

# Board Approved FY 2023 Local Budget Request



Orange County Schools | 200 E. King Street | Hillsborough, NC

# BUDGET MESSAGE



Orange County Board of County Commissioners:

I am writing this budget message at a time when we, and much of the nation, are finally seeing evidence that there could be an end to the Covid-19 pandemic as we've known it to be since March 2020. Even though this virus shows evidence of always being present in our society and has been very difficult to contend with, we have learned much from the experience in Orange County Schools. We have learned that our children learn best when in person instruction is provided. We have also learned that our children need the relationships forged in school buildings with staff and their peers to inhibit negative social and emotional impacts and to thrive and grow academically.

As we continue to navigate this budget season, we are maintaining a laser-like focus on serving and nurturing the "whole child"--this includes our students' social-emotional well being and their academic achievement. Focusing on the whole child requires each and every single member of the Orange County School staff--from our bus drivers who are the first to greet our students in the morning; to our child nutrition staff who ensure each student receives a balanced meal so they are not hungry and can focus on learning; to the custodians and operations team who keep our facilities conducive for teaching and learning; as well as, to all of the support staff, teachers and district leaders who provide robust teaching and learning.

Outside of our continuation needs to support the State mandated salary and benefit increases from FY 2022, which were unfunded, and FY 2023, you will see that our budget focus for FY 2023 is on our staff--only our staff.

Staff turnover is reaching all time highs across the country in the K-12 arena. Stress from the pandemic, student learning falling behind and pure burnout is leading many to leave the education profession. A recent EdWeek survey reported, when asked about the likelihood that they'll leave teaching in the next two years, 54% of teachers said they are "somewhat" or "very likely" to do so (EdWeek TopSchoolJobs, 2022). Many educators are experiencing job dissatisfaction that never existed before.

Moreover, it is important to note that more than one in three children in kindergarten through grade 3 have little chance of reading on grade level by the end of the school year without major and systemic interventions (and access to good core instruction), according to a new study by testing group Amplify. "When students start getting to grades three and four and five, those compounding effects will really be prevalent, and it takes more time and more resources to actually close the gap" (Education Week, 2022). It will take an investment in the "instructional core" which includes ensuring we can recruit and retain high quality staff to recover and accelerate learning for our students.

As a result of these challenges and the direct impact they have on student achievement, this budget is placing priority on school staff. Data supports that consistent school staff interacting with students day to day directly impacts achievement. Relationships can be fostered, trust built and success attained. We are already beginning to see the positive impact of the instructional investments we are making and need to ensure we maintain the stability of our highly qualified staff. We know you understand the importance of maintaining highly qualified staff for our students and trust you will support OCS with doing so.

In service to children,

Dr. Monique Felder

Superintendent, Orange County Schools

# ORGANIZATION



VISION—Preparing every learner for lifelong service and success.

**ENGAGE. CHALLENGE. INSPIRE.**

MISSION—Educating students in a safe, inclusive environment where we engage, challenge and inspire them to reach their maximum potential



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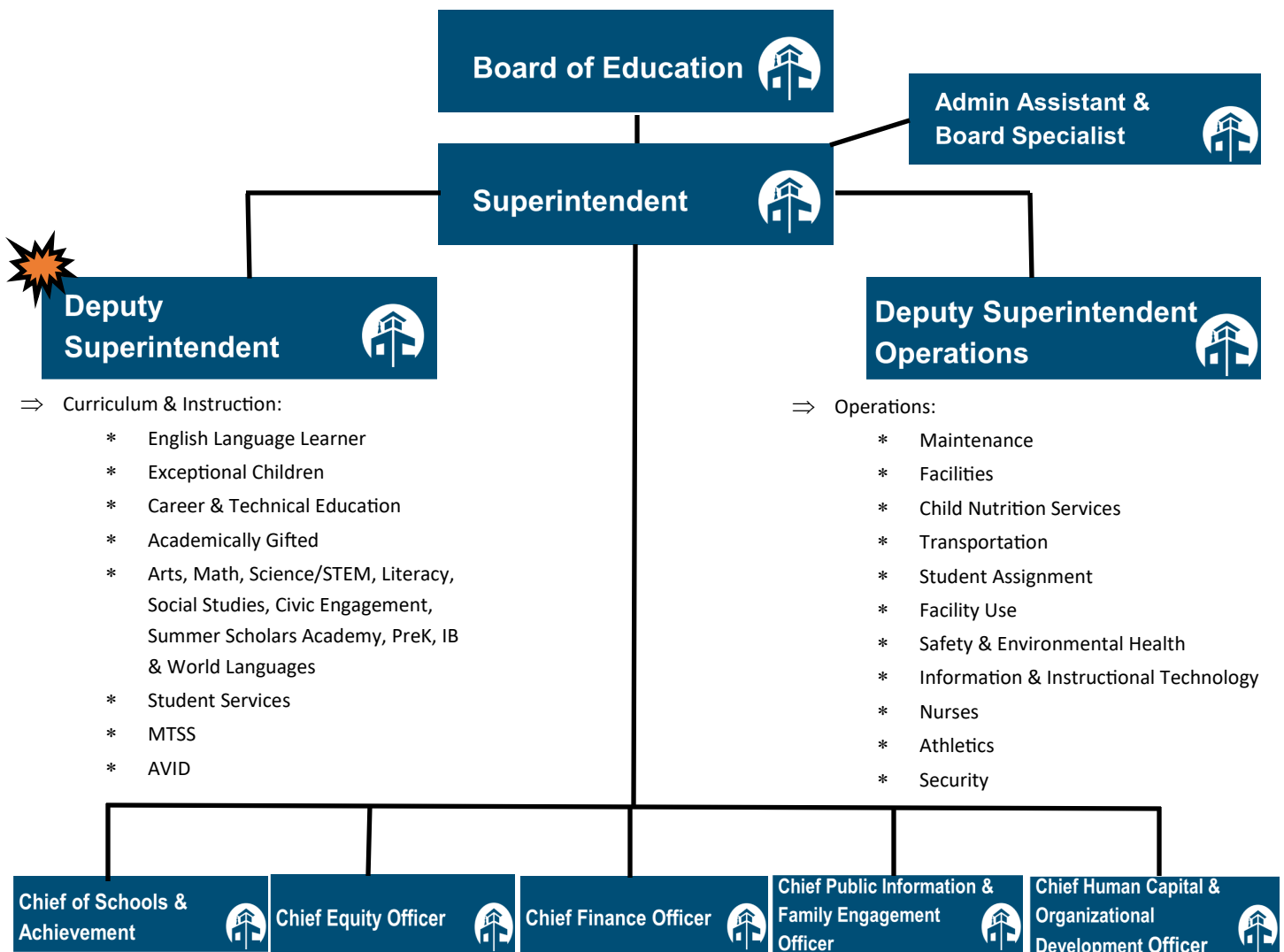
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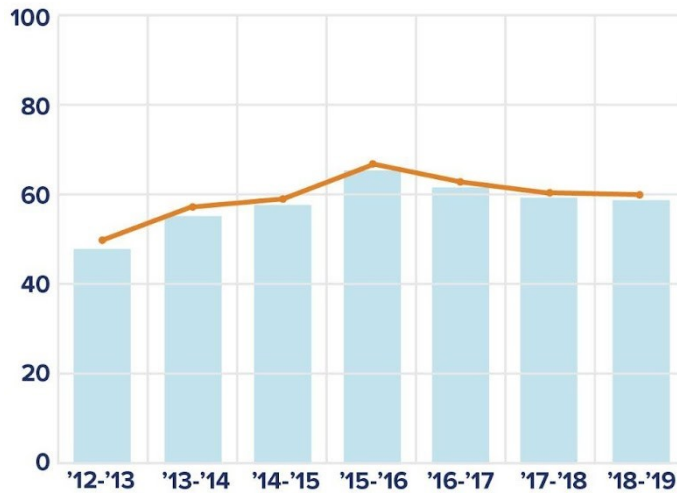


The current Deputy Superintendent position is being repurposed to Chief Academic Officer in 2022-23. There will only be one Deputy Superintendent effective the 2022-23 school year.

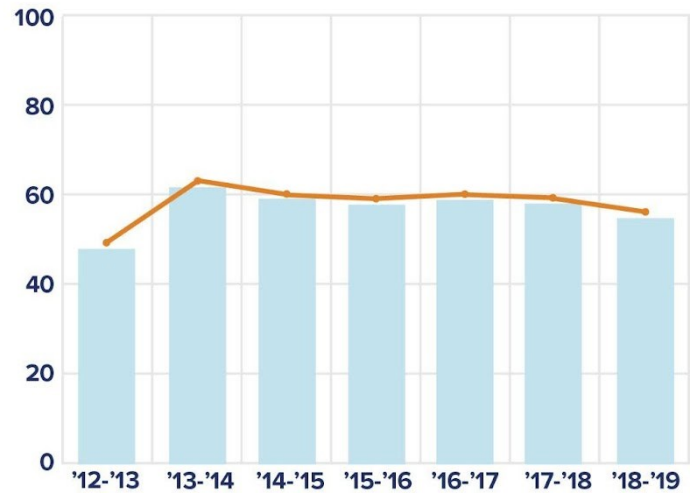
# STUDENT ACHIEVEMENT



End of Grade Reading Tests Grades 3-8

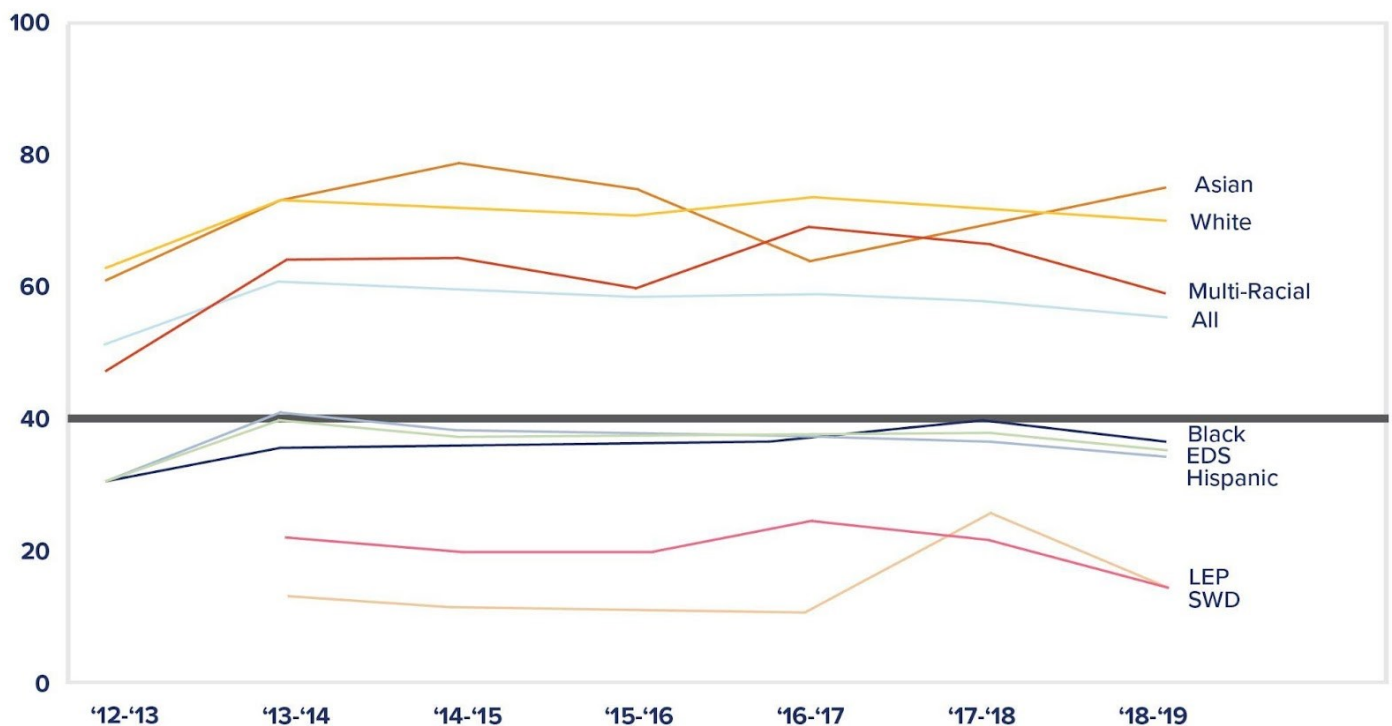


End of Grade Math Tests Grades 3-8



A review of OCS' trend reading and math assessment data in grades 3-8 from 2012-2019 indicates that student achievement/ student growth has been stagnant or flat for 7 years.

End of Grade Reading Tests Grades 3-8



**EDS:** Economically Disadvantaged Students

**LEP:** English Language Learners

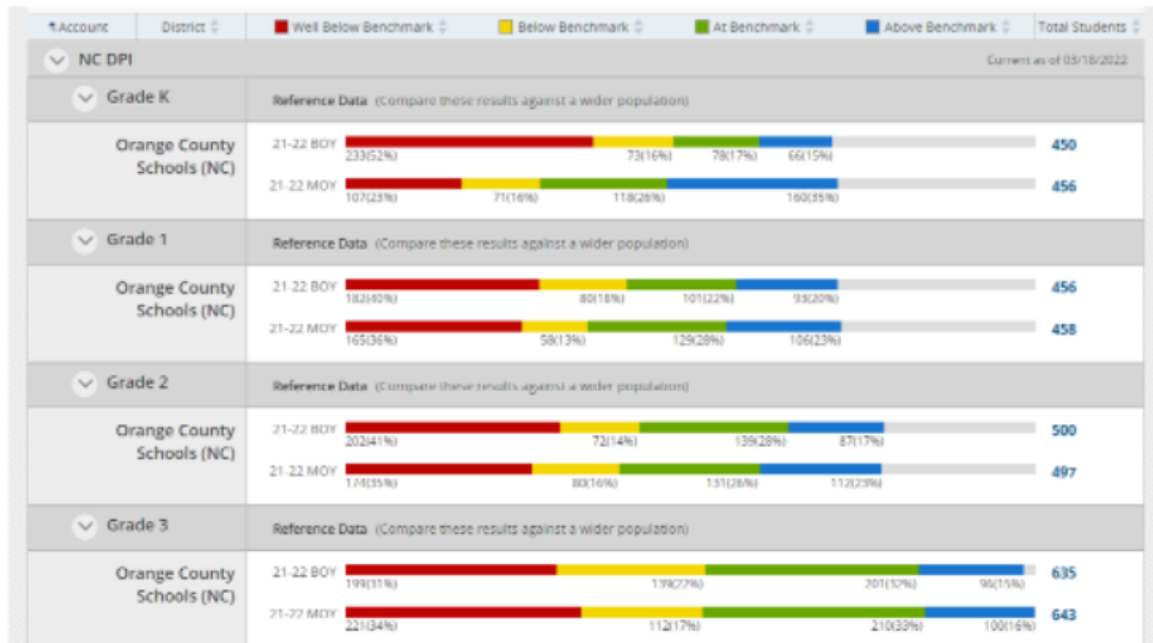
**SWD:** Students with Disabilities

When disaggregated by race/ethnicity, the 2012 through 2019 reading data for students in grades 3-8 indicates that far too many of our students are not proficient in the critical area of reading. The historical data indicates there have been great disparities in the reading achievement of our Hispanic students, Black students, Economically Disadvantaged students (EDS), Students with Disabilities, and English Language Learners in particular.

# STUDENT ACHIEVEMENT



## SY21-22 Beginning of Year (BOY) and Middle of Year (MOY) Reading and Math Data



The data in this table shows the change in composite scores between the BOY and MOY on the DIBELS 8th Edition reading assessment. This data shows that each grade level has experienced growth between beginning of the year and middle of the year assessments.

MATH 2021-2022									
Grade	BOY Math at High Risk	MOY Math at High Risk	% Change	BOY Math% at Moderate Risk	MOY Math % at Moderate Risk	% Change	BOY Math % at Low Risk	MOY Math % at Low Risk	% Change
k	30%	19%	11%	27%	16%	9%	43%	65%	23%
1	36%	24%	12%	18%	15%	3%	46%	61%	15%
2	28%	27%	1%	22%	15%	7%	50%	58%	8%
3	29%	23%	6%	21%	15%	6%	50%	62%	12%
4	25%	19%	6%	17%	15%	2%	58%	66%	8%
5	23%	16%	7%	16%	10%	6%	61%	74%	13%
6	19%	29%	-10%	18%	17%	1%	63%	54%	-9%
7	22%	18%	4%	19%	14%	5%	59%	68%	9%
8	24%	23%	1%	22%	18%	4%	54%	59%	5%

Here we see the AimsWeb Plus (AWP) universal screener Math BOY to MOY risk transition data. We can look at our kindergarten data as an example of the overall trends seen from BOY to MOY in the area of math. In the fall, 30% of tested kindergarten students were at high risk according to AWP, and in the Winter, 19% of tested kindergarten students were at high risk, for a 11% positive change. These results are similar to results seen in almost all grade levels K-8 in math.

# STRATEGIC PLAN



A strategic plan is our north star and our road map. It explains our district's mission, our vision, how we'll achieve our goals, and how we'll measure our progress. It also explains our core values and beliefs. The belief statements define what motivates us. They help us prioritize and work to make the future we want a reality. Through this strategic plan, we'll keep our team accountable as we strive toward greatness for our students.

## Goal 1: Teaching Tomorrow's Leaders

Through a multi-tiered system of support (MTSS), all learners will excel by having access to and benefiting from a rigorous curriculum and instruction that is research and evidence based to prepare them for college, career, and civic engagement.

## Goal 2: Excellence & Efficiency

The district will provide exemplary operational support to schools, staff, and the community to ensure a focus on student learning.

## Goal 3: Exemplary Staff

Recruit, hire, support, and retain culturally proficient and high-quality staff committed to providing all students with an excellent education in a welcoming environment.

## Goal 4: Empowering Culture

Cultivate supportive partnerships among families, schools, and community stakeholders to support students' well-being and ensure all students have what they need to be successful.

### How It All Works Together



# APPROVED FY 2023 LOCAL BUDGET REQUEST



# Student Enrollment



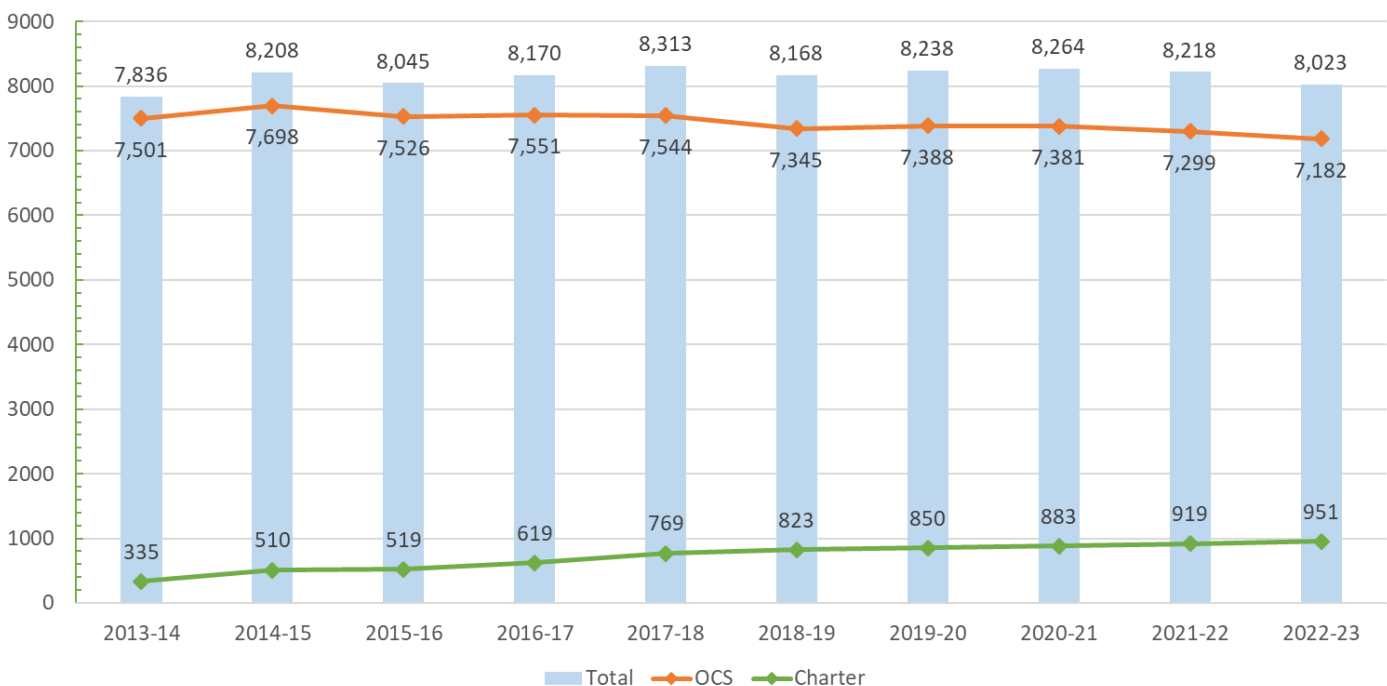
	FY 2022	FY 2023	Change
<b>Projected ADM</b> Average Daily Membership	7,299	7,182	(117)
(plus) Charter School	919	951	32
(less) Out of District	108	110	2
<b>Total Student Billing Base</b>	<b>8,110</b>	<b>8,023</b>	<b>(87)</b>

The Department of Public Instruction has projected that Orange County Schools will have a decrease in student enrollment of 117 students in comparison to the 2021-22 school year.

At this time, the Orange County School district is passing through local per pupil funding to charter schools for 951 students domiciled in the Orange County School district and enrolled in a charter school. This is a 32 student increase in comparison to the 2021-22 school year.

Out of district students have increase 2 in comparison to the 2021-22 school year. This represents those students not domiciled to attend OCS, staff students.

Overall, it is projected that the district will see a total decrease of 87 students in the 2022-23 school year.



# Continuation Budget



The continuation budget represents the continuation of current operations adjusted to incorporate known impacts such as mandated salary and benefit increases.

The General Assembly passed a 2021-22 Biennium Budget, November 18 ,2021 that was signed into law by Governor Cooper that same day.

This Biennium Budget included an average 2.5% increase for licensed staff and a 2.5% increase for all other staff. As a result of not receiving an increase in the **2021-22** per pupil funding, the district needed to appropriate approximately \$550,000 in fund balance to cover the salary and benefit increases for staff funded from local resources.

In order to fund the anticipated 2.5% increase in FY 2022-23 and support the unfunded 2021-22 increases, the district will need an additional \$1,100,000 or \$137 per pupil. Please note that anticipated increases in the cost of goods and utility rates are **not** being included in the continuation budget request. It has been recommended and supported by the Board of Education to reserve Fund Balance (accumulation of operating surpluses and deficits since the beginning of a local governments existence) to offset potential economic impacts from increased inflation. It is a priority of the Board and District Administration to ensure funding of legislated salary and benefit increases.

Additionally, the district requests that Commissioners fund the associated costs for Orange County Schools to utilize the Whitted facility for Board of Education public meetings held there twice monthly. This is requested outside of the per pupil funding.

Anticipated County Per Pupil Revenue	\$35,036,441	\$4,367/pp
Total Increase to Fund Local Salaries and Benefits FY22 Unfunded 2.5% increase & FY23 projected 2.5% Increase + Benefit Increases	\$ 1,100,000	\$ 137/pp
<b>Sub-Total Local Current Operations Continuation Budget</b>	<b>\$36,136,441</b>	<b>\$4,504 pp</b>
Whitted Building Tech Support for Board of Education Meetings (\$1,850 per meeting)	\$40,480	N/A
<b>Total Local Current Operations Continuation Budget</b>	<b>\$36,176,921</b>	<b>\$4,504 pp</b>

# Expansion Budget



The expansion budget represents additional funding needs above and beyond the base funding of the 2021-22 school year and the state mandated salary and benefit increases reflected in the continuation budget request.

Many budget expansion requests were received during the budget development process. Each of these requests addressed important needs within the district. Realizing that the necessary funding to implement every request was unrealistic, staff prioritized and recommended the top requests for funding consideration in the Superintendent's Recommended Budget. The Superintendent supported and brought forward those Expansion Requests that were approved by the Board April 11, 2022.

June 2021, Orange County Schools contracted with Hurd, Isenhour, Lopes LLC (HIL Consultants) to engage in a study of the Orange County Schools classified compensation schedule. This engagement incorporated a scope of work as follows:

- Conduct on-site interviews with district leadership and select classified staff;
- Evaluate and compare salary ranges for all employee classifications except for the school based certified instructional and non-instructional staff;
- Collaborate with district leaders in the selection of a cohort group of North Public-school districts to compare classified salary ranges;
- Review the current principal pay structure and collaborate with district leaders to develop a competitive principal pay structure;
- Review the current pay structure for central office administrators to develop a consistent competitive pay structure;
- Collaborate with district leadership to develop a 30-step salary schedule for all classified job groups with consistent differentials between each step;
- Provide recommendations for placement of the classified employee groups on the proposed schedules, including recommendations for classified employee groups requiring trade certifications and license; and
- Provide recommended policies and procedures for placement of personnel with non-public school experience on the salary schedule.

It was reported that OCS salaries were below other districts at the midpoint and maximum levels which indicates salaries are compressed and employees have not advanced on the scale each year. The HIL Consultants provided a 29 step pay scale for each category of classified employee that incorporated a 1.5% step increase for every year of experience. It was recommended that such a pay scale be implemented for each category of employee providing opportunity for pay increases for each year of experience/service completed (i.e., step increase).

In order to address retention in the classified staff pool, recruit highly qualified staff into vacant classified positions and afford stability to our students, the district brings forward the recommended salary scale for funding consideration.

# Expansion Budget



Utilizing the additional online sales tax revenue surplus Commissioners committed to the district earlier in 2022 affords the total cost of implementation to be reduced from \$3.1 million to \$2.5 million or \$308 per pupil.

In order to address the retention of licensed staff (i.e. classroom teachers, counselors, etc.) and further recruit highly qualified candidates, the districts seeks additional funding to provide years of service credit for supplement based on State years of service instead of the current practice of service credit based on years of service within the OCS district. In order to facilitate this initiative, an additional \$651,000 or \$81 per pupil.

In conclusion, funding is being requested to support providing Master's Pay to those Licensed staff holding a Master's Degree relevant to their position. In 2013, the State withdrew Master's Pay for licensed school professionals unless a Master's Degree had been earned at that time or at least one course had been completed on the Master track. Even though reinstating Master's Pay has been broached in State budget negotiations, it has yet to make it into a final State budget resolution since its ending in 2013. As a result, no State funding is available, nor can be designated, to pay Master's Pay. Implementation would require a local funding max of \$1.2 million or \$150 per pupil. Taking such a step would attract many teaching professionals to Orange County Schools and foster greater stability in the classroom.

## ENGAGE. CHALLENGE. INSPIRE.

Anticipated County Per Pupil Revenue	\$35,036,441	\$4,367/pp
Total Increase to Fund Local Salaries and Benefits FY22 Unfunded 2.5% increase & FY23 projected 2.5% Salary & Benefit Increases	\$ 1,100,000	\$ 137/pp
<b>Total Local Current Operations Continuation Budget</b>	<b>\$36,136,441</b>	<b>\$4,504 pp</b>
Implementation of Classified Employment Study Recurring sales tax revenue committed by BoCC Budget need to implement recommended Study	\$3,100,000 <u>\$ (631,500)</u> \$2,468,500	\$308/pp
Provide years of service credit for supplement based on state years of service vs. local years of service to Certified staff (i.e., Teachers)	\$ 651,000	\$ 81/pp
Master Pay for those certified staff holding a master degree relevant to their position	\$1,200,000	\$150/pp
<b>GRAND TOTAL LOCAL OPERATING BUDGET</b>	<b>\$40,455,941</b>	<b>\$5,043/pp</b>

# BUDGET AT A GLANCE



# BUDGET AT A GLANCE



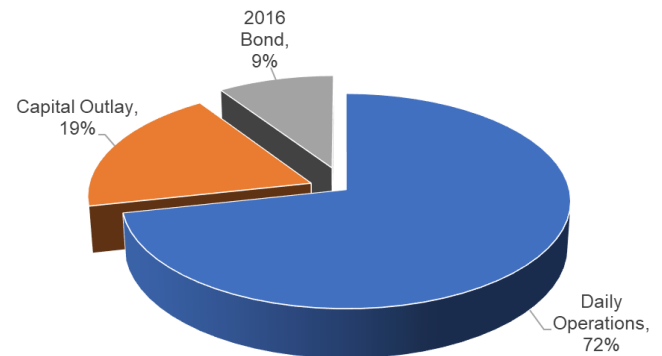
There are two major components of the Orange County Schools Total Budget: Operating Budget and Capital Improvements Budget.

**The Operating Budget** covers the day-to-day costs of operating the school system; such as staff salaries and benefits, purchased services, supplies and materials, maintenance, transportation, and utilities. The primary sources of funding for the Operating Budget are state, federal, and county tax dollars.

**The Capital Investments Budget** supports maintaining the integrity of infrastructure in our buildings such as roofs and HVAC systems. If the building envelope has no integrity, the building will ultimately fail.

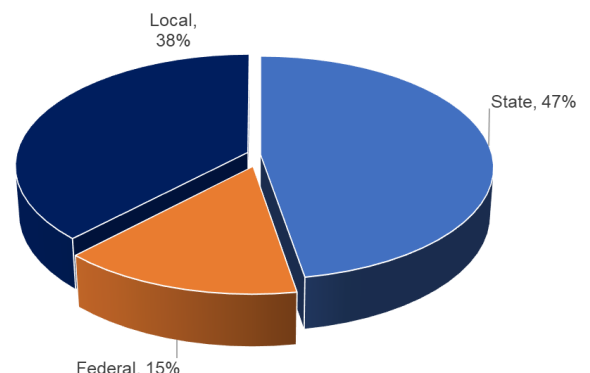
## Total Budget for FY 2022-23

Daily Operations	\$ 107,005,941	72%
Capital (Pay-Go, Article 46)	\$ 28,453,842	19%
2016 Taxpayer Bond	\$ 14,046,158	9%
Total Budget	\$ 149,505,941	100%



## Total Operating Budget for FY 2022-23

Total Operating Budget for FY 2022-23			Per Pupil
State	\$ 50,600,000	47%	\$ 7,045
County Appropriation	\$ 40,455,941	38%	\$ 5,043
Federal	\$ 15,950,000	15%	*\$ 2,221
Total Operating Budget	\$107,005,941	100%	\$14,309



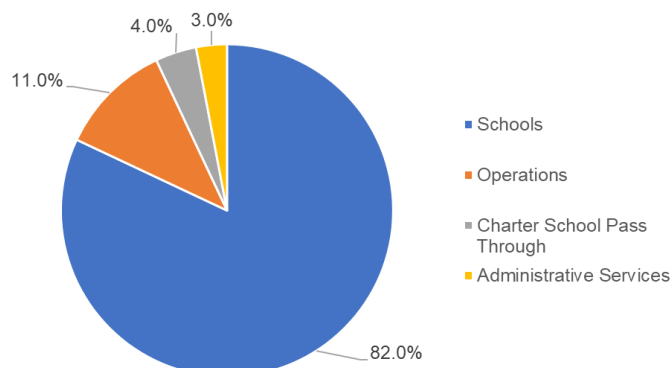
\* It is important to note that this per pupil is higher than normal due to the influx of Federal Covid Relief Funds, which are short-term and nonrecurring. Typically, the district Federal Funds are 3.0% of the Operating Budget with a per pupil of \$475.

# BUDGET AT A GLANCE



Funds come from:		Funds go to:	
<b>State Resources 47%</b>		<b>State Resources Cover:</b>	
<b>\$50.6 m</b>			
State Public School Fund		Salaries & Benefits	\$49.2m
• Position Allotments	\$28.1m	Purchased Services	\$0.8m
• Categorical Allotments	\$15.0m	Supplies & Materials	\$0.4m
• Dollar Allotments	\$7.4m	Capital Outlay	\$0.2m
Other State Allocations for Operations	\$0.1m		
<b>Local Resources 38%</b>		<b>Local Resources Cover:</b>	
<b>\$40.5 m</b>			
Noncategorical (Most Flexible Resource)		Salaries & Benefits*	\$26.7m
• County Per Pupil Appropriation	\$40.5m	Purchased Services	\$7.0m
• Fund Balance	TBD	Supplies & Materials	\$2.6m
		Charter Schools	\$4.2m
		*Local salary supplement for <u>ALL</u> staff is included	
<b>Federal Resources 15%</b>		<b>Federal Resources Cover:</b>	
<b>\$16.0m</b>			
• ESSER* (Federal Covid Relief Funds)	\$10.0m	Salaries & Benefits	\$8.3m
• Title I	\$2.5m	Purchased Services	\$3.9m
• Title II	\$0.4m	Supplies & Materials	\$3.8m
• Title III	\$0.2m		
• IDEA VI-B Handicapped	\$2.4m		
• CTE	\$0.2m		
• All Other	\$0.3m		

A large portion of the district's budget, 82%, goes directly to schools and 4% of the budget is a pass through to charter schools. 11% of the total budget supports Operations which includes transportation, utilities, maintenance and operations with the remaining 3% supporting administrative services (i.e. Finance, Human Capital, Technology, Office of Superintendent and Equity)



Funds follow the student. Therefore when an OCS student enrolls in a charter school, OCS is required, by law, to pass the local per pupil allocation to the Charter School.

\* 1.7m Expires 9/30/2023. Balance expires 9/30/2024. Federal ESSER monies are short term funding that OCS is utilizing to fund short term positions, instructional materials (i.e. curriculum) and professional development.

# BUDGET AT A GLANCE



Who is funded: (Does not include temporary part-time or hourly staff)	State Resources	Local Resources	Federal Resources	TOTAL
• Classroom Teachers	402.3	67.6	8.2	478.1 (48.6%)
• Central Office Administration	3.5	12.8	1.5	17.8 (1.8%)
• Principals & Assistant Principals	20.0	10.7	1.0	31.7 (3.2%)
• Instructional Support-Licensed	55.4	51.2	10.9	117.5 (12.0%)
• Instructional Support-Non Licensed	5.0	5.0	—	10.0 (1.0%)
• Driver's Education	8.0	—	—	8.0 (0.8%)
• Career Technical Education	33.5	—	—	33.5 (3.4%)
• Teacher Assistants	59.6	7.7	50.5	117.8(12.0%)
• School Level Office Support	5.0	32.5	1.0	38.5 (3.9%)
• District Office Support	6.5	20.7	0.8	28.0 (2.8%)
• Operations (Maintenance & Transportation)	<u>78.7</u>	<u>25.0</u>	<u>—</u>	<u>103.7 (10.5%)</u>
TOTAL	677.5	233.2	73.9	984.6

**Classroom Teacher**—Includes staff certified to teach the standard course of study and assigned to instruct students (Includes, Exceptional Children, Academically Gifted, English Language Learner, P.E., Music, Art, World Languages, etc.)

**Central Office Administration**—Includes Deputy Superintendent, Superintendent's Cabinet, Executive Directors and Program Directors except Maintenance and Transportation that are incorporated in Operations.

**Principal & Assistant Principals**—Includes the persons holding a principal certificate or receiving approval from the state agency to serve as a provisional principal performing the duties of a principal in a school having seven or more state allotted teachers; and persons licensed as an assistant principal and designated to perform the duties of a non-teaching assistant principal.

**Instructional Support Licensed**—Includes instructional facilitators, instructional coaches, social workers, nurses, guidance counselors, media specialists, and digital learning coaches.

**Instructional Support Non-Licensed**—Includes Family Liaisons, Occupational Therapist, and Physical Therapist.

**Driver's Education**—Includes persons providing classroom and hands on driving instruction to Orange County Students (OCS). This includes OCS students attending charter schools in orange county.

**Career Technical Education**—Includes CTE teachers, CTE Office Support, CTE Director, and Career Development Coordinator(s).

**Teacher Assistants**—Includes staff assigned to perform day-to-day activities of assisting the regular classroom teacher. Exceptional Children TA's incorporated here.

**School Level Office Support**—Includes School bookkeeper, school receptionist, school data manager, and school guidance secretary.

**District Office Support**—Includes Finance Staff, Human Capital Staff, Administrative Assistants and Technology Techs.

**Operations (Maintenance & Transportation)** - Includes custodians, HVAC Tech, Plumbing Tech, Electrical Tech, Bus Drivers, Bus Safety Assistants, Mechanics, Maintenance Director and Transportation Director.

## FUND BALANCE SUMMARY



Restricted (State Stabilization)	49,038
Assigned/Appropriated	4,237,331
<b>FY 2022 Unassigned/Available</b>	<b>2,327,735</b>
Total Audited Local Fund Balance	6,614,104

The district is anticipating a budget surplus this fiscal year as a result of various vacancies. This surplus is being reserved to offset the economic impact of rising inflation and its impact on cost of goods and labor; support the summer feeding program at a non-qualifying elementary school that could not be relocated to a USDA qualifying elementary school due to ongoing Capital Improvement work that requires an empty campus to complete; and to develop a comprehensive recruitment package needed to address multiple vacancies.

Additionally, \$244,200 was recently approved for appropriation in FY 2023 to support the district's initiative to supplement staff memberships at the Orange County Sports Plex in support of staff mental health and social/emotional wellness.

In conclusion, local policy states that the school district will make a good faith estimate to maintain a level of unassigned fund balance, a minimum of 5.5% of local budgeted expenditures, ensuring sufficient funds are available to address cash flow needs. 5.5% of local budgeted expenditures is \$2.2 million.



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