

**ORANGE COUNTY
BOARD OF EDUCATION**

AGENDA ITEM ABSTRACT

Meeting Date: April 8, 2013

AGENDA ITEM No. 13-04-12

ACTION ITEM: (Y/N) N

SUBJECT: 2013-2014 Budget Work Session

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

ATTACHMENTS:

1. 2013-14 Recommended Local Budget Summary (Revised 3/27/13)
2. Local Fund Balance History and Projections (Revised 3/27/13)
3. 2013-14 Budget Drivers (Revised 3/27/13)
4. Recurring 2012-13 Fund Balance Appropriation Impact on the 2013-14 Budget (Revised 3/27/13)
5. State Allotment Comparison Based on Governor's Proposed Budget (Revised 3/21/13)
6. Superintendent's Budget Message 2013-2014 (Revised 3/27/13)
7. PowerPoint Presentation (Revised 3/27/13)

PURPOSE: The purpose of this item is to provide the Board of Education the opportunity to further discuss the 2013-2014 superintendent's proposed local current expense budget.

BACKGROUND: On March 11, 2013, the superintendent presented a recommended budget for Board of Education consideration. The recommended local budget requests the same per pupil appropriation of \$3,167. Based on a county projected enrollment of 7,501 students, the total requested appropriation is \$24,278,222. With increased enrollment of 81 students and adjustments for out-of-district and charter school students, the overall appropriation will increase by \$256,527.

Factors that will have an impact on the 2013-2014 funding available for Orange County Schools' operations include enrollment growth, charter school payments, rising employee benefit costs, recurring costs, federal sequestration, smaller fund balance reserves, state funding and the governor's proposal and local county appropriations. All of these variables must be considered in the development of next year's operating budget.

On March 25, board members participated in a budget work session. Topics discussed included the governor's proposed budget and its potential impact on Orange County Schools' staff and programs. Much of the discussion focused on the impact of Governor McCrory's budget and its recommendation to cut funding for teacher assistants in grades 2 & 3. If approved as is, the governor's budget would cut \$879,213, or 27 positions, from the OCS teacher assistant appropriations. Board members and staff described the value these teacher assistants bring to the system's educational program. The board directed staff to develop a funding plan to prevent the loss of teacher assistants. Staff is recommending the board appropriate fund balance reserves to offset a likely cut in teacher assistant funding.

At the time of abstract preparation, neither the N.C. House nor the Senate had released their budget proposals. The Department of Public Instruction has not provided any revised budget updates. Board members will have the opportunity to conduct a final budget work session on April 8 prior to adopting the superintendent's recommended local current expense budget on April 22, 2013. The budget is scheduled to be presented to the Board of County Commissioners April 25, 2013.

continued

Should the board approve this funding plan, the total fund balance appropriation will be \$2,228,856. A two-year projection of school system fund balance reserves is attached.

FINANCIAL IMPACT: As proposed, the 2013-2014 local current expense budget will provide \$24,278,222 in revenue appropriations from the Board of County Commissioners.

RECOMMENDATION: The Superintendent recommends the Board of Education discuss the proposed budget and provide direction to staff.

Orange County Schools

2013-14 Recommended Local Budget Summary

(Revised 3/27/2013)

Student Enrollment Projections

2013-14 State Enrollment Projection	7,501
2012-13 State Enrollment Projection	7,420
Projected Enrollment Growth	81

Local Current Expense Fund Revenue

Total New Revenue	\$ 256,527
(Based on the same per pupil appropriation of \$3,167)	

Local Current Expense Fund Expenses

1% Salary Increase for All Employees	\$ 158,000 *
Projected Increase in Employee Health Insurance	60,000
Increase in Employer Retirement Contributions	46,000
Projected Utility Cost Increase 5%	79,000
Fixed Cost Increase	\$ 343,000

Recurring/Continuation Requests

Loss of Stimulus Funding (maintain School-level positions)	\$ 245,000
Internal Auditor	80,000
Additional Audit Functions	15,000
Assistant Principals extra month of employment	32,643
Exceptional Children Program Support	110,000
H.R. Recognition & Contracted Services	14,000
Legal Expenses Increase	50,000
Testing Program Support	40,000
Employee Wellness Support	10,000
STEM Initiative Support	50,000
AIG/Rigor Support	40,000
Teacher Assistants (27 cut in Governor's Budget Proposal)	879,213 **

Total Recurring/Continuation Requests \$ 1,565,856 *

Expansion Requests

School Safety Contingency Appropriation	\$ 220,000
Pre-K Exceptional Children's Teacher	55,000
Reading Teacher - Central	55,000
Technicians (3) - Elementary Tech Support	135,000
Part-time Athletic Director	40,000
Total Expansion Requests	\$ 505,000 *

***Total Recommended Fund Balance Appropriation \$ 2,228,856**

****Additional fund balance appropriation necessary to cover potential Teacher Assistant reduction.**

Audited Unassigned Fund Balance as of June 30, 2012: \$ 4,207,417

Orange County Schools
Local Fund Balance History

A	B	C	D	E	F	G	H	I	J	K	L
		Actual 2006-07 (1)	Actual 2007-08 (1)	Actual 2008-09 (1)	Actual 2009-10 (1) (6)	Actual 2010-11 (1) (6)	Actual 2011-12 (1) (6)	Estimated 2012-13 (2) (6)	Projected 2013-14 (3) (6)	Projected 2014-15 (3) (6)	
1	Total Revenues	\$23,244,926	\$23,900,496	\$25,547,610	\$24,394,063	\$24,834,942	\$25,297,287	\$26,034,970	\$26,291,497	\$26,291,497	(7)
2	Total Expenditures	\$23,994,714	\$25,680,826	\$24,463,223	\$23,445,101	\$23,333,026	\$23,068,634	\$28,134,970	\$28,020,353	\$28,020,353	
3	Revenues Less Expenditures (Row 1 minus Row 2)	(\$749,788)	(\$1,780,330)	\$1,084,387	\$948,962	\$1,501,916	\$2,228,653	(\$2,100,000)	(\$1,728,856)	(\$1,728,856)	(8)
4	Prior Year's Fund Balance	\$4,182,038	\$3,272,250	\$1,727,828	\$2,756,877	\$3,687,208	\$5,169,626	\$7,389,691	\$5,269,691	\$3,520,835	
5	Less Operating Transfers	(\$160,000)	(\$288,386)	(\$55,338)	(\$18,631)	(\$19,498)	(\$8,588)	(\$20,000)	(\$20,000)	(\$20,000)	
6	Less Capital Lease Obligations Issued	\$0	\$524,294	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
7	Ending Fund Balance Total (Row 4 minus Rows 5 & 6)	\$3,272,250	\$1,727,828	\$2,756,877	\$3,687,208	\$5,169,626	\$7,389,691	\$5,269,691	\$3,520,835	\$1,771,979	
8	Fund Balance Reserved ⁽⁴⁾	\$205,964	\$338,976	\$283,772	\$105,890	\$123,799	\$286,615	\$125,000	\$125,000	\$125,000	
9	Fund Balance Assigned to Next Year Budget	\$2,137,164	\$339,855	\$464,308	\$297,722	\$170,582	\$2,895,660	\$2,228,856	\$2,228,856	\$0	
10	Unassigned Fund Balance (Row 7 minus Rows 8 & 9)	\$929,122	\$1,048,997	\$2,008,797	\$3,283,596	\$4,875,245	\$4,207,416	\$2,915,835	\$1,166,979	\$1,646,979	
11	Unassigned Fund Balance % of Local Budget (Row 10 divided by Row 2)	3.87%	4.08%	8.21%	14.01%	20.89%	18.24%	10.36%	4.16%	5.88%	
12	Unassigned Fund Balance Target 3% (Row 2 multiplied by 3%) ⁽⁵⁾	\$719,841	\$770,425	\$733,897	\$703,353	\$699,991	\$692,059	\$844,049	\$840,611	\$840,611	

(1) Per year-end audit

(2) Unaudited

(3) Projected based on Board approved appropriations during fiscal year

(4) Receivables collected after June 30th are reserved by State statute

(5) Per Board Policy #8101, a joint fiscal policy developed by Orange County Local Government, CHCCS and OCS, "the targeted level of unassigned fund balance for cash flow purposes will be at a minimum of 3% of budgeted expenditures". As a point of reference, 1 month of OCS payroll liability totals \$5.3M.

(6) Includes the Other Restricted Fund

(7) Fund Balance appropriated is not included

(8) Assumes that \$750,000 will be returned to fund balance in 2012-13 and that \$500,000 will be returned to fund balance in 2013-14 and 2014-15

2013-14 Budget Drivers

(Revised 3/27/2013)

REVENUE DECLINES/FIXED COST INCREASES:

Federal

\$	175,000	Sequestration @ 5.3% *
\$	175,000	

State

\$	879,213	Reduction in Teacher Assistant funding in Governor's proposed budget (27 Teacher Assistants)
\$	80,337	Additional State Budget Reversion (Total projected reversion equals \$1,868,435)
\$	959,550	

Local

\$	158,000	1% Salary Increase for All Employees
\$	60,000	Employee benefit cost increase - Hospitalization Cost (5% Increase from \$5,192 to \$5,452 or \$260 per year per employee)
\$	46,000	Employee benefit cost increase – Retirement Cost (.36% increase, 14.23% to 14.59%)
	79,000	Utility Rate increases
\$	343,000	

<u>\$</u>	<u>1,477,550</u>	PROJECTED TOTAL
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ENROLLMENT INCREASES:

State Projection: 7,501 Students

Represents an increase of : 81 Students

County Projection includes Charter School students less out-of-district students:

State Student Projection	7,501
Charter School Students	254 **
Out-of-District Students	(89) **
	<u>7,666</u>

County Projection	7,666	
County Per Pupil Amt. x	\$ 3,167	
	<u>\$ 24,278,222</u>	2013-14 County Appropriation
	\$ 24,021,695	2012-13 County Appropriation
	<u>\$ 256,527</u>	Increase in County Appropriation

* The failure of the Joint Select Committee on Deficit Reduction (Super Committee) to produce a bill identifying budgetary savings of at least \$1.2 trillion over ten years had triggered an automatic spending reduction process (called sequestration) to take effect on January 2, 2013, currently postponed to March 1. For FY13, these cuts will be applied to most programs, including all discretionary education programs, except Federal Pell Grants. The depth of the cuts is estimated to be 5.3%, which would reduce funding for the US Education Department by billions of dollars. These cuts would affect millions of students and lead to potentially significant job losses and program eliminations for the nation's schools, the educators who run them, and the students they educate.

** Totals used in County allocation for the 2012-13 Budget

Recurring 2012-13 Fund Balance Appropriation Impact on the 2013-14 Budget

Item	Explanation/Description	Cost
1 Loss of Stimulus Funding * (federal stabilization)	Stimulus funding was specifically focused on preventing school-level job loss. Much of this funding was restored by the legislature for FY2012-13.	\$245,000
2 Internal Auditor	There is a need for fiscal internal control of all aspects of school system finances . This level of funding would incorporate salary for 1.0 FTE Internal Auditor.	\$80,000
3 Additional Audit Functions	There is a need for contractual services for audits of quasi-school functions such as Booster Clubs.	\$15,000
4 Assistant Principal Months of Employment to 11	Effective with the 2011-12 school year, all assistant principal contracts were reduced to 10 months. In the 2012-13 school year, the Board of Education appropriated local fund balance to support one (1) additional month of employment for all assistant principals in the district. The total estimated cost for this additional month of employment is \$86,448. To maintain the additional (1) month of employment, the school district will need an additional \$32,643 for the 2013-14 school year.	\$32,643
5 Exceptional Children	Historically, the Exceptional Children's Program has needed additional support through local funding to ensure that students with disabilities were served appropriately. The financial needs of the program can greatly vary depending upon specific needs of students as dictated by their IEPs. The list of needs is difficult to budget for. Additional dollars are needed to add to the local Exceptional Children's budget to help pay for possible unanticipated expenses.	\$110,000

* Stimulus funds were temporarily provided to offset state cuts in 2009-10 and 2010-11.

	Item	Explanation/Description	Cost
6	Legal Expense Increase	These dollars will maintain the legal expense budget at 2012-13 levels and include costs for the superintendent's search.	\$50,000
7	H.R. Recognitions and Contracted Services	Additional funding to support staff recognition programs, new teacher support, and digitizing files.	\$14,000
8	Testing Program Support	These dollars will be used to pay for reorganizing the existing testing staff to create a testing coordinator position and to employ an office support position. Other costs included in this amount are the unfunded mandate of printing and shredding the newly created Measures of Student Learning.	\$40,000
9	Employee Wellness	Funding to be provided to support employee wellness activities.	\$10,000
10	STEM Initiative Support	One of the Board of Education goals is to strengthen STEM initiatives K-12. These dollars will be used to continue to support EiE at Central Elementary, math and science initiatives, i.e. materials and supplies for Discovery Ed., etc.	\$50,000
11	AIG/Rigor Support	These dollars will be spent to provide focused training to AIG teachers at the elementary/secondary levels and to send high school teachers to AP/IB trainings throughout the year.	\$40,000
		SUBTOTAL	\$686,643

Additional Fund Balance Appropriation

12	Loss of State Teacher Assistant Funding (Governor's Proposed Budget)	Governor McCrory's proposed budget includes a reduction of \$117 million across the state in teacher assistant funding. This represents a reduction of 33%. For Orange County Schools, this represents a loss of \$879,213 or 27 teacher assistants.	\$879,213
		TOTAL	\$1,565,856

**STATE ALLOTMENT COMPARISON BASED ON GOVERNOR'S PROPOSED BUDGET
2012-13 AND 2013-14**

	<u>PRC</u>	<u>Planning Allotments 2012-2013</u>	<u>Governor's Proposed Allotments 2013-14</u>	<u>Increase/ Decrease</u>
Classroom Teachers	001	\$ 20,966,085 353.5 positions	\$ 20,981,604 357 positions	\$ 15,519 3.5 positions
Central Office Administration	002	692,405	701,657	9,252
Non-Instructional Support	003	1,718,610	1,753,246	34,636
School Building Administration	005	1,529,943 231 months	1,544,955 232 months	15,012 1 month
Instructional Support	007	2,323,440 35 positions	2,354,292 36 positions	30,852 1 position
Driver's Education	012	141,564	135,760	(5,804)
CTE - Months of Employment	013	2,142,504 364 months	2,217,000 375 months	74,496 11 months
CTE - Program Support	014	105,611	109,135	3,524
DSSF	024	216,233	216,635	402
Teacher Assistants	027	2,701,808	1,822,595	(879,213)
Children with Special Needs	032	3,606,665	3,734,019	127,354
AIG	034	363,506	369,870	6,364
Limited English	054	355,864	358,684	2,820
Transportation	056	2,711,171	2,924,635	213,464
Instructional Supplies	061	249,387	300,671	51,284
At-Risk	069	1,284,337	1,287,417	3,080
Textbooks	130	127,476	400,669	273,193
		<u>\$ 41,236,609</u>	<u>\$ 41,212,844</u>	<u>\$ (23,765)</u>

Superintendent's Budget Message 2013-2014

Revised 3/27/2013

Reductions in appropriations continue to shape school budgetary planning. The Orange County School system operates on revenues received from federal, state, and local sources. The 2013-14 operating budget will continue to be squeezed by shrinking federal allotments and the projected increase in the state discretionary reversion. North Carolina's per pupil funding remains among the lowest in the nation and significant increases in state appropriations are not anticipated. Fortunately, the Orange County Commissioners have continued to provide the schools much needed operational revenue to help offset state and federal funding cuts and to support cost increases associated with continued enrollment growth.

There are a number of factors that will have an impact on the 2013-2014 funding available for Orange County Schools' operations. These factors include enrollment growth, charter school payments, federal sequestration, smaller fund balance reserves, state funding, rising employee benefit costs, recurring costs, the governor's proposed 1% pay raise and local county appropriations. All of these variables must be considered in the development of next year's operating budget.

Student Enrollment Growth

Our school system receives appropriations based on the number of children we serve. Growth in student enrollment continues this year and the Department of Public Instruction is projecting an increase of 81 students for a total enrollment of 7,501. Based on the formulas used by Orange County Government and a per-pupil appropriation of \$3,167, the county appropriation will increase by \$256,527 for a total of \$24,278,222.

Charter School Appropriations

For the current fiscal year, the OCS budget includes \$970,737 to pay for 309 students attending different charter schools. Next year's charter appropriation is projected to increase by \$7,866. This amount could change significantly if legislation permitting the establishment of Virtual Charter Schools is enacted.

Federal Sequestration

Cuts to federal agencies, including the Department of Education, will reduce funding appropriations to OCS by \$170,314 or 5.3% of the federal appropriations to the district. Staff recommends absorbing these cuts through reductions in materials, supplies, training, and the use of IDEA carryover funding.

Fund Balance Reserves

There will be less reserve funding available for use in the 2013-2014 budget. For the past five years, the Board of Education has successfully cut costs and improved operational efficiencies which have resulted in increased fund reserves. Last year, due to large federal budget cuts, the Board of Education appropriated \$2.85 million of its reserves for district operations. This appropriation helped offset the loss of federal funding and reduced the negative impact of the state discretionary reduction. As a result, the Board of Education was able to avoid further staffing cuts, maintain class sizes, and prevent program elimination. Projected increases to fund balance are declining and the audited fund balance reserve on June 30, 2012 was \$4,207,417. The 2013-2014 budget includes a recommendation to appropriate \$1.35 million of fund balance to pay for recurring costs and several expansion items.

State Funding Appropriations

The Department of Public Instruction has issued financial planning allotments to school systems across the state. This year's planning allotment includes 3.5 additional teaching positions, an instructional support position, and \$195,195 more in instructional supplies. Of note is the increased appropriation in textbook funding of \$491,317, which is an increase of \$385,806 over last year's funding. Overall state funding is projected to increase by \$1,156,868. Unfortunately, next year's projected state reversion (discretionary reduction) is \$1.87 million. There

is discussion in the legislature of changing the way funds are allotted to schools by eliminating categorical funding and replacing it with block grants. This formula for funding schools could result in fewer dollars from state sources.

For the 2013-2014 budget year there will be additional operating expenses associated with higher employee benefit costs, recurring personnel and program support costs, and several expansion requests.

Rising Benefit and Utility Costs

Employee benefit costs are projected to go up and these mandated expenses will have an effect on the school system's finances. The projected 5% increase in health insurance (\$260 per employee) will require an additional \$60,000 from the local appropriation. Additionally, mandated increases in the retirement contribution rates will require an additional \$46,000 appropriation from local funds. Total projected benefit increases are \$106,000. A 5% increase in utility rates will add \$79,000 to the budget.

Governor's Proposed Budget

Governor McCrory has proposed a 1% salary increase for all teachers and state employees. This will result in the district paying an additional \$158,000 for locally funded positions. The Governor's budget also cuts teacher assistant funding for second and third grade classrooms. This would result in the loss of 27 critically important teacher assistant positions. It is recommended that the Board appropriate \$879,213 from fund balance to maintain these positions.

Recurring Costs

Last year's Board of Education appropriation of fund balance included several categories of recurring costs. These recurring costs include providing needed positions and the continuation of important Board of Education initiatives. The superintendent's 2013-2014 budget recommendations include continued funding for these programs and personnel-related costs. Total projected recurring costs amount to \$686,643.

Expansion Requests

Next year's budget recommendations include several expansion requests. The superintendent recommends establishing a school safety contingency fund of \$220,000 for the purpose of fulfilling future safety-related recommendations. The Board of Education has already budgeted for a comprehensive safety study and physical improvements, and their Safer Schools Committee may identify additional capital and/or human resource-related security enhancements. Specific personnel needs include two additional teaching positions, three technicians to support the elementary digital conversion, and a part-time district-level athletic director. The projected cost of these additional positions is \$285,000 for a total of \$505,000 in expansion requests.

Summary

In order to maintain our current programs and personnel it is recommended that the Board of Education request the same per-pupil appropriation as the county provided last year. Due to enrollment increases, this will provide an additional \$256,527 for a total county appropriation of \$24,278,222 for fiscal year 2013-2014. Additionally, it is recommended that the Board of Education appropriate \$2,228,856 of its fund balance reserves to balance the budget, keep existing programs intact, prevent teacher assistant job loss, and fund \$505,000 in expansion requests.

Over the past five years, the Board of Education has placed emphasis on cost containment, lowering administrative costs, and reorganizing for overall operational efficiency. These efforts have prevented teacher job loss, maintained class sizes, allowed innovative programs to thrive, and otherwise mitigate many of the negative effects of huge budget cuts. Orange County Schools continues to provide an excellent return on taxpayer investment. This is demonstrated through higher levels of achievement, innovative instructional programming, and well prepared graduates. This recommended budget keeps classroom needs at the forefront, supports the Board of Education's goals and initiatives, and focuses on providing the best possible educational experience for the youth in our county.

Superintendent's Recommended Budget 2013 – 2014

Presented to the Orange County
Board of Education

March 25, 2013

REVISED
3/27/2013



ORANGE COUNTY SCHOOLS

Return on Investment

- ✓ Increased Levels of Student Achievement
- ✓ Narrowed Achievement Gap
- ✓ Improved Graduation Rate – 85.4%
- ✓ S.A.T. Scores Exceed State and National Averages
- ✓ Ranked 4th in the State on the Combined A.C.T. Scores for the Junior Class
- ✓ Dropout Rate is Well Below the State Average



ORANGE COUNTY SCHOOLS

Return on Investment

- ✓ 5 Star Rated, Licensed Pre-K Programs
- ✓ A.L. Stanback Designated as a *School to Watch* and C. W. Stanford has the N.C.M.S.A.'s *Region 5 Team of the Year*
- ✓ Successful 1 to 1 Laptop Initiative
- ✓ Engineering is Elementary Program at Central Elementary



ORANGE COUNTY SCHOOLS

Return on Investment

- ✓ Covey Leadership Model Implementation at Efland-Cheeks
- ✓ Nationally Recognized, Award Winning Arts and C.T.E. Programs
- ✓ Successful Literacy Partnership with U.N.C. Chapel Hill
- ✓ Virtual Enterprise Program Launched to Support High School Entrepreneurs



ORANGE COUNTY SCHOOLS

Current Year Budget Overview

	Total Revenue	Per Pupil Equivalent	% of Total Revenues
Local*	\$28,884,970	\$3,893	39.78%
State	\$39,354,959	\$5,304	54.20%
Federal	\$4,368,215	\$589	6.02%
Total	\$72,608,144	\$9,785	



ORANGE COUNTY SCHOOLS

OCS Per-Pupil Funding Rankings*

- ✓ Local Funding: 4th
- ✓ State Funding: 79th
- ✓ Federal Funding: 107th
- ✓ Total Funding: 39th

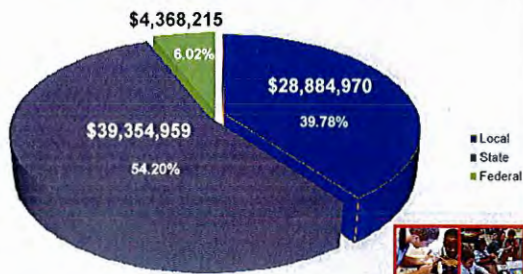
North Carolina Ranks 48th in the Nation
for State Support of Education**

*Based on the 2011 N.C. Statistical Abstract
**National Education Association 2012-13



ORANGE COUNTY SCHOOLS

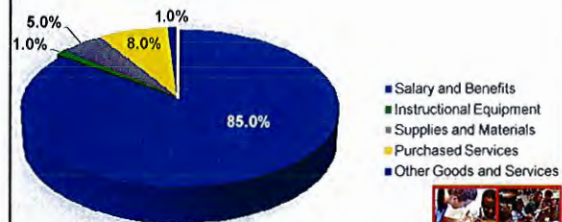
Revenue Sources for 2012-13



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How Funds are Used



ORANGE COUNTY SCHOOLS



2013-2014 Budgetary Outlook

ORANGE COUNTY SCHOOLS



2013-14 Budget Drivers

Increased Costs

- ✓ Increased Student Enrollment
- ✓ Federal Sequestration of 5.3% (\$175,000)
- ✓ Higher State Discretionary Reversion
- ✓ Salary Increase of 1% (\$158,000)
- ✓ Increased Benefit & Utility Costs

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2013-14 Budget Drivers

Unknowns

- ✓ Virtual Charters
- ✓ School Vouchers
- ✓ Changes in the Allotment System
- ✓ Level of State Funding

ORANGE COUNTY SCHOOLS

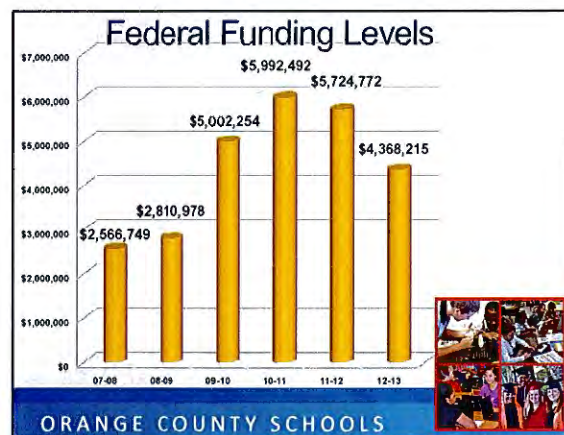
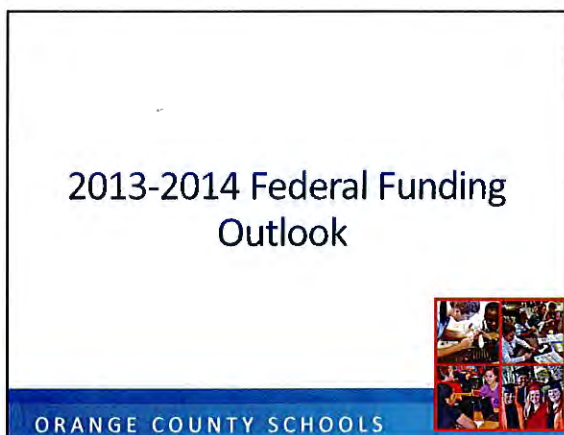
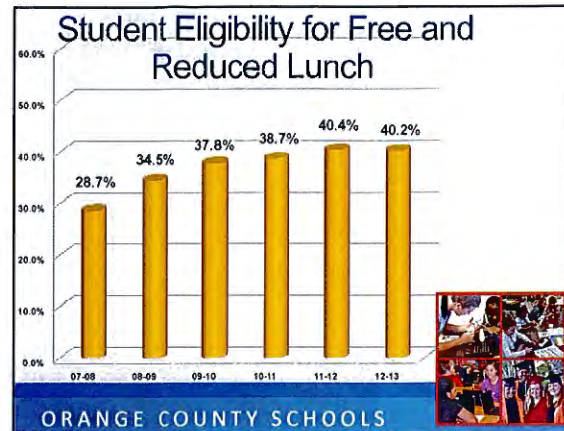
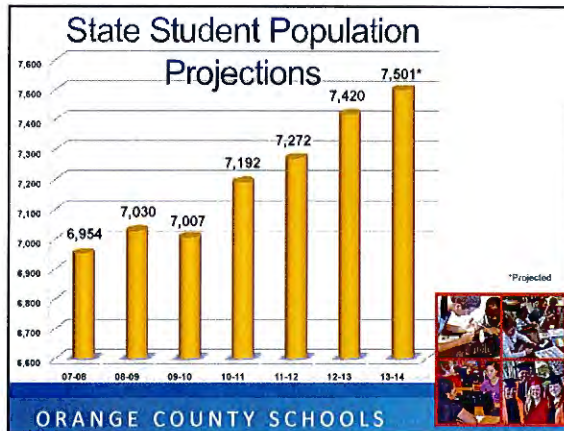


County Student Enrollment Projection 2013-14

NC DPI Certified Students:	7,501
Less Out-of-District Students:	89
Plus Charter School Students:	254
Total Projected by the BOCC:	7,666
Projected Enrollment Increase:	81

ORANGE COUNTY SCHOOLS



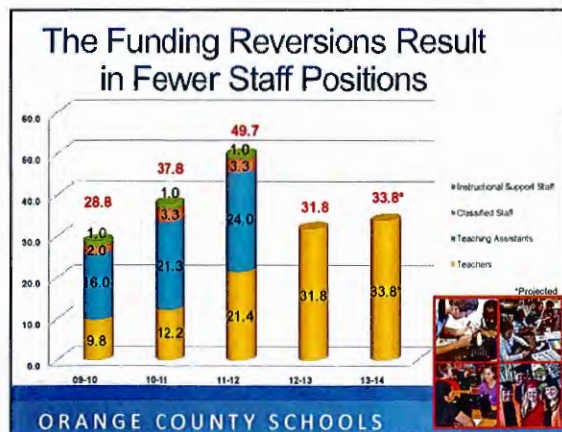
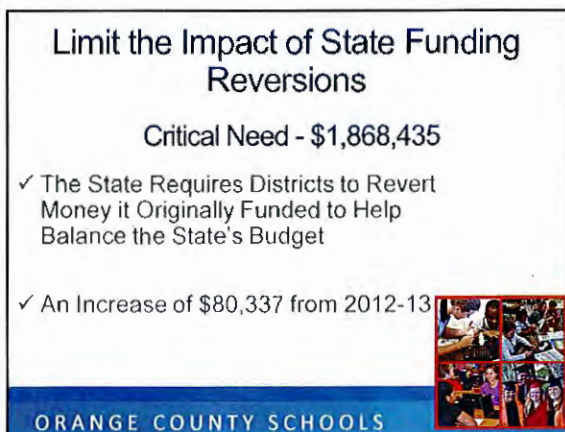
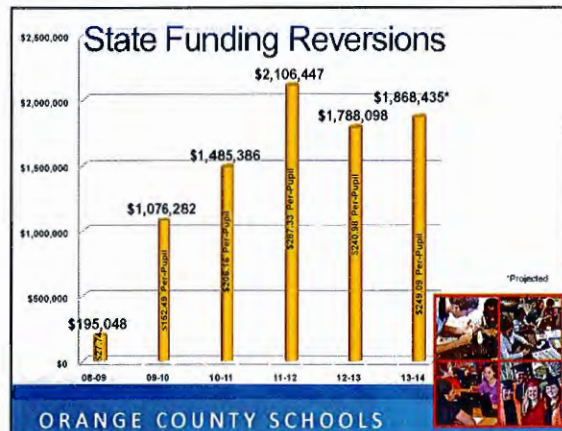
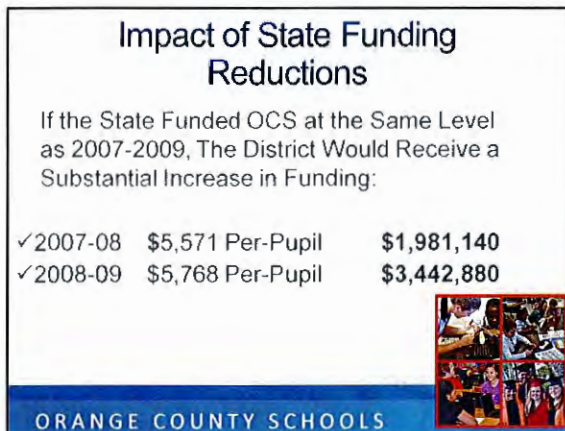
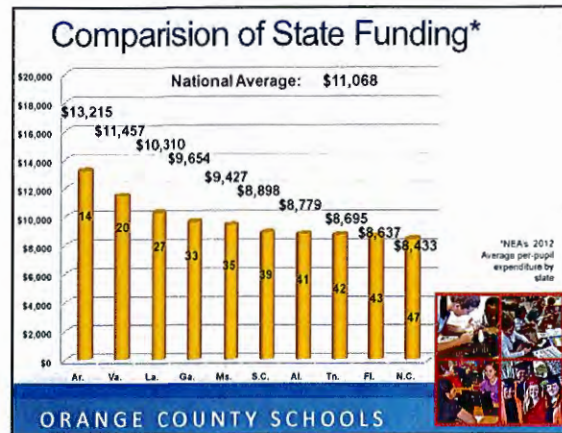
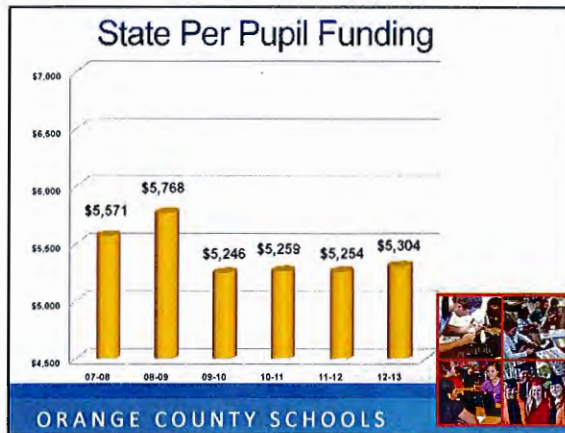


Impact of Federal Sequestration on OCS Programs

✓ Title I	\$46,559.12
✓ Title II	\$11,200.99
✓ Title III	\$2,829.46
✓ IDEA	\$95,420.19
✓ Career/Tech	\$3,704.01
✓ 21st Century	\$10,600.00
Total:	\$170,313.77

ORANGE COUNTY SCHOOLS





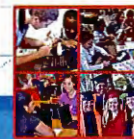
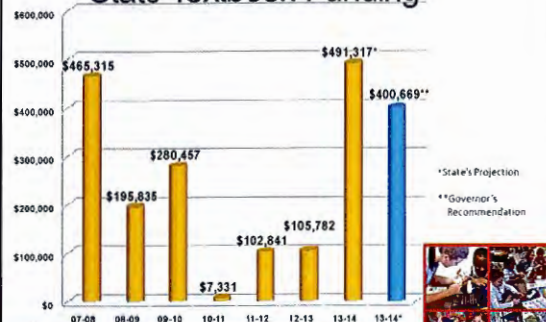
Funding Reductions from the Governor's Proposed Budget

- ✓ Reduction in Funding for 27 Teacher Assistants \$879,213



ORANGE COUNTY SCHOOLS

State Textbook Funding



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Lottery Proceeds



ORANGE COUNTY SCHOOLS

Lottery Funds

- ✓ Cannot be Used for Day-to-Day Operations
- ✓ Cannot be Used for Technology Purchases*
- ✓ Must be Used for Capital Expenditures

*Legislators are discussing allowing the use of Lottery Proceeds to purchase technology



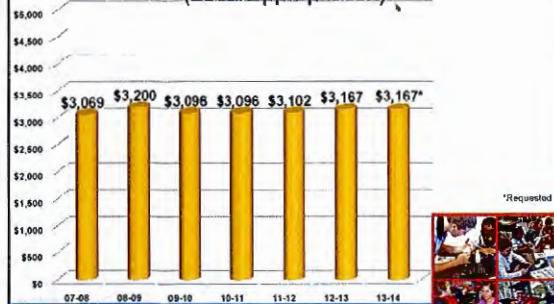
ORANGE COUNTY SCHOOLS

2013-14 Local Funding Request



ORANGE COUNTY SCHOOLS

Per-Pupil Allocation (Local Appropriation)



ORANGE COUNTY SCHOOLS

2013-14 Superintendent's Recommended Budget

ORANGE COUNTY SCHOOLS



District Initiatives for 2013-14

- ✓ Elementary Student Access to Technology
- ✓ S.T.E.M. Initiatives and Opportunities
- ✓ Safety and Security Enhancements
- ✓ Academic Rigor
- ✓ Meet District's Essential Funding Needs
- ✓ At-Risk Programs
- ✓ Cedar Ridge High Addition

ORANGE COUNTY SCHOOLS



Unfunded Mandates

Cost Increases

✓ Salary Increase of 1%	\$158,000
✓ Local Retirement Contribution:	\$46,000
✓ Hospitalization Cost (\$260 per employee)	\$60,000
✓ Utility Cost Increases	\$79,000
Total Increases:	\$343,000

ORANGE COUNTY SCHOOLS



Expansion Budget Requests

✓ Local School Safety Appropriation:	\$220,000
✓ Reading Teacher at Central:	\$55,000
✓ Pre K Itinerant E.C. Teacher:	\$55,000
✓ 3 1:1 Elementary Technicians:	\$135,000
✓ Part-time District A.D.:	\$40,000
Total Expansion Budget Requests:	\$505,000

ORANGE COUNTY SCHOOLS



Recurring Budget Requests

✓ Loss of Stimulus Funding	\$245,000
✓ Internal Auditor	\$80,000
✓ Additional Audit Functions	\$15,000
✓ 11 Month Asst. Principals	\$32,643
✓ E.C. Program Support	\$110,000
✓ H.R. Recog./Contract Services	\$14,000

ORANGE COUNTY SCHOOLS

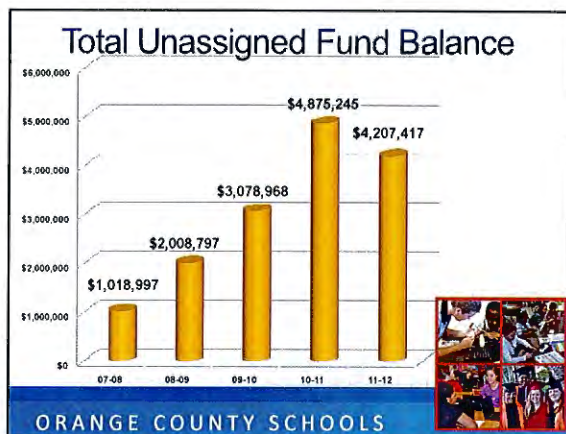


Recurring Budget Requests

✓ Legal Expenses Increase	\$50,000
✓ Testing Program Support	\$40,000
✓ Employee Wellness Support	\$10,000
✓ STEM Initiative Support	\$50,000
✓ AIG/Rigor Support	\$40,000
Total Recurring Budget Requests:	\$686,643

ORANGE COUNTY SCHOOLS





Total Fund Balance Appropriation

✓ Recurring Expenditures:	\$686,643
✓ Expansion Budget Request:	\$505,000
✓ Salary Increase of 1%	\$158,000
✓ Funding to Preserve 27 Teacher Assistant Positions	<u>\$879,213</u>
Total Fund Balance Appropriation:	\$2,228,856

ORANGE COUNTY SCHOOLS

The Superintendent's Recommended Local Budget Request for 2013-14:

\$24,278,222

ORANGE COUNTY SCHOOLS

Superintendent's Funding Recommendations

✓ Maintain Per Pupil Allocation	\$24,278,222
✓ County Fair Funding:	\$494,000
✓ Fines and Forfeitures:	\$202,500
✓ Interest:	\$70,000
✓ Appropriated Fund Balance:	<u>\$2,228,856</u>
Total Local Funding:	\$27,273,578

ORANGE COUNTY SCHOOLS

Superintendent's Recommended Local Budget

- ✓ Expands Academic Programs to Support Our Most At-risk students
- ✓ Improves School Safety and Security
- ✓ Supports Innovative and Successful Student Centered Programs
- ✓ Prevents Teacher Assistant Job Loss
- ✓ Provides an Excellent Return on Taxpayer Investment

ORANGE COUNTY SCHOOLS

Budget Calendar

OCS - Budget Recommendation	March 11, 2013	Formal presentation made to Board of Education by the Superintendent on "Budget Recommendations"
BOCC - Capital Investment Plan	March 12, 2013	Manager presents 2013-2018 Capital Investment Plan to Board of County Commissioners (Regular Work Session)
OCS - Budget Consideration (Public Hearing)	3/25/2013 6:00 P.M.	Public Hearing - Capital Funds Budget and Local Current Expense Budget
OCS - Work Session	3/25/2013 7:00 P.M.	Board of Education participates in Budget Work session
OCS - Work Session	April 8, 2013	Board of Education participates in Budget Work Session
BOCC - CIP Follow-up	April 11, 2013	Capital Investment Plan follow-up with BOCC (Budget Work Session)
OCS - Board Approval	April 22, 2013	Board of Education Adopts Local Current Expense Budget
OCS - Budget Distribution	April 25, 2013	Budget due to County Commissioners from Orange County Schools
BOCC - Work Session	April 25, 2013	Boards of Education Fiscal Year 2013-14 Budget Presentation to BOCC @ Work Session

ORANGE COUNTY SCHOOLS

Budget Calendar

BOCC - Work Session	May 9, 2013	Board of County Commissioners participates in CIP follow-up and Budget Drivers for 2013-14 (Budget Work Session)
BOCC - Manager Presents	May 21, 2013	Manager presents Fiscal Year 2013-14 Annual Operating Budget to Board of County Commissioners
BOCC - Budget Consideration	May 23, 2013	Public Hearing - Orange County Budget and Capital Investment Plan Public Hearings
BOCC - Budget Consideration	May 30, 2013	Public Hearing - Orange County Budget and Capital Investment Plan Public Hearings
BOCC Work Session Discussion of School Budgets	June 6, 2013	Board of County Commissioners Participates in Board of Education Budget Work Session
BOCC - County Commissioners Adopted of Budget	June 18, 2013	County Commissioners adopt Fiscal Year 2013-14 Annual Operating Budget and 2013-12 Capital Investment Plan
BOCC - Continuation Budget Approval	June 24, 2013	Board of Education adopts Continuation Budget



ORANGE COUNTY SCHOOLS

For more information, please contact Donna Brinkley at 732.8126 or via email @ donna.brinkley@orange.k12.nc.us

Please visit our district budget page @ www.orange.k12.nc.us



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