



Franklin
COUNTY SCHOOLS

Current Expense & Capital Outlay Budget 2025 - 2026

Presentation to Franklin County Board of Education

April 14, 2025



2025 - 2026 SUPPORT FOR OUR SCHOOLS

Total Request

\$34,715,855 ******

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



Our two identified priority areas impact two different budget categories:

Funding Priority #1	Funding Source
Maintaining Current Expense Budget at the 2024-25 Funding Level	"Local Current Expense" Budget
Adequately Address Short Term and Long Term Facilities Needs	"Capital Outlay" Budget

We will look at each of these priorities within the context of the impacted budget area, along with other budgetary impacts that fall within these areas.





Current Expense

Per Pupil Allocation

“Current Expense” is a local budget that is funded from the County as “per pupil allotment” (PPA). Every student in the County that is served by either Franklin County Schools or charter schools receives a PPA. These funds are filtered through Franklin County Schools to charter schools serving Franklin County residents.



Local Current Expense Budget at a Glance

- 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 and Administrators
 - 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 Support
 - Staff/Professional Development
 - Student Transportation
 - Maintenance of Buildings & Grounds
 - Electricity, Water and Waste Management



Local Current Expense Budget at a Glance

(YTD April 8, 2025 or **75%** of the fiscal year)

		Current Budget/Balance	Year-to-Date Exp/Rev	PO's & Encumbrances Outstanding	Remaining Balance	Percent Spent
5XXX	Instructional Services	\$9,533,578	\$6,619,074	\$98,010	\$2,816,494	71%
6XXX	System-Wide Support Services	\$13,592,277	\$9,541,668	\$839,141	\$3,211,468	76%
7XXX	Ancillary Services	\$190,701	\$178,726	\$0	\$11,975	94%
8XXX	Non-Programmed Charges/Transfers	\$8,448,906	\$5,311,760	\$3,800	\$3,133,346	63%
		\$31,765,462	\$21,651,228	\$940,951	\$9,173,283	71%
4XXX	Revenues from Local and Other Sources	(\$31,765,462)	<i>Revenues include projected use of assigned Fund Balance, PPA from County's appropriation, projections for Fines/Forfeitures and other Miscellaneous revenue projections.</i>			

Impacts to Current Expense Budget

**LEGISLATIVE
ACTIONS**

**POPULATION
GROWTH**

INFLATION

**TIER /
WEALTH**
Status of our
County

Priority 1:

Maintaining Current Expense Budget at 2024-25 Funding Level

The Local Longevity Bonus was administered for three years using ESSER funding, which expired at the end of the 2024 school year. **In Spring 2024, the Franklin County Board of Commissioners voted to fully fund our local current expense request for the 2024-25 school year, allowing us to maintain this important retention bonus beyond ESSER funding.**

As part of our negotiation of this funding request, we told County leadership that we would work to bring minimal to no increase in our current expenses request for the 2025-26 school year.

We are working to honor that.

We are seeking a neutral or \$0 increase from the county to fund the local current expense budget for 2025-2026



Population Growth

The population of Franklin County has grown significantly over the past several years, and the number of students being served in either public or charter schools (both funded by County) has reflected this growth.

As reported in February, we were slightly below our projections for 2024-25. However, our combined student projections for the 2025-26 school year for public/charter students in Franklin County is 11,079. This includes 7,927 (includes 133 PreK) for FCS plus 3,152 (includes 98 virtual) for charters.

Charter Schools

- ▶ We are dependent upon accurate 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) impact final FYE close-out projections
- ▶ Limited requirements regarding information shared with LEA's (we do not have knowledge of how these funds are utilized once the funds are transferred to the charter school or their 3rd party management)
- ▶ The funding formula for charters is based on a per pupil shared allotment that does not recognize "project based funding needs". Every dollar requested to support projects, salaries/benefits and maintenance of operations for FCS, must be shared up to 28% with charters.

Charter Schools: Noteworthy Facts

- Funding is requested on behalf of the charters to support the children that would normally be enrolled in the traditional public school setting.
- Funds received on behalf of charters are directly transferred to charters and do not benefit FCS in any way. Requires multiple layers of oversight to ensure accurate processing...increasing administrative costs for districts. Inaccurate enrollment projections and/or funding directly impacts LEA's. Staff is required to verify each address for students identified on the charter roster before invoices are paid. The per pupil share is paid on a monthly basis. No funding for the administration of charter schools has been considered, but this area of oversight could easily require 1 full-time position for our district.
- LEAs serve as a funnel for the administration of charter school funding and invoicing. This has caused concerns for districts throughout the state, especially during the historical spike in charter school expansion.

Charter School Responses

Franklin County Charter	Franklin County Residents Enrolled 2024-25	*Franklin County Residents Projected Enrollment 2025-26
Crosscreek Charter	318	331 (13+)
Youngsville Academy	402	455 (53+)
Wake Preparatory Academy	975	1,058 (83+)
Total Internal Charter Enrollment	1,695	1,844 (149+)
External Charters Serving Franklin County Residents	1,244	1,308 (45+)
Total Projected Charter Enrollment of Franklin County Residents		3,152 (194+)

**These numbers are based upon actual PMR 5 data and projections reported from all Charter Schools as of April 8, 2025. This information is subject to change.*

2025-2026 Charter School Budget Review

YEAR	FCS ADM*	CS ADM*	COMBINED ADM	COUNTY APPROPRIATION	PPA	PAYMENT TO CS
2024-2025 <i>Updates based on most accurate PMR 5 for charters and Best ADM PMR 2 for FCS.</i>	7,988 <i>Originally presented as 8,043; 55 less than projected</i>	2,958 <i>Originally presented as 3,071; 113 less than projected</i>	10,946* <i>Originally presented as 11,114; 168 less than projected</i>	\$30,541,812	\$2,790* <i>includes the virtual students.</i>	\$8,437,509 <i>Final pay-out totals will be determined during fiscal year end close out. Projections show at least \$243,675 will be used to fund the students enrolled in virtual public and virtual charter schools.</i>
2025-2026 PROJECTIONS ONLY	7,927 <i>Based on January enrollment data; includes 133 Pre-K</i>	3,152 <i>Based on enrollment data from CS's; includes 98 Virtual</i>	11,079* <i>Projections show a combined increase of at least 133+ students.</i>	\$30,541,812	\$2,757*	\$8,689,213 <i>Final PPA TBD & based upon the county's appropriation for 2025-26 and PMR 1 & 2 results.</i>

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



*ADM details are reflective of data from district PMR1 & PMR2 details provided which may differ from actual state calculated ADM and actual enrollment.

**Due to state legislative action to increase funding for students enrolled in virtual public/charter schools, the population of 98 students must now be realized in the PPA formula. The appropriation is no longer capped at \$790. Now funded at the regular PPA requiring @\$244,000.



Inflation

- ▶ Increased cost for doing business across all areas of operations. Vendors have not reduced their rates to the “pre-pandemic” levels. Just because inflation has “calmed” does not mean inflation no longer exists.
- ▶ Increased utilities and insurance coverages continue to impact our abilities to decrease the cost of maintaining operations.
- ▶ **Salaries, Benefits and Operational Costs**
 - ▷ Property Insurance (+10%), Commercial Auto (TBD), General Liability (TBD), Worker’s Comp (TBD)
 - ▷ Utilities (+20%) Fuel-Buildings (TBD)
 - ▷ Hospitalization (+5%TBD), Retirement (+4%TBD), Dental (TBD)
- ▶ **Rising Benefit Costs**
 - ▷ 24.04% - 25% Retirement
 - ▷ \$8,095 - \$8,500 ER Medical
- ▶ 3% state legislative rate increase effective 7-1-25 (TBD)

Benefit rate projections based on historical trends only, final TBD

<p align="center">Franklin County Schools Current Expense Funding Increase Request</p>	<p align="center">Franklin County Charters Funding Increase Request</p>
<p>No additional funding or increase to request to the County for 2025-26</p> <p align="center"></p>	<p>Based on state requirement for per pupil allocation (PPA) to match local school system PPA</p> <p align="center"></p>
<p align="center">Franklin County Schools \$0</p>	<p align="center">Franklin County Charters \$251,704</p>
<p align="center">Because of the 168 student enrollment projections that were not realized during 2024-25, Franklin County Schools will not request additional funding in 2025-26 to cover enrollment increase projections for charters.</p>	
<p align="center">Total Increase to Current Expense Request: \$0</p>	

4-Year Funding Comparison

	2022-2023	2023-2024	2024-2025	2025-2026
Request to County (Local Current Expense Funds)	\$21,910,978	\$25,328,192	\$30,541,812	\$30,541,812
Franklin County Schools	\$16,443,658	\$18,635,392 \$2,191,734+	\$21,999,303 \$3,363,911+	\$21,852,599 \$146,704 
Transfers to Charters	\$5,467,320	\$6,692,800 \$1,225,480+	\$8,542,509 \$1,849,709+	\$8,689,213 \$146,706
*Subject to change as actual ADM details are available for the 2023-24 school year	*25% of funding to CS Appropriation increased by \$689,106 Assigned and Used \$2.3M in Fund Balance	*26% of funding to CS Appropriation increased by \$3,417,214	*28% of funding to CS Appropriation increased by \$5,213,620	 *28% of funding to CS Appropriation increased by \$0
Request to County (Capital Outlay Funds)	\$1,500,000	\$1,500,000 ((\$3M requested))	\$1,890,611 ((\$2,610,612 requested))	\$4,174,043

Local Current Expense Fund Balance Status

Franklin County Schools is committed to working with our County Commissioners to identify the appropriateness of funding for all residential students of Franklin County. The goal remains to be to maximize state allotments and reduce the use of assigned fund balance.

FISCAL PERIOD	BEGINNING Fund Balance	Adjustments Due to Inventory Reserve	NET CHANGE	ENDING Fund Balance	
7/1/22 - 6/30/23	\$6,668,510	\$5,317	-\$2,295,567	\$4,378,260	2022-23 Budget Resolution approval for use of \$2,934,814 in December 2022, but actually used \$2,295,567.
7/1/23 - 6/30/24	\$4,378,260	\$0	\$362,755	\$4,841,210	As presented with the 2023-24 financial audit in January 2025.
7/1/24 - 6/30/25	\$4,841,210	\$0	-\$474,396	\$4,366,814	Budgeted and appropriated with plans to spend \$474,396+/- . Final will be determined closer to fiscal year end close out and presented in June. Will determine Fund Balance needs after state planning allotments have been analyzed.

*Auditor recommends maintaining at least a \$4 million fund balance



Capital Outlay

Priority 2:

Adequately Address Short Term and Long Term Facilities Needs

Long Range Needs-Total \$98,190,880 over the next 10 years. Of that, \$45,000,000 represents the cost of a replacement school for Franklinton Elementary School (FES) and \$53,190,880 represents Long Range Facility needs across Franklin County Schools. We have submitted a needs-based grant application for a new FES facility for several years, and will continue to do so with future grant cycles.

Short Range Needs- Our approved capital outlay request to the Franklin County Board of Commissioners for the 2024-25 school year was approximately \$1.8 million.

School Visits- This year, the BOE and BOC have conducted joint school visits to look closely at each of our facilities and their needs. This has been a valuable step.

Joint Facilities Committee- The BOC has initiated development of a joint committee to examine future facilities needs and how those needs can best be met. We look forward to the first meeting of this important committee.

We have held multiple facilities work sessions with the Board of Education to review this request and assess the broader needs of our school system. The current request highlights key priorities, including HVAC, roofing, and security. Additional work sessions are being planned to develop a five-year capital project plan outlining long-term priorities and projected timelines for completion.

Capital Outlay Overview: \$4,174,043.18

Funding Request: \$4,174,043.18

Priority Areas:

- **HVAC**
- **Roofing**
- **Security Enhancements**

This request includes the installation of weapons detection systems at all traditional high schools, major roofing and HVAC projects, and upgrades to access control systems.

These investments represent a critical step forward in addressing priorities identified in our long-range facilities assessment.

2025-2026 Recurring Expenses

Lic/Title Fees	\$20,000
Bus Camera	\$50,000.00
Parking lot and other perimeter lighting	\$30,000.00
Parking lot and paving upgrades	\$200,000.00
Door access control	\$60,000.00
Door cores (security)	\$6,000.00
Safety and security door maintenance	\$100,000.00
Security cameras buildings	\$40,000.00
HVAC Maintenance	\$500,000.00
Fencing	\$70,000.00
Painting	\$50,000.00
Athletics	\$30,000.00
Band	\$30,000.00
Technology refresh	\$300,000.00
Capital improvements to existing sites	\$130,000.00

2025-2026 Recurring Expenses (Continued)

Maintenance equipment	\$11,105.00
Maintenance vehicles	\$193,319.52
Vehicles for student transport	\$230,000.00
Carpet/LVT/flooring	\$80,000.00
Weapons detection systems	\$197,431.45
Furniture	\$150,000.00
Total recurring	\$2,477,855.97

2025-2026 Projects

Facility	Budget	Name of Project
BES	\$9,825.00	Finish soffit around Holmes building
BHS	\$33,600.00	BHS auditorium roof recoat
BHS	\$100,800.00	New gym roof system gym
BHS	\$207,953.00	Correct foundation and repave tennis courts
BHS	\$40,000.00	Gaskell house abatement and removal
BHS	\$482,792.00	Track replacement
BMS	\$4,000.00	Rewire lift station
EBES	\$2,115.00	Gutter repairs
EBES	\$36,000.00	Seal gym roof
EBES	\$43,200.00	Replace roofs on existing mobile units
FES	\$33,456.00	New roof building B

2025-2026 Projects-(page 2)

FHS	\$250,000.00	Auditorium lights
FMS	\$30,000.00	Lift station
FMS	\$12,705.00	New logo on gym floor
LMES	\$18,407.00	Lighting
LMES	\$54,400.00	Skylight repairs
RES	\$81,734.21	Playground replacement
TLMS	\$25,200.00	Roof cafeteria
Technology	\$160,000.00	Server storage (5 years)
Maintenance	\$45,000.00	Folding chairs to ensure all locations have chairs for events
Transportation	\$25,000.00	New exhaust system
Total Projects	\$1,696,187.21	

Total Capital Outlay Requests

Recurring Expenses	\$2,477,855.97
2025-2026 Projects	\$1,696,187.21
Total	\$4,174,043.18

Additional Projects

Franklinton Middle School Roof and Window Repairs

The Board of Commissioners has allocated \$1,000,000 to address building envelope repairs at Franklinton Middle School. We have engaged Dallas Brickhouse to design the necessary repairs, and the specifications are drawn and the project should be out to bid soon.

ARPA HVAC Projects

The County has allocated nearly \$2.5 million in ARPA funds to support HVAC system repairs. We are currently in the Request for Qualifications (RFQ) phase, with the RFQ publicly advertised and proposals being accepted through April 14.

TLMS Chiller Replacement

The replacement chiller for TLMS has been bid out, and the Board has awarded the project to Ranex HVAC. Work is expected to be completed by April 15. The County is also pursuing the use of lottery funds to support this project.

Summary of Budget

\$30,541,812 (County Appropriation- Local Current Expense Budget)

\$4,174,043 (County Appropriation- Capital Outlay Budget)

Total Budget Request: \$34,715,855

\$21,852,599 (local)

\$4,174,043 (capital)

Franklin County Schools District

\$8,689,213

Projection details from previous slides

Charter Schools

(within and outside of district)

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

Next Steps:

**Submission of budget
to County
Commissioners for
funding review &
response.**



**Preliminary state planning
allotment just received but
will need legislative
approvals before this can be
finalized. Significant
impacts to local will be
communicated to the BOE
and BOCC 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:

\$34,715,855

**(Local Current Expense/Charter Transfers and
Capital Outlay)**

Submission to

Franklin County Commissioners

for support

2025-2026 fiscal year



Thank You!



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