

ORANGE COUNTY  
BOARD OF EDUCATION

AGENDA ITEM ABSTRACT

Meeting Date: February 11, 2013

AGENDA ITEM No. 13-02-13

ACTION ITEM: (Y/N) N

SUBJECT: 2013-2014 Budget Discussion #1

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

ATTACHMENTS: 1. Budget Calendar 2013-2014.

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**PURPOSE:** The purpose of this item is to provide for discussion the currently available budget information from state, local and federal sources.

**BACKGROUND:** On January 28, 2013, the Board of Education approved the Budget development calendar for the upcoming fiscal year. At the time of abstract preparation some preliminary budgetary information from Raleigh, Hillsborough and Washington has been gathered. It is early in the budget process and information we have been provided is summarized below.

County: According to the Orange County Finance Office, both property tax collections and sales tax revenues are up. No specific figures were provided. There is much uncertainty about state and federal appropriations to county government for the next fiscal year.

State: The state budget picture is still very unclear. Potential legislative action could significantly impact state funding. Examples include legislation being introduced which would provide vouchers for students to attend non-public schools or virtual online schools.

Charter school advocates continue to push for access to school capital funds which are provided by counties. Additionally, charter school advocates are continuing to fight for access to school system fund balances. Orange County Schools currently appropriates a payout of \$970,737 for charter schools. While Orange County charter school enrollment has been stable over the past few years, enrollment growth will likely increase as more charter schools open.

Other unknowns include the impact of changes to the Unemployment Insurance Fund that could require governmental employers to maintain a 1% reserve.

Federal: The Federal picture is very unclear. Should the often discussed mandatory sequestration occur, federal education funding would be cut for special education, English Language Acquisition and training. On October 22, 2012 the board approved a resolution urging congress to stop education sequestration. Should the sequestration occur, an 8.2% across-the-board cut to domestic programs would result. The impact of an 8.2% cut in federal funding for Orange County Schools would mean a loss of \$850,014.

continued

**FINANCIAL IMPACT:** The 2012-2013 total approved operating budget is \$72,608,144.

State Public School Fund Revenue:	\$ 39,354,959
Local Current Expense Revenue:	27,638,195
(includes a \$2.85 million fund balance appropriation)	
Other Restricted Fund	1,246,775
Federal Grant Fund Revenue:	4,368,215

**RECOMMENDATION:** The Superintendent recommends the Board of Education discuss the currently available 2013-2014 budget information.

**Orange County Schools  
Budget Calendar  
Fiscal Year 2013-2014**

<b>OCS – Board Approval</b>	<b>February 11, 2013</b>	<b>OCS Board of Education review/approval of Fiscal Year 2013-18 Capital Investment Plan</b>
<b>OCS – FY 2013-2018 Capital Investment Plan</b>	<b>Early February, 2013</b>	<b>FY 2013-18 Capital Investment Plan due To Orange County Financial Services from Orange County Schools</b>
<b>OCS – Budget Recommendation</b>	<b>March 11, 2013</b>	<b>Formal presentation made to Board of Education by the Superintendent on “Budget Recommendations”</b>
<b>BOCC – Capital Investment Plan</b>	<b>March 12, 2013</b>	<b>Manager presents 2013-2018 Capital Investment Plan to Board of County Commissioners. (Regular Work Session)</b>
<b>OCS – Budget Consideration (Public Hearing)</b>	<b>March 25, 2013 6:00 P.M.</b>	<b>Public Hearing – Capital Funds Budget And Local Current Expense Budget</b>
<b>OCS – Work Session</b>	<b>March 25, 2013 7:00 P.M.</b>	<b>Board of Education participates in Budget Work session</b>
<b>OCS – Work Session</b>	<b>April 8, 2013</b>	<b>Board of Education participates in Budget Work session</b>
<b>BOCC – CIP Follow-up</b>	<b>April 11, 2013</b>	<b>Capital Investment Plan follow-up with BOCC. (Budget Work Session)</b>
<b>OCS – Board Approval</b>	<b>April 22, 2013</b>	<b>Board of Education Adopts Local Current Expense Budget</b>
<b>OCS – Budget Distribution</b>	<b>April 25, 2013</b>	<b>Budget due to County Commissioners From Orange County Schools</b>
<b>BOCC – Work Session</b>	<b>April 25, 2013</b>	<b>Boards of Education Fiscal Year 2013-14 Budget Presentations to BOCC @ Work Session</b>
<b>BOCC – Work Session</b>	<b>May 9, 2013</b>	<b>Board of County Commissioners participates in CIP follow-up and Budget Drivers for 2013-14. (Budget Work Session)</b>
<b>BOCC – Manager Presents</b>	<b>May 21, 2013</b>	<b>Manager presents Fiscal Year 2013-14 Annual Operating Budget to Board of County Commissioners</b>
<b>BOCC – Budget Consideration</b>	<b>May 23, 2013</b>	<b>Public Hearing – Orange County Budget and Capital Investment Plan Public Hearings</b>
<b>BOCC – Budget Consideration</b>	<b>May 30, 2013</b>	<b>Public Hearing – Orange County Budget and Capital Investment Plan Public Hearings</b>
<b>BOCC – Work Session Discussion of School Budgets</b>	<b>June 6, 2013</b>	<b>Board of County Commissioners Participates in Board of Education Budget Work Session</b>
<b>BOCC – County Commissioners Adoption of Budget</b>	<b>June 18, 2013</b>	<b>County Commissioners adopt Fiscal Year 2013-14 Annual Operating Budget and 2013-18 Capital Investment Plan</b>
<b>OCS – Continuation Budget Approval</b>	<b>June 24, 2013</b>	<b>Board of Education adopts Continuation Budget</b>