

ORANGE COUNTY BOARD OF COMMISSIONERS

AGENDA

BOCC Budget Work Session
May 11, 2023
Meeting – 7:00 p.m.
Donna S. Baker Meeting Room
Whitted Building
300 West Tryon Street
Hillsborough, NC 27278

The Board of Commissioners is conducting a Budget Work Session on May 11, 2023. The public is invited to attend the meeting. There will not be an opportunity for members of the public to speak as the Board does not receive public comments during work sessions. Members of the public may provide written comments by submitting them to the ocbocc@orangecountync.gov email address, or providing comments at the second Budget/Capital Investment Plan (CIP) Public Hearing on June 1, 2023.

As in prior meetings, members of the public will be able to view and listen to the meeting via live streaming video at [orangecountync.gov/967/Meeting-Videos](https://www.orangecountync.gov/967/Meeting-Videos) and on Orange County Gov-TV on channels 1301 or 97.6 (Spectrum Cable).

- (7:00-7:30) 1. Discussion Regarding Outside Agencies Funding for FY 2023-24, Pg. 198
- (7:30-9:00) 2. FY 2023-24 Operating and CIP Budget Discussions, regarding:
- Durham Technical Community College, Pgs. 134-137 of the Operating Budget and Pg. 144 of the Capital Investment Plan
 - Chapel Hill-Carrboro City Schools, Pg. Pgs. 134-137 of the Operating Budget and Pgs. 116-133 of the Capital Investment Plan
 - Orange County Schools, Pgs. 134-137 of the Operating Budget and Pgs. 134-143 of the Capital Investment Plan

Orange County Board of Commissioners' Business meetings and work sessions are available via live streaming video <https://www.orangecountync.gov/967/Meeting-Videos> and Orange County Gov-TV on channels 1301 or 97.6 (Spectrum Cable).

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: May 11, 2023

**Action Agenda
Item No. 1 & 2**

SUBJECT: FY 2023-24 Budget Work Session – Discussion Regarding Outside Agencies, Durham Technical Community College, Chapel Hill-Carrboro City Schools and Orange County Schools

DEPARTMENT: County Manager

ATTACHMENT(S):

INFORMATION CONTACT:

Bonnie Hammersley, (919) 245-2300
Travis Myren, (919) 245-2308
Kirk Vaughn, (919) 245-2153

PURPOSE: To review and discuss:

- Outside Agency Funding;
- the Durham Technical Community College – Orange County Campus FY 2023-24 Operating and Capital Investment Plan Budget;
- the Chapel Hill-Carrboro City Schools FY 2023-24 Operating and Capital Investment Plan Budget; and
- the Orange County Schools FY 2023-24 Operating and Capital Investment Plan Budget.

BACKGROUND: The County Manager presented the FY 2023-24 Recommended Budget (<https://www.orangecountync.gov/budget>) on May 2, 2023. Since that time, the Board has conducted one public hearing to receive residents' comments regarding the proposed funding plan. This is the first opportunity for the Board to discuss next year's recommended funding plan related to Outside Agency and Education funding.

Outside Agency Funding: The recommended Outside Agency Funding can be found on page 198 of the Manager's Recommended Budget. Six (6) major outside agencies are being funded in departmental budgets to provide better accountability, coordination and client outcomes. This amounts to \$937,656 funded outside the outside agency pool of funding. This lowers the outside agency target to 5.6% of General Fund Expenditures, less education. The recommended budget allocates \$1,037,016 to the remaining forty-two (42) agencies, or 7% above the target. Additionally, there is \$45,000 in outside agency funds outside of the General Fund in the Visitors Bureau Fund. Those agencies will be managed by the Visitors Bureau and the Arts Commission.

Education Operating Funding: The Manager's Recommended Education Funding can be found starting on Page 134 of the Recommended Operating Budget. The budget provides \$130,852,731

to both School Districts, an increase of \$10,510,111 from FY 2022-23 funding. Per-pupil Current Expense funding is recommended to increase from \$4,808 to \$5,346. This will provide Chapel Hill-Carrboro City Schools (CHCCS) \$60,158,538 and Orange County Schools (OCS) \$42,784,038. In addition, the Manager's Recommended Budget includes a 1.5 cent increase to the CHCCS District Tax, which will provide an additional \$2,095,301 to support the district's continuation request.

Current Expense for Durham Tech Community College is recommended to increase by 10% or \$80,941. In addition, Durham Tech is recommended to be funded \$390,000 from Article 46 sales tax proceeds. The total funding for Durham Tech Community College is \$1,544,379 from all sources, including debt service payments.

Education Capital Funding: The Manager's Recommended Capital Investment Plan details the School Funding Summary on Page 114. There are \$303.6 million of school capital projects in the 10 year capital window. The largest investment is a planned \$130 million Bond Referendum, with a planned referendum date of November 2024.

The year one funding will provide \$11,492,243 to the school districts in regular allocations. After being adjusted to the FY 2023-24 Recommended Average Daily Membership (ADM) split, CHCCS will receive \$6,716,067 and OCS will receive \$4,776,176. In addition, CHCCS will draw down \$4 million of its Supplemental Deferred Maintenance.

Durham Tech has \$10,500,000 in year one funding to expand its Orange County Campus. The project is referenced on page 144 of the Recommended Capital Investment Plan, and has \$500,000 of available planning funds authorized by the Board in FY 2022-23.

FINANCIAL IMPACT: Information on the financial impact is included in the above Background section.

SOCIAL JUSTICE IMPACT: There are no Orange County Social Justice Goal impacts associated with this item.

ENVIRONMENTAL IMPACT: There are no Orange County Environmental Responsibility Goal impacts associated with discussion of this item.

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