

# Education

## PUBLIC SCHOOLS CURRENT EXPENSE

### MANDATED SERVICE

Public Schools - NCGS 115C-426(e) – Current expense funding required, level not mandated. NCGS 115C-430 – Equal apportionment required between school administrative units. Community College – NCGC 115D-32(d) – Maintenance and utility cost funding required for satellite campuses.

### PROGRAM DESCRIPTION

Students in Cabarrus County are served by two school systems—Cabarrus County Schools (CCS) and the Kannapolis City Schools (KCS)—along with one community college. Current expense funding assists Cabarrus County Schools, Kannapolis City Schools, and Rowan-Cabarrus Community College (South Campus) in paying salaries, benefits, utilities and other operating expenses.

	FY 2013 ACTUAL	FY 2014 ADOPTED	FY 2014 REVISED	FY 2015 ADOPTED	ADOPTED CHANGE	PERCENT CHANGE
<b>ADM</b>						
Cabarrus County Schools	\$ 36,769,042	\$ 37,486,242	\$ 38,223,559	\$ 39,764,197	\$ 2,277,955	6.08%
Kannapolis City Schools	5,035,545	5,136,565	5,234,456	5,413,912	277,347	5.40%
<b>TOTAL</b>	<b>\$ 41,804,587</b>	<b>\$ 42,622,807</b>	<b>\$ 43,458,015</b>	<b>\$ 45,178,109</b>	<b>\$ 2,555,302</b>	<b>6.00%</b>
<b>Building Maintenance</b>						
Cabarrus County Schools	\$ 5,577,284	\$ 5,969,705	\$ 5,969,705	\$ 6,313,149	\$ 343,444	5.75%
Kannapolis City Schools	879,319	879,319	879,319	923,989	44,670	5.08%
<b>TOTAL</b>	<b>\$ 6,456,603</b>	<b>\$ 6,849,024</b>	<b>\$ 6,849,024</b>	<b>\$ 7,237,138</b>	<b>\$ 388,114</b>	<b>5.67%</b>
<b>Grounds Maintenance</b>						
Cabarrus County Schools	\$ 1,299,598	\$ 1,299,598	\$ 1,299,598	\$ 1,299,598	\$ -	0.00%
Kannapolis City Schools	238,864	238,864	238,864	238,864	-	0.00%
<b>TOTAL</b>	<b>\$ 1,538,462</b>	<b>\$ 1,538,462</b>	<b>\$ 1,538,462</b>	<b>\$ 1,538,462</b>	<b>\$ -</b>	<b>0.00%</b>
<b>Technology</b>						
Cabarrus County Schools	\$ 2,737,113	\$ 3,737,113	\$ 3,740,313	\$ 3,745,113	\$ 8,000	0.21%
Kannapolis City Schools	89,504	155,627	155,627	155,627	-	0.00%
<b>TOTAL</b>	<b>\$ 2,826,617</b>	<b>\$ 3,892,740</b>	<b>\$ 3,895,940</b>	<b>\$ 3,900,740</b>	<b>\$ 8,000</b>	<b>0.21%</b>
<b>School System Total</b>						
Cabarrus County Schools	\$ 46,383,037	\$ 48,492,658	\$ 49,233,175	\$ 51,122,057	\$ 2,629,399	5.42%
Kannapolis City Schools	6,243,232	6,410,375	6,508,266	6,732,392	322,017	5.02%
<b>GRAND TOTAL</b>	<b>\$ 52,626,269</b>	<b>\$ 54,903,033</b>	<b>\$ 55,741,441</b>	<b>\$ 57,854,449</b>	<b>\$ 2,951,416</b>	<b>5.38%</b>

### FY 2015 HIGHLIGHTS, AND/OR SIGNIFICANT MODIFICATIONS

Current expense spending, inclusive of Building and Grounds Maintenance, and Technology for the public schools is funded at \$57,854,449. This represents a 5.38% increase in funding from the FY14 Adopted budget.

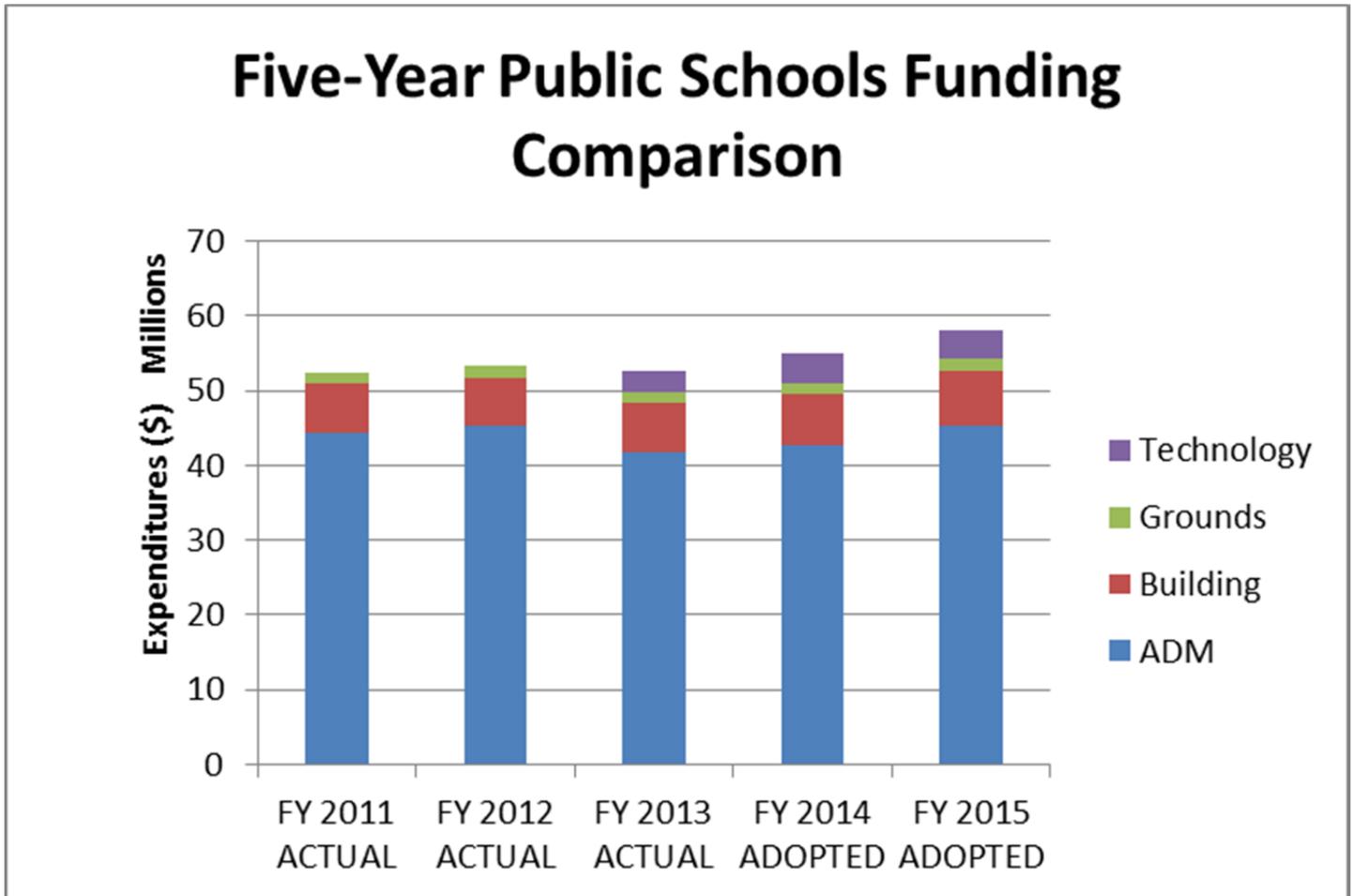
# Education

The County was informed during the FY15 budget process that charter school enrollment is not included in State ADM estimates provided in April. Charter school enrollment is one-year behind in their calculations. Therefore, the number of students that will enroll in each school system is difficult to determine. The current estimates are 1,513 students from the Cabarrus County Schools district and 65 students from the Kannapolis City Schools district will attend charter schools. The actual enrollments will be determined based on second month ADM count figures.

The total estimated enrollment including Charter schools increased 2.02% from 35,861 to 36,187 students. CCS went to 31,976 and KCS went to 4,211. This changed the ratio for funding slightly from 88.32:11.68 to 88.36:11.64.

Current expense funding for schools is based on Average Daily Membership (ADM) estimates from the state and local estimates of charter school enrollment. ADM is calculated as follows: Number of days a student’s name appears on the roll is calculated for each student. The sum of these calculations is divided by the number of school days to arrive at the ADM. Estimated ADM for FY 15 has increased overall by 326 students. The State ADM estimate reported in April was 34,609: 30,463 for CCS and 4,146 for KCS. Charter school estimates of 1,513 and 65 for KCS are reflected in our per pupil numbers.

In FY 2000, a formal agreement was executed by the Board of County Commissioners, Cabarrus County Board of Education and the Kannapolis City Board of Education to provide current expense funding for building and grounds maintenance. This agreement provided unification of a comprehensive building and grounds maintenance program encompassing all facilities for both school systems, to be administered by the Cabarrus County School System. Consolidated Building Maintenance for FY 15 increased by \$388,114. Overall Grounds Maintenance funding has continued at the same level of funding as FY 13 at \$1,538,462.



# Education

## PUBLIC SCHOOLS CAPITAL OUTLAY

### MANDATED SERVICE

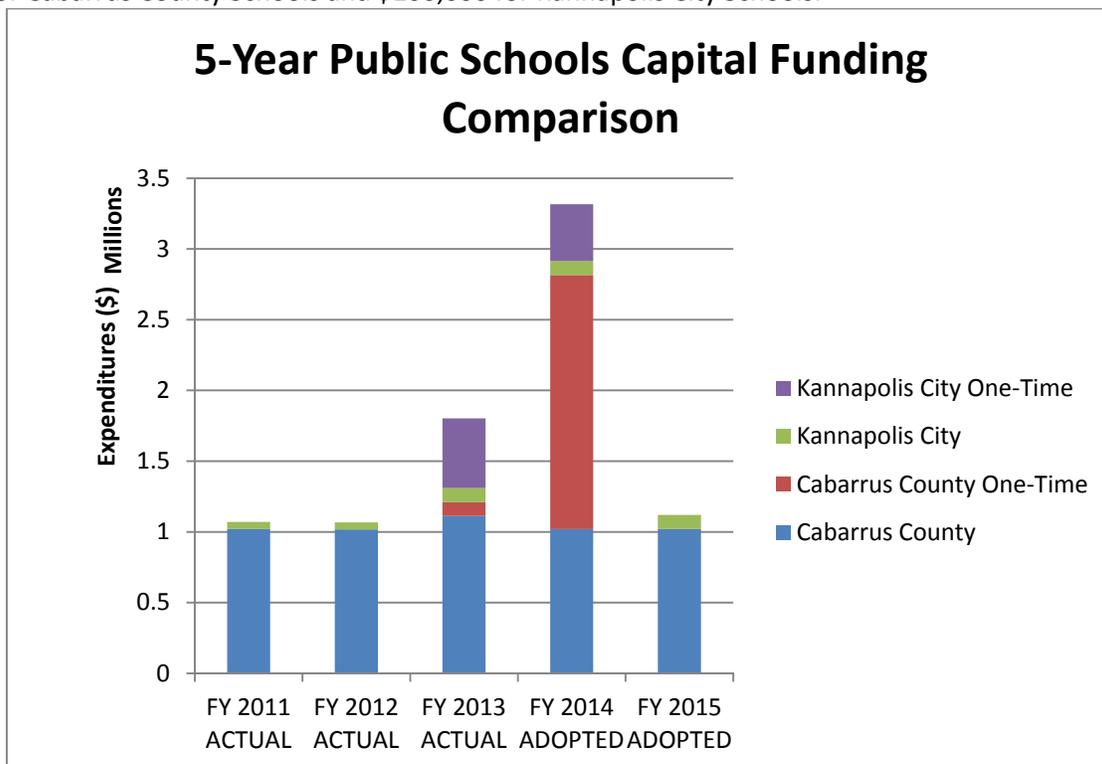
NCGS 115C-426(f) – Capital outlay funding is required, level not mandated.

### PROGRAM SUMMARY

Capital outlay funding is provided for the purchase of buses or other vehicles for the Cabarrus County and Kannapolis City School Systems, building improvements, and acquisition or replacement of furnishings and equipment.

	FY 2013 ACTUAL	FY 2014 ADOPTED	FY 2014 REVISED	FY 2015 ADOPTED	ADOPTED CHANGE	PERCENT CHANGE
<b>School System</b>						
Cabarrus County	\$1,112,737	\$1,020,000	\$1,020,000	\$1,020,000	\$ -	0.00%
One-Time	73,128	1,500,000	1,796,136	-	(1,500,000)	-100.00%
Kannapolis City	100,000	100,000	100,000	100,000	-	0.00%
One-Time	492,896	-	400,472	-	-	-100.00%
<b>Total</b>	<b>\$1,778,761</b>	<b>\$2,620,000</b>	<b>\$3,316,608</b>	<b>\$1,120,000</b>	<b>\$(1,500,000)</b>	<b>-66.23%</b>

The schools capital outlay budget for FY 15 includes capital outlay allocations for various capital requests amounting to \$1,020,000 for Cabarrus County Schools and \$100,000 for Kannapolis City Schools.



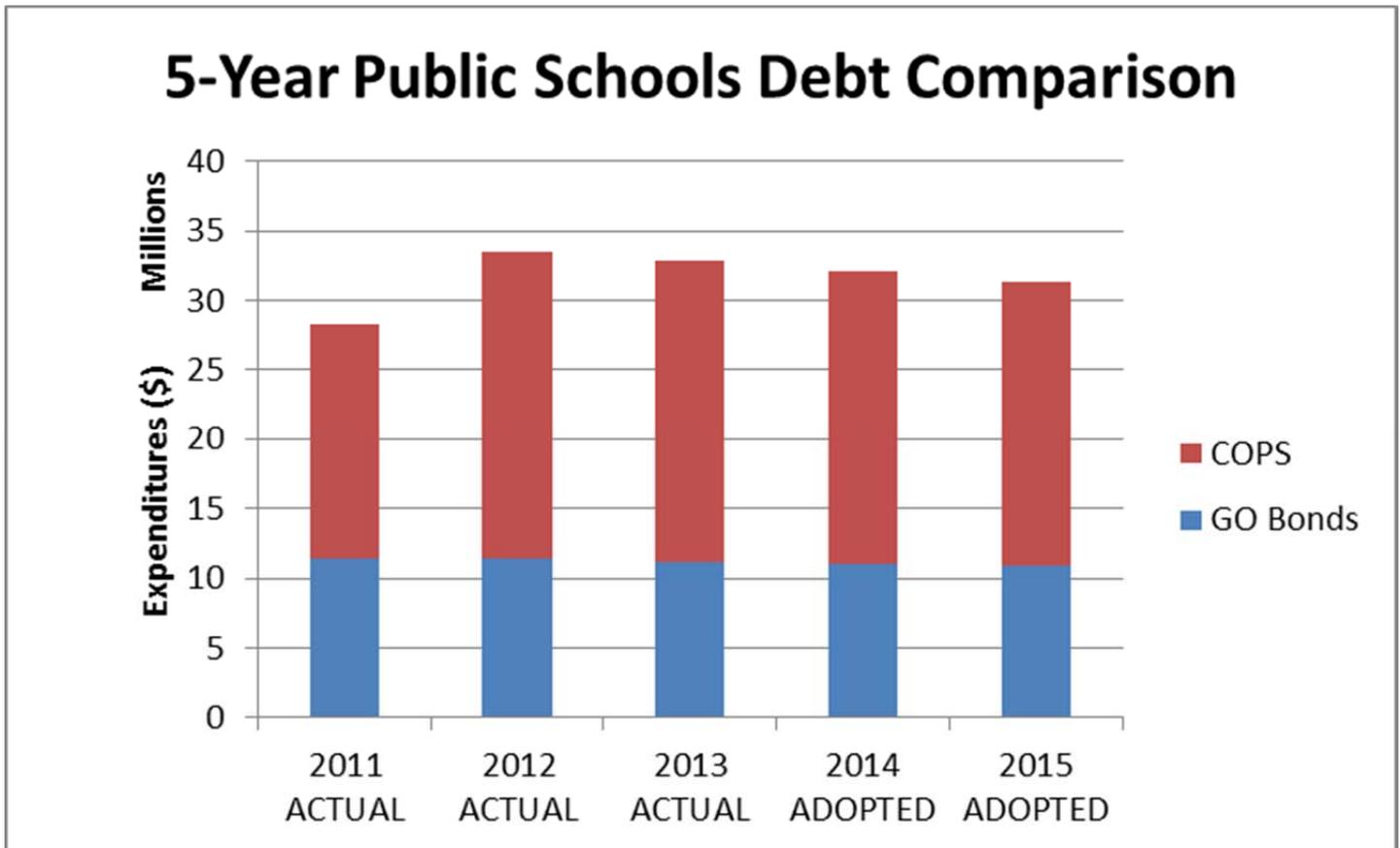
# Education

## PUBLIC SCHOOLS DEBT SERVICE

	FY 2013 ACTUAL	FY 2014 ADOPTED	FY 2014 REVISED	FY 2015 PRINCIPAL	FY 2015 INTEREST	ADOPTED CHANGE	PERCENT CHANGE
<b>Schools Debt Service</b>							
GO Bonds	\$11,197,034	\$11,039,157	\$11,039,157	\$ 7,510,833	\$ 3,339,421	\$ (188,903)	-1.71%
COPS	21,666,984	21,019,054	21,019,054	12,826,975	7,594,824	(597,255)	-2.84%
<b>Total</b>	<b>\$32,864,018</b>	<b>\$32,058,211</b>	<b>\$32,058,211</b>	<b>\$20,337,808</b>	<b>\$ 10,934,245</b>	<b>\$ (786,158)</b>	<b>-2.45%</b>

The County issues various types of debt in support of school construction. General Obligation Bonds (GO bonds), Capital Leases, Installment Payment Revenue Bonds (IPRB), and Certificates of Participation (COPS) have all been used to finance the acquisition and construction of school capital facilities. Complete details of these long-term obligations can be found in the *Debt Service* section of this document.

The County has not issued any new debt for schools since April 2011 due to the economic conditions. Currently, the Board of Commissioners is in the process of approving a \$43,000,000 bond referendum subject to public vote for new and replacement schools in November 2014. The proposed projects are a New Middle School for KCS, Replacement of Royal Oaks Elementary School for CCS, and a new Building 4000 at the Rowan Cabarrus Community College south campus.



# Education

## PUBLIC SCHOOLS – COUNTY SERVER SPACE

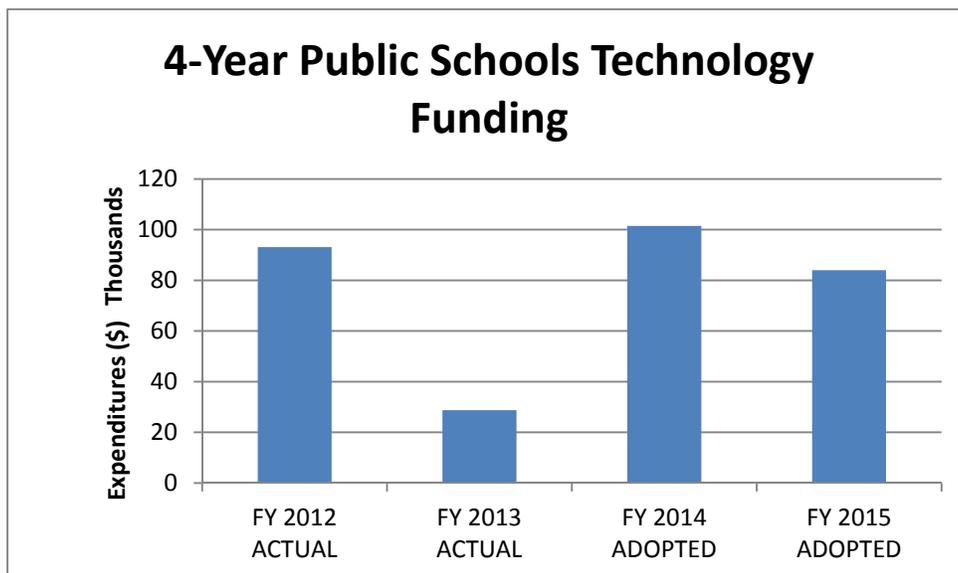
	FY 2012 ACTUAL	FY 2013 ACTUAL	FY 2014 ADOPTED	FY 2014 REVISED	FY 2015 ADOPTED	ADOPTED CHANGE	PERCENT CHANGE
<b>Consolidated Funding</b>							
County ITS	\$93,088	\$28,779	\$ 84,000	\$101,434	\$ 84,000	\$ -	0.00%
<b>TOTAL</b>	<b>\$93,088</b>	<b>\$28,779</b>	<b>\$ 84,000</b>	<b>\$101,434</b>	<b>\$ 84,000</b>	<b>\$ -</b>	<b>0.00%</b>

Cabarrus County Government is engaged in a strategic partnership with the Cabarrus County and Kannapolis City School Systems for collaborative technology services. An Interlocal agreement between each Local Education Agency and Cabarrus County government was executed in October of 2011. A team with financial and technology representatives from the three agencies continue to meet monthly and discuss joint IT strategies and resource allocations that support the strategic vision and goals of Cabarrus County and the school systems. Both school systems identified a need for improved technology disaster recovery and high availability in a qualified data center. As part of Cabarrus County’s ITS Strategic Plan, Cabarrus County Government had already invested in two qualified data centers with the flexibility, scalability, support and capacity to offer managed co-location to the schools.

In FY12 the BOC allocated funding to allow the school systems to move critical technology infrastructure into the County’s qualified data centers. This funding includes the addition of space for schools on the County’s primary and secondary storage area networks (SAN).

In FY13 Schedule I - Data Center Co-Location - and Schedule II – schools move of primary data storage to the County shared SAN - was substantially completed providing the school systems improved disaster recovery and the ability to implement Schedule III - High Availability using the county’s secondary datacenter.

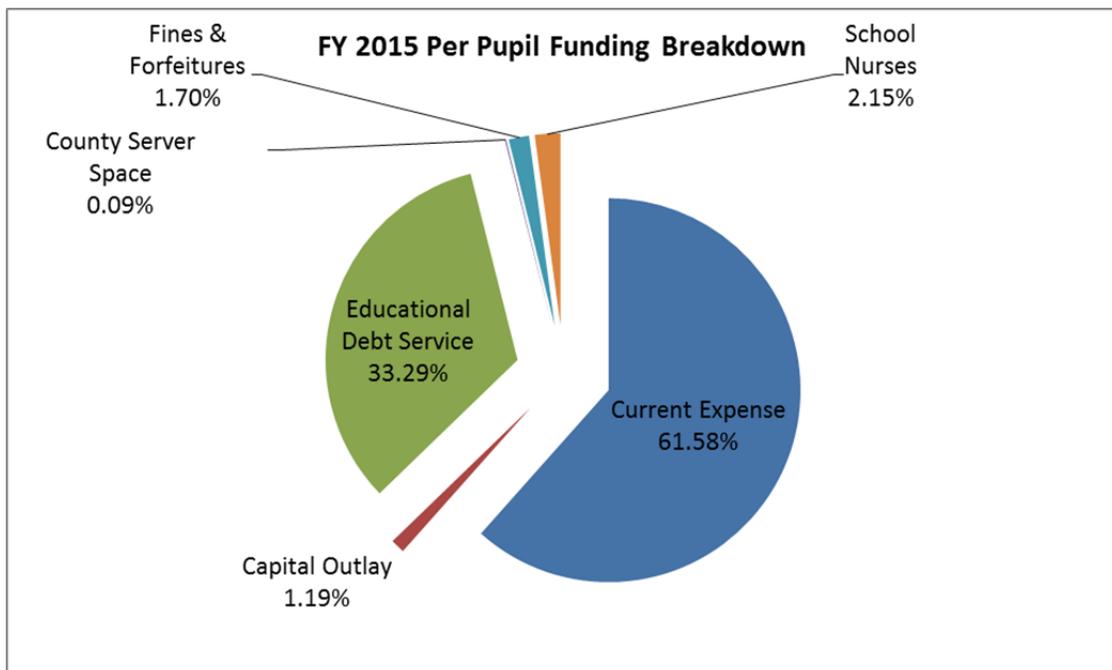
Funds allocated in the FY15 budget include additional storage and operational costs for the school’s use of the primary and secondary SAN. This collaborative project has also provided the school systems with the resources to begin implementation of virtual desktop projects, transition to a cloud centric service model and the consumption of NCEDCloud services.



# Education

## PUBLIC SCHOOLS PER PUPIL BREAKDOWN

	FY 2013 ACTUAL	FY 2014 ADOPTED	FY 2014 REVISED	FY 2015 ADOPTED	ADOPTED CHANGE	PERCENT CHANGE
<b>Public Schools Appropriation</b>						
Current Expense	\$52,626,269	\$54,903,033	\$55,741,441	\$57,854,449	\$2,951,416	5.38%
Capital Outlay	1,803,061	2,620,000	3,316,608	1,120,000	(1,500,000)	-57.25%
Educational Debt Service	32,864,018	32,058,211	32,058,211	31,272,053	(786,158)	-2.45%
County Server Space	28,779	84,000	101,434	84,000	-	0.00%
Fines & Forfeitures	1,529,019	1,500,000	1,500,000	1,600,000	100,000	6.67%
School Nurses	1,722,808	2,017,949	2,017,949	2,017,949	-	0.00%
<b>TOTAL</b>	<b>\$90,573,954</b>	<b>\$93,183,193</b>	<b>\$94,735,643</b>	<b>\$93,948,451</b>	<b>\$ 765,258</b>	<b>0.82%</b>
<b>ADM Enrollment</b>						
State Estimates	34,965	34,807	35,420	34,609	(198)	-0.57%
CCS Estimates of Charter	432	997	997	1,513	516	51.75%
KCS Estimates of Charter	6	57	57	65	8	14.04%
<b>TOTAL ESTIMATED ENROLLMENT</b>	<b>35,403</b>	<b>35,861</b>	<b>36,474</b>	<b>36,587</b>	<b>726</b>	<b>2.02%</b>
<b>Per Pupil Funding</b>						
Current Expense	\$ 1,486	\$ 1,531	\$ 1,528	\$ 1,581	\$ 50.29	3.28%
Capital Outlay	50.93	73.06	90.93	30.61	(42.45)	-58.10%
Educational Debt Service	928.28	893.96	878.93	854.73	(39.23)	-4.39%
County Server Space	0.81	2.34	2.78	2.30	(0.05)	-1.98%
Fines & Forfeitures	43.19	41.83	41.13	43.73	1.90	4.55%
School Nurses	48.66	56.27	55.33	55.15	(1.12)	-1.98%
<b>TOTAL</b>	<b>\$ 2,558.37</b>	<b>\$ 2,598.45</b>	<b>\$ 2,597.35</b>	<b>\$ 2,567.81</b>	<b>\$ (30.65)</b>	<b>-1.18%</b>



# Education

## PUBLIC SCHOOL FUNDING BY SOURCE AND CATEGORY

	FY 2013 ACTUAL	FY 2014 ADOPTED	FY 2014 REVISED	FY 2015 ADOPTED	ADOPTED CHANGE	PERCENT CHANGE
<b>Revenue Source</b>						
1/2 cent Sales Tax Article 40 30%	\$ 2,178,066	\$ 2,171,388	\$ 2,171,388	\$ 2,236,530	\$ 65,142	3.00%
1/2 cent Sales Tax Article 42 60%	5,169,449	5,049,505	5,049,505	5,200,990	151,485	3.00%
1/4 cent Sales Tax Article 46 100%	5,978,544	5,940,197	5,940,197	6,118,403	178,206	3.00%
Lottery used for School Debt Service	7,307,518	4,911,790	4,911,790	2,200,000	(2,711,790)	-55.21%
QSCB Subsidy	770,921	703,850	703,850	712,331	8,481	1.20%
COPS 2009	1,912,810	2,188,834	2,188,834	-	(2,188,834)	-100.00%
Fines & Forfeitures	1,529,019	1,500,000	1,500,000	1,600,000	100,000	6.67%
<b>TOTAL</b>	<b>\$ 24,846,327</b>	<b>\$ 22,465,564</b>	<b>\$ 22,465,564</b>	<b>\$ 18,068,254</b>	<b>\$ (4,397,310)</b>	<b>-19.57%</b>
<b>Expenditure Category</b>						
Current Expense	\$ 52,626,269	\$ 54,903,033	\$ 55,741,441	\$ 57,854,449	\$ 2,951,416	5.38%
Capital Outlay	1,803,060	2,620,000	3,316,608	1,120,000	(1,500,000)	-57.25%
Educational Debt Service	32,864,018	32,058,211	32,058,211	31,272,053	(786,158)	-2.45%
County Server Space	28,779	84,000	101,434	84,000	-	0.00%
Fines & Forfeitures	1,529,019	1,500,000	1,500,000	1,600,000	100,000	6.67%
School Nurses	1,722,808	2,017,949	2,017,949	2,017,949	-	0.00%
<b>TOTAL</b>	<b>\$ 90,573,953</b>	<b>\$ 93,183,193</b>	<b>\$ 94,735,643</b>	<b>\$ 93,948,451</b>	<b>\$ 765,258</b>	<b>0.82%</b>
<b>Net County Cost</b>						
<b>GRAND TOTAL</b>	<b>\$ (65,727,626)</b>	<b>\$ (70,717,629)</b>	<b>\$ (72,270,079)</b>	<b>\$ (75,880,197)</b>	<b>\$ (5,162,568)</b>	<b>7.30%</b>

The table above shows the non-ad valorem tax revenues that support the public school systems and compares this to the expenditures on behalf of the school systems. These sources include Article 40, 42, 46 Sales Taxes, Lottery, QSCB subsidy, and COPS 2009. The “%”, denotes the percentage of sales tax revenue that is applied to schools.

The current expense category includes building maintenance, grounds maintenance, and technology funding. All of these are outlined under the Program Description. The sum of current expense, capital outlay and debt service result in a Net County Cost of \$73,862,248 for FY 15. Also, an additional \$2,017,949 is given to schools through the Cabarrus Health Alliance for school nurses. For additional years of Net County Cost for public schools, consult the Public School Funding by Source chart in the Supplemental Information section, which includes data from Fiscal Year 2007.

# Education

## ROWAN-CABARRUS COMMUNITY COLLEGE

	FY 2013 ACTUAL	FY 2014 ADOPTED	FY 2014 REVISED	FY 2015 ADOPTED	ADOPTED CHANGE	PERCENT CHANGE
<b>Funding Breakdown</b>						
Current Expense	1,889,254	1,932,829	1,932,829	2,007,829	75,000	3.88%
Capital Outlay	-	213,000	100,000	100,000	(113,000)	-53.05%
One-Time	-	-	1,177,826	-	-	0.00%
Debt Service	202,017	230,569	230,569	229,909	(660)	-0.29%
<b>Total</b>	<b>\$2,091,271</b>	<b>\$2,376,398</b>	<b>\$3,441,224</b>	<b>\$2,337,738</b>	<b>\$ (38,660)</b>	<b>-1.63%</b>

Current expense funding for Rowan-Cabarrus Community College (RCCC) totals \$2,007,829. Capital outlay allocations total \$100,000 for various projects. The total allocation of \$2,337,738 represents a 32.06% decrease from the FY 14 revised budget due to one-time capital projects approved in FY 13 and re-appropriated in FY 14.

The County has issued GO bonds and installment financing in support of acquisition and construction of capital facilities. Further details may be found in the *Debt Service* section of this document.

