



ESTABLISHED 1842
UNION COUNTY GOVERNMENT
NORTH CAROLINA

***Proposed FY 2016 Operating and Capital Budget
Union County, North Carolina***

Goals for Today

- Recap Tentatively Approved County Budget
- Board of Education Request
- Principles of Prioritization
- Recommended UCPS Current Expense Funding
- Recommended UCPS Capital Funding
- County Manager's Recommended School's Ad Valorem Tax Rate
- Other Recommendations



Proposed Tax Rates

Tax Purpose	Rate Per \$100 of Value
General County Operations Tax	0.2882
Countywide Fire and EMS Tax	0.0311
<u>Total Countywide Tax Rate</u>	<u>0.3193</u>

County Budget has been extensively discussed during seven public work sessions, and a public hearing.



Board of Education Request

Current Expense	FY 2016 BOE Request
FY 2014-15 Base Funding	\$ 87,097,884
Estimated Utility Cost Increases	737,863
Increased Payments to Charter Schools	1,115,000
Local Impact of Virtual Charter School	86,373
Local Impact of State Teacher Pay Increases	385,471
Increased Cost of State Benefits	377,970
Tier Increase for Locally Paid Assistant Principals	49,495
General Liability Insurance Increases	45,117
COLA for Non-Certified Personnel ~ 1.6%	868,806
Increase in Teacher Supplements	11,295,486
Increase Principal Supplements	522,579
Increase Assistant Principal Supplements	552,343
Maintenance Increases	327,670
Supplement Adjustments	72,780
Increase in Athletic Supplements	173,245
Loss of State Driver's Education	752,860
Total	\$ 104,460,942



Board of Education Request

	FY 2016 BOE Request
Roofing Projects	\$ 9,970,105
Unspecified Maintenance Capital Outlay	2,000,000
Other Projects	2,457,649
Benton Heights Renovations	1,891,623
IP Camera Replacement	1,307,250
IT/Transportation Funding	1,000,000
Benton Heights Roofing Project	543,600
Unspecified Scope/Market Driven Adjustments	615,797
Total	\$ 19,786,024

Included in the BOE Request was an additional \$157,650,000 for Estimated "Brick and Mortar" projects to be included in a bond referendum. Bringing total capital request to \$177,436,024.

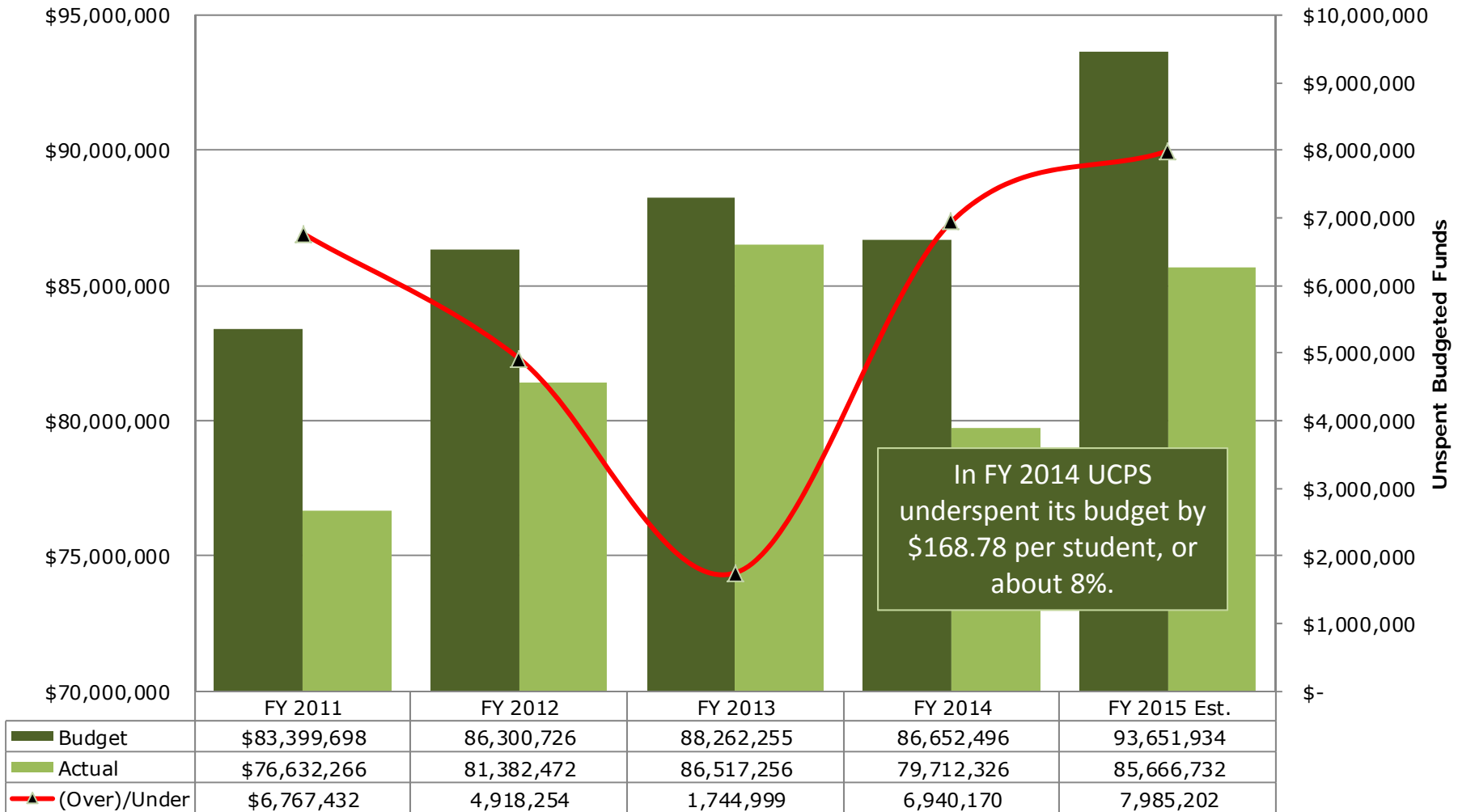


Principles of Prioritization

- Fiscal Sustainability
- Capital Maintenance
- Funding shortfalls in federal or State funding where necessary in order to maintain a system of free and public schools as defined by State law and the State Board of Education policy in order to provide an opportunity for a sound, basic education.
- Prioritizing Requests within Fiscal Constraints
- Funding Priorities versus Contingencies



Local Fund UCPS Final Budget to Actual Comparison FY 2011 through Estimated FY 2015



Source: UCPS Comprehensive Annual Financial Reports for Years Ended June 30, 20xx and Monthly Information Provided by UCPS.



Recommended Current Expense

***\$91,922,668 recommended for Current Expense Funding
a 5.54% Increase***

- \$385,471 for State Teacher Pay Increases
- \$377,970 for State Benefit Cost Increases
- \$5,000,000 for Increased Teacher Supplements
 - \$2.5 Million of New Funding and \$2.5 Million of “Base” Funding
- \$868,806 for Performance Based Pay Increases for Non-Certified Employees
- \$692,537 for Increased Utilities Cost (6.57% Increase)
- \$84,597,884 for all other expenditures
- Driver’s Education Funding Anticipated from the State
- County Funding for Current Expense is **ALL ONGOING** funding, funded through .3989 of the School’s Tax Rate

Current Expense Funding is \$2.9 million or 3.3% more than Provided for Under Session Law 2014-9 for FY 2016.



A High Performing School System

Recommendation is consistent with the BOCC's commitment to funding more than what necessary in order to maintain a system of free and public schools as defined by State law and the State Board of Education policy in order to provide an opportunity for a sound, basic education.

Performance Metrics '13-14	UCPS	State
Graduation Rate	92.6%	83.9%
ACT Proficiency	72.3%	59.3%
SAT Average Score	1,032	994/1,010
Overall End of Course – Grade Level Prof.	73.3%	58.6%
Overall End of Grade – Grade Level Prof.	74.8%	60.6%
AP Exam Participation Rate	19%	13%
College Course Enrollment	74%	67%
Teacher Turnover	13%	17%
Highly Qualified Teachers '12-13	100%	91%



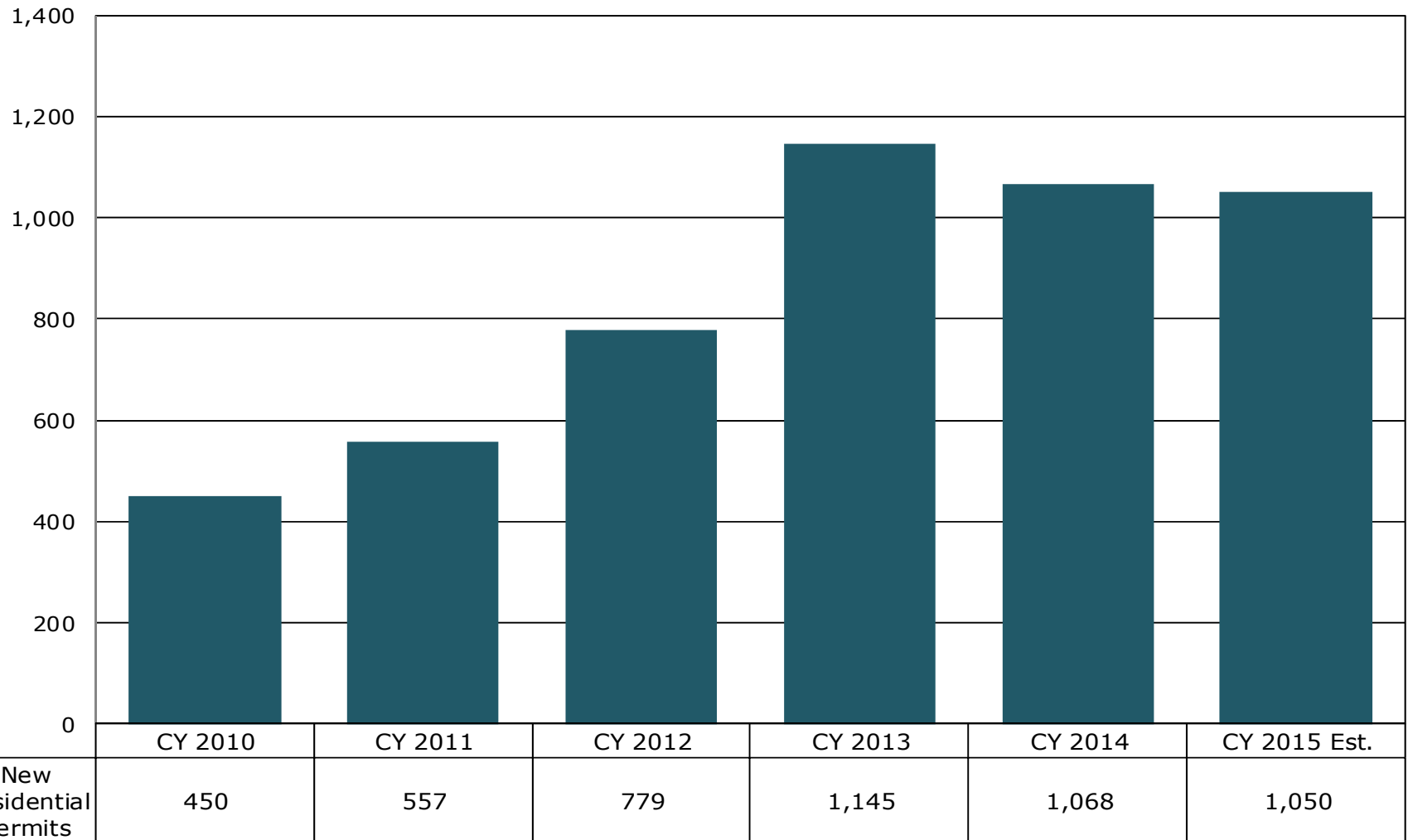
Other Questions Raised

Other Items:

- County Manager is required to recommend funding, this is not new.
- Charter School Funding to come through efficiencies from reduced student population.
- Funding for UCPS is not about the County's fund balance or reserve policies, the funding recommendation is about what is needed for a sound, basic education.
- Per Pupil Expenditure is not the metric to measure a sound, basic education, higher performing school systems receive less State and federal dollars.
- UCPS 5-yr average turnover rate for teachers is about the State average, 1.42 percent less than Mecklenburg County.
- New single family residential units are down from prior years, reflecting a stabilized, limited growth in the future.



New Single Family Residential Unit Building Permits CY 2011 through Estimated CY 2015



Source: Union County Growth Management, excludes all other types of building permits.



Recommended Capital Funding

Capital Ongoing

Roofing Projects	\$	9,970,105
Other Projects (Structural, Mechanical, Site Improvements)		2,457,649
Technology and Transportation		1,000,000
Total Capital Ongoing	\$	13,427,754

1x Capital Projects

Benton Heights Renovations	\$	1,891,623
IP Security Cameras		1,307,250
Total 1x Capital Projects	\$	3,198,873

All of the specified projects in the capital maintenance request are recommended for funding.



Contingency Items

- \$2,000,000 Emerging Needs Capital Funding
- \$615,797 Scope and/or Market Driven Adjustments
- Contingent items can be funded through transfers between projects as the needs arise during the year through the same process used for the emergency roofing project amendments
- \$543,600 for Benton Heights Roof Replacement was funded in FY 2015 through an amendment to the capital project ordinance

By funding the contingent projects as needed, the County is able to fund teacher supplements and non-certified employee pay increases. Teacher supplements were a higher priority than undesignated capital funds.



Recommended UCPS Local Funding

	FY 2015 Revised	FY 2016 Recommended	FY 2015 to 16 \$ Change	FY 2015 to 16 % Change
Sources				
Schools Tax Rate	\$ 106,629,466	105,350,422	(1,279,044)	-1.20%
1x Sources (Smoothing Reserve/Fund Bal)	-	3,198,873	3,198,873	0.00%
Total Sources	\$ 106,629,466	108,549,295	1,919,829	1.80%
Uses				
Current Expense	\$ 87,097,884	91,922,668	4,824,784	5.54%
Capital	19,531,582	-	(19,531,582)	-100.00%
Ongoing R&R	-	12,427,754	12,427,754	0.00%
1x Capital	-	3,198,873	3,198,873	0.00%
IT/Transportation	-	1,000,000	1,000,000	0.00%
Total Uses	\$ 106,629,466	108,549,295	1,919,829	1.80%
Schools Tax Rate	45.50	45.72	0.22	0.48%

Total Local Funding for UCPS recommended in FY 2016 is 99.79% of what would have been budgeted had Session Law 2014-9 not been repealed.

Ongoing funding for Capital is funded through .0583 of the School's Tax Rate. The 1x sources are revenues over estimate in the School's Budgetary Fund.



Other Recommendations

- Appropriation of Current Expense funding at the Function level with 10 percent flexibility for transfers between function code.
- Appropriation of Capital Funding at the project level with the County Manager authorized to approve up to a cumulative transfer of 10% between projects.
- Review “Brick and Mortar” projects when the latest demographic report is complete.
 - Solve permanent issues with permanent solutions and temporary issues with temporary solutions.
- Continue reporting requirements.



Total Ad Valorem Taxes

Tax Purpose	Rate Per \$100 of Value
General County Operations Tax	0.2882
School's Tax	0.4572
Countywide Fire and EMS Tax	0.0311
Total Countywide Tax Rate	0.7765

<i>Average Taxpayer Impact of Recommended Rates</i>			
		FY 2015	FY 2016
Home Value	\$	208,400	200,000
Motor Vehicle		9,900	9,500
Taxable Value	\$	218,300	209,500
Total Countywide Tax Rates		76.14	77.65
Total County Tax Bill	\$	1,662.14	1,626.77



Continued Transparency

- Budget Website at www.unioncountync.gov
 - Presentations and Historical Documents
- Email Address for Ask the County Manager
 - askthecountymanager@unioncountync.gov
- Email Address for Public Comments
 - publiccomment@unioncountync.gov



Additional budget information available at
www.unioncountync.gov

