APPROVAL OF THE BOARD OF EDUCATION'S PROPOSED BUDGET, 2026-2027

May 5, 2026

Approval of the Board of Education's Proposed Budget for 2026-27

Action Item:

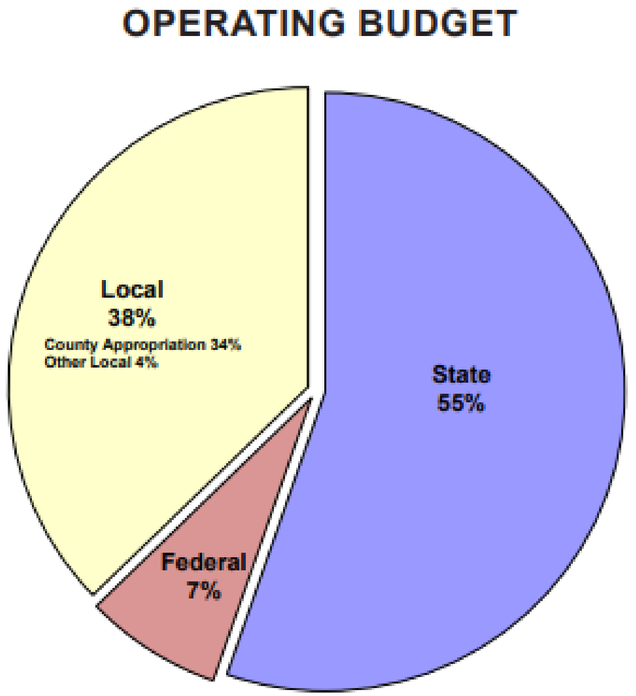
This item is presented for Board action in alignment with G.S. 115C, Article 31. The School Budget and Fiscal Control Act, requires the Board of Education to submit the approved budget to the County Commissioners no later than May 15th.

2026-27 Operating Budget Timeline

- Staff presented the Superintendent's Proposed Budget to the Board on April 7th and held two community input sessions on April 8th and 15th
- On April 21st public comment was held on the budget, and staff presented budget reduction options to the board to preserve special education funding and address board questions
- ***Today:*** Staff responded to additional board member questions and board members identified adjustments to the Superintendent's Proposed Budget
- ***Tonight:*** Staff will request Board approval for the Board of Education's Proposed Budget for 2026-27

Superintendent's Proposed 2026-27 Operating Budget

OPERATING BUDGET FOR 2026-27					
		Operating Budget			Per Pupil Budget
State	**$**	**1,267,076,327**	**55%**	**$**	**7,896**
County Appropriation	$	768,175,169	34%	$	4,282
Enterprise Funds	$	43,671,802	2%	$	272
Other Local	$	19,227,360	1%	$	120
Fund Balance Appropriation	$	19,111,354	1%	$	119
Local - Current Expense Non-Restricted	$	2,898,864	<1%	$	16
Local	**$**	**853,084,549**	**38%**	**$**	**4,809**
Federal	**$**	**169,992,672**	**7%**	**$**	**1,059**
TOTAL	**$**	**2,290,153,548**	**100%**	**$**	**13,764**



Superintendent's Proposed 2026-27 Operating Budget

County Appropriation Request

The superintendent recommends the Wake County Board of Education request an increase of $25.3 million for 2026-27 for a total county appropriation of $768.2 million.

	2025-26	Proposed 2026-27	Difference	Percent Increase
County Appropriation				
Current Expense - Recurring	$ 741,944,152	$ 767,203,363	$ 25,259,211	
Crossroads Lease	963,164	971,806	8,642	
	$ 742,907,316	$ 768,175,169	$ 25,267,853	3%
Student Membership				
WCPSS	160,510	160,461	(49)	(<1%)
Charter Schools	18,730	18,939	209	1%
	179,240	179,400	160	<1%
Allocation Per Student	$ 4,145	$ 4,282	$ 137	3%

Superintendent's Proposed 2026-27 Operating Budget

Summary of Local Revenue and Expenditure Changes

The summary below shows how all changes in local revenues, fund balance, and expenditures impact the county appropriation request.

Changes in revenues supporting local expenditures (pages 43-45)	
Tuition and Fees	$ (1,897,150)
Child Nutrition	(1,672,547)
Local Unrestricted Revenues	(640,473)
Local Restricted Revenues	(619,227)
Positions Funded by Individual School Accounts	(1,120,206)
	$ (5,949,603)

Decreases in fund balance appropriated for the local budget (page 45)	
Beginning appropriated fund balance	$ (2,900,000)
Mid-year appropriations of fund balance for one-time costs	(7,019,994)
	$ (9,919,994)

Changes in local expenditures (page 14)	
Employee Compensation	$ 14,044,595
Legislative Requirements	11,794,540
New Schools and School Changes	3,422,505
Student Membership Changes	(4,789,915)
Program Continuity	7,861,698
Increasing Property Costs	1,562,532
Removal of Prior Year One-time Costs	(15,699,005)
Strategic Budget Realignment	(5,206,527)
Changes to Grants, Donations, and Fees	(3,256,815)
Grants, Donations, and Fees Ending	(335,352)
	$ 9,398,256

Equals change in county appropriation (page 42)	**$ 25,267,853**

Superintendent's Proposed 2026-27 Operating Budget

Local Budget Adjustments

Employee Compensation - $14.0 million increase

- Estimated legislated salary increase of 3% for certified and non-certified staff
- Increase in local master's pay for eligible new teacher hires
- Increase local certified salary supplement by 1%
- Employer matching dental rate increase to maintain program
- Extra duty pay scale adjusted to 2025-26 level

Legislative Requirements - $11.8 million increase

- Transfer to charter schools
- Employer matching retirement and hospitalization insurance increases
- State allotment decreases

Superintendent's Proposed 2026-27 Operating Budget

Local Budget Adjustments

New Schools and School Changes - $3.4 million increase

- Opening Hilltop Needmore Road Elementary in 2026-27
- Felton Grove High adding 11th grade
- Lake Myra Elementary changing from Track 4 calendar to a year-round calendar

Student Membership Changes - $4.8 million decrease

- Decreased allotments to schools based on a decrease in student membership

Superintendent's Proposed 2026-27 Operating Budget

Local Budget Adjustments

Program Continuity - $7.9 million increase

- Maintain special education teacher and magnet teacher positions
- Funding for SparkNC position

Increasing Property Costs - $1.6 million increase

- Property and casualty insurance premiums
- Real estate leases

Remove One-Time Costs - $15.7 million decrease

Superintendent’s Proposed 2026-27 Operating Budget

Local Budget Adjustments

Strategic Budget Realignment - $5.2 million decrease

- Instructional Services Budget Reduction - $500k
- Elementary Literacy Coaches Reduction of 248 Months of Employment - $2.2m
- Transition to Digital Distribution of the Parent/Student Handbook - $50k
- Transportation Budget Reduction Based on Annual Spending - $2.5m

Changes to Grants and Grants Ending - $3.6 million decrease

Superintendent’s Proposed 2026-27 Operating Budget

Use of Fund Balance

- ***Superintendent’s Proposed Budget invests $18.5 million*** toward the beginning budget. This is $2.9 million less than the $21.4 million appropriated toward the 2025-26 beginning budget.

- ***Superintendent’s Proposed Budget appropriates $611,354 of fund balance*** reserved for programs funded by one-time JUUL and Altria legal settlements.

Board Adjustments to the Superintendent's Proposed Budget for 2026-27

One-Time Adjustments

Increase Carryover in IDEA - $4,000,000

Use one-time local savings due to allotments from the state in the third quarter to cover contract costs paid from IDEA earlier in the year; increasing the carryover in the IDEA grant by $4m. This allows WCPSS to leave 515 months of special education teachers on the grant for one more year. This delays the transition of $4m from the grant to local.

Utilize Carryover in Community Schools - $1,000,000

One-time - reassign $1.0m of utility costs to Community Schools carryover funds for 2026-27 only.

Board Adjustments to the Superintendent's Proposed Budget for 2026-27

Base Budget Reductions

High School Assistant Principal (AP) Formula - $1,242,120

Remove top two tiers of the allotment formula. The top tier for larger schools becomes 58 Months of Employment (MOE). Ten schools would decrease by 11 MOE AP. One school would decrease by 22 MOE AP.

Central Services Vacant Positions - $836,489

Remove seven vacant positions in Academic Advancement and Chief of Staff and Strategic Planning Divisions.

Central Services Non-Personnel Budget - $523,000

Reduce central services non-personnel base budgets for contracted services, supplies, and subscriptions in the areas of Chief of Staff and Strategic Planning, Technology, Transportation, Financial Services, and Human Resources.

Board Adjustments to the Superintendent's Proposed Budget for 2026-27

Base Budget Reductions

Instructional Support Specialists - $440,289

Remove Instructional Support Specialists initially created through North Carolina Education Corp (NCEC) contract for tutors.

Supplemental Funds for Restart Schools - $124,601

Decrease Supplemental Funds for schools with Restart status for beyond formula allocations from $6.0 million to $5.9 million. Intend to reinstate if savings are identified during 2026-27.

Board Adjustments to the Superintendent’s Proposed Budget for 2026-27

Remove Funding Requests

Special Education Teacher Formula Change

Page 110 of Superintendent's Proposed Budget - $10,086,786

Removed special education reductions.

Employer Matching Dental Rate Increase

Page 63 of Superintendent's Proposed Budget - $811,000

Reduce costs in dental plan by revising the plan to cover two cleanings per year and give an in-network preference.

Extra Duty Stipends

Page 64 of Superintendent’s Proposed Budget - $1,124,287

Pause annual alignment of Extra Duty Stipends

Pause annual alignment of Extra Duty Stipends p. 64 of Supt.'s Budget

Board Adjustments to the Superintendent's Proposed Budget for 2026-27

Base Budget Increase

Communities In Schools - $15,000

Matching funds for Communities In Schools grant for success coaches (tutors)

Board Adjustments to the Superintendent’s Proposed Budget for 2026-27

Federal Revisions (no impact to local)

CTE Program Improvement

Reduce the federal funds projected for 2026-27. This corrects an error in the projection in the Superintendent's Proposed Budget.

IDEA Early Intervening

Increase the carryover for the IDEA Early Intervening grant. Expenditures in 2025-26 are less than expected. Costs for computer software and materials were lower than estimated. Special education has not completed the RFP process for contracted services. Those costs will occur in 2026-27 rather than 2025-26.

Board Adjustments to the Superintendent's Proposed Budget for 2026-27

Summary of Adjustments

		Local					
	State	County Appropriation	Fund Balance Appropriation	Other Local	Federal	Building Program	Total
Expenditure Adjustments:							
2026-27 Superintendent's Proposed Budget	**$ 1,267,076,327**	**$ 768,175,169**	**$ 19,111,354**	**$ 65,798,026**	**$ 169,992,672**	**$ 1,135,919,343**	**$ 3,426,072,891**
Removed Special Education Teacher Formula Change funding request					$ 10,086,786		$ 10,086,786
Revised Special Education Teachers Program Continuity request to move an additional $6.1 million of costs from federal to local		$ 6,086,786			$ (6,086,786)		$ -
Moved $1.0 million of utility costs to Community Schools		$ (1,000,000)					$ (1,000,000)
Changed High School Assistant Principal (AP) Formula		$ (1,242,120)					$ (1,242,120)
Removed seven Central Services vacant positions		$ (836,489)					$ (836,489)
Reduced central services nonpersonnel base budgets		$ (523,000)					$ (523,000)
Removed Employer Matching Dental Rate Increase funding request		$ (811,000)					$ (811,000)
Removed Instructional Support Specialists		$ (440,289)					$ (440,289)
Removed funding request for Extra Duty Stipends increase		$ (1,124,287)					$ (1,124,287)
Decreased Supplemental Funds for Restart Schools		$ (124,601)					$ (124,601)
Communities In Schools matching grant requirement.		$ 15,000					$ 15,000
Career Technical Education - Program Improvement correction					$ (1,083,749)		$ (1,083,749)
Revised IDEA - Comprehensive Coordinated Early Intervening Services					$ 2,288,045		$ 2,288,045
Total Expenditure Adjustments	$ -	$ -	$ -	$ -	$ 5,204,296	$ -	$ 5,204,296
2026-27 Board of Education's Proposed Budget	**$ 1,267,076,327**	**$ 768,175,169**	**$ 19,111,354**	**$ 65,798,026**	**$ 175,196,968**	**$ 1,135,919,343**	**$ 3,431,277,187**

Approval of the Board of Education's Proposed Budget for 2026-27

Staff request Board approval of the Board of Education's Proposed Budget for fiscal year 2026-2027.

- This request includes the budget items in the Superintendent's Proposed Budget and the Board Adjustments agreed upon in this afternoon's Board Work session and included in tonight's presentation.

- ***Approval of this item fulfills the Board's statutory responsibility and advances the budget process to the County Commissioners.***

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