EXECUTIVE BRIEFING & FISCAL OVERVIEW

Iredell-Statesville Schools: Fiscal Structure & Operating Reality

Restricted state and federal allotments, statutory leadership mandates, enrollment-driven revenue losses, and verified cost savings

STATUTORY SPENDING CONTROLS

PRC & COA Define Exact Spending Rules



Strict Legal Guardrails on Every Dollar

PRC and COA govern how funds are spent across non-transferable state and federal accounts.

Program Report Codes (PRC)

Dictates exact program funding eligibility.

Uniform Chart of Accounts (COA)

Mandates specific purpose and object codes.

NCGS § 115C-426 COMPLIANCE

State-Mandated Budget Buckets

Fund 1: State Public School

Non-transferable restricted state allotments.

Fund 2: Local Expense

County funds for supplements and utilities.

Fund 3: Federal Grants

Restricted Title I and IDEA funds.

Fund 4: Capital Outlay

Facility repairs only; zero operational salaries.

LEGAL MANDATES

Mandated Central Office Roles Under NC Law

N.C.G.S. § 115C-271

Superintendent

- **Board Secretary:** Ex-officio administrative system head.
- **Operations:** Supervises staff recommendations; state-budget funded.

N.C.G.S. § 115C-435

School Finance Officer / CFO

- **Pre-Audit Authority:** Statutory bonded fiscal officer.
- **Compliance:** Enforces Fiscal Control Act; state-budget funded.

STATE ALLOTMENT FORMULAS

How Teachers & Central Office Are Funded

Classroom Teachers (PRC 001)

- **Kindergarten:** 1 position per 18.0 students.
- **Grades 1–3:** 1 position per 16.0 students.
- **Grades 4–8:** 1 position per 24.0–26.0 students.
- **Grades 9 / 10–12:** 1 per 26 / 29 students.

Central Office Overhead (PRC 002)

$1.2 Million

State central office administration allotment.

- **Base Allotment:** Guaranteed statutory base per LEA.
- **Per-Student Escalator:** Incremental funds tied to ADM.

FINANCIAL ARCHITECTURE

NC Standardized Chart of Accounts

Structure: Fund (1) – Purpose (4) – PRC (3) – Object (3) – Site (3)

Code Segment	Role	Examples
Purpose (4 digits)	**Where**	5000 Instruction • 6550 Transport • 6610 Finance
PRC (3 digits)	**How**	PRC 001 Teachers • PRC 002 Central • PRC 005 Principals
Object (3 digits)	**What**	121 Base Salary • 181 Supplement • 211 Retirement

FISCAL DRIVERS

Key Causes of the Current Deficit

Low Per-Pupil Ranking

Ranks 98th of 100 NC counties locally.

Unfunded EC Mandates

100% service mandate exceeds state caps.

Fixed Overhead Inflation

Rising health, retirement, fuel, and utilities.

ADM & REVENUE TRAJECTORY

Enrollment Decline & Funding Revenue Loss

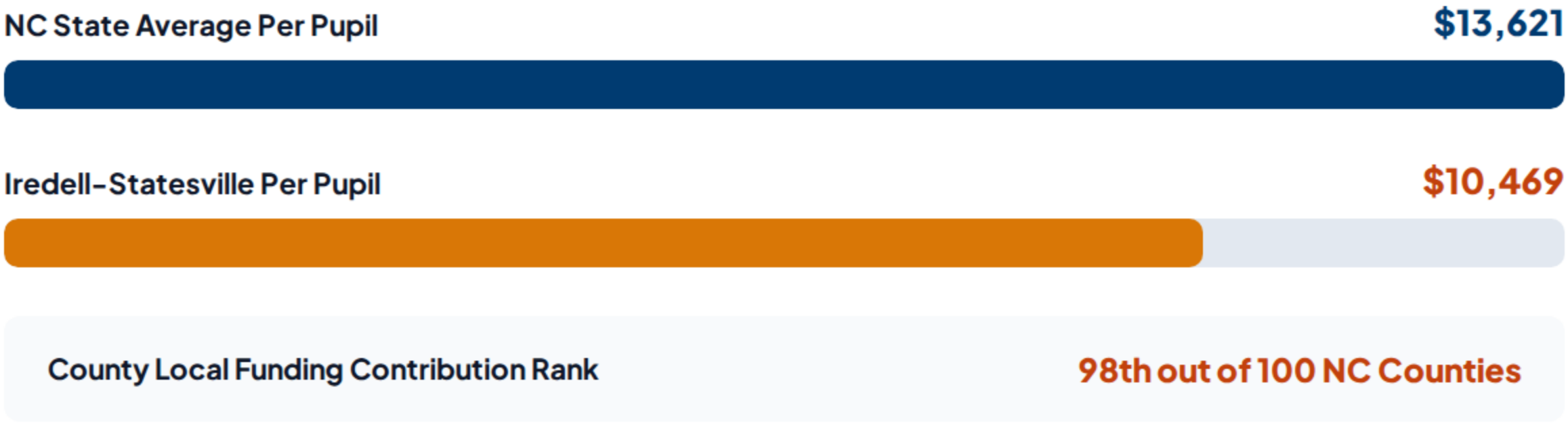
$11,767,156

Total recurring funding loss over 2 years (~1,124 student ADM drop)

~1,124	~$10.4M	PRC 001 / 005
2-Year ADM Drop	Loss per 1,000 Students	Automatic Position Cuts

FUNDING CONTEXT

Regional & Statewide Funding Comparison



Structural & Scale Challenges

- **Divided Local Tax Base:** County revenues split between I-SS and Mooresville Graded.
- **Scale Disadvantage:** Divided systems pay higher per-student overhead and retail pricing.
- **Rural Sprawl:** Large footprint drives longer bus routes and maintenance costs.
- **Personnel Squeeze:** Staffing consumes ~92% of local operating budgets.

ACTIONABLE REDUCTIONS

Central Office & School Leadership Cuts

Central Office (2025)

7 leadership, specialist, and maintenance roles cut.

Central Office (2026)

8 executive, coaching, support, and trade roles cut.

Assistant Principals

5 AP positions cut across 2025 and 2026.

Virtual Academy Closure

5 teachers, 1 office, and 0.5 counselor cut.

ACTIONABLE REDUCTIONS

Staffing, Program & Operational Reductions

01 • STAFFING & SUPPORT (2026)

TAs, Custodians & Student Services ($2,110,000)

- **TA Reductions ($960k):** 3 Early College DLA & 9 district TAs.
- **Custodians ($300k):** 5.5 positions cut; 4 converted to HES.
- **Support ($850k):** 12 office, 2 Nurse Extenders & EIMS Counselors.

02 • VIRTUAL ACADEMY CLOSURE (2025)

I-SS Virtual Academy ($500,000)

- **Teaching Staff:** 5 teaching positions eliminated ($400,000).
- **Office Support:** 1 office support role eliminated ($60,000).
- **Counseling:** 0.5 counselor position eliminated ($40,000).

03 • PROGRAM REDUCTIONS (2025–2026)

Software & Platform Cuts ($136,250)

- **PowerSchool & Droplet:** PowerSchool ($66k) & Droplet ($5.25k).
- **Capacity & E-Hall Pass:** Capacity ($25k) & E-Hall Pass ($25k).
- **Honest Game:** Program reduction ($15,000).

04 • STIPENDS, TRANSFERS & OPERATIONS

Fleet, Stipends & Fund Shifts ($3,330,867)

- **Fleet & Stipends:** 43 buses ($1.591M), Attendance ($894k), Planning ($212k).
- **Fund Shifts:** Nutrition indirect ($250k) & IT to Textbooks ($150k).
- **Allotments:** Supplies ($208k) & Building improvements ($124.5k).

OPERATIONAL REALIGNMENTS

Non-Personnel, Labor & Operational Savings

Category	Specific Action Items	Fiscal Impact
Admin Restructuring	Prior administration overhead streamlining	**-$3,000,000**
Stipends & Benefits	Attendance ($894,367) & planning ($212,000)	**-$1,106,367**
ESS Contracted Services	81 employees × $12,500 per employee	**-$1,012,500**
Fund Transfers & Dept. Cuts	Transfers ($400k), Supplies/Bldg/Software ($468.75k)	**-$868,750**
Annual Labor & Supply Savings	$11,645 × 46.435 FTEs ($540,736) + Supplies ($196,023)	**-$736,759**
Position & Bus Reductions	Additional position reductions and bus reduction savings	**-$6,055,923**
Combined Savings Total	**$6,724,376 operational/labor + $6,055,923 position & bus reductions**	**-$12,780,299**

TOTAL VERIFIED DOLLAR IMPACT

Combined Operational, Position & Labor Savings-Recurring savings

$12,780,299

Total verified recurring savings across positions, fleet, operations, ESS, and supplies

$6,055,923
Position & Bus Reductions

$4,975,117
Admin, Stipends & Transfers

$1,012,500
ESS Savings (81 × $12,500)

$736,759
Labor & Supply Savings

IREDELL-STATESVILLE SCHOOLS

Fiscal Discipline & Statutory Compliance

Questions & Board Discussion