

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 2014 ACTUAL	FY 2015 ADOPTED	FY 2015 REVISED	FY 2016 ADOPTED	ADOPTED CHANGE	PERCENT CHANGE
Regular Instruction						
Cabarrus County Schools	\$ 37,486,242	\$ 39,764,197	\$ 40,479,299	\$ 41,180,601	\$ 701,302	1.76%
Kannapolis City Schools	5,136,565	5,413,912	5,514,272	5,659,272	\$ 145,000	2.68%
TOTAL	\$ 42,622,807	\$ 45,178,109	\$ 45,993,571	\$ 46,839,873	\$ 846,302	1.87%
Building Maintenance						
Cabarrus County Schools	\$ 5,965,705	\$ 6,313,149	\$ 6,364,242	\$ 6,537,597	\$ 173,355	2.75%
Kannapolis City Schools	879,319	923,989	924,548	924,548	\$ -	0.00%
TOTAL	\$ 6,845,024	\$ 7,237,138	\$ 7,288,790	\$ 7,462,145	\$ 173,355	2.40%
Grounds Maintenance						
Cabarrus County Schools	\$ 1,299,598	\$ 1,299,598	\$ 1,309,569	\$ 1,462,107	\$ 152,538	11.74%
Kannapolis City Schools	238,864	238,864	238,864	238,864	\$ -	0.00%
TOTAL	\$ 1,538,462	\$ 1,538,462	\$ 1,548,433	\$ 1,700,971	\$ 152,538	9.91%
Technology						
Cabarrus County Schools	\$ 3,737,113	\$ 3,745,113	\$ 3,753,227	\$ 4,764,046	\$ 1,010,819	26.99%
Kannapolis City Schools	155,627	155,627	157,972	378,078	\$ 220,106	141.43%
TOTAL	\$ 3,892,740	\$ 3,900,740	\$ 3,911,199	\$ 5,142,124	\$ 1,230,925	31.56%
School System Total						
Cabarrus County Schools	\$ 48,488,658	\$ 51,122,057	\$ 51,906,337	\$ 53,944,351	\$ 2,038,014	3.99%
Kannapolis City Schools	6,410,375	6,732,392	6,835,656	7,200,762	\$ 365,106	5.42%
GRAND TOTAL	\$ 54,899,033	\$ 57,854,449	\$ 58,741,993	\$ 61,145,113	\$ 2,403,120	4.15%

FY 2016 HIGHLIGHTS, AND/OR SIGNIFICANT MODIFICATIONS

Current expense spending, inclusive of Building and Grounds Maintenance, and Technology for the public school is funded at \$61,145,113. This represents a 4.15% increase in funding from the FY15 revised budget.

Education

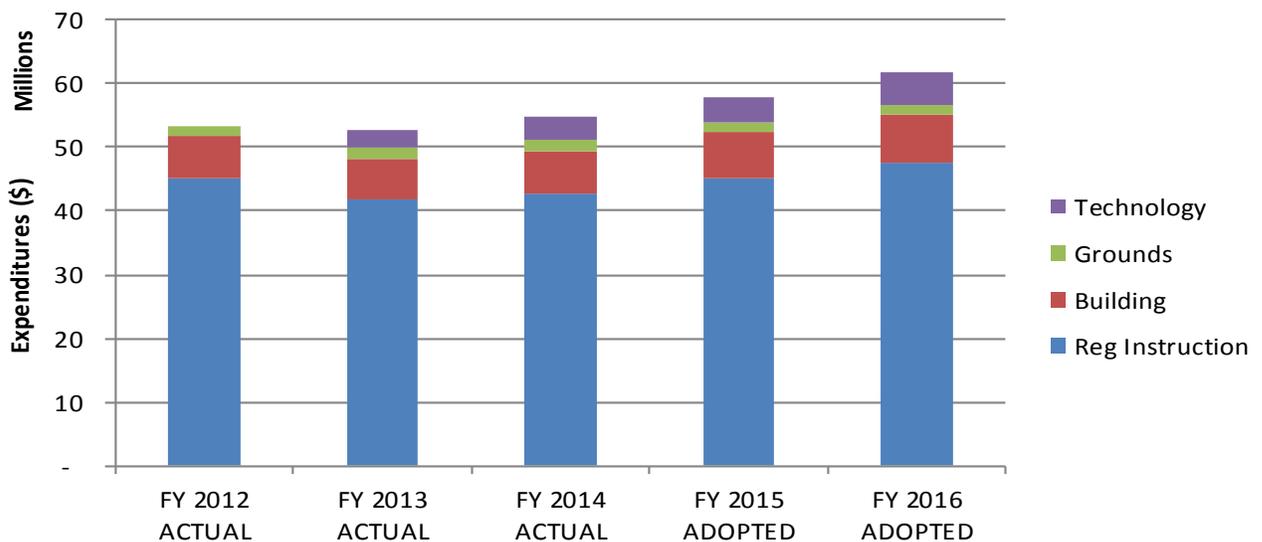
The County was informed during the FY15 budget process that charter school enrollment is not included in State ADM estimates provided in April. Charter school enrollment is presented one-year behind using the FY15 2nd Month ADM counts which were 1,359 students from the Cabarrus County Schools district and 73 students from the Kannapolis City Schools district will attend charter schools.

The total estimated enrollment including Charter schools increased 2.64% from 35,861 to 36,808 students. CCS went to 32,567 and KCS went to 4,241. During mediation with Cabarrus County Schools last fall, the County provided additional funding to the school systems to meet the population counts as of the second month count. This added funding for a total for 406 new students for Cabarrus County Schools for FY15. When comparing the second day counts to the FY16 estimates, the new net student growth is only 282 student for both school systems.

Current expense funding for schools is based on Average Daily Membership (ADM) estimates from the state which are certified to the board of county commissioners by the State Board of Education per General Statute 115C-430. In accordance with the "School Budget and Fiscal Control Act", North Carolina Department of Public Instruction calculates the higher of the best one of the first two months prior year ADM or the best one of first two months projected ADM. This information is obtained from the Principal's Monthly Report, and data supplied by the local superintendent regarding out-of-county students, and transfer between local school units. Estimated ADM for FY 16 has increased overall by 767 students. The State ADM estimate reported in April was 35,376: 31,208 for CCS and 4,168 for KCS. This changed the ratio for funding slightly from 88.36:11.64 to 88.22:11.78.

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 16 increased by \$173,355. Overall Grounds Maintenance funding has increased by \$152,538. This agreement is currently in the process of renewal.

Five-Year Public Schools Funding Comparison



Education

PUBLIC SCHOOLS CAPITAL OUTLAY

MANDATED SERVICE

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

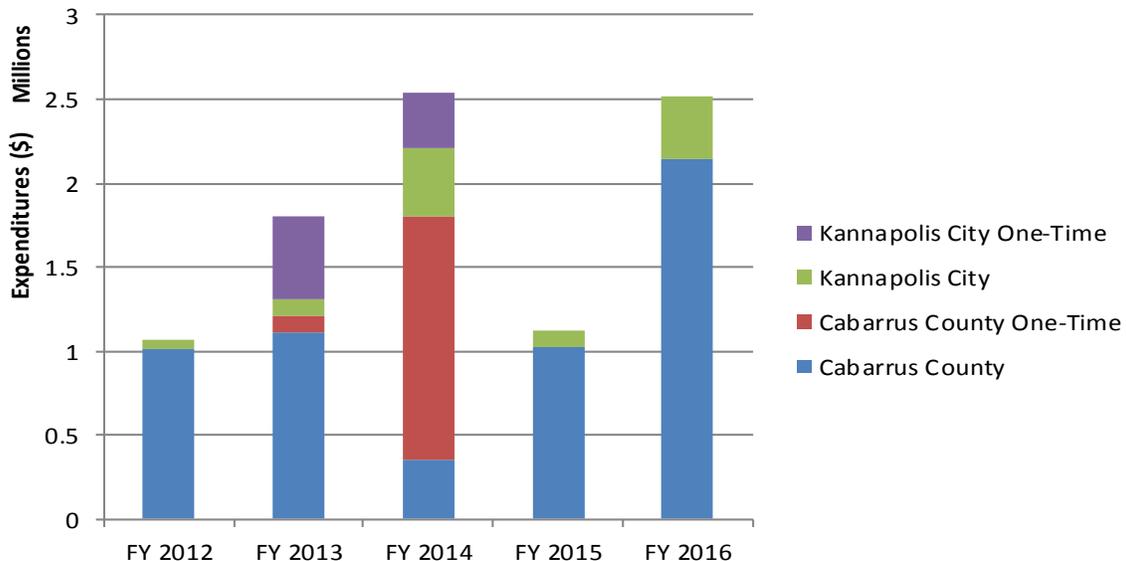
PROGRAM SUMMARY

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 2014 ACTUAL	FY 2015 ADOPTED	FY 2015 REVISED	FY 2016 ADOPTED	REVISED CHANGE	PERCENT CHANGE
School System						
Cabarrus County	\$ 358,542	\$1,020,000	\$1,681,458	\$2,147,956	\$ 466,498	27.74%
One-Time	1,449,044		347,091	-	(347,091)	-100.00%
Kannapolis City	100,000	100,000	100,000	367,000	\$ 267,000	267.00%
One-Time	325,739	-	-	-	-	
Total	\$2,233,325	\$1,120,000	\$2,128,549	\$2,514,956	\$ 386,407	18.15%

The schools capital outlay budget for FY 16 includes capital outlay allocations for various capital requests amounting to \$2,147,956 for Cabarrus County Schools and \$367,000 for Kannapolis City Schools.

5-Year Public Schools Capital Funding Comparison



Education

PUBLIC SCHOOLS DEBT SERVICE

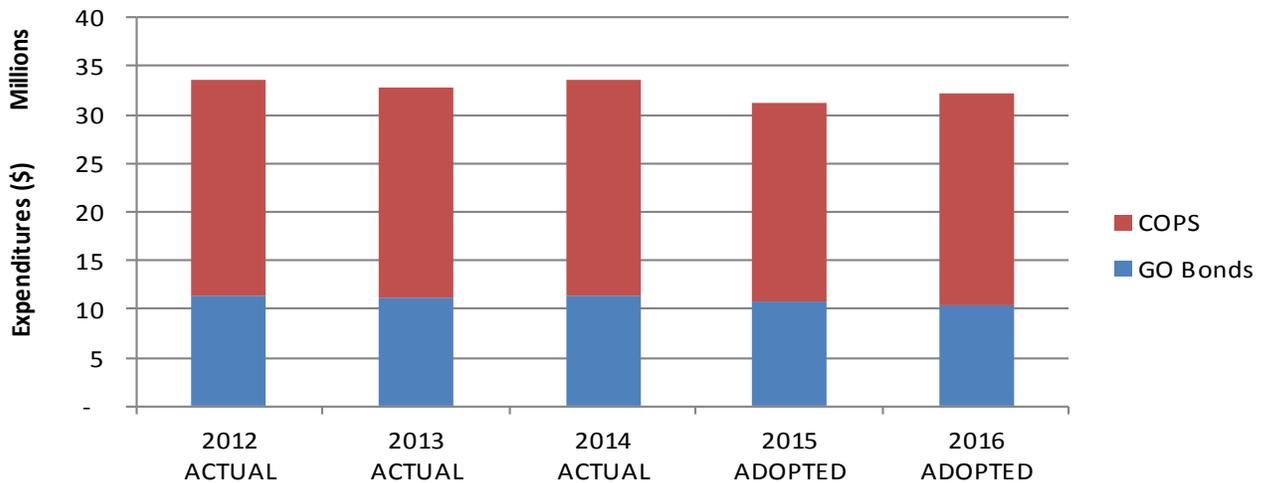
	FY 2014 ACTUAL	FY 2015 ADOPTED	FY 2015 REVISED	FY 2016 PRINCIPAL	FY 2016 INTEREST	REVISED CHANGE	PERCENT CHANGE
Schools Debt Service							
GO Bonds	\$11,374,964	\$10,850,254	\$10,850,254	\$ 7,405,834	\$ 2,963,880	\$ (480,540)	-4.43%
COPS	22,149,735	20,421,799	20,453,704	15,454,625	6,418,374	1,419,295	6.95%
Total	\$33,524,699	\$31,272,053	\$31,303,958	\$22,860,459	\$ 9,382,254	\$ 938,755	3.00%

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. In November 2014, the citizens approved \$20,000,000 in GO Bonds for the construction of a replacement school for Royal Oaks Elementary School in the amount of \$11,000,000 and a new Advanced Technology Building for Rowan Cabarrus Community College (RCCC) in the amount of \$9,000,000.

Currently, the Board is reviewing issuing debt for the construction of replacing both Mt. Pleasant Middle School and Royal Oaks elementary School, and the new construction of Kannapolis Middle School and an Advanced Technology building for RCCC in the south campus. The County has funded design cost with cash and plans to fund technology and furniture and fixtures with cash towards the end of the construction phase. This philosophy allows for the long term construction cost to be funded by debt service and the short term expenses to be funded by cash. This is part of the County’s policy to use one time funds to elevate the amount of debt issued by paying as you go for portions of the project cost.

5-Year Public Schools Debt Comparison



Education

PUBLIC SCHOOLS – COUNTY SERVER SPACE

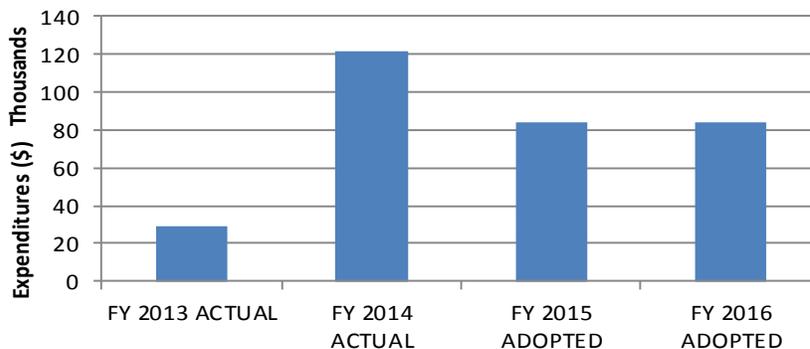
	FY 2013 ACTUAL	FY 2014 ACTUAL	FY 2015 ADOPTED	FY 2015 REVISED	FY 2016 ADOPTED	REVISED CHANGE	PERCENT CHANGE
Consolidated Funding							
County ITS	\$28,779	\$121,882	\$ 84,000	\$ 84,000	\$ 84,000	\$ -	0.00%
TOTAL	\$28,779	\$121,882	\$ 84,000	\$ 84,000	\$ 84,000	\$ -	0.00%

Cabarrus County Government is engaged in a strategic partnership with the Cabarrus County (CCS) and Kannapolis City School (KCS) Systems for collaborative technology services. An Interlocal agreement between each Local Education Agency (LEA) and Cabarrus County government was executed in October of 2011. 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. Both school systems identified a need for improved technology disaster recovery and high availability in a qualified data center. FY12 – FY15 Board of Commissioners funding and support for co-located datacenters has allowed the school systems to move critical technology infrastructure into the County’s qualified data centers. This funding provided for each school system’s datacenter migration into the co-located space and the addition of space for schools on the County’s primary and secondary storage area networks (SAN). The FY16 budget continues funding support of shared storage and the operation of the co-located data centers.

Collaboration of personnel with technical expertise and sharing of infrastructure permit the County and schools to efficiently employ the technology services required by our citizens, staff and students. The technology staff of all three agencies work together to facilitate the sharing of infrastructure and co-location in shared data centers. In December 2012 the retirement of a network engineer offered an opportunity for Kannapolis City Schools to expand its relationship with Cabarrus Count ITS. As an alternative to filling the vacant position, KCS contracted with Cabarrus County ITS for data and network managed services. The successful managed services contract between Cabarrus County ITS and KCS is being further expanded in FY16 to include server infrastructure. The FY16 Managed services contract includes server, data and voice network infrastructure management and optimization. Cabarrus County ITS and KCS staff are working together to establish a more secure and robust infrastructure, improve scalability, minimize downtime and reduce operating costs.

Funds allocated in the FY16 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 NCED Cloud services.

4-Year Public Schools Technology Funding

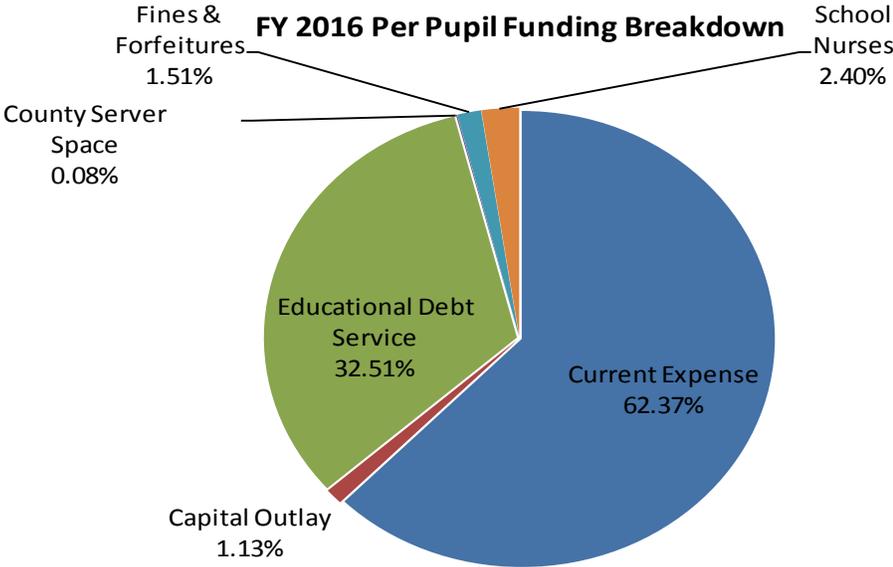


Education

PUBLIC SCHOOLS PER PUPIL BREAKDOWN

PUBLIC SCHOOLS - PER PUPIL BREAKDOWN

	FY 2014 ACTUAL	FY 2015 ADOPTED	FY 2015 REVISED	FY 2016 ADOPTED	REVISED CHANGE	PERCENT CHANGE
Public Schools Appropriation						
Current Expense	\$54,899,033	\$57,854,449	\$58,741,993	\$61,145,113	\$ 2,403,120	4.15%
Capital Outlay	2,233,325	1,120,000	2,128,549	2,514,956	386,407	34.50%
Educational Debt Service	33,524,699	31,272,053	31,303,958	32,242,713	938,755	3.00%
County Server Space	121,882	84,000	84,000	84,000	-	0.00%
Fines & Forfeitures	1,535,840	1,500,000	1,500,000	1,500,000	-	0.00%
School Nurses	2,017,949	2,017,949	2,123,884	2,377,375	253,491	12.56%
TOTAL	\$94,332,728	\$93,848,451	\$95,882,384	\$99,864,157	\$ 3,981,773	4.24%
ADM Enrollment						
CCS State Estimates	30,743	30,463	30,802	31,208	406	1.33%
KCS State Estimates	4,064	4,146	4,146	4,168	22	0.53%
CCS Estimates of Charter	997	1,513	1,513	1,359	(154)	-10.18%
KCS Estimates of Charter	57	65	65	73	8	12.31%
TOTAL ESTIMATED ENROLLMENT	35,861	36,187	36,526	36,808	282	0.78%
Per Pupil Funding						
Current Expense	\$ 1,531	\$ 1,599	\$ 1,608	\$ 1,661	\$ 52.97	3.31%
Capital Outlay	62.28	30.95	58.27	68.33	\$ 10.05	32.48%
Educational Debt Service	934.85	864.18	857.03	875.97	\$ 18.94	2.19%
County Server Space	3.40	2.32	2.30	2.28	\$ (0.02)	-0.76%
Fines & Forfeitures	42.83	41.45	41.07	40.75	\$ (0.31)	-0.76%
School Nurses	56.27	55.76	58.15	64.59	\$ 6.44	11.55%
TOTAL	\$ 2,630.51	\$ 2,593.43	\$ 2,625.04	\$ 2,713.11	\$ 88.07	3.40%



Education

PUBLIC SCHOOL FUNDING BY SOURCE AND CATEGORY

PUBLIC SCHOOL FUNDING BY SOURCE AND CATEGORY

	FY 2014 ACTUAL	FY 2015 ADOPTED	FY 2015 REVISED	FY 2016 ADOPTED	REVISED CHANGE	PERCENT CHANGE
Revenue Source						
1/2 cent Sales Tax Article 40 30%	\$ 2,247,377	\$ 2,236,530	\$ 2,236,530	\$ 2,538,876	\$ 302,346	13.52%
1/2 cent Sales Tax Article 42 60%	5,075,948	5,200,990	5,200,990	6,137,303	936,313	18.00%
1/4 cent Sales Tax Article 46 100%	5,812,323	6,118,403	6,118,403	7,046,267	927,864	15.17%
Lottery used for School Debt Service	4,911,790	2,200,000	2,200,000	2,000,000	(200,000)	-9.09%
QSCB Subsidy	712,644	712,331	712,331	714,643	2,312	0.32%
COPS 2009	2,188,834			-	-	0.00%
Fines & Forfeitures	1,535,840	1,500,000	1,500,000	1,500,000	-	0.00%
TOTAL	\$ 22,484,756	\$ 17,968,254	\$ 17,968,254	\$ 19,937,089	\$ 1,968,835	10.96%
Expenditure Category						
Current Expense	\$ 54,889,033	\$ 57,854,449	\$ 58,741,993	\$ 61,145,113	\$ 3,290,664	5.69%
Capital Outlay	2,233,325	1,120,000	2,128,549	2,514,956	1,394,956	124.55%
Educational Debt Service	33,524,699	31,272,053	31,303,958	32,242,713	970,660	3.10%
County Server Space	121,882	84,000	84,000	84,000	-	0.00%
Fines & Forfeitures	1,535,840	1,500,000	1,500,000	1,500,000	-	0.00%
School Nurses	2,017,949	2,017,949	2,123,884	2,377,375	359,426	17.81%

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 \$77,549,694 and an additional \$2,377,375 is given to schools through the Cabarrus Health Alliance for school nurses, totaling \$79,927,069 for FY16. 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 2008.

Education

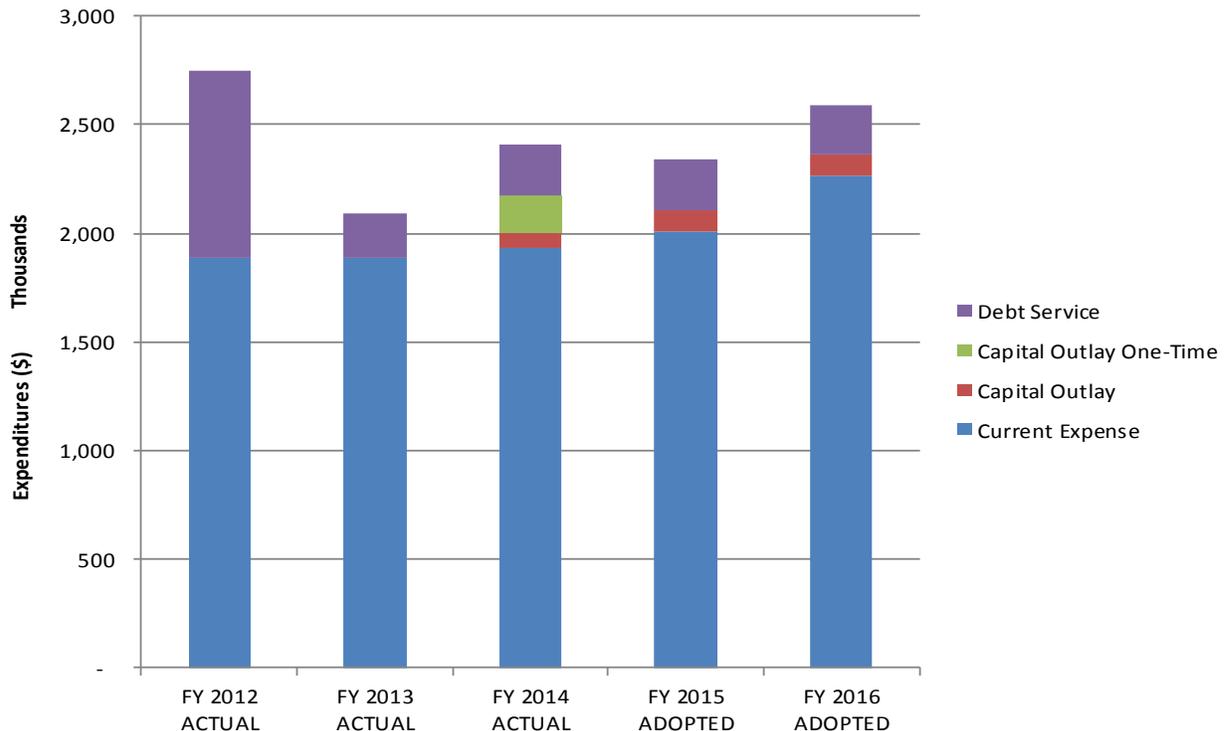
ROWAN-CABARRUS COMMUNITY COLLEGE

	FY 2014 ACTUAL	FY 2015 ADOPTED	FY 2015 REVISED	FY 2016 ADOPTED	REVISED CHANGE	PERCENT CHANGE
Funding Breakdown						
Current Expense	1,932,829	2,007,829	2,020,153	2,262,755	242,602	12.08%
Capital Outlay	69,961	100,000	1,107,865	100,000	(1,007,865)	
One-Time	173,170	-	26,830		(26,830)	0.00%
Debt Service	230,569	229,909	229,909	223,450	(6,459)	-2.81%
Total	\$2,406,529	\$2,337,738	\$3,384,757	\$2,586,205	\$ (798,552)	-34.16%

Current expense funding for Rowan-Cabarrus Community College (RCCC) totals \$2,262,755. Capital outlay allocations total \$100,000 for various projects. The total allocation of \$2,362,755 represents a 1.63% decrease from the FY15 revised budget due to one-time capital projects approved in FY13 and re-appropriated in FY15.

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.

5-Year RCCC Total Funding Comparison



Other Schools

DESCRIPTION:

Agencies funded through this program are non-profit and other government agencies that provide public services which complement or are not found in the array of services provided by the County.

Special Olympics – Cabarrus County Schools

In accordance with a Special Olympics Service Agreement with Cabarrus County Schools, this item provides funding for one full time equivalent position to carry out duties related to the Special Olympics program within the County.

BUDGET SUMMARY:

	Actual FY14	Amended FY 15	Department Requested FY16	Adopted FY16	% Change FY15 to FY16
Expenditures					
School Park Maintenance	50,000	50,000	50,000	50,000	0.00%
Special Olympics	55,930	55,930	55,930	55,930	0.00%
Total Expense	\$ 105,930	\$ 105,930	\$ 105,930	\$ 105,930	0.00%

