

**ORANGE COUNTY
BOARD OF EDUCATION**

AGENDA ITEM ABSTRACT

Meeting Date: November 1, 2010

AGENDA ITEM No. 10-11-11

ACTION ITEM: (Y/N) Y

SUBJECT: Orange County Capital Improvement Plan Funding Policy Resolution – 2010-2011

INFO. CONTACT: Dr. George McFarley **PHONE:** 919-732-8126

ATTACHMENTS:

1. Resolution to Amend Capital Improvement Plan Funding Policy

PURPOSE: To provide the Board of Education an opportunity to consider for approval a Resolution requesting Orange County (OC) Government modify its Capital Funding Policy.

BACKGROUND: The current Orange County Capital Funding Policy requires lottery funds to be budgeted a year in arrears. County government is considering an amended capital funding policy which would allow school systems to draw down lottery funds once the state makes the quarterly deposit.

Orange County Schools (OCS) staff, in consultation with OC Government staff, believes it will be to the advantage of both the school district and the county government if the county applies for the \$800,000 lottery fund balance to be used for debt payments and the county then provides an equal funding amount to the district's CIP as additional Pay-As-You-Go funds. Immediate access to lottery funds will allow the BOE to draw down the lottery funds sooner, address capital project needs by providing the ability to start projects quickly, and replace the FY 2010-2011 capital funding reductions at the state and county level. The BOCC and the BOE would review this policy annually as the lottery funds are allocated to the school district by the state.

FINANCIAL IMPACT: OCS would have immediate access to its allocated lottery funds to address capital needs and projects.

RECOMMENDATION: The Superintendent recommends the Board approve the Resolution supporting an amended 2010-2011 Capital Improvement Plan being considered by Orange County Government.

Orange County Board of Education

Resolution to Amend the Orange County Capital Improvement Plan Funding Policy

WHEREAS, The Orange County Government is considering an amendment to its capital improvement plan funding policy for the 2010-2011 fiscal year;

BE IT, THEREFORE, RESOLVED, the Orange County Board of Education requests the County to modify its Capital Funding Policy by (a) applying to use accumulated lottery funds for debt service payments provided an equal amount of funding is transferred to the district's 2010-2011 CIP and (b) permitting current year withdrawals immediately after the state's quarterly lottery fund deposit.

This the 1st day of November, 2010.

Tony McKnight, Chair
Orange County Board of Education

G. Patrick Rhodes
Secretary to the Board of Education