



ADOPTED BUDGET

BUDGET FOR FISCAL YEAR
JULY 1, 2017 THROUGH JUNE 30, 2018

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Dear Chairman Hutchinson,

On behalf of the Wake County Board of Education, I am presenting the proposed budget for the 2017-18 fiscal year. This budget reflects a collaborative effort among our 181 schools, the superintendent, his staff and, finally, the Board of Education.

Our strategic plan continues to focus on our mission: **The Wake County Public School system will provide a relevant and engaging education and will graduate students who are collaborative, creative, effective communicators and critical thinkers.**

Furthermore, the plan has an ambitious goal: **By 2020, WCPSS will annually graduate at least 95 percent of its students *ready for productive citizenship as well as higher education or a career.***

Working under our strategic plan, the District has expanded collaborative spaces and flexible learning in schools, supporting a shift away from standardized testing and toward market-ready skills of the 4Cs —collaboration, creativity, critical thinking and communication. We are focused on reducing the predictability of a student's achievement based on ZIP code and socio-economic status, working to bring out the talents and achievement that are possible in every child.

WCPSS teachers are being challenged to change their mindset about students — giving students greater agency over their own learning and working to update curriculum to meet students' needs. Staff is expanding our work to support the emotional and behavioral learning of our students, bolstering efforts to address trauma and adverse childhood experiences.

It is a vision of remarkable education.

We appreciate the generous efforts made by the Commission in 2015-2016 and in 2016-17 by providing large, local funding increases. As you know, the increased funding improved teacher and staff salaries as part of a five-year plan to compete with other high-achieving districts in the nation. Our budget continues to target increased state and local funding to take definitive steps toward increasing teacher and staff salaries this year as well. To attract and retain a quality workforce, our salaries need to be competitive for top talent.

In our 2017-18 budget request, our School Board is asking for a significant increase to open four new schools, pay for increases in existing programs and handle enrollment growth. An increase of 2,000 new students, for example, would fill more than two new classrooms every week of the school year.

New or expanding programs are described in the Superintendent's message, with more detail in the budget itself. They include:

- Significant increases in counselor and social work positions;

- Money to create competitive salaries for our support staff, particularly in hard-hit areas such as bus driver recruitment and retention;
- Funding to significantly revise the themes of four magnet schools to help achieve the schools' goals of greater student diversity;
- Retaining special education teachers who were previously paid with a special federal education grant;
- Additional support for the Office of Equity Affairs;
- Improvements that provide teachers better access to materials and training;
- An alternative middle school program to keep students on track to graduate;
- Digital student portfolios such as those found in other leading districts that help provide parents, teachers and employers a deeper understanding of student skills.

Therefore, on behalf of the entire Board of Education, I am asking the County Commissioners to approve a County appropriation of \$455,129,360. We believe this amount will allow us to handle growth, maintain present programs and take reasonable steps toward meeting new demands.

The pressures on public schools are real — our School Board views the Commission as our partners in strengthening public education in Wake County. To stay competitive, WCPSS must remain the first choice among parents who want an exemplary education for their children. Please continue to be our partner in this work on behalf of our County's children. Together, we can:

- Provide a relevant and engaging education to each and every child in our system, regardless of socio-economic, racial, gender, or ethnic status;
- Focus on the emotional and educational needs of all of our children;
- Provide robust arts, athletic, and other co-curricular activities and learning;
- Improve the physical spaces where our teachers and students work.

We are thankful for your past support and look forward to maintaining our positive relationship as we continue working together to provide a quality education for all students in Wake County.

Respectfully,

Monika Johnson-Hostler
Chair, WCPSS Board of Education



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April 4, 2017

Wake County Board of Education:

My fourth annual proposed budget comes at a time when funding for our public schools faces great uncertainty. We annually must develop and submit our budget to County Commissioners by May 15 of each year, which is long before the General Assembly has completed its work. These budget estimates are always based on “best guesses,” and this year that guessing is fraught with great risk.

For our 160,000 students and their families, the money provided by County Commissioners is the greatest bright spot, representing a reliable and supportive revenue stream.

Funding from the state, however, is extremely unpredictable this year. And we are also watching closely as members of Congress and the new administration review changes to long-standing federal programs.

Inside the schools, our students and staff continue making progress. Graduation rates are the highest in the district’s history, our student test scores exceed most state and national averages, and our Vision 2020 Strategic Plan is guiding instruction every day.

The mission of that plan contains a promise to graduate students who are collaborative, creative, effective communicators and critical thinkers. Our goal as a school system is to annually graduate at least 95 percent of students by 2020 ready for productive citizenship as well as higher education or a career.

As we work to realize these ideals, we should also celebrate our accomplishments:

- Almost 85 percent of our teachers met or exceeded academic growth standards set by the state in 2015-2016;
- Enrollments in Advanced Placement courses remain high, with African-American students posting a 50 percent increase since 2012-2013;
- The graduation rate of 87.1 percent reached its highest level ever;
- The increase in graduation rates for students of color exceeded that of the district, including a gain of 12.2 percentage points for African Americans during the past three years;
- The school district continues to lead the nation in teachers who are Nationally Board Certified;
- 98 percent of our teachers met the federal definition of highly qualified;
- The class of 2016 earned more than \$124 million in scholarships;
- Magnet Schools of America placed 27 of our schools among the best in the nation for 2016. Twelve of those schools will compete for the title of Best Magnet School in America, an honor now held by Douglas Creative Arts and Sciences Elementary.

This budget request maintains the costs associated with base budget needs such as competitive compensation, the growth associated with additional enrollment and four new schools. Also included are teachers and teacher assistants for students with special needs, elementary support model funding, support for magnet schools, and the next year of compensation for teacher performance pay (extra duty responsibilities).

Base budget development must also include the hazardous guess of legislative impacts, the greatest of which this year is K-3 class size legislation that requires a significantly lower class size limit. We estimate a total cost to fund additional elementary classroom teachers, without eliminating elementary art, music and physical education, at 462 teachers and a cost of \$26 million. We have budgeted half of that need, \$13 million, with hopes that the General Assembly will address this statewide challenge (pages 3, 9, 19 and 121). If this risk coverage of \$13 million is not needed, the budget request would sit at \$43,456,821.



Chief in expansion items is \$10 million for instructional support positions for the schools, such as counselors and social workers, which is year one of a multi-year plan to expand these resources. This addition recognizes the school system's need to respond to the increasing social and emotional challenges that our school populations represent. In an effort to more rapidly advance

the work of equity in our school system, there is a need to expand the Office of Equity Affairs with a request of \$488,000. Additionally there is \$2.2 million for targeted salary adjustments, such as bus driver compensation to be more market competitive. Money for new and revised magnet school themes also is included.

Still, the Wake County Public School System is not the exemplary district it could be. In this proposed budget, you will also find a list of deferred needs. The list covers a range of items from unfilled and underpaid classroom positions to maintenance and equipment needs routinely postponed.

For example, the American School Counselor Association recommends one school counselor for every 250 students. We employ one counselor for every 630 students in our elementary schools and one for every 393 students in our high schools. National standards also suggest one social worker for every 250 students. Our current funding ratio for social workers is one for every 1,860 students. Additional funding is included in this request to help the district approach recommended ratios.

The long list of deferred items reaches directly into the classroom -- full funding for textbooks, continuing extra-duty pay for teacher leadership roles and coaches, daily cleaning of classrooms, a more robust middle school arts program, technology replacements, and teacher pay that reaches the national average. It's a list that now totals \$138 million. It is not complete.

It would be tempting for others to look at these needs as a "wish list." But our community does not just wish for an exemplary school system. They expect to find it today in Wake County, one of North Carolina's wealthiest counties.

I recognize and truly appreciate the local support provided by our County Commissioners. I understand there are issues of fairness when local taxpayers are asked to cover costs that the



state has paid for decades. But we must cover the costs of continued growth and the loss of state funding just to maintain current levels of service. That is why my immediate request is for a local appropriation increase of \$56,630,821 for the 2017-2018 school year.

The chart below provides a snapshot of how the needs are categorized.

2017-2018 WCPSS Budget Request Summary

EXPENDITURE	EXAMPLES	APPROXIMATE COST
Growth	New schools, additional teachers, special education	\$8.8M
Continuing programs	Elementary Support Model schools, magnet schools, extra-duty pay for teachers	\$5.1M
Legislated increases*	Charter schools, legislative salary increases, K-3 class size risk	\$28.2M
New and expanding programs	Counselors and social workers, competitive salary for support staff, alternative middle school program, Equity Affairs	\$20.1M
Program reductions, elimination and savings	E-Rate, DSSF changes, over/under balance	(5.6M)
Total		\$56.6M

**Includes \$13M to cover the cost of K-3 class size legislation*

Seventy-four percent of the \$56.6 million is dictated by enrollment growth, prior commitments and the effect of recent legislative decisions.

At the same time, we have reduced our unassigned fund balance to less than 1 percent of the system's overall operating budget.

About 26 percent of this appropriation request focuses on new or expanding programs as well as reductions. The expansions include:

- Significant increases in counselor and social work positions;

- Money to create competitive salaries for our support staff, particularly in hard-hit area such as bus driver recruitment and retention;
- Funding to significantly revise the themes of four magnet schools to help achieve the schools' goals of greater student diversity;
- Retaining special education teachers who were previously paid with a special federal education grant;
- Additional support for the Office of Equity Affairs;
- Improvements that provide teachers better access to materials and training;
- An alternative middle school program to keep students on track to graduate;
- Digital student portfolios such as those found in other leading districts that help provide parents, teachers and employers a deeper understanding of student skills.

In my first budget message of 2014-2015, I provided a five-year target that I include here again in closing.

- By 2020, local investments in the students of the Wake County Public School System will be among the largest of North Carolina's urban districts.

Through development of the strategic plan, public forums and the ongoing feedback we seek, I believe the citizens of Wake County have made it clear they desire an exemplary school system. We look forward to playing our role as an economic and academic force in our community.

Sincerely,

Dr. James G. Merrill
Superintendent

INTRODUCTION



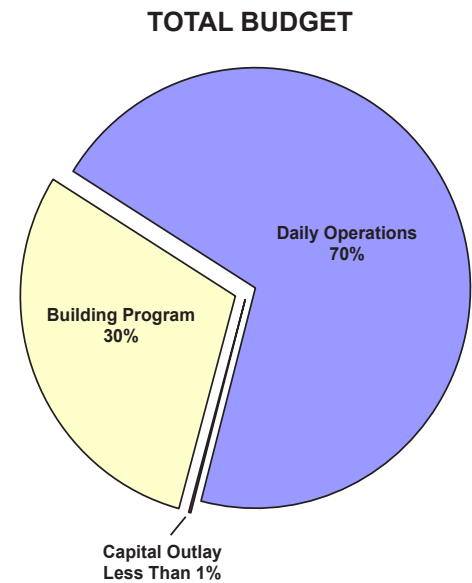
Budget at a Glance

There are two major components of the Total Budget: Operating Budget and Capital Improvements Budget.

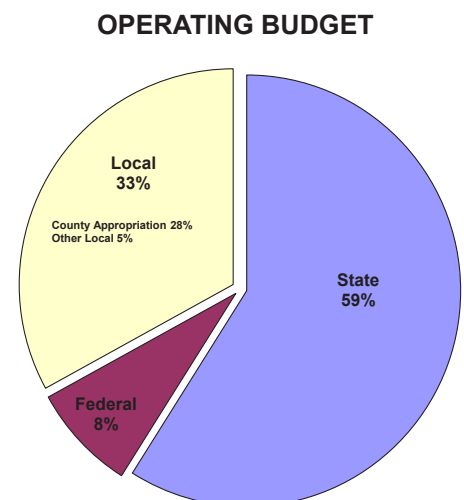
The Operating Budget pays for day-to-day costs of operating the school system, such as salaries and benefits, purchased services, supplies, maintenance, transportation, and utilities. This is the current expense portion of the operating budget. The capital outlay portion of the operating budget includes vehicle and equipment replacement, leases, and relocation of mobile units. The primary sources of funding for the operating budget are state, federal, and county tax dollars, as well as, grants, fees, fines and forfeitures, and interest income.

The Capital Improvements Budget, or the building program, pays for design and construction of new schools, expansion of existing schools, and major renovation and replacement of older facilities to meet educational standards. The issuance of bonds, where voters authorize the state or county to borrow money, pays these costs. County revenues pay the bonds over a number of years.

TOTAL BUDGET FOR 2017-18		
DAILY OPERATIONS	\$ 1,550,602,275	70%
+ Capital Outlay (mobile units, furniture, and vehicles)	\$ 3,589,484	<1%
EQUALS OPERATING BUDGET	\$ 1,554,191,759	70%
+ Building Program (provided by taxpayer bonds)	\$ 655,183,860	30%
EQUALS TOTAL BUDGET	\$ 2,209,375,619	100%



OPERATING BUDGET FOR 2017-18				
	Operating Budget		Per Pupil Budget	
State	\$ 916,565,005	59%	\$ 5,666	
County Appropriation	\$ 430,911,000	28%	\$ 2,461	
Enterprise Funds	\$ 41,963,670	3%	\$ 259	
Fund Balance Appropriation	\$ 22,256,739	1%	\$ 138	
Other Local	\$ 10,630,486	1%	\$ 66	
Local - Current Expense Non-restricted	\$ 6,825,000	<1%	\$ 39	
Local	\$ 512,586,895	33%	\$ 2,963	
Federal	\$ 125,039,859	8%	\$ 773	
TOTAL	\$ 1,554,191,759	100%	\$ 9,402	

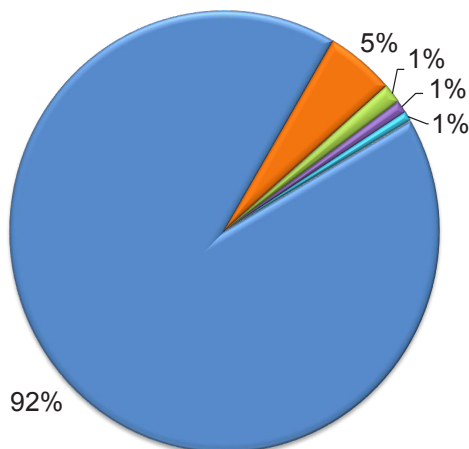







Budget at a Glance

Where do funds come from?		Where are funds spent?
State Sources 59%		The state budget pays for:
State Public School Fund		Salaries and Benefits \$884.7 m
• Position Allotments	\$587.6 m	Purchased Services \$24.0 m
• Categorical Allotments	\$190.4 m	Supplies and Materials \$7.8 m
• Dollar Allotments	\$86.9 m	Capital Outlay \$0.1 m
• Unallotted Categories (State covers actual cost or created from transfers.)	\$51.6 m	
Child Nutrition - Breakfast Reimbursement	\$0.1 m	
Local Sources 33%		The local budget pays for:
Noncategorical (Most flexible sources)		Salaries and Benefits \$340.0 m
• County Appropriation (County appropriation is received 1/12 per month.)	\$430.9 m	Purchased Services \$62.7 m
• Fund Balance Appropriation	\$22.3 m	Supplies and Materials \$42.9 m
• Indirect Cost (charged to enterprise and grant activities for building use, utilities, maintenance, etc.)	\$5.3 m	Transfer to Charter Schools \$32.2 m
• Fines and Forfeitures	\$4.7 m	Utilities \$30.9 m
• Tuition and Parking Fees	\$1.2 m	Capital Outlay (mobile units, vehicles, and equipment) \$3.9 m
• E-Rate	\$0.9 m	
• Investment Fund Interest	\$0.8 m	
• Cellular Lease	\$0.2 m	
• Rebates	\$0.2 m	
• Disposition of Fixed Assets	\$0.1 m	
Unused funds roll to fund balance.		
Enterprise Funds (Supported by outside fees)		Local salary supplement for all teachers & school-based administrators is included in salaries and benefits.
• Child Nutrition	\$18.0 m	
• Tuition Programs (Before/After School Care, Pre-School, Summer Camp, Project Enlightenment, and Summer School Tuition)	\$14.6 m	
• Community Schools	\$9.1 m	
Local Grants/Contracts/Donations	\$4.3 m	
Federal Sources 8%		The federal budget pays for:
Federal Grants routed through NCDPI	\$78.9 m	Salaries and Benefits \$70.2 m
Commodities (turkey, beef, cheese)	\$35.8 m	Supplies and Materials \$29.8 m
Medicaid	\$7.2 m	Purchased Services \$24.5 m
Direct Federal Grants	\$2.7 m	Capital Outlay \$0.5 m
ROTC	\$0.4 m	

The vast majority of the school system's funding, 92 percent, goes directly to the schools. Operations Support, which includes Finance, Human Resources, Child Nutrition Services, Transportation, Maintenance and Operations, and Utilities, makes up 5 percent. The remaining 3 percent is made up by Academic Advancement (which includes Academics, Special Education, and Student Services), Technology, and the other central services divisions.

Operating Budget: \$1,554,191,759



-  Schools \$1,428.5 m - 92%
-  Operations Support \$75.8 m - 5%
-  Academic Advancement \$23.8 m - 1%
-  Board of Education, Superintendent's Office, Communications, Chief of Staff and Strategic Planning \$14.0 m - 1%
-  Technology Services \$12.1 m - 1%

Budget at a Glance

OPERATING BUDGET

The total operating budget is \$1.6 billion. It is a large budget, but when put into context that the system has over 10,000 teachers, teaching over 161,000 students in 183 different schools, it is not.

Public education is a human-resource-intensive business with 84 percent of the Wake County Public School System's (WCPSS) total operating budget invested in its people; 9 percent is spent on purchased and contracted services, 5 percent on supplies and materials, and 2 percent on transfers to charter schools.

Operating Revenue		
State Sources	\$	916,565,005
Local Sources		512,586,895
Federal Sources		125,039,859
Total	\$	1,554,191,759

Operating Budget		
Salaries and Benefits	\$	1,294,835,147 84%
Purchased Services		142,197,666 9%
Supplies and Materials		80,463,237 5%
Capital Outlay		4,479,146 <1%
Transfers to Charter Schools		32,216,563 2%
Total	\$	1,554,191,759 100%

STATE FUNDING

The North Carolina General Assembly approves a budget during the summer of each year. The North Carolina Department of Public Instruction (NCDPI) distributes the budget to school districts using formulas based on the number of schools, student membership, wealth, and size of the district.

State sources pay for 59 percent of the operating budget. The majority of state funding is spent on salaries and benefits.

WCPSS receives funds from the North Carolina Department of Public Instruction (NCDPI) for several different programs within four types of allotments:

- **Position Allotments**, which includes Classroom Teachers, School Building Administration, Instructional Support Personnel, and Career and Technical Education (CTE) Months of Employment, are for specific purposes and are not limited to a specific dollar amount. This means the school system receives a budget of months with no dollar limit; therefore, the most expensive employees are assigned to state months.
- **Dollar Allotments** can be used to hire staff or purchase goods for a specific purpose, but school systems must operate within the allotted dollar amount. Teaching Assistants and Central Office Administration are Dollar Allotments.
- **Categorical Allotments** are used to purchase all services necessary to address the needs of a specific population or service. School systems must operate within the allotted funds. Examples of Categorical Allotments are At-Risk Student Services and Children with Special Needs.
- **Unallotted Categories** include Non-Contributory Employee Benefits. NCDPI covers actual expenditures for longevity, annual leave, disability, and educational leave rather than allotting a specific dollar amount.

State Revenue		
State Public School Fund	\$	916,431,567
Other Allocations for Current Operations		12,000
Child Nutrition - Breakfast Reimbursement		121,438
Total	\$	916,565,005

State Budget 59% of the Operating Budget		
Salaries and Benefits	\$	884,645,493 96%
Purchased Services		24,019,724 3%
Supplies and Materials		7,794,643 1%
Capital Outlay		105,145 <1%
Total	\$	916,565,005 100%

Budget at a Glance

STATE BUDGET IMPACT

Senate Bill 744, Section 6.4(b) legislated in the state's final 2014-15 budget, repealed the previous definition of Continuation Budget and replaced it with a new definition. Student growth is no longer included in the state's Continuation Budget. School districts will not know if they will receive an increase in funding for student growth until the state budget is adopted. The 2017-18 budget approved by the General Assembly did fund student growth.

The statewide budget included the following changes:

Compensation Changes

Teacher and Instructional Support Compensation

- Bachelor schedule starts at \$35,000 with no change to the beginning step.
- Bachelor schedule top of the scale for 25 years and above is \$51,300 (an increase of \$300 or 0.6 percent) plus the one-time lump-sum Veteran Teacher Retention Bonus of \$385.
- The increase with the step for bachelor level teachers with less than 25 years of experience ranges from \$550 to \$3,300 or 1.5 percent to 6.9 percent.

Principal Compensation

- Eliminates current principal schedules
- Implements schedule based on size of the school and principal's past performance
 - » Size of school - ADM of school in the current year
 - » Principal's past performance - School growth at the school(s) for each school the principal supervised in at least two of the prior three years
- Five categories of school size and three categories of performance – Base, Met, and Exceeded
- Range from \$61,751 to \$88,921 (previous pay range principals were paid \$56,100 to \$109,848 + longevity)
- No longer eligible for longevity or Advanced and Doctorate supplements
- Hold harmless clause to the 2016-17 schedule + longevity
- No ABC Bonus (unless under hold harmless)

Assistant Principal Compensation

- Schedule linked to A schedule at A + 17 percent (2013 M + 1 percent)
- Range \$4,505 to \$6,855 (previous range \$3,968 to \$6,358)
- Increase with step from teachers Masters schedule ranges from 6.99 percent to 13.67 percent (not considering the loss of longevity)
- No longer eligible for longevity
- Advanced and Doctorate supplements still apply
- No ABC Bonus (unless under hold harmless)
- Hold harmless clause

Non-Certified and Central Office Staff Compensation (except bus drivers)

- Increases annual salary by \$1,000 for permanent, full-time employees employed for 12 months. Prorated for:
 - » less than 12 months employed,
 - » part-time employees, and
 - » temporary and permanent hourly employees.

Bus Driver Compensation

- Of the salary funds appropriated, \$16.9 million shall be allocated to LEAs to increase the average rate of pay for all bus drivers on an equitable basis. This is in lieu of the \$1,000 increase.
- DPI shall study the compensation of bus drivers and the challenges of recruiting and retaining (report due April 1, 2018).

Budget at a Glance

STATE BUDGET IMPACT

Bonus Programs

Salary Supplement for Highly Qualified NC Teaching Graduates

Highly qualified

- New teacher
- Graduate from an approved educator preparation program located in NC
- GPA of 3.75 or higher and a score of 48 or higher on the edTPA or equivalent assessment

A highly qualified graduate is paid a monthly supplement of the equivalent of the difference in salary of a bachelor level teacher with zero years of experience and:

- three years of experience, if teaching in a low-performing school for the first three years of employment
- two years of experience, if licensed and teaching in Exceptional Children (EC), science, technology, engineering, or mathematics for the first two years of employment
- one year of experience for all others for the first year of employment

Teacher Bonuses

- Veteran Teacher Retention Bonus
 - » Provides a \$385 bonus to teachers with 25 years and above (not subject to retirement and payable by October 31)
- AP/IB and CTE Bonuses
 - » Continues the bonuses as a recurring item
 - » Removes requirement to be a “licensed” teacher to be eligible
 - » Removes requirement to be still teaching Advanced courses/CTE
 - » Adds Cambridge AICE exams to the bonus program for grade E or better
 - » Increases the maximum per teacher to \$3,500 (previously \$2,000)
- Third Grade Bonuses
 - » Removes “licensed” teachers and removes requirement to be still teaching third grade
- Third Grade Bonus Starting in 2018-19
 - » Adds Lab Schools to the exclusion from LEA-level bonus
 - » Allotment formula remains the same but the bonus is capped at \$3,500 for each bonus (i.e., \$7,000 maximum total)
 - » State Board of Education (SBE) shall study the effects of the bonus on teacher retention and performance
- Fourth and Fifth Grade Reading Teacher Bonus and Fourth to Eighth Grade Math Teacher Bonus
 - » Top 25 percent of the state and the top 25 percent of each LEA (Based on EVAAS growth scores)
 - » Bonus amount \$2,150 (not subject to retirement; payable in January)
 - » Must be teaching in the same LEA the following year to be eligible

Principal Bonuses

- Bonuses for the top 50 percent in the state measured by growth of the school supervised
 - » Top 5% \$5,000
 - » Top 10% \$4,000
 - » Top 15% \$3,000
 - » Top 20% \$2,000
 - » Top 50% \$1,000
- Bonuses to principals who supervised a school in 2015-16 and 2016-17, and the school did not exceed growth in 2015-16, and the school exceeded growth in 2016-17
 - » Bonus amount - \$5,000 if an A, B, or C school or \$10,000 if the school was a D or F school in 2015-16
- Bonuses are not subject to retirement and principal must be employed on July 1, 2017, to be eligible

Special Annual Leave Bonus

- Any full-time, permanent employee on July 1, 2017, and eligible to earn leave shall have a one-time additional three days of annual leave. The leave carries over but has no cash value at termination.

Budget at a Glance

STATE BUDGET IMPACT

Budget Flexibility

- No funds shall be transferred out of Children with Disabilities, Academically/Intellectually Gifted, and Limited English Proficiency.
- Funds allotted for Textbooks and Digital Resources may only be used for the purchase of textbooks and digital resources.

Other Adjustments

- Cuts central office funding by 7.4 percent.
- Increases the funding cap for Children with Disabilities from 12.5 percent to 12.75 percent.
- Requires local boards to adopt a minimum salary schedule for occupational and physical therapists based on State Board of Education ranges. No experienced based interval shall be greater than five years.
- Funds \$11.3 million (non-recurring) for textbooks and digital resources.
- Changes the Cooperative Innovative High Schools (CIHS) allotment to \$200,000 in 2017-18 and \$180,000 in 2018-19 for each CIHS school located in Tier III.

TRANSFERS

Budget managers transfer resources between allotment categories in accordance with General Statute 115C-105.25. Transfers occur throughout the year and must be approved by NCDPI.

In 2016, the State Board of Education adopted a Restart Model intended to reform recurring low-performing schools. The Wake County Public School System (WCPSS) had two schools participating in the Restart Model in 2016-17 and added an additional 10 schools in 2017-18. WCPSS is required to transfer an amount equal to the state average per pupil allocation for the local education agency for the average daily membership of the school into a restricted program called Restart Schools.

The chart below shows transfers between categories, including Restart Schools, in 2016-17 and transfers included in the budget resolution:

Transfers From	2016-17	2017-18
Classroom Teachers	\$ 6,094,140	\$ 24,281,826
Teaching Assistants	685,330	8,531,601
State Textbook Account	7,226,992	6,961,506
Classroom Materials/Instructional Supplies and Equipment	4,844,351	4,969,807
Disadvantaged Student Supplemental Funding	4,446,736	4,714,025
Career and Technical Education - Months of Employment	1,137,541	2,112,422
Alternative Programs and Schools/At-Risk Student Services	17,610,053	1,502,496
Limited English Proficiency	8,985,765	-
Academically or Intellectually Gifted	8,329,863	-
Total:	\$ 59,360,771	\$ 53,073,683

Transfers To	2016-17	2017-18
Restart Schools	\$ 6,779,470	\$ 38,983,836
Non-Instructional Support Personnel	12,305,456	9,718,677
Dollars for Certified Personnel	39,596,935	3,570,073
Career and Technical Education - Program Support Funds	678,910	801,097
Total:	\$ 59,360,771	\$ 53,073,683

Budget at a Glance

CLASS SIZE LEGISLATION

Starting in 2018-19, the average class size for grades K-3 for the local education agency shall not exceed the funded ratio and an individual class shall not exceed three above the funded ratio. The funded ratio is: K - 1:18; 1st - 1:16; 2nd - 1:17; and 3rd - 1:17. The state did not approve additional funding for this requirement change. The class size legislation would have required an additional 462 teachers if it had remained effective July 1, 2017. A modified version of HB 13 was signed into law by the Governor. State Law 2017-9 intends to provide school systems with greater flexibility to implement the General Assembly's reductions in class sizes. The new compromise measure phases in the class size requirements effective in the 2018-19 school year and requires local education agencies to submit reports to the General Assembly on teacher allocation and class size. For the 2017-18 school year, the average class size for K-3 in a local school administrative unit cannot exceed 20 students, and the size of an individual class in K-3 cannot exceed 23 students. The Wake County Public School System (WCPSS) requires an additional 310 months of employment, or 31 teachers, at a cost of \$1.8 million under the compromise legislation.

LOCAL FUNDING

Local sources support 33 percent of the overall operating budget. The primary local source of funds is county appropriation. Others include tuition and fees, child nutrition sales revenue, fund balance appropriation, indirect cost, fines and forfeitures, interest earned, grants, donations, and rebates.

Local Revenue	
County Appropriation	\$ 430,911,000
Tuition and Fees	24,978,012
Child Nutrition Sales Revenue	17,960,658
Local Sources - Unrestricted	7,348,200
Local Sources - Restricted	8,541,626
Special Revenue Services	22,256,739
Fund Transfers	590,660
Total	\$ 512,586,895

Local Budget 33% of the Operating Budget		
Salaries and Benefits	\$ 339,969,573	67%
Purchased Services	93,614,947	18%
Supplies and Materials	42,890,450	8%
Capital Outlay	3,895,362	1%
Transfers to Charter Schools	32,216,563	6%
Total	\$ 512,586,895	100%

COUNTY APPROPRIATION - CLOSING THE GAP

The Wake County Board of Commissioners determines the amount of county appropriation for the school system. The Wake County Board of Education requested a county appropriation of \$455.1 million for 2017-18, which is an increase of \$45.2 million. Wake County commissioners approved an increase of \$21.0 million, which left a gap of \$24.2 million. The board approved an increase in fund balance appropriation, transportation base budget adjustments, and business case adjustments to close the gap.

	2016-17	Proposed 2017-18	Difference	Percent Increase
County Appropriation				
Current Expense	\$ 407,871,457	\$ 428,820,317	\$ 20,948,860	
Capital Outlay	\$ 1,150,969	\$ 1,191,669	\$ 40,700	
Crossroads Lease	\$ 888,574	\$ 899,014	\$ 10,440	
	\$ 409,911,000	\$ 430,911,000	\$ 21,000,000	5%
Student Membership				
WCPSS	159,549	161,757	2,208	1%
Charter Schools	10,814	13,349 ¹	2,535	23%
	170,363	175,106	4,743	3%
Allocation Per Student	\$ 2,406	\$ 2,461	\$ 55	2%

¹Estimated 12,286 Wake students in existing charter schools plus 1,063 students in two new charter schools opening in 2017-18.

Budget at a Glance

FEDERAL FUNDING

Federal sources support 8 percent of the school system's operating budget. Federal funding is primarily comprised of restricted and unrestricted grants. Some grants from the federal government are routed through the North Carolina Department of Public Instruction and some are received directly. Restricted grants are to be used for specific purposes, while unrestricted grants can be used for multiple purposes. Federal grants typically have different fiscal years than those of the school district; therefore, carryover funds will occur.

Federal Revenue

Restricted Grants (Received through NCDPI)	\$ 78,916,004
Restricted Grants (Received Directly)	9,911,526
USDA Grants	35,762,329
ROTC	450,000
Total	\$ 125,039,859

Federal Budget 8% of the Operating Budget

Salaries and Benefits	\$ 70,220,081	56%
Purchased Services	24,562,995	20%
Supplies and Materials	29,778,144	24%
Capital Outlay	478,639	<1%
Total	\$ 125,039,859	100%

Budget Development

BUDGET PROCESS

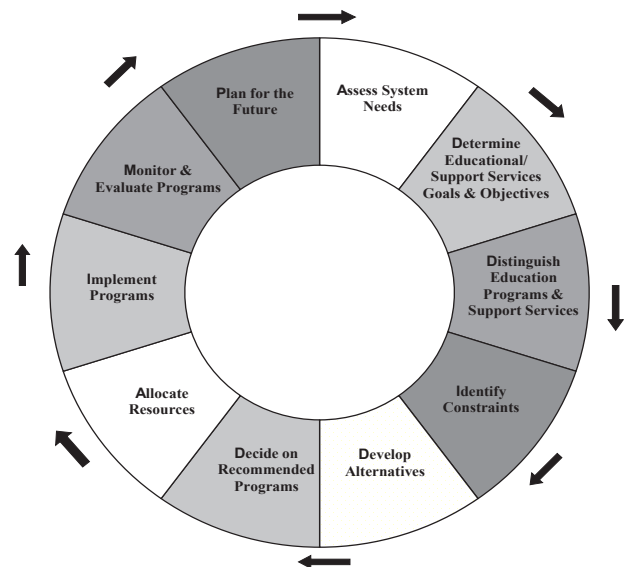
Budget development is a year-round process beginning in the fall and culminating with the adoption of the budget resolution in June by the Wake County Board of Education (BOE).

The budget process begins after the Budget Department provides budget managers with instructions and budgetary assumptions for creating business cases. Budget managers submit business cases to propose an increase or decrease to the budget. Business cases are created for each area based on variables such as student membership, new schools, calendar changes, and employer matching benefit rate changes. Business cases are organized into the following categories and then grouped together by area:

- Growth
- Program Continuity
- Inflation
- Legislative Impact
- Removal of Prior Year One-Time Costs
- Program Reduction, Elimination, or Savings
- New or Expanding Program
- Changes to Grants, Donations, and Fees
- Grants, Donations, and Fees Ending
- Capital Building Program

The superintendent and his team review each budget request and develop a balanced budget by applying funding sources to accomplish the strategic plan of the school system while maximizing use of taxpayer dollars. The superintendent delivers the budget to the BOE. Following review, a public hearing, and any changes, the board takes action to approve the Board of Education's Proposed Budget and delivers it to the Wake County Board of Commissioners by May 15. The board adopts a budget resolution for a beginning budget following action by the county commissioners.

THE BUDGET CYCLE



BUDGET ACTIVITIES IN 2016-17

October 2016	Present timeline and set expectations for the development of the Superintendent's Proposed Budget to the Leadership Team.
October 25, 2016	Meeting with the division of principals regarding budget priorities.
November 18, 2016	Each division submits business cases for the 2017-18 budget.
December 2016	Budget staff prepare an unbalanced budget for the superintendent's review.
December 20, 2016	BOE Work Session - Board input on focus areas for the 2017-18 operating budget.
January 19, 2017	Finance Committee Meeting - Board member input to budget development.
January - February 2017	Superintendent's team work sessions to balance the budget.
February 15, 2017	Strategic planning team meeting to provide input to budget development.
April 4, 2017	Deliver the Superintendent's Proposed Budget to the BOE.
April 2017	Public hearing and BOE work sessions on the Superintendent's Proposed Budget.
May 2, 2017	BOE approves their proposed budget.
May 15, 2017	Deliver the Board of Education's Proposed Budget to the county commissioners.
October 3, 2017	BOE adopts a budget resolution.

Budget Development

BOARD OF EDUCATION'S FOCUS AREAS FOR THE 2017-18 OPERATING BUDGET

At the January 19, 2017, Board of Education Finance Committee, staff provided the following data from the 2016-17 budget to board members: deferred needs list, board of education's focus areas, and budget reductions implemented.

Board members split into two groups and provided input for the development of the 2017-18 budget. All of the items provided by the board members plus the focus areas from 2016-17 were displayed.

The superintendent provided colored dots to each board member:

Four green dots ● Must Have
Three yellow dots ● Would Like to Have
Two red dots ● Defer

Board members assigned all dots to the input items displayed.

Must Have ●

- Alternative learning - alternative to suspension for academic and behavioral success ●
- Communities of belonging ●
- Strategic communication to parents ●
- Fully fund the strategic plan - Office of Equity Expansion (Core Belief #2) ●
- Additional counselor and social worker positions ●
- Additional nurse positions in all schools (one per school) ● ● ●
- School staff/student ratio in the classroom ●
- Teaching assistant in all K-2 classrooms and 10 months of employment ● ● ●
- Behavioral modification in Alternative Learning Center (ALC) in/out- school, core teaching ● ●
- Middle school music program ●
- Student performance Elementary Support Model (ESM) schools (move the needle - 45 percent currently) ●
- Explore whole child trauma in form ●
- Transportation ●
 - Collaboration with city and county public transportation
 - Strategic alignment of tiered transportation services with district goals (long term)
- Transportation fully funded (Magnet, Special Education, shorter ride time) omit express buses ● ● ●

Would Like to Have ●

- Expand Pre-K in all low SES ● ●
- Expand teacher planning time ●
- Fund technology in the operating budget ●
- Increase pay for non-certified staff ●
- More choice models in and around central Wake ●
- Full-time social worker and smaller class sizes with greater than 60 percent free and reduced population ●
- Extra Duty pay ●
- Fund a market study on teachers ●
- Communication/customer service-lack of response tools (Marketing) ● ●
- Mental Health (collaboration with the county) ●
- Academically/Intellectually Gifted (AIG) funding ●
- Arts funding ●
- Middle School Support Model (Restart) ●
- Protected teacher planning time ● ●

Budget Development

BOARD OF EDUCATION'S FOCUS AREAS FOR THE 2017-18 OPERATING BUDGET

Defer ●

- Expansion of Pre-K (Ready to Learn Centers) ●
- Communication/customer service-lack of response tools (Marketing) ●
- Full custodial services ●
- Funding for Maintenance and Operations ●
- Recruitment and retention ●
- Foreign language instruction in elementary grades ● ●
- Redesign and enhance CMAPP (Curriculum Management Application) ● ● ●

Non-Rated Items

- Alternative programs
- Programs for academically at-risk students (Limited English Proficiency, students with disabilities, ED)
- Programs for Academically/Intellectually Gifted (AIG) students
- Flex academy/alternative learning center for suspended students
- Reformulate and enhance the arts
- Reduce testing
- Elementary Support Model (ESM) schools: Professional Development (PD), staff strong teachers and incentives
- Resources toward equity efforts
- Middle schools - literacy, social services, electives, arts, textbooks, salaries, incentives
- PD human capital
- Leadership development
- Tech support
- Tech device plan
- Equity study
- Instructional supplies/resources
- Increase principal pay
- Increase teacher pay
- Fully funding strategic plan - PD to support 4Cs
- Staff salaries (living wage)
- Salaries of outsourced contract support (living wage)
- Improve customer service
- Supplies for classroom
- Social/emotional learning (K-12)
- Counselors at national (norm/level)

Budget Development

POTENTIAL RISKS

There are some areas of uncertainty that exist regarding the 2017-18 budget that could impact costs. The areas of uncertainty are:

Americans with Disabilities Act (ADA) Website Compliance

Based on a preliminary investigation by U.S. Office of Civil Rights (OCR), changes will be necessary to ensure the district's website complies with all ADA requirements. Staff is working through a plan of action to determine the estimated impact.

Bus Driver Salaries

The Wake County Public School System (WCPSS) reduced the base budget for Transportation in 2017-18 by \$3.0 million due to difficulty in hiring drivers needed for vacant positions. In the interim, the state provided funding in 2017-18 to increase the pay scale for bus drivers. If we are able to successfully recruit and hire bus drivers into positions that currently have no funding underneath them, the district will need to find funding for that cost. WCPSS will not receive the full allotment for Transportation for 2017-18 from the North Carolina Department of Public Instruction until November or December. The potential dollar impact of this item is "to be determined" since WCPSS will not know the full funding for 2017-18 until mid-year.

Charter Schools

In accordance with General Statute 115C-238.29H, local current expense revenues are distributed to charter schools based on the number of charter school students. There was a 26 percent increase in charter school students over the last two years. The amount of increase in 2017-18 will depend on student membership of WCPSS students, Wake County students attending charter schools, and total local current expense revenues. The proposed budget includes an increase of \$6.8 million for 2017-18. The actual increase could be higher. Existing charter schools project an increase of 1,472 Wake County students. Two new charter schools will open in 2017-18 serving another 1,063 Wake County students.

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. In addition, the district may require additional classroom space.

Duke Energy Progress Rate Increase

Duke Energy Progress filed a request with the NC Utilities Commission to increase the rate for all customer classes. The average rate increase for commercial and industrial customers would be 17 percent effective January 2018. The potential risk for the last six months of 2017-18 is \$1.5 million; the impact on the base budget in planning for a full year would be \$3.0 million.

Federal Resources

There is a potential risk of federal reductions in funding for public education if the federal government redirects resources to alternatives. The repeal and replacement of the Affordable Care Act may eliminate the reimbursement for Medicaid billable services to schools. There is a potential loss of E-Rate reimbursement. All three of these items would directly impact federal resources in the school system's budget. Given the President's proposed budget, there are potential reductions in Title II and other federal grants.

Lapsed Salaries

The budget includes 5,800 months of employment, or approximately 580 positions or \$19.5 million, to be paid by lapsed salaries. This equates to 2.8 percent of all months. The typical vacancy rate has been 4.2 percent. There is less opportunity to fund positions through lapsed salaries now that 12 schools participate in the Restart Model. Those 12 schools retain any lapsed salary and benefits for other uses at the school.

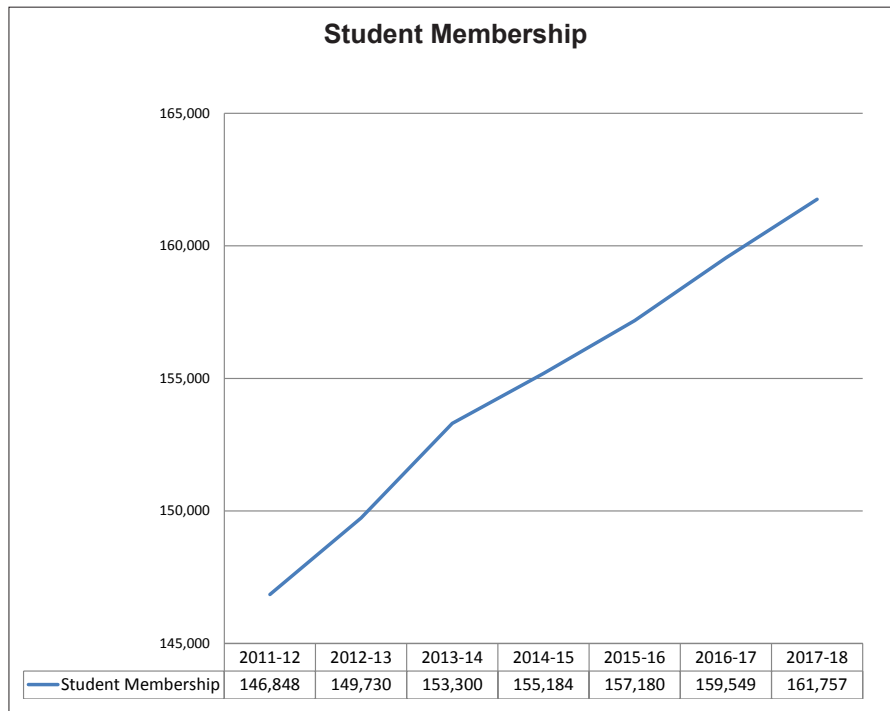
Membership Data

The Wake County Public School System is the largest school district in North Carolina and the 15th largest school district in the country. The projected number of students for 2017-18 is 161,757; including 74,604 elementary school students, 37,132 middle school students, and 50,021 high school students. School system and county staff, along with ITRE/ORED, review data and develop projections for student membership based on multiple factors.

K-12 Student Membership (2 nd month average daily membership)							
Grade Level	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Projected
K - 5	70,808	71,454	72,883	72,742	73,195	74,572	74,604
6 - 8	33,820	34,739	35,713	36,319	35,926	35,922	37,132
9 - 12	42,220	43,537	44,704	46,123	48,059	49,055	50,021
Total	146,848	149,730	153,300	155,184	157,180	159,549	161,757

	Special Education Students (PreK-12)	Limited English Proficient Students (PreK-12)
School Year	Based on December 1	Based on October 1
2011-12*	19,585	11,578
2012-13	19,947	11,547
2013-14	20,287	12,094
2014-15	20,656	12,549
2015-16	20,880	12,177
2016-17	20,832	12,128

*2011-12 is the first year LEP has included PreK students in their October 1 count.



2017-18	
Student Membership Projection By Grade	
K	11,895
1	12,196
2	12,207
3	12,751
4	12,638
5	12,917
6	12,816
7	12,376
8	11,940
9	13,717
10	12,550
11	12,204
12	11,550
161,757	

School Data

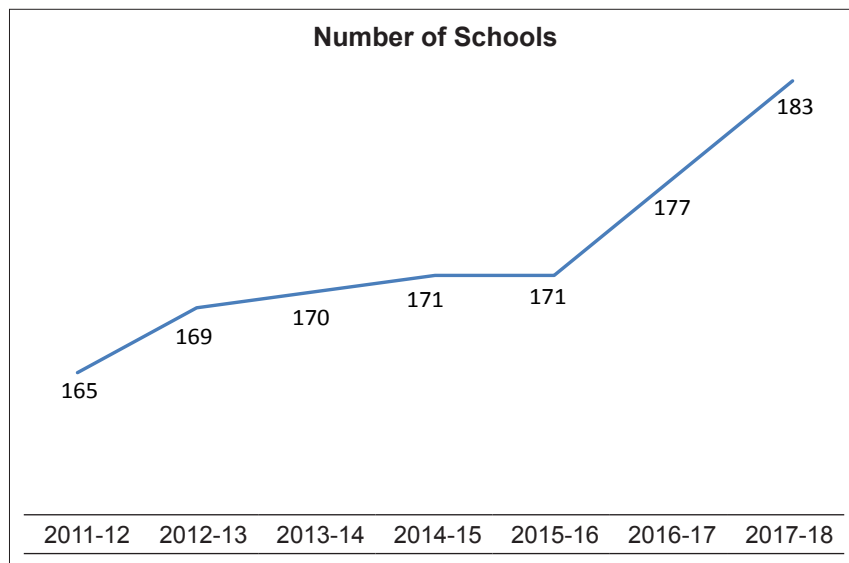
2017-18

New Schools	Estimated Student Membership
Traditional Calendar	
1. Hortons Creek Elementary	849
2. Rogers Lane Elementary	760
3. River Bend Middle	953
4. Connections Academy Middle	
5. SCORE Academy	
Early College Calendar	
6. North Wake College and Career Academy	330
Calendar Change	
River Bend Elementary is moving from multi-track year-round calendar to traditional calendar.	

Square Footage			
	Maintained	Custodial	Utilities
2016-17	23,427,540	23,515,325	23,473,391
Increase	666,354	666,354	666,354
Total	24,093,894	24,181,679	24,139,745

Acreage	
2016-17	4,673
Increase	99
Total	4,772

Number of Schools by Calendar	2016-17	Inc./ Dec.	2017-18
Traditional			
Elementary	71	3	74
Middle	23	2	25
High	24	1	25
K-8 Academy	1		1
Total	119	6	125
Single Track YR			
Elementary	9		9
Middle	2		2
Total	11	0	11
Multi-Track YR			
Elementary	28	(1)	27
Middle	9		9
Total	37	(1)	36
Modified			
Elementary	2		2
Middle	2		2
High	1		1
Total	5	0	5
Early College Calendar			
High	3	1	4
Leadership Academies	2		2
Total	5	1	6
Total	177	6	183



Number of Schools by Grade	
Elementary	112
Middle	38
High	30
K-8 Academy	1
6-12 Leadership Academy	2
Total	183

Per Pupil Comparison

The source used for the Per Pupil Expenditure Ranking 2015-16 table compares public schools in North Carolina. It is computed only for current expense expenditures (excluding community services, Head Start, adult education, and inter/intra fund transfers) by using final average daily membership. The source used for the Comparison of Per Pupil Spending with National Districts as of 2013-14 was the U.S. Census Bureau which used fall 2013 membership for the enrollment data.

The Wake County Public School System (WCPSS) ranks 108 and 105 out of 115 districts in state and federal funding despite being the largest district in North Carolina. Larger districts receive less state and federal funding and must fill the gap with local sources.

**Largest Five North Carolina Districts
Per Pupil Expenditure (PPE) Ranking (excluding Child Nutrition) 2015-16**

School System	Final Average Daily Membership	Rank out of 115 Districts	State PPE	Rank	Federal PPE	Rank	Local PPE	Rank	Total PPE	Rank
WCPSS	156,612	1	\$ 5,349	108	\$ 466	105	\$ 2,430	19	\$ 8,245	81
Charlotte-Mecklenburg	145,444	2	\$ 5,227	112	\$ 548	91	\$ 2,319	23	\$ 8,094	90
Guilford	71,429	3	\$ 5,452	104	\$ 587	81	\$ 2,733	13	\$ 8,772	56
Forsyth	53,947	4	\$ 5,615	92	\$ 701	53	\$ 2,286	27	\$ 8,603	68
Cumberland	49,918	5	\$ 5,412	106	\$ 721	49	\$ 1,635	76	\$ 7,768	105
State	1,432,507		\$ 5,720		\$ 615		\$ 2,068		\$ 8,402	
WCPSS Compared to the State	10.9%		\$ (371)		\$ (149)		\$ 362		\$ (157)	

Source: Public Schools of North Carolina website: <http://apps.schools.nc.gov/statisticalprofile>

Per pupil spending as of 2013-14 is the most recent data available for national comparisons. The national average for per pupil spending in 2013-14 was \$12,774. The average per pupil spending in North Carolina that same year was \$9,340. WCPSS spent \$7,810 per student; 16 percent less than the state average, and 39 percent less than the national average.

Comparison of Per Pupil Spending with National Districts as of 2013-14

School System	City	2013-14 Enrollment	Per Pupil Spending
Montgomery County	Rockville, MD	151,295	\$ 15,181
Prince George's	Upper Marlboro, MD	125,136	\$ 13,994
Fairfax	Fairfax, VA	183,417	\$ 13,710
Philadelphia	Philadelphia, PA	137,674	\$ 10,352
Shelby	Memphis, TN	149,832	\$ 9,221
San Diego	San Diego, CA	130,303	\$ 9,681
Gwinnett County	Lawrenceville, GA	169,150	\$ 9,270
Duval County	Jacksonville, FL	127,653	\$ 8,831
Dallas	Dallas, TX	159,713	\$ 8,609
Charlotte-Mecklenburg	Charlotte, NC	142,991	\$ 8,318
Wake County	Cary, NC	153,534	\$ 7,810

Source: U.S. Census Bureau website: <https://www.census.gov/govs/school/>

Deferred Needs

The Deferred Needs list indicates business cases considered but not included in the budget. 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
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 Stough 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
District Mobile App	-	206,150	-	206,150
Forklifts and Box Trucks	-	-	203,000	203,000
Audiologists	29.20	199,721	2,500	202,221
Custodial Services - Exterior Window Cleaning	-	185,620	-	185,620
Special Education Teaching Assistants	46.50	148,306	-	148,306

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

Deferred Needs

	MOE	Recurring Cost	One-Time Cost	Total Cost
Instructional Technology Coordinating Teachers	24.00	\$ 132,637	\$ -	\$ 132,637
Best Practices in Secondary Literacy Instruction	-	125,133	-	125,133
Security Administrator	12.00	81,022	25,000	106,022
Senior Administrator	12.00	103,372	-	103,372
Exceptional Children (EC) Operations	24.00	102,704	-	102,704
Digital Library	-	100,000	-	100,000
Senior Administrator - Enterprise Systems	12.00	98,671	-	98,671
Base Elementary Support Model Pre-K Classroom Walnut Creek	19.30	97,516	-	97,516
Physical Therapists	13.70	97,090	-	97,090
Data Governance Audit	-	95,000	-	95,000
Senior Administrator - Data Analyst for Human Capital	12.00	90,489	1,500	91,989
Senior Administrator Crisis	12.00	90,489	-	90,489
Local Alternative Teacher Preparation Program	12.00	88,946	-	88,946
Risk Management - Safety Administrator	12.00	84,733	2,250	86,983
Instructional Support Technician	12.00	81,770	2,000	83,770
Instructional Support Technician - Telecom	12.00	81,770	-	81,770
Systems Administrator I	12.00	81,022	-	81,022
Generator Replacement	-	-	80,000	80,000
Social Emotional Foundations for Early Learning Coach	12.00	68,697	-	68,697
Beginning Teacher Coordinator	12.00	66,318	2,350	68,668
Employee Recognition	-	67,200	-	67,200
Accountant	12.00	65,970	850	66,820
Administrator - Internal Audit Department	12.00	66,022	-	66,022
Research Associate (Data, Research, and Accountability)	12.00	63,459	-	63,459
Student Information Systems Customizations/Consulting Services	-	50,000	-	50,000
Professional Development Information Systems Department	-	17,000	-	17,000
TOTAL DEFERRED NEEDS	7,048.76	\$ 177,844,031	\$ 1,412,016	\$ 179,256,047

Adjusting to the Budget Resolution

The Board of Education's Proposed Budget includes business cases for increases and decreases recommended in the budget from 2016-17 to 2017-18. The board approved their proposed budget as the interim budget resolution to begin the fiscal year. The board finalized adjustments to the state budget and county appropriation in August. A summary of changes from the interim budget resolution to the approved budget resolution are provided below. The Adopted Budget document is an abbreviated version of the Board of Education's Proposed Budget. Refer to the Board of Education's Proposed Budget document for detailed information on the business cases.

	State	Local	Federal	Total
Interim Budget Resolution on July 1	\$ 922,271,164	\$ 1,072,905,588	\$ 110,716,836	\$ 2,105,893,588
State Budget Impact				
Restart Schools	\$ 31,795,755	\$ -	\$ -	\$ 31,795,755
At-Risk Student Services/Alternative Programs and Schools	16,648,033	-	-	16,648,033
Limited English Proficiency	8,750,532	-	-	8,750,532
Academically/Intellectually Gifted	8,484,267	-	-	8,484,267
School Building Administration	1,903,037	-	-	1,903,037
School Technology Fund	1,164,361	-	-	1,164,361
Instructional Support Personnel - Certified	1,016,972	-	-	1,016,972
Driver Training	96,409	-	-	96,409
mClass Reading 3D	76,200	-	-	76,200
CTE Program Support	37,167	-	-	37,167
Behavioral Support	17,872	-	-	17,872
Assistant Principal Intern Full-Time MSA Student	(42,458)	-	-	(42,458)
Cooperative Innovative High Schools	(83,699)	-	-	(83,699)
Classroom Materials, Instructional Supplies, and Equipment	(87,232)	-	-	(87,232)
State Textbook Account	(90,418)	-	-	(90,418)
Assistant Principal Intern	(105,454)	-	-	(105,454)
Disadvantaged Student Supplemental Funding	(199,635)	-	-	(199,635)
Central Office Administration	(224,775)	-	-	(224,775)
LEA Financed Purchase of School Buses	(387,942)	-	-	(387,942)
Career and Technical Education MOE	(567,433)	-	-	(567,433)
Summer Reading Camps	(575,812)	-	-	(575,812)
School Connectivity	(641,500)	-	-	(641,500)
Test Result Bonus	(1,647,816)	-	-	(1,647,816)
Non-Contributory Employee Benefits	(1,792,752)	-	-	(1,792,752)
Non-Instructional Support Personnel	(2,677,055)	-	-	(2,677,055)
Children with Special Needs	(4,802,402)	-	-	(4,802,402)
Teaching Assistants	(6,008,370)	-	-	(6,008,370)
Transportation of Pupils	(10,386,344)	-	-	(10,386,344)
Classroom Teachers	(11,215,537)	-	-	(11,215,537)
Dollars for Certified Personnel	(34,160,130)	-	-	(34,160,130)
Total State Budget Impact	\$ (5,706,159)	\$ -	\$ -	\$ (5,706,159)

Adjusting to the Budget Resolution

	State		Local		Federal		Total
Revenue Adjustments							
Building Program	\$	-	\$	100,983,860	\$	-	\$ 100,983,860
Grants		-		1,206,464		11,641,231	12,847,695
Medicaid		-		-		2,681,792	2,681,792
Positions paid from Special Funds of Individual Schools		-		590,660		-	590,660
Property Rental		-		569,333		-	569,333
Tuition Enterprise Programs		-		337,460		-	337,460
Donations		-		79,366		-	79,366
	\$	-	\$	103,767,143	\$	14,323,023	\$ 118,090,166
Business Case Adjustments							
Remove Outside the Calendar Professional Learning Days - Elementary Support Model	\$	-	\$	(856,479)	\$	-	\$ (856,479)
Reduce Extra Duty Salary Increase		-		(1,279,809)		-	(1,279,809)
Add one-time costs for allotments to schools beyond formula for class size, employee leave, and programmatic needs		-		430,309		-	430,309
Reduce Market Responsive Compensation based on additional funds included from the state for bus driver pay		-		(1,985,797)		-	(1,985,797)
Remove Supplemental Retirement Employer Contribution Match		-		(213,000)		-	(213,000)
Reduce Districtwide Professional Learning		-		(78,927)		-	(78,927)
Reduce Magnet New and Revised Theme Schools		-		(1,000,000)		-	(1,000,000)
Remove Talent and Professional Learning Management System		-		(240,000)		-	(240,000)
Remove Positions Previously Funded by the IDEA Title VI-B Handicapped Grant		-		(3,527,825)		-	(3,527,825)
Reduce Connections Alternative Middle School		-		(10,979)		-	(10,979)
Remove Counselors and Other Instructional Support		-		(9,996,975)		-	(9,996,975)
Reduce Second Chance Online Resource for Education (SCORE) School		-		(766,000)		-	(766,000)
Remove Digital Portfolio Software Solution		-		(400,000)		-	(400,000)
Reduce Device Repair Services		-		(6,000)		-	(6,000)
	\$	-	\$	(19,931,482)	\$	-	\$ (19,931,482)

Adjusting to the Budget Resolution

	State		Local		Federal		Total
Fund Balance Appropriations							
Textbooks and Digital Content Use	\$	-	\$	5,588,485	\$	-	\$ 5,588,485
Carryforward Purchase Orders		-		2,309,411		-	2,309,411
Activity Buses		-		1,200,000		-	1,200,000
Magnet Special Projects		-		125,000		-	125,000
Startup Dollars - New Schools		-		119,008		-	119,008
Drivers Education Fleet Vehicles		-		74,480		-	74,480
	\$	-	\$	9,416,384	\$	-	\$ 9,416,384
Other Adjustments							
Change in flexibility	\$	-	\$	4,800,000	\$	-	\$ 4,800,000
Employer matching benefit rate changes		-		1,364,478		-	1,364,478
Central office reduction		-		224,775		-	224,775
Private security contract costs		-		59,000		-	59,000
Salary and bonus adjustments		-		34,455		-	34,455
Testing Office overtime		-		(7,586)		-	(7,586)
Cooperative Innovative High Schools		-		(212,000)		-	(212,000)
Increase the cap for Children with Disabilities from 12.5 percent to 12.75 percent		-		(1,650,000)		-	(1,650,000)
Base budget reduction for Transportation due to difficulty in hiring bus drivers		-		(3,000,000)		-	(3,000,000)
	\$	-	\$	1,613,122	\$	-	\$ 1,613,122
Approved Budget Resolution	\$	916,565,005	\$	1,167,770,755	\$	125,039,859	\$ 2,209,375,619



ORGANIZATION

ORGANIZATION

Board of Education

The Wake County Board of Education is the local governing body of the Wake County Public School System. Its nine members are currently elected from separate county districts.

The school board sets policy for the school system that is implemented by the superintendent and administrative staff. The board also adopts an annual budget proposal that includes its request for local funding from the Wake County Board of Commissioners as well as its plan for using state and federal funds. The school board does not have taxing authority.

The North Carolina State Board of Education, as legislated by the North Carolina General Assembly, provides statewide public school governance. The state is responsible for the majority of the district's funding as well as oversight of core academic curricula.



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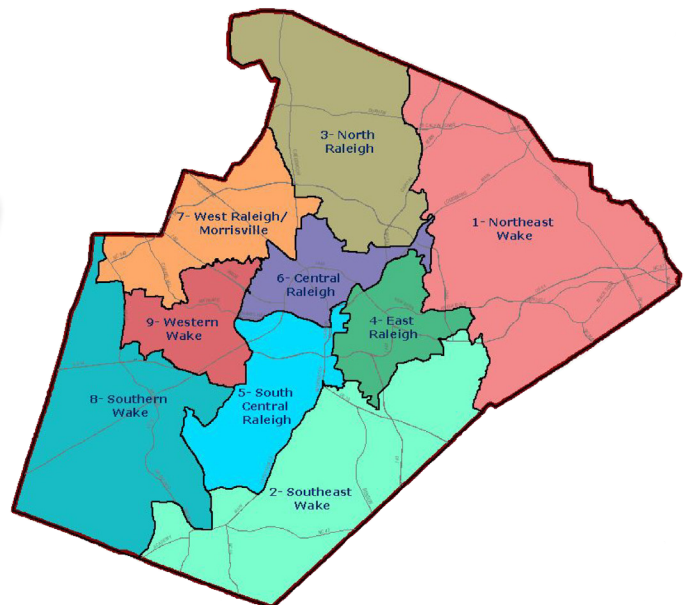


Lindsay Mahaffey
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Bill Fletcher
District 9
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Board of Education District Map



Visit the Wake County Public School System website for a list of meeting dates and times:

<http://www.wcpss.net/domain/2754>

Board's Strategic Plan

VISION

All Wake County Public School System (WCPSS) students will be prepared to reach their full potential and lead productive lives in a complex and changing world.

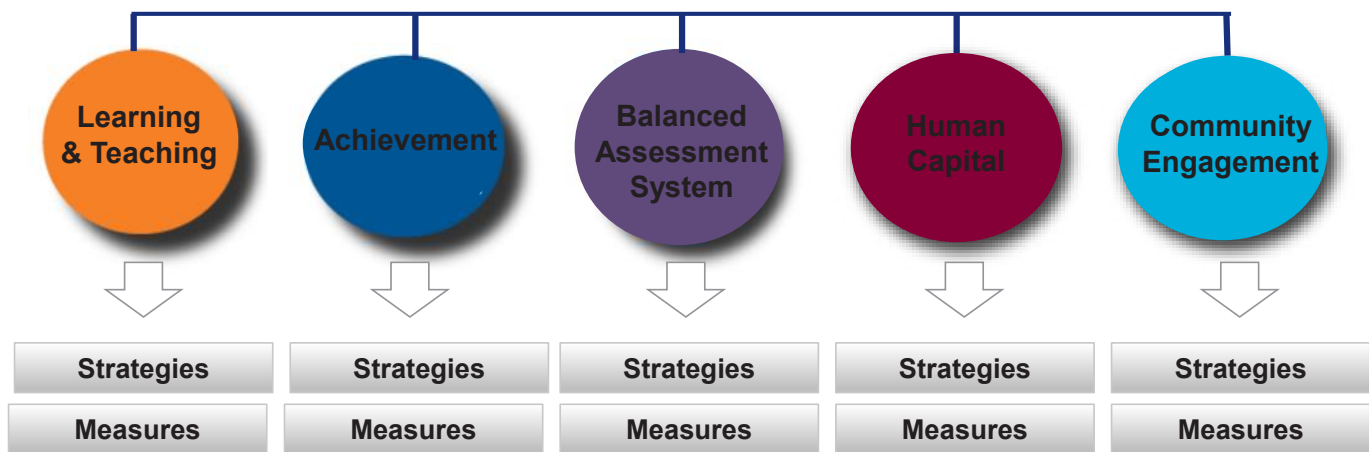
MISSION

WCPSS will provide a relevant and engaging education and will graduate students who are collaborative, creative, effective communicators, and critical thinkers.

GOAL

By 2020, WCPSS will annually graduate at least 95 percent of its students ready for productive citizenship as well as higher education or a career.

STRATEGIC OBJECTIVES



To provide teachers and students with the opportunity to participate in a relevant, rigorous, innovative, and comprehensive learning environment.



To increase proficiency and growth rates across all groups and eliminate predictability of achievement.



To develop and implement a balanced assessment system that accurately reflects students' knowledge of core curriculum standards as well as the ability to collaborate, be creative, communicate, and think critically.



To identify, recruit, develop, and retain highly effective talent.



To foster shared responsibility for student success by building trust, collaboration, and engagement among staff, families, and community partners.

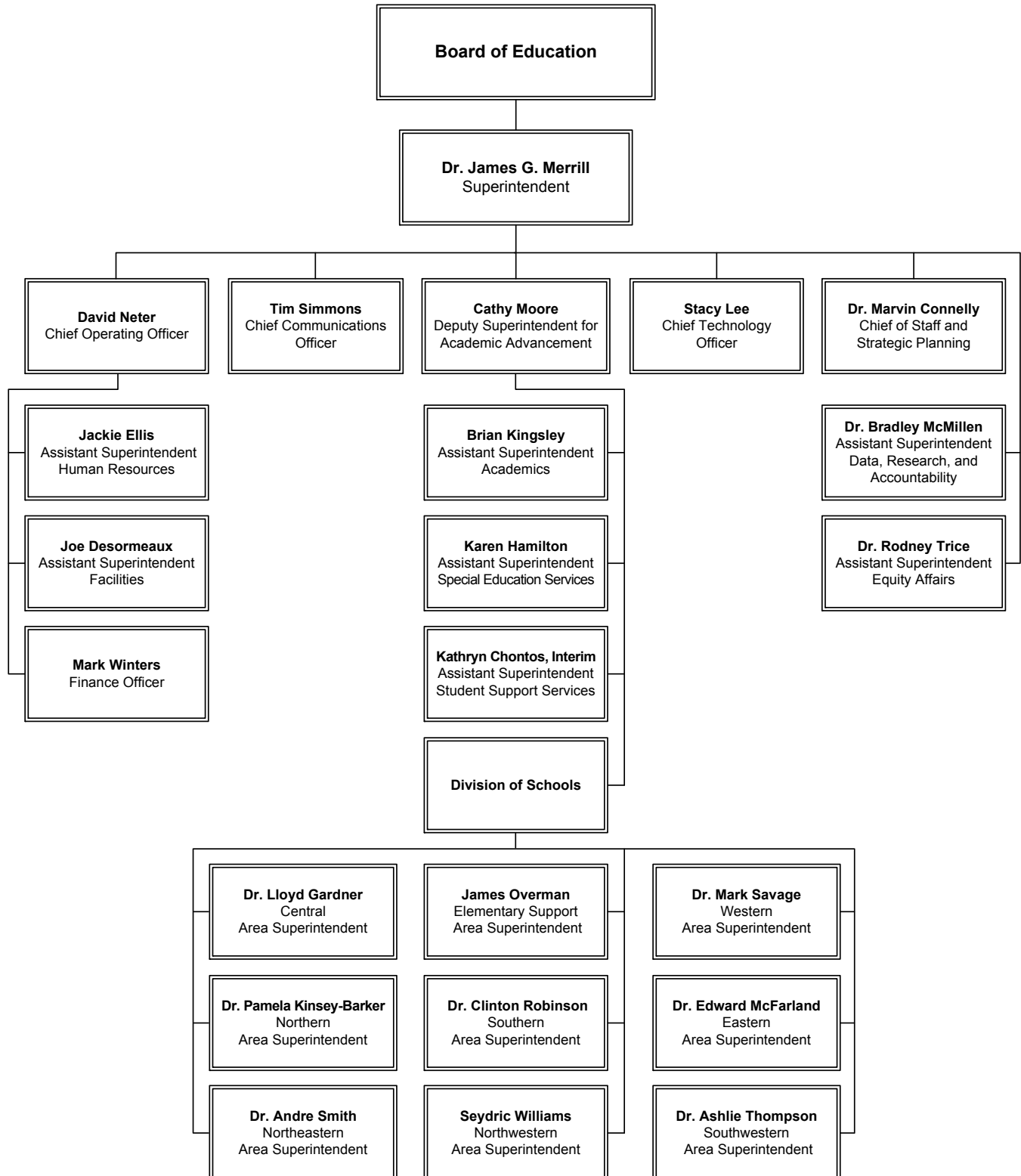
Board's Strategic Plan

CORE BELIEFS

1. Every student is uniquely capable and deserves to be challenged and engaged in relevant, rigorous, and meaningful learning each day.
2. Every student is expected to learn, grow, and succeed while we will eliminate the ability to predict achievement based on socioeconomic status, race, and ethnicity.
3. Well-supported, highly effective, and dedicated principals, teachers, and staff are essential to success for all students.
4. The board of education, superintendent, and all staff, while sustaining best practices, will promote and support a culture of continuous improvement, risk-taking, and innovation that results in a high-performing organization focused on student achievement.
5. The board of education, superintendent, and all staff value a diverse school community that is inviting, respectful, inclusive, flexible, and supportive.
6. The Wake County residents value a strong public school system and will partner to provide the support and resources to fully realize our shared vision, accomplish the mission, and sustain our core beliefs.

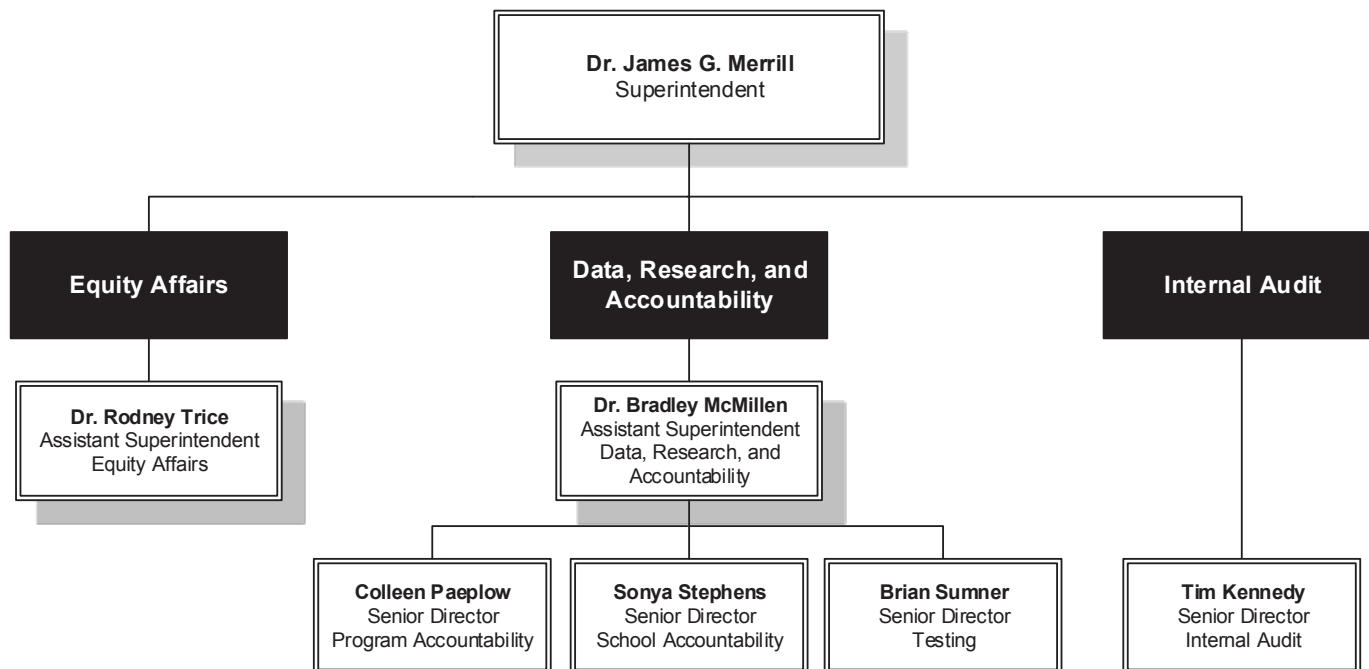
Organization Charts

BOARD OF EDUCATION

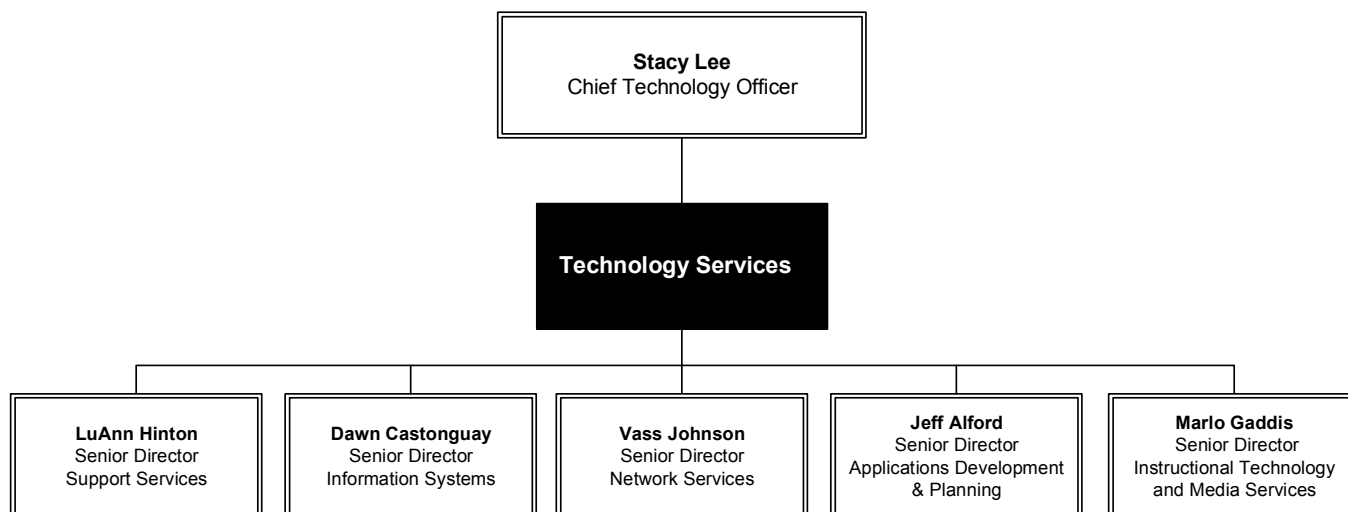


Organization Charts

SUPERINTENDENT'S OFFICE

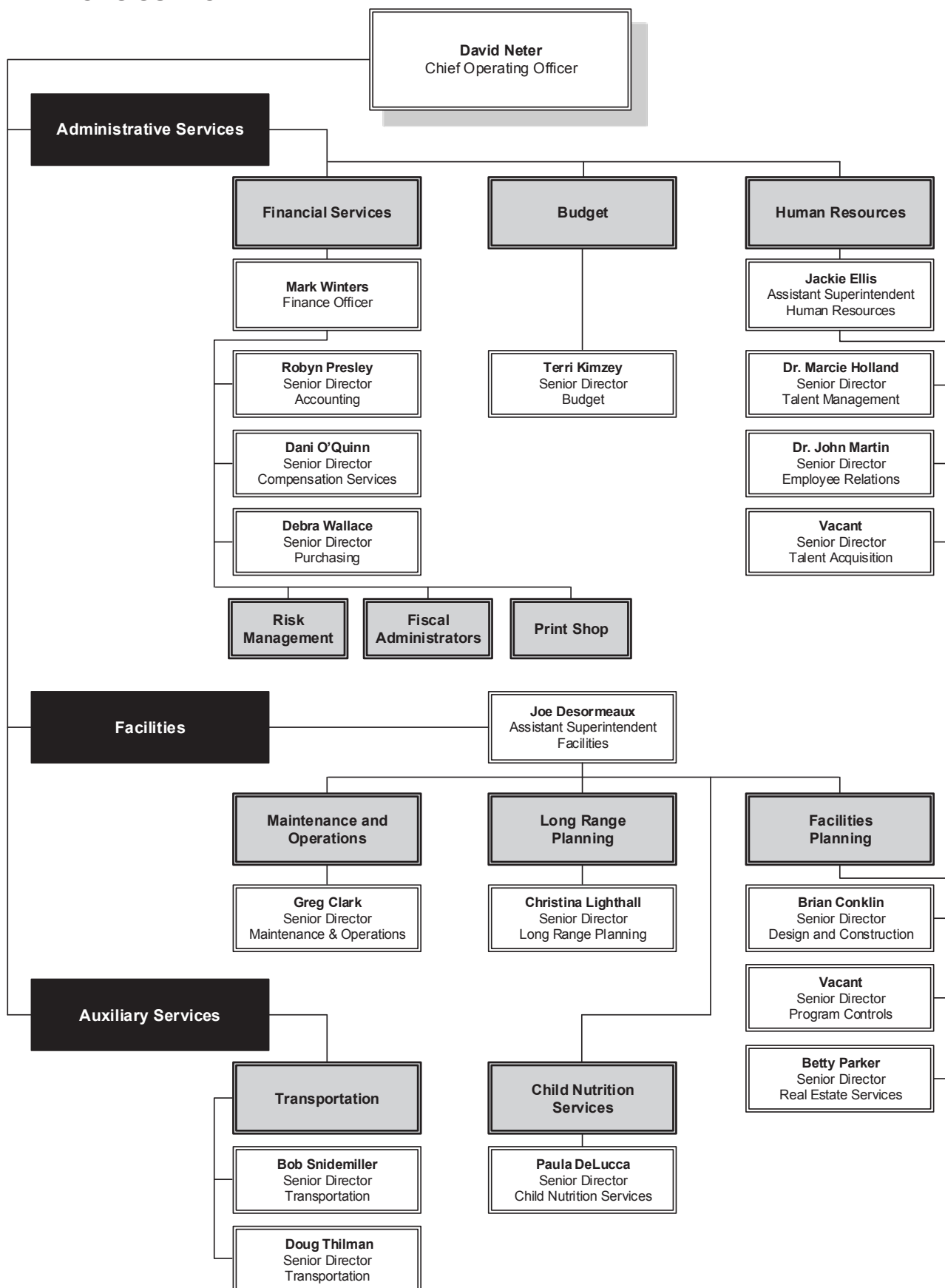


TECHNOLOGY SERVICES



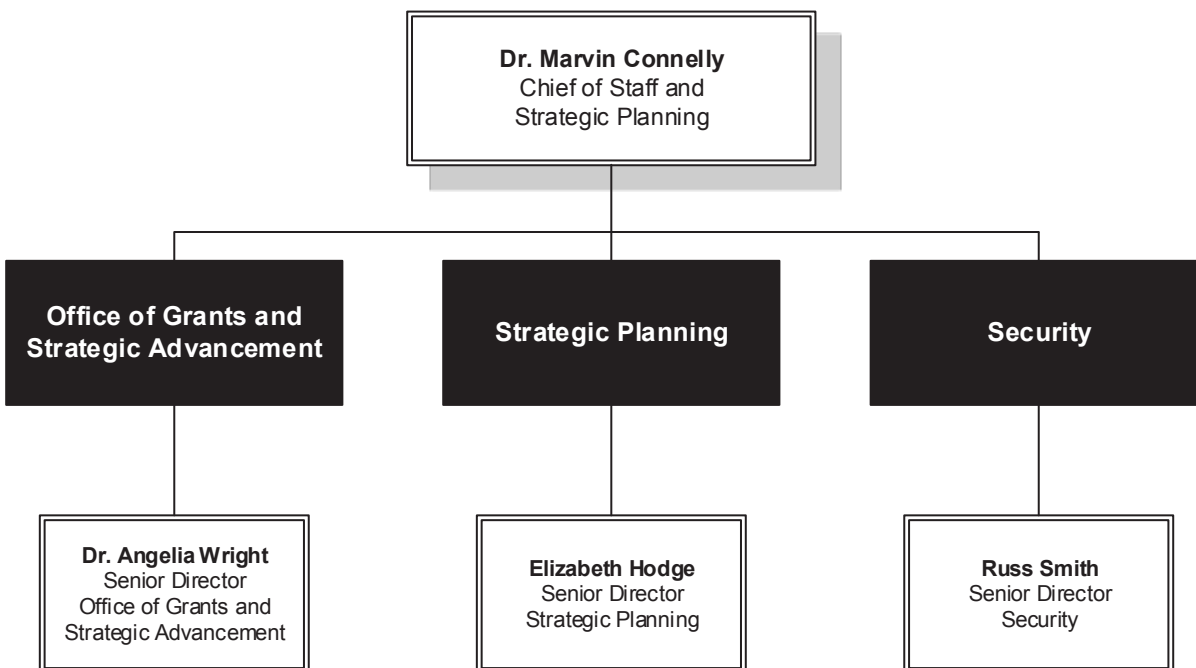
Organization Charts

OPERATIONS SUPPORT

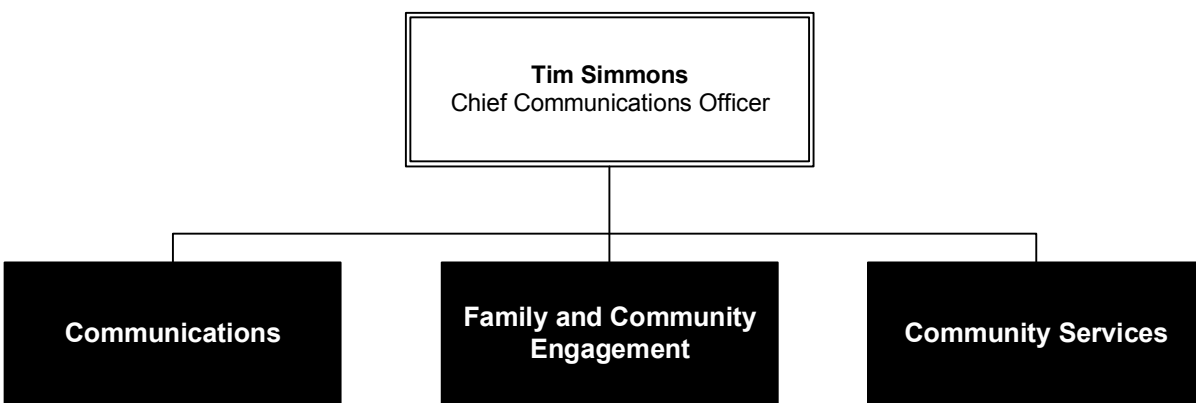


Organization Charts

CHIEF OF STAFF AND STRATEGIC PLANNING

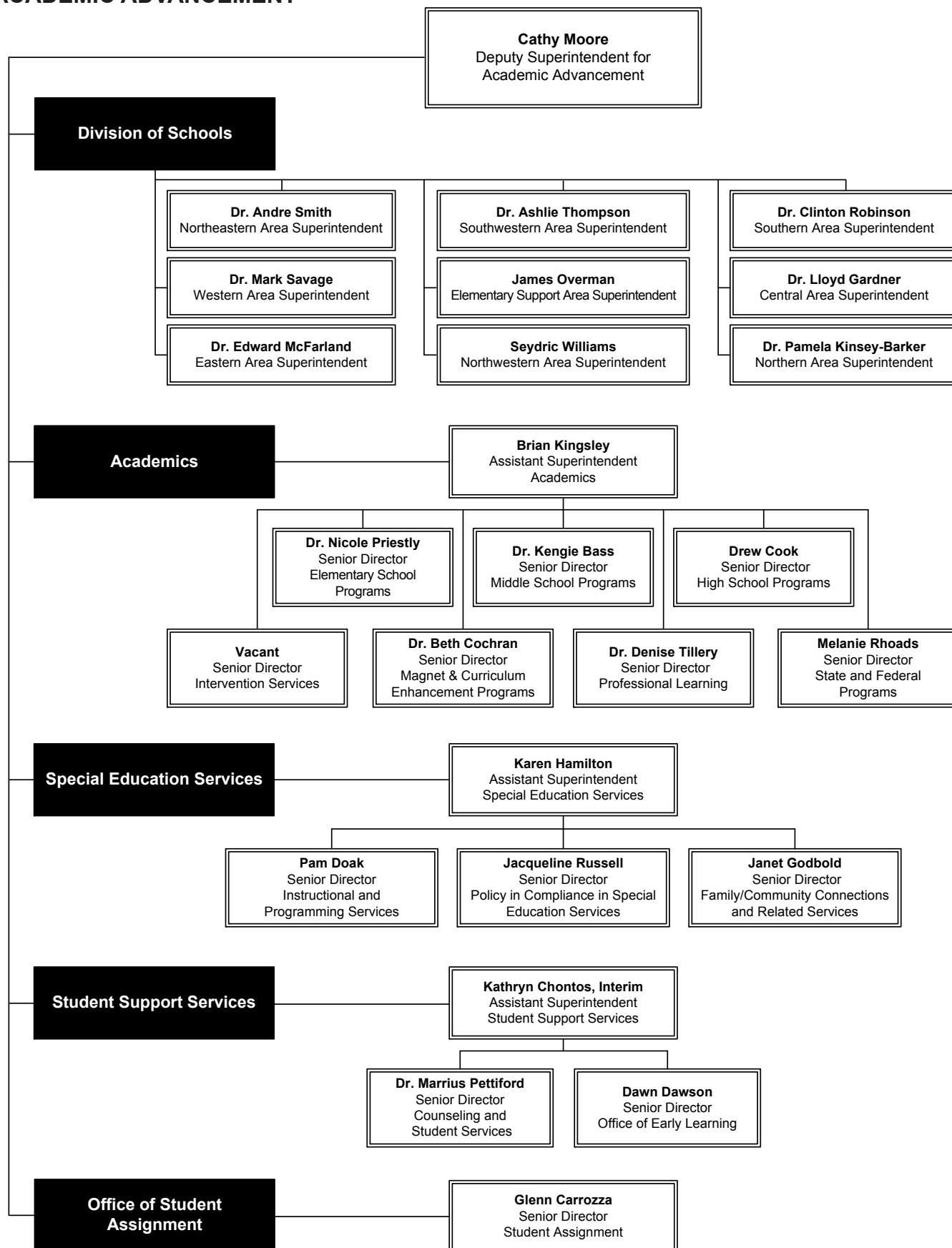


COMMUNICATIONS



Organization Charts

ACADEMIC ADVANCEMENT



Budget Policies

REPORTING ENTITY

The state primarily finances the cost of public education in North Carolina which establishes minimum programs. Local boards of county commissioners appropriate local funds, in varying amounts by district, that supplement the basic program. Local boards of education in North Carolina have no tax levying or borrowing authority, and the state requires all districts to maintain accounting records in a uniform format. The Wake County Public School System prepared the budget on the modified accrual basis of accounting prescribed by legal requirements.

The board of education is a local education agency empowered by the North Carolina general statutes with the responsibility to oversee and control all activities related to public school education in Wake County, North Carolina. Since its members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters, the board is recognized as a separate government reporting entity, as defined by the Governmental Accounting Standards Board. The board receives funding from county, state, and federal government sources and must comply with the concomitant requirements of those funding entities. While the board receives county funding, the county is not entitled to share in any surpluses, nor is it required to finance any deficits.

We need good Business Practices, but we are not a Business...

- *Mandate to serve all customers*
 - *Revenues are pre-determined*
 - *Performance does not drive funding*
 - *Must plan for growth without ability to fund*
 - *Divergent stakeholders*
-

PUBLIC SCHOOL FINANCING	PRIVATE	PUBLIC
FUND ACCOUNTING	Private sector presents a single, unitary entity for financial reporting purposes. Private sector financial statements are taken as a whole.	Governmental financial reporting focuses on grouping of various funds rather than as a whole. Fund accounting is developed from legal compliance and resource limitation issues.
SPENDING FOCUS	Private sector focuses on earnings and changes in business' total net resources.	Governments focus on changes in current spendable resources rather than total resources. Government limitation has short-term focus typically on operating budget.
BUDGETARY REPORTING	Private sector budgets are simply a financial plan allowing for change and flexibility during the fiscal year.	Governmental budgets are a system of checks and balances with limited flexibility. Governments demonstrate compliance with legally adopted budgets through mandated budget-to-actual comparison statements.

Budget Policies

STATE OF NORTH CAROLINA POLICIES FOR SCHOOL SYSTEM BUDGETS

The following list of state statutes pertains to the school budget and fiscal control financial policies enacted by the State of North Carolina. This information can be found in detail at <http://www.ncga.state.nc.us/gascripts/statutes/statutelookup.pl?statute=115c>.

- **Budget Flexibility** § 115C-105.25
- **Distribution of Staff Development Funds** § 115C-105.30
- **School Budget and Fiscal Control Act** § 115C-422 through § 115C-452

ARTICLE 31 - THE SCHOOL BUDGET AND FISCAL CONTROL ACT

§115C-422.	Short title.
§115C-423.	Definitions.
§115C-424.	Uniform system; conflicting laws and local acts superseded.
§115C-425.	Annual balanced budget resolution.
§115C-426.	Uniform budget format.
§115C-426.1.	Vending facilities.
§115C-426.2.	Joint planning.
§115C-427.	Preparation and submission of budget and budget message.
§115C-428.	Filing and publication of the budget; budget hearing.
§115C-429.	Approval of budget; submission to county commissioners; commissioners' action on budget.
§115C-430.	Apportionment of county appropriations among local school administrative units.
§115C-431.	Procedure for resolution of dispute between board of education and board of county commissioners.
§115C-432.	The budget resolution; adoption; limitations; tax levy; filing.
§115C-433.	Amendments to the budget resolution; budget transfers.
§115C-434.	Interim budget.
§115C-435.	School finance officer.
§115C-436.	Duties of school finance officer.
§115C-437.	Allocation of revenues to the local school administrative unit by the county.
§115C-438.	Provision for disbursement of State money.
§115C-439.	Facsimile signatures.
§115C-440.	Accounting system.
§115C-440.1.	Report on county spending on public capital outlay.
§115C-441.	Budgetary accounting for appropriations.
§115C-441.1.	Dependent care assistance program.
§115C-442.	Fidelity bonds.
§115C-443.	Investment of idle cash.
§115C-444.	Selection of depository; deposits to be secured.
§115C-445.	Daily deposits.
§115C-446.	Semiannual reports on status of deposits and investments.
§115C-447.	Annual independent audit.
§115C-448.	Special funds of individual schools.
§115C-449.	Proceeds of insurance claims.
§115C-450.	School food services.
§115C-451.	Reports to State Board of Education; failure to comply with School Budget Act.
§115C-452.	Fines and forfeitures.

Budget Policies

WAKE COUNTY PUBLIC SCHOOLS BUDGET POLICIES

The Wake County Board of Education has adopted the following policies as a part of the official board policy as it relates to the budget process:

Annual Budget: Board Policy 8100

The superintendent shall prepare an annual budget and submit it with a budget message to the board not later than April 15. The budget shall comply, in all respects, with the limitations imposed by law. The budget is a detailed annual operating plan expressed in terms of estimated revenues and expenses, stated in financial terms, for conducting programs and related services in the school system. The budget is a forecast of the projected cost of implementing the goals, objectives, and policies of the board, as well as any needed improvements in programs and support services planned by the board. The annual budget process and the resulting budget should serve as a means to improve communication within the school organization and between the school system and the citizens of the school community.

A. Program Budgeting System: The continuing central focus of the board is to improve the learning performance of individual students. Current levels of achievement will be assessed in comparison to goals and objectives to identify needs or problem areas requiring adjusted allocation of resources. Resources will be allocated to areas of greatest need. The performance of programs will be evaluated during the budget year to provide a base for subsequent budget development.

B. Budget Preparation Procedures: Budget planning shall be an integral part of program planning so that the budget may effectively express and implement all programs and activities of the school system. Budget planning shall be a year-round process involving broad participation by administrators, teachers, other personnel throughout the school system, and citizens.

C. Budget Display: On the same day that she/he submits the budget to the board, the superintendent shall file a copy of it in her or his office where it shall remain available for public inspection until the budget resolution is adopted.

D. Budget Hearings: The board shall hold at least one public hearing on the proposed budget prior to final action.

E. Budget Submission to County Commissioners: Upon receiving the budget from the superintendent and following the public hearing authorized by law, the board 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.

F. Commissioners' Budget Action: The commissioners shall complete 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 school system 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.

G. Resolution of Budget Dispute: Resolution of disputes between the board and the commissioners shall be accomplished in accordance with law.

H. Adoption of Budget Resolution: Adoption of the budget resolution shall be in accordance with the provisions of state law. After the board of county commissioners has made its appropriations to the school system, the board of education shall adopt a budget resolution making appropriations for the budget year in such sums as the board deems sufficient and proper. The budget resolution shall conform to the uniform budget format established by the state board of education.

I. Budget Transfers and Amendments: Budget transfers or amendments to the budget resolution, when deemed necessary by administration or the board, shall be carried out in accordance with the provisions of state law and provisions of the adopted budget resolution.

J. Interim Budget: In case the adoption of the budget resolution is delayed until after July 1, the board shall make interim appropriations for the purpose of paying salaries and the usual ordinary expenses of the school system for the interval between the beginning of the fiscal year and the adoption of the budget resolution. Interim appropriations so made and expended shall be charged to the proper appropriations on the budget resolution.

Budget Policies

BUDGET BASIS

In North Carolina, the School Budget and Fiscal Control Act mandates a uniform budget format and the adoption of an annual balanced budget resolution by July 1 of each year.

WHAT IS A BALANCED BUDGET?

§ 115C-425. Annual balanced budget resolution.

(a) Each local school administrative unit shall operate under an annual balanced budget resolution adopted and administered in accordance with this Article. A budget resolution 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. The budget resolution shall cover one fiscal year.

(b) It is the intent of this Article that all moneys received and expended by a local school administrative unit should be included in the school budget resolution. Therefore, notwithstanding any other provisions of law, after July 1, 1976, no local school administrative unit may expend any moneys, regardless of their source (including moneys derived from federal, State, or private sources), except in accordance with a budget resolution adopted pursuant to this Article.

(c) Subsection (b) of this section does not apply to funds of individual schools, as defined in G.S. 115C-448. (1975, c. 437, s. 1; 1981, c. 423, s. 1; 1993, c. 179, s. 1.)

Source: <http://www.ncleg.net/gascripts/statutes/statutelookup.pl?statute=115c-425>

The district adopts a budget on a basis consistent with Generally Accepted Accounting Principles (GAAP), except for revenues and expenditures of the debt service fund and enterprise fund. The district budgets the enterprise fund on the modified accrual basis. Legal provisions conflict with GAAP in that there is no authorization for the board of education to maintain a debt service fund, even though the statutes allow continuing contracts for capital outlay purchases.

The following chart illustrates how the school system records and spends funds from different sources:

Funding Source	How are funds recorded?	How are funds spent?
State	As allotments are issued or revised by the NC Department of Public Instruction. Initial allotments at the beginning of the fiscal year and revisions throughout the school year.	Cash basis - No outstanding purchase orders can remain open at year end. Unexpended funds revert back to the state with few exceptions.
Local (county appropriation)	In accordance with the amount approved in the Wake County budget.	Modified accrual basis - Limited number of purchase orders may remain open at year end. Local revenues less expenditures roll to fund balance annually.
Other Local (fines and forfeitures, interest earned, indirect cost, and fees)	According to projections.	
Grants and Donations	In accordance with grant award notifications. The term may span multiple fiscal years.	Unexpended allocations lapse on the program termination date.
Building Program	When resolutions are approved through the board of education and county commissioners.	Accrual basis - Purchase orders are allowed to cross fiscal years. The balance rolls forward for each project.
Enterprise	Based on projections of actual participation.	Purchase orders are liquidated at year end. The balance of revenues over expenditures will carryforward to the next fiscal year or roll to retained earnings. Once an enterprise program ends, the carryover expires at the end of the subsequent fiscal year.

Fiscal Accountability

FINANCIAL REPORTING RECOGNITION

The Wake County Public School System (WCPSS) has an annual external financial audit. We received an unmodified audit opinion for fiscal year ending June 30, 2016. An unmodified audit indicates that in the auditor's opinion, the financial statements present fairly, in all material respects, our financial position in conformity with accounting principles generally accepted in the United States of America.

The school district's external auditors conducted their audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

For the past 27 years, we have received the Certificate of Excellence in Financial Reporting from both the Association of School Business Officials and the Government Finance Officers Association.

FISCAL ACCOUNTABILITY

WCPSS has undertaken comprehensive efforts in continuing to expand fiscal accountability. The chief operating officer has an MBA and more than 20 years of for-profit business experience. The chief operating officer, working in conjunction with the finance officer, senior budget director, and others, has focused on implementation of fraud detection and prevention systems, budget management training for staff, negotiations of sole source contracts, enhancements to fiscal transparency, and improvements in financial reporting.

Fraud experts cite setting of the proper tone at the top as one of the most effective methods of fraud prevention. The superintendent, chief operating officer, and other members of senior management promote a strong clear tone of integrity, ethical values, and adherence to system policy and practice throughout the fiscal year. The district has deployed an ACL software system recommended by the Summerford Accountancy Fraud Vulnerability Audit. Internal Audit and Finance staff use the system in both a proactive and investigatory manner. The superintendent, chief operating officer, and finance officer review Internal Audit reports on a monthly basis to confirm findings are not extraordinary.

Finance staff also utilize the reports as input into internal training needs. The Internal Audit Department uses a risk-based internal audit plan to ensure it deploys resources in a strategic manner.

WCPSS has a fraud hotline for anonymous reports of suspected fraud, theft, or abuse of taxpayer funds. That number is **1-866-674-4872**.

Annually, the superintendent sends out a letter to all employees emphasizing their responsibility in fiscal accountability. All budget managers participate in financial reviews with Finance and Budget staff to focus on utilization of existing funding. Purchasing assigns consecutive purchase order numbers, and they monitor reports on all vendors and invoices to identify any discrepancies. The Accounting Department uses positive pay which prevents fraudulent checks from clearing against the district's bank accounts and provides protection against altered or counterfeit checks.

Fiscal accountability extends beyond the scope of ensuring adherence to policies and practices. Effective use of available budgets is critical. The district challenges staff to fully negotiate sole source contracts through the contract routing process.

Budget managers submit written business cases providing documentation and justification for requests to increase or decrease funding.

The emphasis on fiscal accountability by WCPSS serves to further strengthen our system, and it is an ongoing process that must be continued with a strategic approach and a clear strong tone of integrity from the top.

Fiscal Accountability

BUDGET MANAGER CERTIFICATION TRAINING

Budget manager certification training is a requirement to become a budget manager. The online training includes modules from the following areas:

- Accounting – reporting, fixed assets, grants, and fraud awareness;
- Budget – process, allotments, and conversions;
- Compensation Services – FLSA, time sheets, and benefits;
- Finance – contracts and conflicts of interest;
- Purchasing – procurement cards, warehouse, and purchasing law; and
- Risk Management – liability and workers' compensation.

Candidates for budget manager status must pass a test at the end of the training as a measure to ensure they are prepared to legally manage school system funds. Existing budget managers recertify periodically with a refresher course.

AUDIT COMMITTEE

The district established an independent Audit Committee as part of a continuing effort to expand fiscal accountability and increase transparency within the Wake County Public School System. The duties and responsibilities of the Audit Committee are to make recommendations to the board of education on the hiring of the external audit firm; review the audit, financial reports, and audit findings; review the recommendations and the management responses in the audit report, as well as review the status of any management corrective actions; provide a communications link between the external auditor, the board of education, and the superintendent; and submit periodic reports through the committee chair, to the board, and the superintendent.

The committee membership includes certified public accountants, attorneys, and others from the business community. As independent professionals with pertinent experience, the independent Audit Committee serves as an additional internal control in its oversight and review of the external financial audit. The committee also serves to increase the public trust of the board.

Budget Administration & Management Process

Budget administration and management is the process of monitoring expenditures during the fiscal year to ensure they are within authorized amounts and are used for intended, proper, and legal purposes. The management of the budget is accomplished in a variety of ways:

- Reconciling budget transactions on an ongoing basis;
- Reviewing expenditure patterns;
- Tracking revenue receipts;
- Monitoring projected financial status at year end;
- Reconciling exception reports; and
- Reporting to the Wake County Board of Education and the public on fiscal operations.

During the preparation of the budget, the document itself serves as the vehicle for planning and resource allocation decisions. After the board adopts the budget, it then becomes the major fiscal management tool for administering and controlling expenditures.

CHART OF ACCOUNTS

NC General Statutes require a uniform accounting system for all school systems in North Carolina. The North Carolina Department of Public Instruction (NCDPI) maintains the State Chart of Accounts for all school systems to follow in order to provide the legislature, general public, and other agencies with a consistent guideline of how funds are used by groups obtaining public funds. The State Chart of Accounts can be found on NCDPI's website at <http://www.dpi.state.nc.us/fbs/finance/reporting/coa2017>.

Budget codes are used to provide details for each expenditure and source of revenue. There are seven components to a budget code each answering a different question about a transaction. The state chart defines the first four components of the budget code (Fund, Purpose, Program, and Object), and the Wake County Public School System (WCPSS) defines the last three components (Level, Cost Center, and Future Use).

EXPENDITURE APPROVALS

There is one cost center for every school and for each Leadership Team member. Budget managers are responsible for the management of fiscal resources approved by the board for each of the cost centers. In areas of central monitoring of positions, the chief operating officer is the budget manager. Thus, a budget manager is accountable for the proper expenditure of funds for every expenditure appropriation in the budget.

Each budget manager approves the expenditure of funds within their respective cost centers in accordance with purchasing procedures and legal requirements. Primary budget managers must sign budget transfer requests and budget amendments.

All principals and Leadership Team members are primary budget managers. Principals may establish assistant principals as secondary budget managers. Leadership Team members may establish senior directors and directors as primary budget managers. Leadership Team members may establish central services senior administrators or administrators as secondary budget managers.

All budget managers are responsible for assuring and maintaining the accuracy of account coding, spending funds appropriately, and adhering to timelines for recording and expending funds. Budget managers must complete online Budget Manager Certification Training before signature authority is established. They may also take classes that provide instructions for entering data directly into the computer system, as well as how to navigate the financial system to inquire on accounts.

Central services staff coordinate the overall spending and revenue plans to maintain total expenditures within available revenues. District-level coordination is also exercised over position control of months of employment in areas such as classroom teachers, instructional support, and non-instructional support.

Budget Administration & Management Process

ENCUMBRANCE CONTROL

Encumbrances reserve an appropriation for obligations in the form of purchase orders. The financial system, therefore, recognizes actual expenditures as well as those that are planned or anticipated. This prevents inadvertent overspending of the budget.

Outstanding encumbrances at the end of the year do not constitute expenditures and are either charged to an appropriation in the following year or the contractual commitment is canceled. The encumbrances are reported as reservations of fund balance since the commitments will be fulfilled through subsequent years' budget appropriations.

AMENDMENTS

Primary budget managers submit budget amendments when new funds need to be added to the budget or if funds need to be removed from the budget. The board of education must approve revenues not included in the adopted budget in accordance with criteria in the budget resolution. Amendments must be reported to the board of education monthly.

TRANSFERS

The budget is a spending plan based upon a series of assumptions. Rarely will all of the actual expenditures equal the detailed budget estimates as adopted. Budget transfers to realign financial resources will occur as circumstances or variables change during the year. Certain transfers, such as transfers between funds, require approval from the board of education. All transfers are reported to the board of education monthly.

FUNDS CHECKING

The Oracle Financial System monitors available funds at the account level. Available balances must exist in non-personnel accounts at the account code level before spending can occur.

MANAGEMENT INFORMATION AND REPORTING

The Wake County Public School System uses the Oracle Financial System to manage human and financial resources. Oracle has an interactive, online budgetary control system that provides real-time data on individual accounts. The system includes a general ledger, payroll, and voucher system that provides detailed historical transactions. Budget managers can submit summary and detail reports for their area of responsibility at any time.

The district prepares a Comprehensive Annual Financial Report (CAFR) to report the results of operations. The CAFR includes such reports as a combined balance sheet for all fund types and a combined statement of revenues, expenditures, and changes in fund balances for all governmental funds.

FINANCIAL REVIEWS

The chief operating officer, finance officer, and senior director of budget meet with the deputy superintendent and each chief to review human resource and financial data two or three times a year. Examples of agenda items:

- Review positions and vacancies.
- Review unspent funds for the prior fiscal year and related changes for the current fiscal year.
- Discuss any planned re-purposing of funding within each area for the current fiscal year.
- Discuss actions taken to manage funding changes since the Adopted Budget.
- Discuss processes that are in place for leadership within each division to review budget, encumbrance, and/or expenditure information on a regular basis between reviews.
- Review all budgets within each area.
- Review business cases submitted for the upcoming fiscal year.
- Discuss internal controls and risks.
- Receive input on financial and staffing issues.
- Discuss current state of the economy.

Fund Balance

Fund Balance is excess revenues over expenditures. This can be a combination of collections/revenues being higher than budget and actual expenditures being lower than budget. Fund Balance in the governmental fund financial statements is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent. The governmental fund types classify fund balance as follows:

Nonspendable fund balance – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

- » Inventories – portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources.
- » Assets held for resale – portion of fund balance that is not an available resource because it represents the year-end balance of assets held for resale, which are not spendable resources.

Restricted fund balance – This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

- » Restricted for stabilization by state statute – portion of fund balance that is restricted by State Statute [G.S. 115C-425(a)].
- » Restricted for school capital outlay – portion of fund balance that can only be used for school capital outlay [G.S. 159-18 through 22].
- » Restricted for individual schools – revenue sources restricted for expenditures for the various clubs and organizations, athletic events, and various fund-raising activities for which they were collected.
- » Restricted contributions – revenue sources that are restricted by the contributor for specific purposes.

Committed fund balance – portion of fund balance that can only be used for specific purpose imposed by majority vote by quorum of board of education's governing body (highest level of decision-making authority) and in certain instances approval by the county's governing body is required. Any changes or removal of specific purpose requires majority action by the governing bodies that approved the original action.

Assigned fund balance – portion of fund balance that the Wake County Board of Education intends to use for specific purposes.

- » Subsequent year's expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation.
- » Insurance – portion of fund balance that is assigned for claims in the self-insured workers' compensation and dental plans and for excess claims. Balances are assigned by management and approved by the board.
- » Special projects – portion of fund balance that is assigned for special projects that continue into the next fiscal year. Balances are assigned by management and approved by the board.
- » Flexible benefits – portion of fund balance that is assigned from prior year's forfeitures in order to offset potential losses in future years. Balances are assigned by management and approved by the board.

Unassigned fund balance – the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

Board of Education Policy 8101 provides guidelines for the amount of Undesignated Operating Fund Balance that can be accumulated and also guides the amount that can be used towards funding a future year's budget.

According to Policy 8101, the board targets maintenance of an undesignated operating fund balance no greater than 6 percent of the subsequent year's county appropriation. The board would return to Wake County any undesignated fund balance in excess of the specified 6 percent target.

Unassigned fund balance, on an annual basis, at June 30, 2016, was \$13,880,710, which aligns with board policy.

Fund Balance

8101 Undesignated Operating Fund Balance

As the recipient of Wake County funds allocated for use in local public education, the Wake County Board of Education has the responsibility to use these funds efficiently and wisely. The board of education maintains an Undesignated Operating Fund Balance to address emergency funding needs and other generally one-time costs not included in the annual budget. In addition, the board of education may use Undesignated Operating Fund Balance as a funding source for the annual budget. Any use of the Undesignated Operating Fund Balance requires action by the board in a public meeting. Management of the Undesignated Operating Fund Balance is one component of effectively managing Wake County appropriated funds.

As a good business practice, the board of education sets the following limits on the Undesignated Operating Fund Balance:

- The board targets maintenance of an Undesignated Operating Fund Balance no greater than 6 percent of the subsequent year's county appropriation.
- The board will return to Wake County any Undesignated Operating Fund Balance in excess of the specified 6 percent target on an annual basis.
- The board will not use more than 50 percent of its July 1 Undesignated Operating Fund Balance to provide funding to the following year's annual budget.

	2015-16	2016-17	2017-18
<u>CURRENT EXPENSE</u>			
Appropriated July 1	\$ 20,000,000	\$ 10,400,000	\$ 12,840,355
Additional Appropriations	14,069,158	13,249,925	7,902,902
Current Expense Appropriated Fund Balance	\$ 34,069,158	\$ 23,649,925	\$ 20,743,257
<i>Unassigned Current Expense Fund Balance</i>	\$ 13,880,710		
<u>CAPITAL OUTLAY</u>			
Appropriated July 1	\$ 0	\$ 0	\$ 0
Additional Appropriations	784,420	872,812	1,513,482
Capital Outlay Appropriated Fund Balance	\$ 784,420	\$ 872,812	\$ 1,513,482
<i>Assigned for Capital Expenditures Fund Balance</i>	\$ 741,489		
<u>TOTAL</u>			
Appropriated July 1	\$ 20,000,000	\$ 10,400,000	\$ 12,840,355
Additional Appropriations	14,853,578	14,122,737	9,416,384
TOTAL APPROPRIATED	\$ 34,853,578	\$ 24,522,737	\$ 22,256,739
<i>Unassigned and Assigned for Capital Expenditures Fund Balance</i>	\$ 14,622,199		
<u>TOTAL</u>			
County Appropriation	\$ 386,000,000	\$ 409,911,000	\$ 430,911,000
Percent Increase	13%	6%	5%
<i>Unassigned and Assigned for Capital Expenditures Fund Balance as a percent of subsequent year County Appropriation</i>	4%		



FINANCIAL

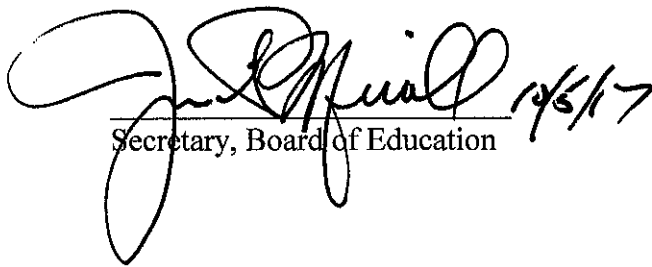
FINANCIAL

Budget Resolution

WAKE COUNTY)
NORTH CAROLINA)

I, James G. Merrill, Secretary to the Wake County Board of Education, DO HEREBY CERTIFY that the attached is a true and correct copy from the minutes of the meeting of the Board as of October 3, 2017.

IN WITNESS WHEREOF, I have hereunto set my hand and have hereunto affixed the seal of the Wake County Board of Education this 3rd day of October 2017.



Secretary, Board of Education

WAKE COUNTY PUBLIC SCHOOL SYSTEM BUDGET RESOLUTION

BE IT RESOLVED by the Board of Education of the Wake County School Administrative Unit:

Section 1 - The following amounts are hereby appropriated for the operation of the school administrative unit in the State Public School Fund for the fiscal year beginning July 1, 2017, and ending June 30, 2018:

Instructional Services	
Regular Instructional Services	\$ 564,001,786
Special Populations Services	129,789,435
Alternative Programs and Services	30,622,605
School Leadership Services	59,012,106
School-Based Support Services	52,168,661
System-wide Support Services	
Support and Development Services	1,280,897
Special Population Support and Development Services	767,958
Alternative Programs and Services Support and Development Services	494,729
Technology Support Services	4,611,170
Operational Support Services	66,056,897

Budget Resolution

Financial and Human Resource Services	4,438,389
Accountability Services	122,757
System-wide Pupil Support Services	778,724
Policy, Leadership and Public Relations Services	2,239,460
Ancillary Services	
Nutrition Services	<u>45,993</u>

Total State Public School Fund Appropriation \$ 916,431,567

Section 2 - The following revenues are estimated to be available to the State Public School Fund for the fiscal year beginning July 1, 2017, and ending June 30, 2018:

State Allocations \$ 916,431,567

Total State Public School Fund Revenue \$ 916,431,567

Section 3 - The following amounts are hereby appropriated for the operation of the school administrative unit in the Local Current Expense Fund for the fiscal year beginning July 1, 2017, and ending June 30, 2018:

Instructional Services	
Regular Instructional Services	\$ 129,443,107
Special Populations Services	62,486,076
Alternative Programs and Services	17,179,165
School Leadership Services	24,634,715
Co-Curricular Services	13,548,763
School-Based Support Services	26,627,574
System-wide Support Services	
Support and Development Services	9,725,143
Special Population Support and Development Services	4,901,894
Alternative Programs and Services Support and Development Services	1,431,296
Technology Support Services	14,732,297
Operational Support Services	89,187,189
Financial and Human Resource Services	13,797,168
Accountability Services	2,709,418
System-wide Pupil Support Services	5,055,479
Policy, Leadership and Public Relations Services	8,909,948
Ancillary Services	
Nutrition Services	576
Non-Programmed Charges	
Payments to Other Governmental Units	32,216,563
Unbudgeted Funds	<u>264,203</u>

Total Local Current Expense Fund Appropriation \$ 456,850,574

Budget Resolution

Section 4 - The following revenues are estimated to be available to the Local Current Expense Fund for the fiscal year beginning July 1, 2017, and ending June 30, 2018:

State Allocations	\$ 12,000
Federal Allocations	450,000
County Appropriation	428,820,317
Local Revenues	6,825,000
Fund Balance Appropriated	<u>20,743,257</u>

Total Local Current Expense Fund Revenue	<u>\$ 456,850,574</u>
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Section 5 - The following amounts are hereby appropriated for the operation of the school administrative unit in the Federal Grant Fund for the fiscal year beginning July 1, 2017, and ending June 30, 2018:

Instructional Services	
Regular Instructional Services	\$ 1,396,823
Special Populations Services	27,961,742
Alternative Programs and Services	35,525,382
School-Based Support Services	1,417,680
System-wide Support Services	
Support and Development Services	1,724,286
Special Population Support and Development Services	545,786
Alternative Programs and Services Support and Development Services	880,067
Operational Support Services	153,506
Financial and Human Resource Services	511,823
Non-Programmed Charges	
Payments to Other Governmental Units	1,889,969
Unbudgeted Funds	<u>6,908,940</u>

Total Federal Grant Fund Appropriation	<u>\$ 78,916,004</u>
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Section 6 - The following revenues are estimated to be available to the Federal Grant Fund for the fiscal year beginning July 1, 2017, and ending June 30, 2018:

Federal Allocations	<u>\$ 78,916,004</u>
Total Federal Grant Fund Revenue	<u>\$ 78,916,004</u>

Section 7 - The following amounts are hereby appropriated for the operation of the school administrative unit in the Capital Outlay Fund for the fiscal year beginning July 1, 2017, and ending June 30, 2018:

Instructional Services	
Regular Instructional Services	\$ 1,992,575
School-Based Support Services	8,833,419

Budget Resolution

System-wide Support Services	
Technology Support Services	24,617,071
Operational Support Services	569,197,924
Ancillary Services	
Nutrition Services	392,814
Capital Outlay	<u>53,739,541</u>

Total Capital Outlay Fund Appropriation \$ 658,773,344

Section 8 - The following revenues are estimated to be available to the Capital Outlay Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018:

County Appropriation	\$ 1,191,669
Local Revenues	884,333
Bond and Note Proceeds	655,183,860
Fund Balance Appropriated	<u>1,513,482</u>

Total Capital Outlay Fund Revenue \$ 658,773,344

Section 9 - The following amounts are hereby appropriated for the operation of the school administrative unit in the Multiple Enterprise Fund for the fiscal year beginning July 1, 2017, and ending June 30, 2018:

Instructional Services	
Regular Instructional Services	\$ 56,193
Alternative Programs and Services	721,649
School Leadership Services	32,386
School-Based Support Services	2,487
System-wide Support Services	
Operational Support Services	411,097
Policy, Leadership and Public Relations Services	139,675
Ancillary Services	
Community Services	18,520,036
Nutrition Services	51,385,613
Adult Services	315,168
Non-Programmed Charges	
Payments to Other Governmental Units	4,646,203
Unbudgeted Funds	<u>1,616,930</u>

Total Multiple Enterprise Fund Appropriation \$ 77,847,437

Section 10 - The following revenues are estimated to be available to the Multiple Enterprise Fund for the fiscal year beginning July 1, 2017, and ending June 30, 2018:

State Allocations	\$ 121,438
Federal Allocations	35,762,329
Local Revenues	<u>41,963,670</u>

Total Multiple Enterprise Fund Revenue \$ 77,847,437

Budget Resolution

Section 11 - The following amounts are hereby appropriated for the operation of the school administrative unit in the Direct Grant Fund for the fiscal year beginning July 1, 2017, and ending June 30, 2018:

Instructional Services	
Regular Instructional Services	\$ 1,055,746
Special Populations Services	227,315
Alternative Programs and Services	1,117,579
Co-Curricular Services	11,274
School-Based Support Services	301,177
System-wide Support Services	
Support and Development Services	659,421
Special Population Support and Development Services	47,742
Alternative Programs and Services Support and Development Services	349,809
Operational Support Services	30,039
Financial and Human Resource Services	485,566
Accountability Services	8,808
System-wide Pupil Support Services	2,602
Policy, Leadership and Public Relations Services	19,440
Non-Programmed Charges	
Payments to Other Governmental Units	86,535
Unbudgeted Funds	<u>1,207,311</u>
Total Direct Grant Fund Appropriation	<u>\$ 5,610,364</u>

Section 12 - The following revenues are estimated to be available to the Direct Grant Fund for the fiscal year beginning July 1, 2017, and ending June 30, 2018:

Federal Allocations	\$ 2,689,623
Local Revenues	<u>2,920,741</u>
Total Direct Grant Fund Revenue	<u>\$ 5,610,364</u>

Section 13 - The following amounts are hereby appropriated for the operation of the school administrative unit in the Other Specific Revenue Fund for the fiscal year beginning July 1, 2017, and ending June 30, 2018:

Instructional Services	
Regular Instructional Services	\$ 434,768
Special Populations Services	4,402,933
Alternative Programs and Services	275,626
School Leadership Services	13,509
School-Based Support Services	1,514,278
System-wide Support Services	
Support and Development Services	545,750
Special Population Support and Development Services	164,185
Alternative Programs and Services Support and Development Services	32,550

Budget Resolution

Technology Support Services	91,290
Operational Support Services	7,011,166
System-wide Pupil Support Services	44,590
Ancillary Services	
Community Services	31,310
Non-Programmed Charges	
Unbudgeted Funds	<u>384,374</u>
Total Other Specific Revenue Fund Appropriation	<u>\$ 14,946,329</u>

Section 14 - The following revenues are estimated to be available to the Other Specific Revenue Fund for the fiscal year beginning July 1, 2017, and ending June 30, 2018:

Federal Allocations	\$ 7,221,903
County Appropriation	899,014
Local Revenues	<u>6,825,412</u>

Total Other Specific Revenue Fund Revenue \$ 14,946,329

Section 15 - All appropriations shall be paid first from revenues restricted as to use and then from general unrestricted revenues.

Section 16 - The superintendent is hereby authorized to:

A. Transfer appropriations under the following conditions:

1. The superintendent may not transfer any amounts between funds, or from any contingency appropriation within a fund, without board of education approval.
2. The superintendent may transfer amounts between purposes and between functions within a purpose. A summary of all such transfers must be reported to the board of education monthly.
3. The superintendent may transfer any amounts in State or Federal projects upon prior approval of the appropriate funding agency. If such transfers require board of education approval under other provisions of this resolution, they must be reported monthly.

B. Accept appropriations into the budget under the following conditions:

1. The superintendent may accept all State appropriations. A summary of such appropriations must be reported to the board of education monthly.
2. The superintendent may accept Federal appropriations if the application for funding has been approved by the board of education. A summary of such appropriations must be reported to the board of education monthly.

Budget Resolution

3. The superintendent may accept categorical program appropriations if the program has been approved by the board of education. A summary of such appropriations must be reported to the board of education monthly.
4. The superintendent may accept other appropriations upon prior approval of the board of education.

Section 17 - Copies of the Budget Resolution shall be furnished immediately to the superintendent and the school finance officer for direction in carrying out their duties. Copies of the Budget Resolution shall also be filed with the county finance officer.

Adopted this 3rd day of October 2017.

Revenues

Source of Income	Budget 2016-17	Adopted Budget 2017-18	Increase/ Decrease	% Change
STATE SOURCES				
State Public School Fund				
Position Allotments				
Classroom Teachers	\$ 445,667,558	\$ 457,933,331	\$ 12,265,773	
Instructional Support Personnel - Certified	51,563,885	55,625,425	4,061,540	
Career Technical Education - Months of Employment	42,663,396	43,723,846	1,060,450	
School Building Administration	27,410,468	30,337,931	2,927,463	
Subtotal Position Allotments	\$ 567,305,307	\$ 587,620,533	\$ 20,315,226	4%
Dollar Allotments				
Non-Instructional Support Personnel	\$ 53,457,638	\$ 51,209,739	\$ (2,247,899)	
Teaching Assistants	37,730,018	32,618,271	(5,111,747)	
Central Office Administration	3,184,276	3,035,712	(148,564)	
Subtotal Dollar Allotments	\$ 94,371,932	\$ 86,863,722	\$ (7,508,210)	(8%)
Categorical Allotments				
Children with Special Needs	\$ 85,418,602	\$ 88,214,759	\$ 2,796,157	
Transportation of Pupils	53,843,438	44,921,813	(8,921,625)	
At-Risk Student Services/Alternative Programs and Schools	5,929,298	22,814,506	16,885,208	
Limited English Proficiency	-	8,858,427	8,858,427	
Academically/Intellectually Gifted	-	8,605,378	8,605,378	
School Technology Fund	6,172,854	4,517,560	(1,655,294)	
Driver Training	3,041,684	3,109,287	67,603	
Career Technical Education Program Support	2,672,529	2,880,135	207,606	
Summer Reading Camps	5,449,885	2,218,936	(3,230,949)	
Children with Special Needs - Developmental Day and Community Residential	1,933,229	1,718,920	(214,309)	
Cooperative Innovative High Schools (CIHS)	1,266,584	1,200,000	(66,584)	
Assistant Principal Intern Full-Time MSA Student	811,604	793,494	(18,110)	
Behavioral Support	215,000	238,808	23,808	
mClass Reading 3D	746,000	229,200	(516,800)	
Assistant Principal Intern	170,860	70,532	(100,328)	
Merit Bonus	1,736,050	-	(1,736,050)	
Test Result Bonus	1,320,368	-	(1,320,368)	
School Connectivity	1,095,728	-	(1,095,728)	
After-School Quality Improvement Grant Program	178,395	-	(178,395)	
Subtotal Categorical Allotments	\$ 172,002,108	\$ 190,391,755	\$ 18,389,647	11%

Revenues

Source of Income	Budget 2016-17	Adopted Budget 2017-18	Increase/ Decrease	% Change
Unallotted (NCDPI covers actual cost or created from transfers)				
Restart Schools	\$ 6,779,470	\$ 38,983,836	\$ 32,204,366	
Non-Contributory Employee Benefits	8,401,319	9,000,000	598,681	
Dollars for Certified Personnel Conversions	39,596,935	3,570,073	(36,026,862)	
NBPTS Educational Leave	32,255	1,648	(30,607)	
Compensation Bonus (Legislated)	799,590	-	(799,590)	
Subtotal Unallotted	\$ 55,609,569	\$ 51,555,557	\$ (4,054,012)	(7%)
Subtotal State Public School Fund	\$ 889,288,916	\$ 916,431,567	\$ 27,142,651	3%
Other State Allocations for Current Operations				
Professional Leave Paid by Outside Agencies	\$ 16,136	\$ 12,000	\$ (4,136)	
Local Alternative Teacher Preparation Program	300,000	-	(300,000)	
State Textbook Account	52,565	-	(52,565)	
Subtotal Other State Allocations for Current Operations	\$ 368,701	\$ 12,000	\$ (356,701)	(97%)
State Allocations Restricted to Capital Outlays				
LEA Financed Purchase of School Buses	\$ 428,778	\$ -	\$ (428,778)	
Subtotal State Allocations Restricted to Capital Outlays	\$ 428,778	\$ -	\$ (428,778)	(100%)
State Reimbursement - Reduced Priced Breakfast				
Child Nutrition - Breakfast Reimbursement	\$ 120,000	\$ 121,438	\$ 1,438	
Subtotal State Reimbursement - Reduced Priced Breakfast	\$ 120,000	\$ 121,438	\$ 1,438	1%
TOTAL - STATE SOURCES	\$ 890,206,395	\$ 916,565,005	\$ 26,358,610	3%
LOCAL SOURCES				
Local Sources General				
County Appropriation - Operating Budget	\$ 407,871,457	\$ 428,820,317	\$ 20,948,860	
County Appropriation - Capital Improvements	1,150,969	1,191,669	40,700	
County Funds for Crossroads Lease	888,574	899,014	10,440	
Subtotal Local Sources General	\$ 409,911,000	\$ 430,911,000	\$ 21,000,000	5%
Local Sources - Tuition and Fees				
Before/After School Care	\$ 12,477,712	\$ 13,337,500	\$ 859,788	
Community Schools	9,664,059	9,136,795	(527,264)	
Parking Fees	1,125,000	1,175,000	50,000	
Summer Camp	341,883	511,124	169,241	
Pre-School	486,955	473,433	(13,522)	

Revenues

Source of Income	Budget 2016-17	Adopted Budget 2017-18	Increase/ Decrease	% Change
Project Enlightenment - Self-Support	\$ 168,766	\$ 188,899	\$ 20,133	
Summer School Tuition	212,835	110,261	(102,574)	
Print Shop	30,000	30,000	-	
Regular Tuition	5,000	15,000	10,000	
Subtotal Local Sources - Tuition and Fees	\$ 24,512,210	\$ 24,978,012	\$ 465,802	2%
Local Sources Sales Revenues - Child Nutrition				
Lunch Full Pay	\$ 8,845,000	\$ 9,181,859	\$ 336,859	
Supplemental Sales	7,200,000	7,200,000	-	
Breakfast Full Pay	748,800	760,841	12,041	
Lunch Reduced	349,000	352,958	3,958	
Catered Supplements	300,000	300,000	-	
Catered Lunches	91,000	91,000	-	
Suppers and Banquets	53,000	53,000	-	
Sales - Other	19,500	19,500	-	
Catered Breakfast	1,500	1,500	-	
Subtotal Local Sources Sales Revenues - Child Nutrition	\$ 17,607,800	\$ 17,960,658	\$ 352,858	2%
Local Sources - Unrestricted				
Fines				
Fines and Forfeitures	\$ 3,550,000	\$ 3,900,000	\$ 350,000	
Red Light Camera Fines	750,000	800,000	50,000	
Rebates				
E-Rate	1,335,178	919,752	(415,426)	
Rebates	150,000	175,000	25,000	
Interest Earned on Investments	565,000	815,000	250,000	
Property Rental	94,417	569,333	474,916	
Donations				
Donations - General Operations	84,082	92,969	8,887	
Principal/Teacher of the Year	99,254	48,355	(50,899)	
State Farm Celebrate My Drive	36,674	19,881	(16,793)	
Helping Hands	10,184	5,308	(4,876)	
Spotlight on Students	5,273	2,602	(2,671)	
4C Fund	22,617	-	(22,617)	
Garner Education Foundation	10,000	-	(10,000)	
Subtotal Local Sources - Unrestricted	\$ 6,712,679	\$ 7,348,200	\$ 635,521	9%

Revenues

Source of Income	Budget 2016-17	Adopted Budget 2017-18	Increase/ Decrease	% Change
Local Sources - Restricted				
Indirect Cost	\$ 2,900,000	\$ 2,900,000	\$ -	
Indirect Cost - Food Service	2,400,000	2,400,000	-	
Parents as Teachers - Smart Start	497,169	553,168	55,999	
Wallace Foundation Grant	452,300	449,400	(2,900)	
NC Pre-K	372,620	263,913	(108,707)	
Positions on Loan	-	250,000	250,000	
Duke/Project Bright IDEA 3	274,958	198,009	(76,949)	
Cellular Lease	150,000	160,000	10,000	
Digital Promise Grant	196,366	158,603	(37,763)	
Disposition of School Fixed Assets	150,000	150,000	-	
Wake County Universal Breakfast Appropriation	150,000	150,000	-	
John Rex Endowment	525,996	149,576	(376,420)	
Transition - Smart Start	112,022	114,755	2,733	
Smart Start Triple P	-	103,664	103,664	
United Way Changing Generations/Pathways to Progress	82,933	79,674	(3,259)	
Burroughs Wellcome Science Enrichment "STEM" Wise	135,509	56,618	(78,891)	
Laura and John Arnold Foundation	74,149	54,915	(19,234)	
Triangle Community Foundation	50,500	50,500	-	
Athens Library	3,599	46,323	42,724	
CIU Confucius Classroom	136,476	43,450	(93,026)	
Professional Leave Paid by Outside Agencies	38,871	30,000	(8,871)	
Burroughs Wellcome Fund - Career Award for Science & Mathematics Teachers	58,155	27,491	(30,664)	
Burroughs Wellcome Fund - Student Science Enrichment Program Grants	35,842	26,146	(9,696)	
Duke Energy Foundation	20,422	20,422	-	
John Rex Endowment - Social Emotional Foundations for Early Learning	223,503	19,822	(203,681)	
NC Large District Superintendents' Consortium	70,000	19,440	(50,560)	
Verizon Project Lead the Way	17,000	19,157	2,157	
Burroughs Wellcome Fund	43,476	17,700	(25,776)	
Proto Labs Grant	48,262	10,875	(37,387)	
Confucius Institute	16,702	8,112	(8,590)	
Assessment Inventory National Network	5,000	5,000	-	
Project Lead the Way Launch Program	8,177	4,887	(3,290)	
United Way Social Innovation Challenge	50,000	6	(49,994)	
Municipal Collaboration Special Projects	272,190	-	(272,190)	
Drivers Education Fleet Vehicles	65,785	-	(65,785)	
Wake Up and Read	30,423	-	(30,423)	

Revenues

Source of Income	Budget 2016-17	Adopted Budget 2017-18	Increase/ Decrease	% Change
Wake Ed Partnership - Summer STEM	\$ 22,358	\$ -	\$ (22,358)	
Project Lead the Way	20,521	-	(20,521)	
Beehive Collective	19,499	-	(19,499)	
Titmus Foundation	18,753	-	(18,753)	
Michigan State Award	5,000	-	(5,000)	
Biogen Idec Community Lab Teacher Support	826	-	(826)	
TCF Helping Hands	400	-	(400)	
GradNation Community Summit	320	-	(320)	
National Board for Professional Teaching Standards	30	-	(30)	
Subtotal - Local Sources - Restricted	\$ 9,756,112	\$ 8,541,626	\$ (1,214,486)	(12%)
Special Revenue Services				
Beginning Appropriated Fund Balance	\$ 10,400,000	\$ 12,840,355	\$ 2,440,355	
Textbooks and Digital Content Use	-	5,588,485	5,588,485	
Carryforward Purchase Orders	1,327,280	2,309,411	982,131	
Activity Buses	-	1,200,000	1,200,000	
Magnet Special Projects	-	125,000	125,000	
Startup Dollars - New Schools	108,614	119,008	10,394	
Drivers Education Fleet Vehicles	8,695	74,480	65,785	
Special Projects	8,428,100	-	(8,428,100)	
Textbooks	2,606,486	-	(2,606,486)	
Salary Audit	927,198	-	(927,198)	
Workers Compensation Claims	500,000	-	(500,000)	
Broadcast Equipment	98,975	-	(98,975)	
4C Grant Carryover	68,424	-	(68,424)	
Municipal Collaboration Funds	26,846	-	(26,846)	
Preparing and Archiving Student Records	22,119	-	(22,119)	
Subtotal Special Revenue Services	\$ 24,522,737	\$ 22,256,739	\$ (2,265,998)	(9%)
Fund Transfers				
Transfer from Special Funds of Individual Schools	\$ 420,627	\$ 590,660	\$ 170,033	
Subtotal Fund Transfers	\$ 420,627	\$ 590,660	\$ 170,033	40%
TOTAL - LOCAL SOURCES	\$ 493,443,165	\$ 512,586,895	\$ 19,143,730	4%
FEDERAL SOURCES				
Restricted Grants (Received through NCDPI)				
ESEA Title I - Basic Program	\$ 33,807,163	\$ 37,266,125	\$ 3,458,962	
IDEA Title VI-B Handicapped	29,568,236	29,002,348	(565,888)	
IDEA - Early Intervening Services	5,368,201	4,847,916	(520,285)	
Title II - Improving Teacher Quality	2,602,944	2,671,143	68,199	
Title III - Language Acquisition	2,527,218	2,404,895	(122,323)	

Revenues

Source of Income	Budget 2016-17	Adopted Budget 2017-18	Increase/ Decrease	% Change
Career Technical Education - Program Improvement	\$ 1,525,316	\$ 1,432,761	\$ (92,555)	
IDEA Title VI-B - Pre-School Handicapped	471,665	470,386	(1,279)	
Children with Disabilities - Risk Pool	324,507	324,507	-	
Title III - Language Acquisition - Significant Increase	380,092	292,880	(87,212)	
McKinney-Vento Homeless Assistance	115,363	99,807	(15,556)	
IDEA - Targeted Assistance for Preschool Federal Grant	66,318	57,820	(8,498)	
ESEA Title I - School Improvement	79,183	29,666	(49,517)	
IDEA VI-B Special Needs Targeted Assistance	21,466	8,750	(12,716)	
IDEA - State Improvement Grant	7,349	7,000	(349)	
Subtotal Restricted Grants (Received through NCDPI)	\$ 76,865,021	\$ 78,916,004	\$ 2,050,983	3%
Other Restricted Grants (Received directly)				
Medicaid Direct Services Reimbursement Program	\$ 9,655,285	\$ 6,116,551	\$ (3,538,734)	
Magnet School	5,392,622	2,424,791	(2,967,831)	
Medicaid Administrative Outreach Program	1,272,664	1,105,352	(167,312)	
National Science Foundation Math and Science Partnership	308,871	176,084	(132,787)	
Indian Education Act	62,482	64,280	1,798	
Elementary and Secondary School Counseling Achieve Success	526,785	24,468	(502,317)	
NC Quest	70,400	-	(70,400)	
Teacher Incentive Fund	12,182	-	(12,182)	
NC Arts Council Grant (Federal)	1,526	-	(1,526)	
NC New Schools - NC STEP - Federal Transition to Teaching	619	-	(619)	
Subtotal Other Restricted Grants (Received directly)	\$ 17,303,436	\$ 9,911,526	\$ (7,391,910)	(43%)
Other Revenues - Restricted Grants				
USDA Grants - Regular	\$ 34,725,000	\$ 35,111,698	\$ 386,698	
USDA Grants - Summer Feeding	630,000	630,000	-	
ROTC	450,000	450,000	-	
USDA Grants - Fresh Fruit and Vegetable	20,631	20,631	-	
Subtotal Other Revenues - Restricted Grants	\$ 35,825,631	\$ 36,212,329	\$ 386,698	1%
TOTAL - FEDERAL SOURCES	\$ 129,994,088	\$ 125,039,859	\$ (4,954,229)	(4%)
OPERATING BUDGET	\$ 1,513,643,648	\$ 1,554,191,759	\$ 40,548,111	3%
BUILDING PROGRAM	\$ 796,514,596	\$ 655,183,860	\$ (141,330,736)	(18%)
TOTAL BUDGET	\$ 2,310,158,244	\$ 2,209,375,619	\$ (100,782,625)	(4%)

Revenues

Source of Income	Budget 2016-17	Adopted Budget 2017-18	Increase/ Decrease	% Change
State Sources	\$ 890,206,395	\$ 916,565,005	\$ 26,358,610	3%
Local Sources	493,443,165	512,586,895	19,143,730	4%
Federal Sources	129,994,088	125,039,859	(4,954,229)	(4%)
Operating Budget	\$ 1,513,643,648	\$ 1,554,191,759	\$ 40,548,111	3%
Building Program	796,514,596	655,183,860	(141,330,736)	(18%)
Total Budget	\$ 2,310,158,244	\$ 2,209,375,619	\$ (100,782,625)	(4%)

Budget by Object Code

Object Code	Budget 2016-17	Adopted Budget 2017-18				Increase/ Decrease	%
		State	Local	Federal	Total		
SALARIES							
Central Services Administrator	\$ 24,406,712	\$ 2,481,247	\$ 22,141,854	\$ 1,007,875	\$ 25,630,976	\$ 1,224,264	
School-Based Administrator	30,067,441	28,336,975	5,220,359	-	33,557,334	3,489,893	
Administrative Personnel	\$ 54,474,153	\$ 30,818,222	\$ 27,362,213	\$ 1,007,875	\$ 59,188,310	\$ 4,714,157	9%
Teacher	\$ 462,957,199	\$ 455,592,332	\$ 25,425,325	\$ 21,336,039	\$ 502,353,696	\$ 39,396,497	
Instructional Personnel - Certified	\$ 462,957,199	\$ 455,592,332	\$ 25,425,325	\$ 21,336,039	\$ 502,353,696	\$ 39,396,497	9%
Instructional Support I - Regular Pay Scale	\$ 47,707,947	\$ 35,392,214	\$ 12,189,332	\$ 1,576,355	\$ 49,157,901	\$ 1,449,954	
Instructional Support II - Advanced Pay Scale	9,727,311	9,124,671	1,390,806	86,658	10,602,135	874,824	
Psychologist	6,190,116	5,237,168	1,246,899	55,581	6,539,648	349,532	
Instructional Facilitator	17,176,093	5,656,295	4,388,048	7,645,742	17,690,085	513,992	
Instructional Support Personnel - Certified	\$ 80,801,467	\$ 55,410,348	\$ 19,215,085	\$ 9,364,336	\$ 83,989,769	\$ 3,188,302	4%
Teaching Assistant - Other	\$ 1,027,758	\$ 903,422	\$ 121,667	\$ -	\$ 1,025,089	\$ (2,669)	
Teaching Assistant - NCLB	51,013,295	33,857,313	10,759,932	6,370,677	50,987,922	(25,373)	
Tutor (within the instructional day)	67,486	-	61,106	5,075	66,181	(1,305)	
Braillist, Translator, Education Interpreter	1,310,737	725,203	505,974	18,786	1,249,963	(60,774)	
Therapist	4,336,312	3,083,932	1,256,272	-	4,340,204	3,892	
School-Based Specialist	1,394,308	9,477	1,073,859	180,387	1,263,723	(130,585)	
Monitor	3,262,082	-	3,536,815	-	3,536,815	274,733	
Non-Certified Instructor	30,482	-	22,535	16,323	38,858	8,376	
Instructional Support Personnel - Non-Certified	\$ 62,442,460	\$ 38,579,347	\$ 17,338,160	\$ 6,591,248	\$ 62,508,755	\$ 66,295	0%
Office Support	\$ 30,900,376	\$ 25,327,767	\$ 5,970,973	\$ 384,994	\$ 31,683,734	\$ 783,358	
Technician	2,778,153	49,272	2,800,647	-	2,849,919	71,766	
Administrative Specialist (Central Support)	2,642,665	579,203	2,406,910	-	2,986,113	343,448	
Technical & Administrative Support Personnel	\$ 36,321,194	\$ 25,956,242	\$ 11,178,530	\$ 384,994	\$ 37,519,766	\$ 1,198,572	3%
Substitute Teacher - Regular Teacher Absence	\$ 10,324,046	\$ 1,195,803	\$ 8,813,336	\$ 146,443	\$ 10,155,582	\$ (168,464)	
Substitute Teacher - Staff Development Absence	2,657,164	164,661	1,964,164	557,330	2,686,155	28,991	
Substitute Teacher - Full-Time Non-Certified	4,989	-	-	-	-	(4,989)	
Substitute - Non-Teaching	2,523,160	1,248,830	1,049,765	59,370	2,357,965	(165,195)	
Teaching Assistant Salary when Substituting (Staff Development Absence)	184,969	648	195,603	83,797	280,048	95,079	

Budget by Object Code

Object Code	Budget 2016-17	Adopted Budget 2017-18				Increase/ Decrease	%
		State	Local	Federal	Total		
Teaching Assistant Salary when Substituting (Regular Teacher Absence)	\$ 1,582,187	\$ 1,158,478	\$ 379,286	\$ 54,988	\$ 1,592,752	\$ 10,565	
Substitute Personnel	\$ 17,276,515	\$ 3,768,420	\$ 12,402,154	\$ 901,928	\$ 17,072,502	\$ (204,013)	(1%)
Driver	\$ 19,256,426	\$ 11,335,530	\$ 510,325	\$ 77,694	\$ 11,923,549	\$ (7,332,877)	
Custodian	12,354,293	12,621,535	175,359	320	12,797,214	442,921	
Cafeteria Worker	9,537,234	97,322	3,777,015	6,379,663	10,254,000	716,766	
Skilled Trades	12,469,549	5,947,242	7,850,730	-	13,797,972	1,328,423	
Manager	7,469,784	659,135	6,398,906	-	7,058,041	(411,743)	
Work Study Student	12,450	-	5,450	-	5,450	(7,000)	
Day Care/Before/After School Care Staff	2,586,666	-	2,258,857	-	2,258,857	(327,809)	
Operational Support Personnel	\$ 63,686,402	\$ 30,660,764	\$ 20,976,642	\$ 6,457,677	\$ 58,095,083	\$ (5,591,319)	(9%)
Bonus Pay (not subject to retirement)	\$ 5,821,832	\$ -	\$ 1,192,641	\$ -	\$ 1,192,641	\$ (4,629,191)	
Supplement/Supplementary Pay	112,639,087	-	102,109,541	5,494,468	107,604,009	(5,035,078)	
Employee Allowances Taxable	200,070	-	191,748	-	191,748	(8,322)	
Bonus Pay	7,068	-	6,544	-	6,544	(524)	
Longevity Pay	3,605,124	2,103,166	1,105,577	65,198	3,273,941	(331,183)	
Bonus Leave Payoff	267,514	197,740	76,977	-	274,717	7,203	
Short Term Disability Payment (beyond six months)	307,370	359,590	-	-	359,590	52,220	
Salary Differential	758,305	-	702,969	-	702,969	(55,336)	
Annual Leave Payoff	5,470,934	4,381,242	1,630,287	119	6,011,648	540,714	
Short Term Disability Payment (first six months)	459,155	405,558	98,199	-	503,757	44,602	
Supplementary & Benefits - Related Pay	\$ 129,536,459	\$ 7,447,296	\$ 107,114,483	\$ 5,559,785	\$ 120,121,564	\$ (9,414,895)	(7%)
Curriculum Development Pay	\$ 633,413	\$ 20,000	\$ 391,713	\$ 65,844	\$ 477,557	\$ (155,856)	
Additional Responsibility Stipend	11,378,384	23,408	11,105,943	187,920	11,317,271	(61,113)	
Mentor Pay Stipend	408,250	10,000	403,360	-	413,360	5,110	
Staff Development Participant Pay	695,349	639,558	112,324	32,378	784,260	88,911	
Staff Development Instructor	115,384	26,265	83,723	5,220	115,208	(176)	
Tutorial Pay	1,223,665	17,891	791,773	189,924	999,588	(224,077)	
Overtime Pay	2,837,798	233,230	2,577,894	-	2,811,124	(26,674)	
Extra Duty Pay	\$ 17,292,243	\$ 970,352	\$ 15,466,730	\$ 481,286	\$ 16,918,368	\$ (373,875)	(2%)
SALARIES TOTAL	\$ 924,788,092	\$ 649,203,323	\$ 256,479,322	\$ 52,085,168	\$ 957,767,813	\$ 32,979,721	4%

Budget by Object Code

Object Code	Budget 2016-17	Adopted Budget 2017-18				Increase/ Decrease	%
		State	Local	Federal	Total		
EMPLOYER PROVIDED BENEFITS							
Employer's Social Security Cost	\$ 67,981,883	\$ 49,465,060	\$ 19,488,674	\$ 3,983,993	\$ 72,937,727	\$ 4,955,844	
Federal Insurance Compensation Act	\$ 67,981,883	\$ 49,465,060	\$ 19,488,674	\$ 3,983,993	\$ 72,937,727	\$ 4,955,844	7%
Employer's Retirement Cost	\$ 144,674,286	\$ 109,877,626	\$ 40,863,475	\$ 8,712,166	\$ 159,453,267	\$ 14,778,981	
Retirement Benefits	\$ 144,674,286	\$ 109,877,626	\$ 40,863,475	\$ 8,712,166	\$ 159,453,267	\$ 14,778,981	10%
Employer's Hospitalization Insurance Cost	\$ 95,524,870	\$ 76,099,484	\$ 17,212,947	\$ 5,069,553	\$ 98,381,984	\$ 2,857,114	
Employer's Workers' Compensation	2,388,447	-	1,269,343	136,188	1,405,531	(982,916)	
Employer's Unemployment Insurance Cost	297,013	-	297,013	-	297,013	-	
Employer's Dental Insurance Cost	4,605,532	-	4,356,928	233,013	4,589,941	(15,591)	
Employer's Life Insurance Cost	1,871	-	1,871	-	1,871	-	
Insurance Benefits	\$ 102,817,733	\$ 76,099,484	\$ 23,138,102	\$ 5,438,754	\$ 104,676,340	\$ 1,858,607	2%
EMPLOYER PROVIDED BENEFITS TOTAL	\$ 315,473,902	\$ 235,442,170	\$ 83,490,251	\$ 18,134,913	\$ 337,067,334	\$ 21,593,432	7%
SALARIES AND EMPLOYER PROVIDED BENEFITS							
SALARIES AND EMPLOYER PROVIDED BENEFITS TOTAL	\$ 1,240,261,994	\$ 884,645,493	\$ 339,969,573	\$ 70,220,081	\$ 1,294,835,147	\$ 54,573,153	4%
Percent of Operating Budget	82%	96%	67%	56%	84%		
PURCHASED SERVICES							
Contracted Services	\$ 46,471,364	\$ 7,309,274	\$ 22,448,506	\$ 8,788,951	\$ 38,546,731	\$ (7,924,633)	
Workshop Expenses	7,210,774	272,134	4,436,655	2,139,985	6,848,774	(362,000)	
Advertising Cost	175,919	-	253,946	42,948	296,894	120,975	
Printing and Binding Fees	1,913,941	42,760	2,547,087	119,945	2,709,792	795,851	
Psychological Contract Services	52,848	-	65,000	-	65,000	12,152	
Other Professional and Technical Services	1,498,962	1,581,041	25,101	-	1,606,142	107,180	
Professional and Technical Services	\$ 57,323,808	\$ 9,205,209	\$ 29,776,295	\$ 11,091,829	\$ 50,073,333	\$ (7,250,475)	(13%)
Public Utilities - Electric Services	\$ 22,597,391	\$ -	\$ 22,314,028	\$ -	\$ 22,314,028	\$ (283,363)	
Public Utilities - Natural Gas	2,991,399	-	3,431,202	-	3,431,202	439,803	
Public Utilities - Water and Sewer	4,191,607	-	3,919,502	-	3,919,502	(272,105)	

Budget by Object Code

Object Code	Budget 2016-17	Adopted Budget 2017-18				Increase/ Decrease	%
		State	Local	Federal	Total		
Waste Management	\$ 1,075,045	\$ -	\$ 1,212,729	\$ -	\$ 1,212,729	\$ 137,684	
Contracted Repairs and Maintenance - Land/Buildings	17,538,568	-	17,666,088	-	17,666,088	127,520	
Contracted Repairs and Maintenance - Equipment	207,813	-	196,852	-	196,852	(10,961)	
Rentals/Leases	171,121	3,135	2,649,501	300	2,652,936	2,481,815	
Other Property Services	6,000	-	6,000	-	6,000	-	
Property Services	\$ 48,778,944	\$ 3,135	\$ 51,395,902	\$ 300	\$ 51,399,337	\$ 2,620,393	5%
Pupil Transportation - Contracted	\$ 15,547,972	\$ 12,583,424	\$ 2,439,738	\$ 89,749	\$ 15,112,911	\$ (435,061)	
Travel Reimbursement	1,067,539	25,368	845,109	98,274	968,751	(98,788)	
Field Trips	714,113	256,965	219,421	42,636	519,022	(195,091)	
Transportation Services	\$ 17,329,624	\$ 12,865,757	\$ 3,504,268	\$ 230,659	\$ 16,600,684	\$ (728,940)	(4%)
Telephone	\$ 1,947,590	\$ -	\$ 1,624,800	\$ 40,000	\$ 1,664,800	\$ (282,790)	
Postage	504,910	200	429,268	40,313	469,781	(35,129)	
Telecommunications Services	2,294,690	1,514,800	144,502	-	1,659,302	(635,388)	
Mobile Communication Costs	653,436	5,400	621,958	19,200	646,558	(6,878)	
Other Communication Services	595	-	595	-	595	-	
Communications	\$ 5,401,221	\$ 1,520,400	\$ 2,821,123	\$ 99,513	\$ 4,441,036	\$ (960,185)	(18%)
Tuition Reimbursements	\$ 258,503	\$ 222,000	\$ 22,072	\$ 9,000	\$ 253,072	\$ (5,431)	
Employee Education Reimbursements	84,182	1,170	25,000	-	26,170	(58,012)	
Certification/Licensing Fees	24,240	-	21,717	-	21,717	(2,523)	
Tuition	\$ 366,925	\$ 223,170	\$ 68,789	\$ 9,000	\$ 300,959	\$ (65,966)	(18%)
Membership Dues and Fees	\$ 377,881	\$ -	\$ 387,455	\$ 11,858	\$ 399,313	\$ 21,432	
Bank Service Fees	3,500	-	4,000	-	4,000	500	
Assessments/Penalties	108,280	2,000	96,819	-	98,819	(9,461)	
Dues and Fees	\$ 489,661	\$ 2,000	\$ 488,274	\$ 11,858	\$ 502,132	\$ 12,471	3%
Liability Insurance	\$ 517,641	\$ -	\$ 542,641	\$ -	\$ 542,641	\$ 25,000	
Vehicle Liability Insurance	250,006	170,317	87,006	-	257,323	7,317	
Property Insurance	1,212,660	-	1,105,500	-	1,105,500	(107,160)	
Judgments Against the Local School Administrative Unit	10,842	-	10,842	-	10,842	-	
Fidelity Bond Premium	8,010	-	8,010	-	8,010	-	
Scholastic Accident Insurance	175,280	-	172,780	-	172,780	(2,500)	
Other Insurance and Judgments	41,076	29,736	13,090	-	42,826	1,750	
Insurance and Judgments	\$ 2,215,515	\$ 200,053	\$ 1,939,869	\$ -	\$ 2,139,922	\$ (75,593)	(3%)

Budget by Object Code

Object Code	Budget 2016-17	Adopted Budget 2017-18				Increase/ Decrease	%
		State	Local	Federal	Total		
Debt Service - Principal	\$ 428,778	\$ -	\$ -	\$ -	\$ -	\$ (428,778)	
Debt Services	\$ 428,778	\$ -	\$ -	\$ -	\$ -	\$ (428,778)	(100%)
Indirect Cost	\$ 6,060,844	\$ -	\$ 1,990,799	\$ 4,631,909	\$ 6,622,708	\$ 561,864	
Unbudgeted Funds	11,071,409	-	1,629,628	8,487,927	10,117,555	(953,854)	
Other Administrative Costs	\$ 17,132,253	\$ -	\$ 3,620,427	\$ 13,119,836	\$ 16,740,263	\$ (391,990)	(2%)
PURCHASED SERVICES TOTAL	\$ 149,466,729	\$ 24,019,724	\$ 93,614,947	\$ 24,562,995	\$ 142,197,666	\$ (7,269,063)	(5%)
<i>Percent of Operating Budget</i>	<i>10%</i>	<i>3%</i>	<i>18%</i>	<i>20%</i>	<i>9%</i>		
SUPPLIES AND MATERIALS							
Supplies and Materials	\$ 42,397,271	\$ 2,499,456	\$ 30,310,951	\$ 5,946,511	\$ 38,756,918	\$ (3,640,353)	
State Textbooks	52,565	-	-	-	-	(52,565)	
Other Textbooks	280,799	231,251	33,185	-	264,436	(16,363)	
Library Books	641,617	-	250,252	46,681	296,933	(344,684)	
Computer/Software and Supplies	4,402,331	1,635,217	2,689,208	351,052	4,675,477	273,146	
School and Office Supplies	\$ 47,774,583	\$ 4,365,924	\$ 33,283,596	\$ 6,344,244	\$ 43,993,764	\$ (3,780,819)	(8%)
Fuel for Facilities	\$ 173,957	\$ -	\$ 180,621	\$ -	\$ 180,621	\$ 6,664	
Repair Parts, Materials and Related Labor, Grease, and Anti-Freeze	11,538,374	2,224,071	7,236,592	-	9,460,663	(2,077,711)	
Gas/Diesel Fuel	5,379,086	741,743	741,365	100	1,483,208	(3,895,878)	
Oil	214,844	-	147,626	-	147,626	(67,218)	
Tires and Tubes	764,312	-	694,430	-	694,430	(69,882)	
Operational Supplies	\$ 18,070,573	\$ 2,965,814	\$ 9,000,634	\$ 100	\$ 11,966,548	\$ (6,104,025)	(34%)
Food Purchases	\$ 20,697,367	\$ -	\$ 599,609	\$ 20,232,128	\$ 20,831,737	\$ 134,370	
Food Processing Supplies	2,302,495	-	-	2,233,214	2,233,214	(69,281)	
Other Food Purchases	18,900	8,756	4,900	-	13,656	(5,244)	
Food Supplies	\$ 23,018,762	\$ 8,756	\$ 604,509	\$ 22,465,342	\$ 23,078,607	\$ 59,845	0%
Furniture and Equipment - Inventoried	\$ 1,245,184	\$ 61,329	\$ 1,711	\$ 452,188	\$ 515,228	\$ (729,956)	
Computer Equipment - Inventoried	1,730,202	392,820	-	516,270	909,090	(821,112)	
Non-Capitalized Equipment	\$ 2,975,386	\$ 454,149	\$ 1,711	\$ 968,458	\$ 1,424,318	\$ (1,551,068)	(52%)
SUPPLIES AND MATERIALS TOTAL	\$ 91,839,304	\$ 7,794,643	\$ 42,890,450	\$ 29,778,144	\$ 80,463,237	\$ (11,376,067)	(12%)
<i>Percent of Operating Budget</i>	<i>6%</i>	<i>1%</i>	<i>8%</i>	<i>24%</i>	<i>5%</i>		

Budget by Object Code

Object Code	Budget 2016-17	Adopted Budget 2017-18				Increase/ Decrease	%
		State	Local	Federal	Total		
CAPITAL OUTLAY							
General Contract	\$ 137,800	\$ -	\$ 137,800	\$ -	\$ 137,800	\$ -	
Architects Fees	74,813	-	62,812	-	62,812	(12,001)	
Construction Management Contracts	262,620	-	-	-	-	(262,620)	
Miscellaneous Contracts and Other Charges	1,613,555	-	2,012,960	-	2,012,960	399,405	
Building Contracts	\$ 2,088,788	\$ -	\$ 2,213,572	\$ -	\$ 2,213,572	\$ 124,784	6%
Purchase of Furniture and Equipment - Capitalized	\$ 1,035,887	\$ 87,537	\$ 212,219	\$ 368,639	\$ 668,395	\$ (367,492)	
Purchase of Computer Hardware - Capitalized	872,668	-	-	-	-	(872,668)	
Equipment	\$ 1,908,555	\$ 87,537	\$ 212,219	\$ 368,639	\$ 668,395	\$ (1,240,160)	(65%)
Purchase of Vehicles	\$ 2,323,145	\$ 10,000	\$ 1,347,284	\$ 110,000	\$ 1,467,284	\$ (855,861)	
License and Title Fees	125,470	7,608	122,287	-	129,895	4,425	
Vehicles	\$ 2,448,615	\$ 17,608	\$ 1,469,571	\$ 110,000	\$ 1,597,179	\$ (851,436)	(35%)
CAPITAL OUTLAY TOTAL	\$ 6,445,958	\$ 105,145	\$ 3,895,362	\$ 478,639	\$ 4,479,146	\$ (1,966,812)	(31%)
Percent of Operating Budget	0%	0%	1%	0%	0%		
TRANSFERS							
Transfers to Charter Schools	\$ 25,629,663	\$ -	\$ 32,216,563	\$ -	\$ 32,216,563	\$ 6,586,900	
TRANSFERS TOTAL	\$ 25,629,663	\$ -	\$ 32,216,563	\$ -	\$ 32,216,563	\$ 6,586,900	26%
Percent of Operating Budget	2%	0%	6%	0%	2%		
OPERATING BUDGET	\$ 1,513,643,648	\$ 916,565,005	\$ 512,586,895	\$ 125,039,859	\$ 1,554,191,759	\$ 40,548,111	3%
BUILDING PROGRAM	796,514,596	-	655,183,860	-	655,183,860	(141,330,736)	(18%)
TOTAL BUDGET	\$ 2,310,158,244	\$ 916,565,005	\$ 1,167,770,755	\$ 125,039,859	\$ 2,209,375,619	\$ (100,782,625)	(4%)

Staff Budget

	Months of Employment					
	2016-17	2017-18			Increase/	
	Total	State	Local	Federal	Total	Decrease
Administrative Personnel						
Superintendent	12.00	12.00			12.00	0.00
Associate and Deputy Superintendent	60.00	24.00	36.00		60.00	0.00
Director and/or Supervisor	4,019.30	222.00	3,615.80	157.20	3,995.00	(24.30)
Principal/Headmaster	2,143.90	2,196.00	12.60		2,208.60	64.70
Finance Officer	12.00	12.00			12.00	0.00
Assistant Principal (non-teaching)	3,179.37	3,154.37	90.00		3,244.37	65.00
Other Assistant Principal Assignment	290.00	290.00			290.00	0.00
Assistant Superintendent	192.00	36.00	156.00		192.00	0.00
	9,908.57	5,946.37	3,910.40	157.20	10,013.97	105.40
Instructional Personnel - Certified						
Teacher	101,770.01	88,263.24	11,029.12	4,851.30	104,143.66	2,373.65
Interim Teacher (paid at non-certified rate)	52.00	46.65	0.35	5.00	52.00	0.00
Teacher - ROTC	180.00	90.00		90.00	180.00	0.00
Teacher - VIF	755.00	751.00		4.00	755.00	0.00
Extended Contracts	2.00				0.00	(2.00)
Master Teacher	970.00	823.50		146.00	969.50	(0.50)
	103,729.01	89,974.39	11,029.47	5,096.30	106,100.16	2,371.15
Instructional Support Personnel - Certified						
Instructional Support I - Regular Pay Scale	9,821.90	8,471.45	1,114.25	350.00	9,935.70	113.80
Instructional Support II - Advanced Pay Scale	1,878.50	1,940.30	89.00	12.00	2,041.30	162.80
Psychologist	1,188.00	1,147.00	50.00	13.00	1,210.00	22.00
Instructional Facilitator	3,569.00	1,530.20	555.50	1,470.80	3,556.50	(12.50)
	16,457.40	13,088.95	1,808.75	1,845.80	16,743.50	286.10
Instructional Support Personnel - Non-Certified						
Teaching Assistant - Other	428.00	406.00	22.00		428.00	0.00
Teaching Assistant - NCLB	24,357.90	20,322.93	1,640.04	3,032.55	24,995.52	637.62
Interpreter, Braillist, Translator, Education Interpreter	400.00	356.00	34.00	10.00	400.00	0.00
Therapist	794.95	844.24			844.24	49.29
School-Based Specialist	306.00		258.00	37.00	295.00	(11.00)
Monitor	1,658.75		1,756.25		1,756.25	97.50
	27,945.60	21,929.17	3,710.29	3,079.55	28,719.01	773.41
Technical and Administrative Support Personnel						
Office Support	11,622.56	9,019.42	2,663.34	124.80	11,807.56	185.00
Technician	600.00	12.00	588.00		600.00	0.00
Administrative Specialist (Central Support)	684.00	96.00	588.00		684.00	0.00
	12,906.56	9,127.42	3,839.34	124.80	13,091.56	185.00

Staff Budget

	Months of Employment					Increase/ Decrease
	2016-17	2017-18				
	Total	State	Local	Federal	Total	
Operational Support Personnel						
Driver	11,138.90	11,226.90	192.00		11,418.90	280.00
Custodian	5,474.46	5,528.46	18.00		5,546.46	72.00
Cafeteria Worker	6,880.00		6,990.00		6,990.00	110.00
Skilled Trades	4,356.00	1,788.00	2,592.00		4,380.00	24.00
Manager	2,617.00	180.00	2,475.00		2,655.00	38.00
	30,466.36	18,723.36	12,267.00	0.00	30,990.36	524.00
Total Months of Employment	201,413.50	158,789.66	36,565.25	10,303.65	205,658.56	4,245.06
Months Assigned Directly to Schools	177,619.89	148,883.92	23,642.84	8,817.60	181,344.36	3,724.47
Months Budgeted Centrally but Working in Schools						
Academic Advancement	8,029.00	6,253.74	919.60	1,204.05	8,377.39	348.39
Operations Support	5,696.75	642.00	5,212.25	24.00	5,878.25	181.50
Technology Services	504.00	48.00	456.00		504.00	0.00
Superintendent's Office	24.00		36.00		36.00	12.00
	14,253.75	6,943.74	6,623.85	1,228.05	14,795.64	541.89
School-Based Months	191,873.64	155,827.66	30,266.69	10,045.65	196,140.00	4,266.36
	95%				95%	
Central Services Months						
Operations Support	5,323.56	1,992.00	3,331.56		5,323.56	0.00
Academic Advancement	2,350.00	772.00	1,305.00	255.00	2,332.00	(18.00)
Technology Services	720.00	48.00	672.00		720.00	0.00
Communications	480.00	30.00	450.00		480.00	0.00
Superintendent's Office	426.30	72.00	348.00	3.00	423.00	(3.30)
Chief of Staff and Strategic Planning	240.00	48.00	192.00		240.00	0.00
Central Services Months	9,539.86	2,962.00	6,298.56	258.00	9,518.56	(21.30)
	5%				5%	
Total Months of Employment	201,413.50	158,789.66	36,565.25	10,303.65	205,658.56	4,245.06

Changes in Staff

Page	Months of Employment			
	State	Local	Federal	Total
Administrative Personnel				
<i>Director and/or Supervisor</i>				
153	Office of Equity Affairs Expansion	12.00		12.00
163	Title II - Improving Teacher Quality		12.00	12.00
166	Magnet School		(18.00)	(18.00)
173	Triangle Community Foundation	12.00		12.00
174	IDEA - Early Intervening Services		(12.00)	(12.00)
183	Medicaid Administrative Outreach Program		(6.30)	(6.30)
195	United Way Changing Generations/Pathways to Progress	(8.20)		(8.20)
194	John Rex Endowment	(12.00)		(12.00)
195	Wake Up and Read	(3.80)		(3.80)
		0.00	0.00	(24.30)
<i>Principal</i>				
68	New Schools and School Changes	48.00		48.00
75	New Schools - Early Hires, Task Assignment, and Staff Development Dollars	(3.00)		(3.00)
128	One-Time Costs in 2016-17	(10.90)		(10.90)
148	Connections Alternative Middle School	12.00		12.00
150	Second Chance Online Resource for Education (SCORE) School	12.00		12.00
	Add One-Time Costs in 2017-18	6.60		6.60
		72.00	(7.30)	0.00
<i>Assistant Principal</i>				
68	New Schools and School Changes	36.00	8.00	44.00
75	New Schools - Early Hires, Task Assignment, and Staff Development Dollars	(2.00)		(2.00)
128	One-Time Costs in 2016-17	(59.00)		(59.00)
148	Connections Alternative Middle School	12.00		12.00
150	Second Chance Online Resource for Education (SCORE) School	24.00		24.00
	Add One-Time Costs in 2017-18	46.00		46.00
		36.00	29.00	0.00
Subtotal - Administrative Personnel				
		108.00	21.70	(24.30)
Instructional Personnel - Certified				
<i>Teacher</i>				
65	Teachers - Regular Classroom	1,300.00	73.00	1,373.00
68	New Schools and School Changes	119.00	61.00	180.00
79	GradPoint Summer School Months of Employment	0.50		0.50
80	Limited English Proficiency (LEP) Months of Employment	20.50	19.50	40.00

Changes in Staff

Page		Months of Employment			
		State	Local	Federal	Total
82	Middle School Academics Teachers		43.00		43.00
87	Special Education Teachers and Teaching Assistants	410.00			410.00
92	Preschool Special Education Teachers and Teaching Assistants	40.00		10.00	50.00
101	North Wake College and Career Academy		40.00		40.00
103	Positions Previously Funded by the Magnet School Grant		67.00	(67.00)	0.00
121	Teacher - Regular Classroom - Class Size Legislative Requirement		310.00		310.00
128	One-Time Costs in 2016-17		(286.85)		(286.85)
134	K-8 Intervention Formula Change	(13.00)			(13.00)
143	Magnet New and Revised Theme Schools		155.00		155.00
147	Positions Previously Funded by the IDEA Title VI-B Handicapped Grant				0.00
148	Connections Alternative Middle School		30.00		30.00
150	Second Chance Online Resource for Education (SCORE) School		20.00		20.00
171	Title III - Language Acquisition			2.00	2.00
172	Title III - Language Acquisition - Significant Increase			10.00	10.00
	Add One-Time Costs in 2017-18		10.00		10.00
		1,877.00	541.65	(45.00)	2,373.65
Extended Contracts					
196	ESEA Title I - School Improvement			(2.00)	(2.00)
		0.00	0.00	(2.00)	(2.00)
Master Teacher					
75	New Schools - Early Hires, Task Assignment, and Staff Development Dollars		(0.50)		(0.50)
		0.00	(0.50)	0.00	(0.50)
	Subtotal - Instructional Personnel - Certified	1,877.00	541.15	(47.00)	2,371.15
Instructional Support Personnel - Certified (Teacher Pay Schedule)					
Instructional Support I					
68	New Schools and School Changes	63.50	14.00		77.50
94	School Counselors	65.00			65.00
105	Elementary Counselor Coordinator for Elementary Support Model and At-Risk Schools		10.00	(10.00)	0.00
128	One-Time Costs in 2016-17		(0.70)		(0.70)
143	Magnet New and Revised Theme Schools		20.00		20.00
150	Second Chance Online Resource for Education (SCORE) School		36.00		36.00
153	Office of Equity Affairs Expansion		12.00		12.00
180	Elementary and Secondary School Counseling (ESSC) Achieve Success			(48.00)	(48.00)

Changes in Staff

Page		Months of Employment			
		State	Local	Federal	Total
194	John Rex Endowment		(24.00)		(24.00)
194	John Rex Endowment - Social Emotional Foundations for Early Learning		(24.00)		(24.00)
		128.50	43.30	(58.00)	113.80
	Instructional Support II				
83	Audiologists	29.20			29.20
89	Speech-Language Pathologists	133.60			133.60
		162.80	0.00	0.00	162.80
	Psychologist				
68	New Schools and School Changes	22.00			22.00
		22.00	0.00	0.00	22.00
	Instructional Facilitator				
68	New Schools and School Changes		9.00		9.00
100	K-2 Literacy Coaches		17.50	(17.50)	0.00
101	North Wake College and Career Academy		10.00		10.00
103	Positions Previously Funded by the Magnet School Grant		9.00	(9.00)	0.00
106	Social Emotional Foundations for Early Learning Coach		12.00		12.00
142	Elementary Education Coordinating Teacher		6.00		6.00
166	Magnet School			(9.00)	(9.00)
174	IDEA - Early Intervening Services			(40.50)	(40.50)
		0.00	63.50	(76.00)	(12.50)
	Subtotal - Instructional Support Personnel - Certified	313.30	106.80	(134.00)	286.10
	Instructional Support Personnel - Non-Certified				
	Teaching Assistant - NCLB				
66	Teaching Assistants - Regular Classroom	(67.00)	132.47		65.47
87	Special Education Teachers and Teaching Assistants	46.50	409.20		455.70
92	Preschool Special Education Teachers and Teaching Assistants	158.10		9.30	167.40
128	One-Time Costs in 2016-17		(43.95)		(43.95)
183	Medicaid Administrative Outreach Program			(7.00)	(7.00)
		137.60	497.72	2.30	637.62
	Therapist				
84	Occupational Therapists	38.49			38.49
86	Physical Therapists	10.80			10.80
		49.29	0.00	0.00	49.29

Changes in Staff

Page		Months of Employment			
		State	Local	Federal	Total
	<i>School-Based Specialist</i>				
194	Digital Promise Grant		(11.00)		(11.00)
		0.00	(11.00)	0.00	(11.00)
	<i>Monitor</i>				
99	Exceptional Children (EC) Operations		97.50		97.50
		0.00	97.50	0.00	97.50
	Subtotal - Instructional Support Personnel - Non-Certified	186.89	584.22	2.30	773.41
	Technical and Administrative Support Personnel				
	<i>Office Support</i>				
68	New Schools and School Changes	158.00			158.00
75	New Schools - Early Hires, Task Assignment, and Staff Development Dollars		(1.00)		(1.00)
104	Data Manager - McKinney-Vento Homeless Assistance		12.00	(12.00)	0.00
128	One-Time Costs in 2016-17		(5.00)		(5.00)
148	Connections Alternative Middle School		24.00		24.00
150	Second Chance Online Resource for Education (SCORE) School		24.00		24.00
166	Magnet School			(9.00)	(9.00)
194	John Rex Endowment		(6.00)		(6.00)
		158.00	48.00	(21.00)	185.00
	Subtotal - Technical and Administrative Support Personnel	158.00	48.00	(21.00)	185.00
	Operational Support Personnel				
	<i>Driver</i>				
68	New Schools and School Changes	280.00			280.00
		280.00	0.00	0.00	280.00
	<i>Custodian</i>				
68	New Schools and School Changes	60.00			60.00
148	Connections Alternative Middle School		12.00		12.00
		60.00	12.00	0.00	72.00
	<i>Cafeteria Worker</i>				
68	New Schools and School Changes		110.00		110.00
		0.00	110.00	0.00	110.00

Changes in Staff

Page	Months of Employment				
	State	Local	Federal	Total	
Skilled Trades					
155	Facility Maintenance Technician	12.00		12.00	
156	Integrated Pest Management Master Craftsman	12.00		12.00	
		0.00	24.00	0.00	24.00
Manager					
68	New Schools and School Changes	38.00		38.00	
		0.00	38.00	0.00	38.00
Subtotal - Operational Support Personnel		340.00	184.00	0.00	524.00
Total		2,983.19	1,485.87	(224.00)	4,245.06

Months By Cost Center				
School-Based Months (0000 - 0799)	2,537.80	1,346.37	(159.70)	3,724.47
Central Services School-Based Months (0800 - 0899)	445.39	115.50	(19.00)	541.89
Central Services Months (0900 - 0999)	0.00	24.00	(45.30)	(21.30)
Total	2,983.19	1,485.87	(224.00)	4,245.06