

Gaston County Schools
Board of Education
Wednesday, March 11 2026
5:30 p.m.
2026-2027 Budget Work Session Meeting

MINUTES

The Gaston County Board of Education met in a Budget Work Session on Monday, March 11, 2026, at 5:30 p.m. at the Linda Rader Staff Development Center. The Board Members in attendance were: Chairman Josh Crisp, Vice Chairman Dot Cherry, Lee Dedmon, Tod Kinlaw, Robbie Lovelace, Jeff Ramsey, and Janna Smith. Brent Moore and A.M. Stephens III were excused.

Additional attendees include: Superintendent Dr. Morgen A. Houchard, 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 5:31 p.m. welcomed everyone, and turned the meeting over to Superintendent Houchard.

Superintendent Houchard began the follow-up meeting regarding the 2026–2027 Budget, noting that all initiatives should support teaching and learning and align with the District’s Strategic Plan and six priorities.

The presentation was led by Superintendent Houchard and included the following key points:

Timeline for 2026-2027 Budget

Funding Sources - Local

Impact of Inflation

2026-2027 Superintendent’s Budget Request

Board Members engaged in discussion regarding the 2026–2027 budget, including local and state funding sources and strategies to best meet the needs of the district.

The 2026-2027 Superintendent’s Budget Request will be presented to the Board for approval on Monday, March 16, 2026.

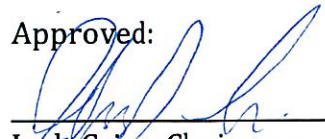
(View Presentation)

Adjournment

All business having been conducted, a Motion to adjourn was made by Mr. Lee Dedmon, seconded by Ms. Dot Cherry and the motion carried unanimously. (7-0)

The Board Meeting adjourned at 6:47 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

March 11, 2026

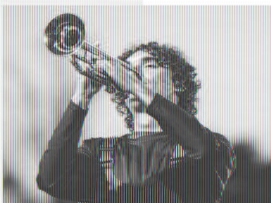


Gaston County Schools

Strategic Plan 2030



Inspire. Learn. Succeed.



Vision

To inspire success and a lifetime of learning.



Mission

To provide innovative educational opportunities for all students in a safe, nurturing learning environment.



Core Values

Excellence

We strive to create an outstanding experience for all students, thus enriching our community.

Integrity

We pledge to build trust through honesty, and respect.

Community

We commit to fostering connections in trust where all feel like family, together, and thrive in high expectations.

Innovation

We embrace new solutions to address our students, staff, and community.

Priorities



Academics that Build Pathways to Student Success

Empower all students to identify, explore, and achieve their career and life goals through high-quality instruction and individualized support.



Sustainable Financial Stewardship

Ensure the strategic and transparent use of financial resources to support meaningful education and maintain long-term fiscal sustainability.



Efficient and Responsive Operations and Technology

Maintain efficient and responsive operational systems and technology that provide a safe, healthy, and supportive learning environment for all students and staff.



Comprehensive Student Support

Foster a safe and welcoming school environment by expanding access to comprehensive services that promote students' academic, social, emotional, and physical well-being.



Talent and Workforce Development

Attract, develop, and retain a talented and skilled workforce by cultivating a culture where every employee feels valued, supported, and empowered to grow professionally.



Effective Communication and Partnerships

Share clear, relevant, and timely information that fosters trust, encourages engagement, and strengthens connections across the school community.

Priorities



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Sustainable Financial Stewardship

Ensure the strategic and transparent use of financial resources to support meaningful education and maintain long-term fiscal sustainability.



Attract, develop, and retain a talented and skilled workforce by cultivating a culture where every employee feels valued, supported, and empowered to grow professionally.



Effective Communication and Partnerships

Share clear, relevant, and timely information that fosters trust, encourages engagement, and strengthens connections across the school community.

Overview

- **Timeline for 2026-2027 Budget**
- **Funding Sources - Local**
- **2026-2027 Superintendent's Budget Request**
- **Discussion**

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 - Board of Education Meeting**
- **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**

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

Funding Source - Local

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

County Appropriations

Fines and Forfeitures

Interest Earned on Investments

Funding Source - Local Operating

2021-2022 - \$51,501,704

2022-2023 - \$52,501,704

2023-2024 - \$53,001,704

2024-2025 - \$53,501,704

2025-2026 - \$54,001,704

2026-2027 Considerations

- Impact of inflation
- State increase in employee compensation
- State increase employer paid benefits
- Competitive certified local salary supplement
- Level of EC Funding 13% vs 15%
- End of Life replacement of Chromebooks
- Positions needed above state allotment
 - *Assistant Principal*

Impact of Inflation

● 2022-23	8.0%	Requested	\$655,000
● 2023-24	4.1%	Requested	\$350,000
● 2024-25	3.0%	Requested	\$315,000
● 2025-26	2.4%	Requesting	\$470,000

Total for Unrealized Inflation \$1,790,000

**Consumer Price Index (CPI)

State Increases in Employee Compensation

This includes all employees paid from local funds - maintenance, secretaries, etc

● 2024-25	3%	\$502,000
● 2026-27	Projected 3%	\$540,000
Total for State Increases		\$1,042,000

State Increases in Employer Paid Benefits

Three years ago -

- Employer Health Insurance \$7,767 - \$8,500
- Employer Retirement 24.5% - 24.7%

Total to catch up	\$1,170,000
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2026-27	\$ 400,000
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Total for catch up	\$1,570,000
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Certified Salary Teacher Supplement

- **Currently \$9 million**
- **\$2.5 million over the last five years**
- **Lowest as compared to peer LEAs**
- **GCS \$4,082 - Peers \$6,000**
- **Need \$3,600,000 to be competitive with peer groups**

EC Funding

- **Level of EC Funding 13% vs 15%+**
- **Cost of \$3,360,000**
- **We must use other funds to cover Robotics, Battle of Books, Spelling Bee, etc**

Chromebook Replacement - End of Life

- **Replacement of student technology devices at end-of-life**
 - \$2.350 million

2026-2027 Superintendent's Budget Request

Ongoing Expenditures

Inflation	\$1,790,000
State Increase Compensation	\$1,042,000
State Increase Benefits	\$1,570,000
Chromebooks End of Life	\$2,350,000

2026-2027 Superintendent's Budget Request

New Expenditures

Certified Teacher Supplement	\$3,600,000
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Exceptional Children	\$3,300,000
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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 \$4.0 million for capital maintenance, or about \$0.78 per square foot

Capital Maintenance Funds

Roofing

HVAC

Vehicles

Plumbing

Site Improvements

Electrical Systems

Technology

Furniture

Life Safety Equipment

Other Capital Assets

2026-2027 Superintendent's Budget Request

2025-26 Gaston County appropriation	\$54,001,704
Ongoing expenses (inflation, state increases)	\$4,402,000
Chromebooks	\$2,350,000
Exceptional Children	\$3,300,000
Certified teacher supplement	<u>\$3,600,000</u>
Total Request	\$67,653,704

Budget Decisions

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



Discussion



2025



GASTON COUNTY

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P.O. Box 1578
Gastonia, North Carolina 28053-1578

County Manager

Phone: (704) 866-3101
Fax: (704) 866-3147
Email: Kim.Eagle@gastongov.com

Honorable Chairman Brown and Members of the Board of County Commissioners:

In accordance with the General Statutes of North Carolina, I am honored to submit, for your consideration, the fiscal year 2025 (FY25) Recommended Budget. The budget is balanced and prepared under the guidelines of NC General Statute Chapter 159-Article 3, the Local Government Budget and Fiscal Control Act. This budget incorporates the County's FY 2024 – 2028 Strategic Plan, which includes the County's vision and mission statement, focusing every dollar we spend and every action we take on providing excellent public service every day. It accomplishes the goals and policy direction of the Board while setting the stage for the organization to look long-term through a strategic planning lens.

This year's budget theme, **"resourceful"** underscores our commitment to strategic resource allocation. It aims to minimize the impact of inflationary and mandated budget growth on Gaston County residents while ensuring essential services are maintained. Over the past several years, two property revaluations and positive natural growth in between have allowed the County to cut its tax rate by 26 cents in just 6 years. This budget aims to continue this trend, emphasizing efficiency and prudent management to achieve optimal outcomes for County residents.

Over the past several years, the County benefited from robust growth in sales tax revenue as the economy recovered from the COVID-19 pandemic. Looking forward, we may not be so fortunate to rely on explosive sales tax growth to balance our budget. The stability of property tax revenue is more important than ever. Property tax remains the county's largest and most stable revenue source, comprising 59% of all revenue in the General Fund. This budget recommends a 59.94 property tax rate—a 1.14 decrease from the current tax rate of 614. The impact of last year's revaluation was at the top of mind when developing this budget. We are committed to keeping costs low to minimize the burden on taxpayers.

Turning to expenditures, our focus remains on lean and efficient operations across County departments and partner agencies. We've managed moderate increases in expenditures carefully to align with strategic priorities and essential service delivery. Gross expenditures in the General Fund are budgeted to increase 6% over the FY24 adopted budget, largely to fund initiatives to retain current employees; a compensation study, state-mandated retirement increases, and to cover rising healthcare costs without increasing employee contribution rates. Our employees are our biggest asset, and this budget seeks to invest in them as much as possible without sacrificing our long-term fiscal solvency.

The budget also includes two new positions: an Assistant Fire Marshal in Emergency Management & Fire Services, and a Digital Media Coordinator in Tourism Development. Importantly, these positions are fully funded by fee revenues and occupancy tax revenue, respectively. This approach ensures emerging needs are met while also maintaining fiscal responsibility.

In summary, this resourceful budget guides our approach to fiscal management, emphasizing strategic resource allocation and efficiency. It reflects our commitment to serving Gaston County residents with integrity and prudence, ensuring that essential services are maintained while addressing emerging needs and challenges. As we move forward, our dedication to sound fiscal practices and responsive governance will continue to drive our efforts in enhancing the quality of life for all residents of Gaston County.

Respectfully submitted,

Kim S. Eagle
County Manager

2026



FY 2026 Recommended Budget Executive Summary

The FY26 Recommended Budget is \$424 million for all funds, net of internal transfers. The General Fund, totaling \$340 million gross expenditures, is the County's major operating fund and is primarily funded with property taxes. This budget recommends a 59.9 cent tax rate, which is a flat tax rate from FY25.

Major expenditure drivers include inflationary increases of state-mandated retirement contributions, a 54% increase in school debt due to full issuance of the 2018 voter-approved General Obligation bond, annual contractual increases, and rising health insurance costs. Development of the FY26 budget was also constrained by much smaller growth in overall revenues compared to prior years, particularly with Sales Tax proceeds.

In order to balance this recommended budget, management and departments analyzed expenditures, acknowledging the need to maintain excellent service delivery and fiscal sustainability. County-wide operating expenditures were decreased by 6% by reducing non-mandated programs to levels that align with Commissioner priorities. County departments have been asked to adopt more efficient operating methods, aligning with a county-wide process improvement initiative grounded in proven Lean and Six Sigma methodologies.

A breakdown of revenue by type and expenditures by function for all funds net of transfers is shown below:

In terms of personnel, the FY26 Recommended Budget includes ten new full-time positions, one of which is proposed to be 50% supported by the Fire Tax, and the others are funded through the General Fund. Funding is also allocated towards a full-year COLA of 3% effective July 1, 2025. These new personnel expenses are recommended to be funded by re-prioritizing existing operating funds, thereby reducing the burden on taxpayers.

The recommended budget increases the Gaston County Schools allocation by \$500,000 and includes more than \$16 million in additional debt payments for the final issuance of the 2018 General Obligation school bonds. Also included is a \$250,000 increase in operating allocation for Gaston College. This budget does not include increases in capital allocations for the Schools or College, but fulfills all related debt service obligations including the new school debt issued in April of 2025.

The following sections provide more information on recent departmental accomplishments, the FY 2024-2028 Strategic Plan, the General Fund, education allocations, and the Community Investment Fund, which funds major capital improvements and debt service.

Revenues by Source	FY26 Recommended
Ad Valorem Taxes	\$ 211,466,597
Sales & Other Taxes	\$ 76,082,037
Intergovernmental & Grants	\$ 40,477,959
Fees, Licenses, & Permits	\$ 11,958,300
Sales, Services, & Fees	\$ 35,963,532
Investment Earnings	\$ 10,375,000
Miscellaneous Revenue	\$ 4,877,614
Insurance Contributions	\$ 26,615,957
Fund Balance Appropriation	\$ 6,529,858
	\$ 424,346,854

Expenditures by Function	FY26 Recommended
General Government	\$ 82,797,718
Public Safety	\$ 108,474,496
Education	\$ 79,597,173
Cultural & Recreational	\$ 10,105,445
Human Services	\$ 86,393,543
Environmental Protection	\$ 104,736
Economic & Physical Development	\$ 8,349,168
Solid Waste	\$ 19,259,020
Debt Service	\$ 29,265,555
	\$ 424,346,854

* Fund balance appropriation includes: \$653,000 appropriation in the Tourism Fund, \$548,963 appropriation in the Emergency Telephone System Fund, and \$5,327,895 appropriated in the Enterprise Fund (Solid Waste Services)

2026 Gaston County Budget-in-Brief

FY 2026

Manager's Recommended Budget-in-Brief



Gaston County's FY 2026 Manager's Recommended Budget aligns the Board of Commissioners' priorities with projected revenues, ensuring critical needs are met without compromising the County's long-term fiscal health. Substantial reductions to operating budgets were necessary to preserve funding for essential services and unavoidable cost increases despite significant projected losses in sales tax revenue, no increase in property tax rate, and no appropriation of General Fund fund balance. This recommended budget reflects thoughtful planning, fiscal discipline, and a shared commitment to responsible stewardship.

General Fund Budget Highlights



\$340m

Total General Fund budget, flat compared to the prior year



Zero

Fund balance appropriated to balance the budget



59.9¢

Recommended property tax rate, the lowest on record



10

New positions recommended for funding (Sheriff's Office, Fleet, Finance, and Elections)



\$750k

Total increases in operating allocations for Gaston County Schools and Gaston College

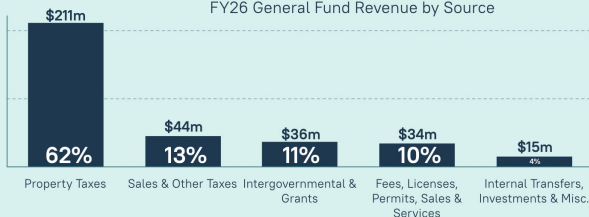


\$16m

In new school bond debt absorbed without increasing the tax rate

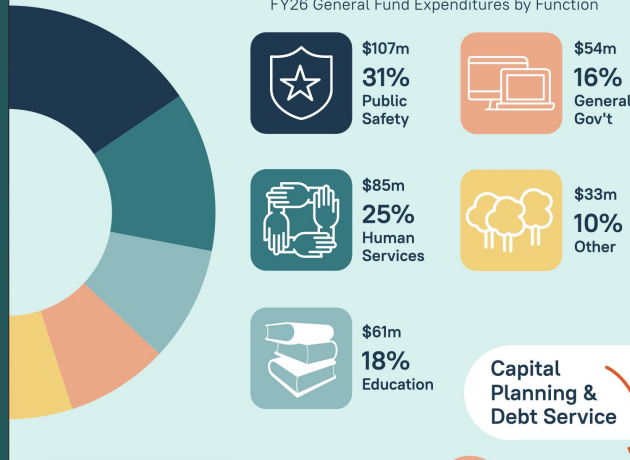
Where does the money come from?

FY26 General Fund Revenue by Source



Where does the money go?

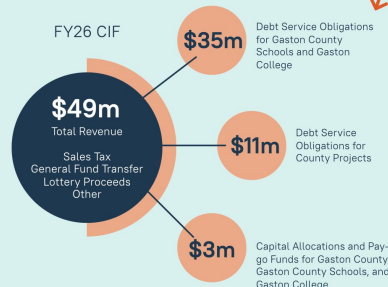
FY26 General Fund Expenditures by Function



Capital Planning & Debt Service

The Community Investment Fund (CIF) model collects all revenues (ex. restricted sales tax, state lottery proceeds, transfers from other funds, investment earnings), and transfers them out to separate funds to pay for debt service obligations and pay-go capital projects for the County, Gaston County Schools, and Gaston College. The FY 2026 Manager's Recommended Budget includes a \$49 million CIF budget. School debt payments will increase by \$12 million due to the 2025 GO bond issuance. Significant reductions were made to general government pay-go capital expenditures to compensate for this increase.

FY26 CIF



County	2025	Ranking of Expenses
Gaston	18%	#3
Lincoln	27%	#1
Alamance	29%	#1
Cleveland	21%	#3
Catawba	27.6%	#1
Cabarrus	22.8%	#1
Union	49%	#1
Brunswick	26.3%	#1
Iredell/Statesville	38%	#1
Onslow	33%	#1

Local Teacher Supplements Funding Comparison

Neighboring Districts	Average Supplement
Charlotte-Mecklenburg	\$10,264
State Average	7,028
Cabarrus County	6,823
Lincoln County	6,421
Union County	6,341
Cleveland County	5,896
Catawba County	5,758
Iredell-Statesville	4,483
Gaston County	4,082
Rowan-Salisbury	3,873

Source: DPI FY 2024 Table 20 for Peer Group Average Supplement

Local Teacher Supplements Funding Comparison

Similar Size Districts	Average Supplement
Durham County	\$10,355
New Hanover County	\$9,399
Johnston County	\$9,307
Onslow County	\$7,773
Buncombe County	\$7,222
State Average	\$7,028
Cabarrus County	\$6,823
Union County	\$6,341
Gaston County	\$4,082



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](#)

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

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

