



Franklin
COUNTY SCHOOLS

Current Expense & Capital Outlay Budget 2022 - 2023



Presentation to Franklin County Board of Education

April 11, 2022



2022 - 2023

SUPPORT FOR OUR SCHOOLS

Total Request

\$24,360,124 **



****All details shared are based on current information made available and is subject to change****



Budget Development Overview

Meetings with all stakeholders to discuss budget priorities and projected costs.

- Work Session (March 14) in which (4) funding priorities were identified for the 2022-2023 fiscal/school year. This included the funding requirement to transfer revenues directly to Charter Schools inside and outside of the Franklin County district.
- Capital Outlay Work Session (March 21) in which funding request for recurring and new capital improvement projects was submitted to the BOE based on identified priorities in alignment with the CIP, principal requests, BOE input and auxiliary services identified areas of need.
- The BOE agreed unanimously to approve the level of capital outlay funding to support operational needs for 2022-2023. COVID-19 continues to impact current budget decisions and strategies for safe school operations. Impacts will linger for several years.

JAN
2022

FEB
2022

MAR
2022

APR
2022

- Capital Outlay Team met to prioritize budget work.
- Local Current Expense budget impacts and projections further reviewed.

- Budget Request for Approval by FCS Board of Education (April 11)
- Submission of Board Approved Funding Request to FC Board of Commissioners for Consideration (April 12)



District Priorities 22-23

Expand early opportunities for our students. Support quality instruction to address learning gaps through professional development, student assessment, data team work at the school and district levels, and effective integration of technology.



Target high school programming opportunities to students to increase graduation rate and preparation for college/career.



Address short and long term facilities needs. Support efforts to increase safety and security. Address student needs that impact the learning process, including physical and mental health and adverse behaviors.



Recruit staff in hard-to-fill areas. Retain staff across all areas of operation.



District Priorities: Presented in March

Budget Impacts	District Priorities Are In Alignment With Strategic Plan Goals Within Our BluePrint
State, Federal, ESSER Funds	Goal 1: FCS Students will graduate prepared for college, career and life beyond the classroom
State, Federal, ESSER Funds	Goal 2: FCS students will demonstrate proficiency in core academic areas
State, Federal, ESSER, Capital Outlay Funds	Goal 3: FCS students will be provided with a safe, orderly and caring environment conducive to learning
State, Federal, ESSER Funds	Goal 4: FCS will actively recruit, support and retain high quality professionals
Local Current Expense Funds/Transfer to charter schools	Charter School Impacts and FCS Increased Enrollment Projections (Significantly more in one single fiscal year as a result of the response from Wake Prep's projection of 517 new student enrollments from FCS alone. Originally was 600-711)
Local Current Expense Funds and Fund Balance (as needed)	Continue to support the classified salary tables, including addressing salary gaps not identified in the initial study



Capital Outlay Overview: \$1,500,000

Funding request remains at the \$1,500,000 level

Shift of special projects from Capital Outlay into eligible ESSER funds

- ▶ HVAC maintenance needs (\$100,000)
- ▶ Shifts from Capital Outlay to Local Current Expense to cover
 - ▷ \$60,000 Band and Athletics
 - ▷ \$150,000 Technology Devices/Equipment and Furniture

1. Portions of ESSER funds can be used for air quality and related building improvements.
2. Shifting the \$100,000 to ESSER will allow roofing priorities to be completed next year within capital funding.
3. This is a recurring expense that will be added back to the capital outlay budget in 2023-2024. Activity Buses will be added at some point in the future as well. Recurring expenses cannot be assigned indefinitely to ESSER funding.
4. 3-year HVAC Project ESSER Funded for Year #2 (\$2,900,000)



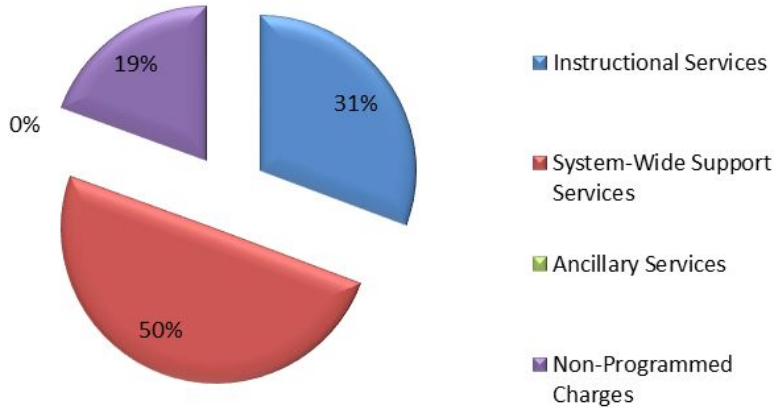
Gym lobby, Holmes hallway, Cafe roof	\$39,390.00
GE Roof seal on Gym	\$55,198.00
Holmes building GE roof seal	\$74,860.00
GE roof seal Media, computer lab and 200 blg	\$187,991.00
Replace carpet with vct in 100 hall	\$24,882.00
Remove carpet from lobby, replace with vct	\$13,635.00
Gym roof seal	\$66,300.00
Replace carpet in band room	\$4,752.00
Roof replacement-cafeteria building	\$56,270.00
Fire alarm upgrade	\$49,500.00
Replace shingles on boiler building	\$28,680.00
New metal roof on all mobile units	\$31,253.00
GE roof seal flat roof surfaces	\$61,980.00
Roof replacement (6th grade shingles)	\$43,315.00
Roof replacement/seal gym lobby	\$30,818.00
Replace carpet in 5 rooms	\$14,763.00
GE seal gym roof and art room	\$56,835.00
Main lobby flat roof around barrel roof-repairs	\$35,857.00
Parking lot lights, fire extinguishers	\$40,000.00
Security Camera Licensing and Installation	\$80,000.00
Safety Security/Access	\$100,000.00
Capital Improvements to Existing Sites	\$100,000.00
Paint (system wide)	\$55,000.00
Lic/Title Fees	\$6,000.00
New Maintenance Truck (1)	\$42,721.00
Energy Projects	\$200,000.00
Capital Outlay Total	\$1,500,000.00

2022-2023 Capital Outlay Budget (As Presented in March 2022)

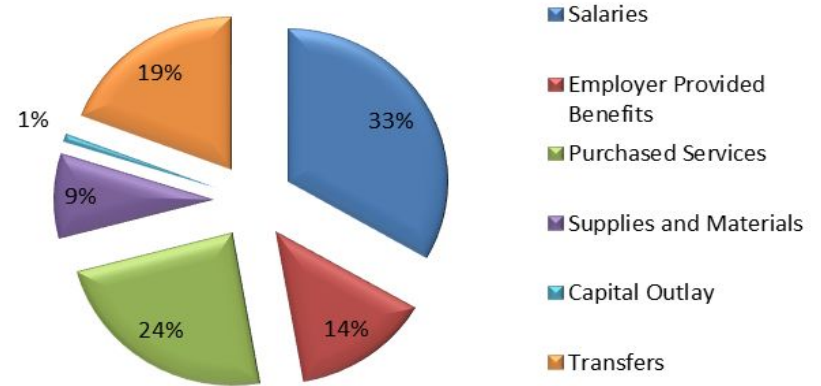


Local Current Expense Budget at a Glance (APRIL 2022)

Budget Allocation by Purpose



Budget Allocation by Object



Local Current Expense Budget at a Glance (APRIL 2022)

	Current Budget/Balance	Year-to-Date Exp/Rev	PO's & Encumbrances Outstanding	Remaining Balance	Percent Spent
5XXX Instructional Services	\$6,912,949.23	\$4,077,959.18	\$106,257.48	\$2,728,732.57	60.53%
6XXX System-Wide Support Services	\$11,204,750.77	\$8,611,480.07	\$623,193.80	\$1,970,076.90	82.42%
7XXX Ancillary Services	\$8,285.00	\$4,429.24	\$0.00	\$3,855.76	53.46%
8XXX Non-Programmed Charges/Transfers	\$4,374,115.00	\$2,268,778.19	\$2,800.00	\$2,102,536.81	51.93%
	\$22,500,100.00	\$14,962,646.68	\$732,251.28	\$6,805,202.04	69.76%
4XXX Revenues from Local and Other Sources	(\$22,500,100.00)	<i>Revenues include projected use of assigned Fund Balance, PPA from County's appropriation, projections for Fines/Forfeitures and other Miscellaneous revenue projections.</i>			



Local Current Expense Budget at a Glance (APRIL 2022)

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- State, Federal and some granted funds support some salaries, benefits and operational needs, but local funding is required to supplement many of these areas of need.
- Categorical areas of support from local funding include the following and much more:
 - Retention and Signing Bonuses
 - Local Supplements for Teachers, Administrators and Directors
 - Central Office Support Staff Salaries & Benefits
 - School Office Support and School Leadership Staff Salaries & Benefits
 - Classroom Instructional Support Staff Salaries & Benefits
 - Worker's Compensation Insurance
 - Employer Provided Benefits (i.e. Dental Insurance, Basic Life Insurance)
 - General Liability Insurance, Vehicle/Fleet Insurance and Property Insurance
 - Instructional Support Programs (AIG, CTE, Pre K, STEM, Robotics, etc.)
 - Technology
 - Staff/Professional Development
 - Student Transportation
 - Maintenance of Buildings & Grounds
 - Electricity, Water and Waste Management



Recurring Impacts to Local Current Expense Budget and/or Fund Balance

Salaries:

- ▶ Rising Benefit Costs
 - ▶ 24.19 Retirement
 - ▶ \$7,397/EE Medical
- ▶ Minimum \$15/hr
- ▶ 2.5% rate increase

Inflation:

- ▶ Increased cost for doing business across all areas of operations
- ▶ Increased cost of fuel for student transportation needs

Charter Schools:

- ▶ Delayed or inaccurate projections for enrollment ahead of budget planning cycle
- ▶ Delayed or inaccurate rosters/invoices from the companies that manage the business and finances for charter(s)
- ▶ Difficulty with planning for unforeseen growth or transgressions from plans per the applications to DPI
- ▶ Limited requirements regarding information shared with LEA's



Impact of Charter Schools on our budget

YEAR	FCS ADM*	CS ADM*	COMBINED ADM	COUNTY APPROPRIATION	PPA	PAYMENT TO CS
2015-2016	8469	985	9454	\$14,472,841	\$1,531	\$1,508,035
2016-2017	8344	1121	9465	\$15,265,283	\$1,613	\$1,808,173
2017-2018	8163	1224	9387	\$16,365,283	\$1,744	\$2,134,656
2018-2019	8109	1438	9547	\$16,898,093	\$1,770	\$2,545,332
2019-2020	8109	1581	9690	\$20,349,831	\$2,100	\$3,320,100
2020-2021	8109	1739	9848	\$21,192,936	\$2,152	\$3,742,328
2021-2022 (presented April 2021)	7917 (per DPI & FCS projections)	1958 (per charters)	9875	\$21,221,872	\$2,149	\$4,181,681- \$4,207,840
2021-2022 (“Actual” data used for invoices)	7842	1953	9795	\$21,221,872	\$2,167	\$4,232,151

These are “pass through” funds that the district receives and redistributes to charter schools

*ADM details are reflective of data from district PMR1, PMR2, PMR3 details provided which may differ from actual state calculated ADM

2022-2023 Charter School Budget Review

The projections for 2021-22 shared in April 2021 are in close alignment with what actually occurred thus far April 2022.

For the 2022-2023 April projections, we will honor the suggestion by the County to reduce the FCS increase projections by the 213 “duplicative” **enrollments based on an initial response from Wake Prep that they will increase by 600 students “from FCS” (they have since adjusted this figure to 711)**. This has been a moving target, but at this time we predict that FCS’ ADM will actually be higher than the 8010 projection, even with charter school impact. We are currently at 8192 students.

YEAR	FCS ADM	CS ADM	COMBINED ADM	COUNTY APPROPRIATION	PPA	PAYMENT TO CS
2022-2023 (FCS preliminary projections)	8200- 8300	2624	10,824	\$23,455,608	\$2,167	\$5,686,208
2021-2022 (“Actual” data used)	7842	1953	9795	\$21,221,872	\$2,167	\$4,232,151
2022-2023 (REDUCED projections)	8010	2542	10,552	\$22,860,124	\$2,167	\$5,508,514
	168+	588+	756+	\$1,633,760+	\$2,166.43	\$1,276,363+







▶ Charter School Responses

Wake Prep Academy Enrolled from Franklin County Schools	Wake Prep Academy Enrolled from Franklin County Attended Other Charter	Wake Prep Academy Enrolled from Franklin County Homeschooled	Wake Prep Academy Enrolled from Private School, Public not in Franklin County, Preschool, or a New NC student	Total Students with a Franklin County Address who are enrolled for 2022-23 at Wake Prep Academy
213	194	31	273	711

These numbers are based upon reporting from Wake Prep Academy as of March 30. Other responses from charter schools revealed an increase of @71 across all charter schools that we remit payment(s) to.



2-Year Comparison

	2021-2022	2021-22 Notes: (presented April 2021)	2022-2023	2022-23 Notes:
Request to County (Local Current Expense Funds)	\$21,221,872		\$22,860,124	
Franklin County Schools	\$16,989,721	\$410,417  Decreased enrollment led to decreased PPA request for FCS	\$17,351,610	\$361,889  Increased enrollment projections led to increased PPA request for FCS
Transfers to Charters	\$4,232,151	\$439,353  Increased enrollment led to increased PPA request for charters	\$5,508,514	\$1,276,363  Increased enrollment projections led to increased PPA request for charters
Enrollment for charters exceeded enrollment increase for FCS resulting in a higher share of funding (4.2%+). *Subject to change as actual ADM details are available for the 2022-23 school year	*19.9% of funding	Total across both areas of support increased by \$28,936	*24.10% of funding	Total across both areas of support increased by \$1,638,252 for 2022-2023
Request to County (Capital Outlay Funds)	\$1,500,000		\$1,500,000	Funding neutral for capital outlay



▶ Per Pupil Allocation

Current year (2021-2022), the PPA for FCS **decreased** whereas the PPA for charters **increased**, balancing the local current expense request to the county. The projection for next year (2022-23) reflects an **increase** for both FCS and charter schools. The increased request strictly reflects a maintained PPA of **\$2167** per student for fiscal years 2021-22 and 2022-23. It doesn't account for inflationary increases, benefits cost increases, or increased fuel costs. We are prepared to offset those using fund balance, but this is not a long-term solution.



Local Current Expense Fund Balance Status

Franklin County Schools is committed to working with our County Commissioners to balance expenses not fully outfitted within the local current expense appropriation by assigning a portion of fund balance. Currently budgeted expenses exceed revenues by \$604,200. The goal during fiscal year end close out remains to be to maximize state allotments and reduce the use of assigned fund balance as projected. If this can be accomplished, there would be no increase to the \$2,167 PPA calculation for the 2022-2023 school year. (The PPA would increase by \$61/student if county funding increased by the amount of additional projected costs currently being assigned to Fund Balance).

FISCAL PERIOD	BEGINNING Fund Balance	Adjustments Due to Inventory Reserve	NET CHANGE	ENDING Fund Balance	
7/1/21 - 6/30/22	\$6,913,193	TBD	-\$604,200* Pending FYE Closeout	\$6,308,993	2021-22 Budget Resolution approval for use of \$604,200 in December 2021.
7/1/22 - 6/30/23	\$6,308,993	\$0	TBD	\$6,308,993	Fund Balance assignment for 2022-23 will be determined during FYE close for 2021-22 and presented with the Continuation Budget Resolution.



Summary of Budget

\$22,860,124 (County Appropriation- Local Current Expense Budget)

\$1,500,000 (County Appropriation- Capital Outlay Budget)

Total Budget Request: **\$24,360,124**

\$17,351,610 (local)

\$1,500,000 (capital)

Franklin County Schools District

\$5,508,514

Projection details from previous slide

Charter Schools
(within and outside of district)



▶ Next Steps:

Submission of budget to County Commissioners for funding review & response no later than June.



Preliminary state planning allotment received but budget work required to identify funding gaps pending final state budget approvals. Significant impacts to local will be communicated to the BOE if/when needed.



Fiscal Year End Close procedures to see final status for conversation about fund balance and impacts to local current expense funds outside of what has been shared this evening.



Questions?

Request for Approval:

\$24,360,124

(Local Current Expense/Charter Transfers
and Capital Outlay)

Submission to

Franklin County Commissioners

for support

2022-2023 fiscal year



Thank You!



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