



WAKE COUNTY
PUBLIC SCHOOL SYSTEM

2014-15 Operating Budget Update

August 5, 2014

Board's 2014-15 Operating Budget

- Update on 2014-15 Budget passed by House & Senate
- Implications for WCPSS
- Next steps

Board's 2014-15 Operating Budget

Teacher Salaries

- \$33k minimum (7.1% increase)
- Average actual increase in 5.5% range
- Top of the scale no increase - \$1000 annual bonus paid monthly
- Can't make less
- No Longevity – built into salary schedule
- Masters Pay restored
 - Completed Masters prior to July 1, 2014
 - Course work completed by August 1, 2013 & upon completion
 - No “In-Field requirement
- New Masters & NBPTS calculation (10% & 12% independent)

Board's 2014-15 Operating Budget

Teacher Salaries

"A" Teacher Salary Schedule				
FY 2013-14 to Proposed FY 2014-15				
A	B	C	D	E
Years	FY 2013-14 Salary	FY 2013-14 Salary w/ Longevity	FY 2014-15 Conference Proposal	Increase for Ind.
0	\$ 30,800	\$ 30,800	\$ 33,000	
1	\$ 30,800	\$ 30,800	\$ 33,000	7.1%
2	\$ 30,800	\$ 30,800	\$ 33,000	7.1%
3	\$ 30,800	\$ 30,800	\$ 33,000	7.1%
4	\$ 30,800	\$ 30,800	\$ 33,000	7.1%
5	\$ 30,800	\$ 30,800	\$ 36,500	18.5%
6	\$ 31,220	\$ 31,220	\$ 36,500	16.9%
7	\$ 31,670	\$ 31,670	\$ 36,500	15.3%
8	\$ 33,030	\$ 33,030	\$ 36,500	10.5%
9	\$ 34,450	\$ 34,450	\$ 36,500	6.0%
10	\$ 35,800	\$ 36,337	\$ 40,000	10.1%
11	\$ 37,110	\$ 37,667	\$ 40,000	6.2%
12	\$ 38,160	\$ 38,732	\$ 40,000	3.3%
13	\$ 38,650	\$ 39,230	\$ 40,000	2.0%
14	\$ 39,140	\$ 39,727	\$ 40,000	0.7%
15	\$ 39,650	\$ 40,542	\$ 43,500	7.3%
16	\$ 40,150	\$ 41,053	\$ 43,500	6.0%
17	\$ 40,660	\$ 41,575	\$ 43,500	4.6%
18	\$ 41,180	\$ 42,107	\$ 43,500	3.3%
19	\$ 41,710	\$ 42,648	\$ 43,500	2.0%

Board's 2014-15 Operating Budget

Teacher Salaries

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FY 2013-14 to Proposed FY 2014-15				
A	B	C	D	E
Years	FY 2013-14 Salary	FY 2013-14 Salary w/ Longevity	FY 2014-15 Conference Proposal	Increase for Ind.
20	\$ 42,260	\$ 43,633	\$ 46,500	6.6%
21	\$ 42,820	\$ 44,212	\$ 46,500	5.2%
22	\$ 43,370	\$ 44,780	\$ 46,500	3.8%
23	\$ 43,970	\$ 45,399	\$ 46,500	2.4%
24	\$ 44,560	\$ 46,008	\$ 46,500	1.1%
25	\$ 45,150	\$ 47,182	\$ 50,000	6.0%
26	\$ 45,770	\$ 47,830	\$ 50,000	4.5%
27	\$ 46,390	\$ 48,478	\$ 50,000	3.1%
28	\$ 47,060	\$ 49,178	\$ 50,000	1.7%
29	\$ 47,710	\$ 49,857	\$ 50,000	0.3%
30	\$ 48,360	\$ 50,536	\$ 50,000	-1.1%
31	\$ 49,030	\$ 51,236	\$ 51,536	\$1,000 Bonus on Salary + Longevity (Column C)
32	\$ 49,720	\$ 51,957	\$ 52,236	
33	\$ 50,440	\$ 52,710	\$ 52,957	
34	\$ 51,160	\$ 53,462	\$ 53,710	
35	\$ 52,150	\$ 54,497	\$ 54,462	
36+	\$ 53,180	\$ 55,573	\$ 55,497	
37+	\$ 53,180	\$ 55,573	\$ 56,573	

Board's 2014-15 Operating Budget

School Based Administrator Salaries

- 2% increase to steps in the middle
- \$809 non-recurring bonus for those not receiving increase
- Longevity pay remains

Board's 2014-15 Operating Budget

Other Employee Salaries

- \$500 salary increase (other state employees \$1,000)
- No bonus leave (other state employees 5 days)
- LEA's may use local funding to supplement the salary increase

Board's 2014-15 Operating Budget

Benefit Rate Changes

- Employer retirement contribution rate increases to 15.21%
- Employer health insurance rate slight decrease to \$5,378 per

Board's 2014-15 Operating Budget

State Funding Change Estimates

- \$ 8.8m increase in teacher funding
- \$ (9.0m) decrease in teacher assistant funding
- \$ (520k) decrease in transportation funding
- \$ (97k) decrease central office staff funding
- \$ (739k) decrease at-risk funding
- \$ 90k increase in textbook funding
- \$ (1.5m) net funding reduction

Board's 2014-15 Operating Budget

Estimated funding requirement for comp & benefit changes

- \$10.1m local funding requirement for compensation changes
- \$950k local funding requirement for net benefit rate increases
- \$11.1m total local funding impact

Board's 2014-15 Operating Budget

Funding Gap

- \$1.5m net state funding reduction
- \$11.1m funding required for compensation and benefit changes
- \$12.6m funding gap
- Gap grows when required business cases considered

Board's 2014-15 Operating Budget

Funding Gap

- \$12.6m gap created by State Budget
- \$10.2m in BOE Proposed Budget for:
 - State legislated compensation changes, and
 - Growth, and
 - Expansion Programs / Investment in Core Business
- County approved \$10.2m funding increase
- Gaps must be closed with other budget reductions or.....
- Use of one-time funding for recurring expenditures

Board's 2014-15 Operating Budget

Wake County Approved 2014-15 Budget

- Increase in county appropriation of \$10.2m used to meet state changes
- Other budget reductions or use of one-time funding for recurring expenditures to close gap
- That leaves no local funding for:
 - Growth
 - Expansion / Investment in core business
 - Other needs
- What were those items?

Board's Proposed 2014-15 Operating Budget

Investment in district resources / Expansion / Growth

- \$930k in literacy initiatives
- \$1.75m in targeted elementary school funds for differentiated resourcing
- \$305k in targeted High School Intervention Coordinators
- \$1.7m expansion of Pre-K services
- \$610k 2nd year phased implementation of Technology Facilitators
- \$150k start-up planning & professional development funding for Knightdale Education Working Group recommendations
- Local funding for new school (VM CCA) Operating Costs
- Local funding for growth of 4,000 students

Board's Proposed 2014-15 Operating Budget

Investment in district resources / Expansion / Growth

- So, if there is no funding for these items, what happens?
- Other budget reductions to fund
- Use of one-time funding for recurring expenditures
- Items won't be funded

- \$930k in literacy initiatives
- \$1.75m in targeted elementary school funds for differentiated resourcing
- \$305k in targeted High School Intervention Coordinators
- \$1.7m expansion of Pre-K services
- \$610k 2nd year phased implementation of Technology Facilitators
- \$150k start-up planning & professional development funding for Knightdale Education Working Group recommendations
- Local funding for new school (VM CCA) Operating Costs
- Local funding for growth of 4,000 students
- Title II example

Board's Proposed 2014-15 Operating Budget

Other items from State Budget

- Funding included early college partnerships for WYMLA & WYWLA
- Funding not included for LA's tuition reimbursement (adds to gap)
- 10% cut for DPI
- \$10m → now \$1m state funding for differentiated pay for teachers

Board's Proposed 2014-15 Operating Budget

Other items from State Budget

- \$25m of remaining funding for Teaching Assistants *non-recurring*
- Emergency epinephrine pens requirement (no funding provided / +gap)
- Changes to Driver's Education begin July 2015
 - DOT funding eliminated
 - LEA's "**shall** use available funds available to them" to provide training
 - LEA's can increase student fee \$55 → \$65
- Teaching Fellows program has all General Fund budget eliminated

Board's Proposed 2014-15 Operating Budget

Other items from State Budget

- Senate Bill 744 Section 6.4(b) Base Budget Provision
- Changes how ADM is built in state budget
- Until now, projected ADM increases included in continuation budget
- ADM increases over prior years no longer included in continuation budget
- School districts with year over year ADM increases will not receive increased planning allotments
- Funding for ADM growth now competes with all other budget needs
- School districts will not know until state budgets are adopted if they will receive any increase in funding for ADM growth
- Recruiting / school staffing / and other HR issues ahead

Board's 2014-15 Operating Budget

What's next

- Governor has indicated he will approve state budget
- Determine final allotments from DPI
- Refine assessment of the impact
- Develop recommendations to close any funding gaps including potentially:
 - Reduce budgets (again)
 - Repurpose funding
 - Reduction in force (?)
 - Utilize one-time funding for recurring expenditure
- Continue to operate under Interim budget
- Bring recommendations back to BOE





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