



# Proposed FY 2015 Operating and Capital Budget

## UNION COUNTY

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## NORTH CAROLINA

# Calculating Schools' Tax Rate

1. Establish Penny Value for FY 2015
  - \$2,381,900 per penny of current Property and Motor Vehicle Tax
2. Establish the Current Expense Funding
  - \$89,876,401 is the UCPS Request Approved by the BOE on May 6, 2014.
3. Establish the UCPS Capital PayGo Funding
  - \$97,716,315 is the UCPS Request Approved by the BOE on May 6, 2014.
4. Add the UCPS Current Expense Funding and the UCPS Capital PayGo Funding together.
  - \$187,592,716 combined UCPS Request Approved by the BOE on May 6, 2014.
5. Divide Total Request by Penny Value and the result is the Requested Schools' Tax Rate.

# Calculation of Schools' Tax Rate

$$\begin{array}{r} \$ \quad 89,876,401 \\ \hline \text{Current Expense Request} \\ \\ + \quad \$ \quad 97,716,315 \\ \hline \text{Capital Request} \\ \\ \hline \\ \$ \quad 187,592,716 \\ \hline \text{Total School's Request} \end{array}$$

# Calculation of Schools' Tax Rate

$$\frac{\$ 187,592,716}{\text{Total request}} \div \frac{\$ 2,381,900}{\text{Per Penny Value}} = \frac{78.76}{\text{Schools' Tax Rate In Pennies}}$$

# Total Schools' Ad Valorem Tax Rate

$$\begin{array}{r} 30.64 \\ \hline \text{County Tax Rate} \\ + \\ 78.76 \\ \hline \text{Schools' Tax Rate} \\ \hline 109.40 \\ \hline \text{Total Tax Rate} \\ \text{In Pennies} \end{array}$$

# Current Expense Calculation

## *FY 2015 UCPS Current Expense Request*

FY 2014 Current Expense Funding	\$ 83,021,859
Increases in "State" Benefits	161,654
Increase Teacher Supplements	1,923,110
Increase Principal Supplements	350,572
Increase Assistant Principal Supplements	173,245
Increase Teacher Supplements at High Priority Schools	340,778
Increase to Athletic Supplements	164,680
<b>Total to UCPS Current Expense Fund</b>	<b>\$ 86,135,898</b>

## *County Reserve for Governor's Budget*

Impact of Governor's Budget - Teacher Pay Increases	\$ 345,261
Impact of Governor's Proposed State Employee Pay Raises	446,000
<b>Total</b>	<b>\$ 791,261</b>

The local impact of the Teacher Pay Increases and State Employee Pay Raises will be held by the County in reserve and based on the State's adoption of funding and will be released or reallocated.

# Current Expense Calculation

## *Other FY 2015 Current Expense Requests*

System-wide Banking Fee Increases	\$	36,000
Insurance Increases		64,000
Legal Costs		300,000
Increase in Custodial Supplies		327,670
Increased Payments to Charter Schools		437,238
Increased Utility Costs		461,900
Local Merit/Cola		1,647,148
Other Salaries and Supplements		175,286
<b>Total</b>	<b>\$</b>	<b>3,449,242</b>

The UCPS BOE identified an efficiency savings of \$500,000 in their request. To fully fund the remaining request would require \$2,949,242

# Current Expense Funding Tasks

1. Provide UCPS the proposed level of current expense funding.
2. Request that UCPS provide a revised budget by function reflective of the proposed current expense funding.



# Capital Funding Calculation

- Some legitimate needs included in the request.
- Past GO Debt Service tax increases would have been about 8.2 cents.
- Original discussions around the Facilities' Study focused on a \$20 million annual contribution.
  - Economic Downturn Occurred
  - Never Formally Approved by BOCC
- Funding for priority items.
- Ongoing funding structure that is sustainable and affordable.
  - Many items on list are not appropriate for Debt funding.
- Funding level should be determined by most pressing needs or a hierarchy.
  - Student Safety, Building Envelope, ADA Compliance, etc.

# Capital Funding Tasks

1. Provide UCPS the proposed level of capital funding.
2. Request that UCPS provide a detailed project list at the proposed funding level.
  - Ideally a multi-year plan.
  - Staff can provide estimated revenue during the six-year window from FY 2015-2020.

Questions?

Direction?