

# State of Our Schools

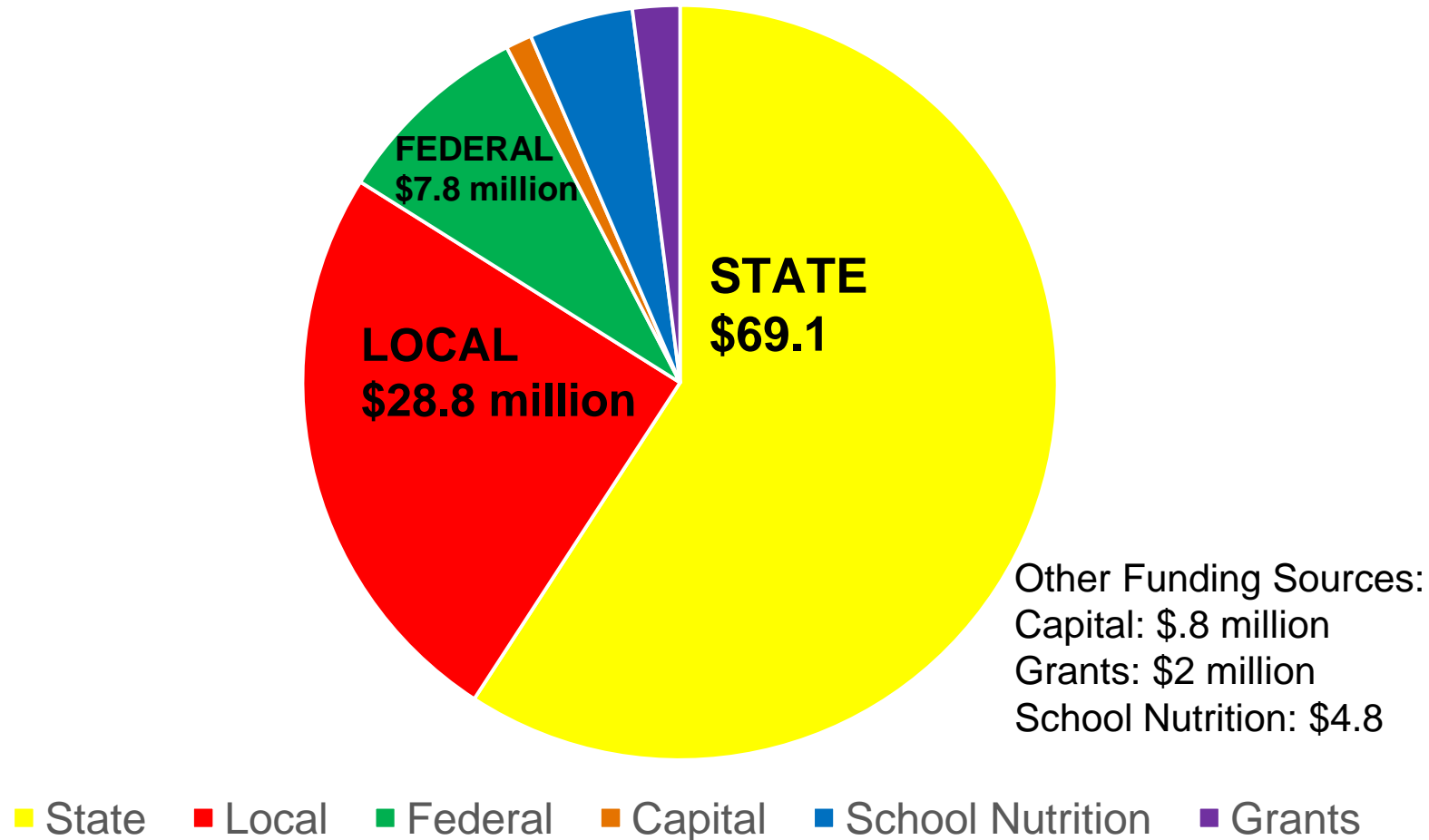


Moore County Schools Funding Facts and Operational Consequences

*Parents for Moore*

# How Moore County Schools are Funded

2015-16 Actual Expenses: \$113.6 million



*Numbers are rounded off and may not match total. For exact numbers, contact Budget and Finance.*

# MCS Local Revenues 2015 - 2016

**Local Revenues:** \$26,792,076

**Local Expenses:** - \$28,814,896\*

**Difference:** - \$ 2,022,820

\*Local expenses are higher primarily because changes to state funding come in *after* local budgets are approved.

The \$2 million difference means we must draw from our local fund balance (savings) to maintain teachers and programs.

# School Fund Balance Basics

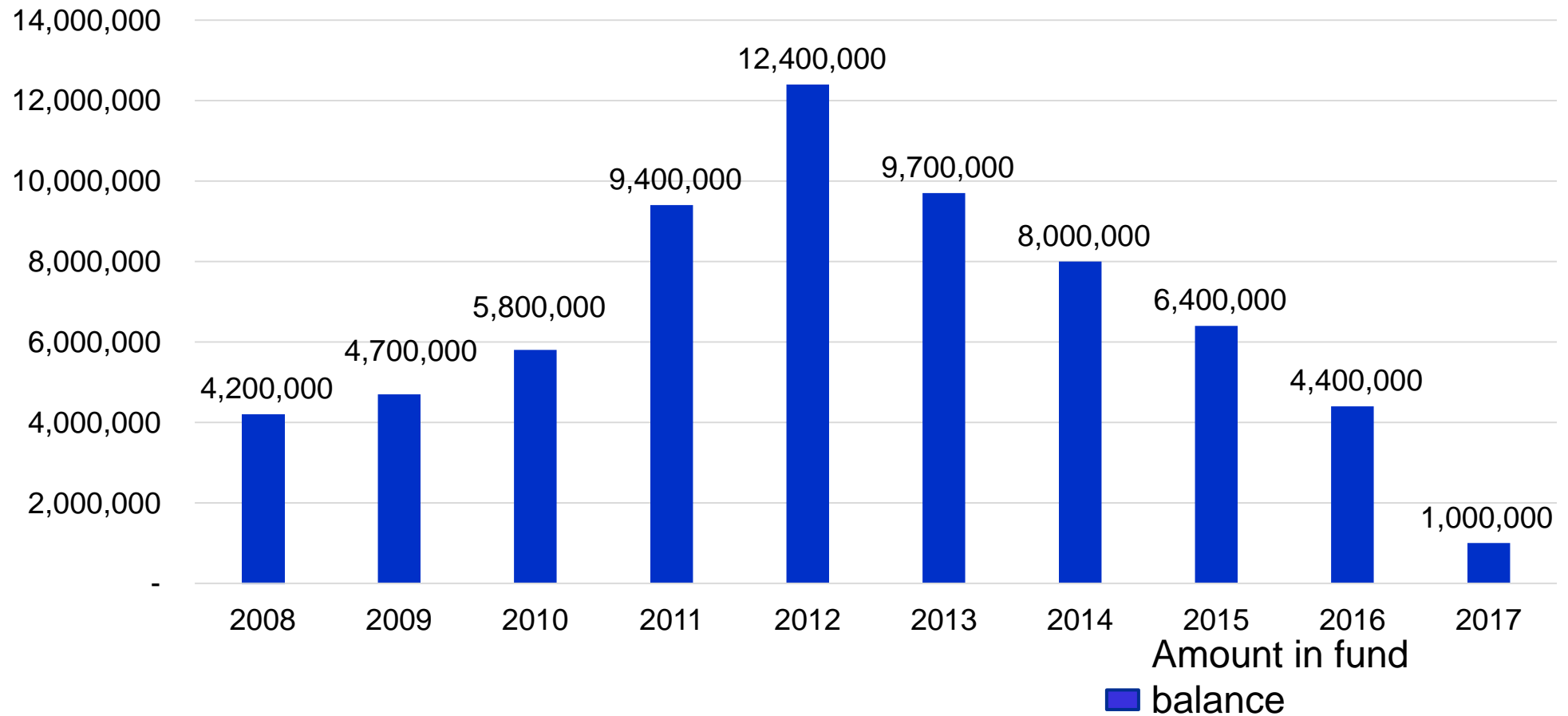
## ■ What is it?

- A fund balance acts as “hedge” against uncertainty of state funding, unexpected expenses, and emergencies.
- Needed because state budget cycle is usually complete after MCS budget is done and school year is beginning.

## ■ How much should we have?

- Fiscal responsibility suggests a fund balance of between \$4 to \$5 million is appropriate for MCS for funding emergencies and funding timing gaps

# History of MCS Fund Balance



# Where has MCS' Fund Balance Gone?

- Emergency one-time allocations (drivers ed, TAs)
- Operating costs, such as fluctuating fuel costs
- Increased Charter School allocations
- Teacher pay increases and benefits

And – biggest use:

- Changes in state teacher allotments – since 2009 positions **once funded by state dollars now shifted to local dollars.**

# State Cuts to Classroom Teacher Allotments

## – By Total Positions

- MCS Students

- 2009 = 12,190
  - 2016 = 12,849

↑ 659 students

- State Funded Classroom Teachers

- 2009 = 580
  - 2016 = 572

↓ 8 teachers

- Locally Funded Classroom Teachers

- 2009 = 51
  - 2016 = 105

↑ 54 teachers

# State Cuts to Classroom Teacher Allotments

## – By Grade Size (PRIOR to 2017)

- Decreased Class Size in Early Grades (K-3)
  - Kindergarten = No change
  - Grade 1 = -2
  - Grades 2-3 = -1
- Increased Class Size in Grades 4-12
  - Grades 4-9 = +2
  - Grades 10-12 = +2.36
- Estimated Net Loss of 36 positions from these allotment changes (approx: \$1.7 million reduction in state funding)

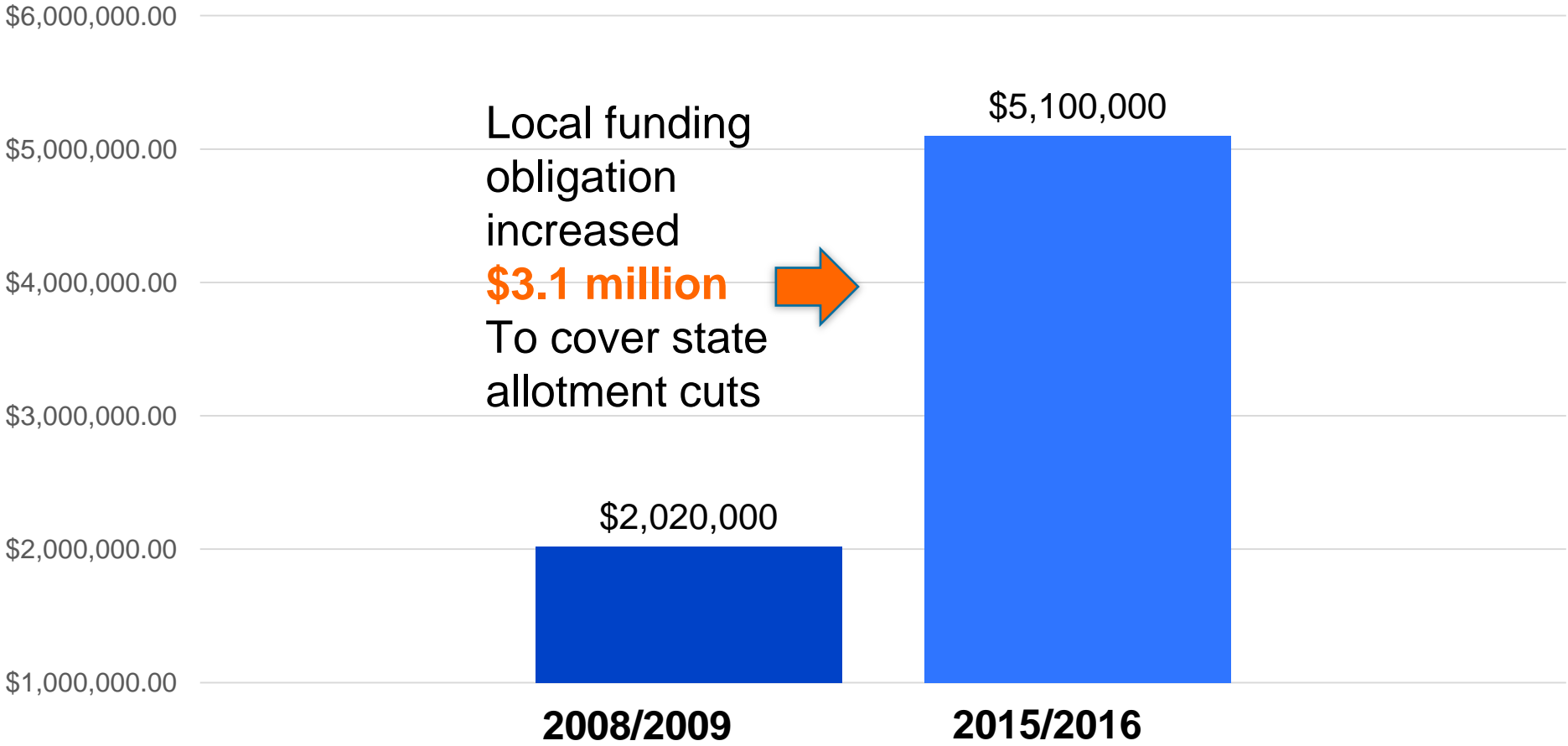


# State Cuts to Classroom Teacher Allotments

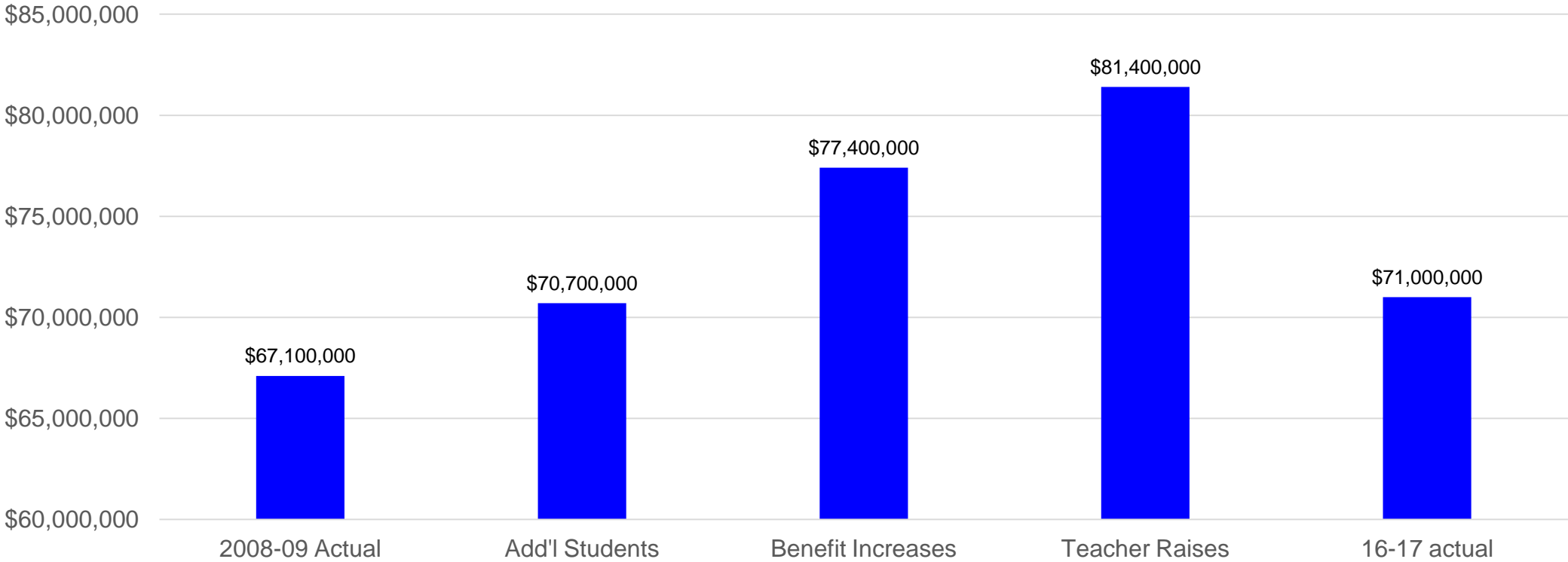
## - Other Cuts

- Loss of local flexibility with “Average Teacher Salary Savings”
  - Estimated 20 to 28 positions annually (reversion of approximately: \$1.4M)
- Cost shift to NC Virtual Public Schools (Facilitator + online students)
  - Estimated 8 to 12 teachers annually
  - MCS reduced 12 high school teaching positions

# State Cuts to Classroom Teacher Allotments - Impact on Fund Balance



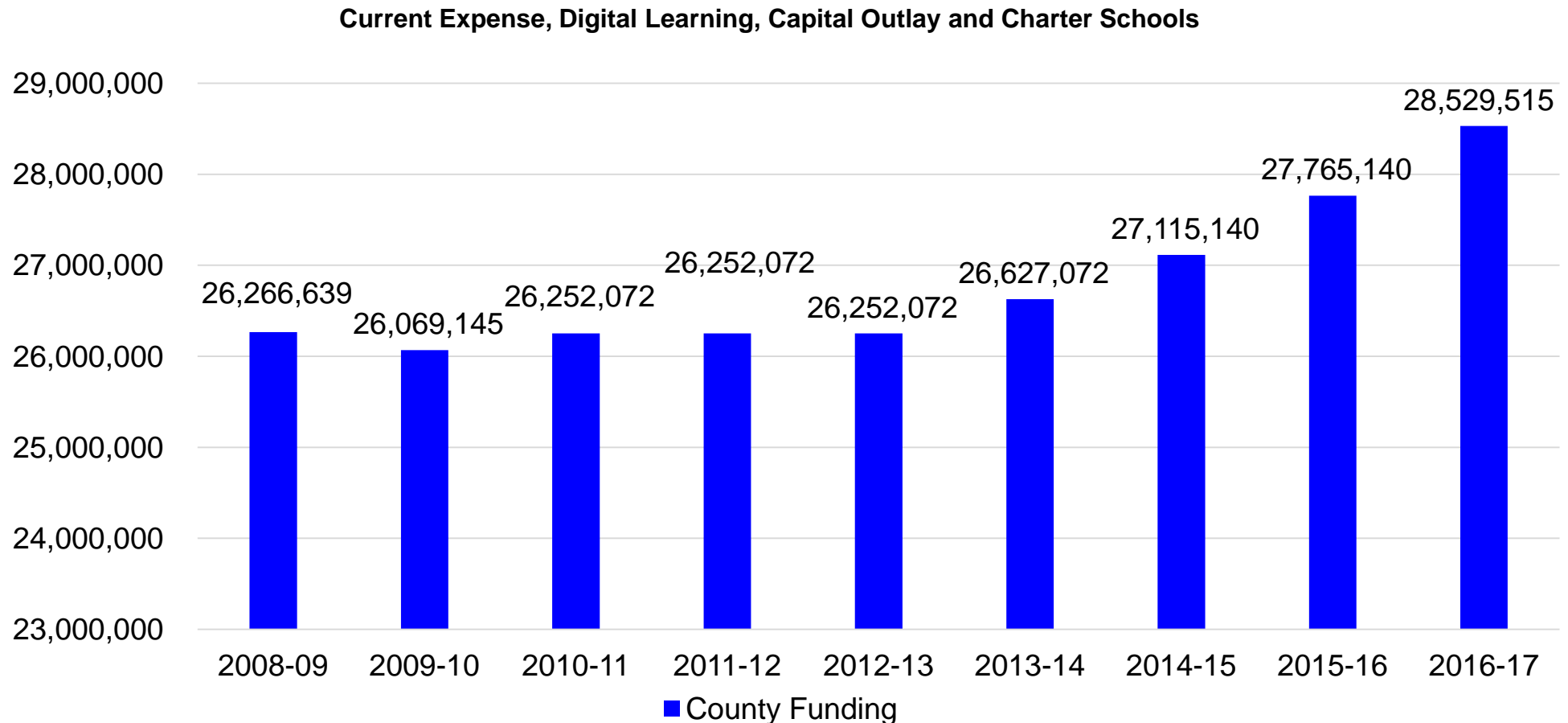
# What *Should* State Funding Look Like Now if We Account for Major Changes Since 2008/09?



# Steps to Diminish Reliance on Fund Balance

- MCS “absorbed” increased **salary, benefits, and teacher allotment changes** by using fund balance to **keep teachers in classrooms**
- MCS has been preparing for eventual loss of fund balance by:
  - Maximizing operational efficiency (e.g., school bus routes)
  - Eliminating dual track calendar, closing aging facilities (Academy Heights)
  - Reducing central office positions (Assistant Superintendents, staff, instructional coaches, administrative)
  - Cutting Teaching Assistant positions and non-instruction staff (e.g., custodians)
  - Streamlining teacher support programs (e.g., reading)
  - Enacting other cuts by state (e.g., teaching supplies, textbooks, teacher training)

# Local Funding has Increased – But has Not Kept Pace with State Cuts



# What About the Lottery?

- Education lottery was to provide **additional** funds to public education in NC
- Pre-K and UNC system scholarships unchanged
- Originally, education lottery was passed by voters with **40%** of profits designated to school capital building funds across the state. This has since been reduced to **19%** by the General Assembly (Moore County share ~ \$880,000/y).
- Lottery funds do go into the education budget but are **SUPPLANTING** previous dollars instead of supplementing as additional funding.

# And...New State Mandate 2017 on K-3 Class Sizes

- **Required** changes to K-3 Class Ratios in 2017-2018
  - 2016-2017: Max average in K-3 = 1:21; Individual class max up to 1:24
  - 2017-2018: Max average is K = 1:18; 1 = 1:16; 2-3 = 1:17; Individual class size max is K = 1:21; 1=1:19; 2-3 = 1:20
  - **No** new funding for these reduced class sizes
- Creates pressure on teaching positions and facilities:
  - Teachers: **36 more teachers** needed = **\$2.1M** in total new costs (AND/OR reduction of positions elsewhere; increase class sizes in grades 4-12)
  - Facilities: **36 classroom spaces** needed = **\$800K** minimum in total costs (Short term: reassign 16 art/music/maker space classrooms AND up to 20 modular units)
  - The “partial fix bill” HB13 would mitigate this but still require **17 more teachers** = **\$1,020,000** in new personnel costs **and \$400,000** in modular units (10 new classroom spaces)

# How to Remedy an Operational Shortfall Caused by Absence of Fund Balance and State Mandates?

- **Increase revenue** by up to **\$6.4 million** (\$3.5M shortfall + \$2.9M new class size ratio mandate) or **\$4.92M** (\$3.5M + \$1.42M with HB13 partial fix)
  - From state – longer, slower and uncertain; not decided until August at best
  - From county – shorter term to help fill gaps; decided in June

*Or*

- **Initiate cuts** totaling up to **\$6.4 million (or \$4.92M)** in the 2017/2018 year – primarily from personnel and other related costs (87% MCS budget)



# Possible Consequences

- If funding not identified by Spring 2017, here are a few examples of what could be coming in the 2017-2018 school year
  - **Cuts to teaching positions**
  - **Cuts to support positions**
  - **Increases in class sizes** in grades 4-12
  - Reduction of extracurricular activities (sports, clubs, arts)
  - Further reduction of operational funds (eg., fuel, school levels supplies, facilities maintenance)
  - Cuts to technology and technology supports (all digital text still mandated by state by 2018)

# Impact of Investment in MCS: What makes MCS worth fighting for? RESULTS

- MCS graduation rate is **highest in our region** and **exceeds state**
- MCS End of Grade Test **ranking is 21<sup>st</sup>** (of 115) in the state
- MCS End of Class test scores is 34<sup>th</sup> (of 115) are the **highest in our region, exceeds state**
- 83% of MCS students enrolled in classes designed for post-graduate goals (versus 78% for state)
- 74% of MCS students enroll in Institutions of Higher Education (versus 67% for region)

# Why is Fully Funding MCS Important to EVERYONE?

- ✓ Motivated, empowered, professional teachers
- ✓ Successful students and graduates
- ✓ Highly trained local workforce

## ***Which brings...***

- ✓ Desirable business relocations
- ✓ Economic strength, job growth, strong property values/home resale value


## ***Making...***

- ✓ Moore County a vibrant, healthy and growing community

# What can YOU do?

- ✓ Learn about state and local funding process, attend/watch online budget presentation March 6 @4pm Board of Education meeting (no public comment); Mar. 13 @6:30pm (public comment sign up by 6:25pm)
- ✓ Attend County Commissioner Meetings: Mar.7, Mar. 21, Apr. 4, Apr. 18 @ 5:30pm (public comment sign up by 5:25pm)
- ✓ Urge County Commissioners to increase funding stream to MCS operating budget to mitigate the impending 2017-18 budget shortfall and prevent cuts to teachers, curriculum, specials, sports and staff
- ✓ Invite Parents for Moore, Board Members, etc. to speak at schools, community or church meetings; Educate others
- ✓ Contact State Representatives Jamie Boles and Allen McNeill and State Senator Jerry Tillman to express **specific concerns** and demand legislative corrections at the State level; Invite elected officials to spend a day at your school

# Questions & Answers



Stay connected by:

Facebook - <https://www.facebook.com/parentsformoore/>

E-mail - [ParentsForMoorePublicEducation@gmail.com](mailto:ParentsForMoorePublicEducation@gmail.com)

MCS Board of Education Agendas and Videos: <http://www.ncmcs.org/BoESchedule>