

**SCHOOL FUNDING OPTIONS TASK FORCE
RECOMMENDATIONS TO BOARD OF COUNTY COMMISSIONERS**

Representatives of the Orange County Board of Commissioners and of the Chapel-Carrboro Board of Education and the Orange County Board of Education met twice, on February 15, 2000 and February 28, 2000, to discuss school funding options. These topics were further examined at a joint meeting of the full boards on March 27, 2000.

A previous report, dated March 23, 2000, outlined the nature and scope of the task force discussions, which were frank and constructive. All agreed the County has historically employed "sound reasoning and good judgment" in funding public education, resulting in quality schools of high achievement.

Reflective of that support by the Board of Commissioners, public education in Orange County is annually funded at levels that rank at or near the highest in North Carolina. Of approximately 2,400 positions in the two school systems, one-quarter are locally funded.

The Board of Commissioners remains strongly committed to public education. However, it must balance growing and competing needs for the county funds, all within a relatively narrow range of disruption.

Recent trends in spending provided average annual increases of about six percent for county functions, compared to nearly double that rate for schools, posing certain fiscal and operational difficulties over time. That rate of increase allowed for strong growth in the budgets of both school systems over and above what they define as mandates.

The representatives of the Board of Commissioners find that schools are well-funded in Orange County; that growth in property and sales taxes allows for expansion of funding even within a framework of benchmarks and a targeted percentage of expenditures; and that there is lack of clarity in what the school systems regard as mandates as opposed to imperatives, and in the level of spending by which each responds to the same perceived mandates.

To begin a process whereby the Board achieves some predictability in addressing its multiple fiscal responsibilities, the representatives recommend the County adopt a series of benchmarks to guide spending decisions. We also recommend the Board endorse as a target for the 2001 fiscal year 48.1 percent of the overall County budget for annual spending on both school systems, the most recent five-year average.

May 3, 2000

We recognize needs vary from year to year, and anticipate the County Manager may respond to school system requests by proposing increases that exceed the target percentage.

Further, we regard these steps as beginning a process of elaboration and collaboration on fiscal matters. To that end, we encourage the continuation of a joint work group to address unresolved issues and concerns regarding co-mingling of capital expenses and operational needs in creating a target percentage; demands of technology improvement; examination of a countywide approach to older school facilities; more clearly defining federal and state mandates as compared to board initiatives and imperatives; and more equitable and flexible means for funding actual versus projected student enrollments.

Moses Carey and Barry Jacobs;
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