



Chatham County, NC

Legislation Text

File #: 20-3530, **Version:** 4

Vote on a request to temporarily increase the \$50,000 limit that the county manager can transfer from contingency funds as needed to support the Chatham County Schools teacher supplement in FY 2019-2020.

At the Board of Commissioners retreat in January of 2020, Chatham County Schools presented information about the teacher supplement. (See attachment.)

In FY 2018-2019, the supplement was converted from a flat-rate to a percentage of salary for licensed teachers. This approach has proven difficult to sustain due to the variable nature of teacher salary and benefit increases, which are set by the state. For example, in FY 2019 salary increases ranged from 0% to 14.8% and the contribution to retirement increased 3% from the prior year. The result is that despite careful planning, the supplement expense has exceeded the amount budgeted.

In January the Board of Education and the Board of County Commissioners approved freezing the supplement for the remainder of FY 2020 and FY 2021 based on the salary schedule for FY 2019-2020. If the General Assembly approves a pay increase it would not be included, but increases in retirement would be covered. This gave staff from both organizations time to develop a more sustainable approach to funding the supplement. However, any shortfall in the current year might necessitate the school system to request the county's support.

Chatham County Schools staff expects that some reduction in operational expense due to the COVID-19 crisis will offset any difference between expense and budget for the supplement in FY 2019-2020. The current proposal offers a safety net in the event of any unforeseen circumstances that might impact the ability of Chatham County Schools to pay the supplement prior to the close of the current fiscal year.