

# FY 2009-10 Budget Planning

## Annual General Fund Revenue

*In Millions of \$*

|   | FY 2008-09      | FY 2009-10      | Difference      |
|---|-----------------|-----------------|-----------------|
| Recurring Revenue   | \$179.70        | \$174.30        | (\$5.40)        |
| Non-Recurring Revenue   |                 |                 |                 |
| Appropriated Fund Balance   | \$2.00          | \$0.00          | (\$2.00)        |
| Deferred Capital Projects   | \$1.30          | \$0.00          | (\$1.30)        |
| <b>Total Anticipated General Fund Revenue Available for Appropriation</b> | <b>\$183.00</b> | <b>\$174.30</b> | <b>(\$8.70)</b> |

### Revenue Assumptions

#### 1. Property Taxes

|   |   |
|---|---|
| a | Property Tax Rate: Assumes revenue neutral tax rate   |
| b | Real Property Valuation: Natural Growth of 2.8% based on average annual growth between FY 2006-07 and FY 2008-09              |
| c | Motor Vehicle Valuation: Anticipated decrease of 10% from FY 2008-09 budgeted valuation and c. FY 2009-10 projected valuation |

## Allocation of Anticipated FY 2009-10 General Fund Revenue Available for Appropriation Between County and Schools

|                        | Schools | County  |
|------------------------|---------|---------|
| In Millions of Dollars | 48.1%   | 51.9%   |
|                        | \$83.84 | \$90.46 |

#### 2. Sales Taxes

|   |  |
|---|--|
| a | Allows for full implementation of Medicaid Relief/Sales Tax Swap: Equates to loss of Article 44 and partial loss of Article 39 |
| b | Decrease Due to Economic Downturn: Anticipates 10% reduction in Article 39, 40 and 42 at FY 2008-09 budgeted level             |

#### Other Major Revenue Highlights

|   |   |
|---|---|
| a | Fees - Decline in land transfer and construction related activity resulting in loss of Register of Deeds, School Construction Impact Fees and building/health inspection related fees |
| b | Public School Building Fund - Based on advice from NCACC anticipate loss of these monies (dedicated to repay school related debt service)   |

#### 3.

Schools - For FY 2009-10 assumes 48.1% of total anticipated General Fund revenue available for appropriation (County Target Percentage Does Not Include Funding for Durham Tech in Calculation of 48.1% Target)

In Millions of \$

|  | FY 2008-09     | FY 2009-10     | Difference      |
|--|----------------|----------------|-----------------|
| <b>Total School Funding <sup>(1)</sup></b>                                       | <b>\$88.53</b> | <b>\$83.84</b> | <b>(\$4.69)</b> |
| School Related Debt Service<br>(Mandated Appropriation;<br>No Dollar Discretion) | \$19.57        | \$18.60        | (\$0.97)        |
| Recurring Capital<br>(Mandated Appropriation,<br>Discretionary Dollars)          | \$2.57         | \$3.00         | \$0.43          |
| Long Range Capital<br>(Mandated Appropriation,<br>Discretionary Dollars)         | \$4.82         | \$4.30         | (\$0.52)        |
| Fair Funding (Non<br>Mandated Appropriation)                                     | \$0.99         | \$0.99         | \$0.00          |
| Current Expense (Mandated<br>Appropriation, Discretionary<br>Dollars)            | \$60.58        | \$56.95        | (\$3.63)        |
| <b>Total School Funding</b>  | <b>\$88.53</b> | <b>\$83.84</b> | <b>(\$4.69)</b> |
| <b>% of County General Fund</b>  | <b>48.4%</b>   | <b>48.1%</b>   |                 |

<sup>(1)</sup> Does not include additional County funding for School Health Nursing Initiative, School Social Workers, School Resource Officers). Total Education appropriation % for FY 2008-09 including these components totaled 49.3%.

| Calculation of Current Expense/Per Pupil Appropriation |            |                           |            |
|--|------------|---------------------------|------------|
|  | FY 2008-09 | FY 2009-10 <sup>(2)</sup> | Difference |
| Projected # of Students                                | 18,932     | 18,912                    | (20)       |
| Projected Per Pupil                                    | \$3,200    | \$3,011                   | (\$189)    |

<sup>(2)</sup> Preliminary projections; certified projection numbers from NC Department of Instruction will not be released until mid-to-late March

County - Assumes 51.9% of Total Anticipated General Fund Revenue Available for

In Millions of \$

|   | FY 2008-09 | FY 2009-10 | Difference |
|---|------------|------------|------------|
| Revenue Available for County Operations (For FY 2009-10, assumes 51.9% of Total Anticipated General Fund Revenue) | \$94.47    | \$90.46    | (\$4.01)   |
| % of County General Fund  | 51.6%      | 51.9%      |            |

County Appropriations

|  |                |                |                 |
|--|----------------|----------------|-----------------|
| Non-Discretionary Mandated Appropriations  | \$6.53         | \$7.00         | \$0.47          |
| Non-School Related Debt Service  |                |                |                 |
| Workers Compensation Insurance   | \$1.02         | \$1.25         | \$0.23          |
| Unemployment Insurance   | \$0.06         | \$0.06         | \$0.00          |
| Medicaid   | \$2.38         | \$0.00         | (\$2.38)        |
| Other Mandated DSS Programs  | \$2.60         | \$2.53         | (\$0.07)        |
| <b>Total Non-Discretionary Mandated Appropriations</b>   | <b>\$12.59</b> | <b>\$10.84</b> | <b>(\$1.75)</b> |
| Available Revenue for County Discretionary Services and Programs (i.e. after appropriating for non-discretionary mandated functions) | \$81.89        | \$79.62        | (\$2.26)        |

Examples of appropriations to come from County's remaining portion of available revenue. This list is not intended to be all inclusive.

|   |         |         |
|---|---------|---------|
| Staff and Benefits  | \$51.00 | \$51.00 |
| Durham Technical Community College                            | \$0.55  | \$0.55  |
| New Operating Costs Associated with Opening of New Facilities | \$0.00  | \$2.50  |
| Contributions to Outside Agencies                             | \$1.57  | \$1.57  |
| Contributions to Towns for Libraries and Recreation           | \$0.38  | \$0.38  |