

# **Proposed Budget FY 2015-16**

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**Presented to the Board of Education  
April 23, 2015**

# Superintendent's Message



## Four Priorities

- Protecting classrooms and instruction as the highest priority
- Improving compensation for teachers
- Improving compensation for extra duty assignments
- Improving return on investment



# 2015-16 Budget Guiding Principles

## Impact on students and schools

- Provide funding that directly impacts our students and teachers
- Review current staffing formulas across the district and strive to continue our investment in classroom teachers and staff
- Review current non-salary allotments to individual schools
- Review all contracts within the district for appropriateness and potential savings

## Stewardship

- Provide accurate projections of student membership
- Implement funding formula between DPS and Durham County
- Achieve efficiencies and savings within existing programming and funding levels
- Monitor further state mandates to cover salary and benefit increases and possible reductions in program funding
- Review all operational expenditures to maximize efficiency and potential savings
- Review all district personnel and allotments for potential savings
- Reduce the dependency on lapsed salaries to balance the budget
- Reduce the dependency on committed fund balance to cover salary and benefits
- Promote transparency and accountability in development, presentation and management of the annual budget

## **Cautious Budget...**

- Uncertain state funding
- Limited fund balance
- Targeted expansion items

## **...but High Aspirations for our Students**

- Building trust and capabilities among teachers, principals, and district staff
- Focus on early literacy
- Continued advocacy for our communities

# Positive Changes with Existing Resources

- Continue Teacher Mentor program and Principal Coach support
- Expand New Teacher support and development
- Expand Alternative Education support
  - Second Chance Academy, Future Forward, Evening Academy
- Increase extended learning opportunities for students
- Maintain job-embedded professional development on high-yield strategies
- Continue to update instructional resources
- Expand Mental Health and Preventative services
- Continue with a focus on wellness

## **Proposed Budget FY2015-16 - Highlights**

- **\$411 Million Dollar Proposed Budget**
- **Funds 4,720 Positions**
  - **969 Local Paid Positions**
  - **364 Local Paid Teachers**
- **Maintains current Teacher Assistants**
- **Projected Growth for Durham County Students**

# Proposed Budget FY 2015-16

## Increases

- **Teacher and Certified Personnel**  
Beginning teachers \$33,000 to \$35,000 and  
2% for all other certified personnel **\$1.9M**
- **Teacher and Certified Personnel Supplement** **\$1.5M**
- **Extra Curricula Supplement** **\$300K**
- **Benefits** **\$450K**
- **Utilities** **\$327K**
- **Charter School Student Growth** **\$1.1M**
- **Additional State Teaching Positions 11.58** **\$500K**



# Proposed Budget FY 2015-16

## Reductions

- **Central Office Staff and Operating Budgets** **\$5.1M**
- **Months of Employment Positions - Schools 25** **\$1.1M**
- **Teacher Formula Change – Reducing Self-Contained from School ADM Projections** **\$1.9M**
- **Teacher Assistants – New Hire 205 paid days** **\$300K**
- **One-Time Funding Approved by Board of Education** **\$5.2M**
- **Teacher Assistants State Funding** **\$1.0M**
- **Driver Education State Funding** **\$700K**



## Durham Public Schools FY 2014–2015 Budget Calendar

*(Budget Activities during FY 2014-15 to Prepare Budget for  
FY 2015-16)*

*One Vision. One Durham.*

<b>August</b>	<ul style="list-style-type: none"> <li>Budget Amendment #3 presented for 2013-14.</li> </ul>
<b>September</b>	<ul style="list-style-type: none"> <li>Review and analyze 2014-15 first month membership (20-day ADM).</li> </ul>
<b>September</b>	<ul style="list-style-type: none"> <li>Review 2013-14 vendor history.</li> </ul>
<b>September</b>	<ul style="list-style-type: none"> <li>Review current salary and non-salary allotments.</li> </ul>
<b>October</b>	<ul style="list-style-type: none"> <li>Review program and department budget.</li> </ul>
<b>November</b>	<ul style="list-style-type: none"> <li>BOE work session to review FY 2014-15 Budget Resolution and appropriation of fund balance.</li> </ul>
<b>November</b>	<ul style="list-style-type: none"> <li>Budget Advisory Committee meeting.</li> </ul>
<b>December</b>	<ul style="list-style-type: none"> <li>BOE work session to review 2013-14 Comprehensive Annual Financial Report and set Budget Priorities and Guiding Principles for 2015-16 Budget.</li> </ul>
<b>January</b>	<ul style="list-style-type: none"> <li>Meet with senior staff, directors, principals advisory group and Durham Association of Educators (DAE) representative to review budget process and begin planning for FY 2015-16. These meetings will be continuous throughout the process.</li> </ul>
<b>January</b>	<ul style="list-style-type: none"> <li>Student projections by schools finalized so that staffing allocations can be projected.</li> </ul>
<b>January</b>	<ul style="list-style-type: none"> <li>Budget Advisory Committee Meeting.</li> </ul>
<b>February</b>	<ul style="list-style-type: none"> <li>Budget Amendment #1 for 2014-15 presented and projections of current budget balances.</li> </ul>
<b>February</b>	<ul style="list-style-type: none"> <li>Senior Staff, Directors, Coordinators, Principal’s Advisory Group, and DAE provide their budget recommendations.</li> </ul>
<b>February</b>	<ul style="list-style-type: none"> <li>BOE work session to review salary and non-salary allotments.</li> </ul>
<b>February</b>	<ul style="list-style-type: none"> <li>Budget Advisory Committee Meeting.</li> </ul>
<b>February</b>	<ul style="list-style-type: none"> <li>Solicit additional feedback and suggestions from schools and departments on any proposed increases/reductions.</li> </ul>
<b>March</b>	<ul style="list-style-type: none"> <li>Develop Proposed Budget FY 2015-16 and present draft of budget.</li> </ul>
<b>March</b>	<ul style="list-style-type: none"> <li>Planning allotments for staffing and non-salary will be provided to schools.</li> </ul>
<b>March</b>	<ul style="list-style-type: none"> <li>Budget Amendment #2 for 2014-15 presented and projections of current budget balances.</li> </ul>
<b>April</b>	<ul style="list-style-type: none"> <li>Staff will review and prepare related board materials.</li> </ul>
<b>April</b>	<ul style="list-style-type: none"> <li>Budget Advisory Committee Meeting.</li> </ul>
<b>April</b>	<ul style="list-style-type: none"> <li>BOE work session to present Proposed Budget FY 2015-16.</li> </ul>
<b>May</b>	<ul style="list-style-type: none"> <li>Public Hearing and BOE Budget Work Session.</li> </ul>
<b>May</b>	<ul style="list-style-type: none"> <li>Special Called Meeting to adopt the Proposed Budget for FY 2015-16.</li> </ul>
<b>May</b>	<ul style="list-style-type: none"> <li>Board of Education’s Budget due to Commissioners per General Statute. by May 15.</li> </ul>
<b>Late May/Early June</b>	<ul style="list-style-type: none"> <li>Joint meeting with Commissioners. Date TBD.</li> </ul>
<b>June</b>	<ul style="list-style-type: none"> <li>Interim Budget Resolution presented for FY 2015-16 Budget.</li> </ul>

## Proposed Budget FY 2015-16 - Summary

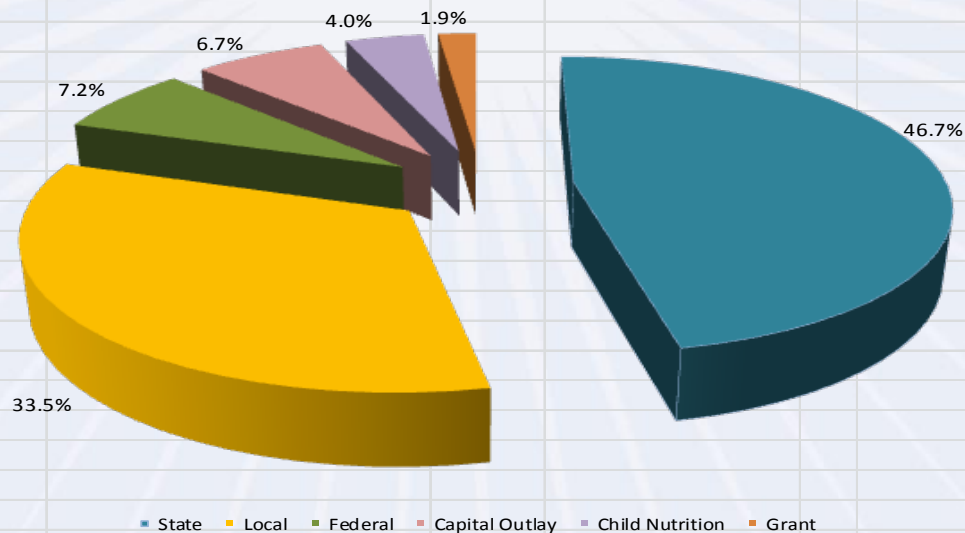


# Proposed Budget FY 2015-16 - Summary

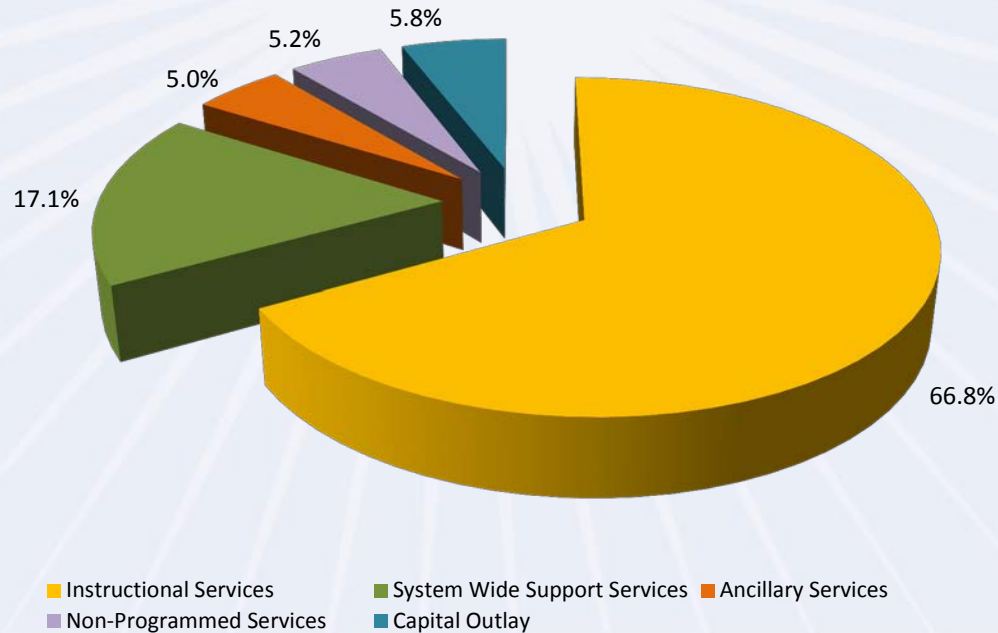
Fund	Description	FY 2014-15		FY2015-16		Differences	
		Revenue	Position	Budgeted Revenue	Position	Revenue	Position
1	State	193,940,076.87	3,243.54	191,934,896.00	3,246.11	(2,005,180.87)	2.57
2	Local	144,006,708.00	1,014.20	137,709,131.00	968.79	(6,297,577.00)	(45.42)
3	Federal	29,498,211.85	243.22	29,623,550.00	254.53	125,338.15	11.31
4	Capital Outlay	34,934,724.63	-	27,614,572.00	-	(7,320,152.63)	-
5	Child Nutrition	16,823,386.00	201.94	16,491,628.00	201.94	(331,758.00)	-
6	Grant	7,897,654.89	46.26	7,951,014.00	49.01	53,359.11	2.75
	<b>Total</b>	<b>427,100,762.24</b>	<b>4,749.16</b>	<b>411,324,791.00</b>	<b>4,720.38</b>	<b>(15,775,971.24)</b>	<b>(28.78)</b>

**2015-16 PROPOSED BUDGET  
REVENUES BY FUND**

Fund	Description	Amount	Percent
1	State	\$ 191,934,896.00	46.7%
2	Local	137,709,131.00	33.5%
3	Federal	29,623,550.00	7.2%
4	Capital Outlay	27,614,572.00	6.7%
5	Child Nutrition	16,491,628.00	4.0%
6	Grant	7,951,014.00	1.9%
<b>Total Revenue</b>		<b>\$ 411,324,791.00</b>	<b>100.0%</b>



DURHAM PUBLIC SCHOOLS 2015-16 PROPOSED BUDGET EXPENSE BY PURPOSE				
Purpose	Expenditures		Amount	Percent
5000	Instructional Services		\$ 274,928,217.00	66.8%
6000	System Wide Support Services		70,223,543.00	17.1%
7000	Ancillary Services		20,697,256.00	5.0%
8000	Non-Programmed Services		21,534,163.00	5.2%
9000	Capital Outlay		23,941,612.00	5.8%
<b>Total Revenue</b>			<b>\$ 411,324,791.00</b>	<b>100.0%</b>



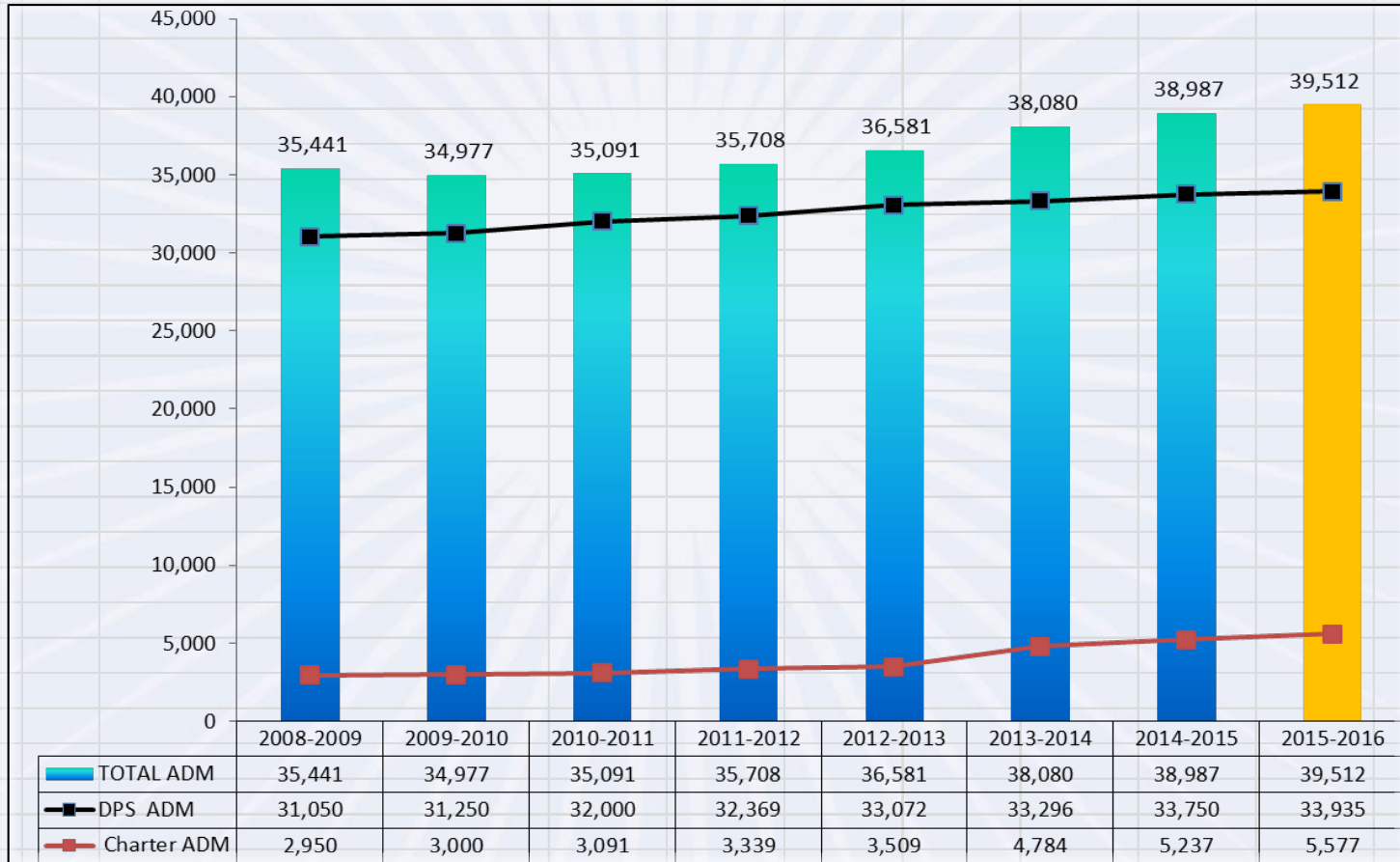
<b>Funding Sources (Estimated)</b>	<b>Amount</b>	<b>% of Total</b>
Local - County	\$111,173,601	27%
¼ Cent Sales Tax Revenue for operations	7,254,990	2%
DPS Local Revenues - \$5.8M (E-Rate, Medicaid, Fines and Forfeitures, and Indirect Cost)	11,355,338	2%
DPS Local Revenues - Fund Balance	7,925,202	2%
Capital Outlay (Includes \$1M State Lottery)	2,496,927	1%
School Construction Bonds	33,249,229	6%
State Revenue	187,862,981	47%
Federal Revenue	23,905,184	7%
Child Nutrition	16,473,386	4%
Community Ed/ Grants (includes \$434,555 of ¼ cent sales tax)	7,225,171	2%
<b>Total- All Funding Sources</b>	<b>\$411,324,791</b>	<b>100%</b>

# Average Daily Membership(ADM)





### DURHAM COUNTY STUDENT GROWTH



Note: 2008-09 through 2014-15 are 20 day numbers, 2015-2016 are projected enrollment numbers for DPS and Charter Schools.

## **Durham Public School Enrollment - Expected 33,935**

- Projected Enrollment 14-15 33,758
- 20th Day Enrollment 14-15 33,750
  
- Projected Enrollment 15-16 33,935
- Increase of 185

## **Charter School Enrollment - Expected 5,577**

- Durham Based Schools (11) Enrollment 14-15 4,827
- Out of District Schools (26) Enrollment 14-15 410
- 2 New Durham Based Approved for 2015-16(340 new students)
- 2 Virtual Charter Schools

# Fund Balance



# Fund Balance

Year	Unassigned Fund Balance	Committed / Assigned Fund Balance
2006-07	2,854,518.00	6,221,672.00
2007-08	4,125,689.00	5,108,664.00
2008-09	805,634.00	8,580,908.00
2009-10	2,812,309.00	7,927,319.00
2010-11	13,638,468.00	15,982,383.00
2011-12	9,395,228.00	20,386,456.00
2012-13	19,747,754.00	12,914,169.00
2013-14	9,706,972.00	19,769,371.00
Estimated 2014-15	5,781,770.00	10,982,110.00

# Proposed Budget FY 2015-16



## **New Money Request**

Durham Public School Growth	\$ 750,000
Charter School Growth	\$1,100,000
Certified Supplement Increase	\$1,500,000
Extra-Duty Schedule Increase	<u>\$ 300,000</u>
Total New Money Request	\$3,650,000

# Proposed Budget FY 2015-16

<b>Proposed Budget FY 2015-16</b>		<b>\$411,324,791</b>
<b>County Appropriation Breakdown for FY 2014-15</b>		
Local County Appropriation-DPS		\$94,618,695
Local County Appropriation-Charter Schools (\$1,100,000 New for pass-through)		17,220,351
Local New Funding (DPS Enrollment, Supplement Increase, Extra Curricula Supplements)		2,550,000
<b>Total Local County Appropriation</b>		<b>\$114,389,046</b>
1/4 Cent Sales Tax Revenue		
K-12		\$7,254,990
Pre-K		434,555
<b>Total 1/4 Cent Sales Tax Revenue</b>		<b>\$7,689,545</b>
Capital Outlay		\$1,370,000
<b>Total County Funding Request (FY 2014-15)</b>		<b>\$123,448,591</b>
Projected Committed Fund Balance for the Proposed Budget (6/30/15)		\$7,925,202
County Debt Payment from Lottery Funds		\$1,000,000



# Proposed Budget FY 2015-16 Timeline

Date	Time	Event
April 23, 2015	6:30pm	Presentation of Proposed Budget FY 2015-16 to Board of Education (BOE)
May 4, 2015	6:00pm	Budget Public Hearing
May 11, 2015	6:30pm	Special Called Board Meeting to adopt FY 2015-16 Budget
May 15, 2015		Adopted Board of Education FY 2015-16 Budget submitted to County
May 26, 2015	7:00pm	County Manager presents Durham County Proposed FY 2015-16 Budget
June 22, 2015	7:00pm	County Commissioner approve FY 2015-16 Budget

## **Next Steps:**

- County Commissioner approval of funding level
- State Budget(Governor, House, Senate, Final Budget)
- Monitor ADM for DPS students and charter schools
- Continued review of expenditures and programs
- Practices in place to fill all vacant positions
- Steps to reduce the dependency on committed fund balance

# **Special Thank You To!!!!!!!!!!!!!!!!!!!!!!**

- Budget Department
- Senior Staff
- Principals
- Board of Education
- Budget Advisory Committee

# Questions:



# **Proposed Budget FY 2015-16**

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