

ORANGE COUNTY
BOARD OF EDUCATION

AGENDA ITEM ABSTRACT

Meeting Date: June 22, 2012

AGENDA ITEM No. 12-06-(2)-06

ACTION ITEM: (Y/N) Y

SUBJECT: Interim Appropriation Budget Approval 2012-2013

INFO. CONTACT: Donna Brinkley PHONE: 732-8126

ATTACHMENTS: None.

PURPOSE: To allow the Board of Education to adopt an interim budget to cover the period of time from the end of the 2011-2012 fiscal year (July 1, 2011 – June 30, 2012) until the adoption of a budget resolution for the 2012-2013 fiscal year.

BACKGROUND: The statute N.C.G.S. 115C-434 states "In case the adoption of the budget resolution is delayed until after July 1, the board of education shall make interim appropriations for the purpose of paying salaries and the usual ordinary expenses of the local school administrative unit for the interval between the beginning of the fiscal year and the adoption of the budget resolution. Interim appropriations so made and expended shall be charged to the proper appropriations in the budget resolution."

On June 12, 2012 the BOCC approved a Resolution of Intent to adopt the FY 2012-13 annual operating budget. The County budget includes an increase of \$65 (2.1%) in the per pupil appropriation to schools. If approved by the BOCC, the per pupil amount would be \$3,167 for a total appropriation of \$24,021,695. This represents an increase of \$952,121 over the FY 2011-12 annual operating budget. Orange County Government is scheduled to adopt a final budget on June 19, 2012. The state of North Carolina has not yet adopted a final budget.

Once the state adopts a final budget, finance staff will reconcile adjustments. State reversions will be due to DPI on September 1, 2012. While the projected reversion is \$2.5 million, state House and Senate budget negotiations have not settled on a final amount. Once final reversions are established by the state, staff will bring back a recommendation for discussion and consideration during August meetings. Once the BOE has approved the reversions, staff will develop a final budget resolution for Board consideration. Last year the BOE adopted a final budget on September 6th.

FINANCIAL IMPACT: The approval of the interim budget will be necessary to provide for the regular operational expenditures until allocations from the state of North Carolina are received. All interim spending will reflect projected reductions to state and federal appropriations.

RECOMMENDATION: The Superintendent recommends the Board of Education adopt the 2012-2013 interim budget at the 2011-2012 amended budget level less projected reductions to state and federal appropriations.