

**THE BOARD OF COUNTY COMMISSIONERS
DURHAM, NORTH CAROLINA**

Monday, June 7, 1999

2:00 P.M. Budget Worksession

MINUTES

Place: Commissioners' Room, second floor, Durham County Government Administrative Complex, 200 E. Main Street, Durham, NC

Present: Chairman MaryAnn E. Black, Vice-Chairman Ellen W. Reckhow, and Commissioners William V. Bell, Joe W. Bowser, and Becky M. Heron

Absent: None

Presider: Chairman Black

Budget Worksession Questions

County Manager David F. Thompson distributed to the Commissioners the Recommended Position List for FY 1999-2000.

The County Manager also distributed the Duke Regional Lease: Analysis of Funds by Source and the Trust Fund expenses. The Manager explained the documents.

County Manager Thompson explained the analysis of funds by source chart. The Commission should be aware that the column listed as "G" is the legal amount available for appropriation. That is one-tenth of the payment on the lease plus the interest. I would be very careful in your deliberations in that my recommendation is that you not appropriate anything more than the interest earned. The chart is a very conservative chart. It is based on five-percent growth in the investment. We will come to you in August with some investment options and ask the Board to adopt a policy at that point in time. The amount available for appropriation would be \$1,900,000. In the Manager's recommended budget, I have close to one-half of the interest projected.

Chairman Black said the Commissioners need to set some policy guidelines relative to funding appropriation. A worksession should be held to work on the policies.

The trust fund expenses in the County Manager's budget are as follows:

TRUST FUND EXPENSES

EMERGENCY MEDICAL SERVICES

Increase in Supply clerk position from .52 to 1.0	\$ 15,365
New Supply Clerk	\$ 28,721
Education Coordinator (\$39,735)	\$ 39,735
Uniforms	\$ 56,166
<i>2 new Rapid Response Vehicles</i>	\$ 75,000
<i>Four replacement Emergency Vehicles</i>	\$214,000
Patient Care Equipment—3 ambulance stretchers, 4 Cardiac Monitoring Equipment	\$ 66,600
Operational Support—10 portable radios, 2 HVAC systems	\$ 46,772
Educational Equipment—1 advanced ALS trainer	\$ 5,200
<i>EMERGENCY MEDICAL SERVICES SUBTOTAL</i>	\$547,559

Public Health Department

3 Health Education I's	\$108,741
Youth Coordinator	\$ 31,764
Health Educator II	\$ 42,458
2 School Health Nurses	\$ 87,214
<i>PUBLIC HEALTH DEPARTMENT SUBTOTAL</i>	\$270,177

Senior Pharmacist – nonprofit \$ 60,000

Parkwood Fire District \$ 20,000

Total \$897,736

The request of \$98,000 for the Durham Healthy Carolinians could come from the health trust fund.

The worksession for the trust fund allocation should be set at a time when all interested parties can attend. Chairman Black requested the trust fund meeting be set up.

Commissioner Heron and Vice-Chairman Reckhow requested additional information on the proposal relative to the Health Needs Assessment and Long Range Health Plan for Durham.

Public Health Budget Request

Claudia Odom, Budget Director, asked Brian Letourneau, Public Health Director, to review the Public Health Department request of \$270,177 in the health trust fund for the TOP program to assist with reducing teen pregnancy by 5 percent in the first and second

years. The program will be put in three high schools and three middle schools. The TOP program will cost \$200,000 the first year.

The Commissioners asked several questions about the teen pregnancy reduction program to which Brian Letourneau responded. A general discussion was held about the public health budget expenditures.

County Manager David F. Thompson reviewed the Public Health Department's recommended employee position list for the Commissioners. There are five positions for the TOP program. The child dental program will be doubled to provide dental services to children three years old and up.

Department of Social Services Budget Request

County Manager David F. Thompson began the presentation by reviewing the expansion positions. There is no expansion of new county dollars in the budget.

Social Services Board Chair Corinne Mabry introduced the Social Services Board members that were present.

Ms. Mabry said there are four critical facility and safety issues that need to be addressed as follows:

- a. Need for enhanced security guard services;
- b. Carmichael Building needs a complete rework of the heating and air conditioning system ;
- c. Carmichael Building needs a roof replacement; and
- d. Main Street Building needs a new air conditioning system.

Daniel C. Hudgins began his presentation by giving the Commissioners a progress report on the Work First program. The caseload has dropped in half since 1995.

Mr. Hudgins said the projected collections for this year will be \$9.5 million, which is up 9 percent from last year. Our collection last year was \$8.6 million. The Manager has approved in his budget four additional agents which will bring our average caseload down from 515 to 449. One school worker is in the Manager's budget which will further the expansion of the school social worker and will complete our three-year phase-in that will put a half-time social worker in all the elementary schools that have 50 percent of the children receiving free or reduced lunches. One additional income maintenance caseworker is in the proposed budget to be placed at Duke Hospital because they are providing maternal and child health services. Funding is also in the budget to expand our in-home services program and to address technology needs.

The Commissioners asked questions and make comments about the budget to which Dan Hudgins and Jerome Brown, Program Manager for Child Support Services, responded.

Emergency Medical Services Budget Request

Claudia Odom, Budget Director, said the Emergency Medical Services had significant expansion requests. We thought it was necessary to bring them to the appropriate level of operations. The budget request was expanded approximately \$600,000 but \$800,000 was removed from the budget request.

Mr. Mickey Tezai, Director of Emergency Medical Services, discussed the three additional positions requested in the budget. He also discussed the vehicle and patient care equipment requests in the budget. The \$20,000 payment to Parkwood Volunteer Fire Department is for the assistance the department provides for the EMS services they provide outside their district. This has been an ongoing payment to the Parkwood Volunteer Fire Department for ten years. The original payment was \$42,000 and has been reduced to the \$20,000 payment.

The Commissioners asked questions and made comments about the budget request to which the County Manager and staff responded.

County Manager David F. Thompson stated that the senior pharmacist position (\$60,000) and Parkwood Fire District (\$20,000) will be removed from the trust expenses to the General Fund.

Durham Public Schools Budget Request

Ms. Kathryn Meyers, Chairman, Board of Education, introduced the school Board members that were present. They were Gail Heath, Arnold Spell, and Philip Cousin Jr.

Ms. Meyers made introductory remarks about the school budget and the process that the Board of Education used to develop the recommended Durham Public Schools budget presented to the Board of County Commissioners. The Board of Education adopted the Superintendent's budget unanimously on April 27, 1999. On behalf of the Board of Education, Chairman Kathryn Meyers thanked Commissioner Bell and County Manager David F. Thompson for their work on the school budget with the school administration.

Superintendent Dr. Ann Denlinger gave the Commissioners an executive summary of the FY1999-2000 Durham Public Schools budget and highlighted the expansion items in the budget.

Dr. Denlinger reviewed briefly the budget message. She highlighted five points in the budget message. The budget is one of continuity and consistency. The focus will stay

where it is until we see improvement across the board for all students. The main thing is student achievement in our school system. We work very hard to keep focused on student achievement. Test scores are at an all time high due in large part to the community support for the school system and its children. The main purpose of this budget, as communicated in the budget message, is to retain and attract high quality instructional personnel by offering salaries that are competitive to neighboring school districts. That is the purpose of the bulk of the dollars that we requested in this budget year.

The next section that Dr. Denlinger spoke to was Charting Real Progress.

Investment Pays Off

Durham Public Schools will continue its commitment to student achievement by offering resources and programs that enable all students to achieve at their highest potential. This vision is becoming a reality.

Durham Public Schools posted the highest gains in its history as a merged school district in student performance indicators last year. Students achieved record-breaking results in nearly every measure of academic performance on end-of-grade and end-of-course testing.

On 15 out of 18 end-of grade and end-of-course tests (83 percent), students of all ethnic groups--African-American, Hispanic, Asian and white, and of both genders--scored at their highest levels.

Durham Public Schools high school students taking the SAT scored an average of 996 points in 1997-98. This is 12 points higher than the previous year and 44 points higher than 1992, when Durham Public Schools was formed. More than three-quarters (77.3 percent) of our eligible high school students take the test, well above both state (62 percent) and national (43 percent) levels.

The state of North Carolina sets academic performance goals for individual schools to achieve on an annual basis. Based on these ABC results, schools are placed in one of four categories — low performing, adequate performance, expected growth, or exemplary growth.

For the 1997-98 school year:

- 10 more schools than in 1996-97 achieved the exemplary growth status, for a total of 21 out of 43, or nearly half of all Durham Public Schools.
- The previous year, no schools were named schools of distinction (80 percent or more of students performing at or above grade level), while two were designated as such last year.
- Three high schools were designated as having made exemplary gains.

The next section Dr. Denlinger reviewed with the Commissioners dealt with Staying the Course: The Five Initiatives.

Staying the Course: The Five Initiatives

Durham Public Schools enjoys the opportunity of serving a richly diverse student population. Doing so, however, presents the unique challenge of devising creative solutions for serving a multitude of instructional needs. Durham Public Schools teachers, principals and administrators decided last year to focus on five major initiatives in order to accomplish this. These initiatives represent a major portion of last year's budget increase. *With the exception of dropout prevention, which will be addressed through a broad-based community and school effort, Durham Public Schools requests no funding increase for these initiatives next year.* Following is an outline of the progress made and our plans for 1999-2000.

K-3 Initiative

We continue to pursue the goal of the K-3 Initiative, which is to have 95 percent of third-graders reading at or above grade level. While we do not expect to reach our goal by 2000, our progress to date indicates it to be a possibility by 2003-04. This has been the driving force behind recent reforms in our elementary instructional program. And we are making progress.

In order to achieve this goal, we have developed a four-part strategy:

- Durham Public Schools constantly works to align our curriculum with the NC Standard Course of Study to ensure that all students receive instruction that matches the state requirements.
- We provide substantial, prolonged staff development in reading, math, and writing.
- Durham Public Schools is in the process of developing clearly defined promotion standards for all grades.
- Implementation of these standards may be in place next year.
- Instructional standards are being implemented to ensure coverage of all subject areas: English Language Arts instruction is designed to promote a balanced literacy framework. This "four-block model" requires two hours of literacy instruction per day, which includes: Guided Reading (activities that teach reading skills); Selected Reading (students make their own selections beyond the assigned reading); Writing; and Word Study (spelling).

In addition to the two hours of literacy instruction, we have developed the following standards to serve as guides for daily elementary instruction: one hour of math; two hours of integrated science and social studies; and 90 minutes of uninterrupted instruction.

Every student should write every day and read at least five books outside of school each nine-week period.

Magnet Schools

During the 1998-99 school year, six elementary magnet programs operated for the first time without benefit of the \$4.5 million federal grant that funded them the previous three years. The magnet office was closed, and its lottery duties have come under the responsibilities of the Office of Student Assignment. The Office of Curriculum and Instruction handles programs, and the Office of Public Affairs assumed marketing responsibilities.

Most of last year's \$800,000 budget increase for magnet programs provided the teaching positions necessary to serve the growing populations of magnet schools. In addition, last year's increase funded the unique resources, staff development and materials and equipment needed to successfully operate magnet themes.

The continuation budget for the magnet programs will be used to serve more students, largely due to the Durham School of the Arts' expansion. The school will add 12th grade in 1999-2000. There is a projected increase of 200 students in the 1999-2000 magnet program, or approximately 3,800 students served. This represents 13 percent of the entire population of our school system.

Another indicator of the program's success is its ever-increasing popularity. There is now a 3-to-1 ratio of those who apply to magnet programs compared to slots available. In addition, more than 2,000 parents and students attended the Durham Public Schools Magnet Fair in February 1999.

Sustaining the magnet program will cost \$1.2 million. This will provide 14 positions along with more than \$250,000 for staff development, supplies, materials, and equipment.

CIS Academy Expansion

Change is the catalyst for progress, and CIS Academy is experiencing both. The significance of technology is being addressed through the newly added CET (Computer Engineering Technology), NET (Network Engineering Technology) and CNA (Certified Network Administrator) curricula. Students finishing the NET program will be prepared to take the Cisco Certification Test for networking. CET graduates will be well versed in the construction, repair, and installation of personal computers and basic network hardware. Students completing the CET program will be prepared to take the A+ certification exam. CNA students are trained to administer a Novell network and to provide support for network users. Upon successful completion of the CNA program, students are equipped to take the Certified Novell Administrator certification test. All three courses of study will allow students to either enter the work force with marketable

skills for competitive wages or further studies in their respective fields. This includes guaranteed acceptance into programs at Durham Technical Community College. CIS staff, students, and families are excited by the addition of these courses of study and look forward to future growth.

CIS Academy also works collaboratively with Durham Technical Community College in establishing courses and providing teacher training.

In addition to computer course work, CIS Academy has added 11th grade. This enables the school to serve more students and follow through more fully with returning students. In 1999-2000 the school will add 12th grade in order to allow students the option of earning their diplomas from CIS instead of returning to their assigned high school.

\$97,000 provides three positions and \$68,600 is needed for equipment, supplies and materials, furniture, and transportation for a total of \$165,600 for CIS Academy.

Academically and/or Intellectually Gifted Services

Durham Public Schools is making progress in implementing the new plan for academically and/or intellectually gifted services for students. Five pilot schools have completed their school-based plans and are implementing new strategies. The remaining schools will have their individual plans in place in fall 1999. The individualized planning procedure provides flexibility in developing an AIG program that is appropriate for that school within the framework of the district-wide plan.

Program goals for the AIG initiative include:

- assessing and addressing AIG students' learning needs;
- offering differentiated and enriched curriculum that challenges AIG students with rigorous, flexible and dynamic learning opportunities;
- designing learning opportunities which promote abstract thinking, developing reasoning skills, encouraging creative thinking and problem solving, and allowing for independent investigation;
- providing a comprehensive staff development program recognizing AIG needs and affording high quality instruction and learning activities for AIG students;
- incorporating skills and talents of parents and community members to enrich and expand learning opportunities of AIG students; and,
- implementing a process for assessing AIG students' progress and the overall program's effectiveness.

New AIG procedure handbooks have been distributed to teachers. Parents have received handbooks as well. New state AG licensure and DPS AIG endorsement standards have been explained to teachers. These standards are part of the AIG plan that was approved by the Board of Education last year. Many workshops have been offered for teachers so that they can meet these requirements.

\$70,500 is required to sustain supplemental instructional supplies and staff development.

Dropout Prevention Plan

Durham Public Schools' dropout rate remained stable last year, but we know we can do better in decreasing that rate in the coming year. The Office of Student Services—with input from other departments, outside agencies and internal organizations—has developed a comprehensive plan for increasing the number of students who graduate from high school.

The plan identified seven areas of developmental needs that characterize early adolescence, including positive interaction with adults and peers; structure and clear limits; creative expression; and meaningful participation in families, schools, and communities. The group then devised specific objectives for secondary schools to address these needs:

- ensuring every graduate has marketable skills;
- establishing norms and rules for all students;
- creating a caring, supportive environment for all students; and,
- providing opportunities for students to give back to peers and the community.

Within these objectives are specific strategies, activities, and evaluation measures, along with resources identified to achieve each objective. Strategies include contracts with students and parents to monitor academic and behavioral progress; provision of mentors to struggling readers; a continuum of alternative programs which target special needs and allow flexible scheduling; and increased professional development for teachers who deal with this population.

Realizing that dropout prevention is a community responsibility, the Superintendent and the Assistant Superintendent for Student Services have established strong relationships with community leaders in addressing the issue. They meet regularly with representatives of the county judicial system and various community groups. We expect a separate dropout prevention budget request to be developed by this broad-based group.

\$188,600 sustains 4.5 counselors added last year who focus specifically on providing services to students who might otherwise leave school before graduation.

The final section reviewed by Dr. Denlinger was the Executive Summary. The highlights of the Executive Summary follows:

New funding will benefit teachers, maintain educational and safety compliance

Durham Public Schools requests **\$6.04 million** in new funding to:

- Meet the state-mandated salary increase, plus provide a 2-percent increase for the local supplement, bringing the amount Durham County adds from 10 to 12 percent. *This move accounts for more than ninety percent of our budget request increase;*
- Provide new positions to meet Exceptional Children's program compliance and to meet needs of those students who, while not qualifying for ECP services, nonetheless require program modification.

Teacher salary increase--\$5.5 million

Governor James B. Hunt is on a mission to raise teacher salaries to at least that of the national average by 2003. The story of Durham Public Schools meeting the state increase is truly one of responsible fiscal management.

- During the 1998-99 school year, school systems across the state averaged 7.5 percent increases to meet the salary raise; Durham Public Schools had to build in 7 percent to meet the requirement.
- For 1999-2000, Durham Public Schools requests 7.5 percent more for locally funded positions, as opposed to the projected state average of 8 percent. *This increase totals \$3.7 million for Durham Public Schools.*

In addition, Durham Public Schools seeks to increase the local teacher supplement by 2 percentage points, increasing the local supplement from 10 to 12 percent, or *\$1.8 million*. This is a proactive move to keep Durham Public Schools competitive with our neighboring systems. This will attract good teachers who are considering the Triangle area, and will reward current teachers who have worked so hard to give their best each day in the classroom.

ECP Compliance, ESL, Y2K Software Needs--\$670,103

The growth rate of students served by the Exceptional Children's Program has exceeded that of overall enrollment. In the past four years, the percentage of Durham Public Schools ECP students has increased from 12.3 percent to 14.75 percent of the total population. In order to meet compliance with mandatory guidelines in serving this population, we must add:

- 11 new EC teaching positions
- Five teacher assistant positions
- Two coordinators to maintain compliance
- One occupational therapist
- Assistance for students not qualifying for ECP yet requiring special services (Section 504)

In addition, our English as a Second Language program requires 1.5 new positions, and all schools require new *software* to address the Y2K issue.

Capital Outlay--\$528,000

Safety Compliance/Maintenance

The remaining \$528,000 will be spent to address safety and maintenance issues, such as science safety equipment, environmental remediation needs, computer *hardware* to address the Y2K issue, and playground/backboard/bleacher safety issues.

New revenue lowers request

The teacher pay increases, compliance issues, and capital outlay needs outlined above are all necessary to continue our five initiatives. These expenditures total \$6.45 million. This year, Durham Public Schools will experience a net increase in revenue of \$412,000 over last year, due primarily to the state sales tax and a slight decrease in the appropriated fund balance. The application of this net increase brings the total request for new funding to **\$6.04 million.**

The Commissioners asked several questions about the schools FY 1999-2000 budget to which the school administrators responded. Various comments were made by the Commissioners.

School Board Chairman Kathryn Meyers commented the school administrators will come back to the Commissioners with a Capital Improvement Program for the Commissioners consideration and approval.

Chairman Black said the public hearing for the FY 1999-2000 budget will be held on June 14, 1999.

Adjournment

Chairman Black adjourned the meeting at approximately 5:00 p.m.

Respectfully submitted,

Garry E. Umstead, CMC
Clerk to the Board