

ORANGE COUNTY
BOARD OF EDUCATION

AGENDA ITEM ABSTRACT

Meeting Date: February 20, 2012

AGENDA ITEM No. 12-02-(2)-12

ACTION ITEM: (Y/N) N

SUBJECT: Local Budget Discussion #2

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

ATTACHMENTS: None.

PURPOSE: The purpose of this agenda item is to provide the board an opportunity to hear and discuss budget-related information.

BACKGROUND: During its February 6, 2012 meeting, the superintendent provided a brief overview of budget drivers for the 2012-13 budget cycle. The overview included information related to federal and state budget reductions and increased costs as listed below:

Federal

\$ 1,383,856	EduJobs Federal Appropriation Loss
<u>251,508</u>	Foreign Language Assistance Program (FLAP Grant) eliminated
1,635,364	

State

363,730	Additional State Budget Reversion
<u>30,000</u>	Longer School Year
393,730	

Local

170,000	Employee benefit cost increase - Retirement Contributions
55,000	Employee benefit cost increase – Hospitalization Cost
<u>55,000</u>	Approved Utility Rate increase
280,000	

\$ 2,309,094 PROJECTED TOTAL

At the February 6, 2012 meeting, the board established a budget subcommittee. This subcommittee met on Friday, February 17 and discussed the budget with senior staff. During the budget discussion on February 20, staff will provide detail related to the numbers presented above.

FINANCIAL IMPACT: The financial impact is unknown at this time. When projected state and federal reductions are combined with projected increases in benefits, utilities and costs related to a longer school year, the total projected reduction is \$2,309,094.

RECOMMENDATION: The Superintendent recommends the Board of Education receive and discuss budget information and provide direction as appropriate.