year? (Portman)

The unassigned fund balance at the end of fiscal year 2017 was just under \$10 million. Fifty percent of this amount (\$4.9 million) has been used to balance next year's budget. This is in line with our board policy. The following chart shows the planned increase during the Great Recession and subsequent trending as well. Unassigned Fund Balance is created only when actual revenues exceed actual expenditures.



8. How is the vendor selected for custodial services? How are they held accountable for quality of work? Is WCPSS satisfied with the current provider? Are there any planned changes to this process? When is the last year that cleaning services were done daily? When was that changed and who changed it? What was the budget level then? What is the cost for restoring daily cleaning services? (Portman/Burns)

WCPSS chooses low bid based on defined frequency of the cleaning task. WCPSS monitors contract performance and conducts monthly inspections based on contracted scope. When performance is not satisfactory, and vendor does not take corrective actions, WCPSS terminates

and rebids the contract. WCPSS is piloting changes for results. There are a variety of cleaning tasks. Frequencies vary by task. Major reductions began just before and during the Great Recession. The state, county, and district all requested reductions to the district budget during that time. See response to question 2 for information about the budget levels and restoring services.

9. On page 101 of the Proposed Budget, there is a funding request for Assistant Principal Formula Change for Middle Schools. This request is for \$3,145,197 in “local” funds for hiring Assistant Principals at 341 MOE due to the HB90’s restriction on transferring teacher MOEs to Assistant Principals. I understand that the current practice is to transfer funds allotted for teacher MOEs to Assistant Principals. We all accept the necessity and value of Assistant Principals, particularly at the Middle School level. (My father was a Middle School AP.) If we provide this funding to hire APs at the cost of \$3,145,197 there will presumably be \$3,145,197 in now-restricted state funds still in the budget that will go to MOEs for teachers. Where is that money accounted for in the budget, and can it be used to address some of the other teacher shortages discussed in the budget document (for instance in adjusting teacher counts to meet the K-3 mandate as shown on page 111)? If so, why is there no corresponding credit listed? If there is a credit, where is it reflected in the budget document? (Burns)

Middle schools were converting vacant teacher positions to add assistant principals on a year by year basis. The budget request will establish recurring budget for the assistant principals. The middle schools will no longer have to convert teacher positions. The teacher positions are included in the recurring base budget. Middle schools will now use the teacher positions for teachers. Changes in the class size legislation include a restriction that classroom teachers will not be able to convert to other uses.

10. During the meeting on Tuesday, there was confusion among the three funding requests for Special Education on pages 102, 103, and 104. Each reference a decline in carryover funds, but each is referencing a different federal source of money. Are there funds still available from Medicaid for services discussed on page 102, from IDEA-EIS funds discussed on page 103, and from the Title VI-B Handicapped grant discussed on page 104? Does the budget seek complete local replacement of the dollars previously provided by these federal sources? Will there still be funding available from these three sources? How much? Is the issue the loss of the RA carryover funds that helped address delays and variations in the amounts of these other funds? (Burns)

There are annual revenues available for IDEA Early Intervening Services and IDEA VIB Handicapped. Medicaid reimbursements vary from year to year. There is a decline in carryover revenues for all three of these federal sources projected for 2018-19.

11. On page 106, there is mention of a 54 percent increase in the lease payments charged by Modular Space Corporation. Is this because of an increased number of units being leased from this

provider or is this an increase to the rate charged for existing units? If the latter, is this extraordinary increase being challenged? (Burns)

This is an increased rate for existing. It was challenged and significantly reduced. The vendor had held rates for several years. Age of trailers, increased maintenance, economic recovery, market costs, etc. are reasons for the increase.

12. What is the calculation used to derive the local increase in supplement required by a state salary increase as shown on pages 114-117 (Burns)

See response to question #1.

13. What is the bottom line result of the flexibility changes on page 118? It appears from the document that there is no net change to the budget. I assume that is not the case, but the chart is unclear. (Burns)

State law has allowed school districts to convert Textbook dollars to other uses. WCPSS has transferred Textbook dollars to personnel each year, and then offset the entry by transferring personnel costs to Textbook dollars in the local budget.

The advantage to doing so is the state pays the cost of longevity, annual leave payouts, disability costs, and workers' compensation for state funded employees without impacting our other allotments. The advantage to non-personnel costs such as Textbooks being on the local budget is this allows a longer timeline for yearend transactions.

Effective in 2018-19, the state will no longer allow transfer of Textbook allotments to personnel. This funding request shows the personnel shifting back from state to local and the Textbook funds shifting back from local to state.

14. Which central office position is being shifted from state to local funding on page 119, and has consideration been given to eliminating the position? (Burns)

The state provides a small amount of funding for central services administrators. The allotment has been declining each year. WCPSS typically assigns positions with employees that are very experienced with many years of state service to the state positions. The reason for this is the state will pay the longevity cost for those positions without impact to our other allotments. In addition, if any of these employees retire or resign, the state will pay the cost of allowable annual leave days and bonus annual leave days for these staff without impacting our other allotments. When the allocation from the state declines, we move the position from state to local with the least number of years of experience compared to others in that allotment on state funding. There is not a recommendation to eliminate a position.

15. How were the requested 500 MOE on page 122 for the mid-year class size allotments derived? Is it based on the expected number of teachers needed to meet such mid-year expansions? If so, what is that number? Is that number based on expected growth during the school year across the K-3 classes systemwide? Is there historic or projected data that supports that calculation? Calculated at 50 teachers, this reflects a cost of \$58,137.86 per teacher. Is this taking into account all costs of the employee? Or would additional funds be necessary for benefits, retirement, insurance, etc.? (Burns)

WCPSS has included a request for funds for mid-year class size allotments. It is based on the expected number of teachers needed to meet such mid-year expansions. Five hundred months equates to approximately 50 full-time equivalent positions. The actual number of teachers will be higher because these allocations occur during the year for a partial year. For example, if WCPSS did not need to allot any of these positions until January, then 500 months would allow for 100 full-time equivalent positions for a half-year time period. WCPSS based this estimate on historical data for 2017-18 adjusted for additional requirements and restrictions in 2018-19. The cost on the funding request includes matching benefits for the positions.

16. The reduction on page 126 of 36 high school teaching positions based on a change in the WCPSS formula appears to be based upon a WCPSS recalculation. Has this proposed reduction been communicated to those employees and high schools as a WCPSS decision that will be taken even if full funding of the system's County request is granted? (Burns)

Yes, WCPSS has informed high schools principals of this formula change. Principals manage this adjustment in resources with their other allotments as they prepare their staffing structure for their schools for 2018-19.

17. On page 143, there is no number in the chart representing Workshop Expenses. Is this a misprint? (Burns)

This is not a misprint. See page 7 of the Board of Education's Proposed Budget. The strategic plan team identified how strategic plan priorities could be funded within existing resources. The strategic plan team will provide a New School Administrator Academy and Administrative Intern Institute by repurposing existing professional development resources.

18. What is the purpose and need for the Oracle Cloud Contract identified on page 156? What is the basis for the \$349,000 increase? Is this required in this fiscal year or can it be delayed? (Burns)

The increase is the difference between the new subscription model versus our current existing contract. If we were to build upon our current Oracle E-Business Suite (EBS) by implementing additional modules to meet the District's needs, the cost would have been significantly greater.

With the Oracle Cloud implementation, the District will be gaining the modules/offerings/capabilities listed below:

- Employee and Manager Self-Service
- Time and Labor
- Absence Management
- Inventory Management
- Advanced Benefits
- Electronic Contract Routing
- Enterprise Planning and Budgeting (Hyperion)
- Taleo (Applicant, Employee onboarding/offboarding)
- OTBI/DVCS – Reporting
- Integration Cloud Services

19. What factors are driving the need for the two additional transportation districts and associated costs described on page 160? (Burns)

WCPSS assigns 35 to 40 buses to each transportation district office. Each district office is comprised of an Operations Manager and two Team Leaders to supervise drivers, manage routes and handle all aspects of customer service stemming from their district.

WCPSS currently runs 750 bus routes and projects to run closer to 800 in 2018-19. The math works to support the need for 20 transportation district offices based on 40 buses per district office. The case submitted for the two additional transportation district offices would be the 19th and 20th districts.

20. How much is WCPSS projecting to spend on special projects in FY 2018 and on what projects? (Burns)

The Special Project reserve for 2016-17 totaled \$14,420,578. This figure included textbook, reserve for state, pension-spiking law, and K-3 class size reserves established to fund both actual expenditures and to protect against potential future liabilities WCPSS may encounter. The Special Project reserve for 2017-18 will be established after the fiscal year is complete depending on many factors including state legislation and potential unexpected operating or capital needs.

21. What is the current amount of funds in the Committed Fund Balance portion of the WCPSS fund balance and what are the commitments? (Burns)

Fund balance commitments at 6-30-17 were:

<u>Nonspendable:</u>	
Inventory - includes instructional, custodial, bloodborne, maintenance, and bus garage warehouses, as well as fuel	\$ 3,919,935
Prepaid	\$ 49,622
<u>Restricted</u>	
Stabilization by state statute - includes encumbrances and receivables (amounts owed to the system that have not been received at year end)	\$ 4,797,511
<u>Assigned</u>	
Special projects	\$ 14,420,578
Insurance - includes dental, workers compensation and general liability reserve	\$ 10,732,144
Flexible benefit plan	\$ 1,354,093
Subsequent years expenditures	\$ 12,840,355

22. What is the unassigned fund balance expected to be as of June 30, 2018? (Burns)

See response to question #7. Unassigned fund balance as of June 30, 2018 will not be known until the comprehensive annual financial audit is complete in the fall.

23. Does the budget provide funding to close the gap between current funding for supplies and the desired level of funding for supplies? If not, what is the cost of closing the gap? How is the supplies and materials line item on p. 52 totaling \$32,525,100 allocated? What accounts for the \$5,256,047 reduction reflected in the far-right column? Is that a reflection of a reduction in state funds? Or is that reduction a budgetary decision by WCPSS to provide funds for other requested and needed programs? If the latter, please identify to which programs that \$5,256,047 is transferred. (Portman/Burns)

See page 65 of the Board of Education's proposed budget. We have included a request based on the additional students we expect in 2018-19. Again, there is no change in the per pupil amount of local funding being requested for classroom supplies in the proposed budget.

24. What is the amount that would be required to return classroom supply funding to the level experienced in 2004, when local per pupil expenditures were at their prior high? (Burns)

In 2004, WCPSS allotted an average of \$80.57 per student to schools for Classroom Materials, and Supplies. The formula today is \$68.00 per student. The difference of \$12.57 times the projected student membership of 162,327 equals \$2.0 million.

25. This budget proposes an \$804,927 increase on page 51 for "Contracted repairs and maintenance - Land/Buildings" for a total of \$18,212,271. Does this include janitorial services? Or are janitorial services completely subsumed in the \$13,291,585 entry under "Custodian" on page 49? If so, how is that amount distributed around the system? (Burns)

Yes, this line includes contracted custodial services. The distribution depends on the size of a school and if cleaning is contracted or provided by in-house employees. The increase is needed for contracted repairs and maintenance for the increases in square footage in 2018-19.

26. What services are included under the \$35,918,529 entry (after a \$4,072,317 reduction) "Contracted Services" entry on page 50? (Burns)

Contracted services broken down by broad areas:

School-Based Budgets					\$ 763,332.00
Board of Education					\$ 1,464,334.00
Superintendent's Budget					\$ 517,280.00
Chief of Staff					\$ 2,796,631.00
Communications					\$ 826,986.00
Technology					\$ 6,862,286.00
Academic Advancement					\$ 15,927,222.00
Operations Support					\$ 6,760,458.00
					\$ 35,918,529.00

Examples of items contracted out rather than performed in house:

Contract Transportation
Board Attorney
Custodial Services
Building and Grounds Maintenance
Third Party Special Education Providers
Technology Oracle Support
Security

27. The school system's proposed budget includes an increase of more than \$5 million for enrollment increases in charter schools. The increase for charters in last year's budget was based on projected enrollment that turned out to be higher than actual enrollment. Given that charter enrollment was less than budgeted for, what amount of money was expected to be spent on charters but ultimately not spent? Where was that money reallocated? (Calabria)

There is an estimated net savings of \$2.0 million in charter schools budget in 2017-18 due to the actual WCPSS and charter school membership, and actual amounts of local revenues distributed to charter schools. WCPSS transferred the \$2.0 million into an account to set it aside until yearend. Since that time, there have been local costs that are higher than budgeted. Those amounts were transferred back out of the account. At the end of the third quarter, there was a zero balance in estimated local savings. During the fourth quarter, WCPSS implemented spending restrictions at the central level, and implemented a hiring freeze at the central level for the remainder of the fiscal year. We anticipate there will be local savings due to

implementation of these measures. Any net savings in the budget is reported to the board of education on a quarterly basis.

<i>Description</i>	<i>Savings (Costs)</i>
Local Savings	
Charter Schools	\$ 2,000,000
Projected savings in budget for charter schools based number of WCPSS students, charter school students, and applicable revenues.	
Magnet	\$ 818,463
WCPSS received the federal magnet grant award. Local funds set aside as a contingency are no longer required.	
Insurance Proceeds	\$ 715,000
To transfer excess balance related to Vernon Malone College and Career Academy and Hodge Road Elementary.	
Instructional Supply Allotment	\$ 254,843
Actual student membership at day 10 was less than budgeted.	
Startup Dollars for New Schools	\$ 44,770
Unspent early hire dollars as of September 30, 2017 for new schools opening in 2017-18.	
CIU Fees	\$ 5,900
Funds designated for CIU fees that are no longer requiring fees from the system.	
SUBTOTAL- SAVINGS	\$ 3,838,976
Local Costs	
Salaries and Benefits for Locally Funded Positions	\$ (2,779,132)
Additional funds needed for cost of locally funded salaries and benefits due to reduced flexibility from NCDPI in state resources and experience level of staff assigned to local funding. There are less lapsed salaries due to the number of schools participating in the Restart Program.	
Liability Insurance	\$ (465,000)
Establish funds for additional liability deductibles.	
Workers Compensation	\$ (250,000)
Establish funds for additional worker's compensation payments.	
Special Education Due Process Petition Settlement	\$ (147,000)
Establish one-time funding for special education due process petition settlement.	
Letterland	\$ (52,950)
One-time payment of prior year invoice	
Years of Service Employee Recognition Program	\$ (40,000)
Establish one-time funding for years of service employee recognition program.	
Leadership Team Bonuses	\$ (35,562)
Establish one-time funding for leadership team bonuses.	
Superintendent Search	\$ (33,000)
Establish one-time funding for expenses associated with superintendent search.	
Veteran Teacher Retention Bonus	\$ (21,331)
Projected local portion of veteran teacher retention bonus.	
Athletic Field Rentals	\$ (15,000)
Establish a recurring budget for athletic field rentals.	
SUBTOTAL- COSTS	\$ (3,838,976)
NET SAVINGS	\$ 0
Percentage of Operating Budget	0.00%

28. The charters page of the budget provides the final number requested but does not show projected enrollment or anticipated per-pupil expenditure. Please provide the charter school enrollment projections upon which that number is based, along with the projected per pupil expenditure. (Calabria)

The calculation for amounts due to charters includes the current expense portion of the county appropriation (does not include the Crossroads lease or capital outlay portions). It also includes other local revenues such as fines and forfeitures, parking fees, ROTC, etc.

In preparing the budget, we used the student membership projections agreed upon by Wake County School System and Wake County Government staff. We applied various revenue scenarios. See the chart below. The increase for 2018-19 ranged from \$3.9 million if there were flat funding from Wake County to a high of \$8.6 million if the county fully funds the budget request. We included a number in between these on the funding request in the document, knowing that any of the factors could vary.

		1	2	3	4
	Current Year	Assumes flat funding from county	Assumes County Appropriation Per Student remains flat	Assumes same increase from county as prior year	Board of Education's Proposed Budget
	Budget 2017-2018	Moving modular lease budget from capital to current expense \$1,065,708	Increase of \$9.6 m in County Appropriation	Increase of \$21 m in County Appropriation	Increase of \$59 m in County Appropriation
County Appropriation - Local Current Expense Fund (excludes Capital Outlay)	\$ 428,820,317.00	\$ 429,886,025.00	\$ 438,432,412.41	\$ 450,886,025.00	\$ 488,795,100.00
Fines and Forfeitures	\$ 3,900,000.00	\$ 3,700,000.00	\$ 3,700,000.00	\$ 3,700,000.00	\$ 3,700,000.00
Parking Fees	\$ 1,175,000.00	\$ 1,300,000.00	\$ 1,300,000.00	\$ 1,300,000.00	\$ 1,300,000.00
Fines and Forfeitures	\$ 800,000.00	\$ 800,000.00	\$ 800,000.00	\$ 800,000.00	\$ 800,000.00
ROTC	\$ 450,000.00	\$ 450,000.00	\$ 450,000.00	\$ 450,000.00	\$ 450,000.00
Misc Income - Rebates	\$ 175,000.00	\$ 275,000.00	\$ 275,000.00	\$ 275,000.00	\$ 275,000.00
Print Shop Outside Revenues	\$ 30,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
Professional Leave Paid by Outside Agencies	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00
Tuition and Fees	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00
Professional Leave Paid by Outside Agencies	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00
	\$ 435,407,317.00	\$ 436,488,025.00	\$ 445,034,412.41	\$ 457,488,025.00	\$ 495,397,100.00
WCPSS Second Month ADM	160,429				
Charter Schools Jan. 2018	12,252				
	172,681				
Calculation Per Student	\$ 2,521.45				
Projection for 2018-19; increase of 1,898 students		162,327	162,327	162,327	162,327
Projection for 2018-19; increase of 1,535 students		13,787	13,787	13,787	13,787
		176,114	176,114	176,114	176,114
Calculation Per Student		\$ 2,478.44	\$ 2,526.97	\$ 2,597.68	\$ 2,812.93
Charter School Budget (calculated)	\$ 30,892,862.84	\$ 34,170,255.63	\$ 34,839,305.47	\$ 35,814,230.56	\$ 38,781,924.31
Charter School Budget (actual on Oracle)	\$ 30,216,563.00				
Increase Over Current Year		\$ 3,953,692.63	\$ 4,622,742.47	\$ 5,597,667.56	\$ 8,565,361.31

29. Page 14 of the budget provides a summary of anticipated increases. The total of local increases comes to about \$35 million. This is far lower than the \$58 million requested. Why?

- Where in the proposed budget can one find a breakdown of the \$58 million requested showing what the money would be spent on and how it adds up?

- b. The breakdown on page 14 regards local funding, which equals county funding plus funding from other sources. It is therefore not clear what the county is being asked to pay for. Please provide a breakdown of additional funding requested from only the county, including any sunsetting one-time costs or other circumstances that would decrease the increase needed. (Calabria)

See page 13 of the Board of Education's Proposed Budget for an explanation distinction between the \$58 m figure and the \$35 m figure. WCPSS requests an increase in county funding because there is a decrease in other local revenues and beginning fund balance available to support the local budget, and due to changes in local expenditures. Pages 15 – 21 provide information regarding changes in local funding. There are page references for each item to a funding request that provides more detail.

WCPSS manages a \$1.6 billion dollar operating budget. County funding is one of the primary revenues streams supporting the budget, at about 30%. WCPSS does not specifically identify which local noncategorical revenue streams support each expenditure. Any of the revenue streams could vary during the year. The exception is the county appropriation. Once determined, there is typically no change until the next fiscal year. But there are changes throughout the year for other local, state, and federal revenues. WCPSS finance staff, budget staff, and budget managers monitor and adjust spending during the year in order to maximize each revenue source. WCPSS staff report changes monthly to the board of education in summary format.

30. Some other documents that some commissioners have been able to find suggest that about \$8 million of the local increase would be allocated to "fund balance." Please explain how this number is calculated and the purpose for/use of this money. (Calabria)

\$8.0 million is not allocated to fund balance. Rather, the amount of fund balance available to reinvest towards recurring items in 2018-19 is \$7.9 million less than in 2017-18. Because the expenditures will continue, WCPSS requests additional county appropriation. Please refer to the chart in question #7 showing the trend of unassigned fund balance. See pages 13, 39-40, and 45 of the Board of Education's Proposed Budget. As the amount of unassigned fund balance goes down, WCPSS must reduce services or request additional revenues.

31. Why was the \$8 million in needed special education funding not identified sooner to the county in order to facilitate planning for large additional costs? Are there other such funding losses, sunsets, or revenue losses anticipated in the next year or two? (Calabria)

This is not a new issue. The carryover balance has been declining for many years. See the following chart. Decreases in carryover in federal funding have been included in the Board of Education's Proposed Budget for each of the years provided below.

	Carryover	Allotment	Total	Decrease From Prior Year	Decrease From Prior Year
2018-19 Projection submitted for next year	\$ 18,766.00	\$ 24,177,818.00	\$ 24,196,584.00	\$ (4,805,763.53)	-16.57%
2017-18	\$ 4,824,529.53	\$ 24,177,818.00	\$ 29,002,347.53	\$ (565,888.44)	-1.91%
2016-17	\$ 6,032,449.97	\$ 23,535,786.00	\$ 29,568,235.97	\$ (3,178,022.18)	-9.70%
2015-16	\$ 8,760,177.15	\$ 23,986,081.00	\$ 32,746,258.15	\$ (2,299,308.82)	-6.56%
2014-15	\$ 12,191,334.97	\$ 22,854,232.00	\$ 35,045,566.97	\$ (3,145,918.76)	-8.24%
2013-14	\$ 15,425,248.73	\$ 22,766,237.00	\$ 38,191,485.73	\$ (2,017,953.53)	-5.02%
2012-13	\$ 15,611,075.26	\$ 24,598,364.00	\$ 40,209,439.26		

In 2017-18, there was a similar item in the proposed budget. On page 147 of the Board of Education's Proposed Budget for 2017-18, WCPSS requested \$3.5 million dollars to support recurring special education positions and services. In the fourth quarter of 2016-17, WCPSS was able to use state and local funding balances to alleviate some spending in the IDEA VI B federal grant to allow more carryover for another year. WCPSS removed the \$3.5 million local need when balancing to the approved county appropriation for 2017-18.

In 2016-17, there was a business case in the budget showing a decrease in carryover in IDEA VIB Handicapped Funding.