
FY 2027 Superintendent's Recommended Local Operating Budget March 16, 2026

Mrs. Rhonda Rath, Chief Finance Officer
Dr. Danielle Jones, Superintendent



DISTRICT HIGHLIGHTS

District Highlights

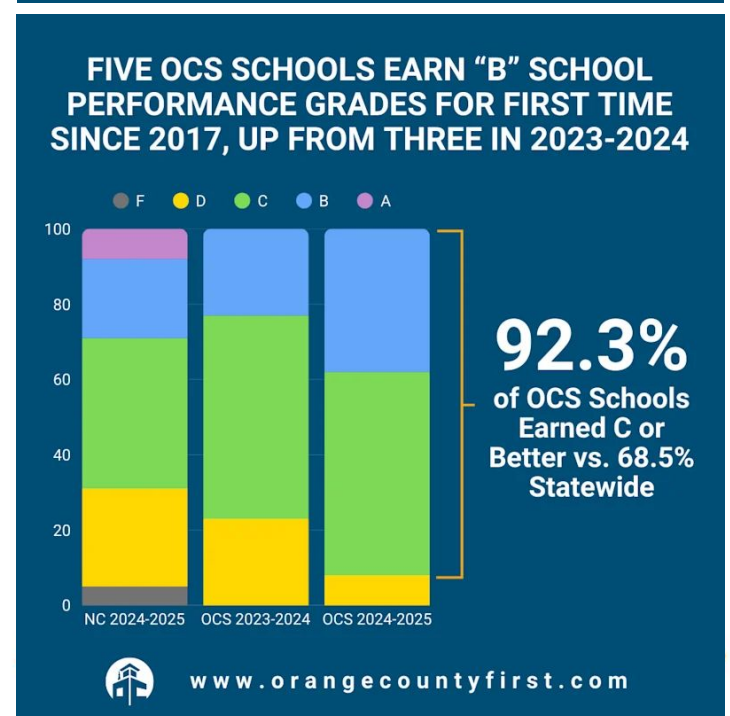
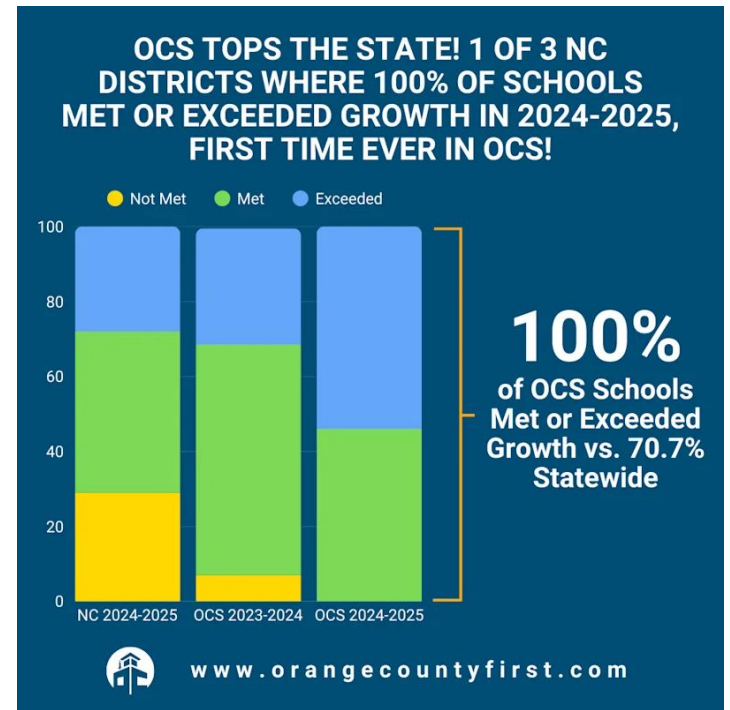
OCS IS TOP IN THE STATE as one of only three districts in North Carolina where every school met or exceeded growth!

For the first time ever, 100 percent of OCS schools Met or Exceeded Growth for the 2024-2025 school year.

For the first time since 2017, five schools earned a School Performance Grade of "B," up from three in 2023-2024.

Grade-level proficiency increased by 3.5 points to 58.4% on state-mandated EOC (end-of-course) and EOG (end-of-grade) exams. This composite performance (all grades and all tested subjects) is 3.4 points above the state average (55.0%).

OCS four-year cohort graduation rate increased by over seven points.



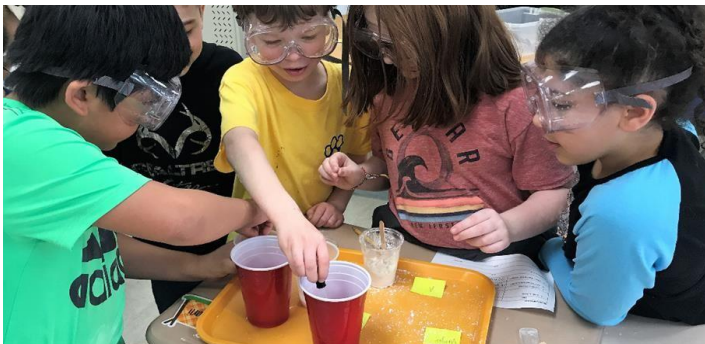
District Highlights

- OCS increased overall grade level proficiency (GLP) by 3.5 percentage points, the highest since Pre-COVID.
 - All subgroups in OCS grew in grade level proficiency.
- Black students were the highest performing subgroup for growth with 7 percentage points.
 - This is the highest GLP performance for Black students since 2013-2014.
- White student performance was the highest since 2013-2014.
- Asian student performance was the highest since 2017-2018.
- Hispanic student performance was the highest since 2018-2019.
- Multiracial student performance was the highest since 2018-2019.
- Students with disabilities performance was the highest since 2017-2018.
- Economically disadvantaged student performance was the highest since 2017-2018.



District Highlights

- OCS students in grades 3-8 increased in proficiency by 5 percentage points.
- OCS students in grades 3-8 increased in proficiency in reading by 5.7 percentage points.
- OCS students in grades 3-8 increased in proficiency in math by 5.3 percentage points.
- More than 95% of middle school students in Math I were proficient.
- OCS students in grades 5 and 8 increased in proficiency in science by 2 percentage points.
- Math III students increased in proficiency by 6.7 percentage points.
- OCS EL progress increased by 6.4 percentage points.
- The OCS 4-year cohort graduation rate increased by 8 percentage points.



District Highlights

- New Hope Elementary ranked in the Top 100 in the State for Growth
 - #1 PreK-5 school in NC
 - #4 in the state for any school that has Pre K
- Schools Ranked in the Top 12% of the State for Growth



New Hope Elementary School
Ranked 51



A.L. Stanback Middle School
Ranked 268



Cedar Ridge High School
Ranked 108



Orange High School
Ranked 304



Pathways Elementary School
Tied for 304



BUDGET CALENDAR

FY 2027 Budget Key Dates

| | |
|-------------------|--|
| February 23, 2026 | FY 2026-27 Superintendent's Recommended Budget presented to the Finance & Capital Needs Committee |
| March 16, 2026 | Receive feedback on the FY 2026-27 Superintendent's Recommended Budget from the OCS Board of Education |
| April 20, 2026 | Board of Education holds public hearing for FY 2026-27 Local Operating Budget; Board of Education Approves FY 2026-27 Local Operating Budget request |
| April 23, 2026 | FY 2026-27 Local Operating Budget request submitted to County Finance |
| April 30, 2026 | Joint School Boards Meeting with Board of County Commissioners to present budget request |
| May 5, 2026 | County Manager presents FY 2026-27 Annual Operating Budget to Board of County Commissioners |
| June 16, 2026 | Board of County Commissioners adopt FY 2026-27 local operating budget |



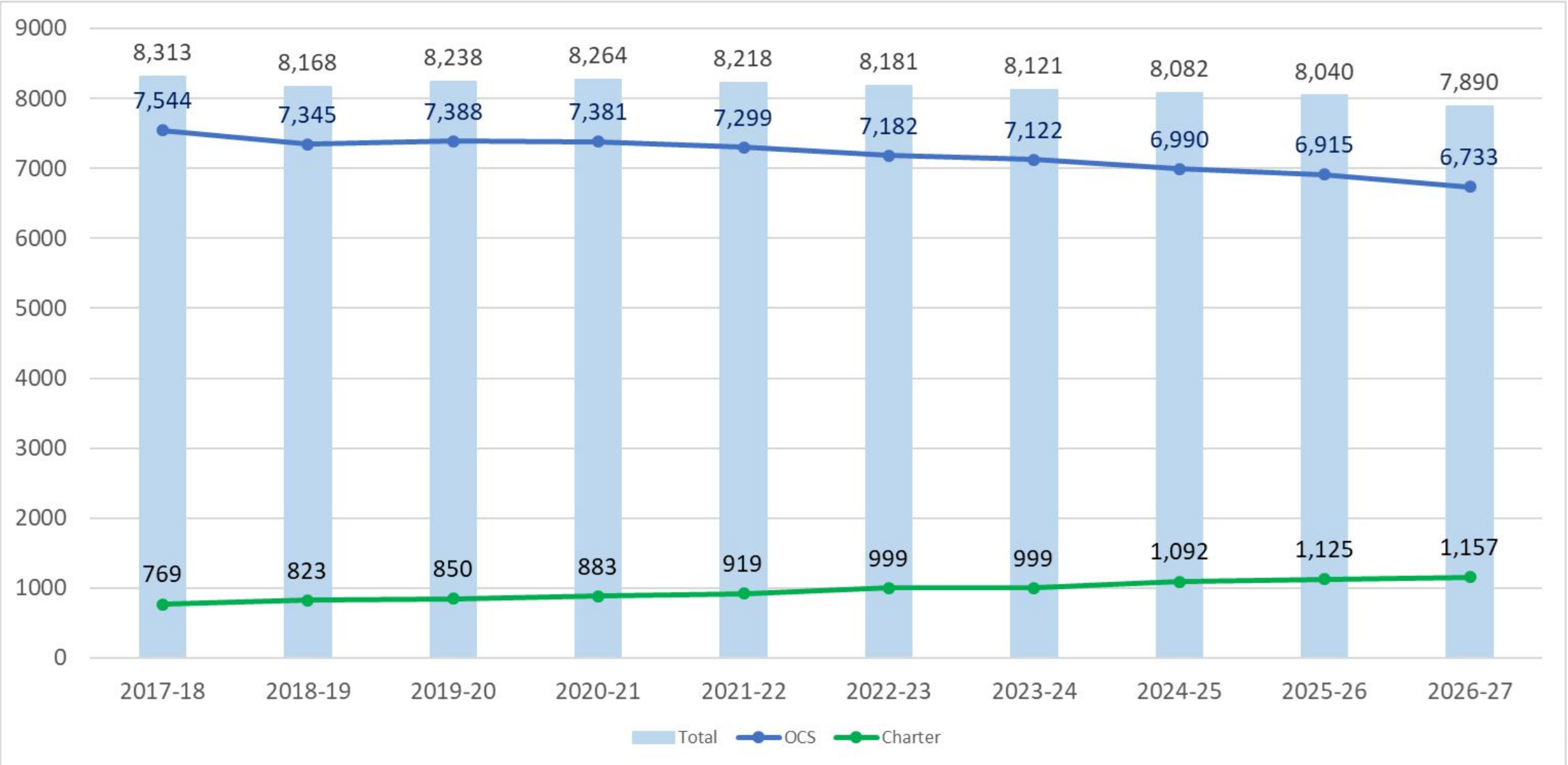
STUDENTS/ENROLLMENT

FUNDED STUDENTS

| | FY 2026 | FY 2027 | Change |
|-----------------------------------|--------------|--------------|--------------|
| Funded ADM | 6,915 | 6,733 | (182) |
| Charter School | 1,125 | 1,157 | 32 |
| (less) Out of District | 115 | 139 | 24 |
| Total Student Billing Base | 7,925 | 7,751 | (174) |

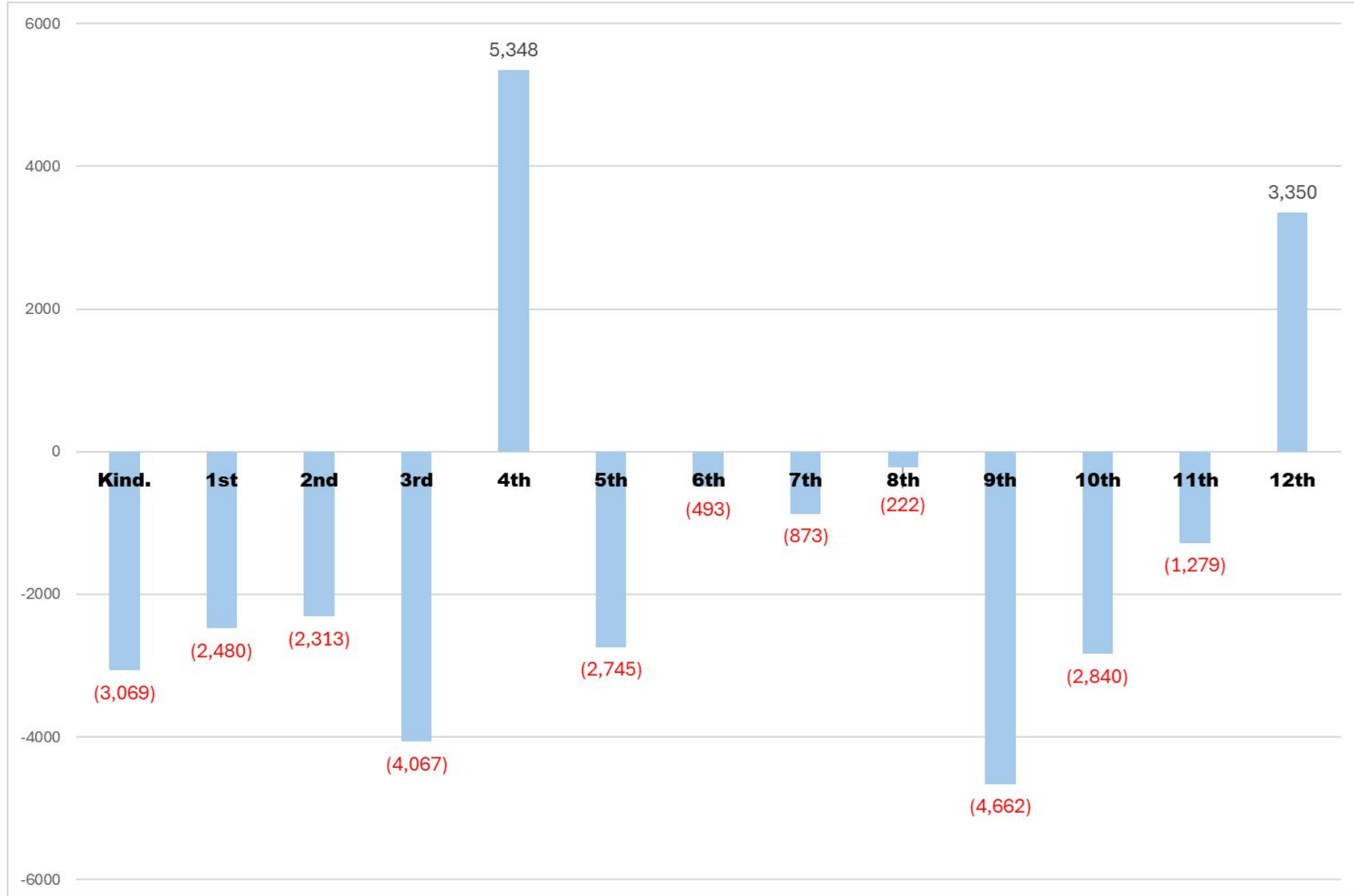


Average Daily Membership 10-Year Trend



Statewide Change in ADM by Grade

FY 2025 and 2026



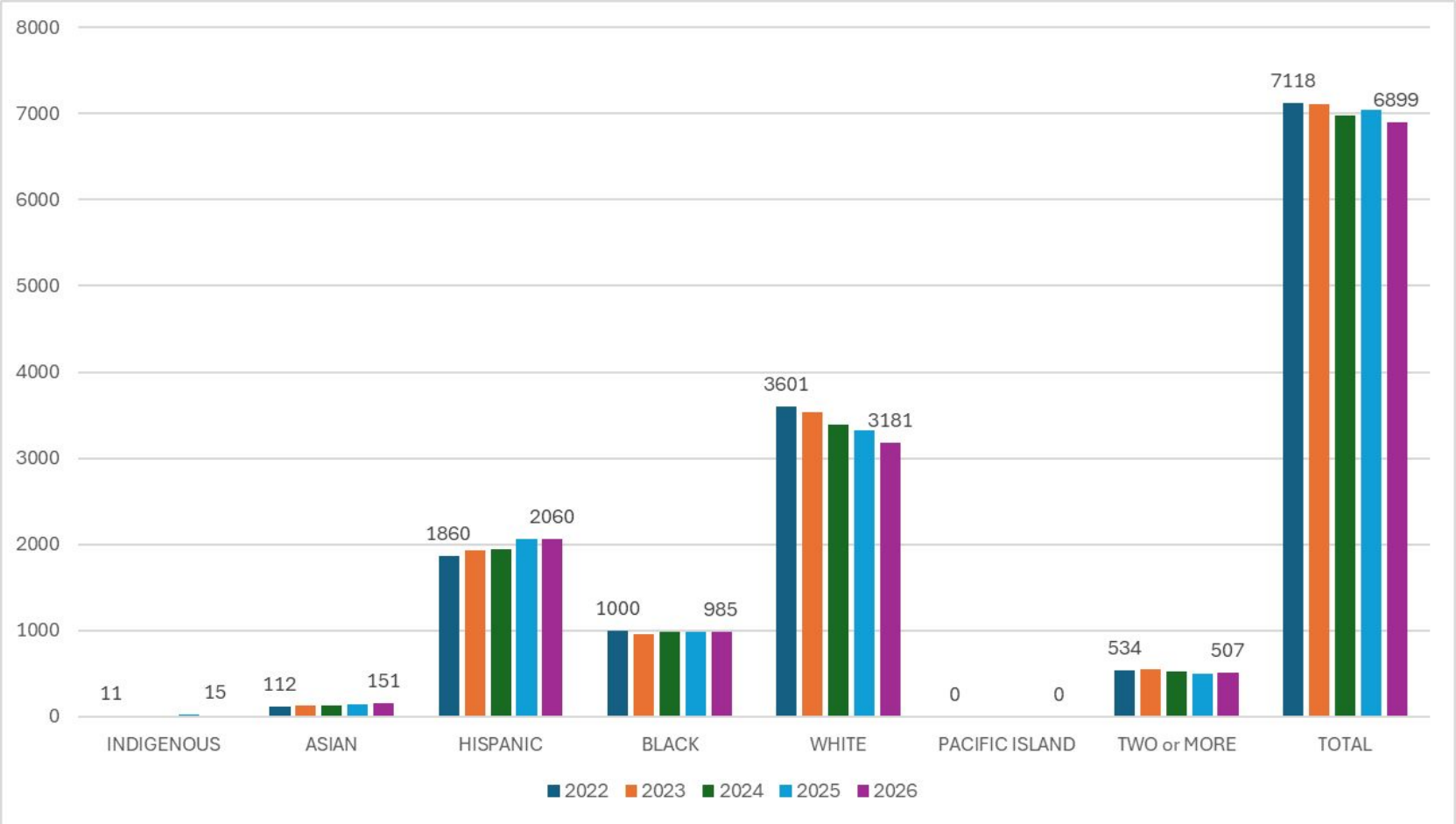
Most LEA's saw an ADM decrease and will therefore see a decrease in FY27 allotments. Overall, ADM decreased 35,554 statewide



Source: NCDPI Dart

B12. Fiscal Year 2025-2026 Best 1 of 2 Average Daily Membership

OCS Student Enrollment Demographics Trend



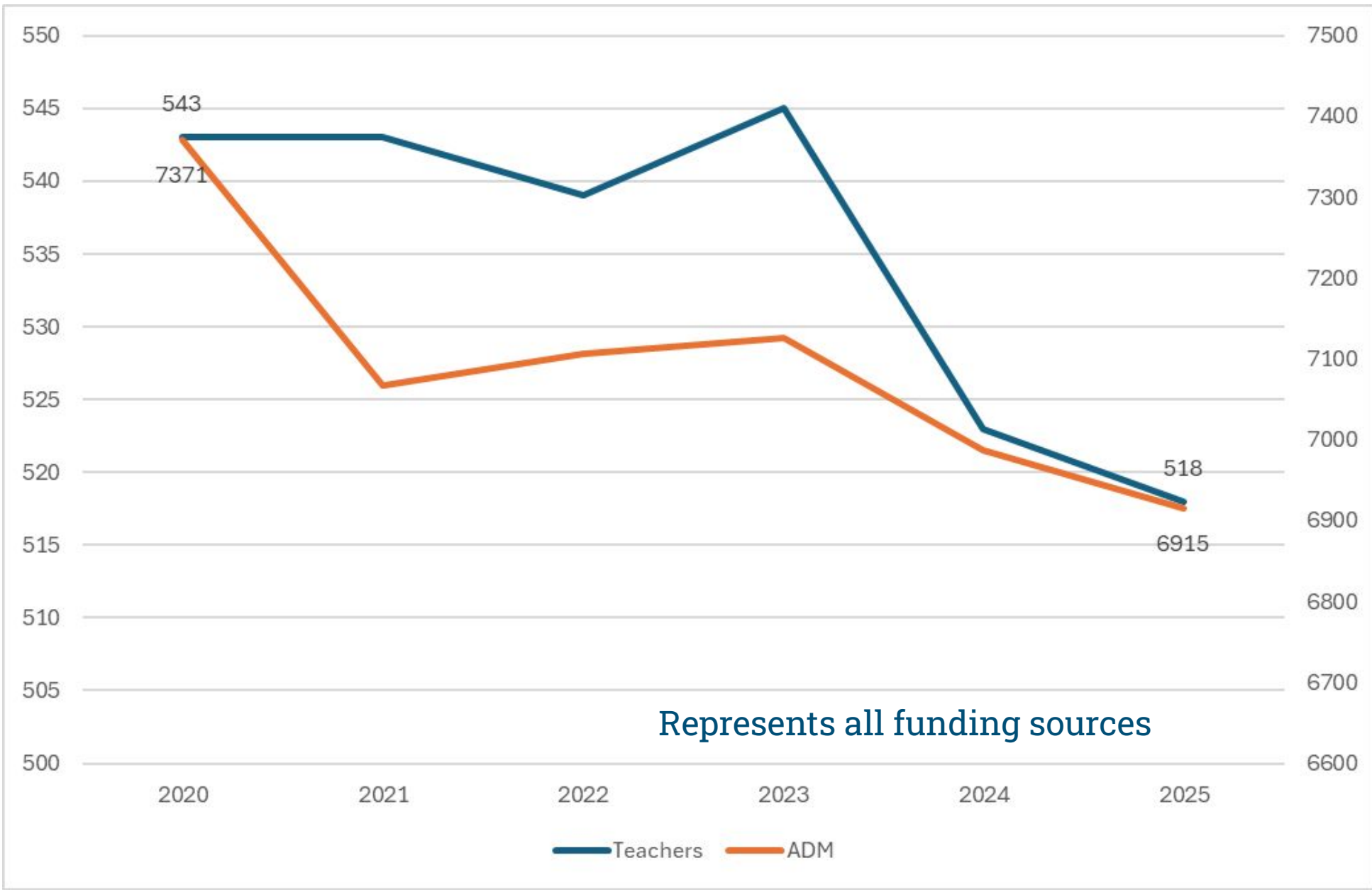
2026 reflective of month 4 actual student enrollment

| Year | INDIGENOUS | ASIAN | HISPANIC | BLACK | WHITE | PACIFIC ISLAND | TWO or MORE | TOTAL |
|------|------------|-------|----------|-------|-------|----------------|-------------|-------|
| 2022 | 11 | 112 | 1860 | 1000 | 3601 | - | 534 | 7118 |
| 2023 | 10 | 129 | 1932 | 959 | 3533 | - | 552 | 7115 |
| 2024 | 17 | 132 | 1938 | 986 | 3388 | - | 520 | 6981 |
| 2025 | 19 | 142 | 2068 | 990 | 3324 | - | 503 | 7046 |
| 2026 | 15 | 151 | 2060 | 985 | 3181 | - | 507 | 6899 |



FINANCIAL TRENDS

TEACHERS VS. STUDENTS

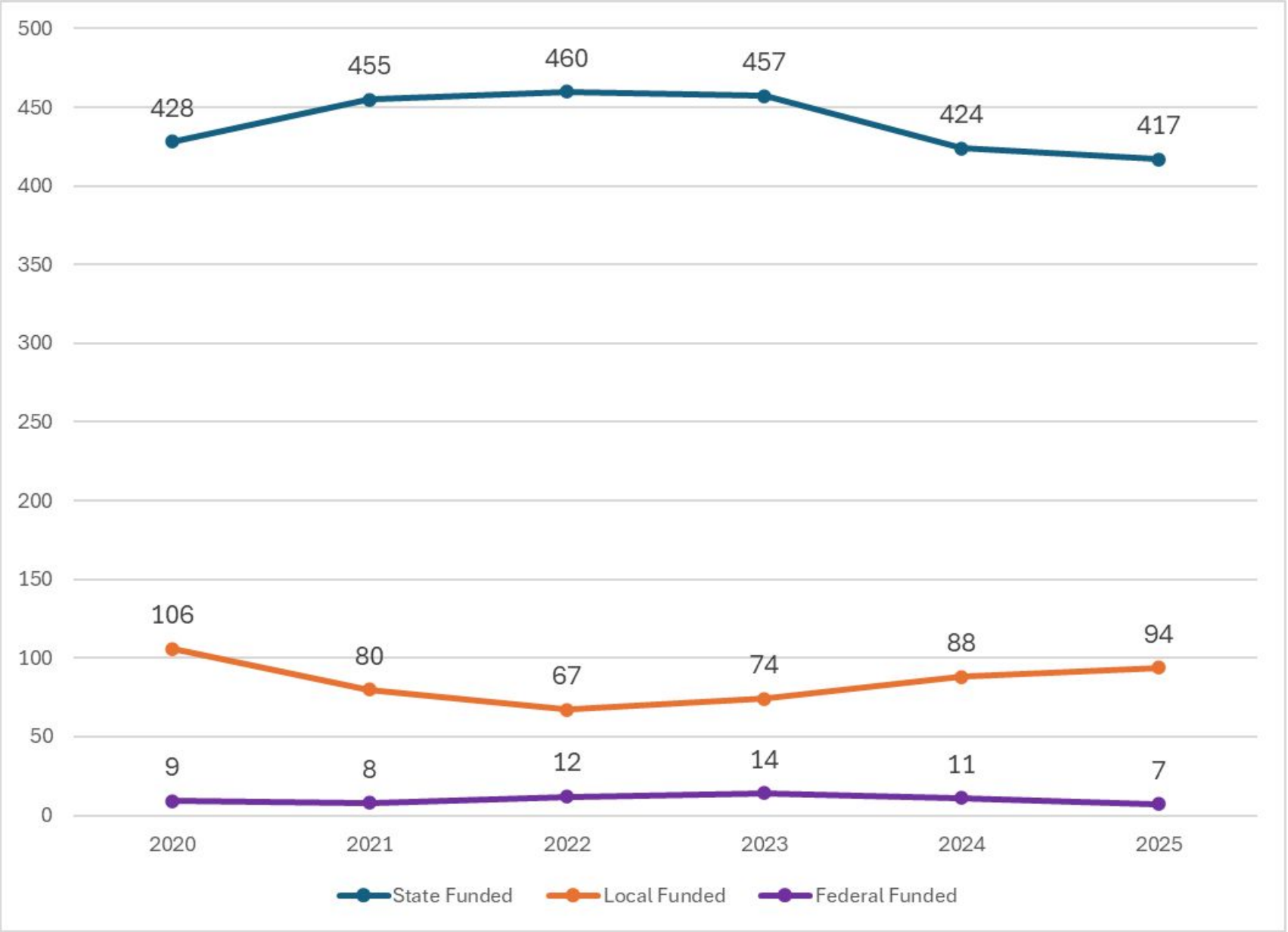


Represents all funding sources

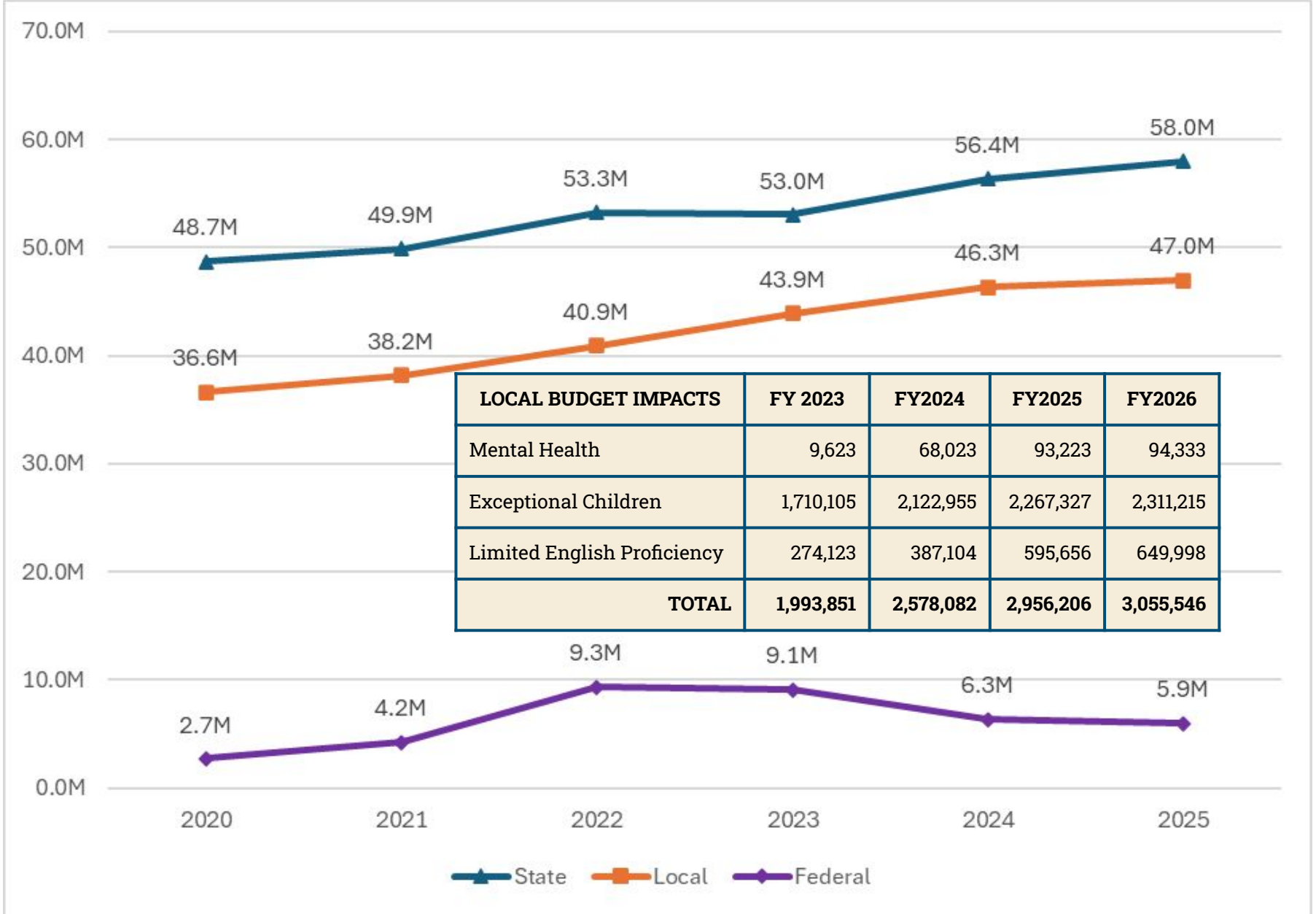


Teachers ADM

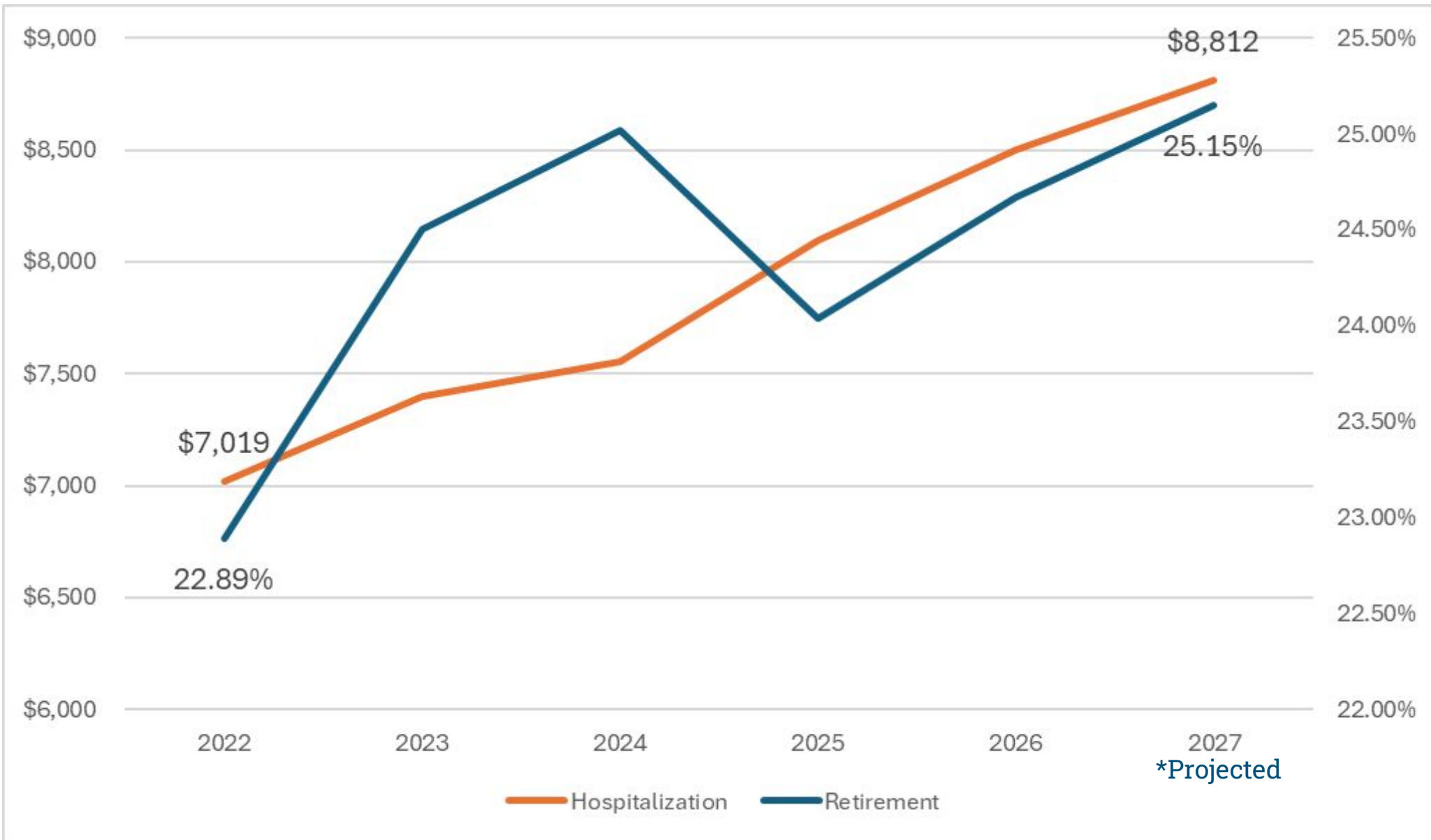
TEACHERS BY FUNDING SOURCE



EXPENDITURES BY FUNDING SOURCE



EMPLOYER BENEFIT COSTS



STATE BUDGET



Projected State Reductions due to Enrollment Decline

| State Allotment Category | Dollars | Positions | Months |
|---|-------------|-----------|---------|
| Classroom Teacher (Position Allotment) | \$(247,741) | (7.50) | (75.0) |
| Central Office (Dollar Allotment) | \$(73,995) | | |
| Non-Instructional Support (Dollar Allotment) | \$(61,346) | | |
| Program Enhancement Teacher (Position Allotment) | \$(81,186) | (1.00) | (10.0) |
| School Building Administrator (MOE Allotment) | \$(63,632) | (0.20) | (2.0) |
| CTE (MOE Allotment) | \$(51,364) | (0.40) | (4.0) |
| Exceptional Children (Dollar Allotment) | \$(282,285) | | |
| Teacher Assistant (Dollar Allotment) | \$(117,825) | ~(5.50) | ~(55.0) |
| Academically & Intellectually Gifted (Dollar Allotment) | \$(11,594) | | |
| Transportation (Dollar Allotment) | \$(743,050) | | |

OVERALL: OCS State Funding is projected to decrease:

8.0 - Positions

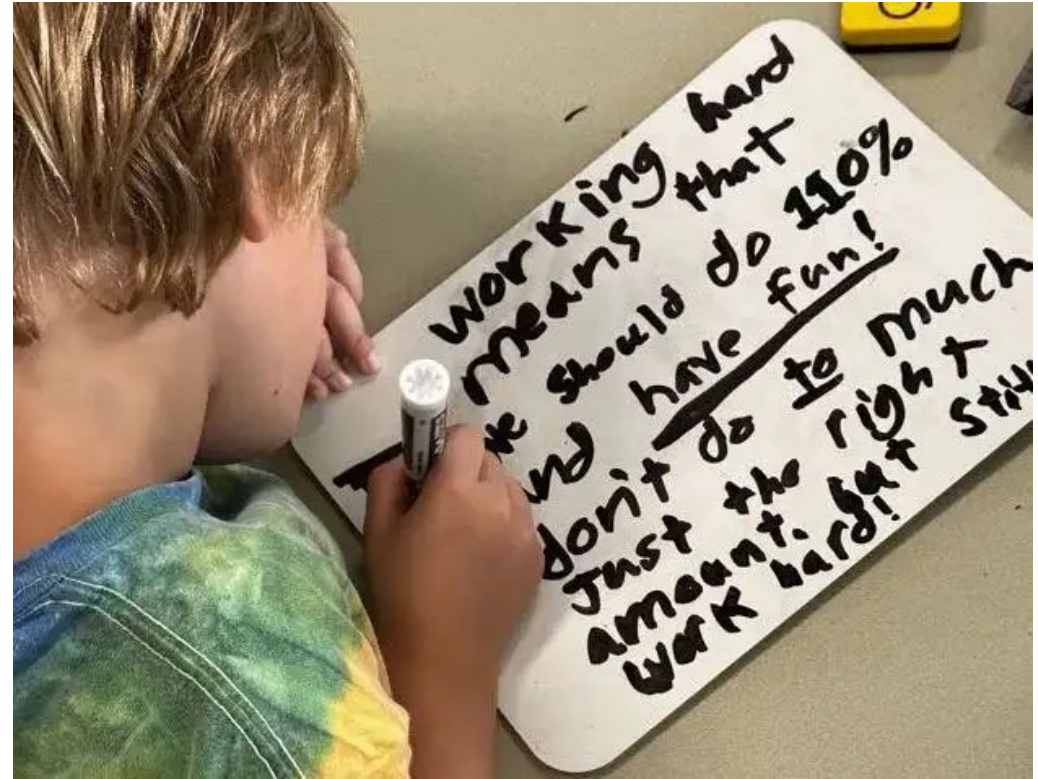
6.0 - Months Of Employment

\$ 1,659,450 - Dollars

CONTINUATION BUDGET

Budget Priorities

- Recruit and retain a high quality workforce
- Student proficiency and growth
- Allocate resources to best meet the needs of students and staff



FY 2025 Continuation Budget Request

| | FY 2025 Total Budget | FY 2026 Funding Request | FY26 Requested Continuation (Increase over FY25) | Unfunded, State-Mandated Step Increase |
|---|-------------------------|----------------------------|--|--|
| Salaries | 16,660,812 | 17,160,636 | 499,824 | 529,000 |
| Supplement | 6,768,850 | 6,971,915 | 203,065 | 0 |
| Social Security | 1,792,369 | 1,883,063 | 90,694 | 40,469 |
| Retirement (proj. 25.68%) | 5,627,805 | 6,192,549 | 564,745 | 130,504 |
| Hospital (proj. \$8,373) | 7,366,450 | 7,619,430 | 252,980 | 0 |
| Other Salary Items | 945,700 | 974,071 | 28,371 | 0 |
| Non-Salary Items 3% CPI | <u>5,803,391</u> | <u>5,977,493</u> | <u>174,102</u> | <u>0</u> |
| Total Projected Spending | \$44,965,376 | \$46,779,157 | \$1,813,781 | \$699,973 |
| FY26 Requested Continuation | | | \$1,813,781 | |
| FY26 County Approved Appropriation | | | \$1,609,849 | |
| Difference | | | -\$203,932 | |



FY 2027 Continuation Budget

2026-27 Continuation Estimate:

| | FY 2026 Annualized | 4% raise next year |
|------------------------------------|-----------------------|---------------------|
| Salaries | \$14,017,822 | \$14,578,534 |
| Supplement | 6,943,211 | \$7,220,940 |
| Social Security | 1,668,184 | \$1,734,911 |
| Retirement (proj. 25.15%) | 5,088,191 | 5,395,436 |
| Hospital (proj. \$8,812) | 2,031,840 | 2,106,408 |
| Other Salary Items | 2,170,140 | \$2,256,946 |
| Non-Salary Items (4% Inflationary) | <u>14,876,830</u> | <u>15,471,903</u> |
| Total Projected Spending | \$46,796,217 | \$48,765,078 |

| Continuation Item | 4% raise next year |
|---------------------------|--------------------|
| Salaries | \$560,713 |
| Supplement | 277,728 |
| Social Security | 66,727 |
| Retirement (proj. 25.68%) | 307,245 |
| Hospital (proj. \$8,373) | 74,569 |
| Other Salary Items | 86,805 |
| Non-Salary Items 3% CPI | 595,073 |

| | | |
|-----------------------------|--|--------------------|
| Estimated Continuation Need | | <u>\$1,968,861</u> |
|-----------------------------|--|--------------------|



EXPANSION INITIATIVES

FY 2026 Expansion Requests

- **Teacher Local Supplement increase**
 - Increase current certified supplements 3% in each band
- **Classified Supplement increase**
 - Increase for lowest paid classified staff currently only receiving 7%
- **Bus Driver Hourly Pay Increase**
 - Increase hourly rate to align with Chapel Hill-Carrboro City Schools





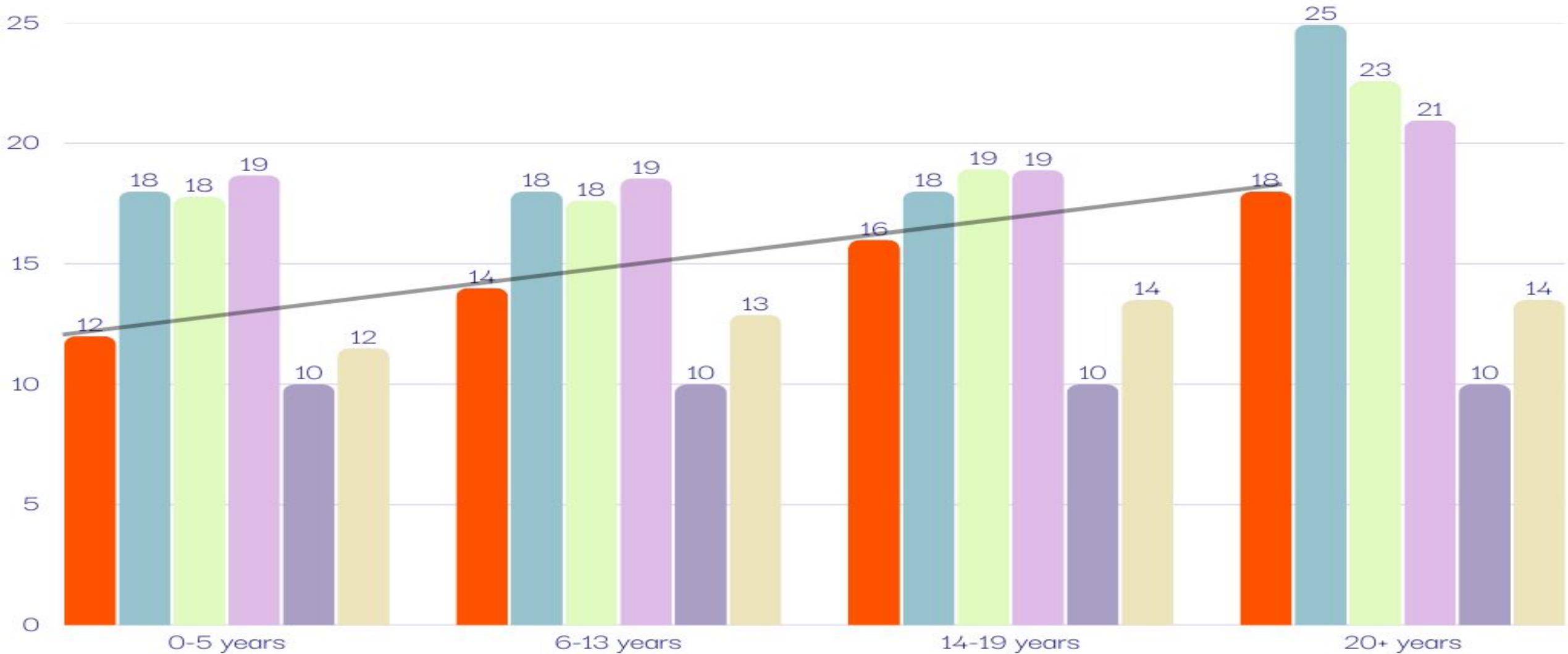
CERTIFIED LOCAL SUPPLEMENTS



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2025-2026 Local Supplements for Certified Teachers & Instructional Staff

Orange County Schools CHCCS WCPSS DPS PCS ABSS



Current Certified Supplements

| Service Years | Supplement | ~Staff | Percentage |
|---------------|------------|--------|------------|
| 0 - 5 years | 12% | 146 | 23% |
| 6 - 13 years | 14% | 170 | 27% |
| 14 - 19 years | 16% | 104 | 17% |
| 20+ years | 18% | 206 | 33% |
| Total | | 626 | |

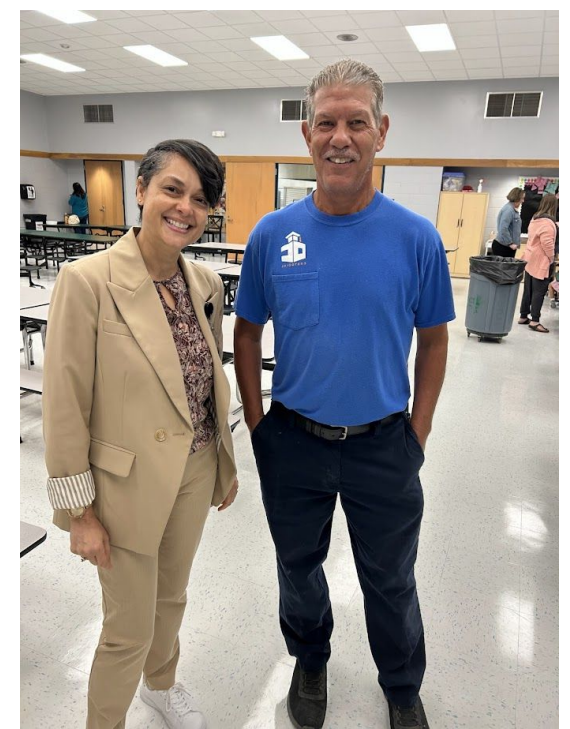


Certified Supplement Possibilities

| Supplement - 621 Certified Instructional Staff Affected (Including S.S. & FICA = 32.67%) | | | |
|--|--------------------------------|--------------------------------|--------------------------|
| Current OCS Supplement | Additional 3% Supplement Total | Additional 5% Supplement Total | Supplement Match to CHCC |
| \$6,884,924.08 | \$8,219,879.40 | \$9,119,096.70 | \$9,153,698.39 |
| \$0.00 | \$1,334,955.32 | \$2,234,172.62 | \$2,268,774.31 |

| Current Supplement | Additional 3% Supplement | Additional 5% Supplement | Supplement Match to CHCC |
|---------------------|--------------------------|--------------------------|--------------------------|
| 0 - 5 years = 12% | 0 - 5 years = 15% | 0 - 5 years = 17% | 0 - 19 years = 18% |
| 6 - 13 years = 14% | 6 - 13 years = 17% | 6 - 13 years = 19% | 20 - 24 years = 22% |
| 14 - 19 years = 16% | 14 - 19 years = 19% | 14 - 19 years = 21% | 25+ years = 27% |
| 20+ years = 18% | 20+ years = 21% | 20+ years = 23% | |





CLASSIFIED LOCAL SUPPLEMENTS



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Current Classified Supplements

| | Supplement | ~Staff |
|-----------------------------|-------------------|---------------|
| Classified Employees | 7% | 253 |
| Classified Coordinators | 9% | 18 |
| Classified Directors | 13% | 20 |



Classified Supplement Recommendation

- Focus on classified staff receiving lowest percentage - 7%
 - Includes: *(not inclusive list)*
 - Teacher Assistants
 - School Bookkeepers
 - School Receptionists
 - Office Support
 - Custodians
 - Technicians
 - Child Nutrition



Classified Supplement Possibilities

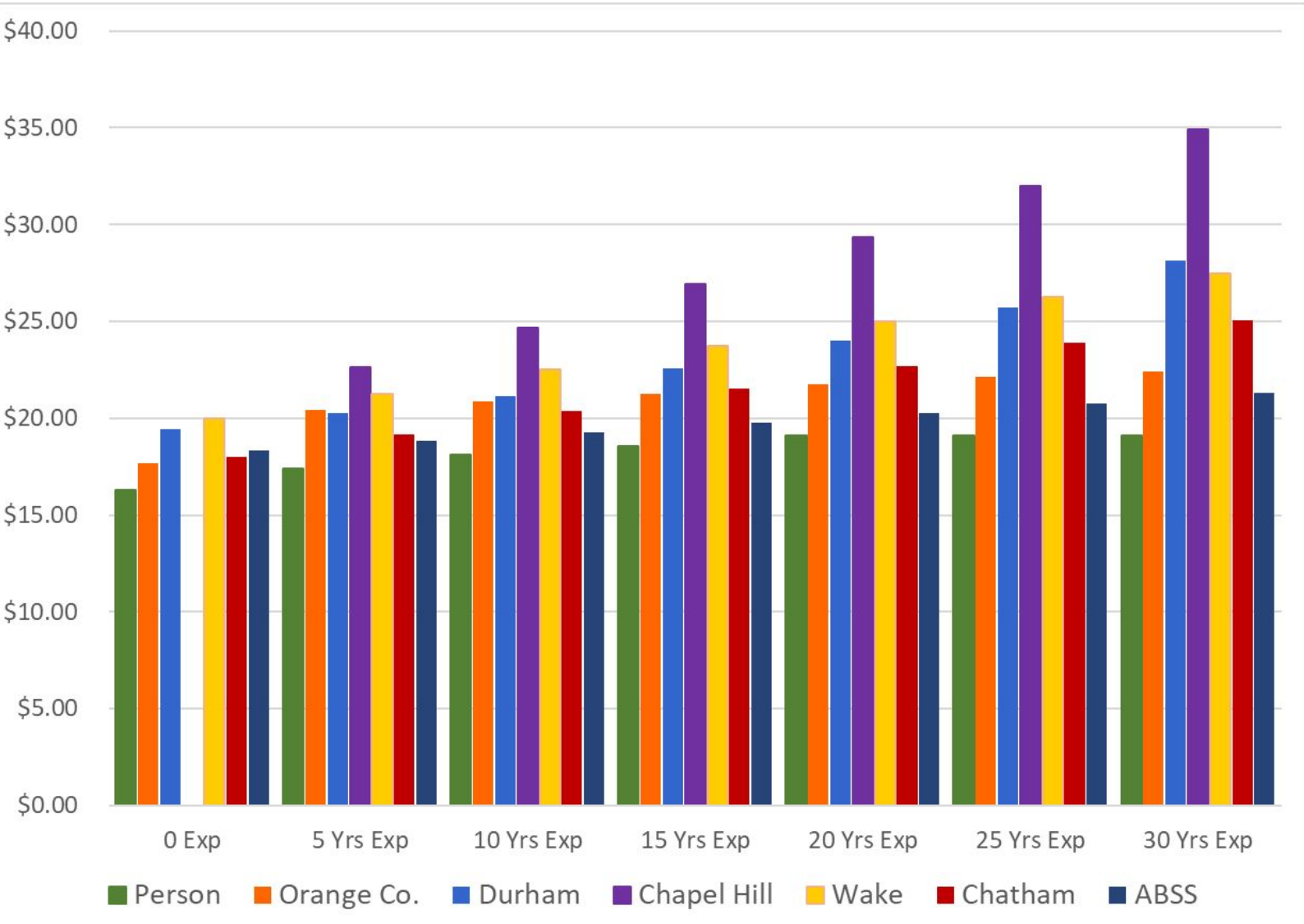
- 2% Local Supplement increase (7% to 9%)
 - ~\$300,000
 - 250+ Employees
 - Average annual increase \$617



BUS DRIVER PAY



2025-26 Bus Driver Hourly Pay



2025-26 Hourly Pay Scales

| Level | Person | Orange Co. | Durham | Chatham | Chapel Hill | Wake | ABSS |
|------------|---------|------------|---------|---------|-------------|---------|---------|
| 0 Exp | \$16.30 | \$17.68 | \$19.43 | \$18.00 | \$ - | \$20.00 | \$18.34 |
| 5 Yrs Exp | \$17.40 | \$20.43 | \$20.27 | \$19.18 | \$ 22.63 | \$21.25 | \$18.81 |
| 10 Yrs Exp | \$18.09 | \$20.85 | \$21.13 | \$20.35 | \$ 24.68 | \$22.50 | \$19.28 |
| 15 Yrs Exp | \$18.55 | \$21.28 | \$22.55 | \$21.53 | \$ 26.91 | \$23.75 | \$19.77 |
| 20 Yrs Exp | \$19.12 | \$21.73 | \$23.99 | \$22.70 | \$ 29.35 | \$25.00 | \$20.27 |
| 25 Yrs Exp | \$19.12 | \$22.16 | \$25.69 | \$23.88 | \$ 32.01 | \$26.25 | \$20.78 |
| 30 Yrs Exp | \$19.12 | \$22.43 | \$28.14 | \$25.05 | \$ 34.91 | \$27.50 | \$21.30 |

| Level (Yrs Exp) | Number of OCS Drivers |
|-----------------|-----------------------|
| 0-5 | 9 |
| 6-10 | 8 |
| 11-15 | 7 |
| 16-20 | 5 |
| 20+ | 12 |

Bus Driver Hourly Pay Increase

| | Current OCS | Match Durham | Match CHCCS |
|-------|-------------|--------------|-------------|
| TOTAL | \$1,052,625 | + \$93,282 | + \$304,773 |



Local Operating Continuation Budget

| | |
|---|------------------------------|
| | <u>FY 27</u> |
| PROJECTED ENROLLMENT | 6,733 |
| CHARTER SCHOOL Funded | 1,157 |
| less out of district county estimate | 139 |
| TOTAL STUDENT BILLING BASE | <u>7,751</u> |
| | |
| Fines & Forfeitures/Interest | 270,300 |
| Local County Appropriation | <u>46,525,917</u> |
| Grand Total Revenue | <u>46,796,217</u> |
| | |
| Continuation | |
| Non Personnel Increase | 595,073 |
| State Mandated Increases | 1,373,788 |
| Total Continuation Budget | <u>(*)48,765,078</u> |
| | |
| Estimated Continuation Shortfall | <u>\$ (1,968,861)</u> |



(*)Reflects:
 4% State salary increase and anticipated retirement and health insurance premium increases
 Total per pupil need of \$6,131 (~\$254/pp increase)



Local Operating Expansion Budget Request

| | | |
|--|--|------------------|
| Additional Continuation/Expansion | | |
| Certified Teacher Supplement Increase | | 1,334,955 |
| Classified Supplement Increase for lowest band | | 300,000 |
| Bus Driver Hourly Increase to match CHCCS | | 305,000 |
| Total Expansion Request | | 1,939,955 |

| | |
|------------------|---------------------------|
| Continuation | ~\$254/pp increase |
| <u>Expansion</u> | <u>~\$250/pp increase</u> |
| Total | ~\$504/pp increase |

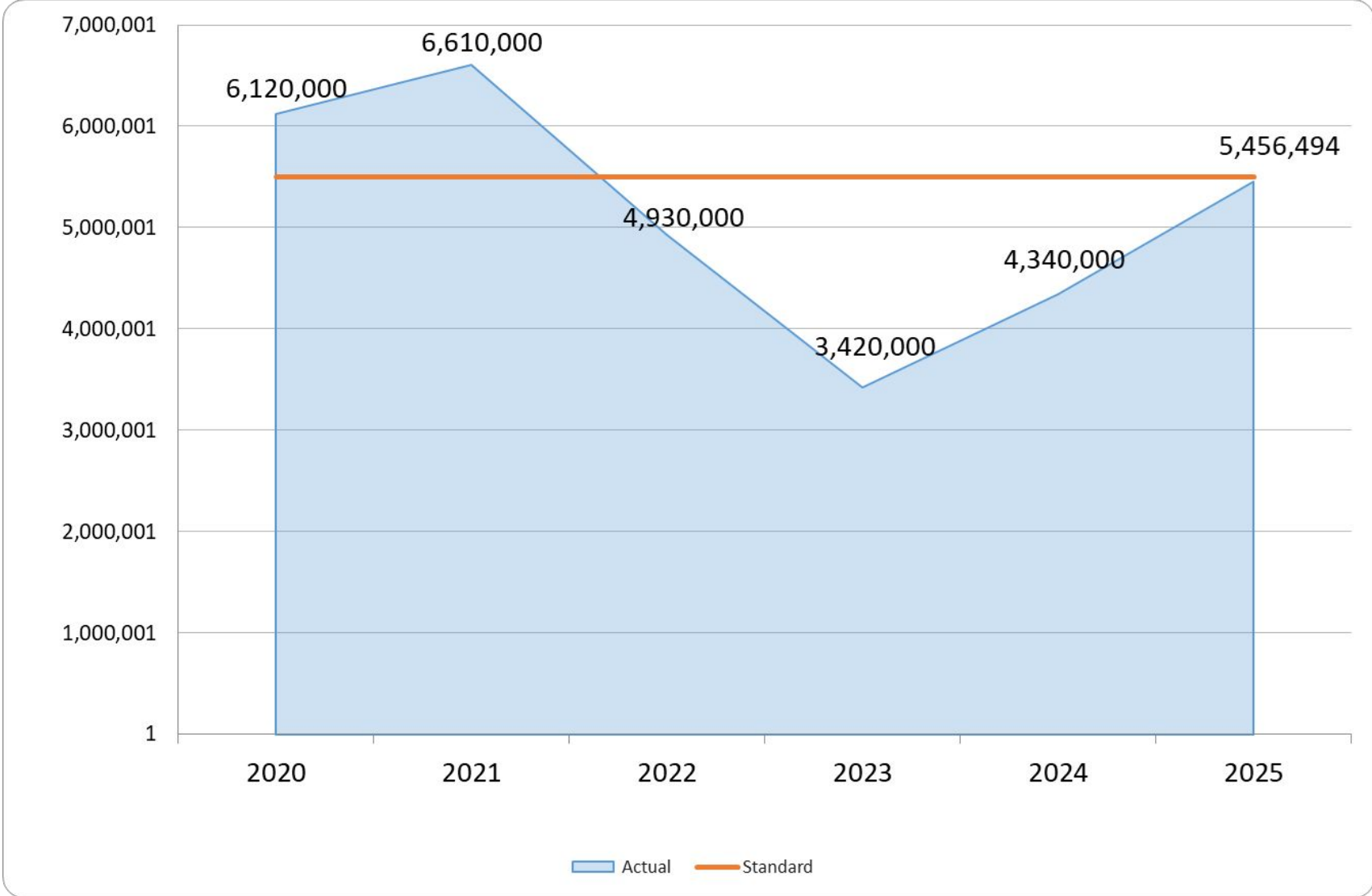


Local Per Pupil Funding History

| Fiscal Year | County Appropriation | |
|-------------|----------------------|------------------|
| | Per Pupil | Per Pupil Change |
| 2025-26 | \$5,877.00 | +\$211 |
| 2024-25 | \$5,666.00 | +\$320 |
| 2023-24 | \$5,346.00 | +\$538 |
| 2022-23 | \$4,808.00 | +\$441 |
| 2021-22 | \$4,367.00 | \$----- |
| 2020-21 | \$4,367.00 | +\$ 15 |



Local Operating Fund Balance





Questions?





Orange County Schools

NORTH CAROLINA

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