

ORANGE COUNTY
BOARD OF EDUCATION

AGENDA ITEM ABSTRACT

Meeting Date: April 16, 2012

AGENDA ITEM No. 12-04-(2)-10

ACTION ITEM: (Y/N) Y

SUBJECT: Local Budget Approval - 2012-2013

INFO. CONTACT: Patrick Rhodes / Donna Brinkley PHONE: 919-732-8126

ATTACHMENTS:

1. Local Current Expense Fund Revenue Projection-Revised.
2. Local Operating Budget Revenue and Expenditures-Revised.
3. Summary by Purpose Code-Revised.
4. Local Current Expense Budget by Program Report Code (PRC)-Revised.
5. School Districts Local Current Expense Fund Balance Policy #8101.
6. Governmental Funds Historical Fund Balances-Revised.
7. Full Time Employees Report-Revised.
8. Student Statistics-Revised.
9. State Allotment Ratio Projections for 2012-13 (3 pages).
10. Professional Reduction In Force Policy #7920.
11. Classified Reduction In Force Policy #7921.

PURPOSE: The purpose of this item is to provide the Board of Education the opportunity to approve the 2012-2013 local current expense budget.

BACKGROUND: On March 19, 2012, the superintendent presented a recommended budget for Board of Education consideration. A Public Hearing on the budget was held on April 9, 2012. The local budget requests an increase in per pupil appropriation of \$220. Based on a county projected enrollment of 7,639 students, the total requested appropriation is \$25,376,758. Due to increased enrollment of 148 students and adjustments for out-of-district and charter school students, the overall appropriation increases by \$2,307,184. The recommended local budget includes proposed local operational revenue increases to include spending 1.432 million dollars of fund balance and applying \$700,000 in funding flexibility savings. As a result of state and federal budget cuts, the school system faces a funding deficit of \$4,438,882.

The Board of Education has conducted budget discussions and/or work sessions on January 3, January 17, February 6, February 20 and March 19, 2012. An additional work session was held on April 9, 2012.

To support the budget development process, the Board of Education established a budget subcommittee which consists of three board members, the superintendent, cabinet members, teachers, and principals.

The budget is scheduled to be presented to the Board of County Commissioners on April 26, 2012 beginning at 7:00 p.m. at the Department of Social Services Building in Hillsborough. More information on the Orange County Schools budget can be found at www.orange.k12.nc.us.

continued

FINANCIAL IMPACT: As proposed, the 2012-2013 local current expense budget will provide \$25,376,758 in revenue appropriations from the Board of County Commissioners. This represents an increase of \$2,307,184 over last year's local appropriation, and the local per pupil expenditure would be \$3,322.

RECOMMENDATION: The Superintendent recommends the Board of Education approve the 2012-2013 local current expense budget.

ORANGE COUNTY SCHOOLS

2012-2013 Local Current Expense Fund Revenue Projections

Projected Student Enrollment	2010-2011	2010-2011	2011-2012	2011-2012	2012-2013
	Budget	Actual	Budget	Estimate	Recommended
State Projection of Students	7,192	7,192	7,272	7,272	7,420
Less: Out-of-County Tuition Paid	89	89	89	70	70
Existing Charter School Students	254	254	254	289	289
Total County Resident Students	7,357	7,357	7,437	7,491	7,639

County Appropriation	3,096	3,096	3,102	3,102	3,322
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Local Revenues	2010-2011	2010-2011	2011-2012	2011-2012	2012-2013
	Budget	Actual	Budget	Estimate	Recommended
County Appropriation	22,775,096	22,777,992	23,069,574	23,069,574	25,376,758
Special District Tax (CHCCS only)	N/A	N/A	N/A	N/A	N/A
Prior Year Special District Tax	N/A	N/A	N/A	N/A	N/A
Fair Funding	494,000	494,000	494,000	494,000	494,000
Fines and Forfeitures	215,358	242,987	222,399	210,382	218,000
Interest Income on Investments	30,000	49,316	33,300	35,300	40,000
Appropriated Fund Balance-Carryover	160,547	-	170,582	-	-
Appropriated Fund Balance	-	-	-	-	1,431,698
Miscellaneous	-	2,500	-	-	700,000
Total Local Revenues	\$ 23,675,001	\$ 23,566,795	\$ 23,989,855	\$ 23,809,256	\$ 28,260,456

ORANGE COUNTY SCHOOLS

Local Operating Budget Revenues and Expenditures

Revenues	2010-2011	2010-2011	2011-2012	2011-2012	2012-2013
	BUDGET	ACTUAL	BUDGET	ESTIMATE	RECOMMENDED
Total Local Revenues	\$ 23,675,001	\$ 23,566,795	\$ 23,989,855	\$ 23,809,256	\$ 28,260,456

Allocations

Instructional Programs	2010-2011	2010-2011	2011-2012	2011-2012	2012-2013
	BUDGET	ACTUAL	BUDGET	ESTIMATE	RECOMMENDED
Regular Instructional Services	7,649,917	8,057,364	7,525,567	7,155,467	11,412,406
Special Populations Services	864,435	1,068,336	962,129	914,812	1,009,272
Alternative Programs and Services	619,354	656,804	702,344	667,803	827,366
School Leadership Services	1,879,120	1,906,169	1,651,026	1,569,830	1,647,625
Co-Curricular Services	915,362	865,385	896,335	852,254	909,727
School-Based Support Services	1,074,573	1,496,974	1,144,220	1,087,948	2,049,278
Total Instructional Programs	\$ 13,002,761	\$ 14,051,032	\$ 12,881,621	\$ 12,248,116	\$ 17,855,674

Support Services	2010-2011	2010-2011	2011-2012	2011-2012	2012-2013
	BUDGET	ACTUAL	BUDGET	ESTIMATE	RECOMMENDED
Support and Development Services	1,706,234	1,176,178	1,508,348	1,434,169	1,511,905
Special Population Support and Dev.	9,515	29,697	95,728	91,020	99,333
Alternative Programs and Services	6	225	14	13	22
Technology Support Services	312,009	301,265	404,387	384,500	416,245
Operational Support Services	6,000,704	4,349,160	6,665,442	6,337,642	5,703,315
Financial and Human Resource Serv.	1,020,043	480,391	728,015	692,212	828,194
Accountability Services	161,479	115,231	113,357	107,782	114,687
System-Wide Pupil Support Services	485	12,643	14,101	13,408	12,000
Policy, Leadership & Public Relations	625,908	539,457	702,798	668,235	737,816
Total Support Services	\$ 9,836,383	\$ 7,004,247	\$ 10,232,190	\$ 9,728,981	\$ 9,423,517

Other Services	2010-2011	2010-2011	2011-2012	2011-2012	2012-2013
	BUDGET	ACTUAL	BUDGET	ESTIMATE	RECOMMENDED
Community Services	11,411	11,415	11,661	11,088	11,777
Nutrition Services	8,300	1,560	14,383	13,676	9,430
Charter Schools	816,146	815,676	850,000	808,198	960,058
Debt Services	-	-	-	-	-
Interfund Transfers	-	-	-	-	-
Total Other Services	\$ 835,857	\$ 828,651	\$ 876,044	\$ 832,961	\$ 981,265

TOTAL LOCAL OPERATING EXPENSES	\$ 23,675,001	\$ 21,883,930	\$ 23,989,855	\$ 22,810,058	\$ 28,260,456
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Per Pupil Expenditures	3,096	3,096	3,102	3,102	3,322
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ORANGE COUNTY SCHOOLS

Local Operating Budget Summary Summary by Purpose Code

Instructional Services	2010-2011	2010-2011	2011-2012	2011-2012	2012-2013
	BUDGET	ACTUAL	BUDGET	ESTIMATE	RECOMMENDED
5110 Regular Instructional Services	\$ 4,787,812	\$ 5,196,335	\$ 4,628,306	\$ 4,400,691	\$ 8,162,751
5111 Supplement - Tenured Teacher	1,306,972	1,235,614	1,283,988	1,220,843	1,409,104
5112 Cultural Arts	1,260,610	1,485,501	1,403,821	1,334,782	1,476,911
5113 Physical Education	144,738	126,968	204,941	194,862	65,310
5114 Foreign Language	85,375	8,988	-	-	293,812
5115 Technology	59,889	69			
5120 CTE	4,521	3,889	4,512	4,290	4,518
5210 Children With Disabilities	531,864	648,676	520,225	494,641	509,606
5220 Special Populations CTE	-	29	-	-	-
5230 Pre-K Children With Disabilities	-	890	-	-	-
5240 Speech and Language Pathology Services	-	55	-	-	-
5260 Academically/Intellectually Gifted	250,021	320,883	326,393	310,341	349,653
5270 Limited English Proficiency	82,550	97,803	115,511	109,830	150,013
5310 Alternative Instructional Services	278	50,479	-	-	-
5320 Attendance/Social Work Services	414,092	457,741	412,555	392,266	536,850
5330 Remedial and Supplemental Services	200,000	98,311	186,000	176,853	186,000
5340 Pre-K Readiness/Remedial & Supp. Services	4,984	135	1,166	1,109	-
5350 Extended Day/Year Instructional Services	-	8	-	-	-
5353 Summer School Instructional Services	-	50,130	102,623	97,576	104,516
5400 School Leadership Services	47,199	(1,831)	67,150	63,848	56,185
5401 School Principal	833,542	1,079,087	241,481	229,605	274,281
5402 School Assistant Principal	742,739	823,074	827,110	786,434	794,311
5403 School Treasurer	99,534	5,165	306,455	291,384	310,899
5404 School Clerical Support	156,106	674	208,829	198,559	211,949
5500 Co-Curricular Services	48,244	44,523	48,579	46,190	49,405
5501 Athletics	606,271	583,663	611,013	580,964	622,715
5502 Cultural Arts	110,847	106,509	111,743	106,248	112,607
5503 School Clubs & Other Student Organizations	-	6,477	-	-	-
5504 Before/After School Care	150,000	124,213	125,000	118,853	125,000
5810 Education Media Services	159,140	379,489	228,855	217,600	457,698
5820 Student Accounting	211,017	6,789	254,757	242,228	259,193
5830 Guidance Services	556,886	775,061	540,425	513,847	973,569
5840 Health Support Services	-	225,173	8,653	8,227	248,053
5850 Safety and Security Support Services	147,530	110,462	111,530	106,045	110,765
5000 Total Instructional Services	\$ 13,002,761	\$ 14,051,032	\$ 12,881,621	\$ 12,248,116	\$ 17,855,674

Support Services	2010-2011	2010-2011	2011-2012	2011-2012	2012-2013
	BUDGET	ACTUAL	BUDGET	ESTIMATE	RECOMMENDED
6110 Regular Curricular Support and Development	\$ 1,693,525	\$ 1,152,568	\$ 1,410,816	\$ 1,341,433	\$ 1,413,200
6120 CTE Curricular Support and Development	9,709	23,610	97,532	92,735	98,705
6200 Special Population Support & Development	9,515	29,697	95,728	91,020	99,333
6300 Alternative Programs & Services Supp. & Dev.	6	225	14	13	22
6400 Technology Support Services	200,412	93,505	153,017	145,492	161,548
6401 Technology Services	111,597	207,760	251,371	239,009	254,697
6500 Operational Support Services	9,601	-	-	-	-

Support Services (Continued)	2010-2011	2010-2011	2011-2012	2011-2012	2012-2013
	BUDGET	ACTUAL	BUDGET	ESTIMATE	RECOMMENDED
6510 Communication Services	\$ 133,974	\$ 90,030	\$ 108,974	\$ 103,615	\$ 107,935
6520 Printing and Copying Services	245,957	268,182	246,858	234,718	247,532
6530 Public Utility and Energy Services	2,052,889	1,814,010	1,955,046	1,858,899	2,010,450
6540 Custodial/Housekeeping Services	1,397,808	247,770	2,053,381	1,952,398	959,461
6550 Transportation Services	734,526	613,323	966,881	919,331	997,140
6551 Non - Yellow Bus	10,000	6,108	10,000	9,508	10,000
6560 Warehouse and Delivery Services	17,728	16,998	29,035	27,607	26,988
6580 Maintenance Services	1,401,223	1,292,739	1,295,267	1,231,567	1,343,809
6610 Financial Services	182,559	74,586	96,400	91,659	91,900
6613 Risk Management Services	357,103	258,013	357,639	340,051	357,639
6620 Human Resource Services	453,998	139,380	249,596	237,321	354,275
6621 Human Resource Management	8,280	4,830	8,280	7,873	8,280
6622 Recruitment Services	18,100	3,582	16,100	15,308	16,100
6710 Student Testing Services	161,479	115,231	113,357	107,782	114,687
6840 Health Support Services	2,985	884	2,101	1,998	-
6850 Safety and Security Support Services	-	11,759	12,000	11,410	12,000
6910 Board of Education	91,130	117,543	87,901	83,578	88,167
6920 Legal Services	98,000	105,103	98,000	93,180	98,000
6930 Audit Services	36,000	38,207	36,000	34,230	46,000
6940 Leadership Services	104,197	23	175,885	167,235	178,344
6941 Office of the Superintendent	105,307	110,747	101,015	96,047	110,435
6942 Deputy, Associate, and Assistants	105,085	84,792	119,300	113,433	129,424
6950 Public Relations and Marketing Services	83,690	83,042	84,696	80,531	87,446
6000 Total Support Services	\$ 9,836,383	\$ 7,004,247	\$ 10,232,190	\$ 9,728,981	\$ 9,423,517

Other Services	2010-2011	2010-2011	2011-2012	2011-2012	2012-2013
	BUDGET	ACTUAL	BUDGET	ESTIMATE	RECOMMENDED
7100 Community Services	\$ 11,411	\$ 11,415	\$ 11,661	\$ 11,088	\$ 11,777
7200 Nutrition Services	8,300	1,560	14,383	13,676	9,430
8100 Pay. to Other Gov. Units/Charter Schools	816,146	815,676	850,000	808,198	960,058
8300 Debt Services	-	-	-	-	-
8400 Interfund Transfers	-	-	-	-	-
Total Other Services	\$ 835,857	\$ 828,651	\$ 876,044	\$ 832,961	\$ 981,265

TOTAL LOCAL OPERATING EXPENSES	\$ 23,675,001	\$ 21,883,930	\$ 23,989,855	\$ 22,810,058	\$ 28,260,456
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Per Pupil Expenditures	3,096	3,096	3,102	3,102	3,322
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REVENUES

		<u>2011-12 Budget</u>	<u>Superintendent's Recommended 2012-13 Budget</u>
2.4110	County Appropriation	\$ 23,069,574	\$ 25,376,758
2.4110.007	County Appropriation - Health	494,000	494,000
2.4410	Fines & Forfeitures	222,399	218,000
2.4450	Interest	33,300	40,000
2.4490	Miscellaneous Revenues	-	700,000
2.4910	Fund Balance - Carryover	170,582	-
2.4910	Fund Balance	-	1,431,698
	TOTAL REVENUES	<u><u>\$ 23,989,855</u></u>	<u><u>\$ 28,260,456</u></u>

EXPENSES

		<u>2011-12 Budget</u>	<u>Superintendent's Recommended 2012-13 Budget</u>
PRC 001	REGULAR CLASSROOM TEACHERS (Salaries, Supplements, Benefits, Matching Funds, 6th & 9th Grade Academies and Vocational Rehabilitation Match)	\$ 6,473,880	\$ 10,222,895 (1)
PRC 002	CENTRAL OFFICE ADMINISTRATION (Salaries, Supplements and Benefits)	\$ 1,153,714	\$ 1,153,714
PRC 003	NON-INSTRUCTIONAL SUPPORT (Custodial, Clerical, Substitute Salaries, Benefits and Custodial Contracted Services)	\$ 3,940,308	\$ 3,186,240 (2)
PRC 005	SCHOOL BUILDING ADMINISTRATION (Principal and Assistant Principal Salaries, Supplements, Benefits and Travel)	\$ 1,074,881	\$ 1,074,881
PRC 007	INSTRUCTIONAL SUPPORT (Psychologists, Social Workers, Media Specialists, Guidance Counselors, Nurses, and Literacy Coaches Salaries and Benefits)	\$ 846,689	\$ 1,941,303 (3)
PRC 009	NON-CONTRIBUTORY BENEFITS (Longevity, Bonus Leave Payout, Annual Leave Payout and Benefits, Unemployment Insurance, Worker's Comp. Insurance and Life Ins.)	\$ 380,086	\$ 421,727 (4)
PRC 013	CAREER AND TECHNICAL EDUCATION (Voc Ed. Network Certification Tests, Workshops and Student and Employee Travel)	\$ 4,248	\$ 4,248
PRC 027	TEACHER ASSISTANTS K-3 (Salaries, Substitute Pay and Benefits)	\$ 739,883	\$ 739,883
PRC 032	EXCEPTIONAL CHILDREN (Salaries, Benefits, Contracted Services, Staff Development, Travel, Supplies & Materials and Furniture & Equipment)	\$ 418,029	\$ 427,813
PRC 034	ACADEMICALLY GIFTED PROGRAM (Teachers, Coordinator, Substitutes, Benefits, Staff Development and Supplies & Materials)	\$ 320,828	\$ 344,034
PRC 036	TRANSFER TO CHARTER SCHOOLS (Per Pupil Allotment Sent to Charter Schools)	\$ 850,000	\$ 960,058
PRC 054	ENGLISH AS A SECOND LANGUAGE (Teachers, Substitutes, Benefits, Travel and Supplies & Materials)	\$ 115,511	\$ 150,013
PRC 056	TRANSPORTATION (Salaries, Supplements, Benefits, Repair Parts & Materials, Fuel, Tires & Tubes and Equipment)	\$ 942,262	\$ 912,262
PRC 061	INSTRUCTIONAL SUPPLIES (IB Exam Fees, Supplies & Materials and Library Books)	\$ 171,392	\$ 171,392

PRC 069	AT RISK STUDENT SERVICES (Salaries, Benefits, Contracted Services, Staff Development, Travel and Supplies & Materials)	\$ 186,000	\$ 186,000
PRC 103	LITERACY SUPPORT (Salary, Supplement and Benefits)	\$ 43,737	\$ 43,737
PRC 509	HCS STUDY GRANT	\$ 2,101	\$ - (5)
PRC 513	OHS PROJECT HOUSE	\$ 145,395	\$ - (6)
PRC 701	AFTER SCHOOL PROGRAM (Middle School After School)	\$ 125,000	\$ 125,000
PRC 706	NON-YELLOW BUS (Activity Buses)	\$ 10,000	\$ 10,000
PRC 801	CURRICULAR SERVICES (Salaries, Benefits, Contracted Services, Printing, Fieldtrips, Travel, Memberships, Supplies & Materials and Science Program Enhancements)	\$ 494,010	\$ 494,010
PRC 802	OPERATION OF PLANT (Maintenance Salaries, Benefits, District Wide Utilities, Resource Officers, Contracted Services, Security Monitoring, Maintenance Projects, Supplies & Materials and Gas & Oil)	\$ 3,579,130	\$ 3,692,041
PRC 803	HUMAN RESOURCES (Criminal Records Check, Staff Development, Printing, Duke Employee Assistance Program, Travel, HRMS Fees, Supplies, SubFinder, Scanning, Recruitment Travel and Recruitment Materials)	\$ 95,252	\$ 96,752
PRC 804	FINANCIAL SERVICES (Copier Costs, Contracted Services, Staff Development, Printing, Travel, Liability, Vehicle & Property Insurance, Student Accident & Boiler Ins., Office Supplies, Fidelity Bond, and Memberships)	\$ 405,967	\$ 405,967
PRC 805	SUPPORT SERVICES (Contracted Services and Supplies & Materials)	\$ 9,863	\$ 9,863
PRC 840	DSS FAMILY SOCIAL WORKERS (Orange County Funding for School Social Workers' Salaries & Benefits)	\$ 354,000	\$ 354,000
PRC 850	PROJECT GRADUATION (Contracted Services and Supplies & Materials)	\$ 12,000	\$ 12,000
PRC 851	CULTURAL ARTS (Supplements, Benefits, Contracted Services and Supplies & Materials)	\$ 47,803	\$ 48,667
PRC 854	BAND (Band Instrument Repair and Band Grants to Schools)	\$ 63,940	\$ 63,940
PRC 860	ATHLETICS (Supplements, Benefits, Catastrophic Insurance and Athletic Grants to Schools)	\$ 611,013	\$ 622,714
PRC 861	CO-CURRICULAR CLUBS (Supplements, Benefits and Supplies & Materials)	\$ 48,579	\$ 49,406

PRC 890	BOARD OF EDUCATION (Salaries, Benefits, Contracted Services, Workshops, Travel and Supplies)	\$ 221,783	\$ 51,276 (7)
PRC 891	EXECUTIVE ADMINISTRATION (Awards & Recognitions, Office Postage and Supplies & Materials)	\$ 26,000	\$ 26,000
PRC 892	BOARD AND ADMINISTRATION SUPPORT (Memberships & Fees, Legal Fees and Attorney Fees)	\$ -	\$ 180,772 (8)
PRC 900	PUBLIC RELATIONS (Salary, Benefits, Printing/Promotional Materials, Supplies, and Membership Fees)	\$ 76,570	\$ 77,848
	TOTAL EXPENSES	<u>\$ 23,989,855</u>	<u>\$ 28,260,456</u>

(1) Increase due to loss of EduJobs funds and FLAP Grant funds, in addition to the state reversions.

(2)(3) In the 2012-13 state budget, the State Board approved funding flexibility was used to cash in 16 Instructional Support positions for an additional dollar allotment in Non-Instructional Support in order to maximize funds. As a result, the local budget includes an increase in Instructional Support to include those 16 positions, and a decrease in Non- Instructional Support as a result of the increased allotment in the state budget.

(4) Increase due to the federal unemployment insurance becoming the responsibility of the LEAs and also due to increased benefit costs.

(5)(6) PRC 509 (HCS Study Grant) and PRC 513 (OHS Project House) are being moved to the Other Restricted Fund.

(7)(8) PRC 890 (Board of Education) is being split into PRC 890 (Board of Education) and PRC 892 (Board and Administration Support).

**SCHOOL DISTRICTS LOCAL
CURRENT EXPENSE FUND
BALANCE**

Date Reviewed/Approved: 11/17/2008 *Policy Number:* 8101

Rescinds Policy Number:

Issued:

1. Guidelines

The School Budget and Fiscal Control Act (SBFCA) establishes accounting, budgetary and fiscal control guidelines for School Systems. The SBFCA is codified in G.S. Chapter 115C, Article 31, beginning at G.S. 115C-422. This act parallels the statutes established for Local Government with a few exceptions.

2. Definitions

2.1. Total Fund Balance – The difference between a school system’s total assets and its total liabilities at the end of the fiscal year.

2.2. Fund Balance Available for Appropriation – The sum of a school system’s assets held in cash and investments minus the sum of the school system’s liabilities and encumbrances at the end of the fiscal year as outlined in G.S. 115C-425 of the SBFCA.

2.3. Designated Fund Balance – The amount of the available fund balance that has been appropriated for the budget year through budgetary action of the School Board.

2.4. Undesignated Fund Balance - The difference between Fund Balance Available for Appropriation and Designated Fund Balance.

3. Policy

3.1. Fund Balance for Cash Flow Purposes – Each school district will make a good faith effort to maintain a level of undesignated fund balance that will ensure sufficient funds are available to address its cash flow needs. The following levels are to be maintained for cash flow purposes only:

3.1.1. Chapel Hill Carrboro City Schools - The targeted level of undesignated fund balance for cash flow purposes will be at a minimum of 5.5 percent of budgeted expenditures.

3.1.2. Orange County Schools – The targeted level of undesignated fund balance for cash flow purposes will be at a minimum of 3 percent of budgeted expenditures.

3.2. Accumulated Fund Balance Above Cash Flow Purposes - In the event that either school district accumulates more than the percentage amounts allowed for cash flow purposes, the respective Boards of Education will develop a plan in place for spending the accumulated fund balance surplus for non-recurring purposes. The Board of Education will share that plan with the Board of County Commissioners.

3.3. Fund Balance Appropriation Occurring Outside the Normal Annual Budgeting Process – Appropriation of fund balance is a budgetary action that rests with elected bodies of each school system. It is highly desired that fund balance appropriations be limited to non-recurring expenses. Both school districts have historically appropriated fund balance as a part of their normal budgeting process, and this practice will remain until additional revenue is available to eliminate the use of fund balance. The Board of Education should note and explain significant deviations in the normal budgetary appropriation as a part of the budget narrative accompanying the recommended and adopted budgets. If the Board of Education finds it necessary

to appropriate fund balance, outside the normal annual budgeting process, the Board of Education shall highlight the appropriation in their next fiscal year's budget request.

The County Commissioners are not obligated to increase local current expense in order to fund recurring items for which the Board of Education appropriates fund balance outside of the normal budgeting process.

4. Undesignated Fund Balance

Undesignated fund balance may be allowed to accumulate above the cash flow percentages under certain circumstances. School Boards will develop a detailed plan for future use of accumulated fund balance. Boards of Education are to use undesignated fund balance to address unforeseen events or opportunities. In these instances, it is the responsibility of the Board of Commissioners to work with the School Boards to address the extraordinary issues.

5. Extraordinary Emergency Needs

There may arise a time in the future when one or both school district(s) experience(s) an unforeseen extraordinary uninsured event that greatly compromises how the district(s) serve(s) children. In such instances, there may be a need for the school district(s) to use some or all of its fund balance. In such instances, the Board(s) of Education is(are) to take appropriate action to correct the problem, and following necessary budgetary action by the Board of County Commissioners, the County will reimburse the School Board(s) for the necessary expenditures.

6. Policy Review

The School/County Collaboration Work Group shall review this policy every 18 months to determine if changes to the policy are necessary.

ORANGE COUNTY BOARD OF EDUCATION

Governmental Funds

Fund Balances

Last Ten Fiscal Years

Year Ended June 30	2002	2003	2004	2005	2006
General Fund					
Reserved	\$ 697,804	\$ 99,436	\$ 326,483	\$ 884,832	\$ 761,603
Unreserved	2,872,054	3,085,129	3,349,396	2,376,894	3,420,435
Total General Fund	<u>\$ 3,569,858</u>	<u>\$ 3,184,565</u>	<u>\$ 3,675,879</u>	<u>\$ 3,261,726</u>	<u>\$ 4,182,038</u>
Unreserved as a % of budgeted exp.	16.38%	16.52%	17.87%	10.86%	14.77%
All Other Governmental Funds					
Reserved	\$ 1,494,445	\$ 1,047,388	\$ 401,255	\$ 1,408,041	\$ 157,936
Unreserved, reported in					
Special Revenue Funds	327,857	425,150	564,371	651,078	619,804
Capital Projects Fund	(1,041,263)	(112,068)	696,362	350,053	1,752,212
Total all other governmental funds	<u>\$ 781,039</u>	<u>\$ 1,360,470</u>	<u>\$ 1,661,988</u>	<u>\$ 2,409,172</u>	<u>\$ 2,529,952</u>
Year Ended June 30	2007	2008	2009	2010	2011
General Fund					
Reserved	\$ 205,964	\$ 338,976	\$ 283,772	\$ 42,261	\$ -
Unreserved	3,066,286	1,388,852	2,473,105	3,376,690	-
Restricted	-	-	-	-	36,491
Assigned	-	-	-	-	170,582
Unassigned	-	-	-	-	4,875,245
Total General Fund	<u>\$ 3,272,250</u>	<u>\$ 1,727,828</u>	<u>\$ 2,756,877</u>	<u>\$ 3,418,951</u>	<u>\$ 5,082,318</u>
Unreserved as a % of budgeted exp.	12.18%	5.23%	9.68%	14.53%	20.61%
All Other Governmental Funds					
Reserved	\$ 114,361	\$ 58,486	\$ 328,176	\$ 205,123	\$ -
Unreserved, reported in					
Special Revenue Funds	463,002	381,979	376,204	589,139	-
Capital Projects Fund	2,114,471	2,336,345	621,911	762,277	-
Restricted, reported in					
Special Revenue Funds	-	-	-	-	486,511
Capital Outlay Fund	-	-	-	-	1,177,354
Total all other governmental funds	<u>\$ 2,691,834</u>	<u>\$ 2,776,810</u>	<u>\$ 1,326,291</u>	<u>\$ 1,556,539</u>	<u>\$ 1,663,865</u>

Refer to Orange County Schools Board Policy #8101

Note: Fund balances for 2010 and before are not comparable to 2011 (and after) fund balances due to the implementation of GASB 54 for the year ended June 30, 2011. The standard replaces the previous reserved and unreserved fund balance categories with the following five fund balance classifications: nonspendable, restricted, committed, assigned, and unassigned fund balance.

ORANGE COUNTY BOARD OF EDUCATION

Full-Time Employees
Last Ten Fiscal Years

Year ended June 30	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Officials, Admins, Mgrs	18	18	19	20	20	18	19	19	19	18
Principals	11	11	11	12	13	13	13	13	13	13
Asst. Principals, Teaching	15	15	15	15	16	16	16	14	16	15
Asst. Principals, Non-Teaching*	44	44	45	47	49	47	48	46	48	46
Total Administrators										
Elementary Teachers	222	228	234	236	231	251	255	247	257	259
Secondary Teachers	83	87	95	96	103	104	109	107	103	106
Other Teachers	152	152	150	140	152	160	153	161	164	162
Total Teachers	457	467	479	472	486	515	517	515	524	527
Guidance	17	18	18	17	20	24	24	23	24	25
Psychological	5	4	4	4	5	6	5	5	5	5
Librarian, Audio Visual	11	11	11	11	12	12	12	12	12	12
Consultant, Supervisor of Instruction	5	3	5	4	6	7	8	9	8	5
Other Professionals (social workers, physical therapists, etc.)	36	35	48	45	47	34	32	30	32	31
Total Professionals	575	582	610	600	625	645	646	640	653	651
Teacher Assistants	153	157	160	157	157	151	139	125	126	123
Technicians	4	5	5	5	5	4	6	3	5	6
Clerical, Secretarial	61	64	62	65	70	69	67	68	67	69
Service Workers (custodians, child nutrition assistants, etc.)	119	125	117	112	111	113	107	105	98	96
Skilled Crafts (mechanics, electricians, etc.)	19	19	19	20	20	20	20	21	19	20
Laborers, Unskilled (groundskeepers, etc.)	2	2	2	2	2	2	1	2	2	2
Totals	933	954	975	961	990	1004	986	964	970	967

Source: North Carolina Public Schools Statistical Profile

*Reduced overall by 1; reduced all others from 11- or 12-month contracts to 10-month contracts.

ORANGE COUNTY BOARD OF EDUCATION

Student Statistics Last Seven Fiscal Years

Year Ended June 30	Teaching Staff	Students	Pupil/ Teacher Ratio	Student Attendance Percentage	Students Receiving Free/ Reduced Lunch Percentage
2011	524	7,132	14	94.42%	39.82%
2010	515	7,030	14	94.47%	38.99%
2009	517	6,971	13	94.68%	35.33%
2008	515	6,903	13	95.10%	31.90%
2007	486	6,782	14	95.11%	32.60%
2006	472	6,668	14	95.26%	30.54% *
2005	479	6,619	14	95.56%	31.37% *

Source: North Carolina Statistical Profile

* OCS Child Nutrition

The first page attached (***2011-12 Licensed Staffing by School***) reflects the current licensed staffing at each of our school sites. Notes are provided at the bottom for clarification. It is important to note that the K-3, G4-9, and G10-12 columns represent the core academic positions (grade level or academic subject area.) Many of the other columns represent special positions, or enhancements, that include music and the arts, foreign languages, literacy, reading, and others.

CTE, Title I, EC Teachers, AIG, ESL/Migrant, PreK, Media, Counselors, Social Work, and Nurses are generally funded from specific fund sources, though many of these areas are subsidized by local and federal funding as needed.

One special note is regarding the high schools. They are allotted more than the core academic positions from the State allotments because they must offer more electives than other grade levels. They use the majority of their State positions for core academic subjects, but use some in their foreign language offerings (Spanish, French, Latin) and enhancement offerings (physical education, band, chorus, art.) Without these additional positions, they would have to eliminate their elective course offerings or dramatically increase class size in the core academic content areas.

The second page attached (***State Allotment Ratio Projections for 2012-13***) shows the impact on positions allotted based on different scenarios of increased allotment formulas.

Column 1: The current 2011-12 State Allotments for each school.

Column 2: The Projected Student ADM for each school. This is projected using trend data, principal input, and feeder patterns.

Column 3: **2012-13 State Allotment Ratios** - These are the State positions that would be allotted if we maintained our current formulas and process. Of significant concern is the impact on the two high schools. They each have been allotted additional positions in the past in order to be able to offer the elective courses needed. (See note above.)

Each of the subsequent columns shows the impact of increasing class size by 1, 1.5, 2, 3, and 3 & 5 students. Each following Difference column shows the change in allotments from the current 2011-12 allotments. (In the last column, K-3 was only increased by 3 students because we must maintain the K-3 district ratio of 1:21.)

Schools	Asst Prin	K-3	G4-9	G10-12	Enhance.	ESL/Mig.	AIG	FLAP	ForLang	PreK	Ath. Dir.	LitCoach	Reading	Tech Fac	EC/T	Title I	CTE	Media	Couns.	Soc Work	Nurse	Other	TOTALS	Other
Cameron Park E	1	30			3	1	1	1				1	1	1	5			1	1	1	1	1	48	
Central E		15			3		1	1		2		1	1.5		4.5	1		1	1		1	1	34	Curr Spec
Efland-Cheeks E	1	23			3	1	1	1		2		1	1	0.5	3	2.5		1	1	1	1		43	
Grady A Brown E	1	23			3	1	1		1	1		1	1.5	1	6			1	1	1	1		43.5	
Hillsborough E	1	21			3		1		1			1	1		5			1	1		1		36	
New Hope E	1	28			3	2.5	1	1		1		1	1	1	5	1.5		1	1	1	1	1	51	Interventionist
Pathways E	1	23			3		1		1	2		1	1	1	6			1	1	1	1		43	
AL Stanback M	1		24		5	1	1		2			1		1	10.5		3	1	2	1	1	1	54.5	AVID
CW Stanford M	2		25		5	0.5	1	0.5	1			1		1	6		3	1	2		1	1	49	AVID
Gravelly Hill M	1		19		5	0.5	1	0.5	1			1		1	4		3	1	2	1	1	1	42	AVID
Cedar Ridge H	2			33	8	1			5		1		1	1	6		10	1	4	1	1	1	74	Dist Ed
Orange H	3			36	9	0.65			5		1		1	11			15	1	4	1	1	1	86.65	Dist Ed
Partnership Acad				3.5	0										3		0.5		1	1			9	
Totals	15	163	68	72.5	53	9.15	10	5	17	8	2	10	9	9.5	75	5	34.5	12	22	10	12	7	613.65	
Notes: This is staffing based on the most recent Staff Rosters. Funding source is not a factor.																								
Enhancements: Music, Art, PE																								
FLAP and Foreign Language have been listed separately so as to designate which schools have FLAP positions.																								
EC/T are the Exceptional Children's teachers, including support staff such as Speech-Lang Pathologists.																								
Title I are positions funded from the schools' Title I funds.																								

State Allotment Ratio Projections for 2012-13

	2011-12 Allotments	Projected 2012-13 ADM	2012-13 State Allotment Ratios	Difference	Increase class size by 1 student	Difference	Increase class size by 1.5 students	Difference	Increase class size by 2 students	Difference	Increase class size by 3 students	Difference	Increase K-3 class size by 3 students and 4-12 by 5 students	Difference
Cameron Park E	33	664	33	0	33	0	32	-1	32	-1	32	-1	31	-2
Central E	15	306	16	1	15	0	15	0	15	0	15	0	15	0
Efland-Cheeks E	23	449	23	0	22	-1	22	-1	22	-1	22	-1	22	-1
Grady A Brown E	23	495	25	2	25	2	25	2	25	2	24	1	24	1
Hillsborough E	21	475	24	3	24	3	24	3	24	3	24	3	23	2
New Hope E	28	608	30	2	30	2	30	2	30	2	29	1	29	1
Pathways E	23	450	22	-1	22	-1	22	-1	22	-1	22	-1	21	-2
AL Stanback M	24	582	23	-1	22	-2	22	-2	22	-2	21	-3	19	-5
CW Stanford M	25	634	25	0	24	-1	24	-1	23	-2	23	-2	21	-4
Gravelly Hill M	19	447	18	-1	17	-2	17	-2	17	-2	16	-3	15	-4
Cedar Ridge H	44	1090	40	-4	39	-5	38	-6	37	-7	36	-8	34	-10
Orange H	47	1200	44	-3	43	-4	42	-5	41	-6	40	-7	37	-10
Partnership Acad	4	20	4	0	4	0	4	0	4	0	4	0	4	0
TOTAL	329	7420	327	-2	320	-9	317	-12	314	-15	308	-21	295	-34

Note: Plus 3 & 5 was used as follows. Added 3 for grades K-3 and 5 for grades 4-12. Because we must maintain a 1.21 district average for K-3, we can not increase the allotment ratio for these grade levels.

**PROFESSIONAL REDUCTION
IN FORCE**

Date Reviewed/Approved: 01/03/2012 Policy Number: 7920

Rescinds Policy Number: GBNA

*Issued: 10/06/1980, 04/19/2004, 04/06/2009,
03/21/2011, 07/07/2011*

The purpose of this policy is to establish an orderly procedure for the reduction in force of licensed, professional employees of the school system.

I. Grounds for Reduction in Force

Reduction in force may be implemented when the Board determines that any of the following circumstances exist:

a) System Reorganization

1. the closing, consolidation or reorganization of schools, school buildings, facilities; the elimination, curtailment or reorganization of a curriculum offering, program or school operation; or the merger of two or more school systems.

b) Declining Enrollment

Declining enrollment exists when the enrollment or projected enrollment for the next succeeding school year or semester causes a decrease in the number of teaching or administrative positions allocated by the State or any other funding source; or when the enrollment or projected enrollment for the next succeeding school year or semester of a curriculum offering or program is inadequate to justify continuation of the course or program.

c) Financial Exigency

Financial Exigency means any significant decline in the Board of Education's financial resources that compels a reduction in the school system's current operational budget; or any significant decrease or elimination in funding for a particular program; or any insufficiency in funding that would render the Board unable to continue existing programs at current levels.

II. Preliminary Determination

- a) The Superintendent shall determine whether or not a reduction in force is necessary, appropriate or in the best interests of the school system.
- b) When the Superintendent believes that grounds exist for a reduction in force, the Superintendent shall present a recommendation to the Board of Education. The recommendation shall include:
 - 1) The grounds for reduction in force;
 - 2) The number or estimated number of licensed employees to be reduced by area(s) of licensure and/or program responsibility; and
 - 3) The background information, data, and rationale for the recommendation.
- c) In determining which positions shall be subject to a reduction in force, the Superintendent shall consider the following:
 - 1) Structural considerations, such as identifying positions, departments, courses, programs, operations, and other areas where there are: less essential, duplicative, or excess personnel; job responsibility and/or position inefficiencies; opportunities for combined work functions; and/or decreased student or other demands for curriculum, programs, operations, or other services.

- 2) Organizational considerations, such as anticipated organizational needs of the school system and program/school enrollment.
- d) The Board of Education shall review the Superintendent's recommendation and shall determine whether to reduce the number of licensed employees or to reduce their terms of employment.
- e) If the Board, after exploring, considering and discussing a variety of ways to avoid a reduction in force, determines that a reduction in force of licensed employees is necessary, the Superintendent shall recommend to the Board which individuals are to be dismissed, demoted or reduced to part-time employment, based on the criteria set forth below.

III. Criteria

The primary consideration in any reduction in force shall be the maintenance of a sound and balanced educational program that is consistent with the functions and responsibilities of the school system. The superintendent will consider the following factors in determining which employees shall be included in the reduction in force:

- a) Work performance;
- b) Area(s) of licensure;
- c) Highly qualified status;
- d) Program enrollment;
- e) Service in extra duty positions and ability to fill such positions;
- f) Length of service, with higher priority given to service in the Orange County Schools;
- g) Degree level;
- h) Probationary or career status;

Among these factors primary consideration will be given to criteria (a) above.

The superintendent shall develop a system for using the above-mentioned factors to determine which employees will be recommended to the board for inclusion in the reduction in force.

IV. Procedure for Termination

The board will consider the superintendent's recommendation and may, by resolution, order dismissal or demotion of an individual or reduce an individual to part-time employment. All requirements of G.S. 115C-325 will be met, including time limits and procedures for notice and opportunity for a hearing, when any career employee (as defined in G.S. 115C-325) is terminated, demoted, or reduced to part-time employment due to reduction in force or any probationary teacher (as defined in G.S. 115C-325) is terminated, demoted, or reduced to part-time employment during the contract term due to reduction in force.

V. Termination / Reemployment of a Career Employee

When a career employee is dismissed in accordance with this policy, his or her name shall be placed on a list of available employees to be maintained by the Board. Career employees whose names are placed on such a list shall have a priority on all positions for which they are qualified which become available in the school district for the three consecutive years succeeding their dismissal. If the school district offers the dismissed career employee a position for which the employee is licensed and the offer is refused, the employee's name shall be removed from the priority list.

VI. Nonrenewal of an Employee

The Board, upon recommendation of the Superintendent, may decline to renew the contract of a probationary teacher or school administrator, or to reemploy any person who is not under contract, for any cause it deems sufficient. Such nonrenewal or non-reemployment is not considered a reduction in force, regardless of the reason(s) for the decision. The procedures set forth in this policy need not be followed before the Board's decision not to renew or reemploy such employee.

Legal Reference: G.S. 115C-325

Cross References: Career Status (policy 7410), Professional Employees: Demotion and Dismissal (policy 7930), Probationary Teachers: Nonrenewal (policy 7949)

**CLASSIFIED REDUCTION
IN FORCE**

Date Approved: 03/21/2011

Policy Number: 7921

Rescinds Policy Number:

Issued: 10/02/1996, 04/19/2004

The superintendent with prior Board approval may terminate or reduce the term of employment of classified employees in order to reduce staff. In such circumstances, the following procedure will apply:

1. The superintendent will first reduce staff through normal attrition.
2. The superintendent will recommend reductions in force to the Board based upon the following criteria:
 - a. job performance as indicated on formal evaluations and other documentation;
 - b. degrees, licenses or other indexes of an employee's potential to contribute and progress in the school district;
 - c. seniority in the same or related positions within the district as a whole;
 - d. other criteria determined to be relevant by the superintendent.

The superintendent will use his or her discretion in weighing these factors; however, proven job performance will be the most significant factor.

The superintendent is authorized to limit or narrow the scope of any reduction in force to those employees who work in the school, facility, program or department subject to the reduction in positions.

The Board will approve, disapprove or modify the superintendent's /recommendation for reduction in force. All employees affected by the reduction will be notified in writing of the Board's decision. Such notice will include information regarding the opportunity for any employee terminated pursuant to this policy to submit his or her name for other positions as they become open. Such submission does not offer any guarantee of employment; however, a positive work experience with the school district will be favorably reviewed in regard to any application for employment.

Legal Reference: G.S. 115C-47