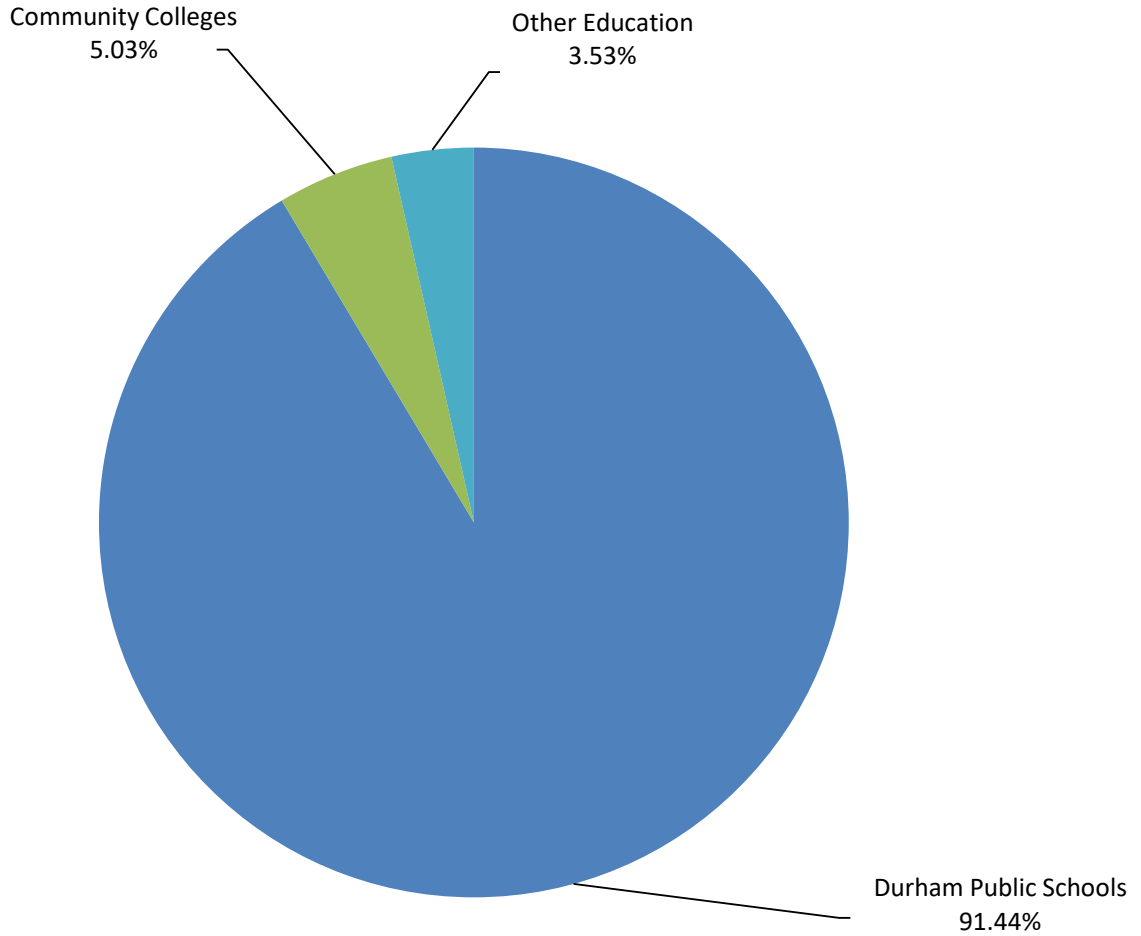


Education Recommended Budget



Business area	2016-2017 Actual Expenditures	FY2017-18 Original Budget	FY2017 12 Month Estimate	FY2018-19 Department Requested	FY2018-19 Manager Recommended
Durham Public Schools	\$127,975,707	\$134,035,201	\$134,035,201	\$139,020,717	\$137,035,201
Community Colleges	\$6,904,016	\$7,164,220	\$7,164,220	\$7,779,874	\$7,539,874
Other Education	\$0	\$1,839,435	\$1,739,435	\$5,408,932	\$5,293,932
Grand Total	\$134,879,723	\$143,038,856	\$142,938,856	\$152,209,523	\$149,869,007

DURHAM PUBLIC SCHOOLS



GOAL 1 COMMUNITY EMPOWERMENT AND ENRICHMENT: Provide access to educational, vocational, economic and cultural opportunities while empowering citizens to choose pathways for their own success.

PROGRAM DESCRIPTION

Effective July 1, 1992, Durham County's two public school systems merged, forming Durham Public Schools (DPS). All Durham County funding is from general funds. The supplemental taxing districts were discontinued with the merger.

DPS was merged under legislation establishing minimum requirements for local funding based on the highest per pupil expenditure in the last five years of either school system prior to the merger. Per pupil allocation used in the school funding formula is \$1,960. The amount of minimum funding is determined by multiplying the \$1,960 per pupil expense with the average daily membership (ADM) enrollment figure for the upcoming year. County funding for Durham Public Schools, including current expense, capital outlay (excluding bond-funded projects), and debt service, must be no less than the minimum funding required.

A comparison of the minimum funding required and the approved funding level is shown below.

Per pupil funding	\$1,960
Multiply by total FY 2017-18 ADM	32,950
Minimum funding for FY 2017-18	\$64,582,000

In addition, if the ADM for charter schools was factored in (an additional 6,806 pupils, for a total of 39,756 pupils), the calculation would equate to \$77,921,760 minimum funding for FY 2018-19. Durham County funding significantly exceeds these thresholds.

	FY 2016-17 Actual	FY 2017-18 Approved	FY 2018-19 Requested	FY 2018-19 Recommended
Current Expense	\$126,605,707	\$132,665,201	\$137,650,717	\$135,665,201
Capital Outlay	\$1,370,000	\$1,370,000	\$1,370,000	\$1,370,000
Total	\$127,975,707	\$134,035,201	\$139,020,717	\$137,035,201
School Debt Service	\$27,509,713	\$29,586,088	\$33,235,677	\$33,235,677
TOTAL FUNDING	\$155,485,420	\$163,621,289	\$172,256,394	\$170,270,878

In addition to this funding, Durham County funds a number of positions and programs that provide services within Durham Public Schools. These positions/programs and their County-only funding for FY 2018-19 are shown below.

Program or Position (County Department)	FY 2018-19 Durham County Funding	Educational Non-Profit Support	FY 2018-19 Durham County Funding
27 School Resource Officers (Sheriff)	\$2,519,853	Child Care Services Association	\$30,000
Public Health Services (School Nurses, Dental, Health Ed.)	\$2,918,579	Rebound, Alternatives for Youth	\$7,500
TOTAL FUNDING	\$5,438,432	Big Brothers Big Sisters of the Triangle	\$10,000
		Book Harvest	\$5,000
		Voices Together	\$5,000
		Durham's Partnership for Children	\$15,000
		Walltown Children's Theatre	\$5,000
			\$77,500

Durham Public Schools

Summary	2016-2017 Actual Exp/Rev	2017-2018 Original Budget	2017-2018 12 Month Estimate	2018-2019 Department Requested	2018-2019 Manager Recommended
▼ <i>Expenditures</i>					
Operating	\$126,605,711	\$132,665,201	\$132,665,201	\$137,650,717	\$135,665,201
Capital	\$1,370,003	\$1,370,000	\$1,370,000	\$1,370,000	\$1,370,000
Total Expenditures	\$127,975,714	\$134,035,201	\$134,035,201	\$139,020,717	\$137,035,201
▼ <i>Revenues</i>					
Total Revenues	\$0	\$0	\$0	\$0	\$0
Net Expenditures	\$127,975,714	\$134,035,201	\$134,035,201	\$139,020,717	\$137,035,201

2018-19 BUDGET HIGHLIGHTS

The Durham Public Schools Superintendent's FY 2018-19 budget request is a \$4,985,516 increase in current expense funding over its FY 2017-18 current budget. Requests from DPS included salary and benefits cost increases, fixed costs increases (applying inflation), and several new initiatives including temporary support of School Resource Officer (SRO) positions during a transition from Durham Police department support to County Sheriff support, funding for "in house" custodial services, and deferred teacher needs. The County Manager's recommended budget supports a general Current Expense increase of \$3 million for Durham Public Schools, leaving application of those new funds to the Board of Education.

Manager Recommended changes to Durham Public School's Requested funding are shown below.

Requested Increase	DPS Request	Manager's Recommended Budget
Salary, supplement and benefit increases related to State raises	\$2,165,000	\$3,000,000
Contracted services inflation increases	\$337,000	
Reduction of 145 pupils (DPS + Charter Schools)	\$233,516	
Temporary support for 5 SRO positions (during transition)	\$300,000	
Deferred Teacher Needs	\$750,000	
"In House" Custodial Services	\$1,200,000	
Total additional funding for DPS	\$4,985,516	

With the completion of the Whitted School renovation capital project during the previous fiscal year, up to 144 Pre-K students are now being educated in preparation for entering Durham Public Schools. The annual operating cost of the Pre-K program was budgeted at \$1.5 million for FY 2017-18, but that funding was housed outside of the Durham Public School budget as details about who will oversee the program are clarified.

For a number of years Durham County has supported 15 School Resource Officers (SRO) officers, and in FY 2017-18 took over supporting an additional 8 SRO positions in Durham Public Schools. During the FY 2017-18 year, the Durham city Police department decided to no longer support 5 SRO positions, with the County deciding to add those positions to its ongoing support of DPS. At the beginning of FY 2018-19 the Durham County Sheriff's department will have 28 dedicated SRO positions throughout DPS middle and high schools.

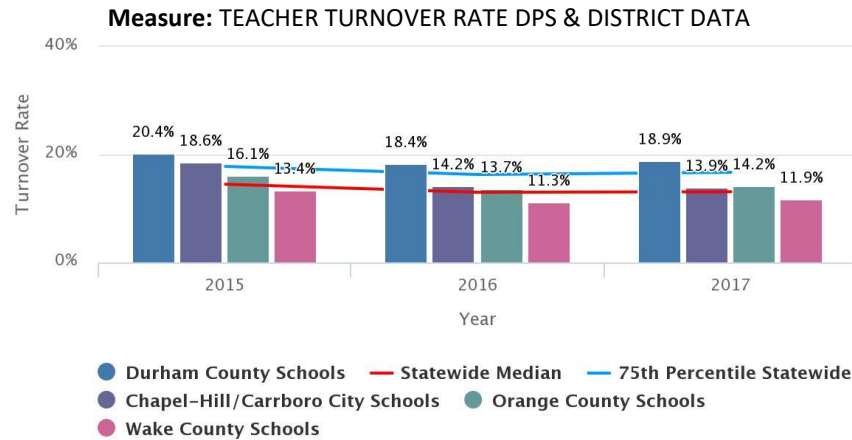
Durham County provides funding for DPS from two revenue sources: local property taxes and Article 46 sales taxes. Since Article 46 funding passes through the County, total County Manager recommended current expense funding for DPS will increase by \$3.0 million, for a total allocation of \$135,665,201 in FY 2018-19. The County estimates total Article 46 sales tax collection for DPS at \$9,996,510 and for Pre-K programs at \$508,140, for a total Article 46 funding support of DPS current expense of \$10,504,650. This is a net increase of \$96,310 from the previous year's Article 46 funding because of continued growth on overall sales tax collection. Capital outlay funding will remain flat at \$1,370,000. The County will also pay an estimated \$33.2 million in debt service for DPS.

DPS's and Durham County Charter School student projection for FY 2018-19 is 39,756, a net reduction of 145 students from the FY 2017-18 budgeted estimate. To clearly identify local per pupil current expense funding support for DPS and Charter School students some funding folded up in the current expense allocation of \$135,436,961 needs to be subtracted out.

	FY 2017-18	FY 2018-19	Difference
Current Expense Funding	\$132,665,201	\$135,665,201	\$3,000,000
Annual Pre-K support (Article 46 Sales Tax)	(\$508,140)	(\$508,140)	\$ 0
Net Current Expense funding	\$132,157,061	\$135,157,061	\$3,000,000
DPS and Charter School pupil estimate	39,901	39,756	(145)
Local Per Pupil funding	\$3,312	\$3,400	\$ 88

Therefore, the County Manager Recommended current expense funding per pupil is \$3,400 per pupil, an increase of \$88 per pupil from FY 2017-18. Including capital outlay and debt service funding, Durham County supports public education at \$4,270 per pupil, a \$182 per pupil increase from FY 2017-18, due largely to increasing General Obligation debt service support for schools as approved by Durham County voters in 2016.

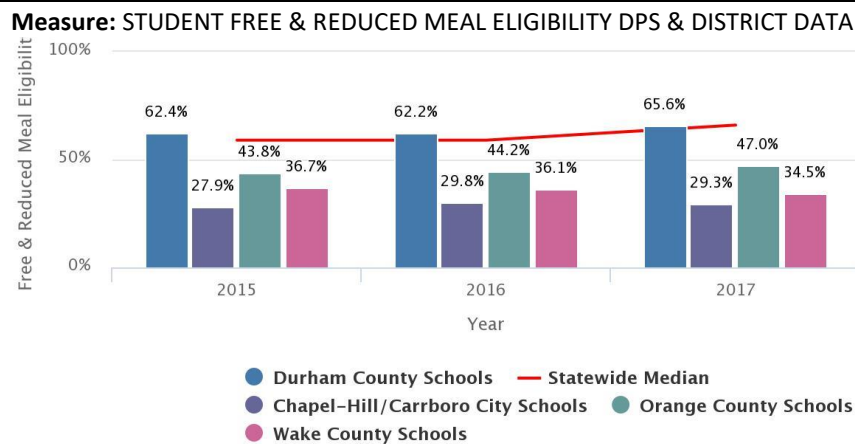
PERFORMANCE MEASURES:



Measure description: This measures the percentage of teachers employed by Durham Public Schools (DPS) in March of the previous school year who are no longer employed by the district in March of the current academic year. Teacher turnover is disruptive to school culture, student achievement, and very costly for school districts. The cost to recruit, hire, and train a replacement teacher often exceeds \$10,000. It is in the best interest of districts to identify teachers with a positive impact on student achievement and find ways to encourage them to remain in the district.

Trend explanation: Starting in the 2015-16 academic year, the state validated self-reported turnover data against payroll records. Given the change in reporting, prior results cannot be compared to data from 2015-2016 and beyond. Looking at the most recent two years, teacher turnover increased slightly in DPS from 2015-16 to 2016-17; Wake and Orange experienced similar increases, and all three counties experienced a greater increase than the statewide average. The forthcoming DPS strategic plan should outline several strategies to increase teacher retention rates, especially among highly effective educators.

FY2018-19 target projection: At 18.9%, teacher turnover in DPS is among the highest of all 115 districts in the state. A potential 1-2 year target is 16.7% (the 75th percentile statewide); a 3-5 year target is 13.1% (the statewide median).



Measure description: This measures the percentage of students in DPS who reside in households at or below 185% of the Federal Poverty Level (\$45,510 for a family of four). Economically disadvantaged students face significant barriers to academic success and often require additional supports and resources to overcome opportunity gaps.

Trend explanation: DPS is roughly holding steady with approximately two-thirds of students eligible for free or reduced meals. In the near term, economic development and anti-poverty measures led by the City and County governments are critical to improving this measure. As major employers in the County, DPS, along with City and County government are helping to lower the proportion of economically disadvantaged students by paying employees a living wage and encouraging private sector employers to pay living wages. Furthermore, DPS could encourage more affluent families to opt-in to their local public school.

FY2018-19 target projection: A potential target is 66%, the statewide median. Attaining this target will likely require an active campaign encouraging families to opt-in to DPS.

DURHAM TECHNICAL COMMUNITY COLLEGE



GOAL 1 COMMUNITY EMPOWERMENT AND ENRICHMENT: Provide access to educational, vocational, economic and cultural opportunities while empowering citizens to choose pathways for their own success.

PROGRAM DESCRIPTION

Durham County provides support from the general fund to Durham Technical Community College. In accordance with North Carolina General Statute 115D-32, Durham County provides financial support under the following categories:

- Plant Fund, including acquisition of land, erection of buildings, and purchases of motor vehicles
- Current Expense Fund, including plant operation and maintenance
- Support Services, including building and motor vehicle insurance

As a comprehensive community college serving Durham and Orange counties, Durham Tech has a guided placement admissions philosophy to provide all students an opportunity to acquire meaningful credentials and secure living-wage employment through education and training. Offerings include postsecondary technical and occupational programs leading to a degree, diploma, or certificate; the first two years of a four-year degree; general education for personal growth; a wide variety of corporate and continuing education courses for workforce preparation and development; and college and career readiness instruction that includes an adult high school diploma program, high school equivalency preparation programs, and English language development courses. Durham Technical Community College serves nearly 18,500 students annually, with 44% of the students coming from either Durham or Orange County, and 56% coming from outside the regional area.

	FY 2016-17 Actual	FY 2017-18 Approved	FY 2018-19 Requested	FY 2018-19 Recommended
Current expense	\$6,601,516	\$6,816,720	\$7,242,347	\$7,192,374
Capital outlay	\$302,497	\$347,500	\$537,500	\$347,500
TOTAL	\$6,904,013	\$7,164,220	\$7,779,847	\$7,293,720
Debt service	\$1,106,224	\$1,181,443	\$2,782,193	\$2,782,193
TOTAL FUNDING	\$8,010,237	\$8,345,663	\$10,562,040	\$10,075,913

Durham County also provides large capital project support to Durham Technical Community College through long term debt issuances (mainly General Obligation Bonds).

2003 GO Bond funds for DTCC capital projects	\$8,200,000
2007 GO Bond funds for DTCC capital projects	\$8,680,000
2016 GO Bond funds for DTCC capital projects	\$20,000,000

2018-19 HIGHLIGHTS

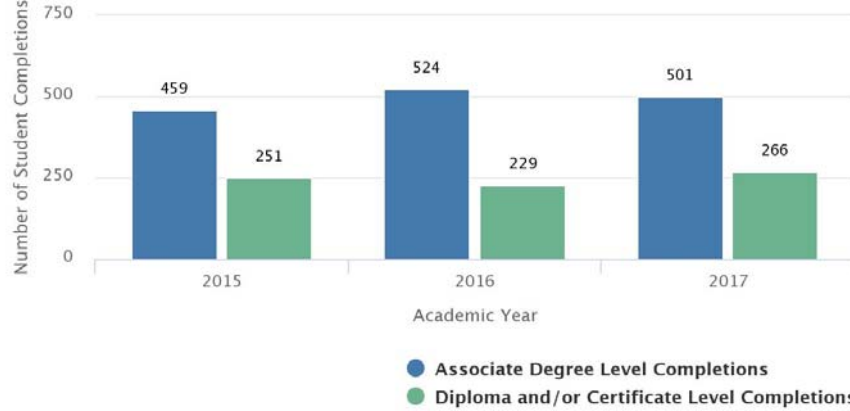
- As the County continues to collect revenue from the Article 46 quarter cent sales tax, by Board of County Commissioners' resolution, Durham Technical Community College will receive \$1,335,946 for student scholarship support and other educational opportunities.
- Durham Technical Community College's County funding increases \$129,500 or 1.81% from the FY 2017-18 Original Budget.
 - Article 46 Sales Tax revenue decreases by \$12,871.
 - Annual operating expenses increased by \$116,629.
 - Includes support for salary increases, contracted services increases, facility repair costs, and supplies
 - Annual current capital stays flat at \$347,500
 - Includes support for tools and equipment for facility maintenance support, data processing equipment and additional small capital projects

Durham Technical Community College

Summary	2016-2017 Actual Exp/Rev	2017-2018 Original Budget	2017-2018 12 Month Estimate	2018-2019 Department Requested	2018-2019 Manager Recommended
Expenditures					
Operating	\$6,601,513	\$6,816,720	\$6,816,720	\$7,242,374	\$7,192,374
Capital	\$302,497	\$347,500	\$347,500	\$537,500	\$347,500
Total Expenditures	\$6,904,010	\$7,164,220	\$7,164,220	\$7,779,874	\$7,539,874
Revenues					
Total Revenues	\$0	\$0	\$0	\$0	\$0
Net Expenditures	\$6,904,010	\$7,164,220	\$7,164,220	\$7,779,874	\$7,539,874

PERFORMANCE MEASURES:

Measure: DTCC STUDENT COMPLETIONS (ASSOCIATE DEGREE, DIPLOMA, AND/OR CERTIFICATE)

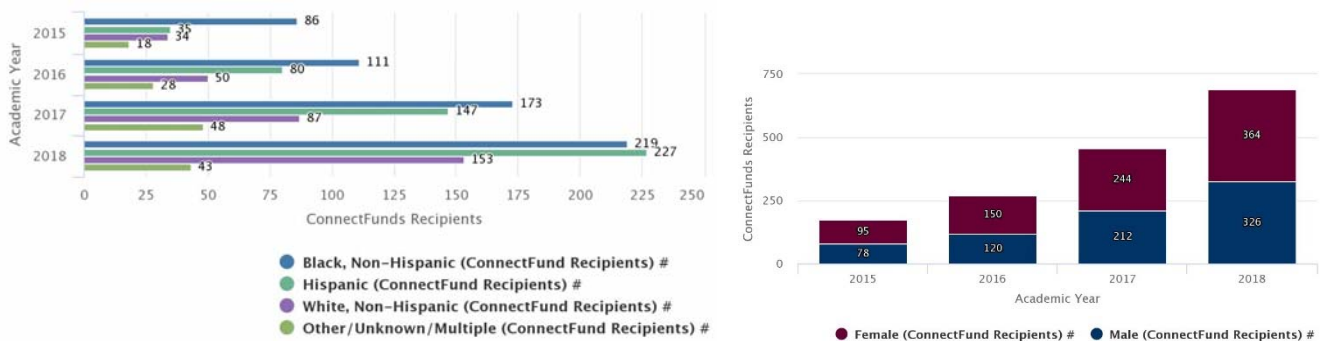


Measure description: Durham Technical Community College (DTCC) provides high-quality, affordable, and convenient technical and career education. DTCC wants all students to achieve their goal of attaining a post-secondary credential. These data represent the number of individuals who complete an associate degree (in addition to earning diplomas and/or certificates within the same program) and the number of individuals who complete a diploma and/or certificate. The 2017 information above represents data from academic year 2016-2017.

Trend explanation: These data show that completions at DTCC have increased since the 2014-2015 academic year. There are three specific improvements that explain this positive trend: (1) DTCC implemented an administrative graduation process that allows staff to identify students who are eligible to graduate without the student needing to initiate this process; (2) DTCC implemented Ellucian Self-Service, an online planning tool that helps students track their educational progress; and (3) DTCC has increased utilization of marketing tools to help students become more knowledgeable and active in the academic process.

FY2018-19 target projection: This measure does not have a target because it is not cohort-based. The completion numbers provided are based on a count of how many students graduated in an academic year, without regard for when the students started at DTCC or how long their program should take to complete.

Measure: DTCC CONNECTFUNDS RECIPIENTS DEMOGRAPHIC DATA



Measure description: DTCC expanded its financial aid offerings for recent Durham Public School high school graduates and Durham County residents who demonstrate financial need. ConnectFunds are financial awards designed to assist individuals who need further education, career training, or retraining. This measure reflects the demographic data (gender and ethnicity) of ConnectFunds recipient students. Durham ConnectFunds recipients represent graduates from 19 high schools, with the largest groups coming from Jordan, Riverside, Northern, and Durham School of the Arts.

Trend explanation: These data show that recipients of Durham ConnectFunds at DTCC have increased since the 2014-2015 academic year (represented as 2015 above). There are two specific reasons for this positive trend: (1) With the funds from Durham County, as more students have become aware of ConnectFunds, more students have taken advantage of the opportunity and (2) DTCC added more College Liaisons in Durham County high schools who help students make academic and career plans while in high school, including providing information on scholarships like Durham ConnectFunds.

FY2018-19 target projection: The DTCC target for ConnectFunds recipients is to provide this scholarship to any student eligible to receive it.

EDUCATION NONPROFIT AGENCIES



GOAL 1 COMMUNITY EMPOWERMENT AND ENRICHMENT: Provide access to educational, vocational, economic and cultural opportunities while empowering citizens to choose pathways for their own success.

MISSION

The mission of Durham County government is to enhance the quality of life for its citizens by providing education, safety and security, health and human services, economic development, and cultural and recreational resources.

PROGRAM DESCRIPTION

Durham County is committed to providing financial assistance to those nonprofit agencies which assist it in carrying out its mission. Included in this cost center are nonprofit agencies and other nongovernmental agencies whose work complements the efforts of the County's educational support systems and whose mission is the provision of such services for the residents of Durham County.

Traditional funding of education nonprofit agencies by Durham County has centered on support of various groups and agencies that directly enhance the goal of quality education opportunities for Durham County children. However, starting in FY 2017-18 the Board of County Commissioners added to this area funding support for enhanced Pre-K services, including Pre-K expansion at Whitted School. First year funding was set at \$1.5 million for expanded Pre-K services specifically at Whitted School, but also as part of the FY 2017-18 budget process, the County Manager recommended an expansion in FY 2018-19 of Pre-K support by an amount equivalent to one cent of property tax or \$3,679,873.

Summary	2016-2017 Actual Exp/Rev	2017-2018 Original Budget	2017-2018 12 Month Estimate	2018-2019 Department Requested	2018-2019 Manager Recommended
▼ <i>Expenditures</i>					
Operating	\$0	\$1,839,435	\$1,739,435	\$5,408,932	\$5,293,932
Total Expenditures	\$0	\$1,839,435	\$1,739,435	\$5,408,932	\$5,293,932
▼ <i>Revenues</i>					
Total Revenues	\$0	\$0	\$0	\$0	\$0
Net Expenditures	\$0	\$1,839,435	\$1,739,435	\$5,408,932	\$5,293,932

2018-19 BUDGET HIGHLIGHTS

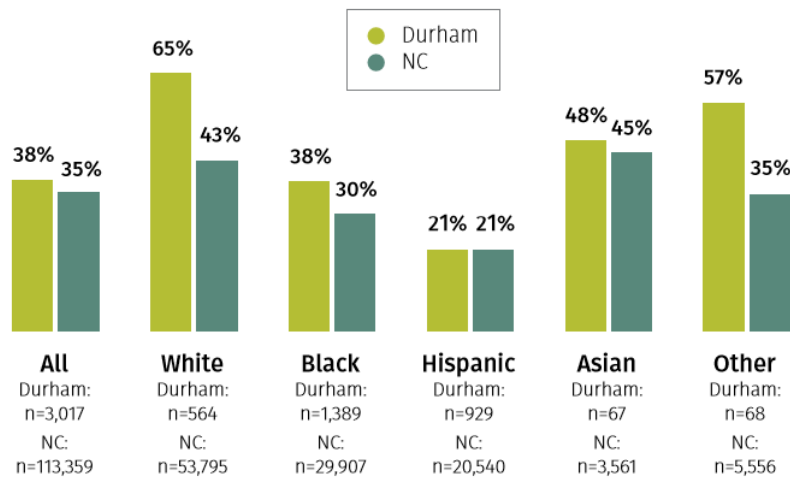
Funding for annual operating support of \$1,500,000 of the Whitted School Pre-K program is located here supporting a 144 seat Pre-K expansion program started in FY 2017-18. This is a collaborative effort between DPS and several Pre-K centric non-profit programs. This Pre-K expansion of service is in the second year of an ongoing effort for universal Pre-K for all 4-year olds in Durham County and in this second year is adding an additional \$3.68 million to expand available Pre-K seats and support for additional Durham children.

Additional Pre-K support from Article 46 Sales Tax (per changes in BOCC policy related to this sales tax) is added here in the amount of \$21,559. This source of funding should grow steadily in future years. While finally, a total of \$77,500 is budgeted to support specific local education nonprofit agencies, and \$15,000 is budgeted to support contract management of those nonprofits.

Educational Non-Profit Support	FY 2018-19 Funding
Child Care Services Association	\$30,000
Rebound, Alternatives for Youth	\$7,500
Big Brothers Big Sisters of the Triangle	\$10,000
Book Harvest	\$5,000
Voices Together	\$5,000
Durham's Partnership for Children	\$15,000
Walltown Children's Theatre	\$5,000
	\$77,500

KINDERGARTEN ENTRY READING PROFICIENCY, CHARTER AND PUBLIC SCHOOLS

% at grade level proficiency at the beginning of kindergarten, 2014-15



https://childandfamilypolicy.duke.edu/wp-content/uploads/2017/04/DurhamChildrensReport.FINAL_singlepages.pdf