



WCPSS

Federal Pandemic Relief Funds Update & Review 2023-24 Budget Priorities

Joint Boards Meeting - March 27, 2023

Board of Education / Board of County Commissioners

Today

- Provide an update on WCPSS utilization of Pandemic Relief Funds
- Look at the landscape as the 2023-24 Proposed Budget is developed
- Provide a glimpse of priority areas in the 2023-24 Budget

Pandemic Relief Funds

Today

- Background on how funding has been targeted during pandemic
- Provide the status of utilization of funding received to date
- Fiscal Transition – maintaining established services post Federal Relief Funds

Interrupted Learning Supports

Instructional Support Positions (2021-2023)

- IST Positions support student and parent engagement in the district's instructional technology resources and ensure equitable access across all student populations
- Digital Tools Administrator to support districtwide digital resources

Intervention and Acceleration Positions (2021-2024)

- Additional MOE must be used to provide intervention instruction to students requiring supplemental and/or intensive supports
- This person works in conjunction with the Intervention Team Facilitator/Coordinator and the classroom teacher

Total Investment: \$44M

Digital Learning Resources (2021-2023)

Quaver Music, Dreambox, Instructure Canvas, iReady and Mackin Educational



Behavioral Support Services

Behavioral Support Personnel

- Nurses
- Social Workers
- Counselors
- Psychologists and district support



Total Investment: \$21.3M

Behavioral Support Contracts

- Trauma Informed Practices
- Restorative Practices
- Supportive Counseling and
- Community Liaisons, Wellness Session (after hours/weekends)

Behavioral Support Resources

- Second Step Online Curriculum

Changes in the Employment Marketplace

- Existing staffing vacancies based upon non-competitive compensation exacerbated by fundamental changes to the employment marketplace
- Hiring Incentives
- Retention & Recognition Bonuses
- Building Level Permanent Substitute Teacher

Staff Bonuses

Retention Bonus (2021-2023)

- \$1,250 per employee
- January 2022, May 2022 and November 2022

Legislative Bonus (2021-2022)

Teachers and licensed instructional support personnel.

- \$1,000 per employee COVID Training/January 2022
- \$1,000 for all permanent full-time eligible employees - employed as of December 1, 2021.

Retention Bonus (2021-2023)

Special Education Teachers

- \$3,500 per new hire employee after July 1, 2021
- After (3) months \$1,750 & 1,750 November 2022)

Instructional Assistant - \$1,200 per new hire employee

- After 3 months \$600 & \$600 November 2022)

Total Investment: \$125M

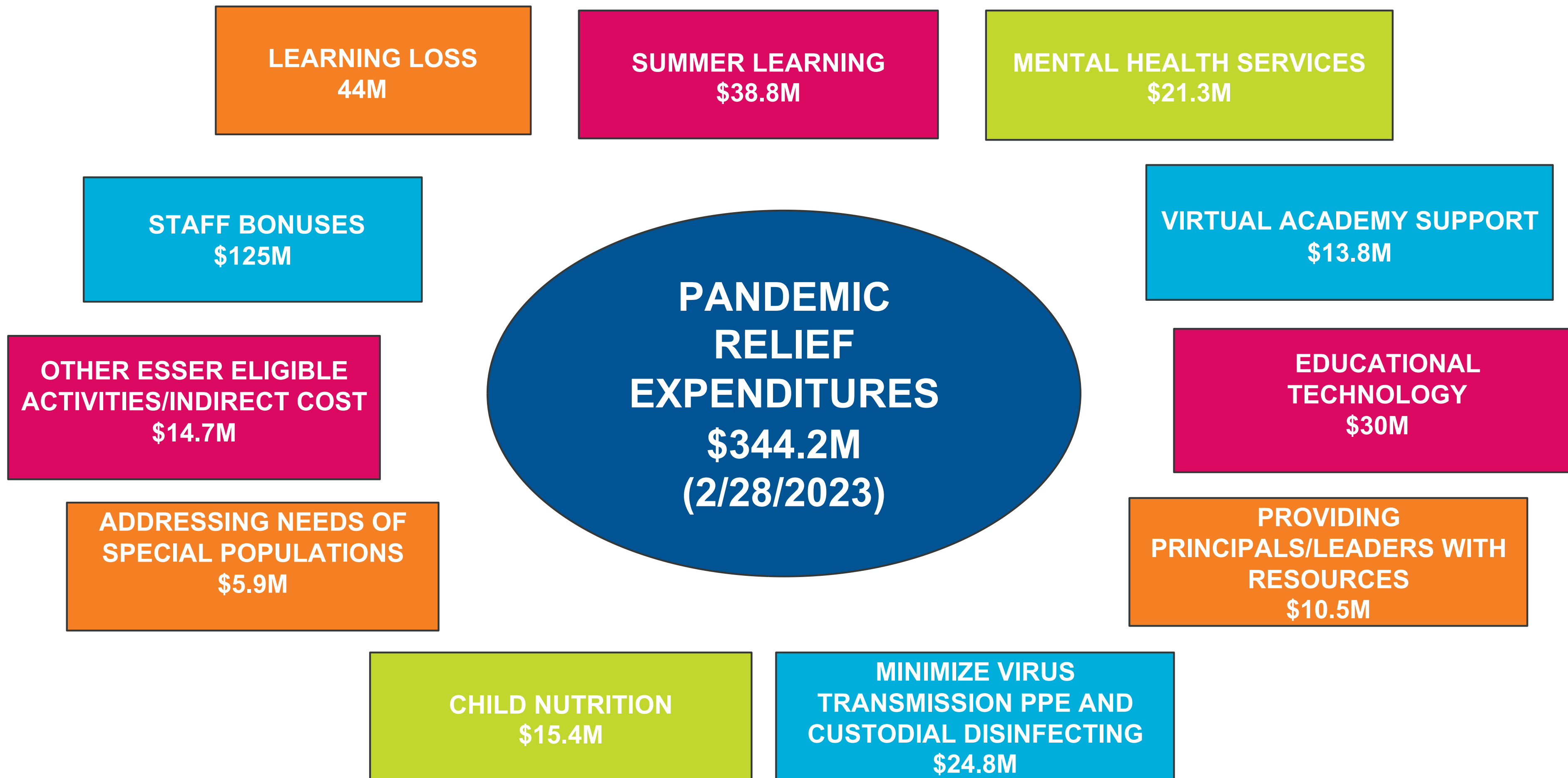
LETRS Bonus (2022-2024)

Teacher Bonus: up to \$2,000 bonus with half paid after the first (4) modules and the remaining half paid after completion and mastery of the final four modules.

Retention Bonus (2021-2022)

Child Nutrition Staff - Retention Bonus up to \$1350 for active employment on May 29, 2022.





Pandemic Relief Funds

Total Pandemic Funding:	\$474,973,747	100.0%
Expenditures through 2/28/23::	(\$344,246,117)	72.0%
Encumbrances as of 2/28/23::	(\$5,560,142)	1.0%
Payroll Projections through 6/30/23:	(\$13,336,251)	2.0%
Estimated - Retesting Administration Pay through 6/30/23:	(\$663,350)	1.0%
Estimated - Bonus Payments through 6/30/23:	(\$7,462,150)	1.0%
Estimated - Non-Personnel Costs through 6/30/23:	(\$6,826,000)	1.0%
Estimated - Indirect Cost through 6/30/23:	(\$746,955)	1.0%
Planned Pandemic Initiatives for 2023-24 :	\$96,132,782	21.0%

2023-2024 Pandemic Relief Funding:

- 18 Restricted Programs: \$25.4M
- District ESSER III Program: \$70.7M

Fiscal Transition

- Pandemic Relief Funding non-recurring
- Investment has been made areas that were priority pre-pandemic
- Desire & plan to continue initiatives post-2023-24
 - Behavioral Support positions
 - Instructional Technology Support positions
 - Expansion of Maintenance & Operations funding to national
- ≈ \$32 million required to manage through the Fiscal Transition

Prior Board Update Presentations

December 20, 2022 update - Board Work Session Presentation

March 15, 2022 update – Board Finance Committee Presentation

November 16, 2021 update – Board Finance Committee - (begin page 14) Presentation

October 19, 2021 update – Board Finance Committee - Presentation

March 16, 2021 update – Board Finance Committee – (begin page 14) Presentation

November 10, 2020 – Board Finance Committee – Presentation

September 15, 2020 update – Board Finance Committee – Presentation

May 5, 2020 update – Board Work Session – (begin page 10) Presentation

2023-24 Budget Priorities & Landscape

Today

- Budget development timeline
- Landscape considerations in developing 2023-24 Proposed Budget
- 2023-24 Budget Priorities

2023-24 Budget Development Activities Through April

November 21	Chief Officers' meeting to discuss budget development cycle.
December 23	Chief Officers submit funding requests and budget projections to the Budget Department
February 6, 13, 16, 20, 23 March 6, 13	Chief Officers work sessions to balance Superintendent's Proposed Budget.
February 21	Board of Education Finance Committee - Presentation on BUDGET 101
March 7	Board of Education Work session - Presentation on staffing issues and history of compensation changes.
March 21	Board of Education Finance Committee - Presentation on the budget development process.
March 27	Joint meeting of Board of Education and Board of Commissioners
April 11	Superintendent delivers Superintendent's Proposed Budget for 2023-24 to Board of Education
April 25	Board of Education budget work session during Board Work-Session and public hearing on Superintendent's Proposed Budget at Board Meeting

State, Federal, and Local Budget Process Complexities

- Federal, state, and local budget development occur simultaneously
- WCPSS's operating budget of \$2b utilizing funds supports the spending plan for the strategic plan of WCPSS
- Use current year budget information as well as changes that will likely occur in the next year to estimate funds from the state and federal governments
- It is important to have good estimates because state and federal funding impact the resources the school system will need from local sources

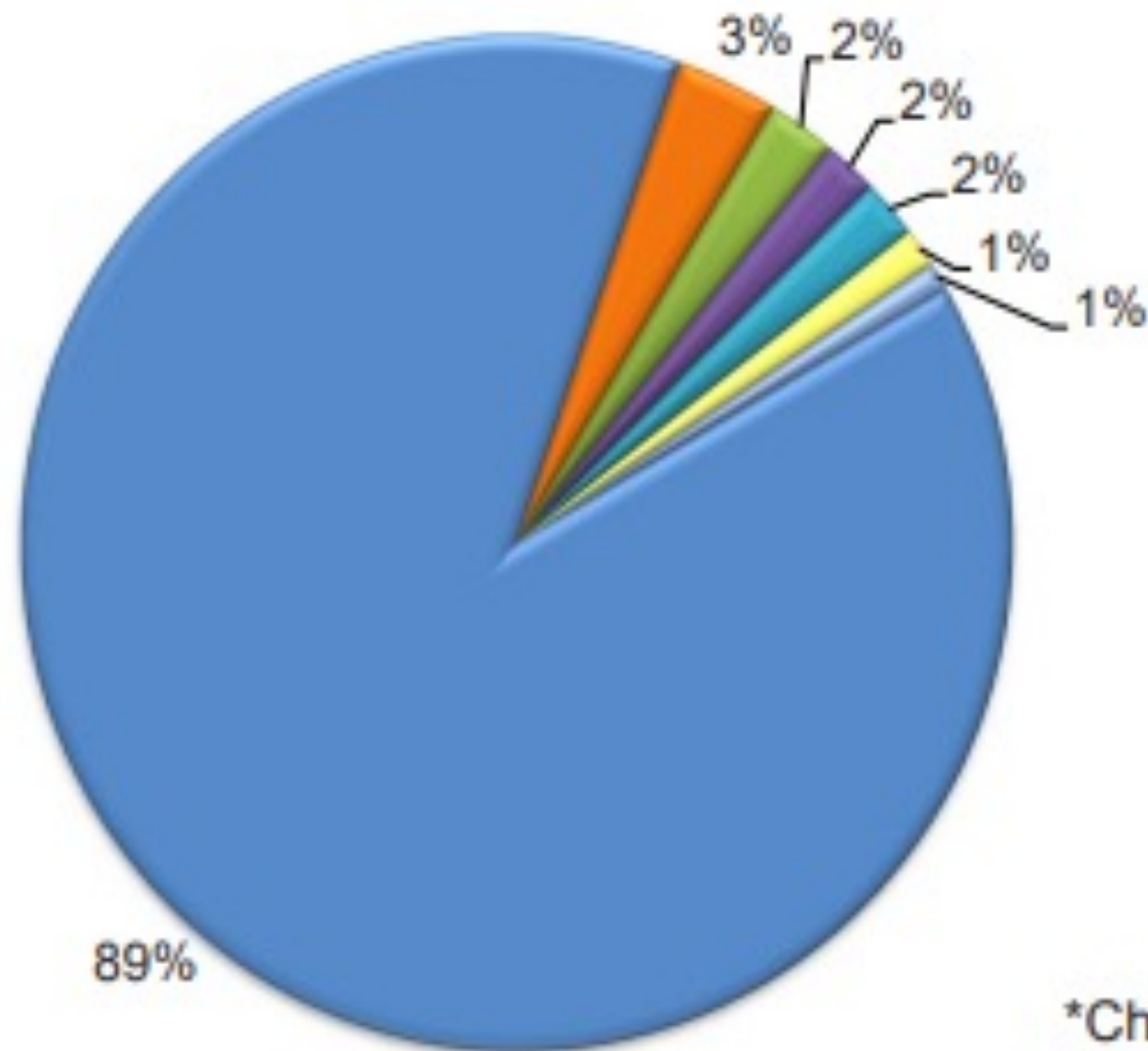
State, Federal, and Local Budget Process Complexities

Resources may be needed in the following areas:

- Employee Compensation
 - Legislative Impact
 - New Schools and School Changes
 - Student Membership Changes
 - Special Education Services
 - Program Continuity
 - Increasing Property Costs
 - Priority Areas – Multi-Year Plan
 - Removal of Prior Year One-Time Costs
 - New or Expanding Program
 - Program Reduction, Elimination or Savings
 - Changes to Grants, Donations, and Fees
 - Capital Building Program
- Estimate state and federal resources to fund the budget.
 - How much fund balance can the system reinvest in the next year's budget?
 - How much will the superintendent recommend the board request from the county commissioners?

Operating Budget

Operating Budget: \$2,163,403,633



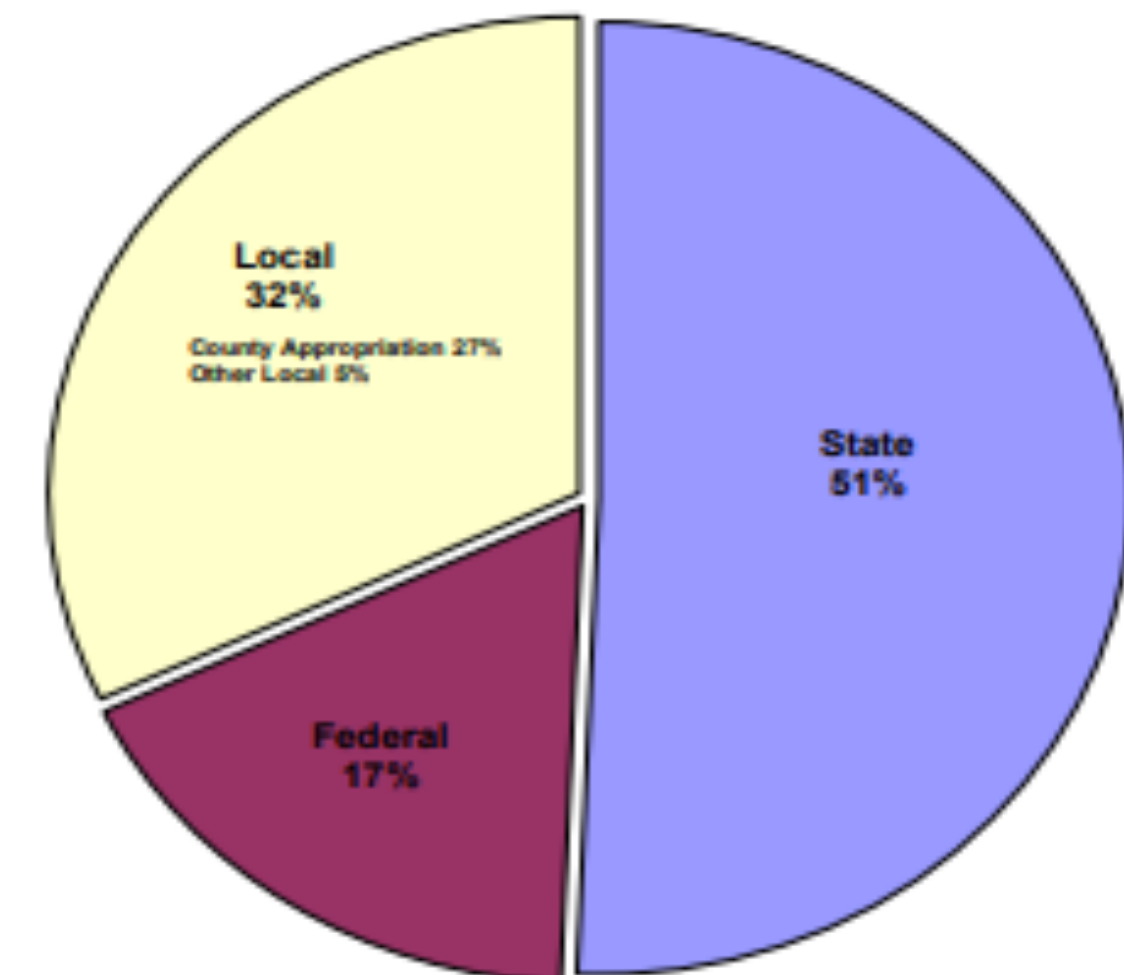
- Schools - 89%
- Facilities and Operations - 3%
- Charter Schools Pass-Through - 2%*
- Board of Education, Superintendent's Office, Communications, Chief of Staff and Strategic Planning, Chief of Schools - 2%
- Academic Advancement - 2%
- Administrative Services - 1%
- Technology Services - 1%

*Charter schools receive state funds directly from NCDPI. The local pass through to charter schools represents over 8% of the local funds due to charter schools.

Operating Budget Per Pupil

OPERATING BUDGET FOR 2022-23				
	Operating Budget		Per Pupil Budget	
State	\$	1,096,080,820	51%	\$ 6,870
County Appropriation	\$	594,253,045	27%	\$ 3,361
Fund Balance Appropriation	\$	39,397,245	2%	\$ 247
Enterprise Funds	\$	38,504,421	2%	\$ 241
Other Local	\$	19,964,797	1%	\$ 125
Local - Current Expense Non-Restricted	\$	2,522,500	<1%	\$ 14
Local	\$	694,642,008	32%	\$ 3,988
Federal	\$	372,680,805	17%	\$ 2,336
TOTAL	\$	2,163,403,633	100%	\$ 13,194

OPERATING BUDGET



Multi-Year Initiatives

Multi-year initiatives in place to address long-term needs of the school system:

- Employee Compensation
- Behavioral Health Supports
- Instructional Support Technicians
- Maintenance and Operations Formula Alignment

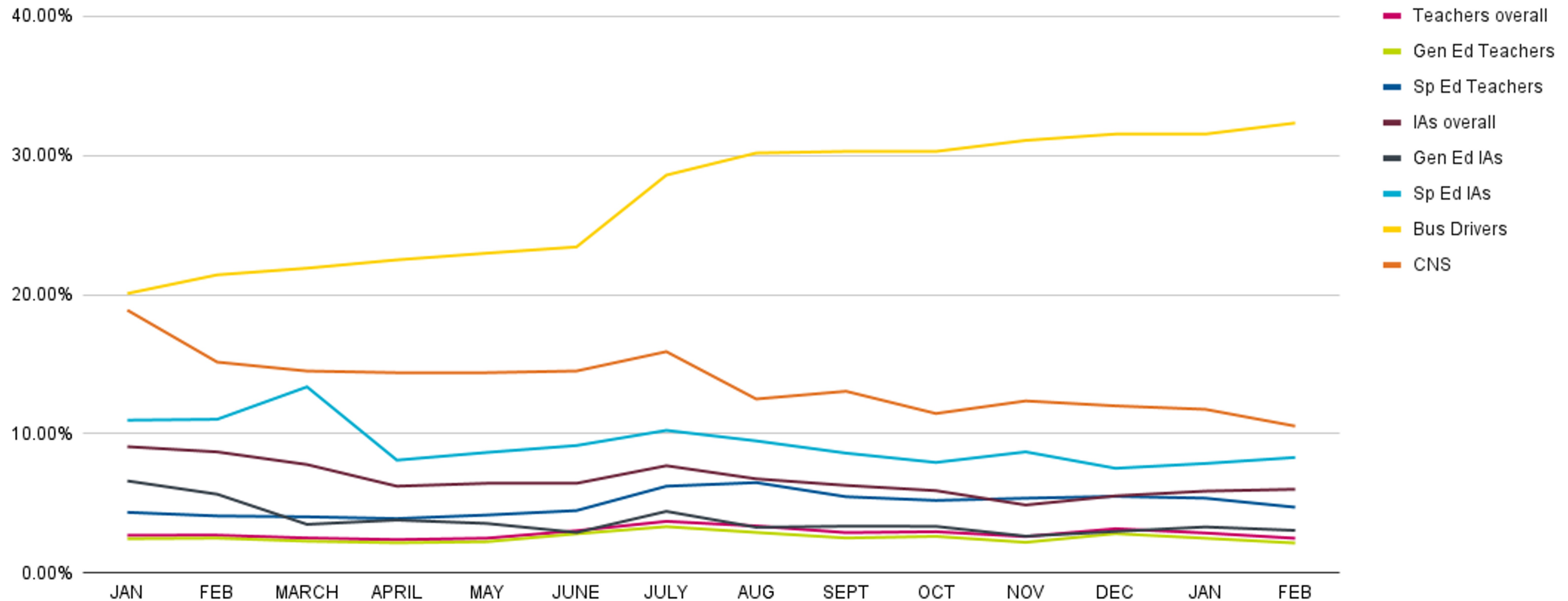
Multi-Year initiatives remain a central focus for the district

Multi-Year initiatives now compete with needs of the Fiscal Transition for 2 years

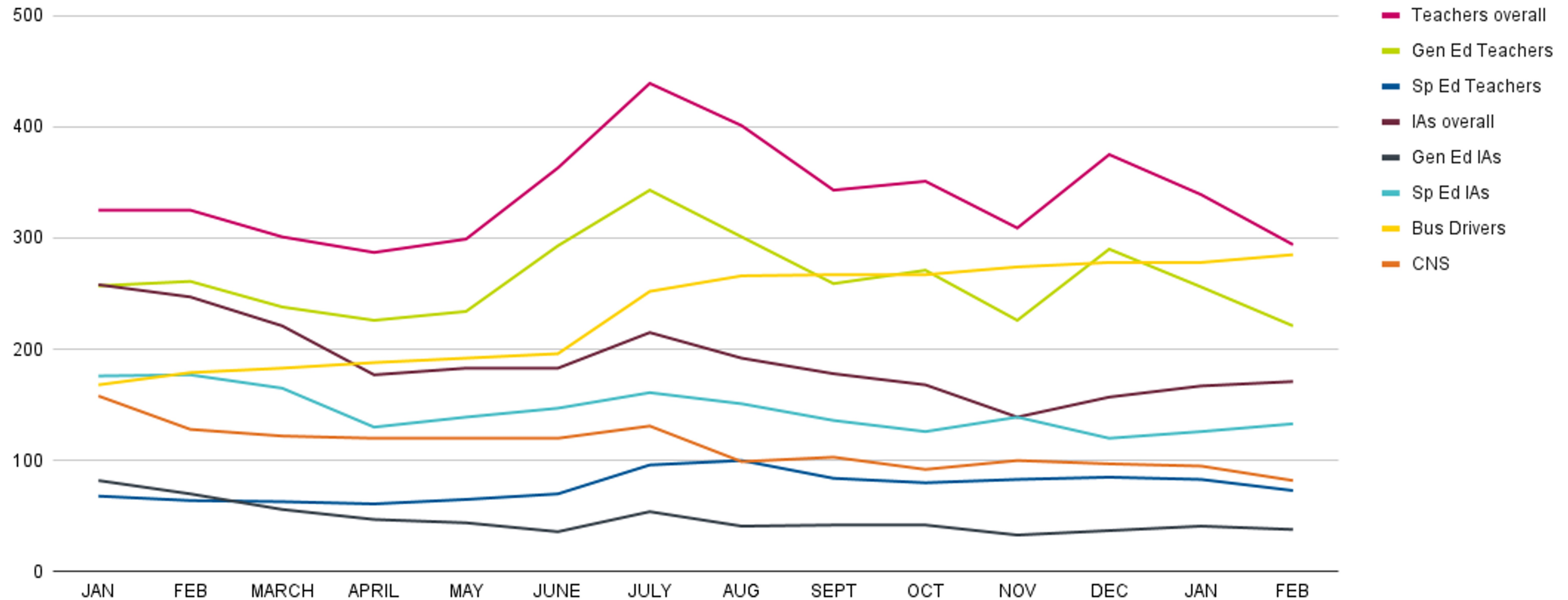
Employee Compensation

- Superintendent's Budget will focus on improving compensation for staff.
- WCPSS continues to have high turnover and difficulty filling certain position types.
- The school system must compete with private industry, state government, local government, and neighboring districts for the best candidates.
- 80% of the Operating Budget supports salaries and benefits of staff
- State Funding of compensation increases has not kept pace in any of the areas of staffing including school administrators, teachers, and support staff
- Current employment market exacerbates pre-pandemic non-competitive wages

Vacancy Rates - January 2022 to February 2023



Vacancy Totals - January 2022 to February 2023



Vacancy Rates and Totals - February 2023

Position	Vacancies	Vacancy Rate	% Change (month)	% Change (year)
Teachers	294	2.50%	-0.38%	-0.22%
General Education	221	2.16%	0.34%	-0.35%
Special Education	73	4.73%	-0.65%	+0.63%
Instructional Assistants	171	6.02%	+0.13%	-2.68%
General Education	38	3.07%	-0.25%	-2.60%
Special Education	133	8.30%	+0.43%	-2.74%
CNS (school-based)	82	10.55%	-1.20%	-4.59%
Bus Drivers	285	32.31%	+0.79%	+10.90%

Focus of budget development for 2023-24

- Employee Compensation – Funding state legislated & locally approved changes
- Recommendation for locally approved increase to minimum hourly rate
- Behavioral Support (Counselors, Social Workers, Psychologists) - Multi-Year initiative
- Fiscal Transition which must be addressed during the next two budget cycles
- Requirement to fund state required employer benefit rate increases:
 - State Health Plan
 - State Retirement System
- Increases to local funding must include additional funds due to Charter Schools

Employee Compensation – Areas of Progress

- Effective July 1, 2023, WCPSS implemented \$16/hour minimum wage
- The Superintendent's Proposed Budget will include recommendations to increase this minimum
- WCPSS continues to lag behind beginning wages in other organizations so although there is minimal improvement in recruiting and retaining staff
- **Employee compensation will continue to be a priority in seeking additional state and local resources**

2023-24 Budget Focus Areas

Student Behavioral Support Expansion

- Expanded support for students were identified as critical pre-pandemic:
 - Guidance Counselors
 - Social Workers, Psychologists
 - Nurses
- Staff to Student ratios not aligned with WCPSS student needs or national standards
- Progress has been made
- Pandemic Relief Funds supported Multi-Year expansion using relief funds
- Superintendent's proposed budget will request resources for behavioral health supports

Fiscal transition

One-time federal pandemic funds support over \$32m for:

- Maintenance and Operations, Custodial and Utility Costs
- Instructional Support Technicians
- Behavioral Health Supports
- Building Level Substitutes

WCPSS will transition these resources from federal funding to other funding sources during the 2023-24 and 2024-25 fiscal years.

Additional \$26m of one-time federal funding supports intervention services in response to the pandemic. This area was intended as a short-term support through the length of the pandemic funds.

Monitoring Economic Landscape

- Impact of inflation
- Potential for recession
- Legislative decisions

Local Government Budget Funding Progress

- The WCPSS Board of Education will request county funding from the Wake County Commissioners.
- Commissioners will evaluate the request from the school board and approve an appropriation. The amount is typically different than the amount requested.
- The school board will reconcile the difference.

	County Appropriation	Dollar Increase	Percent Increase
2022-23	\$594,253,045	\$50,047,944	9%
2021-22	\$544,205,101	\$16,301,000	3%
2020-21	\$527,904,101	\$11,949,000	2%
2019-20	\$515,955,101	\$40,035,857	8%
2018-19	\$475,919,244	\$45,008,244	10%

Next Steps

April 11	Superintendent delivers Superintendent's Proposed Budget for 2023-24 to Board of Education
April 25	Board of Education budget work session during Board Work-Session and public hearing on Superintendent's Proposed Budget at Board Meeting
May 1	Wake County Commissioner Regular Meeting (Recommended Budget)
May 2	Board of Education approves Board of Education's Proposed Budget
May 8	Wake County Commissioner Budget Work Session
By May 15	Deliver WCPSS's BOE Proposed Budget to the Wake County Commissioners
	Wake County Commissioner Regular Meeting (Budget Public Hearing)
May 22	Wake County Commissioner Budget Work Session
June 5	Wake County Commissioner Regular Meeting (Budget Adoption)
June	Possible Board of Education budget work session based on approved county budget
June 20	Board of Education approves budget resolution or interim budget resolution (Most likely an interim budget resolution if there is not an approved state budget)



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