

Gaston County Schools
Board of Education
Monday, February 23, 2026

2026-2027 Budget Work Session Meeting

MINUTES

The Gaston County Board of Education met in a Budget Work Session on Monday, February 23rd, 2026, at 5:30 p.m. at The Linda Rader Staff Development Center. Those Board Members in attendance were: Chairman Josh Crisp, Vice Chairman Dot Cherry, Lee Dedmon, Tod Kinlaw, Brent Moore, Jeff Ramsey, Janna Smith, and A.M. Stephens III. Robbie Lovelace was excused.

Additional attendees include: Superintendent Dr. Morgen A. Houchard, Attorney Sonya McGraw, Associate Superintendent Tonya Kales, Assistant Superintendents Bessie Harvey and Rebekka Powers, Chief Communications Officer Todd Hagans, Executive Director of Human Resources Beth Suber, Chief of Staff Tom Nencetti, and Board Clerk Cindy Beck.

Chairman Crisp called the meeting to order at 5:40 p.m. and welcomed everyone and turned the meeting over to Superintendent Houchard.

Superintendent began the discussion of the overview of the 2026–2027 Budget, noting that every decision and action would be aligned with our Five Focus Areas which are:

Five Focus Areas

High Quality Teaching and Learning
Positive School Culture/Climate
Strong Communication Habits
Student and Teacher Retention & Recruitment
Focused Support for Leadership

Superintendent Houchard led a Presentation that included the timeline for 2026-2027 Budget process and outlined the Budget Funding Sources.

Funding Sources:

State
Federal
Other
Bonds
Local

The Board Members engaged in discussion regarding the 2026-2027 budget including clarifying questions about revenue sources and asking for information about additional cost saving measures throughout the District.

(View Presentation)

A follow-up meeting will take place on Wednesday, March 11th at 5:30 p.m. at The Linda Rader Staff Development Center in Cramerton.

Adjournment

All business having been conducted, a Motion to adjourn was made by Mr. Jeff Ramsey, seconded by Ms. Dot Cherry and the motion carried unanimously. (8-0)

The Board Meeting adjourned at 6:55 p.m.

Approved:



Josh Crisp, Chairman
[Corporate Seal]



Morgen A. Houchard, Secretary

Date Approved:

3-16-26

Gaston County Board of Education

2026-2027 Budget Work Session

February 23, 2026



Five Focus Areas

- **High Quality Teaching and Learning**
- **Positive School Culture/Climate**
- **Strong Communication Habits**
- **Student and Teacher Retention & Recruitment**
- **Focused Support for Leadership**

Overview

- **Timeline for 2026-2027 Budget**
- **2025-2026 Budget**
- **Funding Sources**
 - **State**
 - **Federal**
 - **Other**
 - **Bonds**
 - **Local**

Overview

- **Local Funding Examples**
- **Budget Challenges 2026-2027**
- **Capital Maintenance**
- **Discussion**
- **Second Meeting March 11, 2026**

2026-27 Budget Timeline

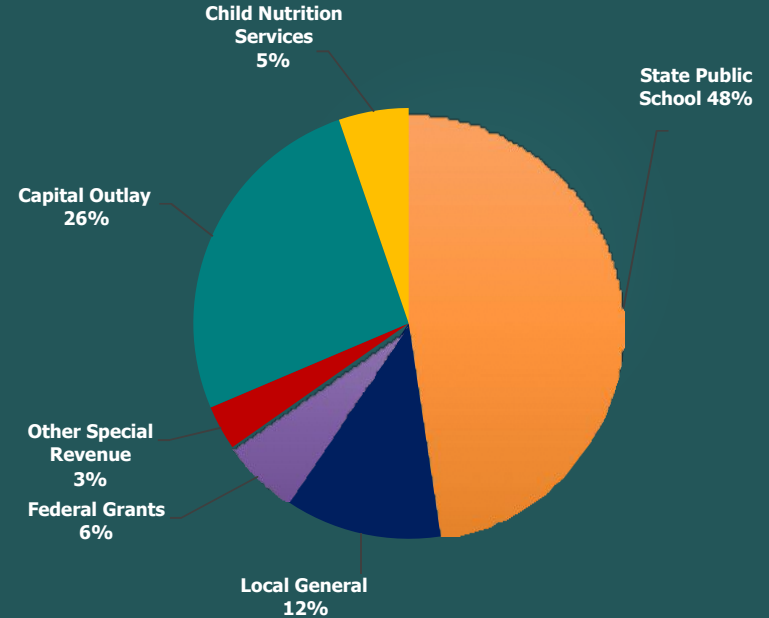
- **January 23 - Board of Education Retreat**
- **January - March**
 - **Gather Information - Departments**
- **February 23 - BOE Budget Work Session**
- **March 11 - BOE Budget Work Session**
 - **Superintendent's Budget Request**

2026-27 Budget Timeline

- **March 16 - BOE Budget Request**
- **March/April**
 - **Work Sessions BOE and BOCC**
 - **Deliver BOE Budget to BOCC**
- **June - BOE Approves Interim Budget**
- **July - BOE Approves Final Budget after State Budget is Passed**

GASTON COUNTY BOARD OF EDUCATION REVENUE AND EXPENSE GRAPHS

Revenue by Source		
State Public School	\$	219,986,245
Local General		54,801,704
Federal Grants		26,625,689
Other Special Revenue		15,439,434
Capital Outlay		120,622,817
Child Nutrition Services		<u>24,266,000</u>
TOTAL	\$	461,741,889



Funding Source - State

2025-2026 School Year - \$219,986,245

Instructional Services

System-Wide Support Services

*Think Allotment Positions

Funding Source - Federal

2025-2026 School Year - \$26,625,689

Special Population Services

System-Wide Support Services

*Think Federal Grants

Funding Source - Other

2025-2026 Special Revenue - \$15,439,434

Medicaid Reimbursement

NC Pre-K

Sales Tax Refund

***ASPIRE, Nurse Grants, Direct Reimbursements**

Funding Source - Capital/Bond

2025-2026 Bond Proceeds - \$110,000,000

Capital and Building Projects Only

Grier Middle School - \$57 Million

***These funds cannot be used for anything
except capital items and projects**

Funding Source - Local

2025-2026 Local Funding - \$54,801,704

County Appropriations

Fines and Forfeitures

Interest Earned on Investments

*School/System Operations

Funding Source - Local Example

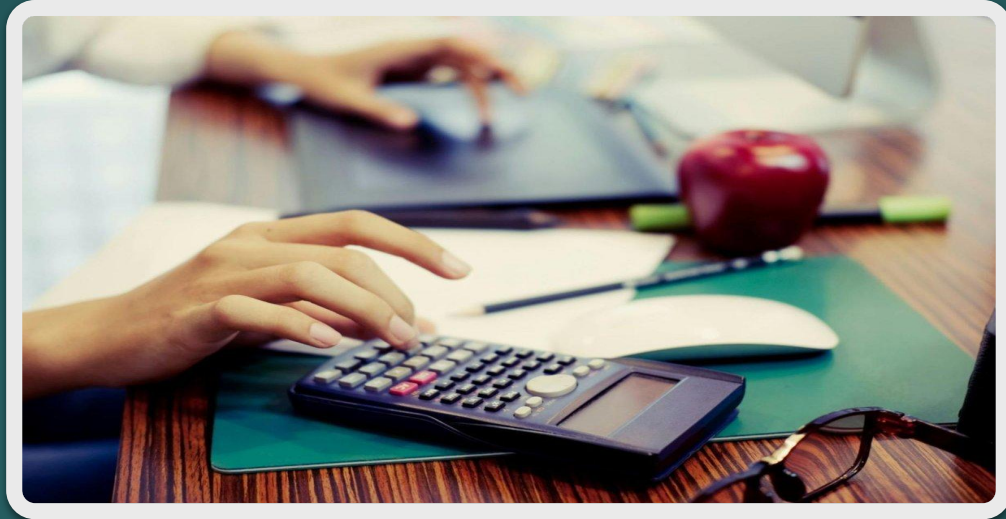
2025-2026 Local Funding	<u>\$54,801,704</u>
Less: Charter School	-\$6,800,000
Teacher Supplement	-\$9,000,000
Utilities	<u>-\$5,500,000</u>
	<u>\$33,501,704</u>

*School/System Operations

Local Operating Expenses

- Teacher/Instructional employee supplements
- Principal and assistant principal supplements
- Utilities and Insurance
- Central Services and Support
- Instructional supplies
- Technology - hardware, software, wireless, etc.
- Facilities salaries/benefits/contracted services
- Charter school payments

Budget Challenges



Budget Challenges 2026-2027

- No Comprehensive State Budget for 2025-2026
- Reduction of Low Wealth Funding to result in a reduction of \$7.2 million
- Decrease of 447 in ADM resulting in a reduction of \$4.4 million

Budget Challenges 2026-2027

➤ Number of Employees over Allotment

- Assistant Principals +41
- Enhancement Teachers +14
- Teachers +78
- Student Support +67

*\$13,600,000

Budget Challenges 2026-2027

- Traditionally, GCS prioritizes school personnel by waiving funds from local and other state allotments such as At-Risk Students, DSSF, and supplies
- Level of EC Funding at 13% cap with +15% actual
- Competitive local salary supplement
- Funding increases with salary and benefits
- Impact of inflation

Budget Challenges 2026-2027

- State raises must be covered for all employees paid with local dollars, which can exceed 1.5 million
- Increases in benefits or retirement for all employees paid with local dollars
 - \$8,000 Health Insurance
 - Retirement is 12% of compensation
 - Matching FICA and SS can exceed 6%

Budget Challenges 2026-2027

- Impact of Inflation
 - Annual average CPI/Cumulative average CPI:

■ 2020	1.2%	1.2%
■ 2021	4.7%	5.9%
■ 2022	8.0%	13.9%
■ 2023	4.1%	18.0%
■ 2024	3.0%	21.0%

Capital Maintenance



Capital Maintenance Funds

Roofing

Electrical Systems

HVAC

Technology

Vehicles

Furniture

Plumbing

Life Safety Equipment

Site Improvements

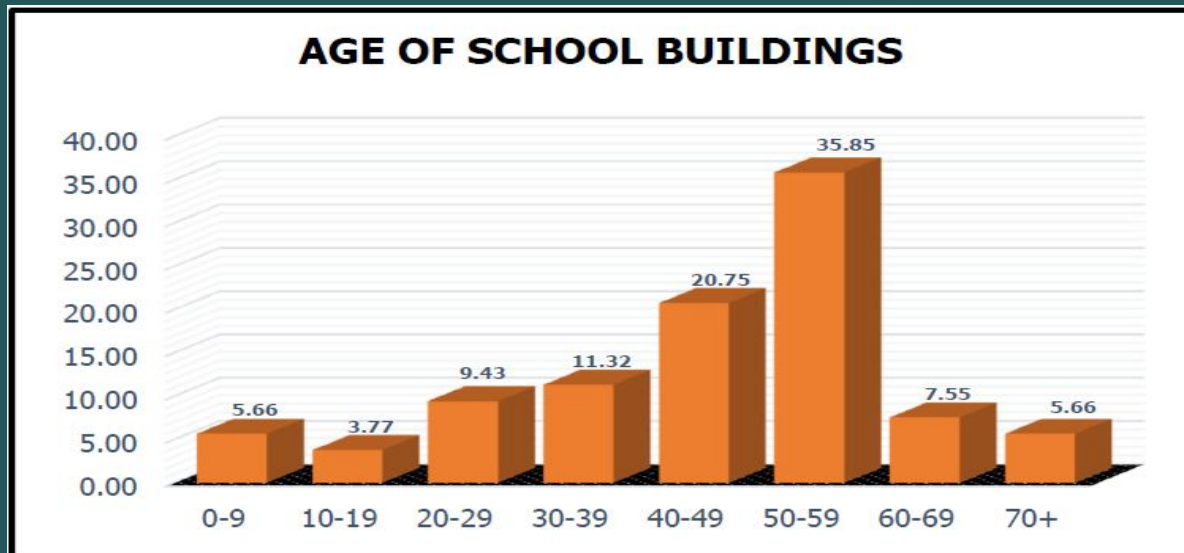
Other Capital Assets

Capital Maintenance Funds

- Age of buildings and equipment
- Quality and experience of custodial staff
- Timely inspections/monitoring of major systems
- Deferred maintenance backlog

Age of Buildings

Wtd Avg Age (Years)	Number of Schools
0-9	3
10-19	2
20-29	5
30-39	4
40-49	8
50-59	22
60-69	5
70+	4
Total	53



Capital Maintenance Request

- Last year the BOE proposed a 3-year Capital Maintenance funding schedule as follows:
 - 25-26 - \$2.2 million (\$0.43/sq. foot)
 - 26-27 - \$4.5 million (\$0.88/sq. foot)
 - 27-28 - \$6.9 million (\$1.35/sq. foot)
- In 25-26 we received \$2.0 million for capital maintenance, or about \$0.39 per square foot

Budget Decisions

- **Superintendent and Board of Education**
 - **Continue to work with elected officials**
 - **Reduction in Force (RIF)**
 - **School Consolidation**
 - **Continue Cost Saving Measures**

We Are Not Alone

‘Uncertain times’ for NC schools as they begin classes with budget questions

[NC schools face federal cuts and state budget delays | Raleigh News & Observer](#)

Durham Public Schools faces a \$7 million shortfall this year

[Durham Public Schools faces a \\$7 million shortfall this year | WUNC News](#)

NC Schools struggle with budget difficulties

[‘Nowhere to cut back’: N.C. schools struggle with budget difficulties](#)



Discussion