

AGENDA

**Orange County Board of Commissioners
Chapel Hill–Carrboro Board of Education
Orange County Board of Education
Joint Meeting**

September 29, 2015
7:00 p.m.

Richard Whitted Meeting Facility
300 Tryon Street, Hillsborough

1. Welcome and Opening Remarks - Chair Kelley, Chair Piscitelli and Chair McKee
2. School Capital Needs Prioritization
 - Chapel Hill-Carrboro City Schools – Presentation of Capital Needs
 - Orange County Schools – Presentation of Capital Needs
3. Discussion of Potential Comparative Analysis of School Capital Needs
 - Third Party Professional to Rank and Rate Needs based on Determined Criteria
4. Impacts of State Approved Budget
 - Chapel Hill-Carrboro City Schools
 - Orange County Schools
5. Discussion of School Related Topics
 - Collaborative Opportunities between Districts
 - Expanding Innovations (e.g. Magnet Schools, Year Round Schools)
 - Programs/Plans to Address Achievement Gap

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: September 29, 2015

**Action Agenda
Item No.** 1-5

SUBJECT: Joint Meeting – Board of County Commissioners, Chapel Hill-Carrboro City Schools Board of Education and Orange County Schools Board of Education

DEPARTMENT: County Manager/Finance and Administrative Services

PUBLIC HEARING: (Y/N)

No

ATTACHMENT(S):

As Listed in the “Background” Section

INFORMATION CONTACT:

Bonnie Hammersley, 919-245-2300
Paul Laughton, 919-245-2152
Dr. Tom Forcella, 919-967-8211
Dr. Todd Wirt, 919-732-8126

PURPOSE: To discuss School Capital Needs prioritizations, the impacts of the State Approved Budget on Schools, and various other School related issues that are of interest to the Board of County Commissioners, Chapel Hill-Carrboro City Schools (CHCCS) Board of Education and Orange County Schools (OCS) Board of Education.

BACKGROUND: The County/Schools Collaboration Work Group and the Board of County Commissioners established the following agenda items for this Joint meeting:

1. Welcome and Opening Remarks – Chair Kelley, Chair Piscitelli, and Chair McKee

2. School Capital Needs Prioritization

Both Chapel Hill-Carrboro City Schools and Orange County Schools have completed facilities assessments reflecting needs totaling approximately \$330 million related to the repair, renovation, and upgrading of existing older school facilities. The scope of the study for Chapel Hill-Carrboro City Schools included the district’s ten oldest schools, while the Orange County Schools study included all district buildings.

At tonight’s meeting, both school systems will present the prioritization of their School Capital Needs.

Attachment 2a: CHCCS Older Facility Recommendations and Prioritization

Attachment 2b: OCS Facility Recommendations and Prioritization

3. Discussion of Potential Comparative Analysis of School Capital Needs

Discussion regarding an analysis by a third party professional, potentially hired by the County, who rates and ranks the relative merits of each facility improvement addressed in the upcoming bond referendum regardless of district based on public safety, health and safety, structural deficiencies and capacity considerations.

4. Impacts of State Approved Budget

The N. C. General Assembly approved a State budget on September 18, 2015 for the 2015-2017 fiscal biennium, and the Governor signed the legislation the same day. The following attachments provide information related to the impacts of the State Approved Budget on each district.

Attachment 4a: CHCCS – Impacts of State Approved Budget

Attachment 4b: OCS – Impacts of State Approved Budget

5. Discussion of School Related Topics

Discussion regarding School Collaborative Opportunities between districts, Expanding Innovations - whether districts are considering additional or expanding innovations (e.g. Magnet Schools, Year-Round Schools), and Programs/Plans to Address Achievement Gap.

FINANCIAL IMPACT: There is no financial impact tied directly to the discussion at this work session; however, decisions that the Board of County Commissioners and Boards of Education will make at subsequent meetings are likely to have significant implications for future capital and operating budgets.

SOCIAL JUSTICE IMPACT: The following Orange County Social Justice Goal is applicable to this agenda item:

GOAL: ENABLE FULL CIVIC PARTICIPATION

Ensure that Orange County residents are able to engage government through voting and volunteering by eliminating disparities in participation and barriers to participation.

RECOMMENDATION(S): The Manager recommends that the Boards discuss the issues noted and provide direction to staff, as appropriate.

Key Elements of Older Facility Recommendations (included in the 2015-25 CIP Recommendation)

- The recommendations are for a comprehensive program that focuses on the district's ten oldest schools that accommodate almost 50% of district students.
- Facility recommendations include:
 - ✓ Correction of building code violations;
 - ✓ Improved safety by consolidating operations and controlling entry;
 - ✓ Indoor air quality deficiencies and health concerns addressed;
 - ✓ Replacement of malfunctioning mechanical equipment;
 - ✓ Relief of traffic congestion problems;
 - ✓ Deconstruction of some inefficient buildings;
 - ✓ Extending the life of the schools.
- Implementation of the recommendations eliminate mobile classrooms (also in need of renovations) while providing additional student capacity.
 - ✓ Elementary school capacity increase = 555.
 - ✓ High school capacity increase = 230 +/-
- Increased student capacity would result in deferment of new elementary school and high school additions well beyond the ten-year CIP window.
 - ✓ Board requesting the redirection of \$57.6 million in projected capital expenditures for new schools towards "Phase 2" older facility recommendations.
 - ✓ Delays significant operational increases with opening a new school.
- Bond funds and future capital funds directed to the ten oldest schools will make available CIP (Paygo) revenue for needed maintenance at district's other "newer" schools that are 20-30 years of age.



CHAPEL HILL - CARRBORO CITY SCHOOLS			
Facilities Assessment of Oldest Schools			
<u>School Name</u>	<u>Scope of Work</u>	<u>Est. Cost</u>	<u>Phasing Plan and Funding Source</u>
CARRBORO ELEMENTARY	<ul style="list-style-type: none"> - Eliminates dead-end corridors in 100 wing by deconstruction and building new academic wing - Provide a new administration suite & main entrance - Moves queuing off of the road - Increase capacity by 52 seats 	\$13.55M	Phase 3 Unfunded Future Capital
CHAPEL HILL HIGH SCHOOL	<ul style="list-style-type: none"> - Deconstruct all of Building "A" - Creates a new entry/ admin suite that is accessible and secure - Addresses oldest building and major mechanical issues - Connects more of the campus - Increases capacity by 105 seats 	\$52.41M	Phase 1 Potential 2016 BOND Referendum
CULBRETH MIDDLE	<ul style="list-style-type: none"> - Renovate existing building 	\$5.80M	Phase 3 Unfunded Future Capital
EPHESUS ELEMENTARY	<ul style="list-style-type: none"> - Renovate & reorganize the layout of the main building - Relocated the administration suite to the street front & provide a new main entry - Provide additional program space to eliminate mobiles & bring school up to space standards - Increase capacity by 137 	\$15.54M	Phase 2 Request Access to Planned New Schools Funds
ESTES HILLS ELEMENTARY	<ul style="list-style-type: none"> - Provide an administration addition at front to provide necessary staff space as well as a secure main entry - Classroom wing deconstruction and addition at rear of the school - Enclose breezeways to connect all classrooms with interior corridors - Provide new queuing configuration - Increase capacity by 58 seats 	\$16.73M	Phase 2 Request Access to Planned New Schools Funds
FRANK PORTER GRAHAM ELEMENTARY	<ul style="list-style-type: none"> - Renovate admin area and main building lobby - Add new lobby entry for security and additional admin space - Provide more prominent front door and secure main entrance - Renovate existing buildings 	\$5.48M	Phase 3 Unfunded Future Capital
GLENWOOD ELEMENTARY	<ul style="list-style-type: none"> - Maintain existing buildings - Provide small administrative addition to Provide secure main entrance and necessary staff space 	\$0.82M	Phase 1 Potential 2016 BOND Referendum
LINCOLN CENTER	<ul style="list-style-type: none"> - Deconstruct the existing Lincoln Center - Construct a building to house both Pre-K program & new central office - Increase elementary capacity by 189 - Increase high school capacity by 50 - 100 	\$22.62M	Phase 1 Potential 2016 BOND Referendum
PHILLIPS MIDDLE	<ul style="list-style-type: none"> - Renovate existing building - Provide additional program space to meet space standards including increasing the admin suite to provide a secure main entry 	\$9.40M	Phase 2 Request Access to Planned New Schools Funds
SEAWELL ELEMENTARY	<ul style="list-style-type: none"> - Deconstruct the five classroom pod - Renovate the existing buildings - Provide additional program space to meet space standards & replace deconstructed classrooms - Increase capacity by 119 	\$15.74M	Phase 2 Request Access to Planned New Schools Funds
Preliminary Construction Phasing & Temp. Facilities Cost:		\$2.98M	
Total Estimated Cost:		\$161.08M	

CARRBORO ELEMENTARY SCHOOL

CURRENT CONDITIONS:

5

- One mobile unit on-site
- 100 classroom wing has dead-end corridors and does not meet the current NC State Building Code
- Administration area, cafeteria, kitchen and staff support spaces are too small
- Program deficiencies - art room and 5 smaller classroom spaces
- Existing queuing for parent drop-off occurs on Shelton Street
- Stacking traffic onto the public right of way is a safety concern
- Aging mechanical system
- Campus-style layout lacking connection from main building to the multipurpose building
- Modular walls between classrooms causing noise transfer between classrooms

Year Built: 1957

Additions: 1964, 1989

Last Renovation: 2011

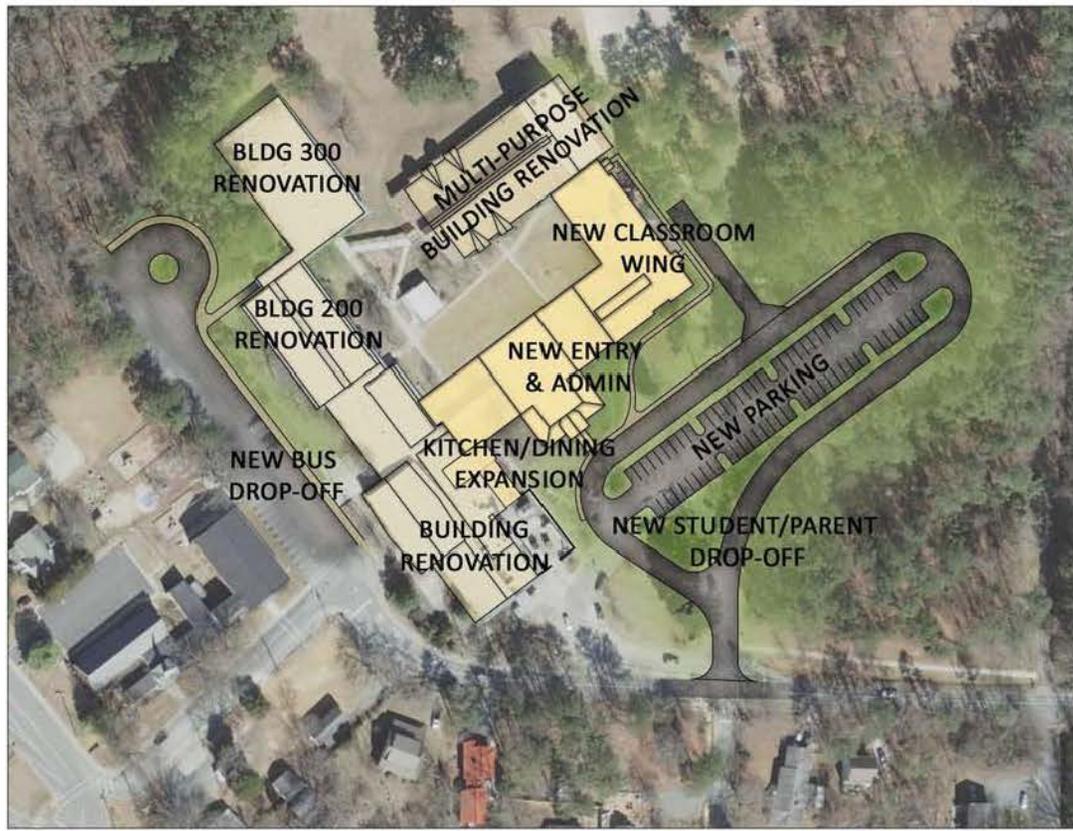
Area: 61,562 sf

Acres: 17.7

Student Capacity (per SAPFO): 533 Students

2013 ADM: 468 Students

Construction: Precast concrete frame with brick infill and built-up roof



RECOMMENDATIONS

- Eliminates life safety issues in Building 100 by deconstruction and building new academic wing
- Provide a new administration suite main entrance
- Moves queuing off of the road
- Connects all existing building internally
- Renovate all existing buildings
- Increase capacity by 52 seats.



CHAPEL HILL HIGH SCHOOL

CURRENT CONDITIONS:

6

- Deteriorated facility conditions
- Building "A" houses most of the classrooms and science rooms that are smaller than the School Construction Standards
- Fourteen mobile units on-site housing 9 academic classrooms, Ridge, 2 Blue Ribbon classrooms, & 2 health classrooms
- Drama, dance, wrestling, & weight rooms are significantly undersized
- Staff support space is undersized and inefficiently configured
- Campus-style layout lacking connection between the four buildings
- Major site drainage issues
- Main entrance is not ADA accessible
- Ramp between Main Building "A" and A2 does not meet Code
- Aging mechanical systems causing humidity issues

Year Built: 1965

Additions: 1969, 1973, 1975, 1983, 1990, 1994, 1996, 1997, 2003

Last Renovation: 2007

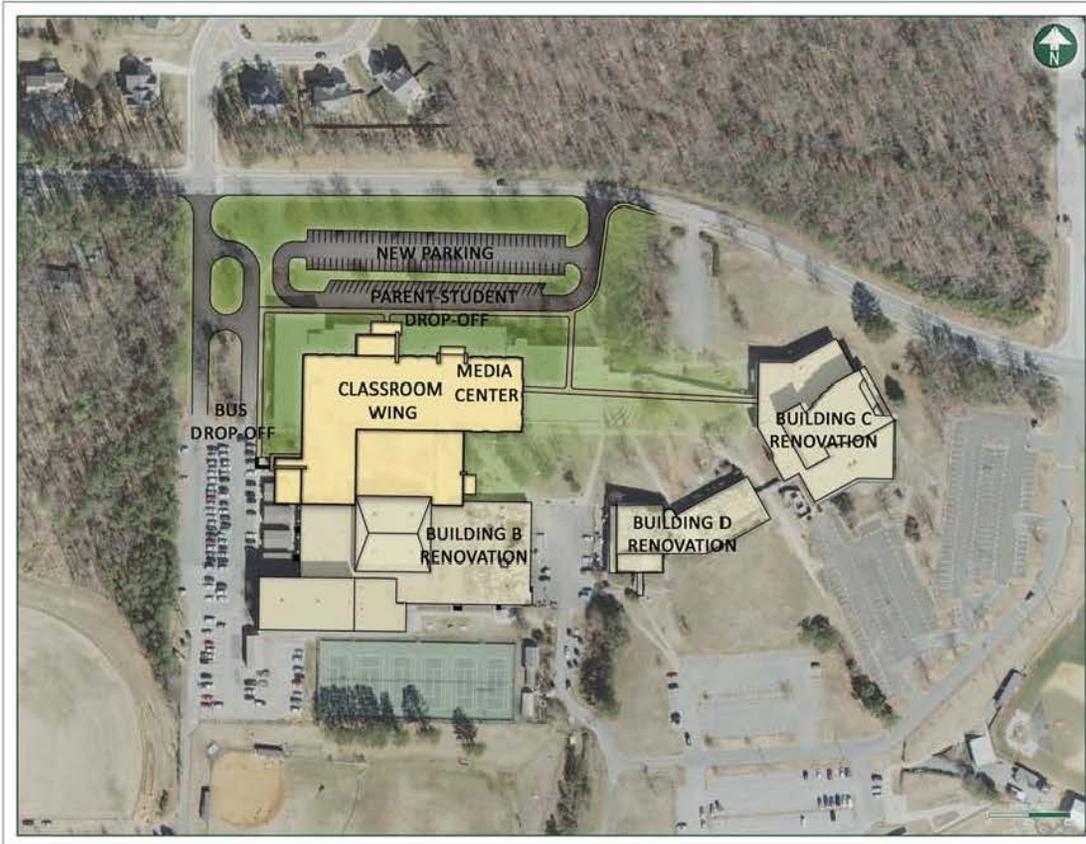
Area: 256,406 sf

Acres: 87.4

Student Capacity (per SAPFO): 1520 Students

2013 ADM: 1,432 Students

Construction: Load-bearing concrete block & steel frame



RECOMMENDATIONS

- Deconstruct Building A and construct an addition to house the current program spaces as well as the deficient program spaces
- Create a new accessible and secure main entry for students, staff and visitors.
- Address the oldest building on the high school campus and the major mechanical issues.
- Connects more of the campus internally
- Renovate all existing buildings
- Eliminate mobiles on site



CULBRETH MIDDLE SCHOOL

7

CURRENT CONDITIONS:

- Operating slightly over capacity
- No mobile units
- Six science classroom addition under construction
- Additional staff support space needed
- Location of administration suite presents security concerns
- Modular partition walls between classrooms allow sound transfer between classes
- Water infiltration issues into the lower level Band room
- Major damage to EIFS on exterior of building

Year Built: 1968

Additions: 1977, 1988, 1989, 1997, 1999, 2001

Last Renovation: 2013

Area: 108,058 sf

Acres: 35.4

Student Capacity (per SAPFO): 670 Students

2013 ADM: 696 Students

Construction: Load-bearing CMU wall construction



RECOMMENDATIONS

- Renovate existing building.



EPHESUS ELEMENTARY SCHOOL

8

CURRENT CONDITIONS:

- Seven mobile units on-site housing Pre-K, music, ESL, & administration/guidance offices
- Administration area & cafeteria/kitchen are too small
- Additional classrooms, science project room, music classroom, & administration/staff support spaces are needed
- Main entrance through the atrium does not provide a secure and easily monitored entry point
- Interior layout of existing building is inefficient, many classrooms have no windows
- Aging mechanical system

Year Built: 1971

Additions: 1975, 1989

Last Renovation: 2012

Area: 66,952 sf

Acres: 13.4

Student Capacity (per SAPFO): 448 Students

2013 ADM: 441 Students

Construction: Load-bearing CMU wall construction



RECOMMENDATIONS

- Renovate & reorganize the layout of the main building
- Relocate the administration suite to the street front & provide a new secure, main entry
- Provide additional program space to eliminate mobiles & bring school up the space standards
- Increase capacity by 137.



ESTES HILLS ELEMENTARY SCHOOL

CURRENT CONDITIONS:

9

- Two mobile units on-site housing Pre-K and a science room
- Most classrooms are 28 to 33% smaller than the current School Construction Standards program
- Program deficiencies, including 4 smaller classroom spaces, administration and staff support spaces
- Classrooms in the 1957 building exit to exterior breezeways and are not secure
- Aging mechanical system
- Queuing forces stacking in the public right of way

Year Built: 1957

Additions: 1986, 1998

Last Renovation: 2011

Area: 58,442

Acres: 33.1

Student Capacity (per SAPFO): 527 Students

2013 ADM: 499 Students

Construction: Load-bearing CMU walls with brick veneer & built-up roof over a poured-gypsum deck.



RECOMMENDATIONS

- Provide an administration addition at front to provide necessary staff space as well as a secure main entry
- Classroom wing deconstruction and addition at rear of the school including Pre-K classroom
- Enclose breezeways to connect all classrooms with interior corridors
- Realign the parent drop-off and combine the bus loop with Phillips Middle School to eliminate stacking on Estes Drive
- Connect internally most of the campus
- Eliminate mobile classrooms
- Increase capacity by 58 seats



FRANK PORTER GRAHAM ELEMENTARY

10

CURRENT CONDITIONS:

- Magnet Spanish dual-language school
- Two mobile units on-site
- Kitchen, dining, & staff support areas are too small
- Existing reception area is in a large open lobby that is not secure
- Water infiltration issues in Building 5
- Campus-style layout
- Aging mechanical system

Year Built: 1969

Additions: 1977, 1989

Last Renovation: 2012

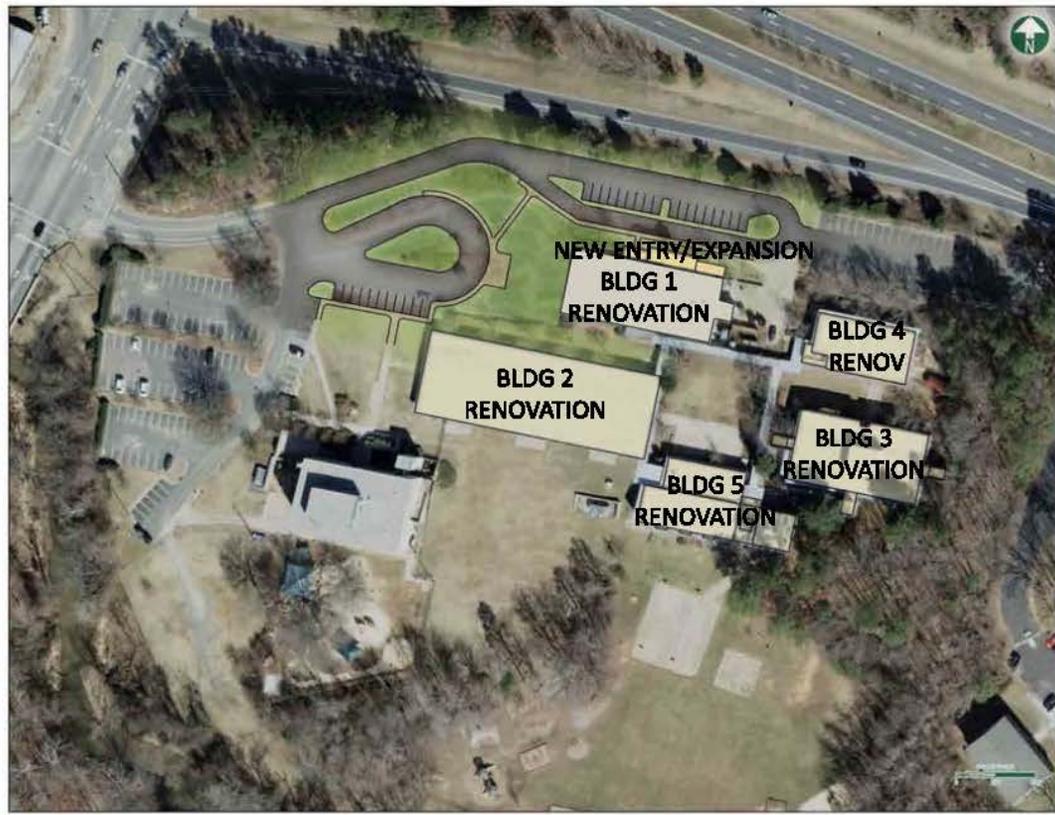
Area: 68,513sf

Acres: 9.8

Student Capacity (per SAPFO): 538 Students

2013 ADM: 491 Students

Construction: Load bearing CMU walls with brick veneer; built-up roof over a poured-gypsum deck & pre-cast exterior wall construction



RECOMMENDATIONS

- Construct addition for expansion of administration and dining/kitchen.
- Provide more prominent front door and secure main entrance
- Renovate existing buildings.



GLENWOOD ELEMENTARY SCHOOL

11

CURRENT CONDITIONS:

- Operating over capacity
- Oldest school in the district
- Five mobile units on-site housing 1st & 2nd grade classes
- Basement level rooms are substandard and being used for kindergarten, exceptional education & staff offices
- Administration area, cafeteria, physical education area, media center, & staff support areas are too small
- Existing administration suite is undersized and spread out
- Lack of staff toilet rooms
- Aging mechanical system

Year Built: 1952

Additions: 1959, 1986

Last Renovation:

Area: 55,372 sf

Acres: 9.6

Student Capacity (per SAPFO): 423 Students

2013 ADM: 513 Students

Construction: Load-bearing brick in the original building and CMU wall construction in the later additions



RECOMMENDATIONS

- Maintain existing buildings
- Provide small administrative addition and necessary staff space
- Provide secure main entrance



LINCOLN CENTER

12

CURRENT CONDITIONS:

- Inefficient layout for departments
- Lack of sufficient space for all central office personnel
- Aging mechanical system creating major humidity issues
- Lack of necessary parking
- Lack of Professional Development space

Year Built: 1950

Additions: 1977 (Maintenance building)

Last Renovation: Phoenix Academy - 2008

Area: Lincoln Center - 33,731 sf

Phoenix Academy - 5,622 sf

Maintenance Building - 22,388 sf

Acres: 12.8

Construction: Load-bearing CMU walls



RECOMMENDATIONS

- Deconstruct the existing Lincoln Center building and Phoenix Academy. Gymnasium & maintenance building to remain
- Construct a building to house both Pre-K program & new central office
- Construct separate building to house Phoenix Academy & Bridge Program
- Increase elementary capacity by 189
- Increase high school capacity by 50 to 100
- Work with Community to preserve historic aspects of building and site



PHILLIPS MIDDLE SCHOOL

13

CURRENT CONDITIONS:

- No mobile units
- Art education & music spaces and a foreign language classroom are deficient
- Existing main entrance is not secure
- Major water infiltration issues in the basement
- Aging mechanical system

Year Built: 1962

Additions: 1978, 1990

Last Renovation: 2011

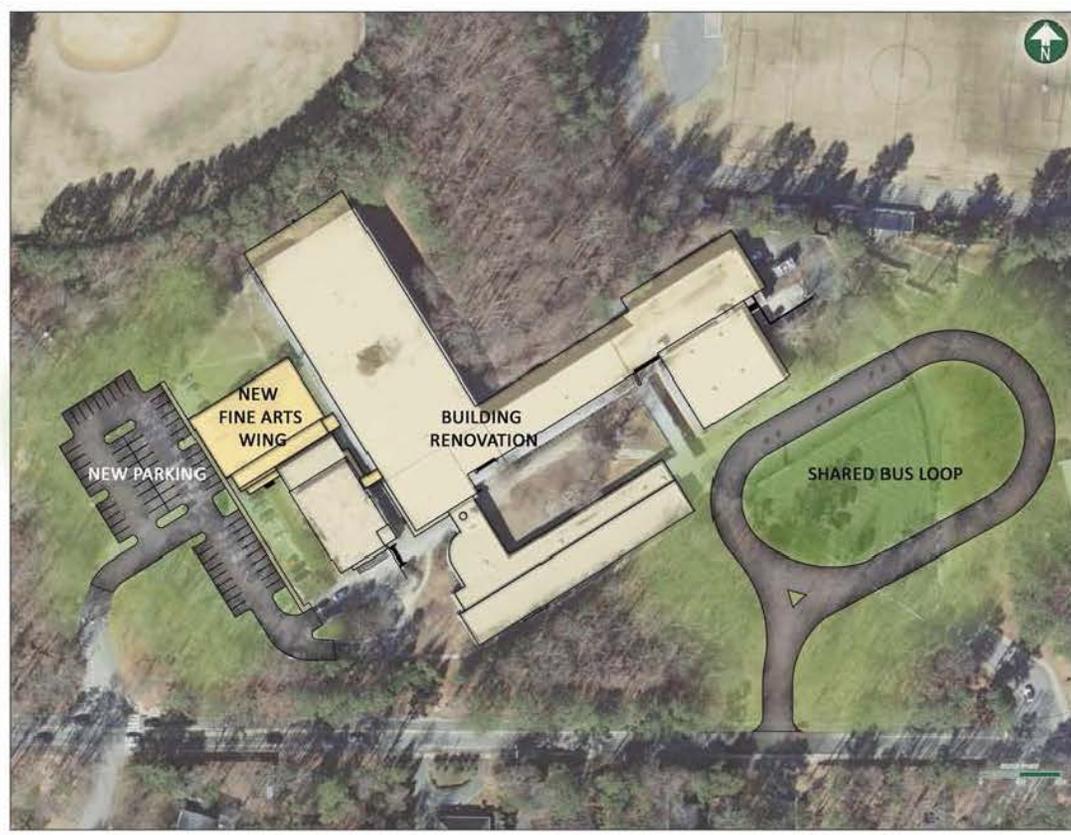
Area: 109,498 sf

Acres: 33.1

Student Capacity (per SAPFO): 706 Students

2013 ADM: 659 Students

Construction: Steel frame construction with brick veneer exterior walls and load bearing masonry walls at the gymnasium and concrete retaining walls at the lower level



RECOMMENDATIONS

- Renovate existing building
- Provide additional program space to meet space standards, including increasing the administrative suite to provide a secure main entry
- Provide new queuing configuration



SEAWELL ELEMENTARY SCHOOL

14

CURRENT CONDITIONS:

- Operating over capacity
- Six mobile units on-site housing classroom space
- Administration area, physical education area & staff support areas are too small
- Media center support spaces are lacking
- Lack of storage rooms
- Aging mechanical system
- Campus-style layout with classrooms exiting to the exterior
- Aging kitchen equipment
- Exterior structural remediation needed at one of the classroom pods

Year Built: 1969

Additions: 1975, 1989

Last Renovation:

Area: 58,629 sf

Acres: 87.5

Student Capacity (per SAPFO): 466 Students

2013 ADM: 539 Students

Construction: Load bearing brick construction appears to be the main structural system for the original building and load bearing CMU and steel frame construction for the 1989 addition



RECOMMENDATIONS

- Deconstruct the five classroom pods.
- Renovate the existing administration/dining building & Lowler Building.
- Eliminate use of mobiles as classrooms
- Provide additional program space to meet space standards & replace deconstructed classrooms (do not increase kitchen).
- Increase capacity by 119.





Orange County Schools



OCS Facility Recommendations

- 2013 Facilities Assessment reflected needed repairs/replacements/additions in excess of \$160M as of the date of the assessment.
- OCS receives approximately \$2.6M for capital funding annually.
- Of the \$160M overall needs, OC Board of Education prioritized projects to funding levels of \$50, \$60 and \$70M, with projects in the following areas given highest priority:
 - Safety;
 - Replacement of antiquated and failing mechanical equipment that would exceed normal CIP funding capabilities;
 - Cedar Ridge High School classroom wing addition;
 - Replacement of Transportation facilities;
 - Upgrade and replacement of food service facilities and equipment.
- Phase 1 projects per the attached sheet would be completed assuming a \$50M allocation of the potential 2016 bond.
- Unfunded projects would be addressed if higher allocation from potential 2016 bond were allocated and/or through future CIPs.
- Based on approved CAP Certificates to date, OCS has adequate elementary and middle school capacity for the current 10-year CIP period. The Cedar Ridge classroom addition will address the needed high school capacity, which is projected to reach SAPFO capacity by 2022. A planning/constructing/opening period of approximately three years is anticipated.
- Replacement and consolidation of Transportation facilities is included in the OCS Phase 1 request, but is envisioned as a joint project with CHCCS. OCS is the recognized LEA for Transportation for both OCS and CHCCS (State only recognizes one per County). The 1950's vintage Transportation facilities for both CHCCS and OCS are woefully inadequate. Some buses will not fit and still close the bay doors, for example.
- Potential bond funds will allow OCS to divert future pay-as-you-go CIP funds to other critical projects addressed in the Facilities Assessment, but not included in Phase 1.

Location	Scope of Work	Est. Cost	Prioritization for Potential Bond Funding
			Phase 1: Assumes \$50M potential bond funds allocation
A.L. STANBACK MIDDLE	--Replace antiquated/failing mechanical systems; --Address building infrastructure and major maintenance issues; --Upgrade and replace antiquated and non-compliant food service facilities and equipment; --Upgrade Science classrooms to DPI standards; and --Implement Safe Haven International (SHI) safety recommendations *	\$4.6 M*	Phase 1
CAMERON PARK ELEMENTARY	--Replace antiquated/failing mechanical systems; --Upgrade and replace antiquated and non-compliant food services facilities and equipment; --Address building infrastructure issues; --Implement SHI safety recommendations*	\$1.2M*	Phase 1
CEDAR RIDGE HIGH SCHOOL	--Upgrade Science classrooms to DPI standards; --New classroom wing increases capacity by 500 students --Implement SHI safety recommendations*	\$14.7 M*	Phase 1
CENTRAL ELEMENTARY	-- Replace antiquated/failing mechanical systems; -- Upgrade and replace antiquated and non-compliant food services facilities and equipment; --Address building infrastructure issues; --Implement SHI safety recommendations*	\$1.5M*	Phase 1
C.W. STANFORD MIDDLE	--Upgrade and replace antiquated and non-compliant food services facilities and equipment; -- Upgrade Science classrooms to DPI standards; --Implement SHI safety recommendations*	\$440,000*	Phase 1
EFLAND-CHEEKS ELEMENTARY	-- Replace antiquated/failing mechanical systems; -- Upgrade and replace antiquated and non-compliant food services facilities and equipment; --Major renovation of office area to address safety issues; --Address building infrastructure issues; --Implement SHI safety recommendations*	\$3.3M *	Phase 1
GRADY BROWN ELEMENTARY	-- Upgrade and replace antiquated and non-compliant food services facilities and equipment; --Address building infrastructure issues. --Implement SHI safety recommendations*	\$1.4 M*	Phase 1
GRAVELLY HILL MIDDLE	--Implement SHI safety recommendations*		Phase 1
HILLSBOROUGH ELEMENTARY	-- Upgrade and replace antiquated and non-compliant food services facilities and equipment; -- Replace antiquated/failing mechanical systems; --Create enclosed building connectors for safer student movement throughout the campus; --Implement SHI safety recommendations*	\$3.6 M*	Phase 1
NEW HOPE ELEMENTARY	-- Replace antiquated/failing mechanical systems --Upgrade and replace antiquated and non-compliant food services facilities and equipment; --Implement SHI safety recommendations*	\$1.5M*	Phase 1

*All safety/security funding included in "District-Wide Safety" total

**Transportation facility estimate assumes TBD funding contribution by CHCCS.

ORANGE HIGH SCHOOL	-- Upgrade and replace antiquated and non-compliant food services facilities and equipment; --Replace antiquated/failing mechanical systems; --Address major building infrastructure and maintenance issues; --Implement SHI safety recommendations*	\$8.2 M*	Phase 1
PARTNERSHIP ACADEMY	--Implement SHI safety recommendations*		Phase 1
PATHWAYS ELEMENTARY	--Implement SHI safety recommendations*		Phase 1
DISTRICT-WIDE SAFETY	--Implement SHI safety recommendations.	\$2.7 M	Phase 1
TRANSPORTATION	--Joint project with CHCCS: Replace two 1950's vintage facilities with co-located, code-complaint operations and maintenance base. OCS is the LEA of record with the State of NC for Transportation services.	\$9 M**	Phase 1
Total Phase 1 Projects for Proposed 2016 Bond		\$52,140,000**	
Major OCS Projects Unfunded at \$50M Allocation Level			
Efland-Cheeks Elementary	--Classroom expansion wing to accommodate expected growth from growth in western Orange --Pre-K addition	\$2.7M	Unfunded
Orange High	--Replace Ag Building	\$3.7 M	Unfunded
Central Elementary	--Media center expansion	\$700,000	Unfunded
Various schools	--HVAC system replacements identified in 2013 Facilities Assessment and not included in Phase 1	\$4,544,000	Unfunded
Various schools	--Infrastructure and major maintenance identified in 2013 Facilities Assessment and not included in Phase 1	\$500,000	Unfunded
Unfunded OC Board of Education Priority Projects		\$12,144,000	

*All safety/security funding included in "District-Wide Safety" total

**Transportation facility estimate assumes TBD funding contribution by CHCCS.

Date: September 23, 2015
To: Bonnie Hammersley, Orange County Manager
From: Todd LoFrese, Assistant Superintendent for Support Services
Re: Fiscal-year 2015-16 Operating Budget

Last Friday Governor McCrory signed the state budget for the next biennium into law. Now that we have greater clarity on state funding, we can finalize our local budget and seek formal budget approval from the Board of Education. We plan on presenting a recommendation to the Board of Education on October 1, 2015. The recommendation will be based on the priorities determined by the Board of Education and the district's long range plan reconciled against the action taken at the state level. We shared these priorities with the Board of Commissioners at our joint meeting last spring and during the local budget development process. A brief summary of the relevant provisions of the state budget and their local impact on education funding are described briefly below. Administration will be prepared to answer questions that Commissioners may have.

- **Teacher Assistants:** Teacher assistant funding was preserved in the final state budget. The funding formula has changed slightly which could result in a small decrease in funding for CHCCS and there is reduced budget flexibility as teacher assistant money can no longer be transferred. The district funds additional teacher assistants locally so the reduced flexibility does not impact us.
- **Salary and Bonuses:** The state budget increased beginning teacher pay to \$35,000 and provided funding for teacher step increases. Since there are only 5 steps in the teacher schedule, it is estimated that approximately 65% of teachers will not receive a salary increase. Some principals will receive step increases, although most will not. Classified employees and central office administrators were not provided any salary increase. The state did provide a one-time bonus for all school employees of \$750. We estimate that it will cost just under \$1.1 million in local dollars to provide salary increases and bonuses for locally paid staff. This is about \$100,000 less than we had estimated in our original budget request.
- **Driver Education:** The state budget provided funding for driver education. We do not anticipate needing additional local money for driver education this year and do not anticipate charging a fee to students.
- **1st Grade Class Size Reduction:** The budget included funding for a class size decrease of 1 student per class in grade 1 in fiscal year 2016-17. This is additional funding for an estimated 5 additional teachers across the district, however it may reduce our available school capacity.

This week legislation (House Bill 539) was reintroduced that may require the sharing of the special district tax with charter schools outside of our district along with access to other types of funding. If passed as currently written, this would cost the district in excess of \$250,000. We are monitoring this legislation closely.



Date: September 23, 2015
To: Bonnie Hammersley, Orange County Manager
From: Todd Wirt, Superintendent
Re: Fiscal-year 2015-16 Operating Budget

On Friday, September 18th, Governor McCrory approved the state budget for the next biennium. We can now move forward with finalizing our local budget for Board approval. We will present a budget recommendation to the Board of Education on November 9, 2015 and seek approval on November 23, 2015. A brief summary of the individual changes to the state budget and the total impact on education funding are described below. Administration will be prepared to answer questions that Commissioners may have.

- **Benefit Rates:** The state budget increased both state retirement rates and state health plan rates. These rate increases were not included in the original budget request and will impact the local budget by \$36K.
- **Teacher Assistants:** The state budget preserved teacher assistant funding for the 2015-2016 school year. We will see a small decrease of \$15K in funding for Orange County Schools due to a slight change in the funding formula. Teacher assistant funding can no longer be transferred. This is not an issue for Orange County Schools. We do not transfer teacher assistant funding.
- **Salary Increases:** The state budget increased teacher pay for beginning teachers from \$33K to \$35K. It also included funding for teacher step increases. There are only 5 tiers in the teacher pay schedule. Therefore, only those teachers moving from one tier to the next will receive a step increase. Approximately 59% of our teachers will not receive a pay increase in this fiscal year. We estimate that it will cost \$227K in local dollars to provide salary increases for locally paid employees. This was not budgeted in our original budget request. No other school employees will receive a salary increase.
- **Bonuses:** A one-time bonus of \$750 will be given to all school employees. We estimate that it will cost \$226K in local dollars to provide bonuses for locally paid employees. This was not budgeted in our original budget request.
- **1st Grade Class Size Reduction:** The FY 2016-2017 budget will reflect impacts, yet to be determined, for the state-approved class size reduction of 1 student per class in grade 1.
- **Transportation:** The state budget reduced by approximately 5% the total budget for the transportation allotment which supports the salaries of transportation personnel, diesel fuel, replacement parts and the maintenance of yellow school buses. This negatively impacts the local budget by \$154K.
- **Driver Education:** The state budget provides funding for driver education for two years. We currently charge a \$40 fee to students and do not anticipate a change in this fee.

This week legislation (House Bill 539) was reintroduced that may require the sharing of funds with charter schools that are not currently shared. If passed as currently written, this would cost the district approximately \$75K. We are monitoring this legislation closely.