

# BOARD OF EDUCATION'S Adopted Budget FY 2025-2026



**THINK (AND ACT)  
DIFFERENTLY**

# **Adopted Budget for the Fiscal Year Ending June 30, 2026**

## **Chapel Hill – Carrboro City Schools Board of Education Members and Principal Officials**

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Riza C. Jenkins, Vice Chair

Meredith H. Ballew

Rani D. Dasi

Vickie Feaster Fornville

Barbara Fedders

Michael H. Sharp

Dr. Rodney Trice, Superintendent

Prepared By:

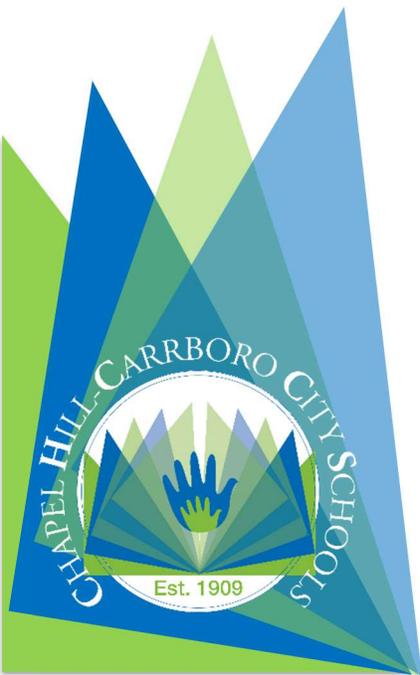
Jonathan Scott, Chief Financial Officer

Justin Kiser, Assistant Finance Officer

Business and Financial Services Division

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[www.chccs.org](http://www.chccs.org)

November 20, 2025





ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

This Meritorious Budget Award is presented to:

# CHAPEL HILL - CARRBORO CITY SCHOOLS

for excellence in the preparation and issuance of its budget  
for the Fiscal Year 2024–2025.

The budget adheres to the principles and standards  
of ASBO International's Meritorious Budget Award criteria.



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

Ryan S. Stechschulte  
President

A handwritten signature in black ink, reading 'James M. Rowan'.

James M. Rowan, CAE, SFO  
CEO/Executive Director

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# EXECUTIVE SUMMARY



Chapel Hill – Carrboro City Schools (CHCCS)  
750 S Merritt Mill Road, Chapel Hill, NC 27516  
Web Site: [chccs.org](http://chccs.org)  
Prepared by the Business and Financial Services Division  
(919) 967-8211



To the staff, students, families, and community of Chapel Hill-Carrboro City Schools,

It is my honor to present the Chapel Hill-Carrboro City Schools Board of Education's Financial Plan for Fiscal Year 2025-26. This plan reflects our shared commitment to **equity, excellence, and responsible stewardship** as we navigate a period of continued uncertainty and change in public education.

This year's budget process has taken place during the North Carolina General Assembly's ongoing budget stalemate, which has delayed critical state funding decisions and created challenges for school districts across our state. Despite these circumstances, our district continues to **plan prudently and advocate for the resources necessary** to support our students and staff. At the same time, we are responding to changing enrollment trends and evolving community needs, requiring thoughtful planning, collaboration and innovation to ensure our resources remain aligned to support every child.

The FY2025-26 continuation budget supports our ongoing operational needs and rising costs while helping ensure the district remains financially sustainable over the long term. It includes reserves for staff salaries and wages based on our best estimates of the potential adoption of a state budget, accounts for required increases in employer retirement and health insurance costs, and incorporates inflationary increases on non-salary expenses. The budget also reflects a careful review of how resources and staffing are allocated so we can respond to enrollment changes while maintaining strong instructional quality and equity across all schools.

Although uncertainty at the state level remains, our mission is unwavering: to **uphold excellence, equity and opportunity for every student**. Together, we will remain steadfast in our belief that every child deserves access to an inspiring, high-quality education that prepares them to thrive in a changing world.

Thank you for your continued partnership, trust, and commitment as we move forward, building a school system that is both **resilient and responsive** to the evolving landscape of public education.

Sincerely,

Dr. Rodney Trice  
Superintendent, Chapel Hill – Carrboro City Schools

*“The next 25 years must look different than the last 25. Not because we’ve lost our way, but because the world around us is changing, and we owe it to our children to meet that change with courage.”*

— Dr. Rodney Trice

## Board of Education’s Financial Plan for FY 2025-26

The following narrative details the many different components that shaped the District’s guiding financial plan for the upcoming fiscal year, including the continuation needs and expansion items included in the Board’s funding request to Orange County, the level of funding ultimately adopted by the County, and the actions taken by the District to develop a balanced budget. Additionally, this narrative will detail how the actions taken to reach a balanced budget will return fiscal sustainability to the Local Operating Budget, evidenced by a plan to reduce expenditures and return a positive balance to the local fund balance in future fiscal years.

### Student Data

The District’s financial planning process begins by carefully considering enrollment projections for the upcoming year. State enrollment projections ultimately have a major impact on both State and local funding levels. Each fiscal year, Orange County must adopt their educational funding levels based on projected student enrollment at both school districts within the county. The allocation that our District receives is based on a proportional split between our projected enrollment and Orange County Schools’ (OCS) projected enrollment. The table below details the official projections and adjustments for out-of-district students and charter school enrollment within the county.

#### 2025-26 Budgeted Enrollment Projections

	CHCCS	OCS	Total
March 2024 Department of Public Instruction ADM Allotment #s	11,114	6,915	18,029
<i>Less:</i> Out of District Students	(318)	(115)	(433)
	<b>10,796</b>	<b>6,800</b>	<b>17,596</b>
<i>Plus:</i> Budgeted Charter Students	222	1,125	1,347
<b>Total Budgeted Students</b>	<b>11,018</b>	<b>7,925</b>	<b>18,943</b>
	58.16%	41.84%	

*Source: Orange County FY 25-26 Commissioner Approved Annual Operating Budget*

Note: The above table shows the calculation of “Total Budgeted Students” that the County used in determining the student enrollment split for budgeting purposes. Analysis of actual student enrollment trends at CHCCS can be found later in both the Executive Summary and Informational Section of this document.

### Enrollment Trends

CHCCS continues to experience a districtwide decline in student enrollment, consistent with regional and statewide demographic shifts, including declining birth rates, reduced in-migration of young families, and evolving housing patterns within Chapel Hill and Carrboro. For the 2025–26 school year, projected K–12 membership remains below overall district capacity, with the most significant underutilization occurring at the elementary level, where several campuses are operating at less than 70% of capacity. Middle and high schools reflect a more balanced distribution of students. The persistent gap between enrollment and available capacity has direct fiscal implications, increasing per-pupil operating costs and reducing the efficiency of resource allocation. Addressing this trend will require continued analysis and long-term planning to ensure the equitable and sustainable delivery of educational programs across all schools.

## Continuation Costs

The biggest foundational piece that the District considers when financially planning for an upcoming fiscal year is in the estimated continuation portion of the Local Operating Budget. This calculation represents the expenses required to be able to continue providing the existing level of services and standards of education in the upcoming fiscal year before any structural or programmatic changes are considered. The following section will detail the major drivers of the continuation cost estimates to include salaries and wages, required matching benefit changes, and an inflationary adjustment for non-salary items contained in the budget.

### Salaries and Wages

**\$1,604,240**

At the time of writing the State of North Carolina has not passed a biennial budget in for the fiscal year, 2025-26. The District has included a 3% reserve across the board for potential salary increases that may be include in an eventual state budget. The calculated increase amounts to a \$1,192,330 increase to base salaries and a \$411,910 increase for the matching local supplement. The total of these salary increases is \$1,604,240.

### Benefit Increases

**\$1,300,314**

Federal and State legislation establishes employer-required matching rates and annual employer health insurance premiums. Together, these changes require adjustments to our local operational plan as the District must match benefit increases for the local portion of teacher salary increases and for all locally-funded positions. The Federal Insurance Contributions Act (FICA) rate is expected to remain at 7.65%, but to account for the mandated increases in salaries and corresponding supplements, an increase of \$201,088 is included for FICA matching. The State's biennial budget includes an increase in the Teachers and State Employees Retirement (TSERS) Program Matching and an increase in the Employer Sponsored Health Insurance Costs for each employee. The stated increase in the TSERS matching rate is 24.67%, up from 24.04%. The adopted increase to the Employer Health Insurance Cost of each employee moves it to \$8,500, up from \$8,095. There remains a resulting estimated budget increase of \$725,893 for TSERS matching due to the increases in salaries. Additionally, a \$373,333 increase is estimated for Employer Health Insurance Cost. Together, these combined increase estimates in matching benefits total \$1,300,314.

### Other Non-Salaried Operating Costs

**\$485,399**

The last several years have brought historically high periods of inflation to the country. The high inflation has impacted operations beyond just wages and salary. The District has experienced extreme increases in purchases of goods, purchases of services, and most of all payments for utilities such as water, natural gas, and electricity. These inflated expenses have not been met with budgetary increases and have thus contributed to the approximately \$6.5 million loss in the local fund during the 2022-23 fiscal year. This budget includes a continuation item to combat the high inflation with a 3% inflationary adjustment to non-salary operating costs. The total estimated continuation cost is \$485,399.

## Continuation Costs Summary

<b>Continuation Item</b>	<b>Cost</b>
Salaries and Wages	\$ 1,604,240
Required Matching Benefits	1,300,314
Non-salary Operating Costs	485,399
<b>Total Budgeted Continuation Costs</b>	<b>\$ 3,389,953</b>

### Local Operating Fund Revenue Changes for FY 2025-26

The District's estimates include changes in several different revenue sources as listed below:

- \$1,627,880 net increase in County Appropriation
- \$381,198 net increase in Special District Tax (inflationary, no rate change)
- \$757,242 net increase in Special District Tax (Orange County rate increase)
- \$(100,000) net (decrease) in Sales Tax Revenue
- \$(45,000) net (decrease) in Transportation Revenue
- \$(75,000) net (decrease) in Fines and Forfeitures
- \$(10,000) net (decrease) in Disposition of Surplus Property
- \$(75,000) net (decrease) in Miscellaneous Revenue

<b>Budgetary Consideration</b>	<b>Impact</b>
Total Deficit Consideration before Revenue Changes	\$ (3,389,953)
Net Local Revenue Changes for FY 2024-25	2,461,320
<b>Total Deficit Consideration after Revenue Changes</b>	<b>\$ (928,633)</b>

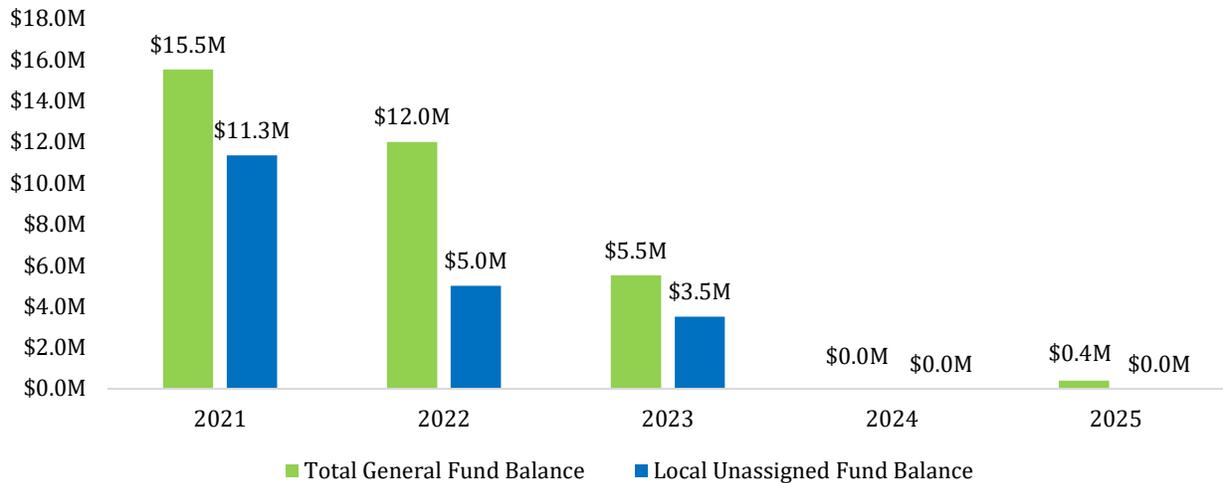
### Returning Sustainability in a Time of Financial Instability

The audited local unassigned fund balance for the fiscal year ending June 30, 2023, was \$3.6 million (4.07% of total expenditures), down from \$5 million (5.85%) the previous year. This is \$1.31 million below the District's minimum target of 5.5% of local expenditures, which is \$4.93 million. The results of operations in FY 2023-24 leave the District at a local fund balance of essentially **zero**. This critically low fund balance level led the District Administration and Board of Education to implement a tiered savings plan that included stop-gap measures (Tiers I and II) that would bring the District out of a deficit spending position in FY 2025. The final tier (Tier III) was designed to bring sustainability and build back local fund balance reserves over the long term in future fiscal years. The District's projected results of operations from FY 2025 at time of this writing show the impact of the first two tiers in the spending reduction plan. The District estimates it added \$392,057 back to its fund balance in FY 2025. That indicates the stop-gap measures were implemented as intended. Looking ahead to FY 2026, Tier III was designed to return a more sustainable amount to the local fund balance. The table below shows the estimated impact of Tier III on the District's financial position at the end of FY 2026:

<b>Budgetary Item</b>	<b>Estimated Budgetary Impact</b>
Total Deficit Consideration after Revenue Changes	\$ (928,633)
<b>Tier III: Instructional Support and Non-Core Teaching Roles</b>	4,000,000
<b>Estimated Net Financial Position after Spending Reductions</b>	<b>\$ 3,071,367</b>

**Fund Balance Analysis**

Fund Balance Trends FY 2021 - FY 2025



**Summary FY 2025-26 Adopted Budget**

The Board of Education’s Financial Plan for FY 2025–26 outlines the primary factors shaping the District’s financial outlook, including enrollment trends, continuation funding needs, revenue changes, and the strategic actions taken to restore long-term fiscal stability. With overall enrollment continuing to decline—particularly at the elementary level—the District faces increased per-pupil costs and reduced operational efficiency. At the same time, continuation cost pressures driven by anticipated salary and benefit increases, along with inflation in non-salary operating expenses, total nearly \$3.4 million. Although local revenue sources are projected to increase by approximately \$2.46 million, the District began the budget development process with a remaining deficit of \$928,633. After significant fund balance erosion in prior years, the Board implemented a multi-tier spending reduction plan to reverse deficit spending and rebuild reserves. Early results show positive progress, and the final tier of reductions planned for FY 2026 is expected to eliminate the deficit and restore the local fund balance by an estimated \$3.07 million, positioning the Local Operating Budget for sustainable operations in future years.

## FY 2025-2026 Budget Resolution

BE IT RESOLVED by the Board of Education of the Chapel Hill-Carrboro City Schools Administrative Unit:

**Fund 1 Expenditures:** The following amounts are hereby appropriated for the operation of the school administrative unit in the State Public School Fund for the fiscal year beginning July 1, 2025 and ending June 30, 2026:

**Instructional Programs:**

Total 5100 - Regular Instructional Services	\$ 51,405,841
Total 5200 - Special Population Services	15,039,224
Total 5300 - Alternative Program Services	2,038,654
Total 5400 - School Leadership Services	3,403,501
Total 5800 - School-Based Services	118,244
	72,005,464

**Support Services:**

Total 6100 - Support and Development Services	233,325
Total 6400 - Technology Support Services	6,568,085
Total 6500 - Operational Support Services	164,525
Total 6600 - Financial and Human Resource Services	572,816
Total 6900 - Policy, Leadership, and Public Relations Services	7,538,751
	51,405,841

<b>Total State Public School Fund Appropriation</b>	<b>\$ 79,544,215</b>
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**Fund 1 Revenues:** The following revenues are estimated to be available to the State Public School Fund for the fiscal year beginning July 1, 2025 and ending June 30, 2026:

Total 3100 - State Public School Fund Revenue	\$ 79,544,215
	79,544,215

<b>Total State Public School Fund Appropriation</b>	<b>\$ 79,544,215</b>
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**Fund 2 Expenditures:** The following amounts are hereby appropriated for the operation of the school administrative unit in the Local Current Expense Fund for the fiscal year beginning July 1, 2024 and ending June 30, 2025:

Instructional Programs:	
Total 5100 - Regular Instructional Services	\$ 31,461,434
Total 5200 - Special Population Services	14,820,941
Total 5300 - Alternative Program Services	2,695,979
Total 5400 - School Leadership Services	5,778,716
Total 5500 - Co-Curricular Services	2,774,672
Total 5800 - School-Based Services	10,463,066
	<u>67,994,809</u>
Support Services:	
Total 6100 - Support and Development Services	2,408,080
Total 6200 - Special Population Support and Development Services	1,296,730
Total 6300 - Alternative Programs Support and Development Services	29,146
Total 6400 - Technology Support Services	2,329,889
Total 6500 - Operational Support Services	10,098,857
Total 6600 - Financial and Human Resource Services	4,988,350
Total 6700 - Accountability Services	705,429
Total 6800 - System-wide Pupil Support Services	168,463
Total 6900 -Policy, Leadership, and Public Relations Services	4,223,878
	<u>26,248,822</u>
Ancillary Services:	
Total 7200 - Nutrition Services	1,813
	<u>1,813</u>
Non-Programmed Charges:	
Total 8100 - Payments to Other Governmental Units	1,450,000
	<u>1,450,000</u>
<b>Total Local Current Expense Fund Appropriation</b>	<b><u><u>\$ 95,695,444</u></u></b>

**Fund 2 Revenues:** The following revenues are hereby estimated to be available the Local Current Expense Fund for the fiscal year beginning July 1, 2025 and ending June 30, 2026:

Total 3200 - State Revenue - Other Funds	\$ 150,000
Total 4100 - Local Sources General	94,310,444
Total 4400 - Local Sources - Unrestricted	685,000
Total 4800 - Local Sources - Restricted	550,000
	<u>95,695,444</u>
<b>Total Local Current Expense Fund Appropriation</b>	<b><u><u>\$ 95,695,444</u></u></b>

**Fund 3 Expenditures:** The following amounts are hereby appropriated for the operation of the school administrative unit in the Federal Grant Fund for the fiscal year beginning July 1, 2025 and ending June 30, 2026:

Instructional Programs:	
Total 5100 - Regular Instructional Services	\$ 1,287,291
Total 5200 - Special Population Services	2,175,888
Total 5300 - Alternative Program Services	43,722
	3,506,901
Support Services:	
Total 6100 - Support and Development Services	3,000
	3,000
Non-Programmed Charges:	
Total 8200 - Unbudgeted Funds	671,604
	671,604
<b>Total Federal Grants Fund Appropriation</b>	<b>\$ 4,181,505</b>

**Fund 3 Revenues:** The following revenues are estimated to be available to the Federal Grant Fund Revenues for the fiscal year beginning July 1, 2025 and ending June 30, 2026:

Total 3600 - Federal Fund Revenue	\$ 4,181,505
	<u>4,181,505</u>
 <b>Total Federal Grants Fund Appropriation</b>	 <b><u><u>\$ 4,181,505</u></u></b>

**Fund 4 Expenditures:** The following amounts are hereby appropriated for the operation of the school administrative unit in the Capital Outlay Expense Fund for the fiscal year beginning July 1, 2025 and ending June 30, 2026:

Instructional Programs:	
Total 5100 - Regular Instructional Services	\$ 185,495
	<u>185,495</u>
Support Services:	
Total 6400 - Technology Support Services	2,633,865
Total 6500 - Operational Support Services	-
	<u>2,633,865</u>
Ancillary Services:	
Total 7200 - Nutrition Services	19,170
	<u>19,170</u>
Capital Outlay:	
Total 9000 - Capital Outlay	19,517,667
	<u>19,517,667</u>
<b>Total Capital Outlay Fund Appropriation</b>	<b><u><u>\$ 22,356,197</u></u></b>

**Fund 4 Revenues:** The following revenues are estimated to be available to the Capital Outlay Expense Fund for the fiscal year beginning July 1, 2025 and ending June 30, 2026:

Total 3200 - State Revenue – Other Funds	\$ 175,000
Total 4110 - County Appropriation - Recurring Capital	1,762,290
Total 4400 - Local Sources - Unrestricted	25,000
Total 4810 - County Appropriation - Capital Investment Plan	20,393,907
	<u>22,356,197</u>
<b>Total Capital Outlay Fund Appropriation</b>	<b><u><u>\$ 22,356,197</u></u></b>

**Fund 5 Expenditures:** The following amounts are hereby appropriated for the operation of the school administrative unit in the Child Nutrition Services Fund for the fiscal year beginning July 1, 2025 and ending June 30, 2026:

Ancillary Services:	
Total 7200 - Nutrition Services	\$ 4,897,256
	<u>4,897,256</u>
Non-Programmed Charges:	
Total 8100 - Payments to Other Governmental Units	55,000
	<u>55,000</u>
<b>Total Child Nutrition Fund Appropriation</b>	<b><u><u>\$ 4,952,256</u></u></b>

**Fund 5 Revenues:** The following revenues are hereby estimated to be available to the Child Nutrition Services Fund for the fiscal year beginning July 1, 2024 and ending June 30, 2025:

Total 3800 - Other Restricted Grants	\$ 2,844,669
Total 4300 - Sales Revenues	1,969,070
Total 4400 - Local Sources - Unrestricted	9,500
Total 4800 - Local Sources - Restricted	50,000
Total 4900 - Local Sources – Fund Balance Appropriated	79,017
	<u>4,952,256</u>
<b>Total Child Nutrition Fund Appropriation</b>	<b><u><u>\$ 4,952,256</u></u></b>

**Fund 7 Expenditures:** The following amounts are hereby appropriated for the operation of the school administrative unit in the Child Care Expense Fund for the fiscal year beginning July 1, 2025 and ending June 30, 2026:

Ancillary Services:	
Total 7100 – Community Services	\$ 2,512,949
	<u>2,512,949</u>
<b>Total Community Schools Fund Appropriation</b>	<b><u>\$ 2,512,949</u></b>

**Fund 7 Revenues:** The following revenues are estimated to be available to the Child Care Expense Fund for the fiscal year beginning July 1, 2025 and ending June 30, 2026:

Total 4200 - Tuition & Fees	\$ 2,107,949
Total 4400 - Local Sources – Unrestricted	405,000
	<u>2,512,949</u>
<b>Total Community Schools Fund Appropriation</b>	<b><u>\$ 2,512,949</u></b>

**Fund 8 Expenditures:** The following amounts are hereby appropriated for the operation of the school administrative unit in the Fund 8 - Other Local Funds for the fiscal year beginning July 1, 2025 and ending June 30, 2026:

Instructional Programs:	
Total 5100 - Regular Instructional Services	\$ 149,000
Total 5200 - Special Population Services	1,203,031
Total 5300 - Alternative Program Services	4,049,605
Total 5800 - School-Based Services	2,877,827
	<u>8,279,463</u>
Non-Programmed Charges	
Total 8100 – Payments to Other Governmental Units	\$3,500
	<u>\$3,500</u>
<b>Total Other Local Revenues Fund Appropriation</b>	<b><u>\$ 8,282,963</u></b>

**Fund 8 Revenues:** The following amounts are hereby appropriated for the operation of the school administrative unit in the Other Local Fund for the fiscal year beginning July 1, 2025 and ending June 30, 2026:

Total 3200 - State Revenue – Other Funds	\$ 642,821
Total 3700 - Federal Revenue – Other Funds	3,658,992
Total 4100 - Local Sources - General	2,420,561
Total 4200 - Tuition & Fees	589,000
Total 4400 - Local Sources – Unrestricted	971,589
	<u>8,282,963</u>
<b>Total Other Local Revenues Fund Appropriation</b>	<b><u>\$ 8,282,963</u></b>

Section 14 - The Superintendent is hereby authorized to:

Transfer appropriations under the following conditions:

1. Amounts may be transferred between functions of the same purpose of the same fund with a quarterly report of such transfers provided to the Board of Education and entered into the Board's minutes.
2. Amounts may be transferred between sub-functions and objects of expenditures with a monthly report of such transfers provided to the Board of Education being required.
3. Amounts may not be transferred between Fund Codes without prior approval of the Board of Education.
4. Amounts may be transferred in state or federal projects upon prior approval of the appropriate funding agency.
5. For the purpose of year-end closeout only, the Board of Education agrees to suspend the restrictions/provisions of this resolution given that a summary of all such transfers must be reported no later than December 31, 2026 and any such transfers resulting from the extraordinary/unusual occurrences/circumstances must be noted and explained.

Summary of Commitments

# THINK (AND ACT) DIFFERENTLY

We purposely selected a design for our strategic plan that would clearly outline the work that we have ahead of us. It also makes the work clear to our community. The plan and vision offers our schools in collaboration with our district's Divisions a clear and compelling roadmap to success while helping to meet our collective goals by 2027.



STRATEGIC PLAN 2022-2027

## Key Priorities

Creating a Culture of Safety and Wellness



**Creating a Culture of Safety and Wellness**

**Goal 1:** CHCCS will prioritize the social, emotional and physical well-being of every student and staff member to ensure that everyone has the support needed to thrive in our learning communities.

**Goal 2:** CHCCS will prioritize personalized support for every student with a focus on students' strengths, and their areas of need to ensure that every student successfully realizes the best version of themselves.

Instructional Excellence: Preparing Students for Life



**Instructional Excellence: Preparing Students for Life**

**Goal 1:** CHCCS students will be provided access to a challenging, diverse and culturally relevant, standards aligned curriculum which is student centered and will propel their educational growth and achievement.

**Goal 2:** CHCCS will prioritize opportunities designed to elevate student voice and access to meaningful, authentic instruction while empowering students to advocate for their own learning.

Empowering, Equipping and Investing in Our People



**Empowering, Equipping and Investing in Our People**

**Goal 1:** CHCCS will recruit a diverse workforce representative of our broader community using proven local and national best practices and focus on the retention.

**Goal 2:** CHCCS will invest in a diverse and highly-qualified workforce to ensure CHCCS is the place where talented professionals choose to work and grow.

**Goal 3:** Equip a culturally responsive workforce so our people will effectively support students and families. Continue to develop professional learning that develops a culturally responsive mindsets and capabilities with stakeholders so there is an inviting and inclusive environment to support student learning throughout every classroom, school, and central office.

Equitable and Transparent Fiscal Stewardship and Operations



Strengthening Family and Community Engagement



**Instructional Excellence: Preparing Students for Life (continued)**

**Goal 3:** CHCCS will ensure flexibility in available learning opportunities and that choice programs are accessible for all students.



# THINK (AND ACT) DIFFERENTLY



## Equitable and Transparent Fiscal Stewardship and Operations

**Goal 1:** Create and maintain safe spaces where instructional excellence can occur.

**Goal 2:** Provide effective support services for students, staff, and the community through equitable allocation and distribution of resources using a tiered system of support model.

**Goal 3:** Timely, accurate reporting and transparent communication of Financial Information to the members of our community.



## Strengthening Family and Community Engagement

**Goal 1:** Design effective forms of school-to-home and home-to-school communications about school programs and student progress.

**Goal 2:** Provide information and ideas to families about how to promote the continuation of learning at home and in the community through learning, service, and enrichment activities.

**Goal 3:** Elevate diverse parents and caregivers as leaders and representatives, and include them in school and district-based decision-making.

## Portrait of a Graduate

Chapel Hill-Carrboro City Schools is committed to providing all of its students with the knowledge, experiences and opportunities necessary for them to develop the competencies required for success in school, the workforce, and in life.



### Skilled Communicator

**I explore and exchange ideas with others.** I grow my understanding by actively listening to, honoring, and building on the voices of others, and I express my own understanding clearly, using a variety of forms depending on the purpose, audience, and setting. I continually look for opportunities to grow in this area.



### Effective Collaborator

**I form partnerships with others.** I work with others to achieve common goals by building relationships, managing team dynamics, making shared decisions, and learning from and contributing to the learning of others.



### Critical Thinker

**I analyze and synthesize ideas.** I make decisions by processing and evaluating information, seeking patterns and connections, constructing meaningful knowledge, and applying knowledge in authentic contexts.



### Adaptable Individual

**I adjust to challenging conditions with agility and flexibility.** I work effectively in a climate of ambiguity and changing priorities.



### Ethical and Empathetic Citizen

**I demonstrate sensitivity, concern, and respect for the experiences and feelings of others.** I act with key moral principles that include honesty, fairness, equity, and dignity.

### Board of Education

The Board of Education is comprised of seven community members elected to set policy and direction for the local school district. The Chapel Hill-Carrboro City Schools Board of Education includes seven members who serve four-year terms.

#### CHCCS School Board's Mission Statement:

To facilitate the CHCCS Mission by establishing and maintaining policies that are in the best interests of our students, communicating and engaging with key stakeholders, and hiring and collaborating with the district Superintendent.

**George W. Griffin,**  
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**Riza Jenkins,**  
Vice Chair  
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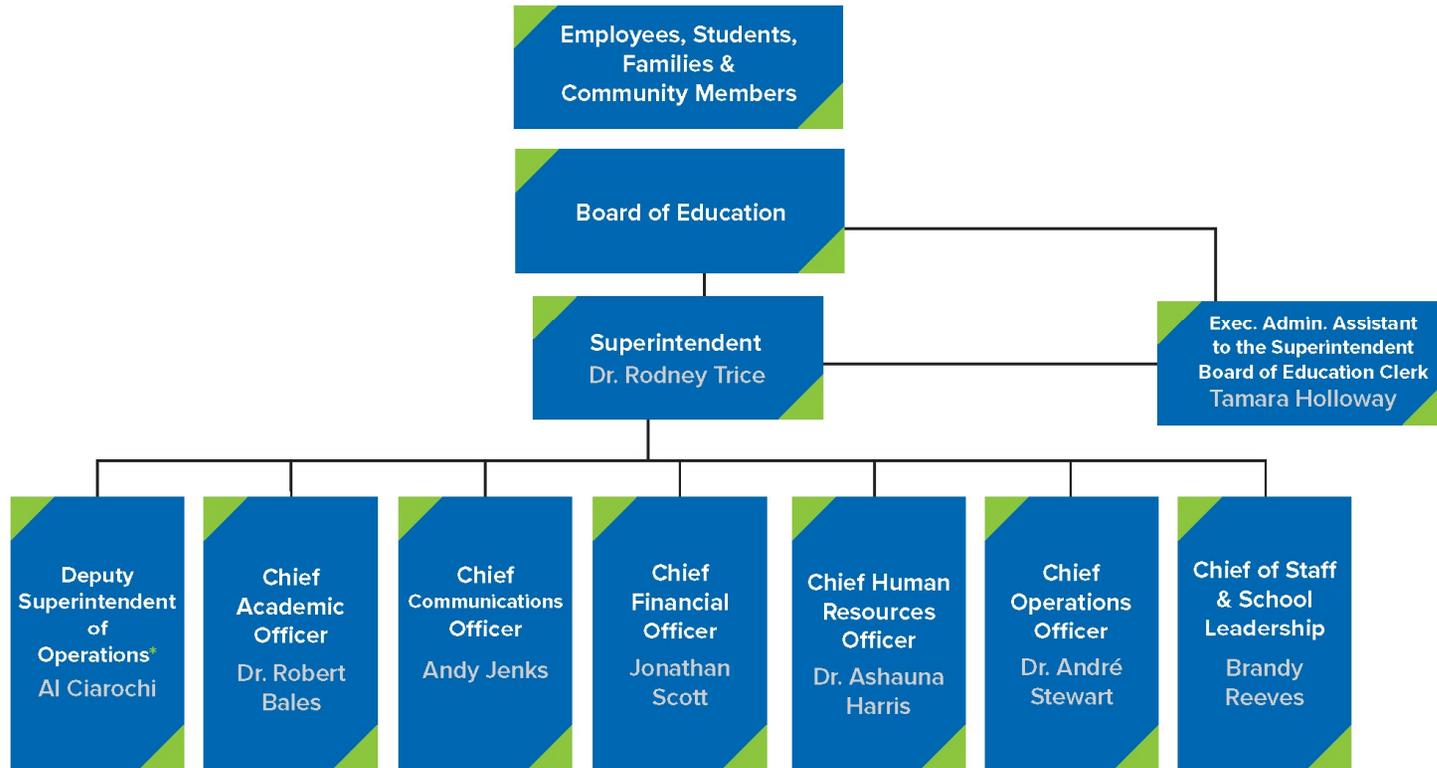


**Michael H. Sharp**  
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## Superintendent's Cabinet & Central Services Division



\*Superintendent's designee(s) if/when the Superintendent is out of the office.

Revised September 5, 2025

## FY 2025-26 Budget Preparation Timeline

In accordance with North Carolina General Statute (GS 115C – 428), the Superintendent shall prepare a budget for the ensuing year and submit to the local Board of Education no later than May 1. Before submitting the prepared budget, the Board of Education may choose to hold a public hearing at which time any persons who wish to be heard on the budget may appear. North Carolina LEAs are fiscally dependent on the local governing body, which in the District’s case is the Orange County Board of County Commissioners. After consideration of the budget and the public hearing, the Board of Education will submit the budget to the Orange County Board of County Commissioners no later than May 15 (GS 115C – 429).

The following is a summary of the budget preparation process timeline for the upcoming year:

### November - December

- Finance and Facilities Committee holds preliminary budget discussions
- Cabinet holds Budget Strategy Work Session
- The budget development process for gathering school and department budgets is considered and established

### January – February

- Budget Request Worksheets are distributed to schools and departments
- Board of Education holds first budget work session
- Schools present budget requests to Cabinet based on school data, identified needs, schedules, and special circumstances
- Departments submit budget requests to Business and Financial Services Division
- Superintendent presents preliminary budget information to Board of Education

### March - April

- Superintendent submits FY2026 Proposed Budget Request to the Board of Education
- Board of Education holds Public Hearing work session
- Board of Education holds budget work session for final consideration and review
- Board of County Commissioners holds budget work session for consideration and review
- Board of Education approves FY2026 Budget Request and submits to the Board of County Commissioners

### May – November

- Board of County Commissioners holds Public Hearing on budget
- Board of County Commissioners holds work sessions to review requested budget
- Board of County Commissioners holds final Public Hearing and work session
- Board of County Commissioners adopts FY 2025-26 Local and Capital Fund budget
- Board of Education approves Final Budget Resolution for all Fund Codes

## FY 2025-26 Budget Preparation Process

The budget development process remains a critical function as the District seeks to balance financial constraints with the ongoing needs of students and educators. This year's process follows the standard stages: Gather, Evaluate, Prepare, Present, and Adopt. However, given the austere budget environment and the limited likelihood of increased funding, it is more important than ever to thoughtfully assess and advocate for essential resources to support public education.

The first step in this process is gathering information from all budget managers, including School Principals, Division and Department leaders, and the Superintendent. Despite financial limitations, the District is committed to ensuring that school-level voices are heard through this structured budget request process. Each leveled team was tasked with using a team budget request guiding worksheet to facilitate discussions on how to realign existing resources and address essential needs to maximize impact. This process also served as an opportunity to review local salary and non-salary allotment formulas, as well as to highlight capital needs that remain unmet.

Important excerpts from the team budget request guiding worksheet are included below to provide a sense of the work our leveled groups were asked to complete:

### **Financial Backdrop**

As the District begins this budget cycle, it must navigate a challenging financial landscape. A projected **3% salary increase** adds **\$1.63M** in costs, while **benefit expenses** are expected to rise by **\$1.74M** due to mandated retirement and health insurance increases. **Non-salaried operating costs** will grow by **\$485K**, bringing the **total continuation need** to **\$3.26M**, partially offset by a **\$568K revenue increase** from Special District Tax growth. Balancing the budget will require a **5% increase in County Appropriations**, but with preliminary expectations at **2–3%**, the District faces a potential **\$1.5M–\$2M shortfall** in continuation needs.

Additionally, the District's **unassigned fund balance is -\$445K**, a sharp decline from **\$3.6M** the prior year, leaving it **\$5.59M below** the 5.5% reserve target. With no guaranteed increases in county funding, budget discussions must focus on **realignment and maximizing impact within existing resources**, while continuing to advocate for sustained investment in public education.

### **Next Steps**

When considering a potential expansion plan, it is essential to identify large-scale, district-wide programmatic efforts that align with the district's strategic goals and address both current and future needs. These initiatives should focus on enhancing student outcomes, increasing operational efficiency, and fostering long-term sustainability. **Using the budget information presented, along with the multiple framing concepts listed below (Strategic Plan alignment, REDP, and AROI), conduct in-depth discussions amongst your leveled teams to come up with two or three potential expansion budget items that your team believes is important to lift up from the budget development process.** Ideally, these would be programmatic shifts, restructurings, or new ideas that would positively impact the educational services of the District, not the return of positions affected by the RIF plan, as those needs are already well documented.

Some important framing concepts to keep in mind:

- Any idea lifted up must be aligned with the strategic plan ([link](#)) and be directly correlated with a key strategic action item that is in the initial implementation stage or beyond the implementation stage.
- If determined to be aligned with the strategic plan, the request item should then be evaluated using the District’s Racial Equity Decision-making Protocol ([REDP](#)).
- Budget items should also be evaluated through a forward-looking Academic Return on Investment (AROI) framework, ensuring that potential long-term student outcomes and cost savings are factored into decision-making.

## Changes in Fiscal Management for FY 2025-26

The District's Business and Financial Services Division has continued to developed a strong professional development plan to invest in and grow deeper a deeper understanding of fiscal operations, internal controls, and statutory laws governing the financial processes of the District. The structure of this plan contains monthly professional development time between the Business and Financial Services Division, department bookkeepers, and school treasurers across the District. It also includes several opportunities for training new principals, veteran principals, and budget managers on financial matters relevant to their work. Outside of the focus on internal development, the Business and Financial Services Division has also committed to building relationships with external sources of professional development such as the North Carolina Association of Business Officials (NCASBO) and the Government Finance Officers Association (GFOA) so that our staff can utilize the extensive professional development opportunities offered by these organizations.

Beyond that, the Business and Financial Services division has continued to develop and implement widespread digitization of high-volume forms. For example, the division has implemented a digital version of all federal time and effort forms and is currently digitizing other financial processes like check requests and travel reimbursement. This benefits the District in aligning with its sustainability goals and provides an easily accessible, permanent document trail should any of this information need review in the future. These procedural changes were set up to ensure compliance and increase efficiency in their various aspects of the fiscal management process for the District.

### **Looking Forward: Strategic Goals and Actions for FY 2025-26**

In the upcoming 2025-26 academic year, our primary strategic actions will consist of:

#### *Business and Financial Services Division:*

- Monitor the implementation of the Reduction in Force (RIF) plan and continue the progress on spending reductions to stabilize the fiscal position of the District and begin to build back a local fund balance congruent with the level recommended in policy.
- Continue to build the District's fiscal capacity, aligning budgets with our overarching strategic plans, and ensuring the equitable allocation of resources.
- Continue to lean on the concept of Academic Return on Investment (A-ROI) to develop effective plans when critical decision-making is required and to monitor plans in action effectively in ways that involve all stakeholders.
- Continue to engage our school principals, treasurers, and department bookkeepers in the North Carolina Association of School Business Officials (NCASBO) Principals and Treasurers Academies professional learning offerings. These employee groups have been

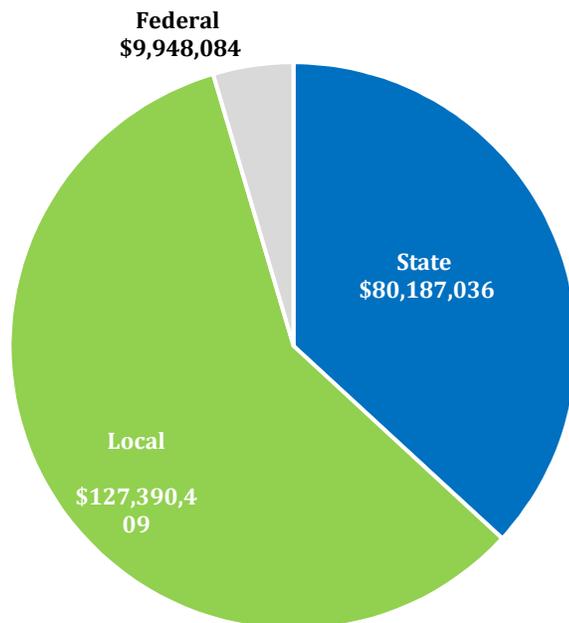
exposed to several accounting, financial, and leadership topics and skills relevant to their roles in the District.

- Pursuing the full Meritorious Budget Award from ASBO International.
- Continue evaluation and improvement of strategic business systems and processes. The Division maintains a priority of improving its leverage of technology to increase efficiency, accuracy, and transparency.

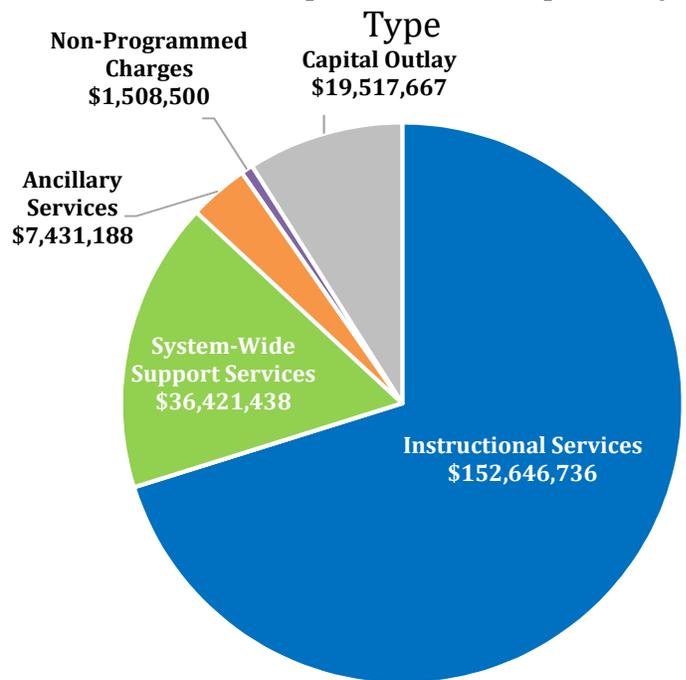
## Summary of FY 2025-26 Revenues and Expenditures by Fund

	State Public School Fund	Local Operating Fund	Federal Grants Fund	Capital Outlay Fund	Child Nutrition Fund	Community Schools Fund	Other Local Revenues Fund	Total
<b>Revenues</b>								
State	\$ 79,544,215	\$ -	\$ -	\$ 175,000	\$ -	\$ -	\$ 642,821	\$ 80,187,036
Local	-	95,695,444	-	22,181,197	2,028,570	2,512,949	3,981,150	127,390,409
Federal	-	-	4,181,505	-	2,844,669	-	3,658,992	9,948,084
Fund Balance Appropriated	-	-	-	-	79,017	-	-	-
<b>Total Revenues</b>	<b>\$ 79,544,215</b>	<b>\$ 95,695,444</b>	<b>\$ 4,181,505</b>	<b>\$ 22,356,197</b>	<b>\$ 4,952,256</b>	<b>\$ 2,512,949</b>	<b>\$ 8,282,963</b>	<b>\$ 217,525,529</b>
<b>Expenditures</b>								
Instructional Services	\$ 72,005,464	\$ 67,994,809	\$ 3,506,901	\$ 185,495	\$ -	\$ -	\$ 8,279,463	\$ 151,972,132
System-Wide Support Services	7,538,751	26,248,822	3,000	2,633,865	-	-	-	36,424,438
Ancillary Services	-	1,813	-	19,170	4,897,256	2,512,949	-	7,431,188
Non-Programmed Charges	-	1,450,000	671,604	-	55,000	-	3,500	2,180,104
Capital Outlay	-	-	-	19,517,667	-	-	-	19,517,667
<b>Total Expenditures</b>	<b>\$ 79,544,215</b>	<b>\$ 95,695,444</b>	<b>\$ 4,181,505</b>	<b>\$ 22,356,197</b>	<b>\$ 4,952,256</b>	<b>\$ 2,512,949</b>	<b>\$ 8,282,963</b>	<b>\$ 217,525,529</b>

FY 2026 Revenue Snapshot by Source of Funding



FY 2026 Expenditures Snapshot by Type



### Budget Comparison for Last 5 Fiscal Years All Funds

	Actual 2021	Actual 2022	Actual 2023	Actual 2024	Actual 2025	Budgeted 2026
<b>State Public School Fund</b>						
Revenue Received	77,894,155	83,298,840	80,068,737	82,945,174	83,322,030	79,544,215
Expenditures Paid	77,894,155	83,298,840	80,068,737	82,945,174	83,322,030	79,544,215
Ending Net Balance	-	-	-	-	-	-
<b>Local Operating Fund</b>						
Revenue Received	79,107,165	82,043,514	82,510,304	89,691,391	93,225,544	95,695,444
Expenditures Paid	79,452,398	85,567,860	88,998,975	95,178,035	92,865,119	95,695,444
Ending Net Balance			<b>(6,488,671)</b>	<b>(5,486,644)</b>	<b>360,425</b>	-
<b>Federal Grants Fund</b>						
Revenue Received	4,083,291	11,517,113	10,588,780	6,449,468	5,233,613	4,181,505
Expenditures Paid	4,083,291	11,517,113	10,588,780	6,449,468	5,233,613	4,181,505
Ending Net Balance	-	-	-	-	-	-
<b>Capital Outlay Fund</b>						
Revenue Received	26,633,955	8,053,522	14,734,818	21,360,791	18,797,310	22,356,197
Expenditures Paid	25,963,878	8,271,620	15,541,522	21,311,808	19,577,370	22,356,197
Ending Net Balance	<b>670,077</b>	<b>(218,098)</b>	<b>(806,704)</b>	<b>48,983</b>	<b>(780,060)</b>	-
<b>Child Nutrition Fund</b>						
Revenue Received	3,614,095	6,460,340	4,789,055	4,144,450	4,049,056	4,952,256
Expenditures Paid	3,292,046	4,999,109	4,121,174	4,433,586	4,087,269	4,952,256
Ending Net Balance	<b>322,049</b>	<b>1,461,231</b>	<b>667,881</b>	<b>(289,136)</b>	<b>(38,213)</b>	-
<b>Community Schools Fund</b>						
Revenue Received	245,928	1,653,061	2,871,206	2,122,004	1,973,351	2,512,949
Expenditures Paid	980,672	1,391,178	1,825,543	2,697,723	2,721,017	2,512,949
Ending Net Balance	<b>(734,744)</b>	<b>261,883</b>	<b>1,045,663</b>	<b>(575,719)</b>	<b>(747,666)</b>	-
<b>Other Grants Fund</b>						
Revenue Received	5,830,965	7,454,363	8,541,184	8,054,872	7,881,565	8,282,963
Expenditures Paid	5,527,159	6,807,532	9,193,767	9,681,149	8,957,865	8,282,963
Ending Net Balance	<b>303,805</b>	<b>646,830</b>	<b>(652,583)</b>	<b>(1,626,277)</b>	<b>(1,076,300)</b>	-

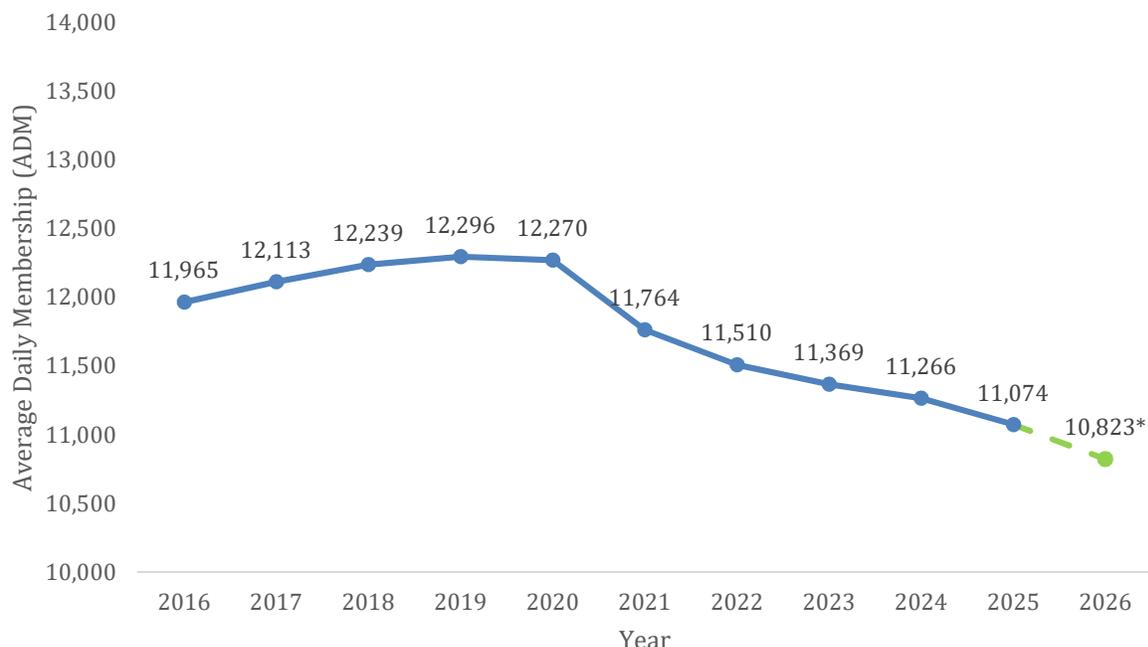
### Budget Forecast for Next 3 Fiscal Years All Funds

	Budgeted 2026	Linear Regression Projection 2027	Linear Regression Projection 2028	Linear Regression Projection 2029
<b>State Public School Fund</b>				
Revenue Received	79,544,215	81,978,595	82,298,489	82,618,384
Expenditures Paid	79,544,215	81,978,595	82,298,489	82,618,384
	-	-	-	-
<b>Local Operating Fund</b>				
Revenue Received				
Expenditures Paid	95,695,444	95,879,030	99,412,417	102,945,805
Ending Net Balance	95,695,444	97,432,453	100,554,912	103,677,371
	-	(1,553,423)	(1,142,494)	(731,566)
<b>Federal Grants Fund</b>				
Revenue Received	4,181,505	5,401,909	4,759,088	4,116,266
Expenditures Paid	4,181,505	5,401,909	4,759,088	4,116,266
	-	-	-	-
<b>Capital Outlay Fund</b>				
Revenue Received	22,356,197	19,903,852	20,402,954	20,902,055
Expenditures Paid	22,356,197	20,383,432	21,001,979	21,620,526
Ending Net Balance	-	(479,580)	(599,025)	(718,471)
<b>Child Nutrition Fund</b>				
Revenue Received	4,952,256	4,583,376	4,549,443	4,515,510
Expenditures Paid	4,952,256	4,734,093	4,902,034	5,069,975
Ending Net Balance	-	(150,717)	(352,591)	(554,465)
<b>Community Schools Fund</b>				
Revenue Received	2,512,949	2,721,186	3,051,094	3,381,002
Expenditures Paid	2,512,949	2,916,019	3,273,822	3,631,624
Ending Net Balance	-	(194,833)	(222,728)	(250,622)
<b>Other Grants Fund</b>				
Revenue Received	8,282,963	8,606,839	8,979,847	9,352,855
Expenditures Paid	8,282,963	9,554,887	10,146,812	10,738,738
Ending Net Balance	-	(948,048)	(1,166,965)	(1,385,883)

**Note:** These projections are calculated strictly based on the statistical forecast method called linear regression forecasting using the previous 5 years of actual revenues and expenditures. It does not account for qualitative information. A critical takeaway from this information is that at current spending levels, the deficit in the local budget shows a declining trend when projected out. This highlights the encouraging signs that the District's reduced spending from the enacted tiered RIF plan discussed earlier in the budget narrative is moving the District towards a more sustainable position.

### Enrollment Trends and Forecast

Over the 10 years prior to the COVID-19 pandemic, the District saw steady enrollment growth, with average growth just under 1% each year. Post-COVID trends and recent political action have created uncertainty for families around the District in the decision of where their children will receive their education. The District has experienced a steady decline in enrollment since the onset of the pandemic. The graph below shows the trend of actual student enrollment across the last 10 years and includes the District’s current (20<sup>th</sup> Day) enrollment for FY 2025-26:



*\*The 10,823 enrollment number is the enrollment recorded on the 20<sup>th</sup> day of the current school year. State allotments are now based on the prior year’s recorded ADM. The District uses a cohort-survival method of projection using the final enrollment count of the previous year in its local allotments. It does not reflect actual students in seats as of writing. Please see the Information Section of this document for an in-depth review of the projection methodology.*

It is important to note that the District is funded based on the State’s projection of enrollment, adjusted for charter school students and out of district students. That adjusted enrollment is the 11,018 ADM number previously discussed in the continuation budget narrative. The breakdown of the FY26 20<sup>th</sup> day enrollment compared to the prior year’s actual final enrollment is highlighted in the table below:

	FY 2025 Final Enrollment	FY 2026 20 <sup>th</sup> Day Enrollment	FY 25 Final to FY 26 20 <sup>th</sup> Day	
			Change	Percent
Elementary School	4,541	4,301	(240)	-5.3%
Middle School	2,667	2,585	(82)	-3.1%
High School	3,842	3,905	63	1.6%
Other	24	32	8	33.3%
<b>Total</b>	<b>11,074</b>	<b>10,823</b>	<b>(251)</b>	<b>-2.2%</b>

**Enrollment Forecast**

<b>Grade</b>	<b>FY 2026 Actual 20<sup>th</sup> Day Enrollment</b>	<b>FY 2026 Originally Projected*</b>	<b>FY 2027 Projected*</b>	<b>FY 2028 Projected*</b>	<b>FY 2029 Projected*</b>
<b>KIND</b>	617	621	609	597	585
<b>1st</b>	684	700	661	665	652
<b>2nd</b>	662	676	696	713	672
<b>3rd</b>	790	816	687	702	723
<b>4th</b>	750	764	800	827	696
<b>5th</b>	798	827	774	788	825
<b>6th</b>	862	867	803	832	778
<b>7th</b>	861	877	877	882	817
<b>8th</b>	862	862	876	892	892
<b>9th</b>	1,027	1,014	926	926	941
<b>10th</b>	979	981	993	981	896
<b>11th</b>	987	944	922	924	936
<b>12th</b>	944	928	962	920	899
<b>Total</b>	<b>10,823</b>	<b>10,877</b>	<b>10,586</b>	<b>10,648</b>	<b>10,312</b>

*\*Projections based on a modified cohort survival method. An-depth description of this forecasting method can be found in the Information Section of this document.*

### Tax Base and Rate Trends

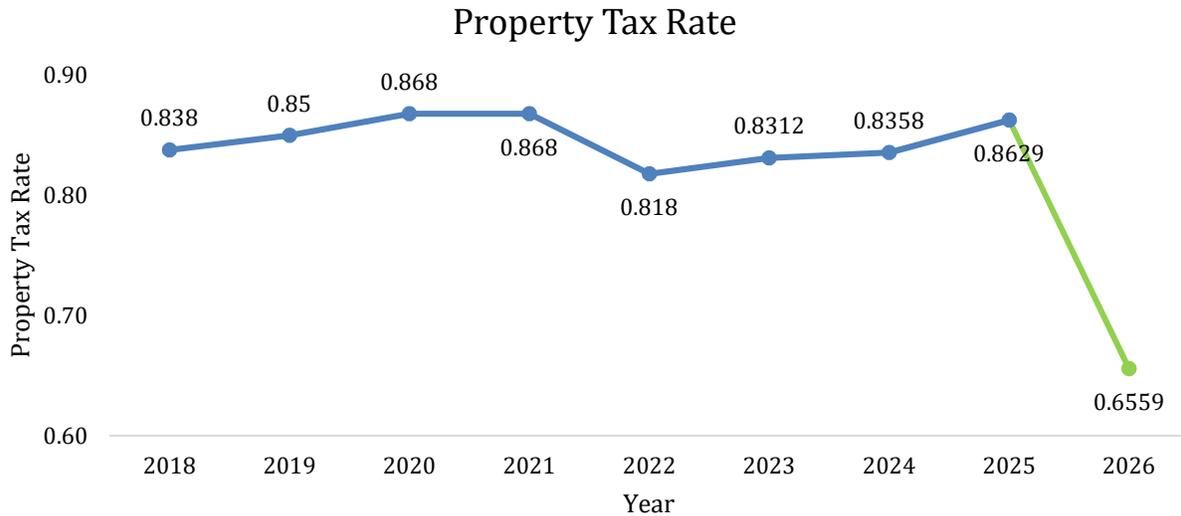
Real property taxes are levied on the assessed value of real estate owned by businesses, individuals, and public service corporations. Personal property taxes are levied on the assessed market value of tangible property such as vehicles, mobile homes, heavy equipment, machinery, and tools. Real property tax assessments are conducted by the County Assessor, while personal property assessments are conducted by the Commissioner of the Revenue. Both real and personal property taxes are levied on 100% of assessed market value. Rates are established per \$100 of assessed value. The total tax base and tax rates for Orange County over the last 10 fiscal years are summarized below:

Fiscal Year	Real Property	Personal Property	Public-Service Companies	Less Tax-Exempt Property	Total Assessed Value	Direct Tax Rate	Estimated Actual Market Value	Assessed Value as % of Actual Value
2024	20,399,712,524	2,208,133,210	411,484,411	84,064,353	23,019,330,145	0.8353	31,984,397,417	69.47%
2023	20,915,506,497	1,504,996,150	386,793,191	81,256,223	22,421,502,597	0.8312	27,353,303,156	81.97%
2022	19,776,883,656	1,884,947,740	364,879,155	82,177,022	21,944,533,529	0.8187	22,233,569,938	98.70%
2021	17,333,962,055	1,769,659,485	346,332,873	77,934,293	19,449,954,413	0.8679	21,885,849,476	88.87%
2020	16,974,899,491	1,726,673,593	337,564,917	82,646,419	18,956,491,582	0.8679	21,116,733,410	89.77%
2019	16,603,198,106	1,821,061,820	337,735,426	80,381,765	18,681,613,587	0.8504	20,299,482,328	92.03%
2018	16,385,248,774	1,711,150,366	315,583,138	81,081,408	18,330,900,870	0.8377	19,247,060,972	95.24%
2017	15,168,750,327	1,620,578,558	306,434,830	71,244,631	17,024,519,084	0.8780	19,932,700,016	85.41%
2016	15,020,157,254	1,442,897,338	382,744,805	67,617,005	16,778,182,392	0.8780	19,676,536,170	85.27%
2015	14,863,350,430	1,461,891,252	244,191,811	67,500,359	16,501,933,134	0.8780	19,323,118,424	85.40%

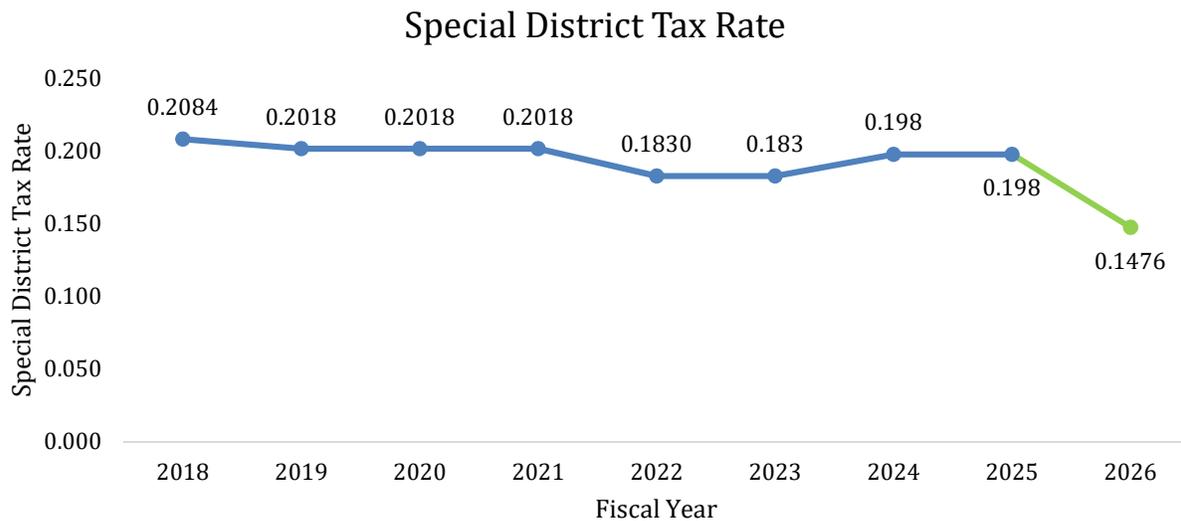
Source: Orange County Comprehensive Annual Report for the Fiscal Year 2023-24



There are two tax rates that are critical to the funding of our school district. These tax rates are managed and set by the Orange County Government during their annual budget adoption. The first rate to consider is the property tax rate (direct tax). The property rate is levied per \$100 of assessed value of the property. It is the primary revenue source for the County comprising of over 70% of revenues in the General Fund. The table below shows the property tax rate trend since 2018:



The second critical funding source for the school district comes in the form of the Special District Tax. This tax is levied per \$100 of assessed property value for tax payers located in the Chapel Hill-Carrboro City Schools District. The table below shows the Special District Tax rate trends since 2018:



### Changes in Personnel Resource Allocations

In the FY 2025-26 budget, there are several previously enacted personnel changes that impacted the development of this budget's adoption. Faced with a difficult financial position, the District implemented a tiered reduction-in-force (RIF) plan to restructure various aspects and allotments across the District in FY 2024-25. Further information on the plan can be found earlier in the Executive Summary within the budget narrative. The table below shows historical trends in various employee groups and the approximated effect of the reduction-in-force plan on those groups:

Year Ended June 30	Audited 2022	Audited 2023	Audited 2024	Estimated 2025	Proposed 2026
Officials, Admins, Mgrs	35	36	42	42	39
Principals	21	20	20	20	20
Asst. Principals, Non-Teaching	24	27	30	28	25
<b>Total Administrators</b>	<b>80</b>	<b>83</b>	<b>92</b>	<b>90</b>	<b>84</b>
Elementary Teachers	386	378	365	356	345
Secondary Teachers	175	178	192	189	171
Other Teachers	373	359	363	370	352
<b>Total Teachers</b>	<b>934</b>	<b>915</b>	<b>920</b>	<b>915</b>	<b>868</b>
Guidance	40	38	40	40	38
Psychological	13	13	3	11	14
Librarian, Audiovisual	37	37	37	36	30
Consultant, Supervisor	15	19	15	15	15
Other Professionals	180	164	169	185	169
<b>Total School-Based Support</b>	<b>285</b>	<b>271</b>	<b>264</b>	<b>287</b>	<b>266</b>
<b>Total Professionals</b>	<b>1,299</b>	<b>1,269</b>	<b>1,276</b>	<b>1,292</b>	<b>1,218</b>
Teacher Assistants	309	324	302	291	277
Technicians	19	18	18	16	14
Clerical, Secretarial	102	97	101	92	87
Service Workers	83	137	102	59	105
Skilled Crafts	16	20	22	22	23
<b>Totals</b>	<b>1,828</b>	<b>1,866</b>	<b>1,821</b>	<b>1,772</b>	<b>1,724</b>

Source: FY 2024 CHCCS Comprehensive Annual Financial Report and District Estimates

## Debt Obligations and Changes

The District maintains a very healthy financial obligation position by incurring low amounts of debt only when necessary. During FY 2024 the continuation of an installment purchase from Trinity 3 Holdings, LLC to provide each of our secondary students with Chromebooks resulted in the final payment of this obligation. This was a 4-year agreement totaling \$3.44 million. The only remaining debt obligation as of June 30, 2024 was related to a financing contract with the State of North Carolina for the purchase of school buses. As of June 30, 2024, the District's total debt obligation for the buses purchased was \$134,332. The agreement requires four equal payments.

Year Ended June 30	Installment Purchases	Total Debt Obligations	Per Capita
2024	\$ 134,332	\$ 134,332	N/A
2023	885,709	885,709	5.88
2022	1,767,560	1,767,560	11.75
2021	2,621,784	2,621,784	17.61
2020	194,468	194,468	1.30
2019	344,995	344,995	2.32
2018	362,825	362,825	2.48
2017	167,778	167,778	1.16
2016	597,416	597,416	4.21
2015	601,602	601,602	4.26

Source: FY 2023-24 Chapel Hill-Carrboro City Board of Education, North Carolina, Annual Comprehensive Financial Report

Note: This table is a ten-year schedule. However, current year county level annual population estimates are not released by the U.S. Census Bureau until the spring of the following year. Therefore, June 30, 2023 population-based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2022, if applicable.



# ORGANIZATIONAL SECTION



Chapel Hill – Carrboro City Schools  
750 S Merritt Mill Road, Chapel Hill, NC 27516  
Web Site: [chccs.org](http://chccs.org)  
Prepared by the Business and Financial Services Division  
(919) 967-8211

## Roadmap to the Organizational Section

The Organizational Section of this budget document details many important aspects of the District such as its organizational structure, its guiding principles, and more in-depth information about fiscal preparation and management. The section begins by covering the governance structure and the authority it has as a public-school district. After that, the structure of the District and the organization of primary officials around the District is detailed. Finally, it provides an in-depth view of how the budget is prepared, what shapes the budget, and how funds are managed after the budget is adopted. Though this information is all supplementary to the actual budget, it offers great insight into how the District is set up to achieve its stated goals and provide the high-quality education for which it strives. The overarching goal of this section is to provide a better understanding of the organization itself, before diving into the numbers of the Financial Section.

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## Governance Structure

The Chapel Hill-Carrboro City Schools Board of Education consists of seven members elected for staggered terms of four years. The Chair and Vice Chair are elected by a majority vote of the Board each year. The Superintendent serves as secretary to the Board. The Board of Education members are listed below:

George W. Griffin, Ph. D., Board Chair

Riza C. Jenkins, Vice Chair

Meredith H. Ballew

Rani D. Dasi

Vickie Feaster Fornville

Barbara Fedders

Michael H. Sharp

## Reporting Entity

The Chapel Hill-Carrboro City Board of Education is a separate governmental entity providing public elementary and secondary education [to include grades Pre-Kindergarten (Pre-K) through 12<sup>th</sup> Grade] to students of the Chapel Hill and Carrboro Townships in North Carolina. The Board has no tax levying authority or borrowing authority. The County levies taxes but cannot govern the Board's budget allocated for schools. The County levies all taxes and manages all debt related to the school system. The County does not share in any surpluses generated by the District nor is it required to finance any deficits of the school system. Consequently, the Board is not fiscally dependent on the County and is recognized as a primary government entity.

The Board receives State and Federal government funding and must comply with the legal requirements of each funding entity. North Carolina statute 115C-40 empowers the publicly elected Chapel Hill-Carrboro City Board of Education with general control and supervision of all matters pertaining to the schools in the system.

## Our Mission

The mission of the Chapel Hill-Carrboro City Schools (CHCCS) is to enable all students to acquire through programs of excellence and fairness, the knowledge, skills and insights necessary to live rewarding, productive lives in an ever-changing society. Policies are the primary means by which the Board expresses its vision for the school district. In formulating specific policies, the Board is guided by its duties to provide students with the opportunity to receive a sound basic education as defined by the NC Supreme Court in *Leandro v. State*. It is further guided by governing principles it considers critical to providing a system of excellent schools where students can succeed. These governing principles are referenced frequently in the Board policies and also are set out below.

Historic and persistent obstacles which perpetuate opportunity and achievement gaps for students exist in CHCCS. With this policy, the district commits to establishing a framework to dismantle these structural and persistent barriers. The goal is to eliminate the racial predictability of achievement and provide educational opportunities that result in equitable outcomes for all.

CHCCS believes that excellence requires a commitment to equity. By addressing practices, policies and institutional barriers, including institutional racism and privilege, the district strives to create a safe and inclusive environment.

CHCCS will proactively acknowledge and intentionally address racial, cultural, religious, ability, gender, and any other biases to build institutional structures and practices that support the learning and achievement of all students.

*CHCCS commits to:*

**1. Preparing** all students to succeed in a multicultural, global society by providing equitable opportunities and multiple pathways that will build and honor the strengths of every student and eliminate any and all disparities.

**2. Fostering family and community engagement** by intentionally creating structures and processes that welcome and engage families and community as essential and active partners in major decisions in the educational process.

**3. Improving school climate** by leveraging diversity in its myriad forms to create schools where students, families, community members, and employees feel welcomed, valued, safe, supported, and where students and staff can perform to their personal bests without personal compromise.

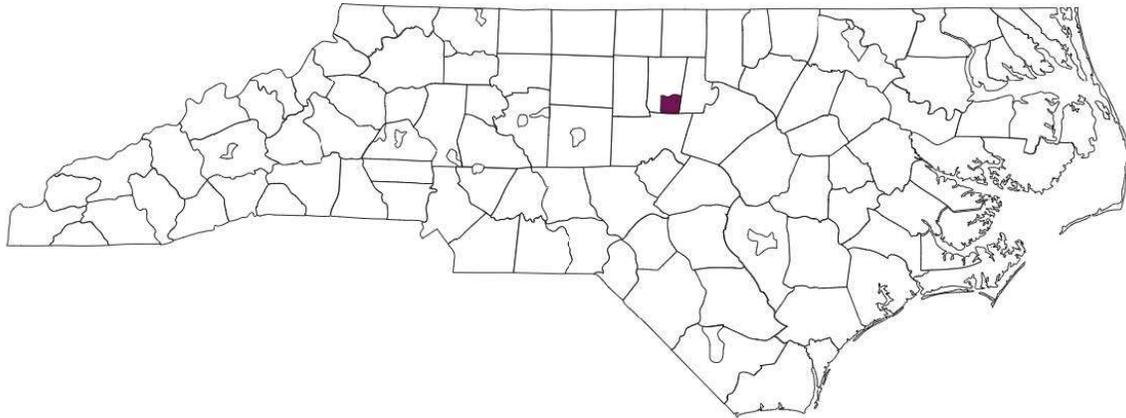
Recruit and retain teachers, staff and administration who are representative of the student population.

- 4. Providing all students with personalized strategies**, resources, opportunities and a restorative mindset that capitalize on each student’s current strengths and enhances their academic, social and emotional growth.
- 5. Enhancing all employees’ and Board members’** awareness and capacity around identifying and eradicating all gaps that exist and impede student success with a focus on culturally responsive teaching practices and cultural competencies towards social justice.
- 6. Removing all barriers** that exist within systems, outdated practices, and policies that continue to hinder success for all students by utilizing the Racial Equity Impact Assessment.
- 7. Ensuring every student has equitable access** to rigorous and culturally relevant curriculum, diverse and culturally competent teachers and staff, personalized learning supports, and facilities that are cutting edge and purposefully crafted for student engagement and success.

We further acknowledge and embrace our Non-Discrimination statement including all groups listed within that statement and prohibit discrimination, harassment, or bullying based on protected classifications that include, but are not limited to, the following: race, creed, color, national origin, gender, gender identity, class, socioeconomic status, ethnicity, sexual orientation, cognitive/physical ability, neurodiversity, diverse language fluency, religion, status as an English Language Learner, marital status, pregnancy, parenthood, immigration status, genetic makeup, or any classification or characteristic protected by state or federal law or regulation, or by this policy.

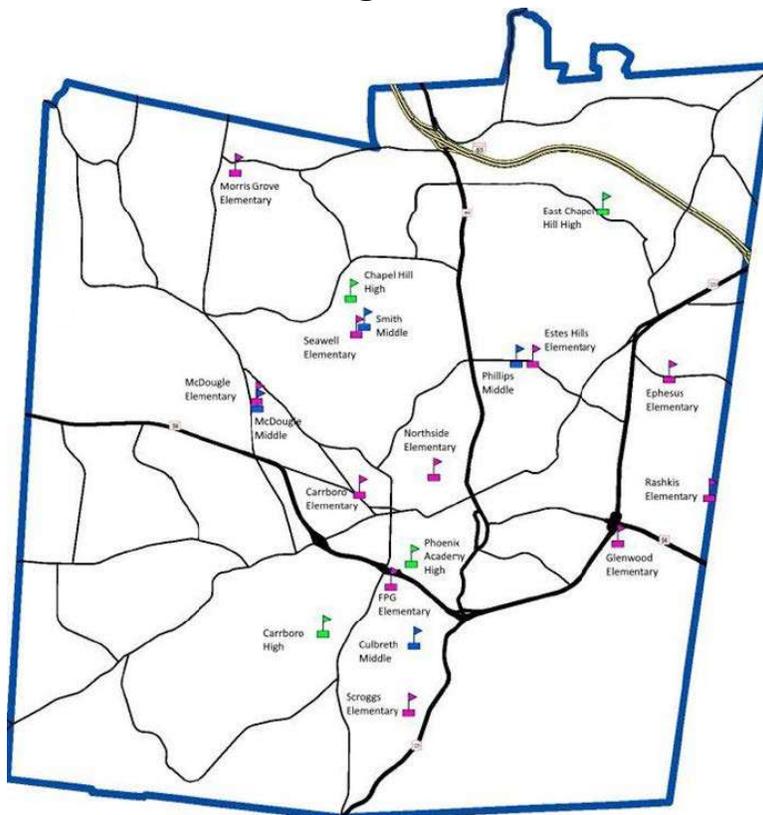
### Chapel Hill-Carrboro City School's Location

Chapel Hill-Carrboro City Schools (CHCCS) is one of two public school systems in Orange County, NC. CHCCS is located near the flagship campus of the University of North Carolina (UNC) and the world-renowned Research Triangle Park (RTP). The district operates three high schools, four middle schools, eleven elementary schools, a school for young people being treated at UNC Hospital and an alternative high school. These schools serve more than 10,000 students.



\*Picture Source: <https://www.ednc.org/district/chapel-hill-carrboro/>

### Chapel Hill-Carrboro City Schools Building Locations



### Current Student Enrollment Totals

Student Enrollment is essential to projecting revenues and expenses during the budget development process. Since the budget cycle starts early in the calendar year, the budget is typically adopted using student enrollment projections. Then, once school begins, actual student enrollment counts are taken. The table below summarizes the official student enrollments at our 20 schools on the 20<sup>th</sup> day of the school year (September 22, 2025):

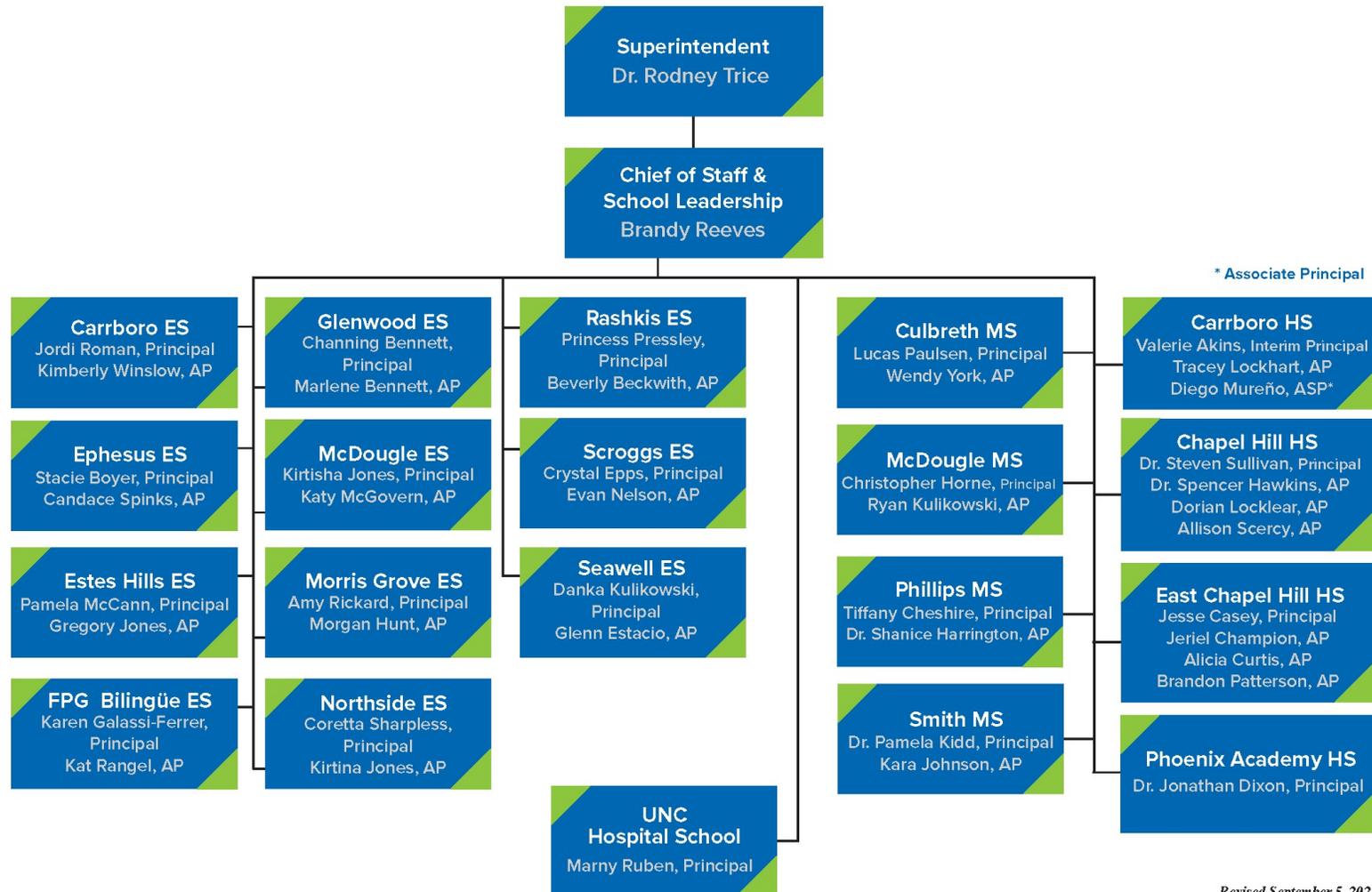
Schools	KI	1	2	3	4	5	6	7	8	9	10	11	12	Total
Carrboro Elementary	64	77	70	86	81	87								465
Ephesus Elementary	56	53	57	67	58	49								340
Estes Hills Elementary	52	50	66	57	54	46								325
FPG Elementary	84	88	89	85	69	84								499
Glenwood Elementary	69	48	61	77	69	69								393
McDougle Elementary	75	76	66	93	84	73								467
Morris Grove Elementary	49	66	46	75	65	69								370
Northside Elementary	46	48	52	59	61	72								338
Rashkis Elementary	39	71	54	66	60	77								367
Scroggs Elementary	44	57	56	72	66	76								371
Seawell Elementary	39	50	45	53	83	96								366
Culbreth Middle							188	188	202					578
McDougle Middle							253	219	227					699
Phillips Middle							204	219	193					616
Smith Middle							217	235	240					692
Carrboro High										224	228	207	213	872
Chapel Hill High										422	395	417	376	1,610
East Chapel Hill High										377	346	353	347	1,423
Phoenix Academy High										4	10	10	8	32
<b>Total</b>	<b>617</b>	<b>684</b>	<b>662</b>	<b>790</b>	<b>750</b>	<b>798</b>	<b>862</b>	<b>861</b>	<b>862</b>	<b>1,027</b>	<b>979</b>	<b>987</b>	<b>944</b>	<b>10,823</b>

Source: 20<sup>th</sup> day Enrollment by School Report for FY 2025-26 submitted to the North Carolina Department of Public Instruction (NCDPI)  
 Note: Pre-K/Head Start not included in any school or enrollment totals.





## Principals, Associate Principals & Assistant Principals



### Basis of Accounting

The Board’s funds are divided into governmental, proprietary, and fiduciary types. Each fund is a self-balancing set of accounts that are segregated for the purpose of carrying on specific activities in accordance with the law, good accounting practices, special regulations, or other limitations. Governmental fund types include general, special revenue, and capital projects. The enterprise funds: Child Nutrition and Child Care comprise the proprietary fund types. The agency fund comprises the fiduciary fund. Transactions are recorded following the standard U.S. Generally Accepted Accounting Principles (GAAP). District resources are allocated and accounted for based on the purpose for they which are to be spent. Provided below is a summary of how each account is classified:

### Classification of Revenues and Expenditures

District transactions are recorded and classified using the account code structure found in the North Carolina Department of Public Instruction’s (NCDPI) Chart of Accounts (COA). The two types of transactions that can occur are revenue (money comes in) and expenditures (money goes out). Every transaction is recorded with an account code to match revenues with expenses so that the District can manage funds as they come in and out of the District. The structure of the account code used in a transaction classifies the revenue or expenditure by the purpose for which it is to be spent. The full account code structure and its meaning is described below:

### Account Code Structure

Fund	Purpose	PRC	Object	Location	Use 1	Use 2	Grant Year
X	XXXX	XXX	XXX	XXX	XXX	XX	X

Example: 1.5110.001.121.300.000.00.0

### Fund Codes

The Chart of Accounts uses six funds and one self-balancing group of accounts which we believe are appropriate for use by a local school administrative unit; however, other funds may be added as required. The Fund Codes are as follows:

- 1 – State Public School Fund** – Appropriations for the current operating expenses of the public-school system from monies made available to the local school administrative unit by the Department of Public Instruction.
- 2 – Local Current Expense Fund** – Appropriations for the current operating expenses of the local school administrative unit other than appropriations included in the State Public School Fund and the Federal Grant Fund. This shall include, but not be limited to, revenues from fines and forfeitures, county appropriations for current expenses, supplemental taxes levied for current expenses, state allocations.
- 3 – Federal Grant Fund** – Appropriations for the expenditure of federal categorical grants made available through the Department of Public Instruction.

**4 – The Capital Outlay Fund** – Appropriations for:

- a) The acquisition of real property for school purposes, including but not limited to school sites, playgrounds, athletic fields, administrative headquarters, and garages;
- b) The acquisition, construction, reconstruction, enlargement, renovation, or replacement of buildings and other structures, including but not limited to buildings for classrooms and laboratories, physical and vocational educational purposes, libraries, auditoriums, gymnasiums, administrative offices, storage, and vehicle maintenance;
- c) The acquisition or replacement of furniture and furnishings, instructional apparatus, data processing equipment, business machines, and similar items of furnishings and equipment;
- d) The acquisition of school buses as additions to the fleet;
- e) The acquisition of activity buses and other motor vehicles;
- f) Such other objects of expenditures as may be assigned to the Capital Outlay Fund by the uniform budget format. The cost of acquiring or constructing a new building, or reconstructing, enlarging, or renovating an existing building, shall include the cost of all real property and interests in real property, and all plants, works, appurtenances, structures, facilities, furnishings, machinery, and equipment necessary or useful in connection therewith; financing charges; the cost of plans, specifications, studies, reports, and surveys; legal expenses; and all other costs necessary or incidental to the construction, reconstruction, enlargement, or renovation.

**5 – Multiple Enterprise Fund** – Revenues and expenditures for multiple enterprise accounts, as needed by the local school administrative units, to include PRC 035, Child Nutrition operations. Other enterprise accounts may optionally be included in Fund 5, such as Before/After School Care, PRC 701. Each enterprise account must have proper accounting structure and process, including all appropriate general ledger accounts as well as cash.

**6 – Trust and Agency Funds** – Revenues and expenditures for trust and agency funds as needed by the local school administrative unit to account for trust and agency arrangements such as endowments, funds of individuals held by the school finance officer, and special funds of individual schools.

**7 – Reserved for LEA or Charter School local use.**

**8 – Other Specific Revenue Fund** – Revenues from reimbursements, including indirect costs, fees for actual costs, tuition, sales tax revenues distributed using the ad valorem method pursuant to G.S. 105-472(b)(2), sales tax refunds, gifts and grants restricted as to use, trust funds, federal grants restricted as to use, federal appropriations made directly to local school administrative units, funds received for prekindergarten programs, and special programs and appropriated fund balances (revenues accruing to a school administrative unit in prior years but not yet expended).

**9 – Capital Assets** – A self-balancing group of accounts used to provide a record of fixed assets owned by the local school administrative unit except those accounted for in the Child Nutrition Fund.

## Purpose Codes

Purpose means the reason for which something exists or is used. Purpose includes the activities or actions that are performed to accomplish the objectives of a local school administrative unit. For budgeting and accounting purposes, expenditures of a local school administrative unit are classified into five purposes as follows:

- 5000** Instructional Services
- 6000** System-Wide Support Services
- 7000** Ancillary Services
- 8000** Non-Programmed Charges
- 9000** Capital Outlay

The “purpose dimension” is broken down into a function level at the second digit and, where appropriate, into a sub-function level at the third digit.

\*A detailed list of purpose codes can be found in the Appendix

## Program Report Codes (PRC)

A program report code (PRC) designates a plan of activities or funding designed to accomplish a predetermined objective. This dimension of program report codes allows the unit a framework for classifying expenditures by program to determine cost.

- PRC 001 – 299:** NCDPI defined State and Federal Fund codes
- PRC 300 – 399:** Federal Grants and Funding Sources Not Allotted by NCDPI
- PRC 400 – 499:** State Grants and Funding Sources Not Allotted by NCDPI
- PRC 500 – 599:** Local Grants and Donations
- PRC 600 – 699:** Local Special Revenue Sources
- PRC 700 – 799:** Tuition or Fee Funded Programs
- PRC 800 – 999:** Local Cost Centers

## Object Codes

Object means the service or commodity obtained as a result of a specific expenditure. Seven major object categories are used in our Chart of Accounts.

- 100** Salaries
- 200** Employer Provided Benefits
- 300** Purchased Services
- 400** Supplies and Materials
- 500** Capital Outlay
- 600** Reserved for Future Use
- 700** Transfers

These broad categories are subdivided to obtain more detailed information about objects of expenditures. Category numbers are not valid account codes, example 100, 200 etc..

**Location Codes**

Location codes track location specific expenditures:

<b>300</b> Northside Elementary	<b>309</b> McDougle Middle
<b>304</b> Carrboro Elementary	<b>322</b> Culbreth Middle
<b>310</b> Seawell Elementary	<b>324</b> Phillips Middle
<b>311</b> Ephesus Elementary	<b>336</b> Smith Middle
<b>312</b> Estes Hill Elementary	
<b>316</b> Frank Porter Graham Elementary	<b>305</b> Carrboro High
<b>320</b> Glenwood Elementary	<b>308</b> Chapel Hill High
<b>326</b> McDougle Elementary	<b>314</b> East Chapel Hill High
<b>328</b> UNC Hospital School	<b>338</b> Phoenix Academy
<b>330</b> Scroggs Elementary	
<b>334</b> Rashkis Elementary	<b>810</b> Central Office
<b>332</b> Morris Grove Elementary	

**Use Codes**

Used internally to further distinguish different departments, projects, and specific uses around the District.

**Grant Year**

The grant year segment is used to align the expenditures to the matching grant year. For example: in the code 3.5110.050.121.000.000.00.4 the “.4” would align the expenditure to grant year 2024.

## District Financial Structure

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, reserves, fund balance, revenues, and expenditures. The District, maintains 3 types of funds: Governmental, proprietary, and fiduciary.

The Board reports the following major governmental funds:

*General Fund.* The General Fund, or Local Current Expense Fund, is the general operating fund of the Board. The General Fund accounts for all financial resources except those that are accounted for in another fund.

*State Public School Fund.* The State Public School Fund includes appropriations from the Department of Public Instruction for the current operating expenditures of the public-school system.

*Federal Grants Fund.* The Federal Grants Fund includes appropriations from the U.S. Government for the current operating expenditures of the public-school system.

*Other Special Revenue Fund.* The Other Special Revenue Fund is used to account for gifts and grants restricted as to use, certain federal and state grants restricted as to use, federal and state appropriations made directly to local school administrative units, funds received for refunds, reimbursements and various special programs.

*Capital Outlay Fund.* The Capital Outlay Fund accounts for financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by proprietary funds and trust funds). It is mandated by State law [G.S.115C-426]. Capital projects are funded by Orange County appropriations, restricted sales tax moneys, proceeds of county debt issued for public school construction, lottery proceeds as well as certain State assistance.

The Board reports the following nonmajor governmental fund:

*Individual Schools Fund.* The Individual Schools Fund includes revenues and expenditures of the activity funds of the individual schools. The primary revenue sources include funds held on the behalf of various clubs and organizations, receipts from athletic events, and proceeds from various fundraising activities. The primary expenditures are for athletic teams, club programs, activity buses, and instructional needs.

The Board reports the following major enterprise funds:

*School Food Service Fund.* The School Food Service Fund is used to account for the food service program within the school system.

*Child Care Fund.* The Child Care Fund is used to account for the afterschool care program within the school system, as well as revenues from the rental of school property.

The Board reports the following fiduciary fund:

*Agency Fund.* Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the Board holds on behalf of others. The Board maintains one agency fund, the Employee Flexible Spending Account, which accounts for monies voluntarily withheld from employees' wages to pay for child care and medical expenses not covered under the employees' medical insurance.

## FY 2025-26 Budget Development Calendar

December 4, 2024	Finance, Facilities, and Operations Committee Meeting
January 14, 2025	Finance, Facilities, and Operations Committee Meeting
January 16, 2025	Board of Education Work Session: Preliminary Budget Overview
January 17, 2024	Budget Development Worksheets and Guiding Questions distributed to Schools and Departments
February 6, 2025	Superintendent Presents Preliminary Budget Information to Board of Education
February 11, 2025	Finance, Facilities, and Operations Committee Meeting
February 16, 2025	Leveled School Groups present their Requests to Cabinet based on school data, identified needs, schedules, and special circumstances.
March 6, 2025	Superintendent submits FY 2025-2026 Proposed Budget Request to the Board of Education
March 11, 2025	Finance, Facilities, and Operations Committee Meeting
March 20, 2025	Board of Education Budget Public Hearing and Work Session
April 8, 2025	Finance, Facilities, and Operations Committee Meeting
April 22, 2025	Board of County Commissioners Budget Work Session - CIP
April 10, 2025	Board of Education Budget Work Session
April 17, 2025	Board of Education approves the FY 2025-2026 Budget Request for submission to the Board of Orange County Commissioners
April 29, 2025	Joint Meeting with Board of County Commissioners
May 13, 2025	Finance, Facilities, and Operations Committee Meeting
May 13, 2025	Board of Orange County Commissioners Budget Public Hearing
May 15, 2025	Board of Orange County Commissioners Budget Work Session
May 22, 2025	Board of Orange County Commissioners Budget Work Session
May 27, 2025	Board of Orange County Commissioners Budget Work Session
May 29, 2025	Board of Orange County Commissioners Budget Public Hearing
June 5, 2025	Board of Orange County Commissioners adopt the FY 2025-2026 Local Fund and Capital Fund budgets

- June 10, 2025 Finance, Facilities, and Operations Committee Meeting
- November 20, 2025 Board of Education approves Budget resolutions for all Fund Codes

## Budget Development Policies and Regulations

Budget planning and preparation is critical to the development of a budget likely to further the educational goals of the Board and the State and to provide for the smooth operations of the school district.

### Board Policies that Guide Budget Development

#### Policy 8100: Budget Planning and Adoption:

In recognition of the importance of the budget planning process, the budget planning for the Board and the Administration will include:

- Establishing the priorities of the school district, recognizing that providing students the opportunity to receive a sound basic education and improving student success will always be of paramount concern;
- considering long-range facilities plans, goals and objectives as established by the Board and school district when assessing the needs of the school district;
- integrating budget planning into program planning so that the budget may effectively express and implement all programs and activities of the school district
- seeking opportunities to communicate budget needs with the county commissioners on a regular basis, especially in regard to capital outlay;
- seeking broad participation by administrators, teachers, SGCs and other school district personnel and citizens;
- exploring all practical and legal sources of income;
- continually assessing the needs of the school district and the revenues and expenses; and
- identifying the most cost-effective means of meeting the school districts' needs.

#### Process

- The superintendent will prepare an annual operating budget and submit it with his or her budget message to the Board no later than the first Board meeting in April.
- On the same day that the operating budget is submitted to the Board, the superintendent will file a copy of it in his or her office, and make it available for public inspection until the budget resolution is adopted.
- The Board will hold at least one public hearing on the proposed operating budget prior to final action.
- The Board will consider the operating budget, make such changes therein as it deems advisable, and submit the entire budget as approved by the Board to the Board of county commissioners no later than May 15, or such later date as may be fixed by the Board of county commissioners.
- The Board of county commissioners must complete its action on the school budget on or before July 1, unless a later date is agreed upon by the Board of education and the Board of county commissioners.
- After the Board of county commissioners has appropriated funds and after the conclusion of any dispute regarding the appropriation, the Board of education will adopt a budget resolution pursuant to policy 8110 (Budget Resolution) and in compliance with legal requirements.

- The Superintendent will prepare an annual Capital Investment Plan (CIP) Budget that reflects the capital priorities for the district and submit it to the Board. The Board will consider the Superintendent's recommended budget, make such changes as it deems advisable, approve the budget request, and submit the CIP budget request to the county manager at a date fixed by the Board of county commissioners.

#### Fiscal Year

- The fiscal year of this administrative unit begins on July 1 and ends on June 30.

#### Budgets for Individual Schools

- The principal of each school, in conjunction with the School Improvement Team, will prepare and submit to the superintendent or designee an individual school budget detailing all revenues and expenditures anticipated for the school for each budget year. The budget will include both tax and non-tax revenue. Any school trust fund over \$10,000.00 must have a budget approved by Superintendent or his designee.

#### Policy 8351: Local Current Expense Fund Balance:

- The District will make a good faith effort to maintain a level of unassigned fund balance that will ensure sufficient funds are available to address its cash flow needs. The targeted level of unassigned fund balance for cash flow purposes will be at a minimum of 5.5 percent of budgeted expenditures.

\*All other Board policies relevant to Fiscal Management can be found at: [Series 8000 – Fiscal Management](#)

#### **Regulations that Govern the Budget Process**

In accordance with North Carolina General Statute (GS 115C – 428), the Superintendent shall prepare a budget for the ensuing year and submit to the local Board of Education no later than May 1. Before submitting the prepared budget, the Board of Education may choose to hold a public hearing at which time any persons who wish to be heard on the budget may appear. North Carolina LEAs are fiscally dependent on the local governing body, which in the District's case is the Orange County Board of County Commissioners. After consideration of the budget and the public hearing, the Board of Education will submit the budget to the Orange County Board of County Commissioners no later than May 15 (GS 115C – 429).

## Budget Development Process

The Board's budgets are adopted as required by the North Carolina General Statutes. Annual budgets are adopted for all funds, except for the fiduciary funds and the individual school's special revenue funds, as required by the North Carolina General Statutes. No budget is required by State law for individual school funds. All appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds.

The budget development process is comprised of several stages: Gather, Evaluate, Prepare, Present, Adopt. The first step is to gather information from all budget managers in the District including School Principals, Division and Department leaders, and the Superintendent. The next step is for Cabinet Members and the Business and Financial Services Division to evaluate the information collected from the budget managers and consider other influencing budget drivers for the upcoming year. All of this information leads into the next step which is to prepare the recommended budget increases for the Board of Education, also known as the Superintendent's Recommended Budget. The Board receives this recommendation and proceeds to hold public hearings on the budget before making any final changes they deem necessary from this feedback.

The next step from there is to present the budget request to the Orange County Board of County Commissioners for consideration. The Commissioners consider the request and allot the local portion of the budget as they see fit. The final step is for the Board to take the local allotment from the Commissioners along with the proposed budgets for the other funds, and adopt a total budget for all funds. This is the Board's Adopted Budget for the beginning of the new fiscal year.

### FY 2025-26 General Fund Budget Development

This year, the District's budget preparation process was tied directly to continuing the implementation of the enacted [reduction-in-force \(RIF\) plan](#) to address the continuing budgetary deficit position that the District has experienced over the last few fiscal years. In FY 2024-25 District Administration and the Board of Education developed and implemented a tiered plan that aimed to address these difficulties while minimizing the impact to student outcomes and minimizing the direct impact to affected employees. The link to the full plan is included above, and important excerpts from the plan about the development process are included below:

#### **Preliminary Determination**

Per policy 7920, *"The superintendent shall determine whether or not a reduction in force for employees subject to this policy is necessary, appropriate or in the best interests of the school system. If the superintendent decides to recommend to the Board a reduction in force, he or she shall first determine which positions shall be subject to the reduction. In making that determination, the superintendent shall account for both: (a) structural considerations, such as identifying positions, departments, courses, programs, operations, and other areas where there are (1) less essential, duplicative, or excess personnel; (2) job responsibility and/or position inefficiencies; (3) opportunities for combined work functions; and/or (4) decreased student or other demands for curriculum, programs, operations, or other services; and (b) organizational*

*considerations, such as anticipated organizational needs of the school system and program/school enrollment.”*

Per policy 7921, “*The superintendent with prior board approval may terminate or reduce the term of employment of classified employees in order to reduce staff positions.*”

### **Considerations**

The Reduction in Force (RIF) plan and subsequent Budget Preparation Process detailed several considerations that the Administration and Board use as the guiding principles in developing the plan:

**Operational Consideration:** The aforementioned policy factors and additional factors of consideration are designed to provide a well-rounded assessment of each position's value and importance within the school district. Despite the operational considerations, the District Administration acknowledges the potential strain on our schools and central services departments, with inevitable disruptions to essential services that diminishes the quality of education we strive to provide. The combination of these factors assisted the Superintendent and leadership team in making informed decisions about staffing while considering multiple aspects of each role's contribution to the district's mission and operations.

- **Impact on Student Outcomes:** The degree to which the position directly or indirectly impacts student learning, growth, achievement, and overall educational experience.
- **Optimal Value for Investment:** Essentially, conducting a cost-benefit analysis comparing the cost of each position against its benefits to the organization, including impact on student outcomes, revenue generation, and support to other essential roles.
- **Operational Necessity:** How essential the role is for the day-to-day functioning of the school district and its ability to meet its core objectives.
- **Strategic Plan Impacts:** Example: \_\_\_'x'\_\_\_ key strategic action (KSA) will be delayed or may not be accomplished if we eliminate \_\_\_'y'\_\_\_ position(s).
- **Workload Shifts to Other Employee Groups:** Example: By eliminating the Chief of School Support and Wellness FTE, the Chief of Staff and School Leadership will become the Superintendent’s designee/district hearing officer for discipline matters.
- **Legal Requirement:** Whether the position is mandated by law or necessary to comply with legal and regulatory requirements.
- **Unique Skills:** The level of specialized knowledge, abilities, or expertise required for the role that may be difficult to replace or distribute among other staff members.

**Educational Impact Consideration:** The primary consideration in any reduction in force will be the maintenance of a sound and balanced educational program that is consistent with the functions and responsibilities of the school system. Priority in the retention of staff will be given to effectiveness in performance rather than seniority factors. The Superintendent and leadership team considered a variety of factors in determining which employees will be included in the reduction in force, including the following:

- work performance and evaluation ratings;
- areas of licensure;

- program enrollment;
- service in extra duty positions, qualifications for, and willingness to fill such positions; and
- length of service, with higher priority given to service in this school system

**Racial Equity Decision Protocol (REDP) Consideration:** As with any major decisions that directly impact our students and/or staff, the Administration and Board considered a few guiding questions from the District’s REDP. This protocol helps to ensure that proper consideration is given to all groups of students and staff. It gives the time and space to directly consider unforeseen burdens that may be placed on a group as a result of the decision being considered. The main questions considered included:

- Who is most directly affected by this RIF plan?
- Who experiences benefit or burden if we eliminate   ’x’   position(s)?
- How can the district support and expand the engagement, leadership, and power of Black, Indigenous, People of Color (BIPOC) communities in the decision-making process regarding service provision to schools moving forward?

### **FY 2025-26 Capital Fund Budget Development**

The Capital Investment Plan (CIP) budget development follows a similar cadence with the budget development of the general fund. January and February consist of data and information gathering efforts to assess the District’s capital and facility needs. School principals are given the opportunity to work with their School Improvement Teams (SITs) to create a capital request in conjunction with their general budget request. With the information gathered, the District’s Operations team begins to prepare a preliminary CIP budget request. From there, the budget request goes through several iterations of work sessions with the Board of Education, Board of County Commissioners, and county staff. Once the official request is submitted in April, the BOCC conducts their own budget work sessions and public hearings regarding the CIP budget before adopting a final plan in June. The timeline for the FY 2025-26 CIP budget is included below:

January 17, 2025	Budget Development Worksheets and Guiding Questions distributed to schools and departments
February 16, 2025	Leveled School Groups present their requests to Cabinet based on school data, identified needs, schedules, and special circumstances.
March 6, 2025	Superintendent submits FY 2025-26 Proposed Budget Request to the Board of Education
April 17, 2025	Board of Education approves the FY 2024-25 Budget Request for submission to the Board of Orange County Commissioners
April 22, 2025	Board of County Commissioners Budget Work Session - CIP

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April 29, 2025	Joint Meeting with Board of County Commissioners
May 13, 2025	Annual Operating Budget and CIP Hearings (1)
May 15, 2025	Budget/CIP Work Sessions (1)
May 22, 2025	Budget/CIP Work Sessions (2)
May 27, 2025	Budget/CIP Work Sessions (3)
May 29, 2025	Annual Operating Budget and CIP Hearings (2)
June 5, 2025	Board of Orange County Commissioners adopt the FY 2025-26 Local Fund and Capital Fund budgets
November 20, 2025	Board of Education approves Budget resolutions for all Fund Codes

## Budget Management and Administration

Chapel Hill-Carrboro City Schools is committed to obtaining, managing and using financial resources to further the goals of supporting a system of free public schools and to further the educational goals of the Board and the State. All decisions regarding the use of financial resources will be consistent with the Board's objective of providing all students with a sound basic education, as required by law.

The Board authorizes the Superintendent to transfer amounts not to exceed \$100,000 from one budget appropriation to another within the same fund. The Superintendent or their designee must present for approval any such transfers at the meeting of the Board in the month following such transfers and such transfers must be entered in the minutes of that meeting. Amendments are required for any revisions that alter total expenditures of any fund or that change appropriations at the purpose level. All amendments must be approved by the Board. During the year, several amendments to the original budget are necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

In recognition of the trust and responsibility placed with the Board to manage financial resources for the local educational program, the Board establishes the following standards:

1. The Board and all employees of the school system will manage and use available funds efficiently and effectively to meet the goals of the local Board and State.
2. Effective accounting, financial reporting, and management control systems will be designed, maintained, and periodically reviewed to (a) enable the Board and school system to have access to accurate, reliable, and relevant data; (b) provide assurance that school system obligations are paid in a timely manner and that accounts are not overspent; (c) provide assurance that funds and records are safeguarded at all times; and (4) permit audits and periodic reports adequate to show that those in charge have handled funds within legal requirements and in accordance with board policy.
3. The superintendent and finance officer shall keep the Board sufficiently informed regarding the budget through periodic financial statements showing the financial condition of the school system, other periodic reports, and any other appropriate means so that the Board can deliberate upon and evaluate the budget.
4. No moneys will be expended, regardless of the source (including moneys derived from federal, state, local, or private sources), except in accordance with the Board's budget resolution or amendments to the budget resolution. The Superintendent is authorized to transfer moneys from one appropriation to another within the same fund, subject to such limitations and procedures as may be prescribed by Board resolution or state or federal law or regulation. Any such transfers must be reported to the Board at its next regular meeting and recorded in the minutes.
5. All receipts and disbursements shall be accounted for according to generally accepted accounting principles for governmental entities.

6. Each employee responsible for handling school system funds or funds of individual schools shall comply with all applicable state and federal laws and regulations, board policies, administrative procedures, and any applicable procedures, requirements, or guidelines established by the finance officer.

7. Principals and school improvement teams must be familiar with state and local board requirements related to managing and using fiscal resources and must comply with these requirements in developing and implementing school improvement plans.

### **Changes in Fiscal Management and Administration**

The District has implemented several general changes relating to fiscal management. The District's Business and Financial Services Division has continued to developed a strong professional development plan to invest in and grow the knowledge base of financial matters throughout the District. The structure of this plan contains monthly professional development time between Business and Financial Services Division, department bookkeepers, and school treasurers across the District. It also includes several opportunities for training new principals, veteran principals, and budget managers on financial matters relevant to their work. Outside of the focus on internal development, the Business and Financial Services Division has also committed to building relationships with external sources of professional development such as the North Carolina Association of Business Officials (NCASBO) and the Government Finance Officers Association (GFOA) so that our staff can utilize the extensive professional development opportunities offered by these organizations.

Beyond that, the Business and Financial Services Division has developed and implemented more widespread digitization of high-volume forms. For example, the Division has implemented a digital extra duty contract, utilized a digital employment contract for all summer school employees, and utilized a digital form to track position updates. This benefits the District in aligning with its sustainability goals and provides an easily accessible, permanent document trail should any of this information need review in the future. These procedural changes were set up to ensure compliance and increase efficiency in their various aspects of the fiscal management process for the District.

## Definitions of Sustaining Revenue Sources

The various sources of revenue that the District receives each year to sustain operations is included in the table below:

### **Significant Sources of Revenue**

Bond and Note Proceeds	Include revenues received from Orange County out of the proceeds of bonds and notes sold for school purposes. Includes revenues from proceeds of School Literary Fund Notes. This revenue is actually the county appropriation from one or more bond funds, certificates of participation (COPS), and revenues received from the proceeds of installment purchases entered into by the county to acquire assets for the unit under the authority of G. S. 153A-158.1.
County Appropriation	Include revenues provided to the local school administrative unit by Orange County for general purposes pursuant to G.S. 115C-429 and G.S. 115C-437.
Federal Funds Revenue	Include revenues received through the Department of Public Instruction by way of deposits to the state level Unit Disbursing Account at the State Treasurer.
Fines and Forfeitures	Local Fund revenue received from Orange County. The sources of the revenue are the fines and forfeitures assessed by the Orange County Courts.
Fund Balance Appropriated	This code is used for budgetary purposes only. It records the amount of unexpended revenue from prior fiscal years which is being carried forward to balance the budget in the budget year pursuant to G.S. 115C-425.
Sales and Use Tax	Include revenues received from local government non-restricted sales tax sources.
State Public School Fund Revenue	Include revenues allocated via the allotment process (and appearing on the allotment report) by the Department of Public Instruction from which expenditures for current operations are made by writing a warrant on the State Treasurer.
Supplemental Tax - Current Year	Include revenues received from taxes levied on behalf of the local school administrative unit pursuant to G.S. 115C-511 for the current year.

### **Other Minor Miscellaneous Sources of Revenue**

ABC Commission Revenues	Include revenues received by the local school administrative unit from ABC Commission profits because of specific legal requirements applying to local ABC Commission boards.
Other Restricted Local Sources	Include revenues received from local sources for restricted purposes, which are not elsewhere classified.
Cellphone Tower Lease Revenue	The District maintains several minor lease agreements for cellphone towers on school property
Contributions and Donations	Include gifts, contributions, and donations received from private, nongovernmental sources.
Disposition of School Fixed Assets	Include revenues received from the sale or other disposition of school fixed assets. Includes the proceeds of the sale of school fixed assets, and revenues from the sale of scrap or salvage from school fixed assets.
Federal Revenue-Other Funds	Include revenues received directly from the federal government, or from other sources which are federally funded. These are funds which are not part of the allocation process from DPI, nor reflected on the DPI allotment form.
Indirect Cost Allocated	Include in the Local Current Expense Fund the amounts received from indirect cost allocations. Include in the Child Nutrition Fund the amount of indirect cost charged to a federal grant, but not reimbursed to Local Current Expense Fund.
Insurance Settle School Property	Include monies received in settlement of insurance claims, which arise out of the loss or destruction of school property that, under current law, would be purchased from the Capital Outlay Fund.
Miscellaneous Local Operating Revenues	Local Fund revenues that are small and miscellaneous in nature.
Paid Student Meal Supplement	Include revenues received from full pay supplements.
Reduced Student Meal Supplement	Include revenues received from reduced supplements.
Rental of School Property	Include revenues received for the use of school property by anyone other than the local school administrative unit. This includes fees received for use of school buildings for elections or other civic

	and public meetings as well as for rents received on longer-term leases of school real property.
Sales - Breakfast - Adults	Include revenues received from adult breakfasts.
Sales - Breakfast - Full Pay	Include revenues received from full pay breakfasts.
Sales - Lunch - Adults	Include revenues received from adult lunches.
Sales - Lunch - Full Pay	Include revenues received from full pay lunches.
Sales - Lunch - Reduced	Include revenues received from reduced lunches.
Sales - Other	Include other revenues received from sales not elsewhere classified
Sales - Supplemental Sales	Include revenues received from supplemental sales
State Allocated Restricted to Capital Outlay	Includes all revenues received from the Department of Public Instruction, and other state agencies for capital outlay. The specific program or area in which this revenue is being used must be indicated by PRC in order to designate the distinction of funding sources.
State Reimbursement for Breakfast	Include revenues received from state funds for reduced price breakfasts
Supplemental Tax - Prior Years	Include revenues received from taxes levied on behalf of the local school administrative unit pursuant to G.S. 115C-511 for prior fiscal years subject to the provisions of G.S. 159-27.
Textbooks	Include revenues received from the Department of Public Instruction for the purchase of textbooks.
Tuition & Fees - Regular	Local Fund revenue received from parents of students who attend CHCCS but live outside the District. The tuition is set each year to match the county and district tax revenues.
USDA Grant Summer Feeding Programs	Include revenues received from the Department of Public Instruction from the United States Department of Agriculture Grants - Summer Feeding Program for school food service.
USDA Grants - Commodities Used	This revenue represents the value of commodity foods used.
USDA Grants - Regular	Include revenues received from the Department of Public Instruction from the United States Department of Agriculture Grants - Regular for school food services.



# FINANCIAL SECTION



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Prepared by the Business and Financial Services Division  
(919) 967-8211

## Roadmap to the Financial Section

The financial section of this budget document was developed using a structure as laid forth by the Association of School Business Officials (ASBO). ASBO details the use of a pyramid approach in communicating the District’s financials. This approach begins at a broad level and proceeds to drill down to provide further details as each level of the pyramid is addressed. The levels are designed as follows:

<b>Level One</b>	<b>Summary of Total Budget</b> Total Revenues by Source Total Expenditures by Object
<b>Level Two</b>	<b>Summary of Data for all Operating Funds</b> Revenues by Source Expenditures by Object Expenditures by Purpose
<b>Level Three</b>	<b>Summary Data for Individual Funds</b> Revenues by Source Expenditures by Object Expenditures by Purpose

As you will see, the Level One Data will provide a snapshot of the budget at the Fund level to provide an understanding of how each fund is a building block for the overall budget. The Level Two Data will break down the Operating Funds to the purpose and object level to provide an understanding of how the Operating Funds work together to further the education services provided by the District. The Level Three Data presents each individual (or “enterprise”) fund and breaks down their data all the way to the purpose code. This provides an understanding of how each fund is used individually.

The use of this structure and level of detail serves to provide all users of the District’s financial information with a better understanding of how the District uses the funds it receives to achieve the District’s goals. It also serves to address the needs highlighted by the Board of Education’s External Review to adopt a budget with enough detail to properly pre-audit all expenditures initiated by the District. Transparency, understandability, and the ability to be held accountable for financial decisions are essential to building trust between the District and the public.

**Summary Data for Total Budget**  
Actual FY 2022 – Projected FY 2029  
Revenues by Source and Expenditures by Object (Level One Data)

**Total Budget (All Funds)**

	Actual FY 2022	Actual FY 2023	Actual FY 2024	Actual FY 2025	Budgeted FY 2026
<b>Revenues</b>					
Revenues from State Sources	\$ 86,502,497	\$ 83,192,927	\$ 84,088,657	\$ 84,417,431	\$ 80,362,036
Revenues from Federal Sources	24,802,041	20,354,315	15,219,166	12,076,445	10,685,166
Revenues from Local Sources	107,508,396	119,233,165	124,902,216	125,488,078	126,399,310
Transfers in/Fund Balance Appropriated	6,659,950	7,814,966	6,400,630	642,515	79,017
<b>Total Revenues</b>	<b>\$ 225,472,884</b>	<b>\$ 230,595,373</b>	<b>\$ 230,610,669</b>	<b>\$ 222,624,469</b>	<b>\$ 217,525,529</b>
<b>Expenditures</b>					
(100) Salaries	\$ 124,600,038	\$ 124,058,669	\$ 122,412,303	\$ 119,232,460	\$ 117,952,313
(200) Employer Provided Benefits	47,723,319	44,838,282	50,919,399	49,898,563	49,573,827
(300) Purchased Services	27,116,003	23,629,065	24,825,444	25,144,246	21,381,319
(400) Supplies and Materials	10,085,907	13,755,386	12,157,252	10,350,276	17,210,385
(500) Capital Outlay	15,056,190	23,275,442	19,027,439	16,630,891	9,957,685
(700) Transfers out	891,427	1,038,529	1,268,831	1,368,034	1,450,000
<b>Total Expenditures</b>	<b>\$ 225,472,884</b>	<b>\$ 230,595,373</b>	<b>\$ 230,610,669</b>	<b>\$ 222,624,469</b>	<b>\$ 217,525,529</b>

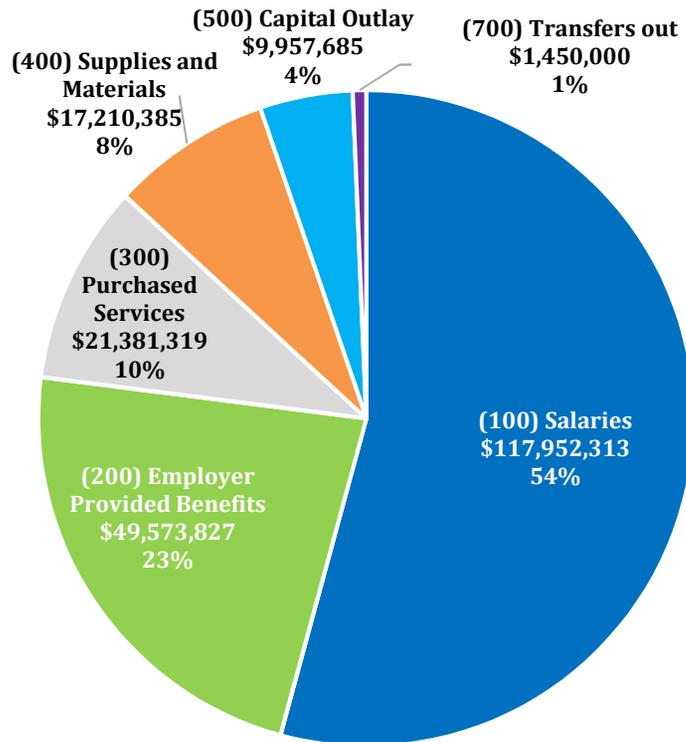
**FY 2026-FY 2029 Total Budget Forecast (Trend Analysis)**

	Budgeted FY 2026	Linear Regression Projection FY 2027	Linear Regression Projection 2028	Linear Regression Projection FY 2029
<b>Revenues (by Source)</b>				
Revenues from State Sources	\$ 80,362,036	\$ 80,395,784	\$ 79,290,142	\$ 78,184,501
Revenues from Federal Sources	10,685,166	5,673,941	2,022,779	(1,628,383)
Revenues from Local Sources	126,399,310	133,917,255	138,320,929	142,724,604
Transfers in/Fund Balance Appropriated	79,017	-	-	-
<b>Total Revenues</b>	<b>\$ 217,525,529</b>	<b>\$ 219,986,980</b>	<b>\$ 219,633,851</b>	<b>\$ 219,280,721</b>
<b>Expenditures (by Object)</b>				
(100) Salaries	\$ 117,952,313	\$ 116,214,659	\$ 114,402,493	\$ 112,590,327
(200) Employer Provided Benefits	49,573,827	51,219,067	52,095,196	52,971,326
(300) Purchased Services	21,381,319	21,432,959	20,437,540	19,442,122
(400) Supplies and Materials	17,210,385	15,964,995	17,049,380	18,133,764
(500) Capital Outlay	9,957,685	11,737,061	10,052,905	8,368,749
(700) Transfers out	1,450,000	1,637,359	1,782,025	1,926,690
<b>Total Expenditures</b>	<b>\$ 217,525,529</b>	<b>\$ 218,206,100</b>	<b>\$ 215,819,539</b>	<b>\$ 213,432,978</b>

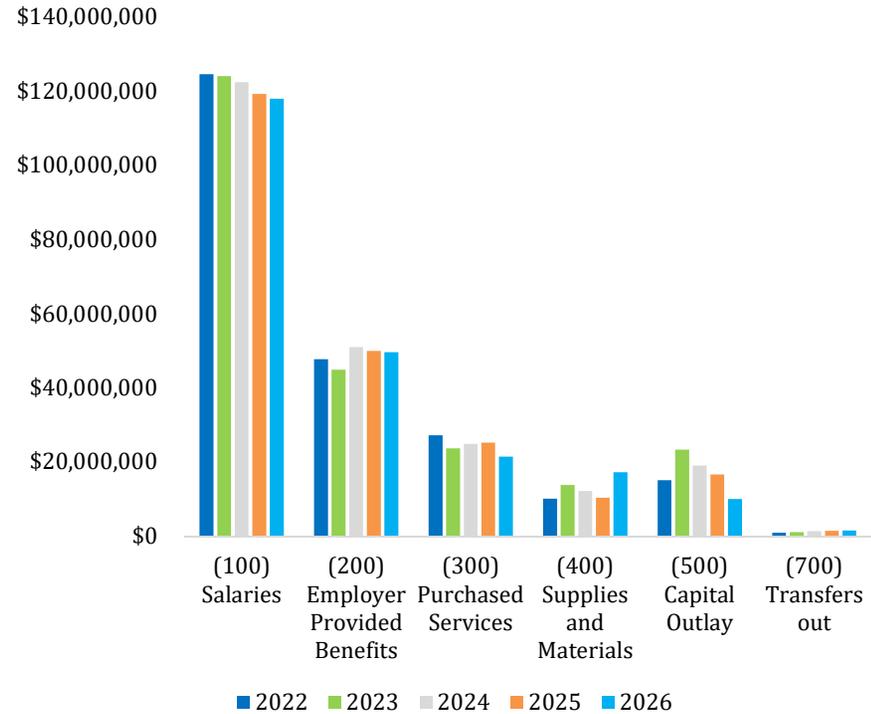
**Note:** These forecasts are strictly based on the statistical forecasting method of linear regression forecasting. This method does not account for external forces or qualitative data that may impact future funding levels. Therefore, these forecasts are not a prediction of the future but rather a deeper analysis of current funding and spending trends. For example, revenues with a linear forecast growing faster than the expenditures linear forecast would indicate sustainable spending trends. The opposite may indicate current spending trends are unsustainable. Both instances require more information and deeper analysis to be used in decision making processes.

**FY 2022-FY 2026 Total Budgeted Expenditure Analysis**

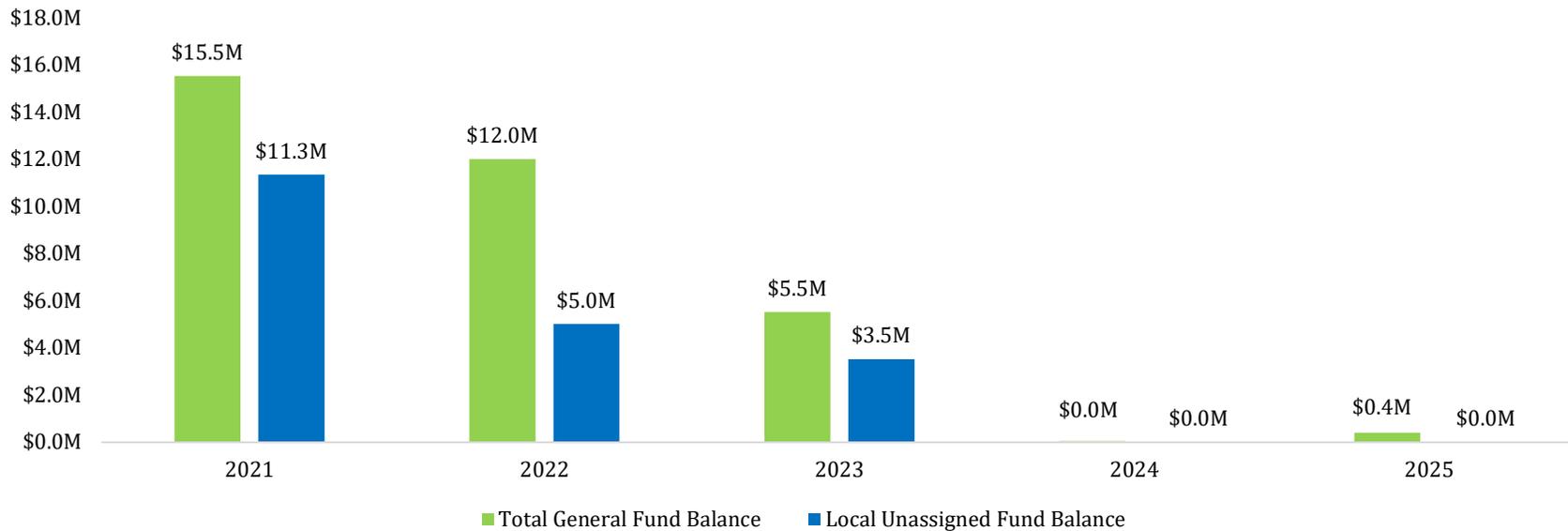
**FY 2026 Total Budgeted Expenditures**



**5 Year Expenditure Trends by Object**



### Fund Balance Trends FY 2021 - FY 2025



**Budget Commentary:**

The district’s budget data above shows several notable trends across the several fiscal years presented. On the revenue side, total revenues maintain a relatively stable growth on the surface but a closer analysis shows a shift in composition. Looking at current trends, State and Federal revenues have continued to gradually decline, while local revenues have steadily increased. This highlights a noteworthy concern that Local revenues continue to bear an increasing burden to deliver the same services. On the expenditure side, salaries and benefits continue to make up the majority of spending, though salaries show a slow downward trend while benefits trend slightly upward. This reflects the District’s move to reduce spending (with most of the impact shown in salaries) while the matching employer benefit rates continue to increase year over year. Forecasts through FY 2029 suggest that expenditures grow more slowly than revenues, indicating improving sustainability if trends hold. The Fund Balance Trend visual shows the District was able to add funds back into its fund balance in FY 2025, albeit a relatively small amount. This indicates that at current spending levels, the structural deficit present in the last several fiscal years has been eliminated. Overall, the District appears to be transitioning toward heavier reliance on local funding while maintaining relatively stable expenditure patterns dominated by personnel costs.

## **Summary Data for Operating Funds**

Actual FY 2022 – Projected FY 2029

Revenues by Source and Expenditures by Object and Purpose (Level Two Data)

**State Public School Fund**

	Actual FY 2022	Actual FY 2023	Actual FY 2024	Actual FY 2025	Budgeted FY 2026
<b>Revenues (by Source)</b>					
Revenues from State Sources	\$ 85,625,795	\$ 80,068,737	\$ 82,945,174	\$ 83,322,030	\$ 79,544,215
Revenues from Federal Sources	-	-	-	-	-
Revenues from Local Sources	-	-	-	-	-
Transfers in/Fund Balance	-	-	-	-	-
Appropriated					
<b>Total Revenues</b>	<b>\$ 85,625,795</b>	<b>\$ 80,068,737</b>	<b>\$ 82,945,174</b>	<b>\$ 83,322,030</b>	<b>\$ 79,544,215</b>
<b>Expenditures (by Object)</b>					
(100) Salaries	\$ 57,393,699	\$ 54,067,450	\$ 55,340,861	\$ 56,155,704	\$ 54,629,928
(200) Employer Provided Benefits	23,462,731	21,641,405	23,117,687	23,377,400	22,742,226
(300) Purchased Services	1,279,938	1,792,372	1,770,683	1,948,159	1,218,372
(400) Supplies and Materials	1,759,666	2,043,389	2,249,494	1,701,527	953,689
(500) Capital Outlay	1,729,761	524,121	466,449	139,240	-
(700) Transfers out	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 85,625,795</b>	<b>\$ 80,068,737</b>	<b>\$ 82,945,174</b>	<b>\$ 83,322,030</b>	<b>\$ 79,544,215</b>

	Actual FY 2022	Actual FY 2023	Actual FY 2024	Actual FY 2025	Budgeted FY 2026
<b>Revenues (by Source)</b>					
Revenues from State Sources	\$85,625,796	\$80,068,767	\$82,945,174	\$83,322,030	\$79,544,215
Revenues from Federal Sources	-	-	-	-	-
Revenues from Local Sources	-	-	-	-	-
Transfers in/Fund Balance Appropriated	-	-	-	-	-
<b>Total Revenues</b>	<b>\$85,625,796</b>	<b>\$80,068,767</b>	<b>\$82,945,174</b>	<b>\$83,322,030</b>	<b>\$79,544,215</b>
<b>Expenditures (by Purpose)</b>					
5110-Regular Curricular Services	\$36,424,015	\$36,135,825	\$36,229,930	\$36,690,395	\$ 35,660,720
5116-Homebound/Hospitalized Curricular Services	560,531	711,472	684,379	680,373	684,000
5120-CTE Curricular Services	4,219,568	4,390,645	4,781,137	4,724,212	4,979,043
5132-Cultural Arts Curricular Services	3,727,201	3,720,684	3,614,243	4,052,604	3,995,000
5133-Physical Education Curricular Services	2,856,114	2,687,080	2,782,008	2,701,678	2,650,650
5134-Foreign Language Curricular Services	4,339,497	3,280,209	3,883,519	3,620,368	3,436,428
<b>Total 5100 - Regular Instructional Services</b>	<b>52,126,926</b>	<b>50,925,914</b>	<b>51,975,216</b>	<b>52,469,630</b>	<b>51,405,841</b>
5210-Children with Disabilities Curricular Services	8,886,705	7,829,025	8,388,095	9,682,559	11,105,088
5220-CTE Children with Disabilities Curricular Services	204,436	230,268	199,446	212,511	-
5230-Pre-K Children with Disabilities Curricular Services	85,062	-	-	-	-
5240-Speech & Language Pathological Services	648,633	684,764	712,782	742,403	735,000
5260-Academically/Intellectually Gifted Curricular Services	1,251,485	1,178,727	1,255,591	1,221,002	993,868
5270-LEP Services	2,632,018	2,429,738	2,301,818	2,252,747	2,205,268
<b>Total 5200 - Special Population Services</b>	<b>13,708,339</b>	<b>12,352,521</b>	<b>12,857,732</b>	<b>14,111,222</b>	<b>15,039,224</b>
5310-Alternative Instructional Services K-12	1,183,528	948,602	1,015,446	1,014,334	718,098
5320-Attendance & Social Work Services	1,315,384	1,352,020	1,377,820	1,181,193	835,000
5330-Remedial & Suppl K-12 Services	701,186	602,957	574,040	274,635	180,000
5340-Pre-K Readiness/Remedial & Supplemental	64,884	-	-	-	-
5353-Summer School Instruction	112,530	369,818	119,626	17,120	59,132
5360-Extended Learning (SELREP)	690,731	365,083	390,362	412,495	246,424
5360-Extended Learning (SELREP)	470,894	-	-	-	-
<b>Total 5300 - Alternative Program Services</b>	<b>4,539,136</b>	<b>3,638,479</b>	<b>3,477,294</b>	<b>2,899,777</b>	<b>2,038,654</b>

5403-School Treasurer	1,615	-	-	-	-
5404-School Building Support Staff	64,052	-	-	79	-
5410-School Principal	2,163,187	1,934,684	2,507,958	2,625,109	2,575,000
5420-School Assistant Principal	1,496,914	1,473,087	980,802	1,066,874	828,501
<b>Total 5400 - School Leadership Services</b>	<b>3,725,768</b>	<b>3,407,771</b>	<b>3,488,760</b>	<b>3,692,062</b>	<b>3,403,501</b>
5501-Athletics	8,612	-	-	-	-
5502-Cultural Arts	4,844	-	-	-	-
<b>Total 5500 - Co-Curricular Services</b>	<b>13,456</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
5810-Educational Media Services	375,855	360,278	208,541	186,103	-
5820-Attendance - Social Work Services	244,848	214,349	237,171	251,081	10,000
5830-Guidance Services	1,334,116	1,269,142	1,824,509	1,653,022	-
5840-Health Services	1,126,013	929,869	808,917	111,103	108,244
5850-Safety and Security Support Services	29,332	539,036	525,549	153,589	-
5860-Instructional Tech Services	670,447	149,443	419,204	294,499	-
5870-Staff Development	18,825	-	-	-	-
<b>Total 5800 - School-Based Services</b>	<b>3,799,436</b>	<b>3,462,118</b>	<b>4,023,891</b>	<b>2,649,397</b>	<b>118,244</b>
6110-Regular Curricular Support	224,925	20,532	-	222,185	233,325
6115-Technology Curricular Support Services	3,500	-	-	-	-
6120-CTE Curricular Support and Development Services	198,756	209,198	182,972	237,588	-
<b>Total 6100 - Support and Development Services</b>	<b>427,180</b>	<b>229,731</b>	<b>182,972</b>	<b>459,773</b>	<b>233,325</b>
6200-Special Population Support and Development Services	4,306	-	-	-	-
6201-Children with Disabilities Support	5,382	-	-	-	-
6207-Limited English Proficiency Support and Development Services	1,077	-	-	-	-
<b>Total 6200 - Special Population Support and Development Services</b>	<b>10,765</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
6300-Alternative Programs and Services Support Services	1,615	-	-	-	-
6304-Pre-K Readiness/Remedial and Supplemental Support Services	1,077	-	-	-	-
<b>Total 6300 - Alternative Programs Support and Development Services</b>	<b>2,691</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

6400-Technology Support Services	983,639	213,928	422,002	172,722	-
6401-Technology Services	2,153	-	-	-	-
<b>Total 6400 - Technology Support Services</b>	<b>985,792</b>	<b>213,928</b>	<b>422,002</b>	<b>172,722</b>	<b>-</b>
6540-Custodial/Housekeeping Serv	3,263,660	2,796,513	2,926,805	3,033,177	3,571,834
6550-Transportation of Pupils	2,389,767	2,311,658	2,805,167	3,047,942	2,996,251
6580-Maintenance Services	35,525	-	-	-	-
<b>Total 6500 - Operational Support Services</b>	<b>5,688,951</b>	<b>5,108,171</b>	<b>5,731,972</b>	<b>6,081,119</b>	<b>6,568,085</b>
6611-Financial Office	125,455	150,614	157,610	160,975	164,525
6621-Human Resources	6,997	-	-	-	-
6623-Staff Development Services	2,691	-	-	-	-
6624-Salaries and Benefits Services	4,844	-	-	-	-
<b>Total 6600 - Financial and Human Resource Services</b>	<b>139,988</b>	<b>150,614</b>	<b>157,610</b>	<b>160,975</b>	<b>164,525</b>
6720-Planning, Research Development, and Program Evaluation	3,229	-	-	-	-
<b>Total 6700 - Accountability Services</b>	<b>3,229</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
6910-Policy, Leadership, and Public Relations Services	1,615	-	-	-	-
6941-Office of The Superintendent	180,733	117,992	200,379	219,136	211,815
6942-Asst. Supt. For Instruction	135,928	258,040	224,352	240,950	193,514
6943-Asst. Supt. For Support Services	31,633	152,074	160,073	163,918	167,487
6950-Public relations and Marketing Services	4,844	-	-	-	-
<b>Total 6900 -Policy, Leadership, and Public Relations Services</b>	<b>354,753</b>	<b>528,106</b>	<b>584,804</b>	<b>624,004</b>	<b>572,816</b>
7100-Community Services	29,577	-	-	-	-
<b>Total 7100 - Community Services</b>	<b>29,577</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
7200-Nutrition Services	69,807	51,383	42,921	1,349	-
<b>Total 7200 - Nutrition Services</b>	<b>69,807</b>	<b>51,383</b>	<b>42,921</b>	<b>1,349</b>	<b>-</b>
<b>Total Expenditures</b>	<b>\$85,625,796</b>	<b>\$80,068,767</b>	<b>\$82,945,174</b>	<b>\$83,322,030</b>	<b>\$ 79,544,215</b>

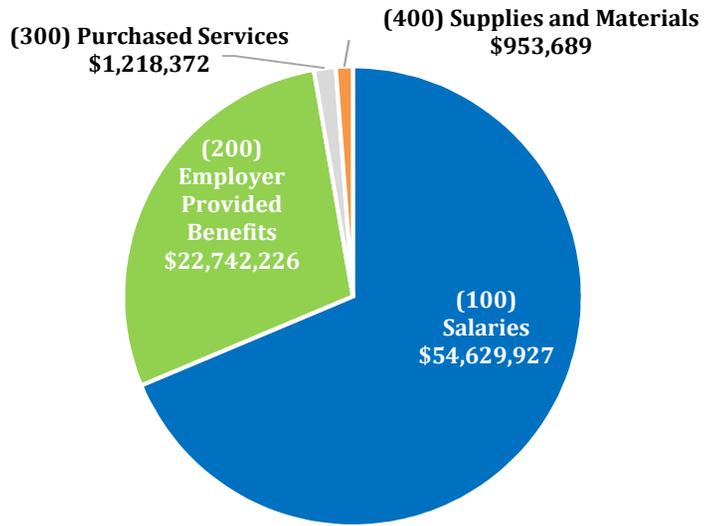
**FY 2026-FY 2029 State Public School Fund Forecast (Trend Analysis)**

	Budgeted FY 2026	Linear Regression Projection FY 2027	Linear Regression Projection 2028	Linear Regression Projection FY 2029
<b>Revenues (by Source)</b>				
Revenues from State Sources	\$ 79,544,215	\$ 80,209,636	\$ 79,703,090	\$ 79,196,543
Revenues from Federal Sources	-	-	-	-
Revenues from Local Sources	-	-	-	-
Transfers in/Fund Balance Appropriated	-	-	-	-
<b>Total Revenues</b>	<b>\$ 79,544,215</b>	<b>\$ 80,209,636</b>	<b>\$ 79,703,090</b>	<b>\$ 79,196,543</b>
<b>Expenditures (by Object)</b>				
(100) Salaries	\$ 54,629,928	\$ 54,485,742	\$ 54,141,813	\$ 53,797,884
(200) Employer Provided Benefits	22,742,226	22,956,785	22,986,283	23,015,782
(300) Purchased Services	1,218,372	1,611,701	1,614,967	1,618,232
(400) Supplies and Materials	953,689	1,155,408	960,027	764,645
(500) Capital Outlay	-	-	-	-
(700) Transfers out	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 79,544,215</b>	<b>\$ 80,209,636</b>	<b>\$ 79,703,090</b>	<b>\$ 79,196,543</b>

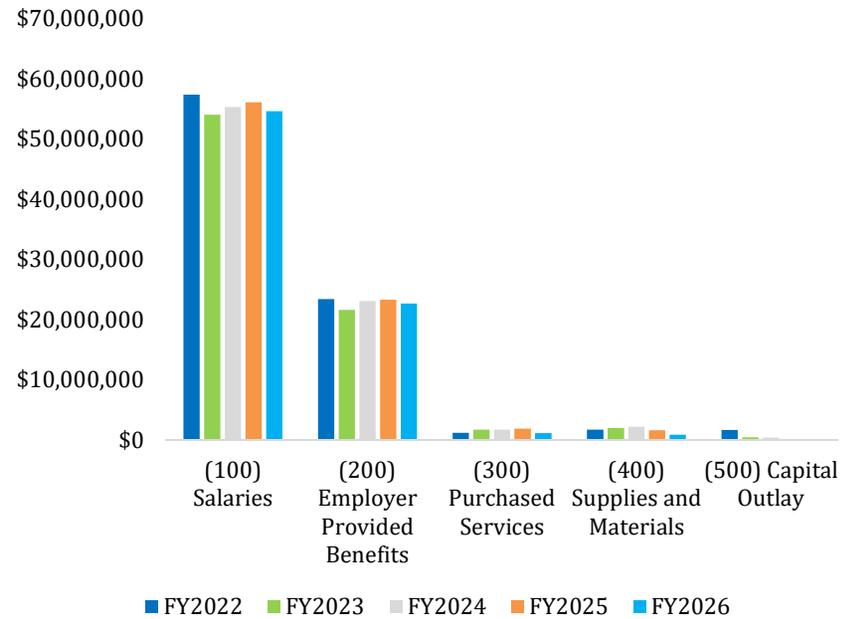
**Note:** These forecasts are strictly based on the statistical forecasting method of linear regression forecasting. This method does not account for external forces or qualitative data that may impact future funding levels. Therefore, these forecasts are not a prediction of the future but rather a deeper analysis of current funding and spending trends. For example, revenues with a linear forecast growing faster than the expenditures linear forecast would indicate sustainable spending trends. The opposite may indicate current spending trends are unsustainable. Both instances require more information and deeper analysis to be used in decision making processes.

**FY 2022-FY 2026 State Public School Fund Budgeted Expenditure Analysis**

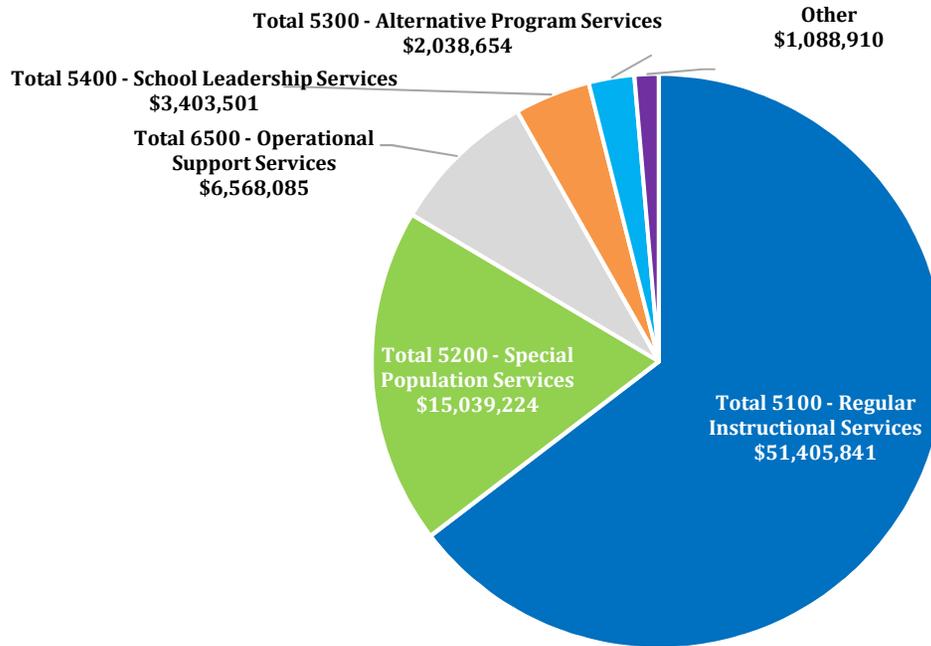
**FY2026 Budgeted Expenditures by Object**



**Five Year Trends by Object**



### FY2026 Budget Expenditures by Purpose



**Budget Commentary:**

The State Public School Fund is a critical part of the District’s total operation. It is composed almost entirely of salaries and benefits, which frees up local funding. The object code trends show a slight reduction in salaries and the other areas. Though this indicates a reduced and, presumably, a more sustainable level of spending, the revenue trends show it may simply be due to declining revenue numbers. This is a critical area of funding for the District to monitor because of the backdrop of decreasing student enrollment numbers. This is critical to the future budgeting of the District because it means the local fund will have to absorb the additional costs as State revenues decrease, if all services are to remain at current levels. Analysis of the purpose code allocations show over 75% of the State budget focused on regular instruction and special populations.

**Local Operating Fund**

	Actual FY 2022	Actual FY 2023	Actual FY 2024	Actual FY 2025	Budgeted FY 2026
<b>Revenues (by Source)</b>					
Revenues from State Sources	\$ 135,000	\$ -	\$ -	\$ -	\$ -
Revenues from Federal Sources	-	-	-	-	-
Revenues from Local Sources	80,847,697	82,813,207	89,942,123	93,234,124	95,695,444
Transfers in/Fund Balance Appropriated	5,426,771	6,186,176	5,447,224	43,635	-
<b>Total Revenues</b>	<b>\$ 86,409,468</b>	<b>\$ 88,999,383</b>	<b>\$ 95,389,347</b>	<b>\$ 93,277,759</b>	<b>\$ 95,695,444</b>
<b>Expenditures (by Object)</b>					
(100) Salaries	\$ 49,852,462	\$ 51,705,580	\$ 56,065,820	\$ 53,771,130	\$ 53,953,877
(200) Employer Provided Benefits	19,344,946	22,253,010	23,895,198	23,322,845	24,825,983
(300) Purchased Services	11,049,176	10,799,797	11,201,833	11,060,111	11,611,307
(400) Supplies and Materials	4,403,586	3,202,433	2,924,779	3,726,237	3,813,902
(500) Capital Outlay	867,871	32	32,886	29,402	40,375
(700) Transfers out	891,427	1,038,529	1,268,831	1,368,034	1,450,000
<b>Total Expenditures</b>	<b>\$ 86,409,468</b>	<b>\$ 88,999,383</b>	<b>\$ 95,389,347</b>	<b>\$ 93,277,759</b>	<b>\$ 95,695,444</b>

	Actual FY 2022	Actual FY 2023	Actual FY 2024	Actual FY 2025	Budgeted FY 2026
<b>Revenues (by Source)</b>					
Revenues from State Sources	\$ 135,000	\$ -	\$ -	\$ -	\$ -
Revenues from Federal Sources	-	-	-	-	-
Revenues from Local Sources	80,847,697	82,813,207	89,942,123	93,234,124	95,695,444
Transfers in/Fund Balance Appropriated	5,426,771	6,186,176	5,447,224	43,635	-
<b>Total Revenues</b>	<b>\$ 86,409,468</b>	<b>\$ 88,999,383</b>	<b>\$ 95,389,347</b>	<b>\$ 93,277,759</b>	<b>\$ 95,695,444</b>
<b>Expenditures (by Purpose)</b>					
5110-Regular Curricular Services	\$ 23,339,872	\$ 26,567,666	\$ 26,606,706	\$ 26,449,960	\$ 26,342,641
5113-Physical Education Curricular	627	-	-	-	-
5114-Foreign Language Curricular	11,240	12,902	5,509	-	-
5116-Homebound/Hospitalized Curricular Services	251,933	358,155	325,240	494,414	354,147
5117-High School Academies	30,603	11,145	13,103	22,203	19,851
5118-Department Chairs	49,303	50,198	74,638	66,344	47,634
5120-CTE Curricular Services	850,705	994,420	941,211	918,858	930,216
5132-Cultural Arts Curricular Services	1,394,501	1,531,611	1,751,007	1,472,635	1,517,927
5133-Physical Education Curricular Services	849,471	971,677	1,235,143	1,174,035	1,010,403
5134-Foreign Language Curricular Services	1,852,876	1,941,229	1,923,434	2,004,705	1,238,615
<b>Total 5100 - Regular Instructional Services</b>	<b>28,631,131</b>	<b>32,439,003</b>	<b>32,875,990</b>	<b>32,603,154</b>	<b>31,461,434</b>
5210-Children W/Disabilities Curricular Services	5,671,142	5,287,093	7,123,223	8,010,352	8,896,453
5220-CTE Children W/Disabilities Curricular	50,775	55,669	65,988	68,686	71,400
5230-Pre-K Children W/Disabilities Curricular	496,482	370,495	472,747	569,057	673,513
5240-Speech & Language Pathology Services	1,277,324	298,646	1,507,814	1,562,279	1,738,748
5260-AIG Curricular Services	1,470,788	1,569,336	1,499,925	1,245,358	1,341,610
5270-LEP Services	1,862,028	1,718,226	2,108,243	2,255,282	2,099,217
<b>Total 5200 - Special Population Services</b>	<b>10,828,539</b>	<b>9,299,465</b>	<b>12,777,941</b>	<b>13,711,014</b>	<b>14,820,941</b>

5310-Alternative Instructional Services K-12	340,490	311,956	342,757	189,902	163,178
5320-Attendance & Social Work Services	1,078,540	963,087	934,235	1,092,338	1,111,392
5330-Remedial & Supplemental K-12 Services	658,571	686,606	877,181	425,255	740,809
5340-Pre-K Readiness/Remedial & Supplemental	547,179	558,068	820,649	740,368	644,069
5350-Extended Day/Year Instructional Services	87,404	223,659	123,445	37,518	36,531
5351-Before/After School Instruction	102,030	5,596	26,702	8,431	-
5353-Summer School Instruction	125,624	124,037	99,502	3,967	-
<b>Total 5300 - Alternative Program Services</b>	<b>2,939,838</b>	<b>2,873,009</b>	<b>3,224,471</b>	<b>2,497,779</b>	<b>2,695,979</b>
5400-School Leadership Services	64,591	37,538	98,878	42,678	72,721
5402-Assistant Principal	627	-	-	-	-
5403-School Treasurer	65,279	67,295	70,940	72,870	75,781
5404-School Building Support Staff	2,213,972	2,475,584	2,666,274	2,476,929	2,209,231
5410-School Principal	2,104,919	1,941,460	1,511,736	1,472,704	1,385,431
5420-School Assistant Principal	1,605,017	1,915,058	2,532,160	2,497,696	2,035,553
<b>Total 5400 - School Leadership Services</b>	<b>6,054,404</b>	<b>6,436,936</b>	<b>6,879,987</b>	<b>6,562,877</b>	<b>5,778,716</b>
5501-Athletics	2,139,712	2,407,002	2,453,697	2,514,926	2,133,731
5502-Cultural Arts	239,967	245,883	231,932	250,164	270,991
5503-School Clubs & Student Organizations	274,906	347,531	302,742	259,462	369,950
<b>Total 5500 - Co-Curricular Services</b>	<b>2,654,585</b>	<b>3,000,417</b>	<b>2,988,370</b>	<b>3,024,552</b>	<b>2,774,672</b>
5810-Educational Media Services	1,731,779	1,833,477	2,024,559	2,068,169	2,105,000
5820-Attendance - Social Work Services	880,306	987,429	1,034,752	1,076,240	1,133,530
5830-Guidance Services	3,280,184	3,215,511	2,939,180	2,871,672	3,578,736
5840-Health Services	776,142	366,239	1,302,817	881,127	395,814
5841-ABC/Student Health Services	-	885	145.33	-	-
5850-Safety and Security Support	958,373	1,038,387	1,102,031	1,155,133	1,295,800

5860-Instructional Tech Services	1,104,351	1,610,455	1,528,921	1,506,082	1,277,270
5870-Staff Development	708,416	568,724	490,651	246,258	492,255
5880-Parent Involvement Services	16,316	48,091	49,145	23,218	29,140
5890-Volunteer Services	322,219	224,224	181,337	140,867	155,522
<b>Total 5800 - School-Based Services</b>	<b>9,778,087</b>	<b>9,893,423</b>	<b>10,653,539</b>	<b>9,968,766</b>	<b>10,463,066</b>
6110-Regular Curricular Support	1,328,081	1,908,777	2,225,984	1,900,703	1,885,241
6112-Cultural Arts Curricular Support and Development Services	500	73	1,145	-	-
6113-Physical Education Curricular Support and Development Services	1,570	1,586	1,592	1,581	1,586
6115-Technology Curricular Support	136,621	208,103	309,995	317,700	323,379
6120-Voc Curricular Support & Development Services	162,704	170,996	173,079	187,070	197,874
<b>Total 6100 - Support and Development Services</b>	<b>1,629,477</b>	<b>2,289,536</b>	<b>2,711,795</b>	<b>2,407,054</b>	<b>2,408,080</b>
6200-Spec Pop Support/Development Services	37,449	19,700	33,719	13,782	264,818
6201-Children W/Disabilities Support	418,434	364,355	533,569	681,286	749,628
6206-Aig Support and Development Services	-	4,606	-	1,458	-
6207-Lep Support and Development	203,314	213,327	229,327	282,743	282,284
<b>Total 6200 - Special Population Support and Development Services</b>	<b>659,197</b>	<b>601,987</b>	<b>796,615</b>	<b>979,269</b>	<b>1,296,730</b>
6300-Alternative Programs Support and Development Services	1,615	-	85,199	-	-
6303-Remedial and Supplemental Services K-12 Support Services	-	83	1,948	25	1,350
6304-Prek Readiness/Remedial Supp	19,680	25,395	19,580	24,468	23,333
6305-Extended Day/Year Instructional Support Services	719	468	1,067	5,901	4,463
<b>Total 6300 - Alternative Programs Support and Development</b>	<b>22,013</b>	<b>25,947</b>	<b>107,795</b>	<b>30,394</b>	<b>29,146</b>
6400-Technology Support Services	1,641,821	1,703,767	1,815,291	1,851,086	2,140,395
6401-Technology Services	334,542	173,635	181,773	186,293	189,494
6403-Technology User Support Services	6,888	-	-	-	-
<b>Total 6400 - Technology Support Services</b>	<b>1,983,251</b>	<b>1,877,402</b>	<b>1,997,063</b>	<b>2,037,379</b>	<b>2,329,889</b>

6510-Direction of Business Support	242,210	125,057	173,327	115,127	151,949
6530-Public Utilities & Energy	3,808,786	4,316,184	3,724,994	3,982,900	4,312,125
6540-Custodial/Housekeeping Services	1,849,456	1,598,865	2,238,843	1,951,173	1,472,183
6550-Transportation of Pupils	2,338,235	1,600,896	1,500,966	1,001,488	1,176,459
6570-Facilities Planning & Acquisition	820,000	-	-	-	-
6580-Maintenance Services	2,903,896	2,927,785	2,320,084	2,185,626	2,626,141
6581-Glass Maintenance	8,300	21,814	1,139	323	22,000
6582-Grounds Maintenance	81,829	186,440	282	(1,534)	118,000
6583-Electrical Maintenance	99,615	-	841	-	17,000
6584-Vehicle Maintenance	93,528	89,545	60,122	92,186	105,000
6585-Hvac Maintenance	190,242	-	440	5,624	55,000
6586-Plumbing Maintenance	98,179	-	1,896	-	40,000
6588-Locksmith	2,400	855	-	3,111	3,000
<b>Total 6500 - Operational Support Services</b>	<b>12,536,677</b>	<b>10,867,441</b>	<b>10,022,934</b>	<b>9,336,023</b>	<b>10,098,857</b>
6611-Financial Office	833,410	1,126,569	1,309,647	1,294,650	1,379,385
6612-Purchasing Services	16,519	-	74,997	76,796	91,927
6613-Risk Management Services	974,726	898,961	1,056,893	1,448,571	1,609,046
6620-Human Resources	53,175	48,480	11,617	10,682	-
6621-Human Resources	843,139	1,368,442	1,758,003	1,289,617	1,477,132
6622-Recruitment Services	52,885	10,236	51,752	3,235	39,800
6623-Staff Development Services	309,085	414,622	203,834	329,573	324,811
6624-Salary and Benefits Services	172,466	145,521	60,976	63,695	66,249
<b>Total 6600 - Financial and Human Resource Services</b>	<b>3,255,404</b>	<b>4,012,831</b>	<b>4,527,721</b>	<b>4,516,818</b>	<b>4,988,350</b>
6710-Student Testing Services	111,181	78,148	66,737	99,440	116,212
6720-Planning, Research Dev & Program	500,773	500,735	540,978	560,501	589,217
<b>Total 6700 - Accountability Services</b>	<b>611,954</b>	<b>578,883</b>	<b>607,715</b>	<b>659,941</b>	<b>705,429</b>

6820-Student Accounting Support Services	83,300	62,557	61,145	3,500	-
6830-Guidance Support Services	8,406	12,042	-	26,036	21,450
6840-Health Support Services	1,336	446	155	155	116
6850-Safety & Security Support Services	436,115	84,516	93,953	80,837	143,522
6860-Instructional Tech Support Services	5,000	449	643	4,500	3,375
<b>Total 6800 - System-wide Pupil Support Services</b>	<b>534,157</b>	<b>160,010</b>	<b>155,896</b>	<b>115,028</b>	<b>168,463</b>
6910-Other Support Services - Employee Benefits	201,048	251,193	260,379	113,268	168,242
6920-Other Support Services - Additional Pay	287,623	244,838	206,166	202,372	211,000
6930-Workshop	17,075	60,823	-	-	-
6932-External Audit	53,342	-	57,085	65,437	65,000
6941-Office of The Superintendent	385,516	517,845	490,487	478,270	641,838
6942-Office of Asst. Supt. For Instruction	769,914	1,041,474	1,174,280	1,097,374	1,305,917
6943-Office of Asst. Supt. For Support Services	1,036,267	951,815	1,055,208	1,064,976	1,210,493
6944-Office of School Support and Wellness	23,100	15,084	10,085	1,000	-
6945-Office of Strategic Planning	99,800	49,481	47,077	13,713	126,150
6950-Public Relations & Marketing Services	476,062	467,753	488,080	421,454	495,238
<b>Total 6900 -Policy, Leadership, and Public Relations Services</b>	<b>3,349,746</b>	<b>3,600,306</b>	<b>3,788,848</b>	<b>3,457,865</b>	<b>4,223,878</b>
7100-Community Services	30,142	-	-	-	-
<b>Total 7100 - Community Services</b>	<b>30,142</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
7200-Nutrition Services	19,439	4,258	3,838	1,813	1,813
<b>Total 7200 - Nutrition Services</b>	<b>19,439</b>	<b>4,258</b>	<b>3,838</b>	<b>1,813</b>	<b>1,813</b>
8100-Pay to Other Governments & Transfers of Funds	891,427	1,038,529	1,268,831	1,368,034	1,450,000
<b>Total 8100 - Payments to Other Governmental Units</b>	<b>891,427</b>	<b>1,038,529</b>	<b>1,268,831</b>	<b>1,368,034</b>	<b>1,450,000</b>
<b>Total Expenditures</b>	<b>\$ 86,409,468</b>	<b>\$ 88,999,383</b>	<b>\$ 95,389,347</b>	<b>\$ 93,277,759</b>	<b>\$ 95,695,444</b>

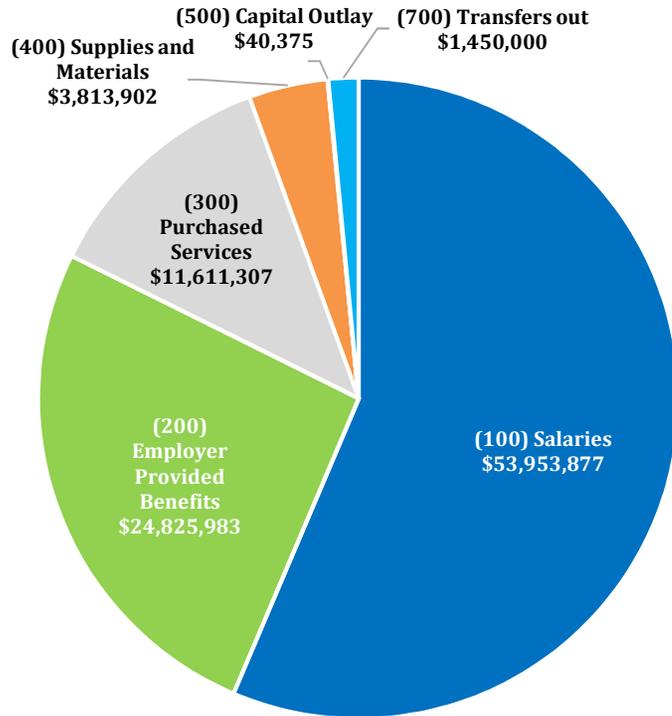
**FY 2026-FY 2029 Local Operating Fund Forecast (Trend Analysis)**

	Budgeted FY 2026	Linear Regression Projection FY 2027	Linear Regression Projection 2028	Linear Regression Projection FY 2029
<b>Revenues (by Source)</b>				
Revenues from State Sources	\$ -	\$ -	\$ -	\$ -
Revenues from Federal Sources	-	-	-	-
Revenues from Local Sources	95,695,444	100,541,442	104,553,083	108,564,724
Transfers in/Fund Balance Appropriated	-	-	-	-
<b>Total Revenues</b>	<b>\$ 95,695,444</b>	<b>\$ 100,541,442</b>	<b>\$ 104,553,083</b>	<b>\$ 108,564,724</b>
<b>Expenditures (by Object)</b>				
(100) Salaries	\$ 53,953,877	\$ 56,150,288	\$ 57,177,126	\$ 58,203,964
(200) Employer Provided Benefits	24,825,983	26,337,969	27,541,160	28,744,351
(300) Purchased Services	11,611,307	11,559,818	11,698,275	11,836,733
(400) Supplies and Materials	3,813,902	3,417,518	3,351,962	3,286,405
(500) Capital Outlay	40,375	-	-	-
(700) Transfers out	1,450,000	1,637,359	1,782,025	1,926,690
<b>Total Expenditures</b>	<b>\$ 95,695,444</b>	<b>\$ 99,102,952</b>	<b>\$ 101,550,547</b>	<b>\$ 103,998,143</b>

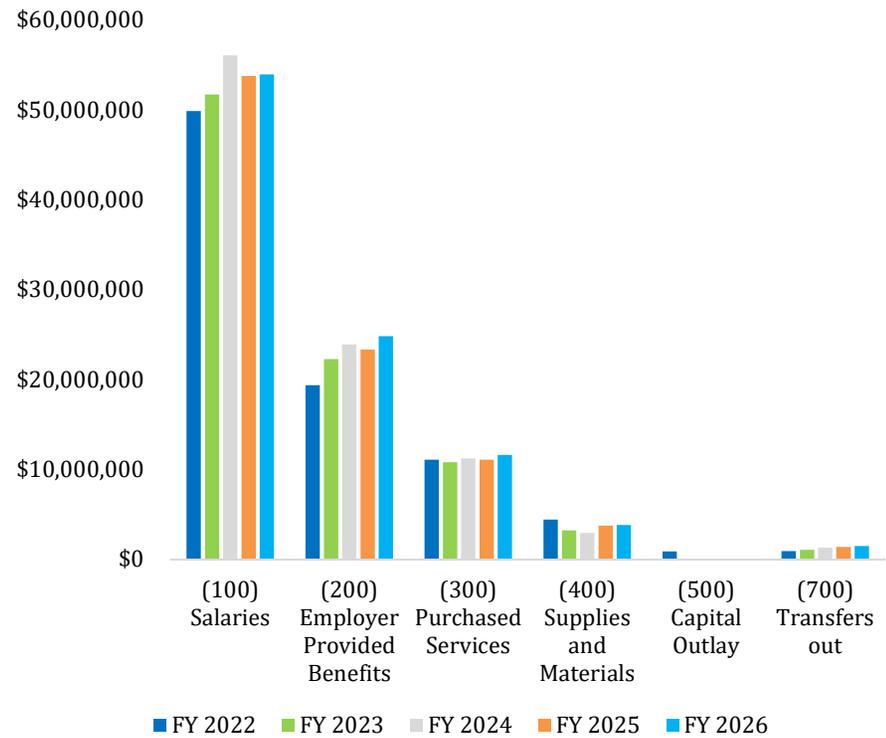
**Note:** These forecasts are strictly based on the statistical forecasting method of linear regression forecasting. This method does not account for external forces or qualitative data that may impact future funding levels. Therefore, these forecasts are not a prediction of the future but rather a deeper analysis of current funding and spending trends. For example, revenues with a linear forecast growing faster than the expenditures linear forecast would indicate sustainable spending trends. The opposite may indicate current spending trends are unsustainable. Both instances require more information and deeper analysis to be used in decision making processes.

**FY 2022-FY 2026 Local Operating Budgeted Expenditure Analysis**

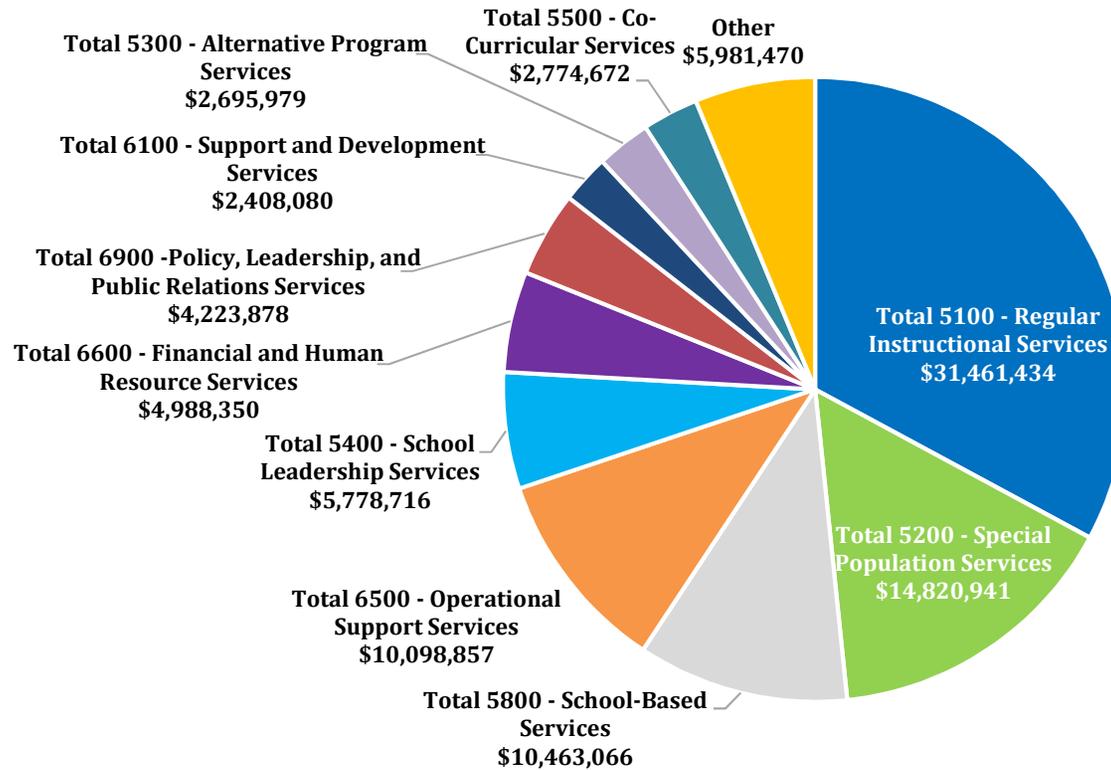
**FY 2026 Local Operating Budgeted Expenditures by Object**



**Five Year Trends by Object**



FY 2026 Budget Local Operating Expenditures by Purpose



**Budget Commentary:**

The Local Operating Budget is another critical funding source for the District’s operations. The object code trends show a leveling out of salary expense. The FY 2026 budget was balanced with a reserve of 3% on all salaries, in case the State of North Carolina passes an eventual budget that includes mandated salary increases. This is another indication that the District’s spending reduction efforts have placed in a far more sustainable position in terms of salary spending levels. Knowing the trends previously discussed, falling enrollment and decreasing State and Federal revenues, it is vital that the District continues to ensure it’s spending position remains healthy and sustainable. In a time of extreme uncertainty, the ability to adapt only exists if the district remains fiscally stable.

**Federal Grants Fund**

	Actual FY 2022	Actual FY 2023	Actual FY 2024	Actual FY 2025	Budgeted FY 2026
<b>Revenues (by Source)</b>					
Revenues from State Sources	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues from Federal Sources	18,649,956	14,036,208	7,877,972	5,595,764	4,181,505
Revenues from Local Sources	-	-	-	-	-
Transfers in/Fund Balance Appropriated	-	-	-	-	-
<b>Total Revenues</b>	<b>\$ 18,649,956</b>	<b>\$ 14,036,208</b>	<b>\$ 7,877,972</b>	<b>\$ 5,595,764</b>	<b>\$ 4,181,505</b>
<b>Expenditures (by Object)</b>					
(100) Salaries	\$ 11,057,209	\$ 7,062,544	\$ 3,630,053	\$ 3,188,861	\$ 2,336,782
(200) Employer Provided Benefits	2,889,682	1,858,563	1,361,521	1,022,761	1,099,662
(300) Purchased Services	3,399,633	3,739,584	1,678,710	848,734	507,192
(400) Supplies and Materials	1,303,432	1,375,517	1,170,792	509,864	237,869
(500) Capital Outlay	-	-	36,895	25,545	-
(700) Transfers out	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 18,649,956</b>	<b>\$ 14,036,208</b>	<b>\$ 7,877,972</b>	<b>\$ 5,595,764</b>	<b>\$ 4,181,505</b>

	Actual FY 2022	Actual FY 2023	Actual FY 2024	Actual FY 2025	Budgeted FY 2026
<b>Revenues (by Source)</b>					
Revenues from State Sources	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues from Federal Sources	18,649,956	14,036,208	7,877,972	5,595,764	4,181,505
Revenues from Local Sources	-	-	-	-	-
Transfers in/Fund Balance Appropriated	-	-	-	-	-
<b>Total Revenues</b>	<b>\$ 18,649,956</b>	<b>\$ 14,036,208</b>	<b>\$ 7,877,972</b>	<b>\$ 5,595,764</b>	<b>\$ 4,181,505</b>
<b>Expenditures (by Purpose)</b>					
5110-Regular Curricular Services	\$ 5,324,115	\$ 1,606,681	\$ 1,256,414	\$ 454,482	\$ 1,186,911
5116-Homebound/Hospitalized Curricular Services	-	3,768	-	-	-
5120-CTE Curricular Services	132,897	158,670	125,395	137,334	100,380
5130-Program Enhancement	-	449,391	-	-	-
5132-Cultural Arts Curricular Services	-	23,145	-	-	-
5133-Physical Education Curricular Services	-	15,071	-	-	-
5134-Foreign Language Curricular Services	-	23,683	-	-	-
<b>Total 5100 - Regular Instructional Services</b>	<b>5,457,012</b>	<b>2,280,407</b>	<b>1,381,809</b>	<b>591,816</b>	<b>1,287,291</b>
5210-Children with Disabilities Curricular Services	1,960,982	2,876,792	1,570,533	1,399,439	2,014,221
5230-Pre-K Children with Disabilities Curricular Services	2,000	69,563	-	295,840	-
5240-Speech & Language Pathological Services	134,679	1,212,112	-	-	-
5260-Academically/Intellectually Gifted Curricular Services	-	10,765	-	-	-
5270-LEP Services	116,569	92,298	143,762	97,290	161,667
<b>Total 5200 - Special Population Services</b>	<b>2,214,230</b>	<b>4,261,529</b>	<b>1,714,295</b>	<b>1,792,569</b>	<b>2,175,888</b>
5310-Alternative Instructional Services K-12	1,416,674	83,738	84,560	608	-
5320-Attendance & Social Work Services	547,365	60,000	-	-	-
5330-Remedial & Supplemental K-12 Services	1,648,313	2,389,509	1,950,228	1,310,340	-
5340-Pre-K Readiness/Remedial & Supplemental	-	14,242	-	-	43,722

5350-Extended Day/Year Instructional Services	2,226,777	1,081,927	720,497	31,356	-
5360-School Extension Learning Recovery and Enrichment Program Instructional Services	1,083,925	-	-	-	-
<b>Total 5300 - Alternative Program Services</b>	<b>6,923,054</b>	<b>3,629,416</b>	<b>2,755,285</b>	<b>1,342,304</b>	<b>43,722</b>
5404-School Building Support Staff	-	538	-	-	-
<b>Total 5400 - School Leadership Services</b>	<b>-</b>	<b>538</b>	<b>-</b>	<b>-</b>	<b>-</b>
5810-Educational Media Services	-	12,315	-	-	-
5830-Guidance Services	161,099	138,000	-	-	-
5840-Health Services	228,474	449,767	106,503	144,209	-
5860-Instructional Tech Services	173,404	140,753	145,270	-	-
5870-Staff Development	-	15,000	-	3,653	-
5880-Parent Involvement Services	50,846	59,527	25,365	16,312	-
<b>Total 5800 - School-Based Services</b>	<b>613,823</b>	<b>815,362</b>	<b>277,138</b>	<b>164,174</b>	<b>-</b>
6120-Voc Curricular Support & Development Services	1,199	5,000	2,000	2,126	3,000
<b>Total 6100 - Support and Development Services</b>	<b>1,199</b>	<b>5,000</b>	<b>2,000</b>	<b>2,126</b>	<b>3,000</b>
6200-Spec Pop Support/Development Services	558,718	517,529	685,119	770,026	-
6201-Children W/Disabilities Support	50,281	59,881	294,047	378,686	-
<b>Total 6200 - Special Population Support and Development Services</b>	<b>608,999</b>	<b>577,411</b>	<b>979,166</b>	<b>1,148,712</b>	<b>-</b>
6300-Alternative Programs Support and Development Services	297,938	253,150	80,332	177,611	-
<b>Total 6300 - Alternative Programs Support and Development Services</b>	<b>297,938</b>	<b>253,150</b>	<b>80,332</b>	<b>177,611</b>	<b>-</b>

6540-Custodial/Housekeeping Serv	-	350,000	-	-	-
6550-Transportation of Pupils	411,587	455,954	149,356	25,000	-
6580-Maintenance Services	2,622	-	-	-	-
<b>Total 6500 - Operational Support Services</b>	<b>414,209</b>	<b>805,954</b>	<b>149,356</b>	<b>25,000</b>	<b>-</b>
6620-Human Resource Services	-	102,253	-	206	-
<b>Total 6600 - Financial and Human Resource Services</b>	<b>-</b>	<b>102,253</b>	<b>-</b>	<b>206</b>	<b>-</b>
6940-Leadership Services	5,000	5,000	5,000	450	-
6950-Public Relations and Marketing Services	13,853	-	-	-	-
<b>Total 6900 - Policy, Leadership, and Public Relations Services</b>	<b>18,853</b>	<b>5,000</b>	<b>5,000</b>	<b>450</b>	<b>-</b>
7200-Nutrition Services	-	5,383	5,383	-	-
<b>Total 7200 - Nutrition Services</b>	<b>85,714</b>	<b>5,383</b>	<b>5,383</b>	<b>-</b>	<b>-</b>
8100-Pay to Other Governments & Transfers of Funds	113,511	469,555	243,812	166,980	-
<b>Total 8100 - Payments to Other Governmental Units</b>	<b>113,511</b>	<b>469,555</b>	<b>243,812</b>	<b>166,980</b>	<b>-</b>
8200-Unbudgeted Federal Grant Funds	84,809	825,250	284,396	183,816	671,604
<b>Total 8200 - Unbudgeted Funds</b>	<b>84,809</b>	<b>825,250</b>	<b>284,396</b>	<b>183,816</b>	<b>671,604</b>
<b>Total Expenditures</b>	<b>\$ 18,649,956</b>	<b>\$ 14,036,208</b>	<b>\$ 7,877,972</b>	<b>\$ 5,595,764</b>	<b>\$ 4,181,505</b>

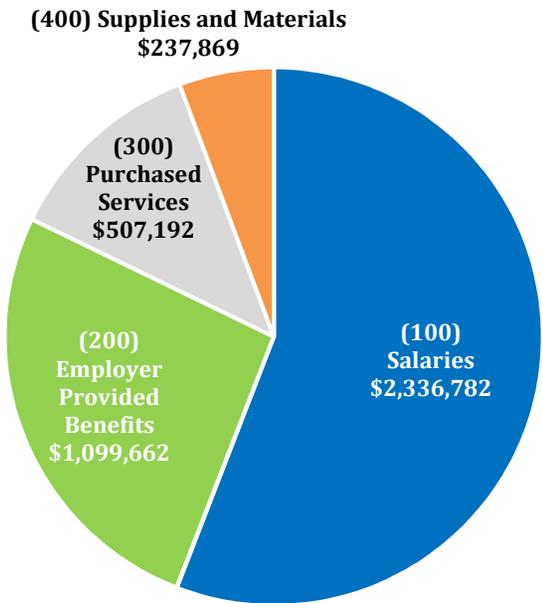
**FY 2026-FY 2029 Federal Grants Fund Forecast (Trend Analysis)**

	Budgeted FY 2026	Linear Regression Projection FY 2027	Linear Regression Projection 2028	Linear Regression Projection FY 2029
<b>Revenues (by Source)</b>				
Revenues from State Sources	\$ -	\$ -	\$ -	\$ -
Revenues from Federal Sources	4,181,505	3,972,430	3,773,808	3,585,118
Revenues from Local Sources	-	-	-	-
Transfers in/Fund Balance Appropriated	-	-	-	-
<b>Total Revenues</b>	<b>\$ 4,181,505</b>	<b>\$ 3,972,430</b>	<b>\$ 3,773,808</b>	<b>\$ 3,585,118</b>
<b>Expenditures (by Object)</b>				
(100) Salaries	\$ 2,336,782	\$ 2,219,943	\$ 2,108,946	\$ 2,003,498
(200) Employer Provided Benefits	1,099,662	1,044,679	992,445	942,823
(300) Purchased Services	507,192	481,832	457,741	434,854
(400) Supplies and Materials	237,869	225,976	214,677	203,943
(500) Capital Outlay	-	-	-	-
(700) Transfers out	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 4,181,505</b>	<b>\$ 3,972,430</b>	<b>\$ 3,773,808</b>	<b>\$ 3,585,118</b>

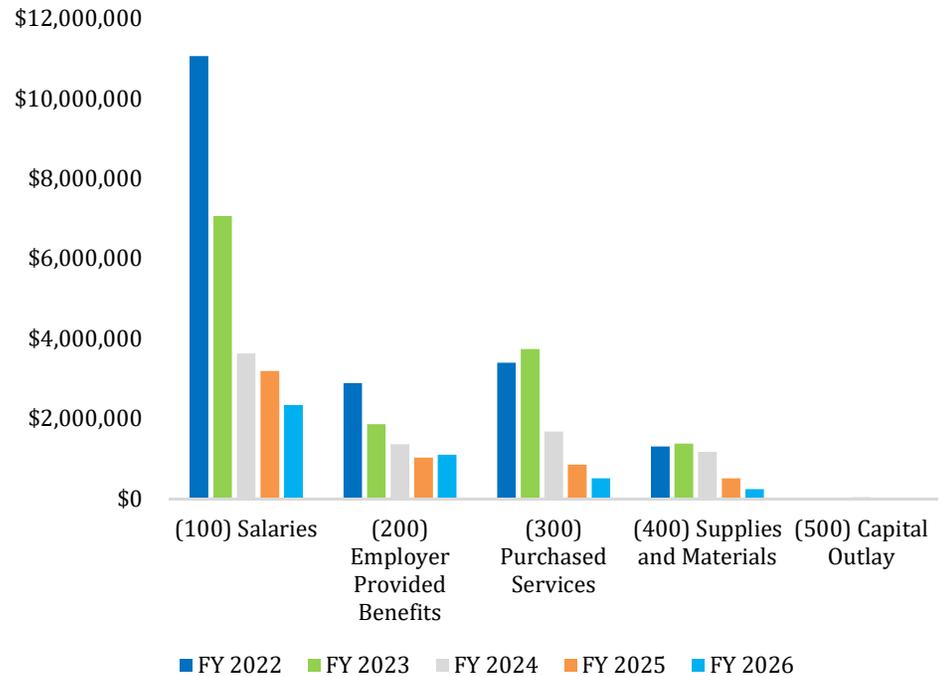
**Note:** These forecasts are strictly based on the statistical forecasting method of linear regression forecasting. This method does not account for external forces or qualitative data that may impact future funding levels. Therefore, these forecasts are not a prediction of the future but rather a deeper analysis of current funding and spending trends. For example, revenues with a linear forecast growing faster than the expenditures linear forecast would indicate sustainable spending trends. The opposite may indicate current spending trends are unsustainable. Both instances require more information and deeper analysis to be used in decision making processes.

**FY 2022-FY 2026 Federal Grants Fund Budgeted Expenditure Analysis**

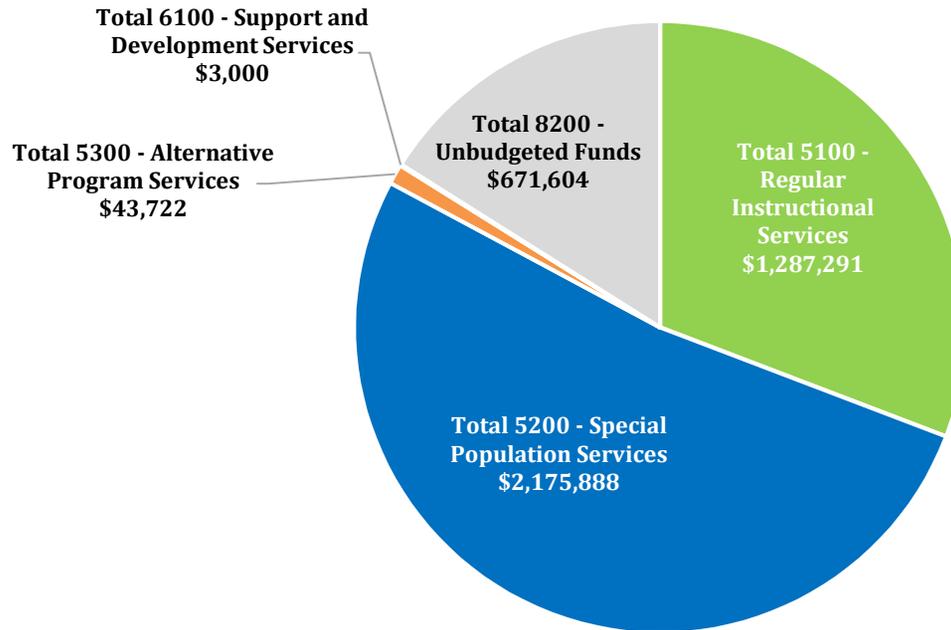
**FY 2026 Federal Grants Fund Budgeted Expenditures by Object**



**Five Year Trends by Object**



### FY 2026 Federal Grants Fund Budgeted Expenditures by Purpose



**Budget Commentary:**

The Federal Grants Fund represents a majority of the revenues received by the District in the form of grants from the Federal Government. It is important to note with this fund that the revenues received are often on temporary timelines with an eventual expiration date. Therefore, it is difficult to compare historical data and use historical data as a guide for future years. Additionally, the Federal Grants received by the District are on different fiscal year timelines than the July – June timeline of the District. This creates a difficulty in adopting an accurate budget for this fund. The numbers used reflect the planning allotments provided by NCDPI as of the time of writing. It is likely that additional grants will be allotted throughout the year and the Federal Grants budget will be amended at a later date. The purpose code analysis shows that our current Federal Grants funding is mostly targeted towards special populations services and alternative program services like our Exceptional Children Department.

**Capital Outlay Fund**

	Actual FY 2022	Actual FY 2023	Actual FY 2024	Actual FY 2025	Budgeted FY 2026
<b>Revenues (by Source)</b>					
Revenues from State Sources	\$ -	\$ 151,637	\$ 89,836	\$ 493,261	\$ 175,000
Revenues from Federal Sources	-	797,387	1,065,868	-	-
Revenues from Local Sources	14,493,236	27,192,043	25,332,190	23,128,485	22,181,197
Transfers in/Fund Balance Appropriated	1,034,080	1,409,732	654,874	302,099	-
<b>Total Revenues</b>	<b>\$ 15,575,028</b>	<b>\$ 29,550,798</b>	<b>\$ 27,142,768</b>	<b>\$ 23,923,845</b>	<b>\$ 22,356,197</b>
<b>Expenditures (by Object)</b>					
(100) Salaries	\$ -	\$ 91,776	\$ 198,997	\$ 200,321	\$ -
(200) Employer Provided Benefits	-	36,639	78,850	79,192	-
(300) Purchased Services	1,427,614	982,369	3,429,229	3,416,892	832,625
(400) Supplies and Materials	1,937,770	5,800,308	5,176,199	3,974,753	11,819,360
(500) Capital Outlay	12,209,644	22,639,707	18,259,493	16,252,687	9,704,212
(700) Transfers out	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 15,575,028</b>	<b>\$ 29,550,798</b>	<b>\$ 27,142,768</b>	<b>\$ 23,923,845</b>	<b>\$ 22,356,197</b>

	Actual FY 2022	Actual FY 2023	Actual FY 2024	Actual FY 2025	Budgeted FY 2026
<b>Revenues (by Source)</b>					
Revenues from State Sources	\$ -	\$ 151,637	\$ 89,836	\$ 493,261	\$ 175,000
Revenues from Federal Sources	-	797,387	1,065,868	-	-
Revenues from Local Sources	14,493,236	27,192,043	25,332,190	23,128,485	22,181,197
Transfers in/Fund Balance Appropriated	1,034,080	1,409,732	654,874	302,099	-
<b>Total Revenues</b>	<b>\$ 15,575,028</b>	<b>\$ 29,550,798</b>	<b>\$ 27,142,768</b>	<b>\$ 23,923,845</b>	<b>\$ 22,356,197</b>
<b>Expenditures (by Purpose)</b>					
5110-Regular Curricular Services	\$ 342,907	\$ 1,137,886	\$ 1,328,718	\$ 429,039	\$ 165,495
5132-Cultural Arts Curricular Services	10,000	10,000	10,000	20,000	20,000
<b>Total 5100 - Regular Instructional Services</b>	<b>352,907</b>	<b>1,147,886</b>	<b>1,338,718</b>	<b>449,039</b>	<b>185,495</b>
5840-Health Services	-	74,883	-	-	-
<b>Total 5800 - School-Based Services</b>	<b>-</b>	<b>74,883</b>	<b>-</b>	<b>-</b>	<b>-</b>
6400-Technology Support Services	1,285,000	927,872	2,035,249	1,939,869	2,633,865
<b>Total 6400 - Technology Support Services</b>	<b>1,285,000</b>	<b>927,872</b>	<b>2,035,249</b>	<b>1,939,869</b>	<b>2,633,865</b>
6540-Custodial/Housekeeping Services	163,285	469,789	13,822	9,000	-
6550-Transportation of Pupils	5,000	5,000	5,000	1,373,642	-
6580-Maintenance Services	193,506	1,007,238	2,618,897	2,357,295	-
<b>Total 6500 - Operational Support Services</b>	<b>361,791</b>	<b>1,482,027</b>	<b>2,637,718</b>	<b>3,739,937</b>	<b>-</b>
6943-Asst. Supt. For Support Services	-	-	-	8,408	-
<b>Total 6900 -Policy, Leadership, and Public Relations Services</b>	<b>-</b>	<b>159,147</b>	<b>-</b>	<b>8,408</b>	<b>-</b>
7200-Nutrition Services	64,641	159,148	45,000	45,000	19,170
<b>Total 7200 - Nutrition Services</b>	<b>64,641</b>	<b>159,148</b>	<b>45,000</b>	<b>45,000</b>	<b>19,170</b>

8300-Debt Service	949,648	23,856	56,836	-	-
<b>Total 8300 - Debt Services</b>	<b>949,648</b>	<b>23,856</b>	<b>56,836</b>	<b>-</b>	<b>-</b>
9000-Capital Outlay	12,561,041	25,689,350	21,029,247	17,741,592	19,517,667
<b>Total 9000 - Capital Outlay</b>	<b>12,561,041</b>	<b>25,689,350</b>	<b>21,029,247</b>	<b>17,741,592</b>	<b>19,517,667</b>
<b>Total Expenditures</b>	<b>\$ 15,575,028</b>	<b>\$ 29,550,798</b>	<b>\$ 27,142,768</b>	<b>\$ 23,923,845</b>	<b>\$ 22,356,197</b>

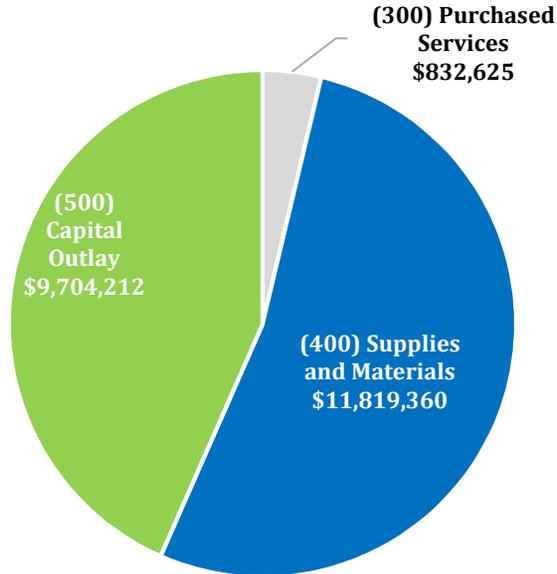
**FY 2026-FY 2029 Capital Outlay Fund Forecast (Trend Analysis)**

	Budgeted FY 2026	Linear Regression Projection FY 2027	Linear Regression Projection 2028	Linear Regression Projection FY 2029
<b>Revenues (by Source)</b>				
Revenues from State Sources	\$ 175,000	\$ -	\$ -	\$ -
Revenues from Federal Sources	-	133,435	53,696	-
Revenues from Local Sources	22,181,197	25,859,139	26,990,376	28,121,612
Transfers in/Fund Balance Appropriated	-	-	-	-
<b>Total Revenues</b>	<b>\$ 22,356,197</b>	<b>\$ 25,992,574</b>	<b>\$ 27,044,072</b>	<b>\$ 28,121,612</b>
<b>Expenditures (by Object)</b>				
(100) Salaries	\$ -	\$ 206,331	\$ 212,521	\$ 218,896
(200) Employer Provided Benefits	-	81,568	84,015	86,535
(300) Purchased Services	832,625	2,391,109	2,515,564	2,640,018
(400) Supplies and Materials	11,819,360	11,122,966	12,916,728	14,710,491
(500) Capital Outlay	9,704,212	12,393,783	11,253,995	10,114,207
(700) Transfers out	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 22,356,197</b>	<b>\$ 26,195,757</b>	<b>\$ 26,982,822</b>	<b>\$ 27,770,147</b>

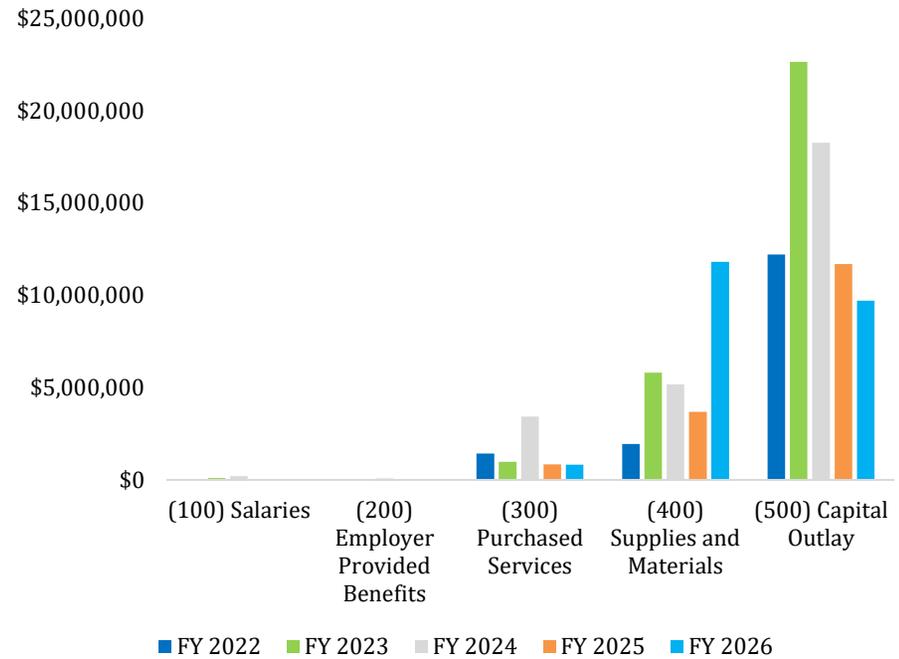
**Note:** These forecasts are strictly based on the statistical forecasting method of linear regression forecasting. This method does not account for external forces or qualitative data that may impact future funding levels. Therefore, these forecasts are not a prediction of the future but rather a deeper analysis of current funding and spending trends. For example, revenues with a linear forecast growing faster than the expenditures linear forecast would indicate sustainable spending trends. The opposite may indicate current spending trends are unsustainable. Both instances require more information and deeper analysis to be used in decision making processes.

**FY 2022-FY 2026 Capital Outlay Budgeted Expenditure Analysis**

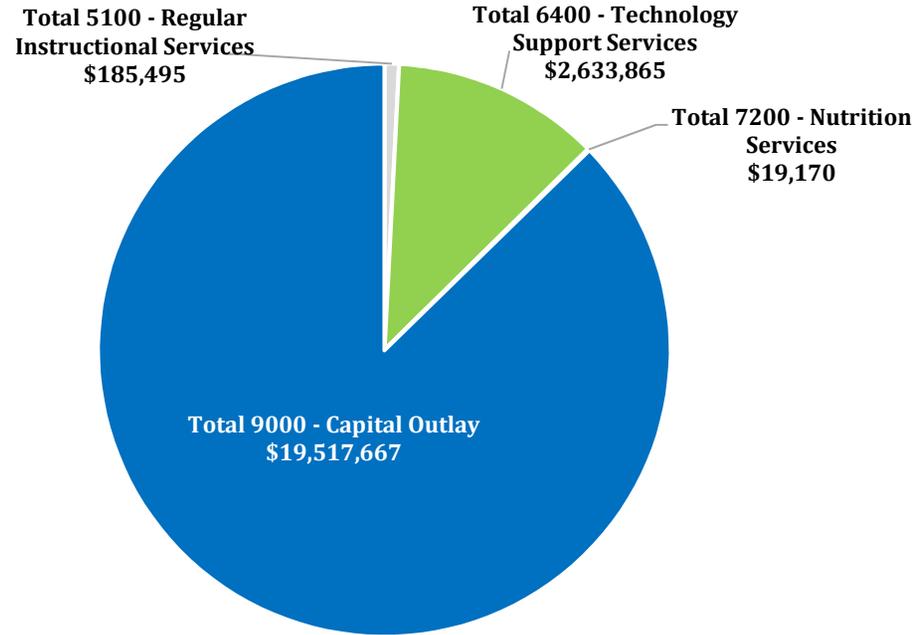
**FY2026 Capital Outlay Budgeted Expenditures by Object**



**Five Year Trend by Object**



### FY 2026 Budgeted Capital Outlay Expenditures by Purpose



**Budget Commentary:**

The Capital Outlay Fund is funding that primarily comes from Orange County to improve and maintain the buildings around the District. The object code trends above show the leveling off of capital funding as the Chapel Hill High School construction project as it came to an end in FY 2021. A large portion of the Capital Outlay Fund is allocated to identified projects and improvement in the Capital Investment Plan (CIP) each year. Major projects included in the approved CIP budget for the District is included below along with the funding sources to match the projects. Further information about completed, ongoing, and upcoming capital improvement projects can be found in the updates provided during the Finance and Facilities Committee meetings as well as in various Board of Education update items.

## FY 2026-35 Major Projects in the Capital Investment Plan (CIP)

### Major Projects

At the June 4th, 2024 Board meeting, the Board adopted the framework for new capital spending and asked that both districts submit bond plans based on their approved funding levels. These plans are to be based on the framework of the Woolpert Optimization Plan. This framework prioritizes replacing old facilities with new facilities and improving the educational adequacy of school buildings. The Bond and Supplemental Pay-Go funds would be used to fund these major projects. County Staff will work with both Districts to optimize the timeline of major projects. Any leftover funds from the major projects can be reallocated to High Priority Needs.

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Bond Funds</b>	\$ -	\$ 47,700,000	\$52,679,868	\$ -	\$4,418,832	\$774,130	\$69,127,170	\$ -	\$ -	\$ -
<b>Pay-Go Funds</b>	5,300,000	6,283,000	5,000,000	572,648	6,000,000	6,240,000	4,820,000	7,665,600	3,431,214	8,561,537
<b>Totals</b>	<b>\$5,300,000</b>	<b>\$53,983,000</b>	<b>\$57,679,868</b>	<b>\$572,648</b>	<b>\$10,418,832</b>	<b>\$7,014,130</b>	<b>\$73,947,170</b>	<b>\$7,665,600</b>	<b>\$3,431,214</b>	<b>\$8,561,537</b>

<b>Total Cumulative Available Funding (All 10 Years)</b>	\$228,573,999	\$223,273,999	\$169,290,999	\$111,611,131	\$111,038,483	\$100,619,651	\$93,605,521	\$19,658,351	\$11,992,751	\$8,561,537
<b>Total Programmed Activities (Spend-Down)</b>	(5,300,000)	(53,983,000)	(57,679,868)	(572,648)	(10,418,832)	(7,014,130)	(73,947,170)	(7,665,600)	(3,431,214)	(8,561,537)
<b>Remaining Balance at Year End</b>	<b>\$223,273,999</b>	<b>\$169,290,999</b>	<b>\$111,611,131</b>	<b>\$111,038,483</b>	<b>\$100,619,651</b>	<b>\$ 93,605,521</b>	<b>\$19,658,351</b>	<b>\$11,992,751</b>	<b>\$ 8,561,537</b>	<b>\$ -</b>

School	Activity	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Carrboro Elementary	Replacement School	\$5,300,000	\$47,700,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Estes Hills Elementary	Replacement School		6,283,000	56,547,000							
Frank Porter Graham Bilingüe School	Replacement School						7,014,130	63,127,170			
McDougle Elementary	Low Slope Roof Replacement (Main Building) (W 2)							6,000,000			
McDougle Middle School	Metal Roof Repair/Replacement (Main/Gym) (W 3)								4,461,594		
Chapel Hill High School	Modified Bitumen Roof Replacement (D) (W 2)					6,000,000					
Morris Grove Elementary	Fire Suppression Replacement (W 1)							4,052,648			
Rashkis Elementary	Fire Suppression Replacement (W 1)									3,431,214	
Mary Scroggs Elementary School	Fire Suppression Replacement (W 1)								3,204,006		
Mary Scroggs Elementary School	Metal Roof Repair (W 3)				572,648						
Ephesus Elementary	Roof Replacement (Main Building) (W 2)					4,418,832					
District Wide	Bond Contingency			1,132,868							
Phillips Middle School	Ductwork Replacement (Main/Auditorium) (W 3)										2,746,208
Phillips Middle School	HVAC WSHP/Pump Replacement (Main) (W 4 to 2)										1,445,845
District Wide	Pay-Go Contingency							767,352			4,369,484
<b>Totals</b>		<b>\$5,300,000</b>	<b>\$53,983,000</b>	<b>\$57,679,868</b>	<b>\$572,648</b>	<b>\$10,418,832</b>	<b>\$7,014,130</b>	<b>\$73,947,170</b>	<b>\$7,665,600</b>	<b>\$3,431,214</b>	<b>\$8,561,537</b>

**Other Local Revenues Fund**

	Actual FY 2022	Actual FY 2023	Actual FY 2024	Actual FY 2025	Budgeted FY 2026
<b>Revenues (by Source)</b>					
Revenues from State Sources	\$ 693,989	\$ 700,000	\$ 1,053,647	\$ 602,140	\$ 642,821
Revenues from Federal Sources	2,599,784	2,968,421	3,383,026	3,554,012	3,658,992
Revenues from Local Sources	8,269,273	5,578,578	5,468,005	4,583,950	3,981,150
Transfers in/Fund Balance Appropriated	90,151	93,817	-	217,764	-
<b>Total Revenues</b>	<b>\$ 11,653,197</b>	<b>\$ 9,340,816</b>	<b>\$ 9,904,678</b>	<b>\$ 8,957,866</b>	<b>\$ 8,282,963</b>
<b>Expenditures (by Object)</b>					
(100) Salaries	\$ 4,252,845	\$ 4,589,067	\$ 4,803,751	\$ 3,896,019	\$ 5,011,301
(200) Employer Provided Benefits	1,297,295	1,348,891	1,744,546	1,374,792	184,383
(300) Purchased Services	5,722,377	2,904,288	3,066,766	3,611,150	3,034,623
(400) Supplies and Materials	380,680	498,570	289,615	75,905	23,575
(500) Capital Outlay	-	-	-	-	29,081
(700) Transfers out	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 11,653,197</b>	<b>\$ 9,340,816</b>	<b>\$ 9,904,678</b>	<b>\$ 8,957,866</b>	<b>\$ 8,282,963</b>

	Actual FY 2022	Actual FY 2023	Actual FY 2024	Actual FY 2025	Budgeted FY 2026
<b>Revenues (by Source)</b>					
Revenues from State Sources	\$ 693,989	\$ 700,000	\$ 1,053,647	\$ 602,140	\$ 642,821
Revenues from Federal Sources	2,599,784	2,968,421	3,383,026	3,554,012	3,658,992
Revenues from Local Sources	8,269,273	5,578,578	5,468,005	4,583,950	3,981,150
Transfers in/Fund Balance Appropriated	90,151	93,817	-	217,764	-
<b>Total Revenues</b>	<b>\$ 11,653,197</b>	<b>\$ 9,340,816</b>	<b>\$ 9,904,678</b>	<b>\$ 8,957,866</b>	<b>\$ 8,282,963</b>
<b>Expenditures (by Purpose)</b>					
5110-Regular Curricular Services	\$ 856,003	\$ 283,598	\$ 416,854	\$ 885,748	\$ 149,000
<b>Total 5100 - Regular Instructional Services</b>	<b>856,003</b>	<b>283,598</b>	<b>416,854</b>	<b>885,748</b>	<b>149,000</b>
5210-Children with Disabilities Curricular Services	898,464	1,035,226	1,755,926	1,156,702	1,203,031
5230-Pre-K Children with Disabilities Curricular Services	366,858	415,618	346,567	320,046	-
5240-Speech & Language Pathological Services	-	76,543	-	-	-
5270-LEP Services	-	-	2,687	-	-
<b>Total 5200 - Special Population Services</b>	<b>1,265,322</b>	<b>1,527,387</b>	<b>2,105,180</b>	<b>1,476,748</b>	<b>1,203,031</b>
5320-Attendance & Social Work Services	-	524,093	882,846	1,030,660	505,133
5330-Remedial & Suppl K-12 Services	-	138,367	212,988	268,830	195,340
5340-Pre-K Readiness/Remedial & Supplemental	2,559,250	2,413,686	2,557,009	2,393,652	3,349,132
5353-Summer School Instruction	100,250	232,726	303,508	-	-
<b>Total 5300 - Alternative Program Services</b>	<b>2,659,500</b>	<b>3,308,872</b>	<b>3,956,351</b>	<b>3,693,142</b>	<b>4,049,605</b>
5503-School Clubs and Other Student Organizations	-	-	300	-	-
<b>Total 5500 - Co-curricular Services</b>	<b>-</b>	<b>-</b>	<b>300</b>	<b>-</b>	<b>-</b>
5810-Educational Media Services	10,375	-	-	-	-
5830-Guidance Services	100,000	160,000	195,625	208,830	-
5840-Health Services	1,276,150	1,278,000	2,539,614	1,711,405	1,497,317
5841-Abc/Stud Health Services	37,000	37,000	40,000	40,000	40,000
5850-Safety and Security Support	595,737	570,000	656,331	814,081	815,000
5870-Staff Development	3,122,910	3,030,975	146,544	29,300	-
<b>Total 5800 - School-Based Services</b>	<b>5,142,172</b>	<b>5,075,975</b>	<b>3,578,113</b>	<b>2,803,616</b>	<b>2,352,317</b>

6110-Regular Curricular Support and Development Services	-	105,365	141,662	-	-
<b>Total 6100 - Support and Development Services</b>	-	<b>105,365</b>	<b>141,662</b>	-	-
6207-LEP Support and Development Services	-	126,179	135,000	-	-
<b>Total 6200 - Special Population Support and Development Services</b>	-	<b>126,179</b>	<b>135,000</b>	-	-
6304-Pre-K Readiness/Remedial and Supplemental Support Services	97,665	102,509	105,235	129,878	-
<b>Total 6300 - Alternative Programs and Services Support and Development Services</b>	<b>97,665</b>	<b>102,509</b>	<b>105,235</b>	<b>129,878</b>	-
6520-Printing and Copying Services	-	-	-	-	-
6550-Transportation of Pupils	1,397	-	-	-	-
<b>Total 6500 - Operational Support Services</b>	<b>1,397</b>	-	-	-	-
6610-Financial Services	2,392	-	100	-	-
<b>Total 6600 - Financial and Human Resource Services</b>	<b>2,392</b>	-	<b>100</b>	-	-
6840-Health Support Services	-	-	-	3,000	-
<b>Total 6800 - System-wide Pupil Support Services</b>	-	-	-	<b>3,000</b>	-
6940-Leadership Services	64,047	170,106	86,028	-	-
6942-Office of Asst. Supt. For Instruction	-	89,500	-	-	-
6945-Office of Strategic Planning	-	-	10,000	-	-
<b>Total 6900 - Policy, Leadership, and Public Relations Services</b>	<b>64,047</b>	<b>259,606</b>	<b>96,028</b>	-	-
8100-Payments to Other Governments & Transfers of Funds	42,454	49,187	72,000	44,399	3,500
<b>Total 8100 - Payments to Other Governmental Units</b>	<b>42,454</b>	<b>49,187</b>	<b>72,000</b>	<b>44,399</b>	<b>3,500</b>
<b>Total Expenditures</b>	<b>\$ 11,653,197</b>	<b>\$ 9,340,816</b>	<b>\$ 9,904,678</b>	<b>\$ 8,957,866</b>	<b>\$ 8,282,963</b>

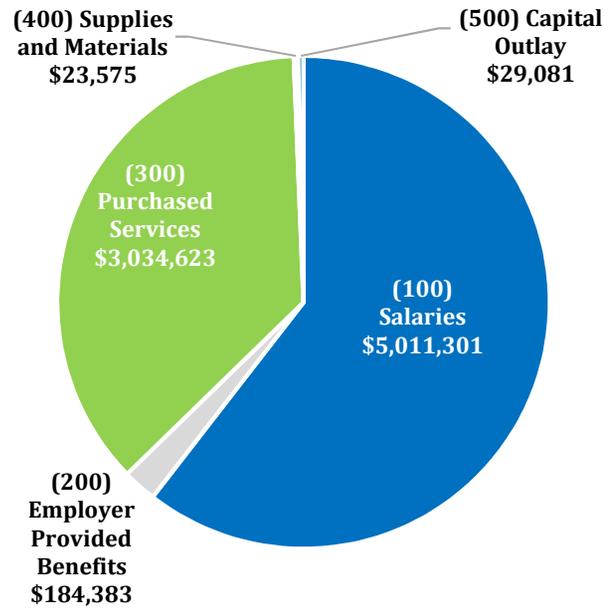
**FY 2026-FY 2029 Other Local Revenues Fund Forecast (Trend Analysis)**

	Budgeted FY 2026	Linear Regression Projection FY 2027	Linear Regression Projection 2028	Linear Regression Projection FY 2029
<b>Revenues (by Source)</b>				
Revenues from State Sources	\$ 642,821	\$ -	\$ -	\$ -
Revenues from Federal Sources	3,658,992	-	-	-
Revenues from Local Sources	3,981,150	2,704,929	1,747,842	790,754
Transfers in/Fund Balance Appropriated	-	-	-	-
<b>Total Revenues</b>	<b>\$ 8,282,963</b>	<b>\$ 2,704,929</b>	<b>\$ 1,747,842</b>	<b>\$ 790,754</b>
<b>Expenditures (by Object)</b>				
(100) Salaries	\$ 5,011,301	\$ 4,012,900	\$ 4,133,287	\$ 4,257,285
(200) Employer Provided Benefits	184,383	1,416,036	1,458,517	1,502,272
(300) Purchased Services	3,034,623	2,267,247	1,800,382	1,333,518
(400) Supplies and Materials	23,575	(87,394)	(201,081)	(314,769)
(500) Capital Outlay	29,081	-	-	-
(700) Transfers out	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 8,282,963</b>	<b>\$ 7,608,789</b>	<b>\$ 7,191,105</b>	<b>\$ 6,778,307</b>

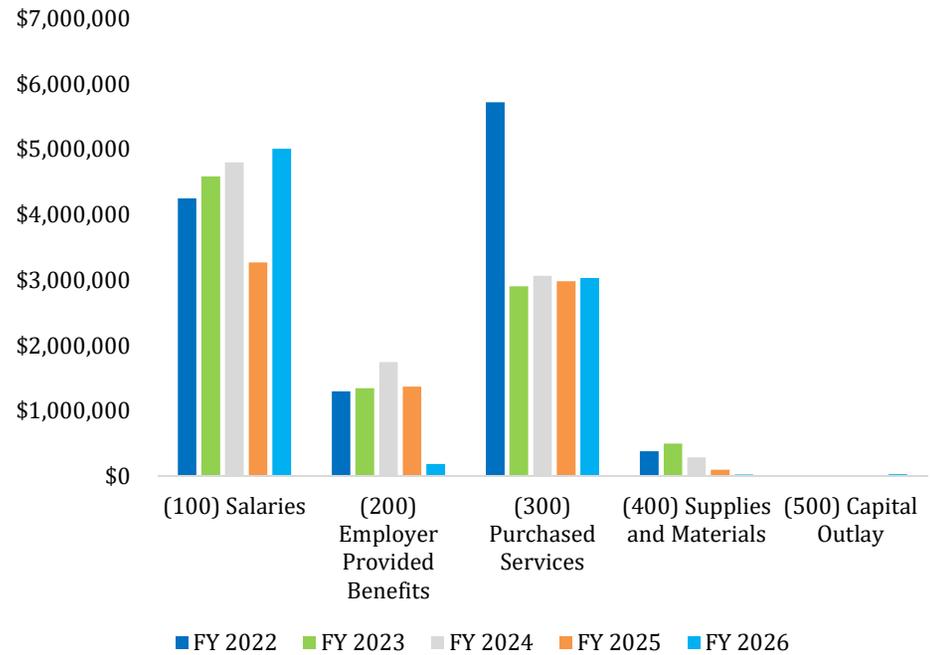
**Note:** These forecasts are strictly based on the statistical forecasting method of linear regression forecasting. This method does not account for external forces or qualitative data that may impact future funding levels. Therefore, these forecasts are not a prediction of the future but rather a deeper analysis of current funding and spending trends. For example, revenues with a linear forecast growing faster than the expenditures linear forecast would indicate sustainable spending trends. The opposite may indicate current spending trends are unsustainable. Both instances require more information and deeper analysis to be used in decision making processes.

**FY 2022-FY 2026 Other Local Revenues Fund Budgeted Expenditure Analysis**

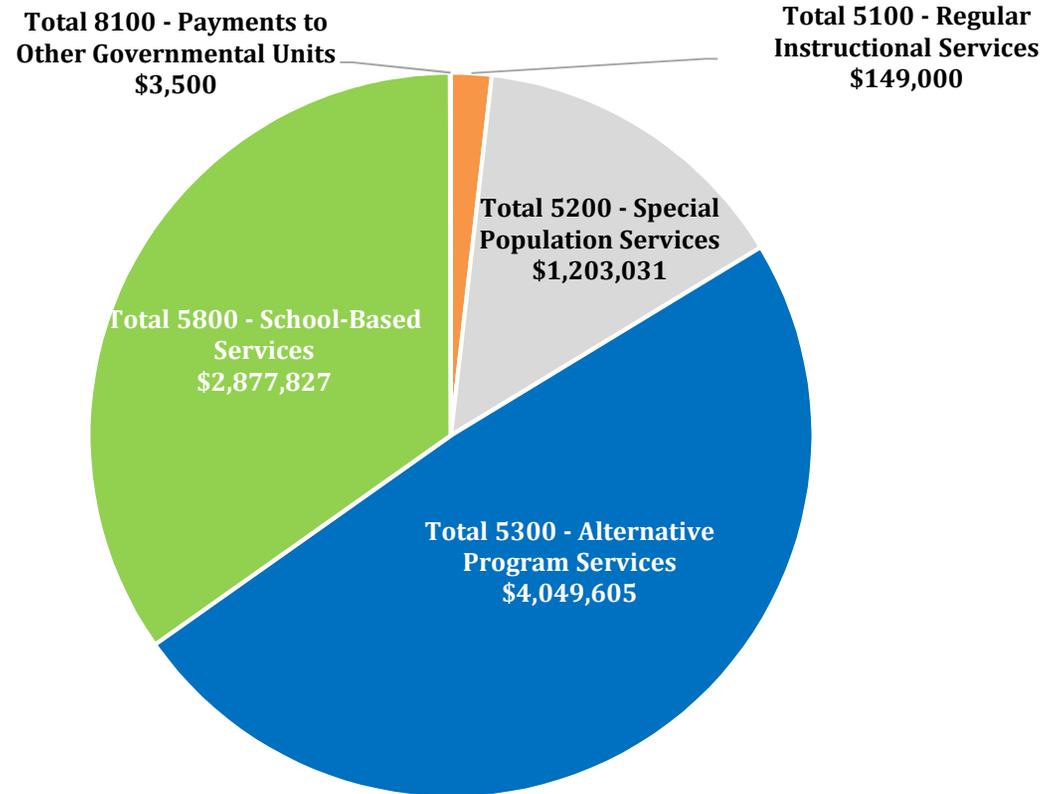
**FY 2026 Other Local Revenues Fund Budgeted Expenditures by Object**



**Five Year Trend by Object**



### FY 2026 Other Local Revenues Fund Budgeted Expenditures by Purpose



## **Summary Data for Individual Funds**

Actual FY 2022 – Projected FY 2029

Revenues by Source and Expenditures by Object and Purpose (Level Three Data)

**Child Nutrition Fund**

	Actual FY 2022	Actual FY 2023	Actual FY 2024	Actual FY 2025	Budgeted FY 2026
<b>Revenues (by Source)</b>					
Revenues from State Sources	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues from Federal Sources	3,552,300	2,552,300	2,892,300	2,844,669	2,844,669
Revenues from Local Sources	1,967,000	1,967,000	1,967,000	2,028,570	2,028,570
Transfers in/Fund Balance Appropriated	57,340	73,633	73,633	79,017	79,017
<b>Total Revenues</b>	<b>\$ 5,576,640</b>	<b>\$ 4,592,933</b>	<b>\$ 4,932,933</b>	<b>\$ 4,952,256</b>	<b>\$ 4,952,256</b>
<b>Expenditures (by Object)</b>					
(100) Salaries	\$ 731,500	\$ 731,500	\$ 731,500	\$ 525,640	\$ 525,640
(200) Employer Provided Benefits	288,000	288,000	288,000	230,166	230,166
(300) Purchased Services	4,159,034	3,159,034	3,481,034	3,796,133	3,796,133
(400) Supplies and Materials	149,192	152,683	200,683	216,300	216,300
(500) Capital Outlay	248,914	261,716	231,716	184,017	184,017
(700) Transfers out	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 5,576,640</b>	<b>\$ 4,592,933</b>	<b>\$ 4,932,933</b>	<b>\$ 4,952,256</b>	<b>\$ 4,952,256</b>

	Actual FY 2022	Actual FY 2023	Actual FY 2024	Actual FY 2025	Budgeted FY 2026
<b>Revenues (by Source)</b>					
Revenues from State Sources	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues from Federal Sources	3,552,300	2,552,300	2,892,300	2,844,669	2,844,669
Revenues from Local Sources	1,967,000	1,967,000	1,967,000	2,028,570	2,028,570
Transfers in/Fund Balance Appropriated	57,340	73,633	73,633	79,017	79,017
<b>Total Revenues</b>	<b>\$ 5,576,640</b>	<b>\$ 4,592,933</b>	<b>\$ 4,932,933</b>	<b>\$ 4,952,256</b>	<b>\$ 4,952,256</b>
<b>Expenditures (by Purpose)</b>					
7200-Nutrition Services	\$ 5,373,340	\$ 4,389,633	\$ 4,887,776	\$ 4,897,256	\$ 4,897,256
<b>Total 7200 - Nutrition Services</b>	<b>5,373,340</b>	<b>4,389,633</b>	<b>4,887,776</b>	<b>4,897,256</b>	<b>4,897,256</b>
8100-Payments to Other Governments & Transfers of Funds	203,300	203,300	45,157	55,000	55,000
<b>Total 8100 - Payments to Other Governmental Units</b>	<b>203,300</b>	<b>203,300</b>	<b>45,157</b>	<b>55,000</b>	<b>55,000</b>
<b>Total Expenditures</b>	<b>\$ 5,576,640</b>	<b>\$ 4,592,933</b>	<b>\$ 4,932,933</b>	<b>\$ 4,952,256</b>	<b>\$ 4,952,256</b>

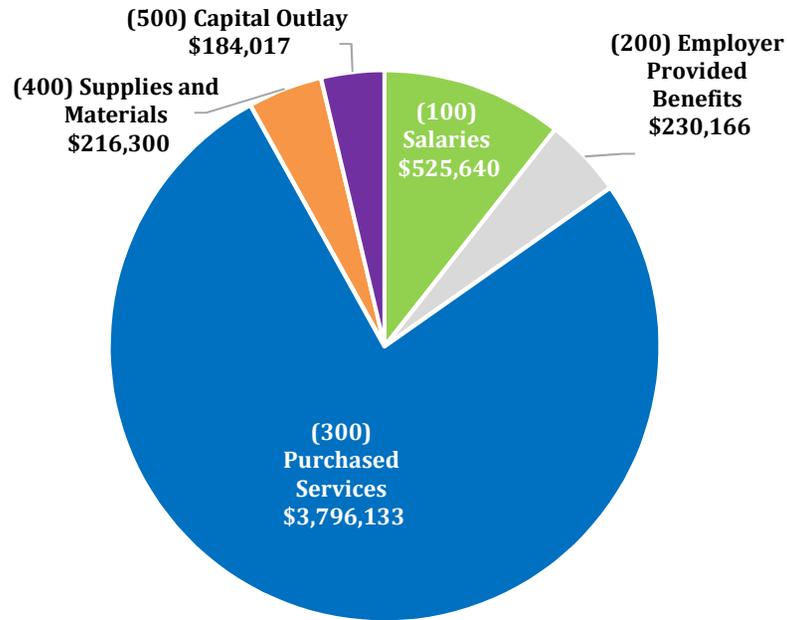
**FY 2026-FY 2029 Child Nutrition Fund Forecast (Trend Analysis)**

	Budgeted FY 2026	Linear Regression Projection FY 2027	Linear Regression Projection 2028	Linear Regression Projection FY 2029
<b>Revenues (by Source)</b>				
Revenues from State Sources	\$ -	\$ -	\$ -	\$ -
Revenues from Federal Sources	2,844,669	2,600,380	2,488,090	2,375,801
Revenues from Local Sources	2,028,570	2,047,041	2,065,512	2,083,983
Transfers in/Fund Balance Appropriated	79,017	-	-	-
<b>Total Revenues</b>	<b>\$ 4,952,256</b>	<b>\$ 4,647,421</b>	<b>\$ 4,553,602</b>	<b>\$ 4,459,784</b>
<b>Expenditures (by Object)</b>				
(100) Salaries	\$ 525,640	\$ 541,409	\$ 557,651	\$ 574,381
(200) Employer Provided Benefits	230,166	237,071	244,183	251,509
(300) Purchased Services	3,796,133	3,651,663	3,642,792	3,633,922
(400) Supplies and Materials	216,300	246,382	266,165	285,948
(500) Capital Outlay	184,017	-	-	-
(700) Transfers out	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 4,952,256</b>	<b>\$ 4,676,524</b>	<b>\$ 4,710,792</b>	<b>\$ 4,745,760</b>

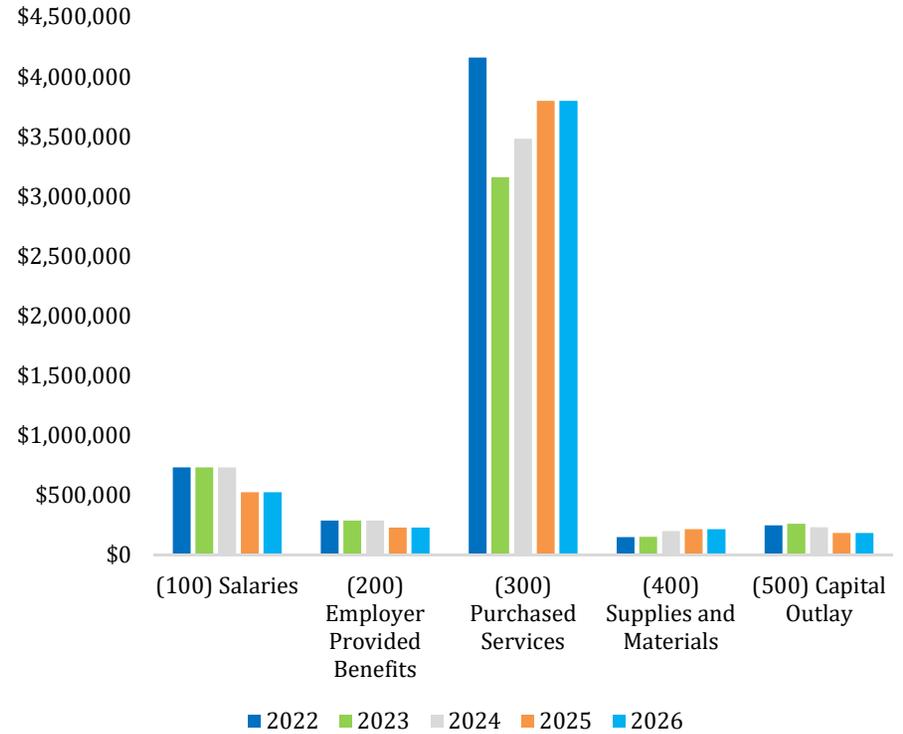
**Note:** These forecasts are strictly based on the statistical forecasting method of linear regression forecasting. This method does not account for external forces or qualitative data that may impact future funding levels. Therefore, these forecasts are not a prediction of the future but rather a deeper analysis of current funding and spending trends. For example, revenues with a linear forecast growing faster than the expenditures linear forecast would indicate sustainable spending trends. The opposite may indicate current spending trends are unsustainable. Both instances require more information and deeper analysis to be used in decision making processes.

**FY 2022-FY 2026 Child Nutrition Budgeted Expenditure Analysis**

**FY 2026 Budgeted Child Nutrition Expenditures by Object**



**Five Year Trends by Object**



**Community Schools Fund**

	Actual FY 2022	Actual FY 2023	Actual FY 2024	Actual FY 2025	Budgeted FY 2026
<b>Revenues (by Source)</b>					
Revenues from State Sources	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues from Federal Sources	-	-	-	82,000	-
Revenues from Local Sources	1,932,797	1,931,189	2,192,898	2,512,949	2,512,949
Transfers in/Fund Balance Appropriated	50,000	51,608	224,899	-	-
<b>Total Revenues</b>	<b>\$ 1,982,797</b>	<b>\$ 1,982,797</b>	<b>\$ 2,417,797</b>	<b>\$ 2,594,949</b>	<b>\$ 2,512,949</b>
<b>Expenditures (by Object)</b>					
(100) Salaries	\$ 1,312,321	\$ 1,298,633	\$ 1,641,321	\$ 1,494,785	\$ 1,494,785
(200) Employer Provided Benefits	440,665	250,605	433,597	491,407	491,407
(300) Purchased Services	78,231	281,979	197,189	463,067	381,067
(400) Supplies and Materials	151,580	151,580	145,690	145,690	145,690
(500) Capital Outlay	-	-	-	-	-
(700) Transfers out	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 1,982,797</b>	<b>\$ 1,982,797</b>	<b>\$ 2,417,797</b>	<b>\$ 2,594,949</b>	<b>\$ 2,512,949</b>

	Actual FY 2022	Actual FY 2023	Actual FY 2024	Actual FY 2025	Budgeted FY 2026
<b>Revenues (by Source)</b>					
Revenues from State Sources	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues from Federal Sources	-	-	-	82,000	-
Revenues from Local Sources	1,932,797	1,931,189	2,192,898	2,512,949	2,512,949
Transfers in/Fund Balance Appropriated	50,000	51,608	224,899	-	-
<b>Total Revenues</b>	<b>\$ 1,982,797</b>	<b>\$ 1,982,797</b>	<b>\$ 2,417,797</b>	<b>\$ 2,594,949</b>	<b>\$ 2,512,949</b>
<b>Expenditures (by Purpose)</b>					
7100-Community Services	\$ 1,982,797	\$ 1,779,049	\$ 2,417,797	\$ 2,594,949	\$ 2,512,949
<b>Total 7100 - Community Services</b>	<b>1,982,797</b>	<b>1,779,049</b>	<b>2,417,797</b>	<b>2,594,949</b>	<b>2,512,949</b>
8100-Payments to Other Governments & Transfers of Funds	-	203,748	-	-	-
<b>Total 8100 - Payments to Other Governmental Units</b>	<b>-</b>	<b>203,748</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>\$ 1,982,797</b>	<b>\$ 1,982,797</b>	<b>\$ 2,417,797</b>	<b>\$ 2,594,949</b>	<b>\$ 2,512,949</b>

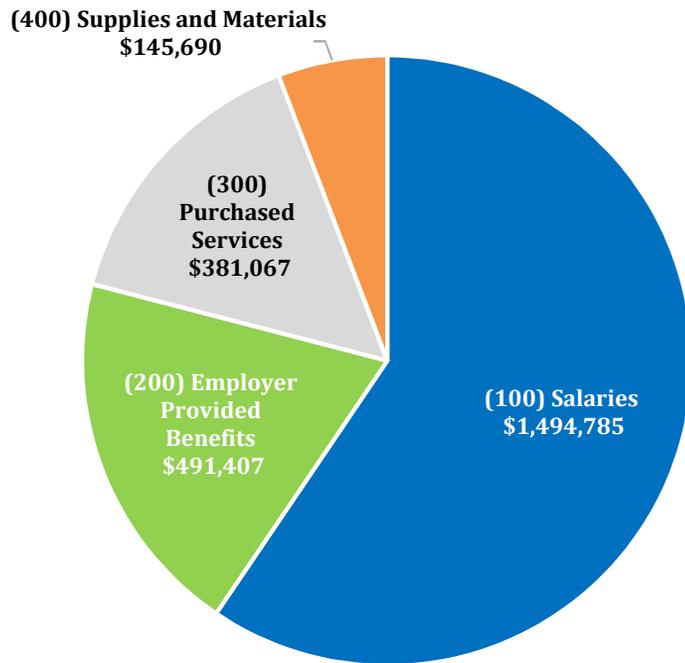
**FY 2026-FY 2029 Community Schools Fund Forecast (Trend Analysis)**

	Budgeted FY 2026	Linear Regression Projection FY 2027	Linear Regression Projection 2028	Linear Regression Projection FY 2029
<b>Revenues (by Source)</b>				
Revenues from State Sources	\$ -	\$ -	\$ -	\$ -
Revenues from Federal Sources	-	41,000	49,200	57,400
Revenues from Local Sources	2,512,949	2,739,176	2,913,382	3,087,588
Transfers in/Fund Balance Appropriated	-	-	-	-
<b>Total Revenues</b>	<b>\$ 2,512,949</b>	<b>\$ 2,780,176</b>	<b>\$ 2,962,582</b>	<b>\$ 3,144,988</b>
<b>Expenditures (by Object)</b>				
(100) Salaries	\$ 1,494,785	\$ 1,539,629	\$ 1,585,817	\$ 1,633,392
(200) Employer Provided Benefits	491,407	506,149	521,334	536,974
(300) Purchased Services	381,067	516,335	595,011	673,687
(400) Supplies and Materials	145,690	142,745	140,978	139,211
(500) Capital Outlay	-	-	-	-
(700) Transfers out	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 2,512,949</b>	<b>\$ 2,704,857</b>	<b>\$ 2,843,140</b>	<b>\$ 2,983,263</b>

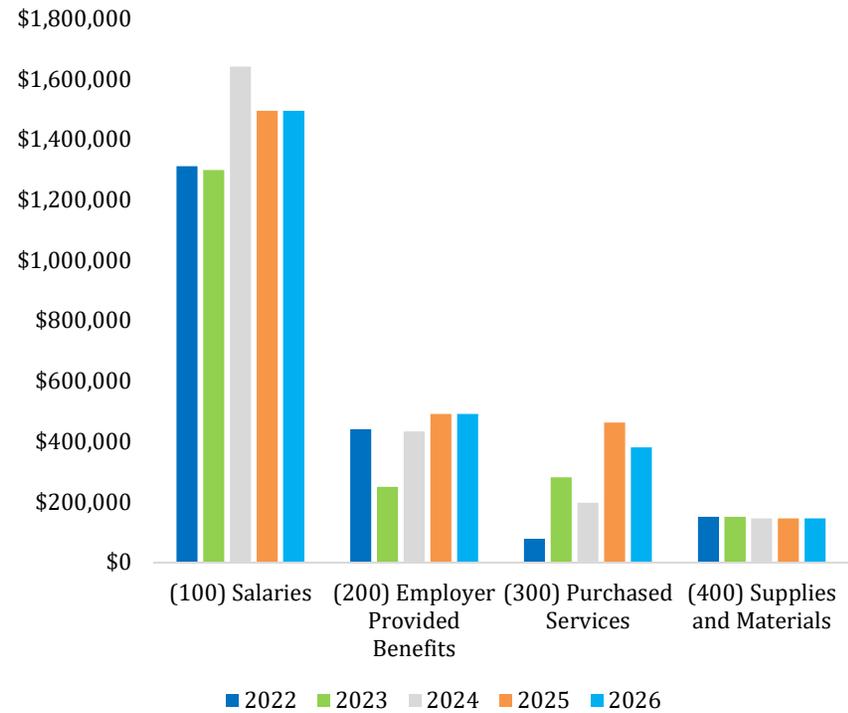
**Note:** These forecasts are strictly based on the statistical forecasting method of linear regression forecasting. This method does not account for external forces or qualitative data that may impact future funding levels. Therefore, these forecasts are not a prediction of the future but rather a deeper analysis of current funding and spending trends. For example, revenues with a linear forecast growing faster than the expenditures linear forecast would indicate sustainable spending trends. The opposite may indicate current spending trends are unsustainable. Both instances require more information and deeper analysis to be used in decision making processes.

**FY2022-2026 Community Schools Budgeted Expenditure Analysis**

**FY 2026 Community Schools Budgeted Expenditures by Object**



**Five Year Trends by Object**





# INFORMATIONAL SECTION



Chapel Hill – Carrboro City Schools  
750 S Merritt Mill Road, Chapel Hill, NC 27516  
Web Site: [chccs.org](http://chccs.org)  
Prepared by the Business and Financial Services Division  
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### Roadmap to the Informational Section

The Informational Section of this budget document provides even deeper statistical information that supplements and indirectly shapes the overall budget for the district. First is an analysis of the tax base, rates, and effects on the average tax payer in Orange County. The taxes collected by Orange County are the base of the funding in the District’s Local Operating Budget. Next is an analysis of the District’s student enrollments. These trends shape many aspects of the budget that are allocated per pupil and based on the enrollment levels. Following that are several tables outlining personnel, relevant bond information, and District performance measures. These are all important supplemental pieces of information about how the District operates efficiently and the student outcomes that are produced. The final parts of the section are a glossary of acronyms and a glossary of various terms that were used throughout the document.

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### Assessed Value of Taxable Property (Historical)

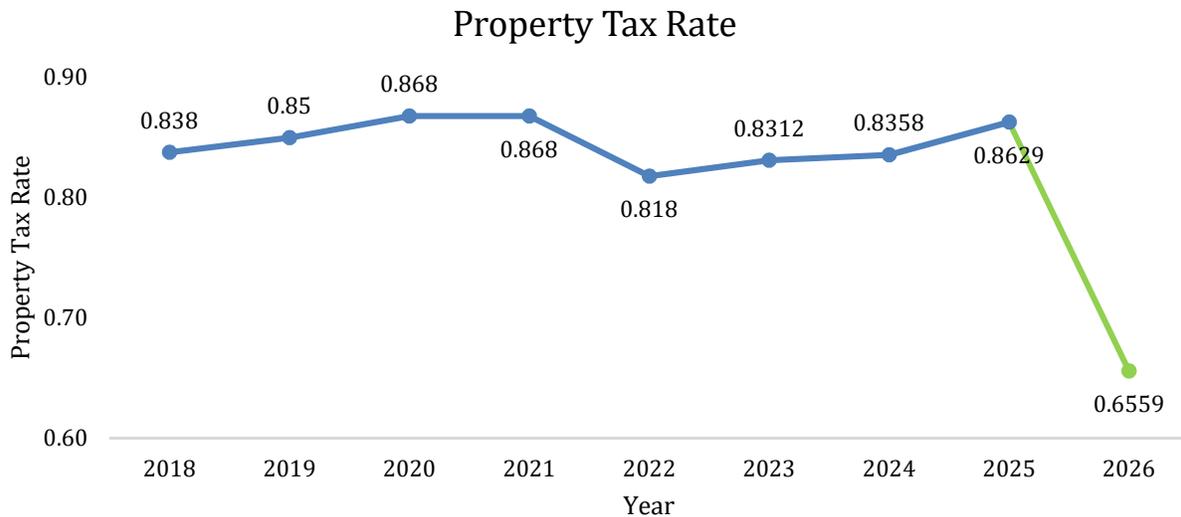
Real property taxes are levied on the assessed value of real estate owned by businesses, individuals, and public service corporations. Personal property taxes are levied on the assessed market value of tangible property such as vehicles, mobile homes, heavy equipment, machinery, and tools. Real property tax assessments are conducted by the County Assessor, while personal property assessments are conducted by the Commissioner of the Revenue. Both real and personal property taxes are levied on 100% of assessed market value. Rates are established per \$100 of assessed value. The total tax base and tax rates for Orange County over the last 10 fiscal years are summarized below:

Fiscal Year	Real Property	Personal Property	Public-Service Companies	Less Tax-Exempt Property	Total Assessed Value	Direct Tax Rate	Estimated Actual Market Value	Assessed Value as % of Actual Value
2024	20,399,712,524	2,208,133,210	411,484,411	84,064,353	23,019,330,145	0.8353	31,984,397,417	69.47%
2023	20,915,506,497	1,504,996,150	386,793,191	81,256,223	22,421,502,597	0.8312	27,353,303,156	81.97%
2022	19,776,883,656	1,884,947,740	364,879,155	82,177,022	21,944,533,529	0.8187	22,233,569,938	98.70%
2021	17,333,962,055	1,769,659,485	346,332,873	77,934,293	19,449,954,413	0.8679	21,885,849,476	88.87%
2020	16,974,899,491	1,726,673,593	337,564,917	82,646,419	18,956,491,582	0.8679	21,116,733,410	89.77%
2019	16,603,198,106	1,821,061,820	337,735,426	80,381,765	18,681,613,587	0.8504	20,299,482,328	92.03%
2018	16,385,248,774	1,711,150,366	315,583,138	81,081,408	18,330,900,870	0.8377	19,247,060,972	95.24%
2017	15,168,750,327	1,620,578,558	306,434,830	71,244,631	17,024,519,084	0.8780	19,932,700,016	85.41%
2016	15,020,157,254	1,442,897,338	382,744,805	67,617,005	16,778,182,392	0.8780	19,676,536,170	85.27%
2015	14,863,350,430	1,461,891,252	244,191,811	67,500,359	16,501,933,134	0.8780	19,323,118,424	85.40%

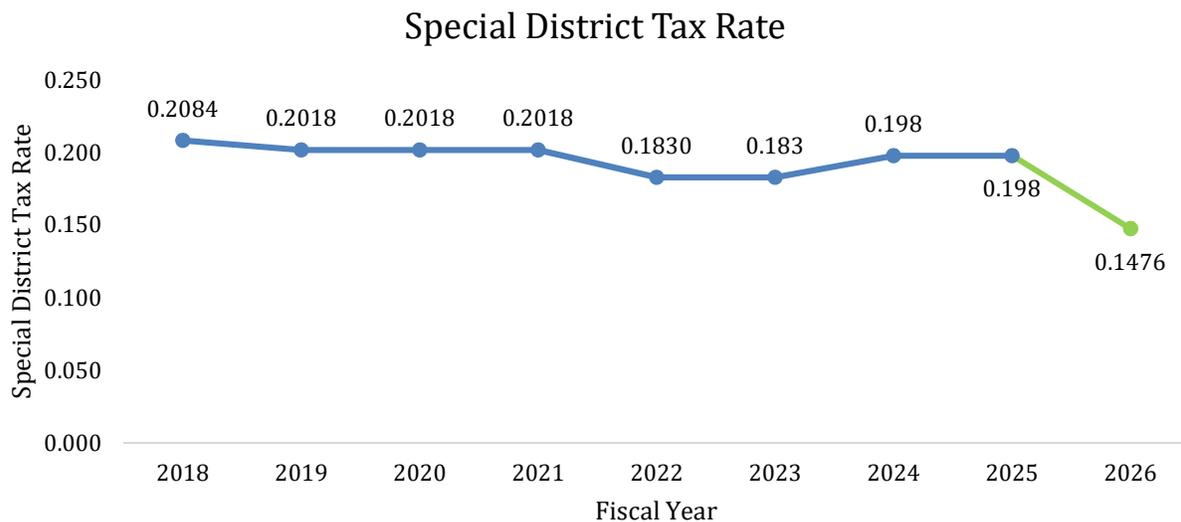
Source: Orange County Comprehensive Annual Report for the Fiscal Year 2023-24



There are two tax rates that are critical to the funding of our school district. These tax rates are managed and set by the Orange County Government during their annual budget adoption. The first rate to consider is the property tax rate (direct tax). The property rate is levied per \$100 of assessed value of the property. It is the primary revenue source for the County comprising of over 70% of revenues in the General Fund. The table below shows the property tax rate trend since 2018:



The second critical funding source for the school district comes in the form of the Special District Tax. This tax is levied per \$100 of assessed property value for tax payers located in the Chapel Hill-Carrboro City Schools District. The table below shows the Special District Tax rate trends since 2018:



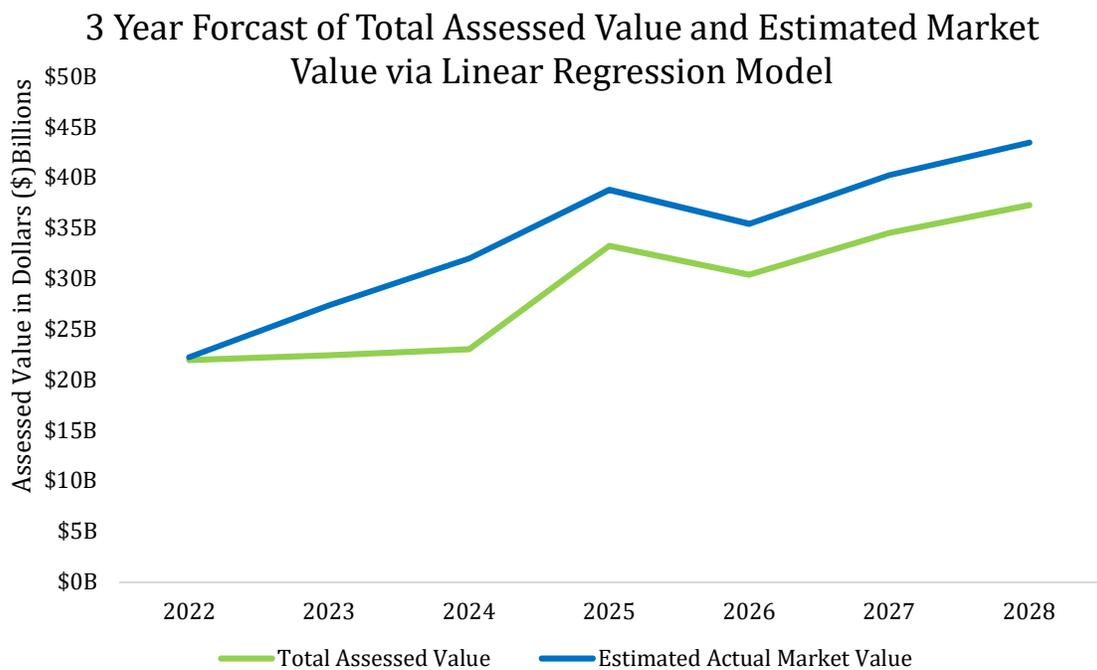
### 3 Year Projection of the Assessed Value of Taxable Property

The FY 2024-25 Orange County Commissioner Approved Annual Operating Budget states, “Taxes in this category reflect all taxable property valued as of January 2025. Revenues generated by current taxes are based on a tax rate of 63.83 cents per \$100 assessed valuation. This represents a revenue neutral tax rate of 62.64 cents per \$100 assessed valuation, plus a 1.19 cent tax rate increase. The County’s budgeted real property tax base is projected to be \$30.3 billion for the 2025-26 fiscal year. The other components of the County’s tax base include Motor Vehicles (budgeted valuation of \$1.7 billion); personal property and Utilities & Corporate Excess (budgeted valuation of \$1.2 billion).”

Type	Fiscal Year	Total Assessed Value	Estimated Actual Market Value
Actual	2022	\$21,944,533,529	\$22,233,569,938
Actual	2023	\$21,887,879,929	\$23,555,110,662
Actual	2024	\$23,019,330,145	\$31,984,397,417
County Estimate*	2025	\$33,254,442,655	\$38,777,977,815
Projection	2026	\$30,373,327,351	\$35,418,311,664
Projection	2027	\$34,509,785,566	\$40,241,832,135
Projection	2028	\$37,278,838,336	\$43,470,822,259

\*Source: Orange County FY 2025-26 Commissioner Approved Annual Operating Budget

Note: The projections are made based on historical data and estimates in the FY 2025-26 Orange County Commissioner’s Approved Budget



\*District Projections made based on historical data and estimates in the FY 2025-26 Orange County Commissioner’s Approved Budget

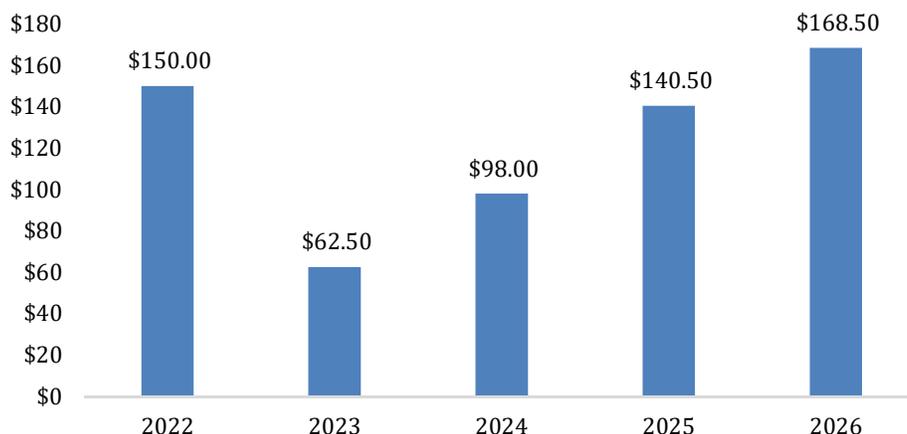
### Tax Rate’s Effect on the Average Taxpayer

Provided below is the historical and projected impact of the total direct tax rate levied by Orange County each fiscal year on a home in the Chapel Hill – Carrboro City Schools district valued at \$500,000. According to the North Carolina Department of Revenue (NCDOR), to properly calculate the tax bill on a property, “Multiply the applicable county and municipal/district combined tax rate to the county tax appraisal of the property.” Assuming the average county tax appraisal remained at \$500,000 each year the effects of the historical and projected tax rates on the average taxpayer are as follows:

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<i>Current Year</i> <u>2026</u>
Home Value at \$500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Chapel Hill - Carrboro City Schools Special District Tax Increase above the Revenue Neutral Rate (cents)	-	-	1.50¢	-	0.42¢
Total Direct Tax Rate (per \$100) Increase Above the Revenue Neutral Rate (cents)	3.00¢	1.25¢	0.46¢	2.81¢	2.95¢
Increase in Real Estate Taxes Applicable to Orange County	<b>\$ 150.00</b>	<b>\$ 62.50</b>	<b>\$ 98.00</b>	<b>\$ 140.50</b>	<b>\$ 168.50</b>

*\*Source: Orange County FY 2022-26 Commissioner Approved Annual Operating Budgets*

### Increase in Real Estate Taxes Applicable to Orange County



### Property Tax Rates and Collections in Orange County

*Current Taxes* – These taxes are the major revenue source in the General Fund comprising about 70% percent of the total General Fund revenue. Taxes in this category reflect all taxable property valued as of January 2025. Revenues generated by current taxes are based on a tax rate of 63.83 cents per \$100 assessed valuation. This represents a revenue neutral tax rate of 62.64 cents per \$100 assessed valuation, plus a 1.19 cent tax rate increase. The County’s budgeted real property tax base is projected to be \$30.3 billion for the 2025-26 fiscal year. The other components of the County’s tax base include Motor Vehicles (budgeted valuation of \$1.7 billion); personal property and Utilities & Corporate Excess (budgeted valuation of \$1.2 billion).

*Delinquent Taxes* – Taxes in this category include amounts of unpaid collectible property taxes from prior years. The estimate is based on the outstanding levy for prior year taxes at a collection rate consistent with past performance.

*Interest on Delinquent Taxes* – These revenues are related to the interest charges established by State statutes on unpaid property taxes. Interest begins on taxes due as of January 6 at an interest rate of two percent for the first month and for each month that taxes are due, but not paid, the interest rate equals three-fourths of one percent each month.

*Late List Penalties* – These are penalties assessed by the Tax Assessor for property not listed by the January 31 deadline. The penalty is 10 percent of the amount of taxes due.

Tax rate trends were presented with the assessed value of taxable property analysis. The proposed revenue estimates are based on the District’s projections of the total direct tax rate. Below is a table of Orange County Revenues from FY 2022 through FY 2026:

	FY 2022	FY 2023	FY 2024	FY 2025 County Original Budget	FY 2026 Commissioner Approved
Property Taxes	\$180,911,455	\$187,553,595	\$193,132,592	\$201,969,345	\$212,852,374
Sales Tax	37,996,379	43,396,780	42,643,725	44,139,012	44,145,403
Licenses and Permits	268,824	247,428	226,528	274,200	242,000
Intergovernmental	20,943,639	15,270,785	20,542,869	22,017,818	22,313,927
Charges for Services	14,796,717	14,248,687	13,912,281	15,103,690	16,005,107
Investment Earnings	84,805	1,809,873	2,362,680	1,800,000	1,800,000
Miscellaneous	1,344,853	5,136,799	3,734,876	1,000,011	956,775
Transfers from Other Funds	106,691	77,255	1,507,732	1,006,039	665,729
Appropriated Fund Balance	-	-	-	7,100,000	7,056,130
<b>Total Revenue</b>	<b>\$256,453,363</b>	<b>\$267,741,202</b>	<b>\$278,063,284</b>	<b>\$294,410,115</b>	<b>\$306,037,445</b>

Source: Orange County FY 2025-26 Commissioner Approved Annual Operating Budget

### Alternative Tax Collections in Orange County

*Article 39 One Cent* - This is the original 1 percent local option sales tax levied by the County, and is collected and distributed by the State based on local retail sales.

*Article 40 Half-Cent (1st Half Cent)* - Enacted by the County in late 1984, the State collects this revenue and returns it to local governments on a per capita basis. This revenue source is earmarked for both County and School capital projects and debt service.

*Article 42 Half-Cent (Additional Half Cent)* - The tax in this category is similar to the first half cent tax. The General Assembly authorized it in 1986. As with the Article 40 Sales tax, this tax is used to finance school and County capital projects, including debt service payment. There was a change in calculating Article 42 proceeds from a per capita to a point of sale formula during FY 2010-11.

*Article 44 Half Cent (Third Half Cent)* – Authorized by the General Assembly effective December 1, 2002, this tax replaced the reimbursements the State withheld from counties and cities, beginning in FY 2001-02. In FY 2007-08, the General Assembly enacted the Medicaid Relief/Sales Tax Swap (House Bill 1473), which phased out the County’s share of Medicaid expenditures over a three-year period, from FY 2007-08 through FY 2009-10. In exchange, the County ceded Article 44 sales tax to the State beginning October 1, 2009.

*Article 46 One-Quarter Cent* – The Article 46 One-Quarter Cent (1/4 cent) County Sales and Use Tax was approved by Orange County voters in the November 2011 election, and became effective April 1, 2012. A Special Revenue Fund, outside of the General Fund, has been established to receive and account for the One-Quarter Cent (1/4 cent) Sales and Use Tax proceeds. For more information, please refer to the Article 46 Sales Tax section in this document, located after the department budgets.

The table below shows historical values, the current year adopted values, and the proposed year values:

	FY 2022	FY 2023	FY 2024	FY 2025 Original Adopted	FY 2026 Commissioner Approved
Article 39 One Cent	\$14,251,262	\$ 16,430,626	\$ 17,030,801	\$ 17,856,804	\$ 17,718,846
Article 40 Half Cent	11,029,765	11,785,331	11,946,792	12,503,058	12,429,442
Article 42 Half Cent	7,168,511	8,240,839	8,532,318	8,956,144	8,877,023
Article 44 Half Cent	247,562	284,938	307,662	323,006	320,092
Hold Harmless Article 44	5,299,278	6,655,046	4,826,152	4,500,000	4,800,000
<b>Sales Tax Total</b>	<b>\$37,996,378</b>	<b>\$ 43,396,780</b>	<b>\$ 42,643,725</b>	<b>\$ 44,139,012</b>	<b>\$ 44,145,403</b>

Source: Orange County FY 2024-25 Commissioner Approved Annual Operating Budget

## Student Enrollment Analysis

In the District, the budget process begins with an analysis of the upcoming student enrollment because of the many effects it has on funding and allotments. Many funding sources are allotted based on a per pupil count for the district, therefore a significant change in the student population can have a significant change on the budget available in a given year. Projecting beyond just the upcoming year allows the District to be forward-thinking in its preparation and mitigates some of the possibility of surprise changes in funding.

The methodology is important to consider because projections will always be subject to error and cannot account for unexpected or “black-swan” events, such as a global pandemic. However, utilizing the right methods can reveal important trends and provide rough estimates with an acceptable margin of error. The District has utilized a modified cohort survival method based on the previous five years of actual enrollments.

### Cohort Survival Methodology

The cohort survival technique is a statistical forecasting method that uses historical data to compute a survival rate for selected cohorts and applies them to project progression into higher cohorts as time progresses. The District applied this using each grade level as a separate cohort.

A ratio is computed for each grade by dividing the enrollment in that grade by the previous grade from the previous school year. A projection for the following school year of a particular grade is computed by multiplying the enrollment in the previous grade by the ratio of this school year’s current enrollment at said grade and the previous school year’s enrollment in the previous grade. For example, to project a second-grade enrollment of year 1 (next school year), the second-grade enrollment of year 0 (current school year) would be divided by the first-grade enrollment for year -1 (prior school year). The subsequent ratio is then multiplied by the current first grade enrollment to obtain a projection for the upcoming year’s second grade enrollment.

The District has modified this technique slightly by calculating the ratios as an average of five years of data. Instead of calculating just one year to find the survival rate of a cohort, five years of ratios for each grade level are calculated and then the average ratio is applied to future years to get a projection. Using more historical data protects the model from an odd year skewing the data and provides a higher probability that the projected ratio is closer to the actual survival rate in future years.

Kindergarten rates are more difficult to project because there is no cohort below it to calculate a survival rate. The District analyzes the trends in resident birth data for Orange County 4-5 years prior to help project Kindergarten enrollment in a given year. There are many other demographic and economic factors that can affect Kindergarten enrollment in a given year, however it is difficult to monitor all of these. Birth data has proven to be an effective tool in forecasting Kindergarten enrollments so that is the District’s most efficient way to forecast this data.

The methodology begins with gathering the historical data. Several years of enrollment actuals are provided in the table below:

**Historical Enrollment Counts**

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
<b>KIND</b>	848	703	682	693	615	654
<b>1st</b>	854	806	758	708	758	664
<b>2nd</b>	822	794	812	761	717	786
<b>3rd</b>	935	785	823	834	789	754
<b>4th</b>	942	911	799	838	837	802
<b>5th</b>	955	927	908	823	867	862
<b>6th</b>	1,002	923	916	911	840	862
<b>7th</b>	1,021	990	925	939	928	847
<b>8th</b>	999	999	981	944	952	944
<b>9th</b>	1,008	1,035	1,066	1047	1,030	1,014
<b>10th</b>	991	982	1,005	1009	1,028	1,002
<b>11th</b>	996	966	922	965	948	952
<b>12th</b>	897	943	913	897	944	922
<b>Total</b>	<b>12,270</b>	<b>11,764</b>	<b>11,510</b>	<b>11,369</b>	<b>11,253</b>	<b>11,065</b>

Source: NCDPI's Statistical Profile

This historical data is used to calculate several years of cohort survival ratios. Historical resident birth rates show trends used to project Kindergarten enrollments. These data points are provided in the tables below:

**Cohort Survival Ratios**

Grade	FY 2023	FY 2024	FY 2025	Average
1st	1.04	1.09	1.08	<b>1.07</b>
2nd	1.00	1.01	1.04	<b>1.02</b>
3rd	1.03	1.04	1.05	<b>1.04</b>
4th	1.02	1.00	1.02	<b>1.01</b>
5th	1.03	1.03	1.03	<b>1.03</b>
6th	1.00	1.02	0.99	<b>1.01</b>
7th	1.03	1.02	1.01	<b>1.02</b>
8th	1.02	1.01	1.02	<b>1.02</b>
9th	1.07	1.09	1.07	<b>1.07</b>
10th	0.95	0.98	0.97	<b>0.97</b>
11th	0.96	0.94	0.93	<b>0.94</b>
12th	0.97	0.98	0.97	<b>0.97</b>

\*Note: FY 2021 and FY 2022 were excluded due to the COVID-19 Pandemic skewing the ratios. Exclusion of these years has provided a better estimate of the transition ratios between grades in non-pandemic years.

**Historical Resident Birth Rates and Counts in Orange County**

	2016	2017	2018	2019	2020	2021
<b>Resident Birth Rate</b>	8.3	8.1	7.8	7.8	7.4	8.0
<b>Resident Births</b>	1166	1179	1134	1164	1105	1193

Source: North Carolina Vital Statistics, Volume 1 – 2016-2021

The projections produced by each of these calculations are provided in the table below:

**Projected Enrollment Counts**

Grade	FY 2026 Actual 20 <sup>th</sup> Day Enrollment	FY 2026 Originally Projected*	FY 2027 Projected*	FY 2028 Projected*	FY 2029 Projected*
<b>KIND</b>	617	621	609	597	585
<b>1st</b>	684	700	661	665	652
<b>2nd</b>	662	676	696	713	672
<b>3rd</b>	790	816	687	702	723
<b>4th</b>	750	764	800	827	696
<b>5th</b>	798	827	774	788	825
<b>6th</b>	862	867	803	832	778
<b>7th</b>	861	877	877	882	817
<b>8th</b>	862	862	876	892	892
<b>9th</b>	1,027	1,014	926	926	941
<b>10th</b>	979	981	993	981	896
<b>11th</b>	987	944	922	924	936
<b>12th</b>	944	928	962	920	899
<b>Total</b>	<b>10,823</b>	<b>10,877</b>	<b>10,586</b>	<b>10,648</b>	<b>10,312</b>

\*Projections based on a modified cohort survival method

### Personnel Resource Allocations

In the FY 2025-26 budget, there are several previously enacted personnel changes that impacted the development of this budget’s adoption. Faced with a difficult financial position, the District implemented a tiered reduction-in-force (RIF) plan to restructure various aspects and allotments across the District in FY 2024-25. Further information on the plan can be found earlier in the Executive Summary within the budget narrative. The table below shows historical trends in various employee groups and the approximated effect of the reduction-in-force plan on those groups:

Year Ended June 30	Audited 2022	Audited 2023	Audited 2024	Estimated 2025	Proposed 2026
Officials, Admins, Mgrs	35	36	42	42	39
Principals	21	20	20	20	20
Asst. Principals, Non-Teaching	24	27	30	28	25
<b>Total Administrators</b>	<b>80</b>	<b>83</b>	<b>92</b>	<b>90</b>	<b>84</b>
Elementary Teachers	386	378	365	356	345
Secondary Teachers	175	178	192	189	171
Other Teachers	373	359	363	370	352
<b>Total Teachers</b>	<b>934</b>	<b>915</b>	<b>920</b>	<b>915</b>	<b>868</b>
Guidance	40	38	40	40	38
Psychological	13	13	3	11	14
Librarian, Audiovisual	37	37	37	36	30
Consultant, Supervisor	15	19	15	15	15
Other Professionals	180	164	169	185	169
<b>Total School-Based Support</b>	<b>285</b>	<b>271</b>	<b>264</b>	<b>287</b>	<b>266</b>
<b>Total Professionals</b>	<b>1,299</b>	<b>1,269</b>	<b>1,276</b>	<b>1,292</b>	<b>1,218</b>
Teacher Assistants	309	324	302	291	277
Technicians	19	18	18	16	14
Clerical, Secretarial	102	97	101	92	87
Service Workers	83	137	102	59	105
Skilled Crafts	16	20	22	22	23
<b>Totals</b>	<b>1,828</b>	<b>1,866</b>	<b>1,821</b>	<b>1,772</b>	<b>1,724</b>

Source: FY 2024 CHCCS Comprehensive Annual Financial Report and District Estimates

### Outstanding Bond Issues for Orange County

Series	Authorization Date	Original Authorization	Outstanding Amount	Purpose
<b>GENERAL OBLIGATION (GO)</b>				
2017A	11/14/2017	\$5,900,000	\$6,112,796	Schools, County
2017B	11/15/2017	21,000,000	14,467,204	Schools, County
2018	7/12/2018	64,400,000	53,660,000	Schools
2020	6/3/2020	20,060,000	17,045,000	Schools
2021	7/8/2021	2,500,000	2,250,000	County
2022	6/2/2022	14,540,000	13,810,000	Schools
<b>Total GO Bonds</b>		<b>\$141,700,000</b>	<b>\$107,345,000</b>	
<b>INSTALLMENT NOTES PAYABLE</b>				
Various Certificates of Participation		\$7,252,255	\$1,318,592	County, Vehicle, Sportsplex Supported, Solid Waste Supported
Qualified School Construction Bonds	1/27/2011	2,757,623	275,762	Schools
2015 - NM	6/25/2015	12,920,000	7,555,000	County, Vehicle, Sportsplex Supported, Solid Waste Supported, Water and Sewer
2017	11/16/2017	24,657,570	17,952,084	County, Schools, Sportsplex Supported, Solid Waste Supported
2017	11/16/2017	10,110,000	5,283,000	
2018	6/28/2018	7,175,000	3,225,000	County, Schools, Vehicle, Solid Waste
2019A	5/30/2019	12,760,000	9,210,000	Solid Waste Supported, Water and Sewer, Vehicle, Schools, County
2019 B	11/5/2019	28,893,970	17,210,006	County, Schools, Vehicle, Sportsplex Supported, Solid Waste Supported, Water
2020	5/8/2020	39,663,000	32,627,000	County, Schools, Sportsplex Supported, Solid Waste Supported
2021A	6/24/2021	18,490,000	14,920,000	County, Schools, Vehicle, Sportsplex Supported, Solid Waste Supported, Water
2021B	6/24/2021	4,035,555	1,855,592	County, Solid Waste Supported
2022A	5/11/2022	6,885,000	6,060,000	County, Schools, Vehicle, Solid Waste
2022B	5/11/2022	32,483,000	30,856,000	County, Schools, Solid Waste Supported, Sportsplex Supported
2023A	5/16/2023	5,080,000	5,080,000	County, Schools
2023B	5/16/2023	9,218,000	9,218,000	County, Schools
2024A		9,250,000	9,250,000	
2024B		2,080,000	2,080,000	
<b>Total Installment Notes</b>		<b>\$233,710,973</b>	<b>\$173,976,036</b>	
<b>Total Long-Term Debt</b>		<b>\$375,410,973</b>	<b>\$281,321,036</b>	

Source: Orange County FY 2023-24 Orange County Annual Comprehensive Financial Report

## Performance Measures

### Student Statistics

Year Ended June 30	Teaching Staff	Average Daily Membership	Pupil/Teacher Ratio	Student Attendance Percentage	Students Receiving Free/Reduced Lunch Percentage
2024	920	11,266	1:12	N/A	28.59%
2023	915	11,371	1:12	92.94%	30.27%
2022	934	11,425	1:12	93.36%	22.49%
2021	937	11,645	1:13	97.72%	23.41%
2020	927	12,270	1:13	96.75%	23.83%
2019	925	12,296	1:13	95.40%	25.60%
2018	911	12,239	1:13	95.69%	27.45%
2017	900	12,113	1:13	95.62%	23.98%

Source: FY 2024 CHCCS Annual Comprehensive Financial Report (ACFR)

### Graduation Rates

Student Groups	State of North Carolina Cohort Graduation Rates 2024-2025	Chapel Hill-Carrboro Schools Cohort Graduation Rates 2024-2025
	All Students	87.8
Male	85.7	90.4
Female	90.0	91.8
American Indian	84.6	*
Asian	>95	>95
Black	85.8	84.2
Hispanic	82.8	82.3
Two or More Races	86.0	90.3
White	91.0	94.2
Economically Disadvantaged	83.4	82.0
English Learner	71.9	70.3
Students with Disabilities	72.7	74.8
Academically Gifted	>95	>95

Source: NCDPI 2024-2025 Cohort Graduation Rate Reports

### High School Dropout Counts and Rates, 2019-2020 through 2023-2024

LEA	LEA or Charter School	2019-20*		2020-21*		2021-22		2022-23		2023-2024	
		#	Rate	#	Rate	#	Rate	#	Rate	#	Rate
000	North Carolina	7,194	1.53	9,147	1.94	7,194	1.53	9,147	1.94	9,365	1.88
681	Chapel Hill-Carrboro	25	1	12	0	25	1	12	0	27	0.67

Source: 2023-24 NCDPI Discipline, ALP, and Dropout Annual Reports

\*In response to the COVID-19 pandemic, starting in March of the 2019-2020 school year and continuing through the 2020-2021 school year, public school units across the state employed unprecedented methods to ensure continued student learning by utilizing various modes of instruction and student outreach. As such, caution should be taken when comparing data reported for the 2019-2020 and 2020-2021 school years to data reported for prior and subsequent years.

**District SAT Student Performance**

<b>2023</b>					
<b>School System &amp; School</b>	<b># Tested</b>	<b>% Tested</b>	<b>Total</b>	<b>ERW</b>	<b>Math</b>
<b>United States (Public School Students)</b>	<b>1,608,613</b>	<b>NA</b>	<b>1003</b>	<b>510</b>	<b>493</b>
<b>North Carolina (Public School Students)</b>	<b>22,607</b>	<b>23.8</b>	<b>1122</b>	<b>567</b>	<b>556</b>
<b>Chapel Hill - Carrboro City Schools</b>	<b>452</b>	<b>50.6</b>	<b>1303</b>	<b>651</b>	<b>652</b>
Carrboro High	80	47.3	1259	635	624
Chapel Hill High	155	43.1	1300	650	649
East Chapel Hill High	216	61.5	1325	659	665
Phoenix Academy High	<10	*	*	*	*
<b>2024</b>					
<b>School System &amp; School</b>	<b># Tested</b>	<b>% Tested</b>	<b>Total</b>	<b>ERW</b>	<b>Math</b>
<b>United States (Public School Students)</b>	<b>1,655,324</b>	<b>NA</b>	<b>995</b>	<b>507</b>	<b>488</b>
<b>North Carolina (Public School Students)</b>	<b>18,269</b>	<b>18.1</b>	<b>1166</b>	<b>591</b>	<b>576</b>
<b>Chapel Hill - Carrboro City Schools</b>	<b>408</b>	<b>43.2</b>	<b>1295</b>	<b>654</b>	<b>641</b>
Carrboro High	69	36.3	1224	628	596
Chapel Hill High	168	42	1319	665	654
East Chapel Hill High	171	49.9	1300	653	647
Phoenix Academy High	<10	*	*	*	*
<b>2025</b>					
<b>School System &amp; School</b>	<b># Tested</b>	<b>% Tested</b>	<b>Total</b>	<b>ERW</b>	<b>Math</b>
<b>United States (Public School Students)</b>	<b>1,646,544</b>	<b>NA</b>	<b>996</b>	<b>508</b>	<b>488</b>
<b>North Carolina (Public School Students)</b>	<b>20,974</b>	<b>18%</b>	<b>1,170</b>	<b>590</b>	<b>580</b>
<b>Chapel Hill - Carrboro City Schools</b>	<b>456</b>	<b>49.5</b>	<b>1,294</b>	<b>654</b>	<b>640</b>
Carrboro High	69	35.4	1266	649	617
Chapel Hill High	195	50.3	1287	652	636
East Chapel Hill High	191	57.5	1312	658	654
Phoenix Academy High	<10	*	*	*	*

## Glossary of Acronyms

ABC – Alcoholic Beverage Control
AD – Athletic Director
ADA – Americans with Disabilities Act
ADM - Average Daily Membership
AIG – Academically/Intellectually Gifted
ALP – Alternative Learning Program
AP – Assistant Principal
A-ROI – Academic Return on Investment
ASBO – Association of School Business Officials
AT – Athletic Trainer
AVID – Advancement Via Individual Determination
BOE – Board of Education
BOCC – Orange County Board of County Commissioners
CAP – Corrective Action Plan
CBT – Cognitive Behavior Therapy
CDC – Centers for Disease Control
CHCCS – Chapel Hill – Carrboro City Schools
CIP – Capital Investment Plan
CN – Child Nutrition
COA – Chart of Accounts
COPS – Certificate of Participation
CTE – Career Technical Education
DBT – Dialectical Behavior Therapy
DL – Dual Language
DPI – Department of Public Instruction
EL – English Learners
ELA – English Language Arts
ERP – Enterprise Resource Planning
ERW – Evidence-Based Reading and Writing
ESSER – Elementary and Secondary School Emergency Relief Fund
FICA – Federal Insurance Contributions Act
FTE – Full Time Equivalent
FY – Fiscal Year
FYE – Fiscal Year Ended
GAAP – Generally Accepted Accounting Principals
GFOA – Government Finance Officers Association
GPS – Global Positioning System
GS – General Statute
HR – Human Resources
HS – High School
ISEED – Instructional Services, Equity & Engagement Division
ITF – Instructional Tech Facilitator
LEA – Local Education Agency
LEP – Limited English Proficiency

MBA – Meritorious Budget Award
MOE – Months of Employment
MTSS – Multi-tiered Systems of Support
NCASBO – North Carolina Association of School Business Officials
NCDHHS – North Carolina Department of Health and Human Services
NCDOR – North Carolina Department of Revenue
NCDPI – North Carolina Department of Public Instruction
NCVPS – North Carolina Virtual Public School
PBIS – Positive Behavioral Interventions and Supports
PE – Physical Education
PRC – Program Report Code
Pre-K – Pre-Kindergarten
PSAT – Preliminary SAT
REDP – Racial Equity Decision Protocol
RIF – Reduction in Force
RTP – Research Triangle Park
SAC – Staffing Allocation Committee
SAT – Scholastic Aptitude Test
SEL – Social and Emotional Learning
SGC – School Governance Council
SIT – School Improvement Team
SPSF – State Public School Fund
TA – Teacher Assistant
TBD – To Be Determined
TSERS – Teachers and State Employees Retirement System
UNC – University of North Carolina
USDA – United States Department of Agriculture
ZHVI – Zillow Home Value Index

## Glossary of Terms

**Accounts Payable** - A short-term liability account reflecting amounts owed to private persons or organizations for goods or services received by a government.

**Accounts Receivable** - An asset account reflecting amounts due from private persons or organizations for goods or services furnished by a government (but not including amounts due from other funds or other governments).

**Accrual Basis** - The recording of the financial effects on a government of transactions, events, and circumstances that have cash consequences for the government in the periods in which those transactions, events, and circumstances occur; rather than only in the periods in which cash is received or paid by the government.

**Allocation** - The amount of funding appropriated to a school. Types of allocations include the per pupil allocation for instructional supplies, postage, library books, staff development, computer supplies, etc.

**American with Disabilities Act (ADA)** - Prohibits discrimination against individuals with disabilities and requires employers to provide reasonable accommodations to help those with disabilities in performing their jobs. An individual with a disability is defined by the ADA as a person with a serious physical or mental impairment that substantially limits a major life activity.

**Amortization** - (1) The portion of the cost of a limited-life or intangible asset charged as an expense during a particular period. (2) The reduction of debt by regular payments of principal and interest sufficient to retire the debt by maturity.

**Appropriation** - An authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in amounts and as to the time when it may be expended.

**Average Daily Membership (ADM)** - The aggregate membership of a school division divided by the number of days school is in session. ADM is a factor in the state funding formula.

**Balance Sheet** - A summarized statement, as of a given date, of the financial position of an entity by fund type presenting assets, liabilities, reserves, and fund balance.

**Balanced Budget** - A balanced budget is when there is neither a budget deficit nor a budget surplus. Total revenues equal total expenditures.

**Basis of Accounting** - A term used to refer to when revenues, expenditures, expenses, and transfers—and the related assets and liabilities—are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the nature of the measurement, on either the cash or the accrual method.

**Bond** - A written promise to pay a specific amount of money (face value) and interest over a specific period of time.

**Budget** - A plan of financial operation embodying an estimate of proposed expenditures for a given period or purpose and the proposed financing sources.

**Budgetary Control** - The control or management of a government or enterprise in accordance with an approved budget to keep expenditures within the limitations of available appropriations and available revenues.

**Capital Budget** - A plan of proposed capital outlays and the means of financing them for the current fiscal period.

**Capital Outlay and Capital Acquisition** - All expenditures for equipment, equity leases, purchases of land which result in acquisition of, or additions to, fixed assets, except outlays for Capital Construction. Capital Outlay includes the purchase of assets, both replacement and/or additions that cost more than \$5,000, with a useful life of at least one year.

**Capital Improvement Plan** - The ten-year plan for school construction projects.

**Capital Projects Funds** - A fund created to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

**Contracted Services** - All expenditures for services acquired or purchased from sources outside the school system (i.e., private vendors, public authorities or other governmental entities). Purchase of the service must be on a fee basis or fixed time contract basis. Payments for leases and rentals, utilities, communications, and insurance are not included.

**Debt Service (Lease Purchase)** - All expenditures related to the repayment of debt, for example, vehicles purchased through lease agreements.

**Every Student Succeeds Act (ESSA)** - Federal legislation passed in December 2015 that replaced the No Child Left Behind Act (NCLB) and governs the United States K-12 public education policy.

**Expenditures** - Total charges incurred, whether paid or unpaid, for current costs.

**Family Medical Leave Act (FMLA)** - The FMLA of 1993 provides up to 12 weeks of unpaid leave to an employee who has worked for at least 750 hours and 12 months at a location where there are at least 50 employees employed by the employer within 75 miles. These 12 weeks of leave are provided for certain medical reasons such as pregnancy and birth of a child, caring for an immediate family member with a serious health condition or for an employee who has a serious health condition. Certain type of notice may need to be given to the employer for requesting such leave.

**Fiscal Year** - A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations. CHCCS' fiscal year begins on July 1<sup>st</sup> and ends on June 30<sup>th</sup>.

**Fixed Assets** - Long-lived tangible assets obtained or controlled as a result of past transactions, events, or circumstances. Fixed assets include buildings, equipment, or improvements other than buildings and land. In the private sector, these assets are referred to most often as property, plant, and equipment.

**Fringe Costs** - All expenditures for job-related costs provided to employees as part of their total compensation. Fringe costs include the employer's portion of FICA, retirement, group insurance (health, dental, and life), unemployment, workers' compensation, and direct educational assistance.

**Full-Time Equivalent (FTE)** - Method of calculating hourly or part-time employees on a full-time position basis.

**Fund** - A fiscal and accounting entity with a self-balancing set of accounts recording assets and liabilities for specific activities of the school system.

**Fund Balance** - The excess of assets of a fund over its liabilities and reserves. Governmental Accounting Standards Board Statement No. 54 established five components: non-spendable, restricted, committed, assigned, and unassigned.

**General Ledger** - A record containing the accounts needed to reflect the financial position and the results of operations of a government. In double-entry bookkeeping, the debits and credits in the general ledger are equal (i.e., the debit balances equal the credit balances.)

**Governmental Accounting Standards Board (GASB)** – The independent private-sector organization that establishes accounting and financial reporting standards for U.S. state and local governments that follow Generally Accepted Accounting Principles (GAAP).

**General Accepted Accounting Principles (GAAP)** - Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules, and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provide a standard by which to measure financial presentations. The primary authoritative body on the application of GAAP to state and local governments is the GASB.

**Grants** - Contributions or gifts of cash or other assets from another government to be used or expended for a specified purpose, activity or facility.

**Insurance** - All expenditures for insurance except those which are related to personal services and which are reflected under Fringe Costs (i.e., group health, group life, unemployment compensation, worker's compensation, etc.).

**Leases and Rentals** - All expenditures for payments of non-equity leases and rentals. Includes leases, which are capitalized and rental of land, structures, and equipment. Payments made under equity type lease/purchase agreements are not included here, but under Capital Leases.

**Liabilities** - Probable future sacrifices of economic benefits, arising from present obligations of a particular entity to transfer assets or provide services by other entities in the future as a result of past transactions or events.

**Modified Accrual Basis** - The accrual basis of accounting adapted to the governmental fund-type measurement focus. Under it, revenues and other financial resource increments (e.g. bond issue proceeds) are recognized when they become susceptible to accrual; that is when they become both “measurable” and “available to finance expenditures of the current period.” “Available” means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized when the fund liability is incurred except for (1) inventories of materials and supplies that may be considered expenditures either when purchased or when used, and (2) prepaid insurance and similar items that may be considered expenditures either when paid for or when consumed. All government funds, expendable trust funds, and agency funds are accounted for using the modified accrual basis of accounting.

**Object Code** - Line item that denotes purpose of expenditures.

**Operating Budget** - Plans of current expenditures and the proposed means of financing them. The annual operating budget (or, in the case of some state governments, the biennial operating budget) is the primary means by which most of the financing, acquisition, spending, and service delivery activities of a government are controlled. The use of annual operating budgets is usually required by law. Even when not required by law, annual operating budgets are essential to sound financial management and should be adopted by every government.

**Per Pupil Allocation** - An allocation to a school based on the type and number of students enrolled.

**Personnel** - All expenditures to compensate persons in the employment for direct labor including full-time and part-time employees.

**Property Tax** - An ad valorem tax that an owner is required to pay on the value of the property being taxed. The property tax rate is often given as a percentage. It may also be expressed as a per \$100 of taxable amount.

**Revenue** - The income of a government agency from taxation and other sources.

**Risk Management** - All the ways and means used to avoid accidental loss or to reduce its consequences if it does occur.

**Taxes** - Compulsory charges levied by a government to finance services performed for the common benefit. This term does not include specific charges made against particular persons or

property for current or permanent benefits, such as special assessments. Neither does the term include charges for services rendered only to those paying such charges (e.g., sewer service charges.)

**Utilities** - All expenditures for electrical, heating, water, and sewage services provided to school system owned and operated buildings, and facilities, regardless of whether the service is provided by a private enterprise, authority, or an enterprise fund operated by the school system.

Additional Information: FY 2025-26 Local Personnel Allotment Formulas

**Elementary School Formulas**

Position	FTE	Formula
<b>Base School Allotments</b>		
<b>Administration (PRC 005)</b>		
Principal	1	per school (12 months)
Assistant Principal	1	per school (12 months)
<b>Classroom Teachers (PRC 001)</b>		
Classroom teachers K	1	per 18 in ADM or DL 1 per 24 ADM
Classroom teachers 1	1	per 16 in ADM or DL 1 per 24 ADM
Classroom teachers 2	1	per 17 in ADM or DL 1 per 24 ADM
Classroom teachers 3	1	per 17 in ADM or DL 1 per 24 ADM
Classroom teachers 4	1	per 24 in ADM (all)
Classroom teachers 5	1	per 24 in ADM (all)
<b>Teacher Assistants (PRC 027)</b>		
Teacher Assistants K	1	per Homeroom
Teacher Assistants 1	1	per Homeroom
Teacher Assistants 2	1	per Homeroom
Teacher Assistants 3	1	per Homeroom
Teacher Assistants 4 & 5	1	per school
Dual Language TA (if DL school)	0.25	additional per 4th & 5th grade Homeroom
<b>Program Enhancement (PRC 004)</b>		
Music	1	per school
Physical Education	1	per school if <500 ADM (1.5 if >500 ADM)
Art	1	per school
Elementary Foreign Language (Grades 1-5)	1	if ADM < 500
	1.5	if ADM > 500
<b>Instructional Support</b>		
Instructional Coaches	1	per school
Interventionist	1	per school
Dual Language Interventionist	1	per Dual Language School

Gifted Specialist	1	per school
Media Specialist	1	per school
School Counselors	1	per school
<b>School Health Personnel</b>		
Nurses	1	per school
Social Worker	1	per school
Mental Health Specialist	0.5	per school
<b>Office Support</b>		
Bookkeeper	1	per school (12 months)
Data Manager	1	per school (12 months)
<b>Custodial Staff</b>		
Lead Custodian	1	per school
Custodian	0.5	per school
<b>Additional Program Allotments (all non-tradeable)</b>		
<b>Exceptional Children (PRC 032)</b>		
EC Teacher (General)		Formula Based on Ratio and Service Delivery
EC Teacher- Behavior (BEST)		Formula Based on Ratio and Service Delivery
EC Teacher- OCS		Formula Based on Ratio and Service Delivery
EC Teacher (Adapted)		Formula Based on Ratio and Service Delivery
General Classroom Teacher Assistants		Formula Based on Ratio and Service Delivery
Adapted Classroom Teacher Assistants		Formula Based on Ratio and Service Delivery
<b>Multi Language Learning (PRC 054)</b>		
MLL Teacher	1	per 40-45 MLL ADM from need-based weighted formula
<b>Title I Program (PRC 050)</b>		
Title I Teacher		Formula based on Title I Grant Preparation
Title I Interventionist		Formula based on Title I Grant Preparation
<b>PreK Program (PRC 055)</b>		
PreK Teacher		Formula Based on HeadStart, NC PreK, and Tuition based Blended Enrollment

PreK Teacher Assistant		Formula Based on HeadStart, NC PreK, and Tuition based Blended Enrollment
<b>Athletics/Extra Curriculars</b>		
Activity Units (\$400 each)		10 units
Co-curricular Assignments		N/A

**Middle School Formulas**

Position	FTE	Formula
<b>Base School Allotments</b>		
<b>Administration (PRC 005)</b>		
Principal	1	per school (12 months)
Assistant Principal	1	per school (12 months)
<b>Classroom Teachers (PRC 001)</b>		
Core Subjects and Electives 6	1	1 per 20 ADM
Core Subjects and Electives 7	1	1 per 20 ADM
Core Subjects and Electives 8	1	1 per 20 ADM
Math Teacher (additional)	1	per school
<b>Dual Language Program</b>		
Middle School Dual Language (if DL school)	3	per school
<b>Instructional Support</b>		
Instructional Coach	1	per school
Reading Interventionist	1	per school
Math Interventionist	1	per school
AVID	1	per school
Gifted Specialist	1	per school
Media Specialist	1	per school
Media Assistant	1	per school
School Counselors	1	per grade (2 @ 10.5 months, 1 @ 11 months)

<b>School Health Personnel</b>		
Nurses	1	per school
Social Worker	1	per school
Mental Health Specialist	0.5	per school
Restorative Practice Coach	1	per school (Certified)
<b>Office Staff</b>		
Bookkeeper	1	per school (12 months)
Data Manager	1	per school (12 months)
Receptionist	1	per school (11 months)
Guidance Secretary	1	per school (11 months)
<b>Custodial Staff</b>		
Lead Custodian	1	per school
Custodian	1	per school
<b>Additional Program Allotments (all non-tradable)</b>		
<b>CTE Teachers (PRC 013)</b>		
Vocational/CTE	3	per school
<b>Multi Language Learning (PRC 054)</b>		
MLL Teacher	1	per 40-45 MLL ADM from need-based weighted formula
<b>Exceptional Children (PRC 032)</b>		
EC Teacher (General)		Formula Based on Ratio and Service Delivery
EC Teacher- Behavior (BEST)		Formula Based on Ratio and Service Delivery
EC Teacher- OCS		Formula Based on Ratio and Service Delivery
EC Teacher (Adapted)		Formula Based on Ratio and Service Delivery
General Classroom Teacher Assistants		Formula Based on Ratio and Service Delivery
Adapted Classroom Teacher Assistants		Formula Based on Ratio and Service Delivery
<b>Athletics/Extra Curriculars</b>		
Athletic Coaches	25	per school
Athletic Director	0.5	per school
Activity Units (\$400 each)		20 units
Co-curricular Assignments		12 assignments

**High School Formulas**

Position	FTE	Formula
<b>Base School Allotments</b>		
<b>Administration (PRC 005)</b>		
Principal	1	per school (12 months)
Assistant Principal	1	if <600 ADM
	2	if 601 - 1,250 ADM
	3	if 1,251 - 1,750 ADM
	4	if 1,751 - 2,250 ADM
<b>Classroom Teachers (PRC 001)</b>		
Core and Electives 9	1	per 24 ADM
Core and Electives 10	1	per 24 ADM
Core and Electives 11	1	per 24 ADM
Core and Electives 12	1	per 24 ADM
<b>Additional Teachers</b>		
AVID	1	per school
Reading Teacher	1	per school
Small High School	2	per school if <1,000 ADM
<b>Instructional Support</b>		
Instructional Coaches	1	per school
Math Coach	1	per school
Instructional Tech Facilitator	1	per school (12 months)
Testing Coordinator	1	per school (Certified)
Theater Tech	1	per school (12 months)
Online Learning Assistant (NCVPS)	1	per school
Study Hall	1	per school
Media Specialist	1	per school
Media Assistant	1	per school
Guidance		Based on ADM:
		CHS - 3 FTE
		CHHS - 5 FTE
		ECHHS - 5 FTE
		(1 per school is 12 m, remaining are 11 m)
504 Coordinator	1	per school

<b>School Health Personnel</b>		
Nurses	1	per school
Mental Health Specialist	1	per school
Social Worker	1	if <1,000 ADM
	1.5	if 1,001 - 1,500 ADM
	2	if 1,501 ADM+
Restorative Practice Coach	1	per school (Certified)
<b>Office Staff</b>		
Bookkeeper	1	per school (12 months)
Data Manager	1	per school (12 months)
Guidance Secretary	1	per school (12 months)
Principal Secretary	1	per school (12 months)
Clerical Assistant/Receptionist	1	per school (12 months)
Security Guard	3	per school (1 @ 6 hrs. daily after-hours)
<b>Custodial Staff</b>		
Lead Custodian	1	per school
Custodian	2	per school
<b>Additional Program Allotments (all-nontradable)</b>		
<b>Multi Language Learning (PRC 054)</b>		
MLL Teacher	1	per 40-45 MLL ADM from need-based weighted formula
<b>CTE Program</b>		
Vocational/CTE		Formula based on CTE funding
Career Development Coordinator (CTE)	1	per school
Special Populations Coordinator (CTE)	1	per school
<b>Exceptional Children (PRC 032)</b>		
EC Teacher (General)		Formula Based on Ratio and Service Delivery
EC Teacher- Behavior (BEST)		Formula Based on Ratio and Service Delivery
EC Teacher- OCS		Formula Based on Ratio and Service Delivery
EC Teacher (Adapted)		Formula Based on Ratio and Service Delivery
General Classroom Teacher Assistants		Formula Based on Ratio and Service Delivery
Adapted Classroom Teacher Assistants		Formula Based on Ratio and Service Delivery

<b>Athletics/Extra Curriculars</b>		
Athletic Coaches	49	per school
Athletic Director	1	per school (11 months)
Athletic Trainer	1	per school
Activity Units (\$400 each)		40 units
Co-curricular Assignments		24 assignments

Chapel Hill - Carrboro City Schools  
 Base Non-Salary Allotment Formulas  
 Budget Year 2026

Description	Budget Code	Allocation Type	Elementary	Middle	High	Other
Instructional Supplies - STATE	1.5110.061.411	per ADM	\$ 30	\$ 30	\$ 30	\$ 50
At-Risk Students	2.5330.069.143	per ADM	\$ 13	\$ 13	\$ 13	\$ 20
Field Trips	2.5110.061.333	per ADM	\$ 3	\$ 3	\$ 3	\$
Staff Development	2.5870.028.312	per FTE Factor	\$ 90	\$ 90	\$ 90	fixed
Safe Schools/Violence Prevention	2.5850.069.411	per School	\$ 2,000	\$ 12,000	\$ 16,500	\$ 2,000
Event Security	2.5850.069.311	per ADM	\$ 5	\$ 10	\$ 15	\$ -
Instructional Supplies	2.5110.061.411	per ADM	\$ 21	\$ 21	\$ 21	\$ 21
Cultural Arts	2.5132.061.411	per School	\$ 900	\$ 5,400	\$ 7,100	\$ 400
Literacy Materials	2.5330.061.411	per ADM	\$ 3	\$ 3	\$ 3	fixed
Media Center Supplies	2.5810.061.411	per ADM	\$ 12	\$ 12	\$ 12	fixed
ITF Media PD	2.5810.028.312	per School	\$ 1,000	\$ 1,000	\$ 1,000	fixed
Athletics	2.5501.061.411	per ADM	\$ -	\$ 25	\$ 50	\$ -
Athletic Travel	2.5501.003.331	per ADM	\$ -	\$ 15	\$ 30	\$ -
Co-Curricular	2.5503.061.411	per ADM	\$ 2	\$ 5	\$ 18	fixed
Travel- School Admin Office	2.5400.003.332	per School	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,200
Administrative Supplies	2.5400.061.411	per ADM	\$ 3	\$ 3	\$ 5	fixed
Custodial Supplies Pre 1990	2.6540.003.411	per Sq. Ft	\$ 0.035	\$ 0.035	\$ 0.035	fixed
SIT Funds	2.5880.061.411	per School	\$ 1,030	\$ 1,030	\$ 1,030	\$ 500
Commencement	2.5830.061.411	per Sec School	\$ -	\$ 500	\$ 2,700	\$ -
Local Extra-Duty School Discretionary	2.5400.061.411	Activity Units	10	20	40	-
FICA for Extra-Duty	2.5400.061.411	Percentage	7.65%	7.65%	7.65%	7.65%
Retirement for Extra-Duty	2.5400.061.411	Percentage	24.67%	24.67%	24.67%	24.67%
CAPITAL Classroom Furniture/Equip	4.5110.001.461	per ADM	\$ 20	\$ 20	\$ 20	\$ fixed

### Additional Information: FY 2025-26 State Planning Allotment Formulas

Initial Allotment per HB125 - Base PRCs																	
Category	Basis of Allotment (Funding Factors are rounded.)																
<b>Classroom Teachers (PRC 0001)</b>	The average Teacher salary increase is n/a at Planning.																
<i>Grade Kindergarten</i>	1 per 18 in ADM.																
<i>Grade 1</i>	1 per 16 in ADM.																
<i>Grades 2 - 3</i>	1 per 17 in ADM.																
<i>Grades 4 - 6</i>	1 per 24 in ADM.																
<i>Grades 7 - 8</i>	1 per 23 in ADM.																
<i>Grade 9</i>	1 per 26.5 in ADM.																
<i>Grades 10 - 12</i>	1 per 29 in ADM.																
<i>Math/Science/Computer Teachers</i>	1 per county or based on sub agreements.																
<i>International Faculty</i>	IFE Conversions are calculated at the Teacher statewide average salary including benefits (\$79,250).																
<b>Central Office Administration (PRC 0002)</b>	Increase by LEA from 2024-25 Initial Allotments is 1.41%																
<b>Noninstructional Support Personnel (PRC 0003)</b>	\$337.11 per ADM. \$6,000 per Textbook Commission members for Clerical Assistants.																
<b>Program Enhancement Teachers (PRC 0004)</b>	1 per 1:191 in K-5 ADM.																
<b>School Building Administration (PRC005)</b>	Schools opening prior to 7/1/2011 are eligible for 1 per school with at least 100 ADM or at least 7 state paid teachers or instructional support personnel.																
Principals	Schools opening after 7/1/2011 are eligible for 1 per school with at least 100 ADM.																
Assistant Principals	1 month per 98.53 ADM (rounded to nearest whole month).																
<b>School Health Personnel (PRC 0006)</b>	1 position per LEA; additional positions per 440.48 ADM rounded to the nearest whole position. PRC change per SL2023-134 (HB259).																
<b>Instructional Support (PRC 0007)</b>	1 per 429.08 ADM. PRC change per SL2023-134 (HB259).																
<b>Career Technical Ed. - MOE (PRC 0013)</b>	Base of 50 Months of Employment per LEA with remainder distributed based on ADM in grades 8-12. (LIMITED FLEXIBILITY- Salary Increase)																
<b>Career Technical Ed. - Program Support (PRC 0014)</b>	\$10,000 per LEA with remainder distributed based on ADM in grades 8-12 (\$37.98 per ADM).																
<b>Small County Supplemental Funding (PRC 019)</b>	<table border="0"> <thead> <tr> <th>ADM &lt;</th> <th>Allotment</th> </tr> </thead> <tbody> <tr> <td>1,300</td> <td>1,820,000</td> </tr> <tr> <td>1,700</td> <td>1,774,700</td> </tr> <tr> <td>2,000</td> <td>1,729,400</td> </tr> <tr> <td>2,300</td> <td>1,684,100</td> </tr> <tr> <td>2,600</td> <td>1,638,800</td> </tr> <tr> <td>2,800</td> <td>1,593,500</td> </tr> <tr> <td>3,300</td> <td>1,548,200</td> </tr> </tbody> </table> <p>Please see the allotment policy Manual for Special Provisions.</p>	ADM <	Allotment	1,300	1,820,000	1,700	1,774,700	2,000	1,729,400	2,300	1,684,100	2,600	1,638,800	2,800	1,593,500	3,300	1,548,200
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<b>Disadvantaged Student Supplemental Funding (PRC 0024)</b>	See the Allotment Policy Manual for formula for allocating supplemental funding to address the capacity needs of LEAs in meeting the needs of disadvantaged students.																
<b>Teacher Assistants (PRC 0027)</b>	The number of classes is determined by a ratio of 1:21. The Funding Factor of \$47,663.35 K - 2 TAs per every 3 classes; Grades 1-2 - 1 TA for every 2 classes; and Grade 3 - 1 TA for every 3 classes.																

<b>Low Wealth Supplemental Funding (PRC 0031)</b>	See the Allotment Policy Manual for formula allocating supplemental funds to eligible LEAs that are located in counties that do not have the ability to generate revenue to support public schools at the state average level.
<b>Academically or Intellectually Gifted Students (PRC 0034)</b>	\$1,502.34 per child for 4% of ADM.
<b>Transportation (PRC 0056)</b>	Allotments are provided by Office of Transportation/Operations. 98.95% of the current budget was released at Preliminary Initial Allotments (per Transportation formula). Any reserved funds must be distributed after April 1 of that fiscal year and be allocated to all school units based on efficiency.
<b>Classroom Materials/Instructional Supplies/Equipment (PRC 0061)</b>	\$31.06 per ADM plus \$2.69 per ADM in grades 8 and 9 for PSAT Testing
<b>At-Risk Student Services (PRC 0069)</b>	Each LEA receives the dollar equivalent of one resource officer (\$91,310) per high school. Of the remaining funds, 50% is distributed based on ADM (\$102.02 per ADM) and 50% is distributed based on number of poverty children, per the federal Title 1 Low Income poverty data (\$487.03 per child in poverty). Each LEA receives a minimum of the dollar equivalent of two teachers and two instructional support personnel (\$330,758).
<b>Supplemental Funds for Teacher Compensation (PRC 0071)</b>	See the Allotment Policy Manual for formula for allocating supplemental funding to eligible LEAs.
<b>Textbooks (PRC 0131)</b>	\$37.15 per ADM in grades K-12.

Initial Allotment per HB125 - Non-Base PRCs	
Category	Basis of Allotment (Funding Factors are rounded.)
<b>Driver Training (PRC 0012)</b>	\$215.70 per public, charter, private and federal 9th Grade ADM.
<b>School Technology (PRC 0015)</b>	No New Appropriation; Budget is \$18m for FY 25-26. \$11.79 per ADM in grades K-12.
<b>Children with Disabilities (Exceptional Children) (PRC 0032)</b>	
<i>School-Aged</i>	\$5,593.34 per funded child count. Child count is comprised of the lesser of the December 1 handicapped child count or a 13.00% cap of the allotted ADM.
<i>Preschool</i>	Base of \$79,250 per LEA; remainder distributed based on December 1 est. child count of ages 3, 4, and PreK- 5, (\$5,528.06) per child.
<i>Developmental Day Care (3-21) (PRC 063), Community Residential Centers (PRC 089 effective FY24-25), Group Homes (PRC 089 effective FY24-25)</i>	Approved applications, revisions, and grants.
<b>Limited English Proficiency (PRC 0054)</b>	Using the current formula: Base of a teacher asst. (\$47,664); remainder based 50% on number of funded LEP students (\$575.81) and 50% on an LEA's concentration of LEP students (\$3,067.59).

Employee Benefits	
Category	Basis of Allotment
<b>Hospitalization</b>	\$8,500 per position per year.
<b>Retirement</b>	24.67% of total salaries.
<b>Social Security</b>	7.65% of total salaries.

Statewide Average Salaries		
Category	Base	Base + Benefits
Classroom Teachers	\$53,469	\$79,250
Program Enhancement Teachers	\$53,572	\$79,386
Principals	\$7,782	\$11,005
Assistant Principals (MOE)	\$6,493	\$9,442
School Health Personnel	\$60,383	\$88,398
Instructional Support	\$58,668	\$86,129
Career Technical Ed. (MOE)	\$5,363	\$7,946
School Resource Officer	\$62,582	\$91,310
<p>Note: Dollars for 2025-26 position/month allotments are based on LEA's average salary including benefits, rather than the statewide average salary. They are still position/month allotments, and you must stay within the positions/months allotted. This calculation is necessary to determine your LEA's allotment per ADM for charter and lab schools.</p>		

## Additional Information: Description and Explanation of Line Items

### Purpose Codes

Purpose means the reason for which something exists or is used. Purpose includes the activities or actions that are performed to accomplish the objectives of a local school administrative unit. For budgeting and accounting purposes, expenditures of a local school administrative unit are classified into five purposes as follows:

- 5000 Instructional Services**
- 6000 System-Wide Support Services**
- 7000 Ancillary Services**
- 8000 Non-Programmed Charges**
- 9000 Capital Outlay**

The “purpose dimension” is broken down into a function level at the second digit and, where appropriate, into a sub-function level at the third digit. The fourth digit of this dimension is not currently required by NCDPI, but is highly recommended for your use to further break down the purpose of the expenditure. NCDPI, however, will replace the last digit of the purpose code with a zero (0) for NCDPI reporting purposes.

### Instructional Services (5000)

Instructional services include the costs of activities dealing directly with the interaction between teachers and students. Teaching may be provided for students in a school classroom, in another location such as a home or hospital, and in other learning situations such as those involving co-curricular activities. It may also be provided through some other approved medium. Included here are the costs of salaries and benefits for teachers, instructional assistants, instructional leadership and support staff, as well as contracted instructional services, instructional supplies, materials, and equipment, professional development, and any other cost related to direct instruction of students. Costs of activities involved in evaluating, selecting, and implementing textbooks and other instructional tools and strategies, curriculum development, demonstration teaching, and delivering staff development are also included here. Any site-based instructional supervisor or coordinator coded to this function should spend at least 75% of his/her time on these duties.

#### 5100 Regular Instructional Services

Cost of activities that provide students in grades K-12 with learning experiences to prepare them for activities as workers, citizens, and family members. They include costs of those individuals responsible for providing school curriculum development and coordination as well as lead teachers for regular instructional services. (Not included are those programs designed to improve or overcome physical, mental, social and/or emotional impediments to learning.)

#### 5200 Special Populations Services

Costs of activities for identifying and serving students (in accordance with state and federal regulations) having special physical, emotional, or mental impediments to

learning. Also included are those students identified as needing specialized services such as limited English proficiency and gifted education. They include costs of those individuals responsible for providing school curriculum development and coordination as well as lead teachers for special populations' services. (Certain categories of funds require that expenditures coded here must be in addition to regular allotments such as classroom teachers, textbooks, etc.) These programs include pre-kindergarten, elementary, and secondary services for the following groups of students.

5300 Alternative Programs and Services

Costs of activities designed to identify students likely to be unsuccessful in traditional classrooms and/or to drop out and to provide special alternative and/or additional learning opportunities for these at-risk students. They include costs of those individuals responsible for providing school curriculum development and coordination as well as lead teachers for alternative programs and services. Programs include summer school instruction, remediation, alcohol and drug prevention, extended day, services to help keep students in school, as well as alternative educational settings, instructional delivery models, and supporting services for identified students.

5400 School Leadership Services

Costs of activities concerned with directing and managing the learning opportunities for students within a particular school. These activities also include the work of clerical staff, in support of the teaching and leadership functions.

5500 Co-Curricular Services

Costs of school-sponsored activities, under the guidance and supervision of LEA staff, designed to motivate students, provide enjoyable experiences, and assist in skill development. Co-curricular activities normally supplement the regular instructional program and include such activities as band, chorus, choir, speech and debate. Also included are student-financed and managed activities such as clubs and proms.

5600 Reserved for Future Use

5700 Reserved for Future Use

5800 School-Based Support Services

Costs of school-based student and teacher support activities to facilitate and enhance learning opportunities for students. These include the areas of educational media services, student accounting, guidance services, health, safety and security support services, instructional technology services, and unallocated staff development.

5900 Reserved for future use

**System-Wide Support Services (6000)**

System-wide support services include the costs of activities providing systemwide support for school-based programs, regardless of where these supporting services are based or housed. These

services provide administrative, technical, personal, and logistical support to facilitate, sustain, and enhance instruction. Included here are the costs of salaries and benefits for program leadership, support and development and associated support staff, contracted support services, supplies, materials and equipment, professional development, and any other cost related to the system-wide support for the school-based programs of the school system. Costs of activities involved in developing/administering budgets, authorizing expenditures of funds, evaluating the performance of subordinates, developing policies and/or regulations for the District are included here.

6100 Support and Development Services

Cost of activities that provide program leadership, support, and development services for programs providing students in grades K-12 with learning experiences to prepare them for activities as workers, citizens, and family members (Not included are program leadership, support and development services for programs designed to improve or overcome physical, mental, social and/or emotional impediments to learning.)

6200 Special Population Support and Development Services

Costs of activities to provide program leadership, support, and development services primarily for identifying and serving students (in accordance with state and federal regulations) having special physical, emotional, or mental impediments to learning. Also included are support and development services for those students needing specialized services such as limited English proficiency and gifted education. These programs include pre-kindergarten, elementary, and secondary services for the special populations.

6300 Alternative Programs and Services Support and Development Services

Costs of activities to provide program leadership, support, and development services for programs designed to identify students likely to be unsuccessful in traditional classrooms and/or to drop out and to provide special alternative and/or additional learning opportunities for these at-risk students. Costs related to state Assistance Teams are also included here. Programs include summer school instruction, remediation, alcohol and drug prevention, extended day, services to help keep students in school, as well as alternative educational settings, instructional delivery models, and supporting services for identified students.

6400 Technology Support Services

Costs of central based activities associated with implementing, supporting and maintaining the computer hardware, software, peripherals, technical infrastructure which provide technology system services to the LEA. Also included is the development and implementation of technological systems; and technology user support services for the LEA.

6500 Operational Support Services

Costs of activities for the operational support of the school system such as printing and copying services, communication services, utility services, transportation of students, facilities, planning and construction, custodial and housekeeping services, maintenance

services, and warehouse and delivery services. (Do not include any costs which may be coded to one or more specific purpose functions.)

6600 Financial and Human Resource Services

Costs of activities concerned with acquisition, management, reporting and protection of financial resources; and with recruitment, retention, placement, and development of human resources for the LEA.

6700 Accountability Services

Cost of activities concerned with the development, administration, reporting and analysis of student progress. This area includes the testing and reporting for student accountability, such as end of grade and end of course testing, disaggregation, analysis, and reporting of school and student performance. This area also includes the planning, research development and program evaluation costs of the school system.

6800 System-wide Pupil Support Services

Costs of activities that provide program leadership, support, and development services for system-wide pupil support activities for students in grades K-12. These areas include educational media support, student accounting support, guidance support, health support, safety and security support, and instructional technology support system-wide services.

6900 Policy, Leadership and Public Relations Services

Costs of activities concerned with the overall general administration of and executive responsibility for the entire LEA.

**Ancillary Services (7000)**

Activities that are not directly related to the provision of education for pupils in a local school administrative unit. These include community services, nutrition services and adult services provided by the school system.

7100 Community Services

Costs of activities which are not directly related to the provision of educational services in an LEA. These include services such as community recreation activities, civic activities, and community welfare activities provided by the LEA

7110 Child Care Services

Costs of activities which are not directly related to the provision of educational services in an LEA. These include services such as activities of custody and care of children provided by the LEA. Before and After School Care would also be included here.

7200 Nutrition Services

Costs of activities concerned with providing food service to students and staff in a school or LEA including the preparation and serving of regular and incidental meals, or snacks in connection with school activities.

**7300 Adult Services**

Costs of activities that develop knowledge and skills to meet immediate and long-range educational objectives of adults who, having completed or interrupted formal schooling, have accepted adult roles and responsibilities. Programs include activities to foster the development of fundamental tools of learning, prepare adults for a postsecondary career; prepare adults for postsecondary education programs; upgrade occupational competence; prepare adults for a new or different career; develop skills and appreciation for special interests; or to enrich the aesthetic qualities of life. In addition, parent involvement services in the schools, as well as volunteer activities by adults in the schools. Adult basic education programs are included in this category.

**Non-Programmed Charges (8000)**

Non-Programmed charges are conduit-type (outgoing transfers) payments to other LEAs or other administrative units in the state or in another state, transfers from one fund to another fund in the LEA, appropriated but unbudgeted funds, debt service payments, scholarship payments, payments on behalf of educational foundations, contingency funds, and other payments that are not attributable to a program.

**8100 Payments to Other Governmental Units**

Include payments to other LEAs or governmental units, which are generally for tuition and transportation for services rendered to pupils residing in the paying LEA. It is also used for indirect cost when used in conjunction with object code 392.

**8200 Unbudgeted Funds**

Include unbudgeted federal grant funds administered by the State Board of Education that are being set aside by the LEA and are not a part of the LEA's budgeted funds. These funds are not available for use in the current fiscal for expenditures unless the LEA first transfers an amount from this account to their budgeted line item(s) by means of an approved budget amendment. This code may also be used to identify appropriated but unbudgeted funds in any fund source by the LEA.

**8300 Debt Services**

Include debt service payments for lease purchases or installment contracts.

**8400 Interfund Transfers**

Include transfers of funds from one fund to another fund in an LEA.

**8500 Contingency**

Include appropriations for use in circumstances not completely foreseen. As monies are required from this item, budget amendments should be made to transfer monies to the appropriate operating function.

**8600 Educational Foundations**

Include payments made by the school system on behalf of an education foundation for which the school system has fiscal responsibility

**8700 Scholarships**

Include payments made for the awarding of scholarships by the school system for students and LEA personnel.

**Capital Outlay (9000)**

Expenditures for acquiring fixed assets, including land or existing buildings, improvements of grounds, initial equipment, additional equipment, and replacement of equipment. Do not include any costs which may be coded to one or more specific purpose functions. (i.e., purchase of transportation equipment would be coded to 6550, maintenance equipment would be coded to 6580, regular instructional equipment purchases would be coded to 5110, etc.). The remaining three digits may be used for local use purposes.