

Edgecombe County Public Schools

Budget

Board of Education	Dr. Evelyn S. Wilson, Chair	District 1
	Ms. Lillie R. Worsley	District 2
	Dr. Evelyn Johnson	District 3
	Mr. William Ellis	District 4
	Mrs. Ann Kent, Vice-chair	District 5
	Rev. Raymond Privott	District 6
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The 2019-2020 Budget Document

The 2019-2020 Edgecombe County Public Schools budget document's format presents the school district's budget and related information in an organized and comprehensive document to provide knowledge of the school system's budget development, management, and processes in addition to the numerical information contained in previous years. The document contains the four major sections listed and defined below.

The **Introductory Section** includes the table of contents and relates to an overall view of the fiscal year 2019-2020 proposed budget through the budget message.

The **Organizational Section** describes the school system's management organization and explains the various budgetary processes, structure, and management policies.

The **Financial Section** includes budget data in summary and detail level for school division funds.

Table of Contents

Introductory Section

Table of Contents	3
Board of Education Approval	4
Budget Message	4

Organizational Section

Section Introduction	10	Description of Financial Structure	17
Organization and Management		Budget Administration	19
The School System	11	Budget and Financial Policies	20
The Board of Education	11	School Budget Fiscal Control Act	22
Direction of the School System	12	Budget at a Glance	29
Financial Organization	13	Summary of all Funds	30
Budget Development Process	16		

Financial Section

Operating Fund Introduction	31	Local Operating Fund Expenditures	43
Revenue Summary	32	Local Operating Expenditures by	
County Appropriation	33	Program	44
State Revenues	35	Capital Outlay Introduction	45
Federal Revenues	37	Capital Outlay Funds Summary	46
Funding Reported as Local	38	Capital Outlay Revenues	47
History of Local Fund Balance	39	Capital Outlay Expenditures	47
Other Restricted Funding	40	Other Funds	48
State & Federal Expenditures	41	Glossary	52
Other Restricted Expenditures	42		

Board of Education Approval

The Superintendent is submitting this 2019-2020 budget request. The Edgecombe County Board of Education approved this request on _____.

Budget Message

Our budget planned for 2019-2020 continues to reflect our commitment to academic achievement and success for all our students. We have several exciting and innovative changes planned for our school district.

Restart Schools & The Innovation Zone

ECPS has applied for "Restart" status from the NC State Board of Education for three historically low-performing schools in our North side feeder pattern: Coker-Wimberly Elementary School, Phillips Middle School, and North Edgecombe High School. "Restart" status has been granted for Coker-Wimberly Elementary School, Phillips Middle School, North Edgecombe High School as well as Princeville Elementary School. As "Restarts," these schools will have charter-like flexibility in the areas of calendar, budget, curriculum, and staffing. This flexibility will enable these schools - collectively called our ECPS "Innovation Zone" - to implement innovative strategies in pursuit of three 2020 goals: high growth at all schools, 80% proficiency in all content areas, and 90% graduation rate at NEHS.

Opportunity Culture

On March 1, 2017, ECPS "went live" with opportunities for excellent teachers to reach more students, take on additional leadership, and earn more money - all within the regular public school budget. Design teams at our three North side "Innovation Zone" schools have developed Multi-Classroom Leader, Expanded Impact Teacher, and Reach Associate positions for certified teachers and classified staff members who want to expand their impact without leaving the classroom. Visit www.ocecps.weebly.com for more information! For fiscal year 2018-2019, the "Innovation Zone schools expanded to the schools within the Town of Tarboro. The schools on the south side of the county will begin implementing these opportunities for excellent teachers to reach more students in fiscal year 2020.

Blue Ribbon Commission on Educational Equity

A transformational education for every ECPS scholar starts with a shared vision. That is why we have convened the Blue Ribbon Commission on Educational Equity and invited stakeholders from across the community to come together to answer the question: "What is the future we imagine for our scholars?" Students, parents, educators, business owners, faith leaders, community activists, and others are invited to attend a series of three town hall meetings and school visits this spring.

Budget Message (Continued)

Through these shared conversations and experiences, stakeholders will develop a vision for the success of all ECPS scholars and recommend priorities for the district's new three-year plan.

Review of Prior Years' Budgets and Funding

Over the last six fiscal years, our state budget allotments began to decline, not only due to a decrease in student numbers but also due to the economy crisis. In the fiscal years of 2009-2010, 2010-2011, and 2011-2012, we received the federal stimulus dollars to help offset the state reductions, including the Education Jobs Funding. This funding ended on June 30, 2012.

In preparation for the loss of the federal stimulus dollars in fiscal year 2012-2013, we reduced that budget by \$2.2 million. We did not request any additional funding from the county to offset that loss in funding and the county held our funding to the same level as in the previous year. The budget reductions included the elimination of 38.7 positions and elimination of programs.

The first charter school opened in Edgecombe County in that same fiscal year and our state allotments were further reduced by \$1.5 million. To help offset this reduction, we reviewed our current budget and reduced the classroom teacher allotments to reflect the revised ADM. The remainder of the reduction was handled without any additional funding from the county.

In 2013-2014, we reduced the budget by an additional \$1.5 million and we did not request any additional funding from the county to offset that loss in funding. The county reduced our funding in that fiscal year by \$318,052. The \$1.5 million budget reductions included the elimination of 32 positions.

Our allotments for 2013-2014 were also reduced by another \$1.5 million due to the second year of the charter school impact and we reduced our classroom teaching positions allotted to the schools to reflect the reduction in ADM.

The fiscal year 2014-2015 budget was impacted by the continuing growth of the new charter school and decline in our ADM (Average Daily Membership) as well as state reductions in appropriations. Our state funding was reduced at the beginning of that fiscal year by \$792,019 for the charter school growth and North Carolina Virtual Public Schools (NCVPS). Our request of \$412,933 for an increase in funding from the county commissioners was not approved and our appropriation was decreased by \$56,327. In that year, we used \$741,612 of local fund balance to maintain positions and operations.

Budget Message (Continued)

For fiscal year 2015-2016, we made budget reductions of \$988,912 and eliminated 24.5 positions. Our ADM decreased by 253 students. We requested additional funding of \$294,000 from the county to increase our local supplements and this request was funded.

In the current year 2016-2017, we were able to increase the local supplement for teachers and instructional support staff as well as for classified employees. The ADM increased by 98 students. Our low wealth allotment and at risk student allotment were decreased by \$467,256 due to a change in the poverty levels in the most recent census. State raises were issued to all employees in various ranges as well as increases in the benefit rates. To offset these decreases, the district planned to use local fund balance in the amount of \$956,533.

For the prior fiscal year, 2017-2018, state raises were issued to all employees: Teachers and Instructional Support staff – ranged from 1.5% to 6.9%; Assistant Principals – pay scale is now 17% above the teacher's A salary schedules; Principals – new pay scale developed; Non-certified and central office staff – annual increase of \$1,000 for 12 months of employment. Although, we requested an increase in county appropriation to increase local supplement and offset other operating costs, our appropriation was held at the same level as the prior year. This was also our first year for implementation of restart schools and opportunity culture.

For the current fiscal year 2018-2019, the Average Daily Membership (ADM) decreased by 78 students. Employer retirement benefit rates increased from 17.13% to 18.86%. The employer's cost of the hospitalization increased from \$5,869 per full-time position to \$6,104. Raises for classroom teachers and instructional support personnel with less than 25 years of experience ranged from 2.9% to 14.8%, including the step increase. For those with 25 or more years of experience, their raise was 1.4%. The principal salary scale was increased by 6.9% in this fiscal year. Our non-certified staff and central office staff received a 2% salary increase. Although we made a request for an increase from the county to maintain operations due to increasing costs, the county did not grant our request and our local appropriation remained at the same level as last year.

The budget for 2018-2019 appropriated \$1,435,191 of the local fund balance.

Budget Message (Continued)

Fiscal Year 2019-2020

The Edgecombe County Public Schools' proposed budget for 2019-2020 highlights and summarizes our financial plan for the coming year

Our Average Daily Membership (ADM) used for allotment purposes has decreased by 35 students. This decline in ADM will decrease our state allotments that are based upon ADM. In this budget proposal, we have made preliminary calculations of these allotments.

Classroom teaching position allotments were calculated based upon projected ADM at the schools with consideration of smaller middle and high schools.

We are anticipating our allotment for state classroom teaching positions to decrease by approximately 5 positions. With the approval of the House Bill 90, we are anticipating an enhancement classroom teacher allotment of approximately 7 positions. This will offset the reduction anticipated. We will continue to utilize funding streams outside of our state classroom teaching allotment, including Disadvantaged Student Supplement Funding, Low Wealth Supplement Funding, and Title II, for classroom teaching positions.

We will also transfer \$111,000 from the textbook allotment to purchase textbooks used by students from the traditional high schools and the early college high school who are taking classes at Edgecombe Community College.

We will charge the full allowable rate of indirect cost of the federal programs and to the child nutrition program.

The State Public School Fund Proposed Budget is based upon district calculated planning state allotments. The state has not issued planning allotments at this time. The state projected revenues were prepared contingent upon our allotments in the following categories remaining the same as in the current fiscal year 2018-2019: central office administration, driver training, CTE, low wealth, learn and earn, transportation, at risk student services and disadvantaged student supplemental funding. A reduction in these funding streams or other funding streams, or other changes mandated by the General Assembly would result in a significant impact on our budget, programs, and services.

Budget Message (Continued)

The estimated amount of the allotments for the restart schools has been included in the budget resolution. The estimated amount is at a rate of \$6,099.11 per ADM. This amount is calculated annually. The ADM used is based upon the first Principal's Monthly Report for the current fiscal year. The amount included in this budget is based upon an estimated ADM of 821. Any fluctuations to that ADM or the dollar amount per ADM could either increase or decrease the allotment. The allotment is created by the district determining which state allotments to reduce. In making this determination, we will utilize the method that will maximize the use of those dollars.

The restart allotment will be used for costs associated with the schools, including salary for all staff, supplements, salary differentials related to Opportunity Culture positions, innovation zone signing bonuses, substitutes, professional development, instructional materials, office costs and activity bus costs. Building costs will continued be paid locally. The restart schools will continue to have Title I and school improvement grant funding, if eligible, as well as a capital outlay allotment. We will also use some of our position allotments to assist them with the cost of higher paid personnel by maximizing the use of our position allotments. CTE, exceptional children, AIG, and ESL positions, and transportation will have continued to be provided and paid by those respective state allotments.

This budget includes a request for additional funding of \$960,287 in county appropriation for local funds for anticipated state raises, benefit increases, increases in the cost of local supplements due to state raises and changes in the state salary schedules as well as to maintain operations.

The Local Current Expense Budget is based upon an increase of \$960,287 in the county appropriation, estimation of fines and forfeitures and interest earned.

For this proposed budget, we are appropriating \$327,663 of the local fund balance. On June 30, 2018, our local fund balance was \$2,108,749. We have appropriated \$1,435,191 of that fund balance in this fiscal year 2018-2019.

This budget also includes budget reductions in the amount of \$588,224 by reducing central services' allocations by 10% and shifting the funding of salaries to other funding sources.

The Federal Fund Proposed Budget is based upon estimated allotments as no planning allotments have been received.

The Other Restricted Proposed Budget is based upon estimated grants and other sources of revenues.

Budget Message (Continued)

The Capital Outlay Proposed Budget reflects our capital improvements, major repairs and renovations, and funds vehicle and equipment additions or replacements. Our request for the capital recurring fund is \$1,005,000. We are requesting to utilize the lottery receipts of \$380,000 for the bond debt of \$150,000, tile replacement of \$70,000, replacement windows of \$60,000, and bathroom renovations of \$100,000. The total capital outlay budget is \$1,496,210 and includes the county appropriation for capital outlay in the amount of \$1,005,000.

The proposed capital outlay budget does include an appropriation of capital outlay fund balance in the amount of \$105,210.

The Enterprise Proposed Budget consists of the child nutrition program, fee for service programs, and family resource center. Those budgets are prepared based upon estimated receipts of fees and sales as well as USDA grants.

Organizational Section Introduction

The Organizational Section of the 2019-2020 budget document describes the Edgecombe County Public Schools' organizational and management structure, the school system's mission statement, and various policies and procedures which govern the budget management process.

The narrative which describes the organizational and management structure includes an overview of the school system, lists of the Board of Education and the Administrative Leadership Team, the direction of the school system, and the various components of budget administration and accounting management.

Section Contents

Section Introduction	10
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Organization and Management

The School System	11
The Edgecombe County Board of Education	11
Direction of the School System--Mission Statement	12
Financial Organization	13
Budget Development Process	16
Financial Structure	17
Budget Administration and Management	19
Budget and Financial Policies	20
School Budget Fiscal Control Act	22
Budget at Glance	29
Summary of All Funds	30

The School System

Edgecombe County Public Schools operates as a fiscally dependent agency of the Edgecombe County Commissioners to provide a free and appropriate education to the children of the county’s residents. The seven-member Edgecombe County Board of Commissioners is charged by state law to appropriate funds for the operation of the school system’s local operating budget.

The school system will operate a total of 14 school buildings for its projected 5988 students in grades kindergarten through twelve in 2019-2020. The school system’s students reside within the boundaries of Edgecombe County, North Carolina. Edgecombe County Public Schools is governed by an elected seven member Board of Education, which is responsible for the school system’s financial matters. As a financially dependent entity, the Board of Education is required by state law and county policy to maintain financial statements in accordance with generally accepted accounting principles and to abide within those laws and policies that determine fiscal accountability.

The Board of Education appoints the Superintendent of Schools. The Superintendent is responsible for the day-to-day operations of the school system.

The Edgecombe County Board of Education

Dr. Evelyn S. Wilson, Chair	District 1
Ms. Lillie R. Worsley	District 2
Dr. Evelyn Johnson	District 3
Mr. William Ellis	District 4
Mrs. Ann Kent, Vice Chair	District 5
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Mrs. Marva Scott	District 7

Direction of the School System

Below are the mission, vision, and goals of the Edgecombe County Board of Education. The 2019-2020 proposed budget supports each of these areas.

Our Vision

Edgecombe County Public Schools: Focused, Connected, Ready

Our Mission

The Edgecombe County Public School community will collaborate to graduate all students ready to achieve success in a rapidly changing world.

Our Goals

Will produce globally competitive students
Will be led by 21st century professionals
Will develop healthy and responsible students
Will provide leadership that will guide innovation
Will be governed and supported by 21st century systems

Financial Organization

Legal Authority

Edgecombe County Public Schools is a comprehensive school district serving the students and citizens of Edgecombe County. The schools are committed to providing the highest quality educational opportunities to its students while maintaining fiscal responsibility and accountability. The Board of Education is responsible for adopting policies which guide the Superintendent and administrative staff in the management of the day-to-day operation of the school system.

The Board of Education is responsible for budget review, but it is not a tax-levying body and must submit its annual budget to the Edgecombe County Board of Commissioners, which controls the allocation of local funds to the school system. The State of North Carolina provides funding for basic educational programs, and local funds are used to supplement these programs.

Fund Accounting

The financial accounts of the school system are organized on the basis of funds, each of which is considered a separate accounting entity. School system resources are allocated to and accounted for in these individual funds based upon the purpose for which they are to be expended and the means by which spending activities are controlled in compliance with legal provisions. The school system's budgeting and accounting systems include the following funds:

The **State Public School Fund** is used to account for the revenues and expenditures allocated for educational purposes by the State Board of Education. These funds are expended according to the provisions of state statutes. This is a special revenue fund.

The **Local Operating Fund** is used to account for the revenues and expenditures allocated for educational purposes by all financial resources other than those in the other funds. Revenue sources include appropriations by the Board of County Commissioners, state funds allocated directly to the school system, and other funds made available to the school system for current operating expenses. This is a general revenue fund.

The **Federal Grant Fund** is used to account for the revenues and expenditures allocated for educational purposes of federal government categorical grants by the State Department of Public Instruction and other grants made directly to the school system. This is a special revenue fund.

Financial Organization (Continued)

Fund Accounting Continued

The **Capital Outlay Fund** is used to account for the revenues and expenditures allocated for the school system's acquisition of fixed assets and construction of major capital projects. Sources of revenue for this fund are local county government appropriations, proceeds from the sale of school construction bonds, and certain state assistance.

The **Child Nutrition Fund, Fee for Service Programs, and Family Resource Center** are used to account for the revenues and expenditures for the school food services and day care services provided to students and parents. These funds are enterprise funds.

The **Other Restricted Fund** is used to account for reimbursements, including indirect costs, fees for actual costs, tuition, sales tax revenues distributed using the ad valorem method pursuant to G.S.105-472(b)(2), sales tax refunds, gifts and grants restricted as to use, trust funds, federal appropriations made directly to local school administrative units, funds received for prekindergarten programs, and special programs.

Financial Organization (Continued)

Basis of Accounting

Basis of accounting refers to the timing of recognition of revenues and expenditures in the accounts and in the financial statements, regardless of measurement focus. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable fiduciary funds are accounted for using a current financial resources measurement focus; that is, only current assets and current liabilities generally are included on the balance sheets. Statements of these funds present increases (revenues and other financial sources) and decreases (expenditures and other financial uses) in net current assets.

The **Modified Accrual Basis of Accounting** is followed for all governmental type funds and fiduciary type funds of the school system. Revenues are recognized in the accounting period in which they become susceptible to accrual, that is, both measurable (the amount of the transaction can be determined) and available (the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period). Expenditures, other than long-term debt and the long-term portion of accumulated sick and vacation pay, are recorded when the liability is incurred.

The **Accrual Basis of Accounting** is utilized by the proprietary type funds. Revenues are recognized when earned, and expenses are recognized when goods and services are received whether or not cash disbursements are made at the time.

The Budget Development Process

The 2019-2020 Budget was developed through the input of district administrators, school principals, and staff. It is the product of months of work to assure that the educational and support programs of the school system continue to provide the students of Edgecombe County quality and meaningful educational opportunities while providing a safe and secure environment for learning.

The school system continues to face the challenges of maintaining quality educational programs, the repair and renovation of aging school buildings, hiring and retaining quality instructional and support personnel, and improving employee compensation to remain competitive with surrounding school systems.

Financial Structure

In 1975, the General Assembly enacted a law requiring a uniform accounting system for all local school administrative units. The minimal requirements for the accounting code structure include four components (fields) for the code: fund, function, program reporting, and object. These fields make it possible for meaningful analysis of financial data to provide appropriate management and decision making at all levels.

The school system's Department of Finance, with the direction of the Board of Education and the Superintendent, is responsible for the fiscal operations of the school system including budget development and management, maintenance of the accounting system, payment of bills, payroll, and the receipt and posting of all revenues. The budgeting and accounting systems of the school system are organized and operated on the basis of self-balancing accounts, which comprise its assets, liabilities and fund balances, and revenues and expenditures, as appropriate.

The school system's budget is maintained by fund, function, program, object, and location code levels. This structure permits the accurate and appropriate tracking of revenues and expenditures for the requirements of the school system, required state reporting, and audit purposes. The school system's budget is composed of five separate funds to record assets and liabilities for specific purposes:

- | | |
|----------------------------|-------------------------|
| 1 State Public School Fund | 4 Capital Outlay Fund |
| 2 Local Operating Fund | 5 Enterprise Fund |
| 3 Federal Grant Fund | 8 Other Restricted Fund |

The fund budgets are comprised of individual program budgets (PRCs) that include line item expenditures (object codes). Within each of these program budgets are function and location sub-program codes that provide additional detail for the tracking of expenditures for the school system.

Object codes indicate the service or the commodity obtained as a result of a specific expenditure. The major object code categories are:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Non-Categorical Objects
- 700 Transfers

Financial Structure Continued

Each revenue and expenditure code includes a function (or purpose) code designation to permit the analysis of expenditures for similar reasons. Function designations are assigned by the state. The current function codes used by the school system are:

- | | |
|---|--|
| 5100 Regular Instructional Services | 6500 Operational Support Services |
| 5200 Special Populations Services | 6600 Financial and Human Resource Services |
| 5300 Alternative Program Services | 6700 Accountability Services |
| 5400 School Leadership Services | 6800 System-wide Pupil Support Services |
| 5500 Co-Curricular Educational Services | 6900 Policy Leadership & Public Relations Services |
| 5800 School-based Support Services | 7100 Community Services |
| 6100 Support and Development Services | 7200 Child Nutrition Program |
| 6200 Special Populations Support and Development Services | 8000 Other Non-Programmed Services |
| 6300 Alternative Programs and Services Support and Development Services | 9000 Capital Outlay Projects |
| 6400 Technology Support Services | |

Some of the function codes listed have sub-function level codes to permit more detailed tracking of expenditures.

Location codes for all schools and central administration are used to track the location of expenditures.

Budget Administration and Management Process

Budget administration and management are processes of monitoring revenues and expenditures throughout the fiscal year. Revenues are monitored to ensure that anticipated receipts are received, posted to appropriate codes within the financial system, and deposited. Adjustments to revenue budgets are made as necessary. Expenditures are monitored to assure budgeted amounts are not exceeded and that funds are expended for intended, appropriate, and legal purposes. Monitoring of both revenues and expenditures on summary levels is a continuous activity of the Finance Department.

Revenues	Expenditures
<p>The school system receives revenues from federal, state, and county sources as well as from fees and tuition payments. Revenue estimates for the fiscal year are completed through cooperative planning between the Finance Department and the appropriate program administrators. State and federal revenues are determined at the state level and are transmitted to the local school division as adjustments are made.</p> <p>State and federal revenues are posted to the school system’s financial system as payments from these sources are paid. The State Department of Public Instruction monitors all expenditures made to state and federal programs, and, if approved, deposits the funds into the school system’s state account. County and other locally based revenues are received as checks or cash and are posted and deposited on a daily basis.</p> <p>Monthly statements of state and federal revenues are received from the state treasurer’s office and are reconciled each month by the Finance Department.</p>	<p>Although each program administrator is responsible for the maintenance of the program budget, the Finance Department has the overall monitoring responsibility for all expenditures of the school system. Both the program administrator and the Finance Department monitor expenditures to preclude exceeding budgeted amounts.</p> <p>Expenditures include all payroll and benefits payments for employees as well as the accounts payables to vendors for all materials, supplies, and contracted services. Program managers are able to print their statements through the accounting system.</p> <p>The financial system is updated daily to provide accurate information concerning all expenditures. Program administrators may reallocate budgeted funds within their program budgets through coordination with the Finance Department. Reallocation requests are submitted in writing to the Finance Officer for approval and processing.</p>

Reporting

The school system prepares annual financial statements to report the results of all funds under the Board of Education’s authority. This report is completed by an independent outside auditing firm that reports its findings directly to the Board of Education.

Budget and Financial Policies

The Edgecombe County Board of Education adheres to both School Board and state policies in the preparation, monitoring, and reporting of its budget for each fiscal year. On the following pages are the governing policies for budget and financial management within the school system and the state of North Carolina public schools.

BUDGET PLANNING AND ADOPTION Policy Code: 8100

Budget planning and preparation are critical to the development of a budget likely to further the educational goals of the Edgecombe County Board of Education (the “Board”) and the State and to provide for the smooth operation of the school system.

A. ELEMENTS OF BUDGET PLANNING

The budget planning for the Board and administration will include:

1. establishing the priorities of the school system, recognizing that improving providing students the opportunity to receive a sound basic education and student success will always be of paramount concern;
2. considering long-range facilities plans, goals and objectives as established by the Board and school system staff when assessing the needs of the school system;
3. integrating budget planning into program planning so that the budget may effectively support and implement all programs and activities of the school system;
4. seeking opportunities to communicate with the county commissioners about needs on a regular basis, especially with regard to capital outlay;
5. seeking broad participation by administrators, teachers and other school system personnel and citizens;
6. exploring all practical and legal sources of income;
7. continually assessing the needs, revenues and expenses of the school system; and
8. identifying the most cost-effective means of meeting the school system’s needs.

B. PROCESS

By January 31 of each year, the Superintendent shall submit to the Board a calendar outlining the steps to be followed and the target dates for development of the budget for the next fiscal year. The Superintendent shall prepare a proposed annual budget and submit it with his or her budget message to the Board no later than April 1.

On the same day that the proposed budget is submitted to the Board, the Superintendent shall file a copy of it in his or her office, where it will remain available for public inspection until the budget resolution is adopted.

The Board may hold at least one public hearing on the proposed budget prior to final action. The Board will consider the proposed budget and make such changes therein as it deems advisable.

The Board will submit the entire budget as approved by the Board to the board of county commissioners no later than May 15, or such later date as may be fixed by the board of county commissioners.

BUDGET RESOLUTION Policy Code: 8110

Through the budget resolution, the Edgecombe County Board of Education (the "Board") appropriates sums it determines are sufficient and proper for the budget year. The Board will provide schools with maximum flexibility in the use of funds to enable the schools to accomplish their student performance goals. The school system will not expend any monies, regardless of their source, except in accordance with the budget resolution adopted by the Board.

ADOPTION OF RESOLUTION

Once the board of county commissioners has appropriated money to the local current expense fund and capital outlay fund, the Board may determine whether such funds are sufficient. If the Board determines that the appropriation is insufficient, the Board may utilize the procedure provided by law for resolution of disputes between a Board of Education and a board of county commissioners.

After the board of county commissioners has appropriated funds and after the conclusion of any dispute regarding the appropriation, the Board of Education will adopt a budget resolution in conformance with all legal requirements. The budget resolution will be entered in the minutes of the Board. Within five days after adoption, copies will be filed with the Superintendent, the school finance officer and the county finance officer.

If the adoption of the budget resolution is delayed until after July 1, the board shall make interim appropriations as allowed by law.

The board may amend the adopted budget resolution for the reasons prescribed by state law and in accordance with the adopted resolution.

The board may, by appropriate resolution, authorize the Superintendent to transfer funds from one appropriation to another within the same fund, subject to such limitations and procedures as may be prescribed by the Board and any applicable legal requirements. Any such transfers shall be reported to the Board at its next regular meeting.

Part 2. Budget

§ 115C-425. Annual balanced budget resolution.

(a) Each local school administrative unit shall operate under an annual balanced budget resolution adopted and administered in accordance with this Article. A budget resolution is balanced when the sum of estimated net revenues and appropriated fund balances is equal to appropriations. Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next proceeding the budget year. The budget resolution shall cover one fiscal year.

(b) It is the intent of this Article that all moneys received and expended by a local school administrative unit should be included in the school budget resolution. Therefore, notwithstanding any other provisions of law, after July 1, 1976, no local school administrative unit may expend any moneys, regardless of their source (including moneys derived from federal, State, or private sources), except in accordance with a budget resolution adopted pursuant to this Article.

(c) Subsection (b) of this section does not apply to funds of individual schools, as defined in G.S. 115C-448. (1975, c. 437, s. 1; 1981, c. 423, s. 1; 1993, c. 179, s. 1.)

§ 115C-426. Uniform budget format.

(a) The State Board of Education, in cooperation with the Local Government Commission, shall cause to be prepared and promulgated a standard budget format for use by local school administrative units throughout the State.

(b) The uniform budget format shall be organized so as to facilitate accomplishment of the following objectives: (i) to enable the board of education and the board of county commissioners to make the local educational and local fiscal policies embodied therein; (ii) to control and facilitate the fiscal management of the local school administrative unit during the fiscal year; and (iii) to facilitate the gathering of accurate and reliable fiscal data on the operation of the public school system throughout the State.

(c) The uniform budget format shall require the following funds:

- (1) The State Public School Fund.
- (2) The local current expense fund.
- (3) The capital outlay fund.

In addition, other funds may be used to account for reimbursements, including indirect costs, fees for actual costs, tuition, sales tax revenues distributed using the ad valorem method pursuant to G.S. 105-472(b)(2), sales tax refunds, gifts and grants restricted as to use, trust funds, federal appropriations made directly to local school administrative units, funds received for prekindergarten programs, and special programs. In addition, the appropriation or use of fund balance or interest income by a local school administrative unit shall not be construed as a local current expense appropriation.

Each local school administrative unit shall maintain those funds shown in the uniform budget format that are applicable to its operations.

(d) The State Public School Fund shall include appropriations for the current operating expenses of the public school system from moneys made available to the local school administrative unit by the State Board of Education.

(e) The local current expense fund shall include appropriations sufficient, when added to appropriations from the State Public School Fund, for the current operating expense of the public school system in conformity with the educational goals and policies of the State and the local board of education, within the financial resources and consistent with the fiscal policies of the board of county commissioners. These appropriations shall be funded by revenues accruing to the local school administrative unit by virtue of Article IX, Sec. 7 of the Constitution, moneys made available to the local school administrative unit by the board of county commissioners, supplemental taxes levied by or on behalf of the local school administrative unit pursuant to a local act or G.S. 115C-501 to 115C-511, State money disbursed directly to the local school administrative unit, and other moneys made available or accruing to the local school administrative unit for the current operating expenses of the public school system.

Part 2. Budget. Continued

§ 115C-426. Uniform budget format. Continued

(f) The capital outlay fund shall include appropriations for:

- (1) The acquisition of real property for school purposes, including but not limited to school sites, playgrounds, athletic fields, administrative headquarters, and garages.
- (2) The acquisition, construction, reconstruction, enlargement, renovation, or replacement of buildings and other structures, including but not limited to buildings for classrooms and laboratories, physical and vocational educational purposes, libraries, auditoriums, gymnasiums, administrative offices, storage, and vehicle maintenance.
- (3) The acquisition or replacement of furniture and furnishings, instructional apparatus, data-processing equipment, business machines, and similar items of furnishings and equipment.
- (4) The acquisition of school buses as additions to the fleet.
- (5) The acquisition of activity buses and other motor vehicles.
- (6) Such other objects of expenditure as may be assigned to the capital outlay fund by the uniform budget format.

The cost of acquiring or constructing a new building, or reconstructing, enlarging, or renovating an existing building, shall include the cost of all real property and interests in real property, and all plants, works, appurtenances, structures, facilities, furnishings, machinery, and equipment necessary or useful in connection therewith; financing charges; the cost of plans, specifications, studies, reports, and surveys; legal expenses; and all other costs necessary or incidental to the construction, reconstruction, enlargement, or renovation.

No contract for the purchase of a site shall be executed nor any funds expended therefore without the approval of the board of county commissioners as to the amount to be spent for the site; and in case of a disagreement between a board of education and a board of county commissioners as to the amount to be spent for the site, the procedure provided in G.S. 115C-431 shall, insofar as the same may be applicable, be used to settle the disagreement.

Appropriations in the capital outlay fund shall be funded by revenues made available for capital outlay purposes by the State Board of Education and the board of county commissioners, supplemental taxes levied by or on behalf of the local school administrative unit pursuant to a local act or G.S. 115C-501 to 115C-511, the proceeds of the sale of capital assets, the proceeds of claims against fire and casualty insurance policies, and other sources.

(g) Other funds shall include appropriations for such purposes funded from such sources as may be prescribed by the uniform budget format. (1975, c. 437, s. 1; 1981, c. 423, s. 1; 2010-31, s. 7.17(a).)

§ 115C-426.1. Vending facilities.

Moneys received by a local school administrative unit on account of operation of vending facilities shall be deposited, budgeted, appropriated, and expended in accordance with the provisions of this Article. (1983 (Reg. Sess., 1984), c. 1034, s. 168.)

§ 115C-426.2. Joint planning.

In order to promote greater mutual understanding of immediate and long-term budgetary issues and constraints affecting public schools and county governments, local boards of education and boards of county commissioners are strongly encouraged to conduct periodic joint meetings during each fiscal year. In particular, the boards are encouraged to assess the school capital outlay needs, to develop and update a joint five-year plan for meeting those needs, and to consider this plan in the preparation and approval of each year's budget under this Article. (1995 (Reg. Sess., 1996), c. 666, s. 2.)

Part 2. Budget. Continued

§ 115C-427. Preparation and submission of budget and budget message.

(a) Before the close of each fiscal year, the superintendent shall prepare a budget for the ensuing year for consideration by the board of education. The budget shall comply in all respects with the limitations imposed by G.S. 115C-432.

(b) The budget, together with a budget message, shall be submitted to the board of education not later than May 1. The budget and budget message should, but need not, be submitted at a formal meeting of the board. The budget message should contain a concise explanation of the educational goals fixed by the budget for the budget year, should set forth the reasons for stated changes from the previous year in program goals, programs, and appropriation levels, and should explain any major changes in educational or fiscal policy. (1975, c. 437, s. 1; 1981, c. 423, s. 1.)

§ 115C-428. Filing and publication of the budget; budget hearing.

(a) On the same day that he submits the budget to the board of education, the superintendent shall file a copy of it in his office where it shall remain available for public inspection until the budget resolution is adopted. He may also publish a statement in a newspaper qualified under G.S. 1-597 to publish legal advertisements in the county that the budget has been submitted to the board of education, and is available for public inspection in the office of the superintendent of schools. The statement should also give notice of the time and place of the budget hearing authorized by subsection (b) of this section.

(b) Before submitting the budget to the board of county commissioners, the board of education may hold a public hearing at which time any persons who wish to be heard on the school budget may appear. (1975, c. 437, s. 1; 1981, c. 423, s. 1.)

§ 115C-429. Approval of budget; submission to county commissioners; commissioners' action on budget.

(a) Upon receiving the budget from the superintendent and following the public hearing authorized by G.S. 115C-428(b), if one is held, the board of education shall consider the budget, make such changes therein as it deems advisable, and submit the entire budget as approved by the board of education to the board of county commissioners not later than May 15, or such later date as may be fixed by the board of county commissioners.

(b) The board of county commissioners shall complete its action on the school budget on or before July 1, or such later date as may be agreeable to the board of education. The commissioners shall determine the amount of county revenues to be appropriated in the county budget ordinance to the local school administrative unit for the budget year. The board of county commissioners may, in its discretion, allocate part or all of its appropriation by purpose, function, or project as defined in the uniform budget format.

(c) The board of county commissioners shall have full authority to call for, and the board of education shall have the duty to make available to the board of county commissioners, upon request, all books, records, audit reports, and other information bearing on the financial operation of the local school administrative unit.

(d) Nothing in this Article shall be construed to place a duty on the board of commissioners to fund a deficit incurred by a local school administrative unit through failure of the unit to comply with the provisions of this Article or rules and regulations issued pursuant hereto, or to provide moneys lost through misapplication of moneys by a bonded officer, employee or agent of the local school administrative unit when the amount of the fidelity bond required by the board of education was manifestly insufficient. (1975, c. 437, s. 1; 1981, c. 423, s. 1.)

Part 2. Budget, Continued

§ 115C-430. Apportionment of county appropriations among local school administrative units.

If there is more than one local school administrative unit in a county, all appropriations by the county to the local current expense funds of the units, except appropriations funded by supplemental taxes levied less than countywide pursuant to a local act of G.S. 115C-501 to 115C-511, must be apportioned according to the membership of each unit. County appropriations are properly apportioned when the dollar amount obtained by dividing the amount so appropriated to each unit by the total membership of the unit is the same for each unit. The total membership of the local school administrative unit is the unit's average daily membership for the budget year to be determined by and certified to the unit and the board of county commissioners by the State Board of Education. (1975, c. 437, s. 1; 1981, c. 423, s. 1; 1985 (Reg. Sess., 1986), c. 1014, s. 78.)

§ 115C-431. Procedure for resolution of dispute between board of education and board of county commissioners.

(a) If the board of education determines that the amount of money appropriated to the local current expense fund, or the capital outlay fund, or both, by the board of county commissioners is not sufficient to support a system of free public schools, the chairman of the board of education and the chairman of the board of county commissioners shall arrange a joint meeting of the two boards to be held within seven days after the day of the county commissioners' decision on the school appropriations.

Prior to the joint meeting, the Senior Resident Superior Court Judge shall appoint a mediator unless the boards agree to jointly select a mediator. The mediator shall preside at the joint meeting and shall act as a neutral facilitator of disclosures of factual information, statements of positions and contentions, and efforts to negotiate an agreement settling the boards' differences.

At the joint meeting, the entire school budget shall be considered carefully and judiciously, and the two boards shall make a good-faith attempt to resolve the differences that have arisen between them.

(b) If no agreement is reached at the joint meeting of the two boards, the mediator shall, at the request of either board, commence a mediation immediately or within a reasonable period of time. The mediation shall be held in accordance with rules and standards of conduct adopted under Chapter 7A of the General Statutes governing mediated settlement conferences but modified as appropriate and suitable to the resolution of the particular issues in disagreement.

Unless otherwise agreed upon by both boards, the following individuals shall constitute the two working groups empowered to represent their respective boards during the mediation:

- (1) The chair of each board or the chair's designee;
- (2) The superintendent of the local school administrative unit and the county manager or either's designee;
- (3) The finance officer of each board; and
- (4) The attorney for each board.

Members of both boards, their chairs, and representatives shall cooperate with and respond to all reasonable requests of the mediator to participate in the mediation. Notwithstanding Article 33C of Chapter 143 of the General Statutes, the mediation proceedings involving the two working groups shall be conducted in private. Evidence of statements made and conduct occurring in a mediation are not subject to discovery and are inadmissible in any court action. However, no evidence otherwise discoverable is inadmissible merely because it is presented or discussed in a mediation. The mediator shall not be compelled to testify or produce evidence concerning statements made and conduct occurring in a mediation in any civil proceeding for any purpose, except disciplinary hearings before the State Bar or any agency established to enforce standards of conduct for mediators. Reports by members of either working group to their respective boards shall be made in compliance with Article 33C of Chapter 143 of the General Statutes.

Part 2. Budget, Continued

Unless both boards agree otherwise, or unless the boards have already resolved their dispute, the mediation shall end no later than August 1. The mediator shall have the authority to determine that an impasse exists and to discontinue the mediation. The mediation may continue beyond August 1 provided both boards agree. If both boards agree to continue the mediation beyond August 1, the board of county commissioners shall appropriate to the local school administrative unit for deposit in the local current expense fund a sum of money sufficient to equal the local contribution to this fund for the previous year.

If the working groups reach a proposed agreement, the terms and conditions must be approved by each board. If no agreement is reached, the mediator shall announce that fact to the chairs of both boards, the Senior Resident Superior Court Judge, and the public. The mediator shall not disclose any other information about the mediation. The mediator shall not make any recommendations or public statement of findings or conclusions.

The local board of education and the board of county commissioners shall share equally the mediator's compensation and expenses. The mediator's compensation shall be determined according to rules adopted under Chapter 7A of the General Statutes.

(c) Within five days after an announcement of no agreement by the mediator, the local board of education may file an action in the superior court division of the General Court of Justice. The court shall find the facts as to the amount of money necessary to maintain a system of free public schools, and the amount of money needed from the county to make up this total. Either board has the right to have the issues of fact tried by a jury. When a jury trial is demanded, the cause shall be set for the first succeeding term of the superior court in the county, and shall take precedence over all other business of the court. However, if the judge presiding certifies to the Chief Justice of the Supreme Court, either before or during the term, that because of the accumulation of other business, the public interest will be best served by not trying the cause at the term next succeeding the filing of the action, the Chief Justice shall immediately call a special term of the superior court for the county, to convene as soon as possible, and assign a judge of the superior court or an emergency judge to hold the court, and the cause shall be tried at this special term. The issue submitted to the jury shall be what amount of money is needed from sources under the control of the board of county commissioners to maintain a system of free public schools.

All findings of fact in the superior court, whether found by the judge or a jury, shall be conclusive. When the facts have been found, the court shall give judgment ordering the board of county commissioners to appropriate a sum certain to the local school administrative unit, and to levy such taxes on property as may be necessary to make up this sum when added to other revenues available for the purpose.

(d) If an appeal is taken to the appellate division of the General Court of Justice, and if such an appeal would result in a delay beyond a reasonable time for levying taxes for the year, the judge shall order the board of county commissioners to appropriate to the local school administrative unit for deposit in the local current expense fund a sum of money sufficient when added to all other moneys available to that fund to equal the amount of this fund for the previous year. All papers and records relating to the case shall be considered a part of the record on appeal.

(e) If, in an action filed under this section, the final judgment of the General Court of Justice is rendered after the due date prescribed by law for property taxes, the board of county commissioners is authorized to levy such supplementary taxes as may be required by the judgment, notwithstanding any other provisions of law with respect to the time for doing acts necessary to a property tax levy. Upon making a supplementary levy under this subsection, the board of county commissioners shall designate the person who is to compute and prepare the supplementary tax receipts and records for all such taxes. Upon delivering the supplementary tax receipts to the tax collector, the board of county commissioners shall proceed as provided in G.S. 105-321.

The due date of supplementary taxes levied under this subsection is the date of the levy, and the taxes may be paid at par or face amount at any time before the one hundred and twentieth day after the due date. On or after the one hundred and twentieth day and before the one hundred and fiftieth day from the due date there shall be added to the taxes interest at the rate of two percent (2%). On or after the one hundred and fiftieth day from the due date, there shall be added to the taxes, in addition to the two percent (2%)

Part 2. Budget, Continued

provided above, interest at the rate of three-fourths of one percent (3/4 of 1%) per 30 days or fraction thereof until the taxes plus interest have been paid. No discounts for prepayment of supplementary taxes levied under this subsection shall be allowed. (1975, c. 437, s. 1; 1981, c. 423, s. 1; 1989, c. 493, s. 2; 1995 (Reg. Sess., 1996), c. 666, s. 3; 1997-222, s. 1.)

§ 115C-432. The budget resolution; adoption; limitations; tax levy; filing.

(a) After the board of county commissioners has made its appropriations to the local school administrative unit, or after the appeal procedure set out in G.S. 115C-431 has been concluded, the board of education shall adopt a budget resolution making appropriations for the budget year in such sums as the board may deem sufficient and proper. The budget resolution shall conform to the uniform budget format established by the State Board of Education.

(b) The following directions and limitations shall bind the board of education in adopting the budget resolution:

(1) If the county budget ordinance allocates appropriations to the local school administrative unit pursuant to G.S. 115C-429(b), the school budget resolution shall conform to that allocation. The budget resolution may be amended to change allocated appropriations only in accordance with G.S. 115C-433.

(2) Subject to the provisions of G.S. 115C-429(d), the full amount of any lawful deficit from the prior fiscal year shall be appropriated.

(3) Contingency appropriations in a fund may not exceed five percent (5%) of the total of all other appropriations in that fund. Each expenditure to be charged against a contingency appropriation shall be authorized by resolution of the board of education, which resolution shall be deemed an amendment to the budget resolution, not subject to G.S. 115C-429(b) and 115C-433(b), setting up or increasing an appropriation for the object of expenditure authorized. The board of education may authorize the superintendent to authorize expenditures from contingency appropriations subject to such limitations and procedures as it may prescribe. Any such expenditure shall be reported to the board of education at its next regular meeting and recorded in the minutes.

(4) Sufficient funds to meet the amounts to be paid during the fiscal year under continuing contracts previously entered into shall be appropriated.

(5) The sum of estimated net revenues and appropriated fund balances in each fund shall be equal to appropriations in that fund.

(6) No appropriation may be made that would require the levy of supplemental taxes pursuant to a local act or G.S. 115C-501 to 115C-511 in excess of the rate of tax approved by the voters, or the expenditure of revenues for purposes not permitted by law.

(7) In estimating revenues to be realized from the levy of school supplemental taxes pursuant to a local act or G.S. 115C-501 to 115C-511, the estimated percentage of collection may not exceed the percentage of that tax actually realized in cash during the preceding fiscal year, or if the tax was not levied in the preceding fiscal year, the percentage of the general county tax levy actually realized in cash during the preceding fiscal year.

(8) Amounts to be realized from collection of supplemental taxes levied in prior fiscal years shall be included in estimated revenues.

(9) No appropriation may be made to or from the capital outlay fund to or from any other fund, except as permitted by G.S. 115C-433(d).

(c) If the local school administrative unit levies its own supplemental taxes pursuant to a local act, the budget resolution shall make the appropriate tax levy in accordance with the local act, and the board of education shall notify the county or city that collects the levy in accordance with G.S. 159-14.

(d) The budget resolution shall be entered in the minutes of the board of education, and within five days after adoption, copies thereof shall be filed with the superintendent, the school finance officer and the county finance officer. (1975, c. 437, s. 1; 1981, c. 423, s. 1; 1987 (Reg. Sess., 1988), c. 1025, s. 13; 1993, c. 57, s. 1.)

Part 2. Budget. Continued

§ 115C-433. Amendments to the budget resolution; budget transfers.

(a) Subject to the provisions of subsection (b) of this section, the board of education may amend the budget resolution at any time after its adoption, in any manner, so long as the resolution as amended continues to satisfy the requirements of G.S. 115C-425 and 115C-432.

(b) If the board of county commissioners allocates part or all of its appropriations pursuant to G.S. 115C-429(b), the board of education must obtain the approval of the board of county commissioners for an amendment to the budget that (i) increases or decreases expenditures from the capital outlay fund for projects listed in G.S. 115C-426(f)(1) or (2), or (ii) increases or decreases the amount of county appropriation allocated to a purpose or function by twenty-five percent (25%) or more from the amount contained in the budget ordinance adopted by the board of county commissioners: Provided, that at its discretion, the board may in its budget ordinance specify a lesser percentage, so long as such percentage is not less than ten percent (10%).

(c) The board of education may by appropriate resolution authorize the superintendent to transfer moneys from one appropriation to another within the same fund, subject to such limitations and procedures as may be prescribed by the board of education or State or federal law or regulations. Any such transfers shall be reported to the board of education at its next regular meeting and shall be entered in the minutes.

(d) The board of education may amend the budget to transfer money to or from the capital outlay fund to or from any other fund, with the approval of the board of county commissioners, to meet emergencies unforeseen and unforeseeable at the time the budget resolution was adopted. When such an emergency arises, the board of education may adopt a resolution requesting approval from the board of commissioners for the transfer of a specified amount of money to or from the capital outlay fund to or from some other fund. The resolution shall state the nature of the emergency, why the emergency was not foreseen and was not foreseeable when the budget resolution was adopted, what specific objects of expenditure will be added or increased as a result of the transfer, and what objects of expenditure will be eliminated or reduced as a result of the transfer. A certified copy of this resolution shall be transmitted to the board of county commissioners for (its) approval and to the boards of education of all other local school administrative units in the county for their information. The board of commissioners shall act upon the request within 30 days after it is received by the clerk to the board of commissioners or the chairman of the board of commissioners, after having afforded the boards of education of all other local school administrative units in the county an opportunity to comment on the request. The board of commissioners may either approve or disapprove the request as presented. Upon either approving or disapproving the request, the board of commissioners shall forthwith so notify the board of education making the request and any other board of education that exercised its right to comment thereon. Upon receiving such notification, the board of education may proceed to amend the budget resolution in the manner indicated in the request. Failure of the board of county commissioners to act within the time allowed for approval or disapproval shall be deemed approval of the request. The time limit for action by the board of county commissioners may be extended by mutual agreement of the board of county commissioners and the board of education making the request. A budget resolution amended in accordance with this subsection need not comply with G.S. 115C-430. (1975, c. 437, s. 1; 1981, c. 423, s. 1.)

§ 115C-434. Interim budget.

In case the adoption of the budget resolution is delayed until after July 1, the board of education shall make interim appropriations for the purpose of paying salaries and the usual ordinary expenses of the local school administrative unit for the interval between the beginning of the fiscal year and the adoption of the budget resolution. Interim appropriations so made and expended shall be charged to the proper appropriations in the budget resolution. (1975, c. 437, s. 1; 1981, c. 423, s. 1.)

2019-2020 Budget at a Glance

Revenue Highlights

The local operating fund budget includes a request for county funding of \$8,411,905, an increase of \$960,287.

The local operating fund budget includes a request to appropriate \$327,663 of the local current expense fund balance.

State planning allotments have not been received. The state revenues are based upon calculated allotments driven by ADM. For allotments that could not be calculated, the current year's allotments are being used.

The federal revenues are estimates only. Planning allotments for these grants have not been received at this time.

The state revenues include funding of low wealth, transportation, at risk student services, disadvantaged student supplemental funding, and learn and earn allotments at the same amounts as in FY 2018-2019.

The capital outlay fund includes a request of \$1,005,000 for county funding and to utilize the current lottery receipts for the school system's share of the bond payment of \$150,000 in FY 2019-2020.

The capital outlay fund includes a request to appropriate \$105,210 of the Capital Outlay Fund Balance.

Expenditures Highlights

The 2019-2020 budget request totals \$72,542,724,

Requests increase in county funding of \$960,287 for:

- Cost to sustain the supplementary pay for classroom and resource teachers and school administrators.
- Cost to sustain employment for JROTC staff.
- Projected cost of state raises and benefit increases as well to sustain salaries.
- School Resource Officer matching funding
- Cost to sustain local operations.

Requests increase in capital outlay funding of \$385,000 for:

- third year of the technology refresh in

The 2019-2020 budget request includes reductions in local current expenditures of \$588,224.

Summary of Requested County Funding

	FY 2018-2019 Budget	FY 2019-2020 Proposed	Increase/ (Decrease)
Operating Fund	\$7,451,618	\$8,411,905	\$960,287
Capital Outlay Fund			
Recurring capital	620,000	1,005,000	385,000
Lottery Funds	<u>1,607,896</u>	<u>380,000</u>	<u>(1,227,896)</u>
Totals	<u>\$9,679,514</u>	<u>\$9,796,905</u>	<u>\$117,391</u>

Summary of All Funds

The Edgecombe County Board of Education receives revenue from state, county, and federal sources. Revenue from the state supports the basic instructional program. The Edgecombe County Board of Commissioners appropriates a portion of its general fund to the school system to fund the system's educational and support programs and activities.

	Fiscal Year 2015-2016	Fiscal Year 2016-2017	Fiscal Year 2017-2018	Fiscal Year 2018-2019	Fiscal Year 2019-2020	Increase (Decrease)
	Actual	Actual	Actual	Budget	Proposed Budget	
County Appropriation	\$ 6,904,530	\$ 7,451,618	\$ 7,451,618	\$ 7,451,618	\$ 8,411,905	\$ 960,287
State Revenues	38,371,800	39,690,219	41,918,601	51,281,216	49,633,075	(1,648,141)
Federal Revenues	5,016,228	5,422,914	6,050,295	7,677,459	5,319,441	(2,358,018)
Other Revenues	2,011,647	2,872,647	2,214,329	2,961,068	2,409,221	(551,847)
Fund Balance Used	19,755	173,375	125,484	1,435,191	327,663	(1,107,528)
Total Operating Fund	\$52,323,960	\$55,610,773	\$57,760,327	\$70,806,552	\$66,101,305	\$ (4,705,247)
Other Funds						
	Fiscal Year 2015-2016	Fiscal Year 2016-2017	Fiscal Year 2017-2018	Fiscal Year 2018-2019	Fiscal Year 2019-2020	Increase (Decrease)
	Actual	Actual	Actual	Budget	Proposed Budget	
Recurring Capital	\$ 595,871	\$ 614,051	\$ 814,929	\$ 626,000	\$ 1,011,000	\$ 385,000
State Revenues	523,278	1,220,173	104,299	1,607,896	380,000	(1,227,896)
Fund Balance Used	23,090	530,688	-	676,793	105,210	(571,583)
Child Nutrition	4,714,960	4,460,283	4,890,641	4,794,424	4,794,424	-
Fee for Service	133,346	116,131	154,648	145,785	145,785	-
Family Resource Center	-	3,881	3,061	5,000	5,000	-
Total Other Funds	\$ 5,990,545	\$ 6,945,207	\$ 5,967,578	\$ 7,855,898	\$ 6,441,419	\$ (1,414,479)
Total - All Funds	\$58,314,505	\$62,555,980	\$63,727,905	\$78,662,450	\$72,542,724	\$ (6,119,726)

Financial Section Introduction

The Operating Fund accounts for the revenues and expenditures necessary for the day-to-day operation of the school system. Revenues are received from federal, state, and county sources. Tuition and fees for some programs are collected to partially offset the costs of those programs.

The school system's operating fund is maintained with three major funds: state funded programs, locally funded programs, and federally funded programs. This organization provides for the accurate accounting of expenditures by funding source as required by state statutes.

This section is organized through the exhibits of the revenues for the Operating Fund and then the exhibits of the expenditures. Both revenues and expenditures are presented in summary first and then by the detailed exhibits.

Section Contents

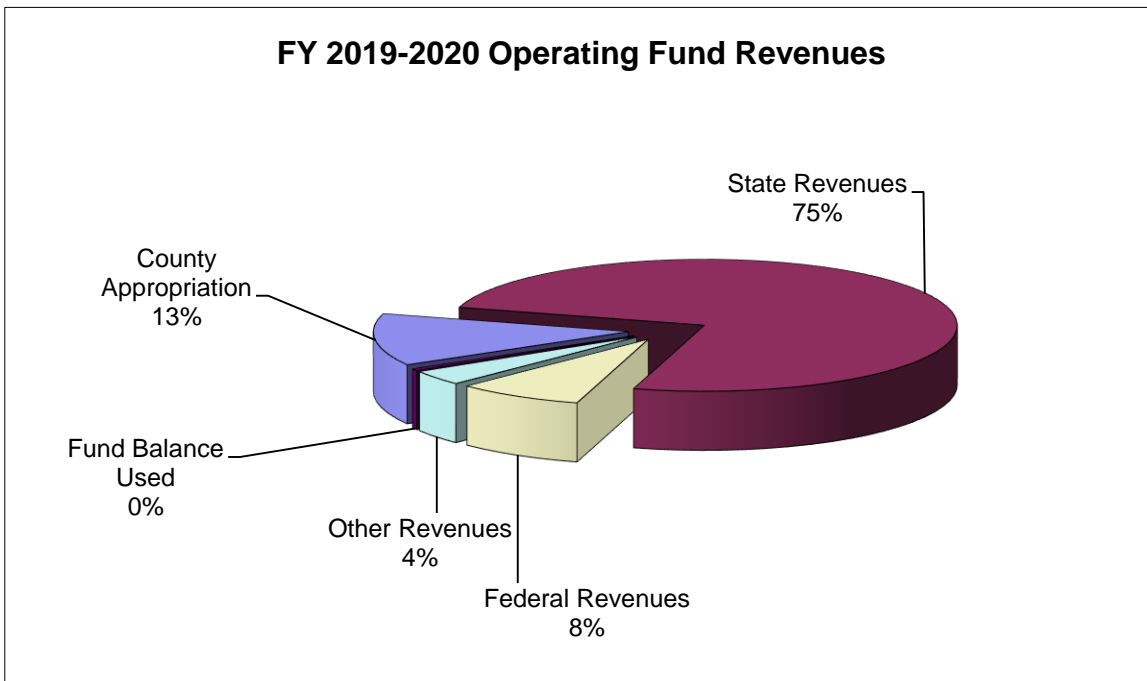
Section Introduction	31
Revenues	
Revenue Summary	32
County Appropriation	33
State Revenues	35
Federal Revenues	37
Funding Reported as Local	38
History of Local Fund Balance	39
Other Restricted Funding	40
Expenditures	
State & Federal Program Expenditures	41
Other Restricted Expenditures	42
Local Operating Fund Expenditures	43
Local Operating Fund Expenditures by Program	44

Revenue Summary

Edgecombe County Public Schools receives revenue from state, county, and federal sources. Revenue from the state supports the basic instructional program provided by the school system. The Edgecombe County Board of Commissioners appropriates a portion of its general fund to the school system to fund the system’s educational and support programs and activities. Federal revenues fund the school system’s federal grant programs. The school system also receives funds from sources considered to be of a local nature. These sources include tuition and fees, earned interest, and the use of fund balance.

Operating Fund Revenues

	Fiscal Year 2015-2016	Fiscal Year 2016-2017	Fiscal Year 2017-2018	Fiscal Year 2018-2019	Fiscal Year 2019-2020	Increase (Decrease)
	Actual	Actual	Actual	Budget	Proposed Budget	
County Appropriation	\$ 6,904,530	\$ 7,451,618	\$ 7,451,618	\$ 7,451,618	\$ 8,411,905	\$ 960,287
State Revenues	38,371,800	39,690,219	41,918,601	51,281,216	49,633,075	(1,648,141)
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Other Revenues	2,011,647	2,872,647	2,214,329	2,961,068	2,409,221	(551,847)
Fund Balance Used	<u>19,755</u>	<u>173,375</u>	<u>125,484</u>	<u>1,435,191</u>	<u>327,663</u>	<u>(1,107,528)</u>
Total Operating Fund	\$52,323,960	\$55,610,773	\$57,760,327	\$70,806,552	\$66,101,305	\$ (4,705,247)



**Operating Fund Revenues
County Appropriation**

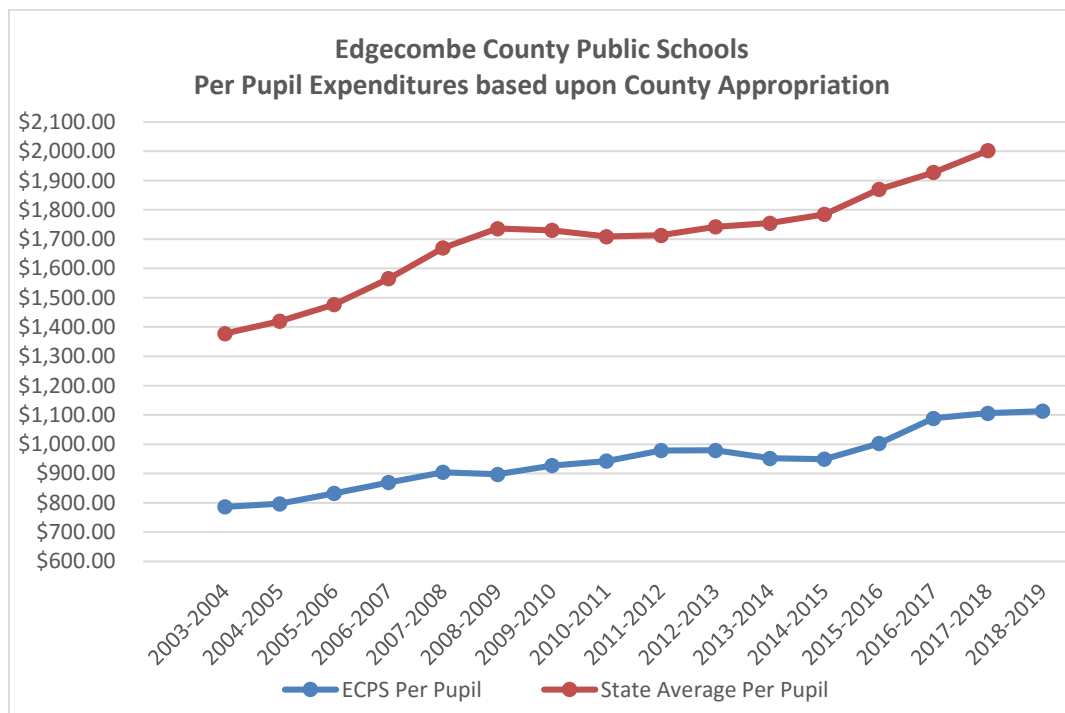
Edgecombe County's Board of Commissioners is requested to appropriate \$8,411,905 to the school system's operating fund for fiscal year 2019-2020. This is an increase of \$960,287 and includes the required per pupil amount for charter school students who reside within Edgecombe County. This appropriation will fund various instructional and support programs in fiscal year 2019-2020.

Operating Fund County Appropriation 2003-2019

Year	Students enrolled in Edgecombe County Public Schools	ECPS' Students enrolled in Charter Schools	Total Edgecombe County Public Schools	County appropriation for ECPS	ECPS Per Pupil	State Average Per Pupil
2003-2004	7492	139	7631	\$ 6,000,000.00	\$ 786.27	1378
2004-2005	7495	161	7656	\$ 6,100,000.00	\$ 796.76	1420
2005-2006	7469	152	7621	\$ 6,344,000.00	\$ 832.44	1477
2006-2007	7385	157	7542	\$ 6,555,660.00	\$ 869.22	1565
2007-2008	7363	166	7529	\$ 6,808,443.00	\$ 904.30	1670
2008-2009	7218	145	7363	\$ 6,604,190.00	\$ 896.94	1736
2009-2010	7207	128	7335	\$ 6,802,316.00	\$ 927.38	1730
2010-2011	7088	129	7217	\$ 6,802,316.00	\$ 942.54	1709
2011-2012	6982	157	7139	\$ 6,984,909.00	\$ 978.42	1713
2012-2013	6602	530	7132	\$ 6,984,909.00	\$ 979.38	1742
2013-2014	6044	959	7003	\$ 6,666,857.00	\$ 952.00	1755
2014-2015	5854	1113	6967	\$ 6,610,530.00	\$ 948.83	1785
2015-2016	5953	933	6886	\$ 6,904,530.00	\$1,002.69	1870
2016-2017	5944	904	6848	\$ 7,451,618.00	\$1,088.15	1928
2017-2018	5927	813	6740	\$ 7,451,618.00	\$1,105.58	2002
2018-2019	5868	826	6694	\$ 7,451,618.00	\$1,113.18	

Charter schools include the final number of students who reside within the attendance boundaries for Edgecombe County Public Schools and are attending a charter school

Student numbers for fiscal year 2018-2019 are based upon ADM for ECPS and enrollment at Charter Schools as of September 2018.



Operating Fund Revenues

State Revenues

State revenues are anticipated to total \$49,633,075 for fiscal year 2019-2020 based upon calculated allotments. Our ADM that is used to calculate allotments decreased from 5863 to 5828 students.

State funds are allocated to school systems in the categories listed below by either position allotment or by dollar allotment based on formulas. Each category has its individual formula for allotments. Funds must be spent in the individual programs, and expenditures are reported to the state on a monthly basis through electronic transfer of data.

	Fiscal Year 2015-2016	Fiscal Year 2016-2017	Fiscal Year 2017-2018	Fiscal Year 2018-2019	Fiscal Year 2019-2020	
	Actual	Actual	Actual	Budget	Proposed Budget	
Classroom Teachers	\$ 14,395,698	\$ 15,136,515	\$ 12,347,194	\$ 17,774,121	\$ 17,733,211	
Central Administration	778,627	769,659	739,069	730,318	730,318	
Non-instructional Support	1,404,370	1,546,093	1,536,817	1,579,020	1,566,916	
School Building Administration	1,486,986	1,546,298	1,445,640	1,813,408	1,806,299	
Instructional Support Personnel	1,641,882	1,855,508	1,871,273	2,100,000	2,100,000	
Non-Contributory Employee	475,932	393,817	422,740	500,000	500,000	
NBPTS Educational Leave	172	197	369	-	-	
Driver Training	109,942	122,503	129,847	123,239	123,239	(1)
Career Technical Education- Months of Employment	1,894,313	1,905,592	2,003,177	2,264,169	2,264,169	(1)
Career Technical Education- Program Support	116,615	140,323	89,567	87,536	87,536	(1)
School Technology	76,018	104,524	30,536	667,008	667,008	
Summer Reading Camps	130,676	163,914	185,183	218,405	-	(2)
State Employee Severance Payments	35,498	-	-	-	-	(3)
Foreign Exchange Teachers	911,370	1,122,624	1,420,276	1,817,127	1,817,127	
Advanced Teaching Roles	-	85,000	229,633	753,846	-	
Disadvantaged Student Supplemental Funding	1,896,911	1,901,835	1,901,844	1,903,750	1,903,750	(1)
Indian Gaming Fund	8,403	-	-	-	-	(3)
Teacher Assistants	1,480,674	1,550,598	1,328,750	1,635,131	1,557,158	
Bonus for Highly Qualified NC Teaching Grade	-	-	-	2,530	-	
Behavioral Support	122,487	125,320	106,270	106,085	-	(2)
Low Wealth	3,758,971	3,344,563	3,292,729	3,396,198	3,396,198	(1)

Operating Fund Revenues

**State Revenues
(Continued)**

	Fiscal Year 2015-2016	Fiscal Year 2016-2017	Fiscal Year 2017-2018	Fiscal Year 2018-2019	Fiscal Year 2019-2020	
	Actual	Actual	Actual	Budget	Proposed Budget	
Exceptional Children	3,269,417	3,420,268	3,616,924	3,775,853	3,775,853	(1)
Merit Bonus	-	93,545	-	-	-	
Academically & Intellectually Gifted	13,348	9,698	270,923	317,809	317,809	(1)
Restart Schools	-	-	3,708,395	4,982,974	5,007,369	
School Resource Officers	19,979	16,484	18,254	234,580	100,000	
Compensation Bonus (Legislated)	507,971	38,856	19,988	-	-	
3rd Grade Reading Bonus	-	31,709	24,492	-	-	
Test Result Bonus	-	-	66,702	17,763	-	
Limited English Proficiency	67,389	60,797	193,807	187,392	187,392	(1)
Learn and Earn	316,646	316,646	275,000	275,000	275,000	(1)
Pupil Transportation	1,648,406	2,002,937	1,828,614	1,732,926	1,732,926	(1)
Instructional Supplies	169,044	221,808	801,865	180,730	177,929	
EC- Special Funds	-	-	42,004	-	-	
Assistant Principal Intern	-	127,018	307,178	-	-	
Alternative Programs	102,403	68,238	83,691	97,750	97,750	(1)
At Risk Student	1,512,234	1,417,114	1,533,399	1,482,749	1,482,749	(1)
School Connectivity	18,618	18,618	25,171	20,561	-	
Reading 3D	800	31,600	21,280	-	-	
Textbooks	-	-	-	40,547	114,369	
Textbooks and Digital Resources	-	-	-	462,691	111,000	
Total State Revenues	\$ 38,371,800	\$ 39,690,219	\$ 41,918,601	\$ 51,281,216	\$ 49,633,075	

(1) For fiscal year 2019-2020 proposed budget, it is assumed that our state allotments for Central Office Administration, Driver Training, CTE, Low Wealth, Transportation, At Risk Student Services, Early College High School Learn and Earn, and Disadvantaged Student Supplemental Funding will remain the same as in fiscal year 2017-2018. If these allotments should decrease, we will have to shift some planned expenditures to other sources or reduce expenditures.

(2) Applications for these awards are submitted annually. Fiscal year 2019-2020 does not include dollars for these programs at this time. These dollars will be added to the budget as they are awarded.

(3) These state allocations have ended.

(4)

Operating Fund Revenues

Federal Revenues

Federal revenues are estimated by the State Department of Public Instruction (DPI) through its initial planning allotments. Federal revenues for fiscal year 2019-2020 have not been received from DPI at the time of the publication of this document and proposed fiscal year 2019-2020 amounts have been estimated.

	Fiscal Year 2015-2016	Fiscal Year 2016-2017	Fiscal Year 2017-2018	Fiscal Year 2018-2019	Fiscal Year 2019-2020	
	Actual	Actual	Actual	Budget	Proposed Budget	
Career Technical Education- Program Improvement	\$ 113,379	\$ 101,223	\$ 126,021	\$ 113,618	\$ 134,935	
Education for Homeless	10,465	20,648	13,575	17,621	15,000	
IDEA Pre-School Handicapped	34,124	37,816	39,931	142,974	64,918	
ESEA Title I	2,909,536	2,787,092	2,819,786	3,573,671	2,855,925	
ESEA Title I - Migrant Education	149,444	133,909	96,183	206,064	129,104	
IDEA Title VI-B Handicapped	1,208,639	1,450,860	1,365,471	2,130,791	1,459,612	
IDEA Early Intervening Services	-	108,204	215,375	129,391	-	
Title VI-B - State Improvement	2,692	6,333	2,916	4,084	4,500	
Title V-Abstinence Education	63,800	12,162	67,344	33,501	37,500	
Title II - Improving Teacher Quality	409,359	345,642	397,714	419,083	276,008	
Language Acquisition	27,391	32,336	3,598	72,488	27,687	
Title I - School Improvement	30,675	309,345	637,683	424,577	-	
Student Support & Academic Enrichment	-	-	19,555	247,807	203,007	
Rural and Low Income Schools	-	-	71,442	142,517	110,327	
Title III - Language Acquisition Increase	-	-	2,046	1,744	918	
Children with Special Needs-Risk Pool	42,767	48,970	163,188	-	-	(2)
School Improvement Funds	(1,802)	-	-	-	-	(1)
Title VI-B - Special Needs Target	9,056	19,784	4,859	15,322	-	(2)
Title VI-B - Targeted Assistance for PreK	6,703	8,590	3,608	2,206	-	(2)
Total Federal Revenues	\$ 5,016,228	\$ 5,422,914	\$ 6,050,295	\$ 7,677,459	\$ 5,319,441	

(1) These grants have ended.

(2) Grants are applied for on an annual basis. As grants are awarded, they are added to the budget.

Operating Fund Revenues

Funding Sources Reported in the Local Operating Fund

Within the Local Operating Fund revenue budget are revenue sources that, by state direction, must be accounted for within this fund. The table below details each of these revenue sources. The estimated total for these sources for fiscal year 2019-2020 is \$9,033,568.

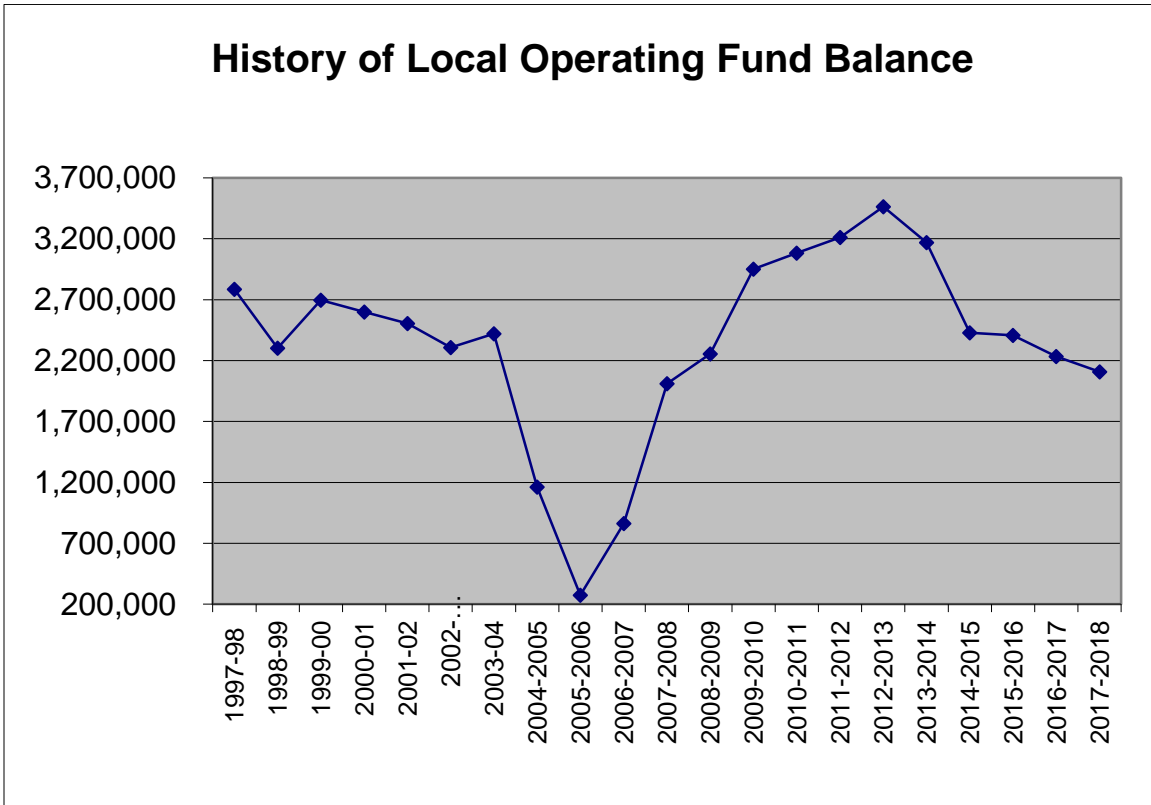
	Fiscal Year 2015-2016	Fiscal Year 2016-2017	Fiscal Year 2017-2018	Fiscal Year 2018-2019	Fiscal Year 2019-2020
	Actual	Actual	Actual	Budget	Proposed Budget
Other Grants	\$ -	\$ -	\$ -	\$ -	\$ -
County Appropriation	6,904,530	7,451,618	7,451,618	7,451,618	8,411,905
Fines & Forfeitures	182,609	209,186	222,635	200,000	200,000
Interest on Investments	10,181	15,173	36,455	35,000	35,000
Contributions & Donations	-	-	-	-	-
Fund Balance Appropriated	-	-	-	1,435,191	327,663
Other Sources	<u>58,428</u>	<u>50,534</u>	<u>59,292</u>	<u>59,000</u>	<u>59,000</u>
Total Operating Fund Local Revenues	<u>\$ 7,155,748</u>	<u>\$ 7,726,511</u>	<u>\$ 7,770,000</u>	<u>\$ 9,180,809</u>	<u>\$ 9,033,568</u>

Operating Fund Revenues

History of Local Operating Fund Balance Used

Fiscal Year	Current Expense Fund Balance Added (Used)	Fund Balance Remaining
1997-98	-553,987	2,785,935
1998-99	-484,544	2,301,391
1999-00	394,506	2,695,897
2000-01	-96,512	2,599,385
2001-02	-94,646	2,504,739
2002-03(includes prior period adjustment)	-198,267	2,306,472
2003-04	113,911	2,420,383
2004-2005	-1,258,052	1,162,331
2005-2006	-886,625	275,706
2006-2007	588,082	863,788
2007-2008	1,146,748	2,010,536
2008-2009	243,150	2,253,686
2009-2010	697,928	2,951,614
2010-2011	130,193	3,081,807
2011-2012	128,558	3,210,365
2012-2013	253,361	3,463,726
2013-2014	-294,750	3,168,975
2014-2015	-741,612	2,427,363
2015-2016	-19,755	2,407,608
2016-2017	-173,375	2,234,233
2017-2018	-125,484	2,108,749

History of Local Operating Fund Balance



Operating Fund Revenues

Funding Sources Reported in the Other Restricted Fund

Within the Local Operating Fund revenue budget are revenue sources that are accounted for within this fund. The table below details each of these revenue sources. The estimated total for these sources for fiscal year 2019-2020 is \$2,115,221.

	Fiscal Year 2015-2016	Fiscal Year 2016-2017	Fiscal Year 2017-2018	Fiscal Year 2018-2019	Fiscal Year 2019-2020
	Actual	Actual	Actual	Budget	Proposed Budget
Indirect Cost	\$ 485,176	\$ 617,684	\$ 558,864	\$ 550,000	\$ 550,000
Interest	2,663	8,841	17,957	15,000	15,000
Tuition	5,807	8,601	8,598	8,500	8,500
Driver's Training Fees	10,739	-	23,512	12,565	12,565
JROTC	160,748	157,706	160,805	170,951	170,951
Medicaid Outreach reimbursement	64,147	214,433	-	115,896	115,896
Medicaid Fee for Service Reimb	30,728	62,226	69,544	363,708	363,708
Early Literacy	1,510	-	60	-	-
Problem Based Learning Grant	-	-	2,145	5,581	-
NorthEast Leadership Academy (NELA)	174,421	6,218	53	-	-
Smart Start Program	44,223	44,607	48,718	44,607	44,607
NCPReK	618,760	637,742	693,677	801,494	801,494
North Carolina Arts Council Grant	-	-	-	10,000	-
Wolfpack Works Project Grant	-	-	-	82,010	-
AP Incentive Grant	13,170	1,247	218	-	-
Leader in Me	-	-	-	2,676	-
NC Pediatric Society Found.	-	-	-	4,793	-
MATCH grant	1,255	-	-	-	-
STEP Grants	12,500	16,251	4,028	250	-
Outdoor Learning Environment Grants	75,949	2,480	-	-	-
AHEC Pharmacy Technician	2,250	1,650	1,196	1,500	-
Wallace Foundation Grant	-	-	91,500	326,471	-
NewSchools Venture Fund	-	-	34,548	15,453	-
Hill Center Grant	-	-	18,238	28,993	-
Biogen Foundation for Blended & Online Learning	-	-	9,888	-	-
Vidant-Athletic Trainer Program	-	-	22,500	27,500	27,500
CenturyLink Clarke E Williams Foundation	-	-	3,374	5,000	-
Lowe's Education Grant	-	-	5,000	-	-
NSTA Shell Lab Challenge	-	-	-	3,000	-
Biogen Foundation Ignite the Power of STEM Grant	-	-	3,374	-	-
Burroughs Welcome Fund	-	-	17,651	23,281	-
Other sources	44,551	25,108	2,831	1,043	-
Cultural Arts Grants	5,209	7,554	22,757	-	(1)
FEMA	-	164,949	13,639	-	-
Property Insurance Reimbursement	-	600,931	32,758	-	-
Contributions & Donations	-	11,861	22,394	41,796	-
Building Rental	6,623	7,665	6,120	5,000	5,000
Fund Balance Appropriated	-	-	-	-	-
Total Other Restricted Revenue	\$ 1,760,429	\$ 2,597,754	\$ 1,895,947	\$ 2,667,068	\$ 2,115,221

(1) These are grants applied for each year. As grants are awarded, they are added into the budget.

Expenditures

State and Federal Expenditures

State and federal funds are received and expended in individual categories. The North Carolina Department of Public Instruction monitors expenditures for both state and federal expenditures through the school system's electronic reporting of month-end financial data. Financial statements are received from the state treasurer's office and are balanced with the school system's financial records on a monthly basis. These statements include receipts and disbursements from both state and federal funds. The expenditures are the same as the revenues and are outlined on pages 35 and 37.

2019-2020 Proposed Budget

Other Restricted Fund

Other Restricted Funds are received and expended. The expenditures are the same as the revenues and are outlined on page 40.

Other Restricted Fund Expenditures

	Fiscal Year 2015-2016	Fiscal Year 2016-2017	Fiscal Year 2017-2018	Fiscal Year 2018-2019	Fiscal Year 2019-2020
	Actual	Actual	Actual	Budget	Proposed Budget
Classroom Teachers	\$ 64,147	\$ -	\$ -	\$ 115,896	\$ 115,896
Non-Instructional Support Positions	-	214,433	-	-	-
Driver's Training	10,739	-	23,512	12,565	12,565
Exceptional Children	30,728	904	-	4,306	-
Exceptional Children - Medicaid FFS	-	62,226	69,544	363,708	363,708
ROTC	160,748	157,706	160,805	170,951	170,951
Early Literacy	1,510	-	60	-	-
Problem Based Learning Grant	-	-	2,145	5,581	-
NorthEast Leadership Academy (NELA)	174,421	6,236	53	-	-
Smart Start	44,223	44,607	48,718	44,607	44,607
NCPreK	618,760	637,742	693,677	801,494	801,494
North Carolina Arts Council Grant	-	-	-	10,000	-
Wolfpack Works Project Grant	-	-	-	82,010	-
AP Incentive Grant	13,170	1,247	218	-	-
Leader in Me	-	-	-	2,676	-
NC Pediatric Foundation	-	-	-	4,793	-
Dollar General Grant	-	2,850	150	-	-
MATCH grant	1,255	-	-	-	-
STEP Grants	12,500	16,251	4,012	250	-
Outdoor Learning Environment Grants	75,949	2,480	-	-	-
AHEC Pharmacy Technician	2,250	1,645	1,196	1,500	-
Wallace Foundation Grant	-	-	91,500	326,471	-
NewSchools Venture Fund	-	-	34,548	15,453	-
Hill Center Grant	-	-	18,238	28,993	-
Foundation Blending & Online Learning	-	-	9,888	-	-
Vidant-Athletic Trainer Program	-	-	22,500	27,500	27,500
CenturyLink Clarke E Williams Foundation	-	-	3,374	5,000	-
Lowe's Education Grant	-	-	5,000	-	-
NSTA Shell Lab Challenge	-	-	-	3,000	-
Biogen Foundation Ignite the Power of STEM Grant	-	-	3,374	-	-
Burroughs Welcome Foundation	-	-	17,651	23,281	-
Learning Fund	-	10,957	22,335	37,490	-
Laptop/Chromebooks Maintenance	44,551	-	-	1,043	-
Edgecombe Community College	-	17,612	-	-	-
Operations/Maintenance/Facilities	483,649	628,653	569,698	561,000	561,000
Cultural Arts	5,209	7,554	22,757	-	-
Property Insurance Claims	-	852,099	46,398	-	-
Student Initiatives	9,997	6,474	12,218	12,500	12,500
Facilities Use	6,623	7,665	6,120	5,000	5,000
	-	-	-	-	-
Total Operating Fund Local Revenues	\$1,760,429	\$2,679,341	\$1,889,689	\$2,667,068	\$2,115,221

Local Operating Fund Expenditures

Funds received and reported as local funds include federal, state, county, and various locally generated sources. State law requires that these funds be reported as local funds (see page 38 for the list of sources reported as local funds).

Expenditures are recorded within the programs of the operating fund budget of the school system. These programs, for the most part, follow the same designations for expenditure as do those of the state mandated programs listed on page 35 of this document. Funds received from the county government and other various sources are expended within these same programs for the same purposes.

For fiscal year 2019-2020, Edgecombe County Public Schools is requesting an increase in the county's annual appropriation of \$960,287. Local expenditures by programs are given for fiscal years 2015-2016 through the proposed 2018-2019 within this section.

2019-2020 Proposed Budget

Local Program Operating Fund Expenditures

	Fiscal Year 2015-2016	Fiscal Year 2016-2017	Fiscal Year 2017-2018	Fiscal Year 2018-2019	Fiscal Year 2019-2020
	Actual	Actual	Actual	Budget	Proposed Budget
Classroom Teachers	\$ 3,269	\$ -	\$ -	\$ -	\$ -
Central Administration	715,401	922,254	945,066	1,120,000	910,965
Non-instructional Support	1,030,586	1,052,563	1,048,371	1,145,000	1,207,019
School Building Administration	109,641	91,680	77,710	94,427	94,427
Non-Contributory Employee Payments	793,910	1,369,545	1,067,411	1,639,660	1,827,119
School Technology	119,169	214,828	259,183	306,584	275,926
Staff Development	14,389	58,986	41,157	56,070	50,463
Merit Bonus	-	13,840	-	-	-
Charter School	986,932	999,915	932,025	980,000	1,062,000
School Resource Officer	-	-	-	-	50,000
State legislated Bonus	21,880	7,484	-	-	-
Pupil Transportation	146,442	96,898	204,291	150,000	150,000
Instructional Supplies	10,328	8,899	4,340	6,955	6,955
ROTC	95,955	109,812	110,276	120,000	120,000
NorthEast Leadership Academy(NELA)	32,255	9,463	35,329	-	-
Ready Schools	-	-	-	-	-
Activity Bus/Other Transportation	59,926	47,976	59,830	63,001	56,701
Operations/Maintenance/Facilities	1,936,468	1,759,146	1,940,592	2,219,592	1,997,633
Athletics	318,084	345,454	347,371	339,385	339,385
Curriculum Instructional Support Services	31,047	35,087	41,923	45,865	41,278
Cultural Arts	22,189	22,606	11,692	26,796	24,116
Central Services	31,097	35,951	31,357	44,952	40,457
Executive Administration	14,664	13,694	16,685	23,937	21,543
Student Initiatives	1,138	-	2,838	4,559	4,103
Board of Education	204,616	194,477	233,916	244,753	220,278
Insurance	213,576	219,993	352,910	388,538	388,538
Innovation	-	-	2,614	10,000	9,000
Finance	66,158	60,134	57,321	64,214	57,793
Human Resources	105,714	131,208	40,279	48,594	43,735
Community Services	14,494	13,314	15,386	15,132	13,619
Testing and Accountability	16,054	16,785	15,614	22,795	20,515
Total Local Expenditures	\$ 7,115,382	\$ 7,851,992	\$ 7,895,487	\$ 9,180,809	\$ 9,033,568

Making comparison with prior year expenditures is difficult due to many factors, such as change in coding structure or change in organization structure.

Capital Outlay Fund

The Capital Outlay Fund is utilized to account for the revenues and expenditures allocated for the school system’s acquisition of fixed assets and construction of major capital projects. Sources of revenue for this fund are local county government appropriations, proceeds from the sale of school construction bonds, and certain state assistance.

The Capital Outlay Fund utilizes separate categories within the fund to appropriately and accurately track revenues and expenditures that are directly related to the acquisition of capital outlay items. Each category is discussed separately within this section.

Section Contents

Section Introduction	45
Capital Outlay Fund Summary	46
Capital Outlay Revenues	47
Capital Outlay Expenditures	47

Capital Outlay Fund Summary

Capital outlay funding is appropriated by the County Board of Commissioners to the school system to purchase needed equipment and furniture, maintain and improve facilities, acquire vehicles, and complete projects which assure the health and safety of students and employees and enhance the learning environment.

Capital outlay funding requested for fiscal year 2019-2020 includes local government appropriations and state funding from the Lottery Fund. The proposed budget includes capital outlay items categorized into these areas:

Recurring Capital: Funds appropriated to the school system on an annual basis to provide needed funding for recurring requirements such as school furniture and equipment, minor repair projects to improve school buildings, purchase needed vehicles, and complete projects which improve the safety of our buildings. All funding for recurring capital outlay is appropriated annually by the County Board of Commissioners. It is estimated that these funds would be \$530,000. Our capital outlay appropriation is tied directly to the Article 42 sales tax revenue. With the economic situation, this revenue source has been reduced over time and has reduced the dollars available to us for capital outlay projects.

Public School Building Capital Fund: Fund includes projects which maintain and improve our facilities. Funding for the PSBCF is 75% state funds from the Public School Building Capital Fund and a 25% local matching amount. We used the balance of the available funds for the Chromebook initiative in the prior fiscal year. We have not included the use of any of these funds in this budget since the State is no longer allotting money to this program.

Lottery: The school system's share of the Article 42 sales tax is reduced for a portion of the debt service on the bond. For fiscal year 2019-2020, the reduction for the debt service payment is projected to be \$150,000. We are requesting to utilize the lottery funds to pay this portion of the debt service on the bond for fiscal year 2019-2020. Lottery funds of \$380,000 will be used for the debt service, window replacements, tile replacement, and bathroom renovations. As quarterly distribution of lottery funds are received, projects will be begun.

We are requesting full funding of the allocation in capital outlay appropriation. It is estimated that the school system's share of the Article 42 sales tax is \$620,000.

We are also requesting additional funding in the amount of \$385,000 to support capital outlay project, specifically for the technology refresh.

In this proposed budget, we are requesting to appropriate \$105,210 of the capital outlay fund balance. The capital outlay fund balance at June 30, 2018 was \$2,512,637. We have appropriated \$676,793 in this current year, which would leave a balance of \$1,835,844.

Edgecombe County Public Schools is requesting a total of \$1,496,210 for capital outlay needs for fiscal year 2019-2020 for the projects listed below:

Capital Outlay Fund

Capital Outlay Revenues				
Revenues		County/State Funding	Lottery	Total
Recurring Capital		\$ 1,005,000	\$ -	\$ 1,005,000
Interest earned		\$ 6,000		\$ 6,000
Lottery		-	380,000	380,000
State funding		-		-
Capital Outlay Fund Balance		105,210	-	105,210
Total Funding for Capital Outlay		\$ 1,116,210	\$ 380,000	\$ 1,496,210
Capital Outlay Expenditures				
Projects	Site	County/State Funding	Lottery	Total
Debt Service		\$ -	\$ 150,000	\$ 150,000
Replace Roof	SouthWest/ Stocks	-	-	-
Replace Carpet/Tile	Martin/South/ Southwest/Stocks/ West	-	70,000	70,000
Security Corridor	Bulluck/Carver/Coker- Wimberly/North/ Phillips/South/ Tarboro High	117,095		117,095
Paving	Coker- Wimberly/South	65,000		65,000
Painting	Pattillo/SWE	125,000	-	125,000
Buildings and Grounds	Various sites	50,000	-	50,000
Sign	West	17,500		17,500
Energy Efficient Lights	West	55,000		55,000
Equipment-marker boards, blinds, etc.	Various sites	60,000	-	60,000
Windows	Phillips	-	60,000	60,000
Bathroom renovations	North/Tarboro High	-	100,000	100,000
Lockers	North	20,000	-	20,000
Technology	All Schools	385,000		385,000
Equipment	Custodial	30,000	-	30,000
Equipment-Security	Administrative	10,000	-	10,000
Vehicles	Maintenance	50,000	-	50,000
Furniture	All schools	41,027	-	41,027
School Allotments	All schools	78,588	-	78,588
Central Services Allotments	Central Services	12,000	-	12,000
Total Expenditures		\$ 1,116,210	\$ 380,000	\$ 1,496,210

Other Funds

Edgecombe County Public Schools utilizes separate funds for the appropriate and accurate tracking of revenues and expenditures that are not directly linked to classroom instruction. The funds included within this section are the Child Nutrition Fund and the Fee for Service Programs.

These funds are enterprise funds since they are financed and operated in a manner similar to a private business enterprise in that their costs are financed through user charges.

Section Introduction	48
Child Nutrition Fund	49
Fee for service Fund	50
Family Resource Center	51

Other Funds

Enterprise Funds

The child nutrition program provides breakfast and lunch meals for students and faculty at our schools. Expenditures cover staff salaries, matching benefits, food, and materials purchases. Revenue is generated through meal charges and federal reimbursements for free and reduced priced lunches served to economically disadvantaged students.

Child Nutrition Revenues				
Proposed Revenues	Federal	State	Local	Total
USDA Grants	\$ 4,536,524	\$ -	\$ -	4,536,524
Sales Revenues	-	-	239,400	239,400
State Reimb. For Breakfast	-	500	-	500
Interest Earned	-	-	17,500	17,500
Other	-	-	500	500
Total Funding for Child Nutrition	\$ 4,536,524	\$ 500	\$ 257,400	\$ 4,794,424

The Child Nutrition budget by major category is:

Child Nutrition Expenditures				
		FY 2019	FY 2020	Increase/
Proposed Expenditures		Budget	Proposed Budget	(Decrease)
Salaries		\$ 1,439,224	\$ 1,439,224	\$ -
Benefits		650,000	650,000	-
Contractual Services		46,800	46,800	-
Supplies & Materials		2,273,000	2,273,000	-
Equipment		75,400	75,400	-
Indirect Cost		310,000	310,000	-
Total Child Nutrition Fund		\$ 4,794,424	\$ 4,794,424	\$ -

Other Funds

**Enterprise Funds
(Continued)**

The fee for service program provides staff daycare services. The revenue is generated through service charges for child care and the expenditures are for staff salaries, matching benefits, snacks, repairs, and other materials.

Fee for Service Program Revenues				
	Federal	State	Local	Total
Proposed Revenues				
Fees Collected	\$ -	\$ -	\$ 145,785	\$ 145,785
Other	-	-	-	-
Total Funding for Fee for Service Program	\$ -	\$ -	\$ 145,785	\$ 145,785

The fee for service program budget by major category is:

Fee for Service Expenditures				
		FY 2019	FY 2020	Increase/
Proposed Expenditures		Budget	Proposed Budget	(Decrease)
Salaries		\$ 96,140	\$ 96,140	\$ -
Benefits		47,645	47,645	-
Contractual Services		-	-	-
Supplies & Materials		2,000	2,000	-
Equipment		-	-	-
Total Fee for Service Program		\$ 145,785	\$ 145,785	\$ -

Other Funds

**Enterprise Funds
(Continued)**

The Family Resource Center was an enterprise fund related to the rental of space in the previous center housed in Princeville. Upon closing of that center, money remained in this fund. These funds are being used to provide for the needs of the Family Resource Center.

Family Resource Center Revenues				
	Federal	State	Local	Total
Proposed Revenues				
Fees Collected	\$ -	\$ -	\$ -	\$ -
Other	-	-	5,000	5,000
Total Funding for Fee for Service Program	\$ -	\$ -	\$ 5,000	\$ 5,000

The family resource center program budget by major category is:

Family Resource Center				
		FY 2019	FY 2020	Increase/
		Actual	Proposed Budget	(Decrease)
Proposed Expenditures				
Salaries		\$ 600	\$ 600	\$ -
Benefits		46	46	-
Contractual Services		-	-	-
Supplies & Materials		4,354	4,354	-
Equipment		-	-	-
Total Family Resource Center		\$ 5,000	\$ 5,000	\$ -

Glossary of Terms

Accrual Basis: The basis of accounting which indicates revenues are recorded when they are earned (whether or not cash is received at the time) and expenditures are recorded when the goods and services are received (whether or not cash disbursements are made at the time).

Allotment: Allocations of state and federal funds to local education agencies.

Appropriated Fund Balance: Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances and deferred revenues, as those figures stated at the end of the fiscal year proceeding the budget year.

Appropriation: A legal authorization to incur obligations and to make expenditures for specific purposes. An appropriation is usually limited in amount and for a specific time period.

Asset: Government owned or held resources that have monetary value.

Available (Undesignated) Fund Balance: Funds remaining from the prior year which are available for appropriation and expenditure in the current year.

Average Daily Attendance (ADA): The sum of students present daily divided by the number of days in a term.

Average Daily Membership (ADM): The sum of the number of days in membership for all students in individual school units divided by the number of school days in the term. Specific state funding allotments are based on average daily membership.

Budget: A fiscal plan of a board of education for raising and expending funds for specific programs, functions, activities or objectives during a fiscal year.

Budget Resolution: The board of education shall adopt a budget resolution making appropriations for the budget year in such sums as the board deems sufficient and proper. The budget resolution shall conform to the uniform budget format established by the State Board of Education. All moneys received and expended by a local school administrative unit should be included in the school budget resolution.

Budget Year: The fiscal year for which a budget is proposed and a budget resolution is adopted (July 1 to June 30).

Glossary of Terms

Capital Assets: Assets of significant value and having a useful life of several years. Capital assets are also known as fixed assets.

Capital Improvement: Expenditures related to the acquisition, expansion or rehabilitation of an element of the government's physical plant.

Capital Outlay: Fixed assets with a value of \$500 or greater and with a useful economic life of more than one year.

Categorical Grant: A grant received from another governmental grant to be used or expended for a specific program or purpose.

Charter School: A public school operated by a group of parents, teachers and/or community members as a semi-autonomous school of choice within a school district operating under an agreement (charter) with the State Board of Education.

Current Expense: Those expenditures of a recurring nature including personnel, benefits, services, supplies and equipment.

Encumbrance: The commitment of funds to purchase goods or services. To encumber funds means to set aside or commit funds for a specific future expenditure.

Expenditure: The payment of cash on the transfer of property or services for the purpose of acquiring an asset or service or settling a loss.

Fiscal Year: The 12-month period to which the annual budget applies. By state law, all North Carolina school systems must observe a fiscal year that begins on July 1 and ends on June 30.

Fund: An independent fiscal and accounting entity consisting of cash and other resources together with all related liabilities, obligations, reserves and equities which are segregated by appropriate accounting techniques for the purpose of carrying on specific activities or attaining certain objectives in accordance with established legal regulations, restrictions, or limitations.

Fund Balance: The excess of the assets of a fund over its liabilities and reserves at the beginning or ending of a fiscal year.

Glossary of Terms

Indirect Cost: A cost necessary for the functioning of the organization as a whole, but which cannot be directly assigned to one service.

Local Current Expense Fund: Appropriations for the current operating expenses of the local school administrative unit other than appropriations included in the state public school fund and the federal grant fund. These appropriations are funded by the local board of county commissioners or other source for current operating expenses of the public school system.

Months of Employment: A unit of employment that corresponds to a calendar month. Rather than allot a number of positions, the state allots a certain number of months of employment that can be assigned to a position or a portion of a position at the discretion of the local administrative unit.

Other Restricted Fund: A fund that is used to account for reimbursements, including indirect costs, fees for actual costs, tuition, sales tax revenues distributed using the ad valorem method pursuant to G.S.105-472(b)(2), sales tax refunds, gifts and grants restricted as to use, trust funds, federal appropriations made directly to local school administrative units, funds received for pre-kindergarten programs, and special programs.

Per Pupil Expenditure: The annual current expenditures divided by the final average daily membership for the year.

Public School Building Capital Fund: (PSBCF) This is a funding stream maintained by the State of North Carolina to assist county governments in meeting their public building capital needs and their equipment needs under local school technology plans.

State Formula: The calculations used by the state to fund various allotments to the local education agency. Formulas can be based on the number of positions calculated on average daily membership, months of employment or flat dollar amounts.

State Public School Fund: Appropriations for the current operating expenses of the public school system from moneys made available by the State Board of Education.