
FY 2027 Local Operating Budget Hearing

April 20, 2026

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



BUDGET CALENDAR

FY 2027 Budget Key Dates

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
May 12, 2026	Board of County Commissioners Budget Public Hearing/Work Session Whitted Building, Hillsborough
May 14, 2026	Board of County Commissioners Budget Work Session Whitted Building, Hillsborough
May 19, 2026	Board of County Commissioners Business Meeting Southern Human Services Center, Chapel Hill
May 21, 2026	Board of County Commissioners Budget Work Session Southern Human Services Center, Chapel Hill
May 26, 2026	Board of County Commissioners Budget Work Session Whitted Building, Hillsborough
May 28, 2026	Board of County Commissioners Budget Public Hearing/Work Session Southern Human Services Center, Chapel Hill



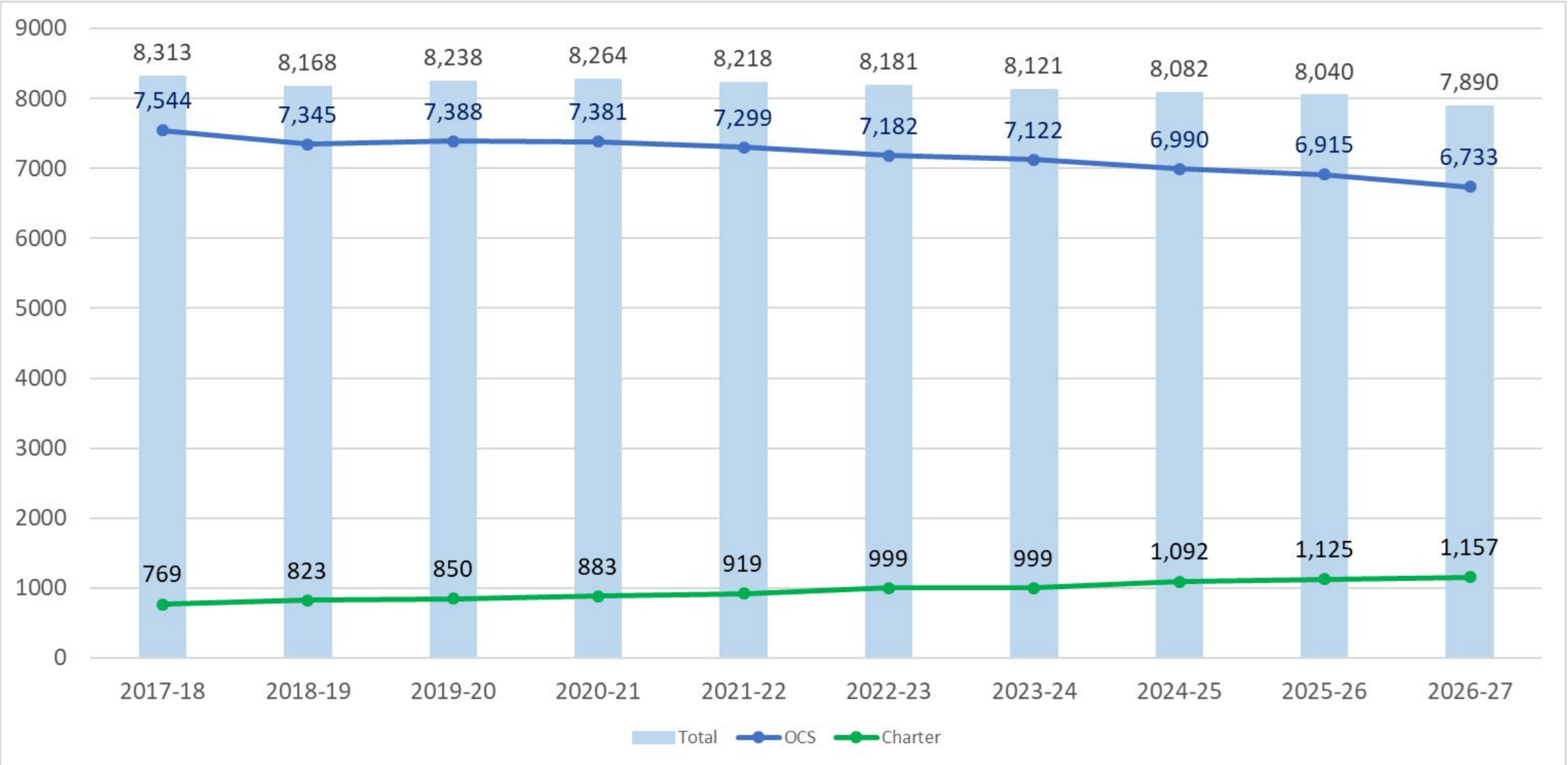
STUDENTS/ENROLLMENT

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



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)	\$(74,052)		
Non-Instructional Support (Dollar Allotment)	\$(61,347)		
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)	\$(51,343)	(0.40)	(4.0)
Exceptional Children (Dollar Allotment)	\$(282,285)		
Teacher Assistant (Dollar Allotment)	\$(118,416)	~(5.50)	~(55.0)
Academically & Intellectually Gifted (Dollar Allotment)	\$(11,725)		
Transportation (Dollar Allotment)	\$(625,253)		

OVERALL: OCS State Funding is projected to decrease:






8.0 - Positions

6.0 - Months Of Employment

\$ 1,586,845 - Dollars

CONTINUATION BUDGET

Unfunded State Mandate = \$700K Local Impact

-  Unfunded FY2026 Certified Step Increase
 - Mini budget legislated step increases for all staff paid on a licensed salary scale
 - \$0.00 received from state resources 
 -  **\$700K** local funding required to implement for all staff
 -  FY2026 reserves reduced \$700K to fund state requirement
 -  Future state action may increase local cost burden



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		\$1,968,861
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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



Local Operating Continuation Budget

	<u>FY 27</u>
PROJECTED ENROLLMENT	6,733
CHARTER SCHOOL Funded	1,157
less out of district county estimate	<u>139</u>
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	<u>1,373,788</u>
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)



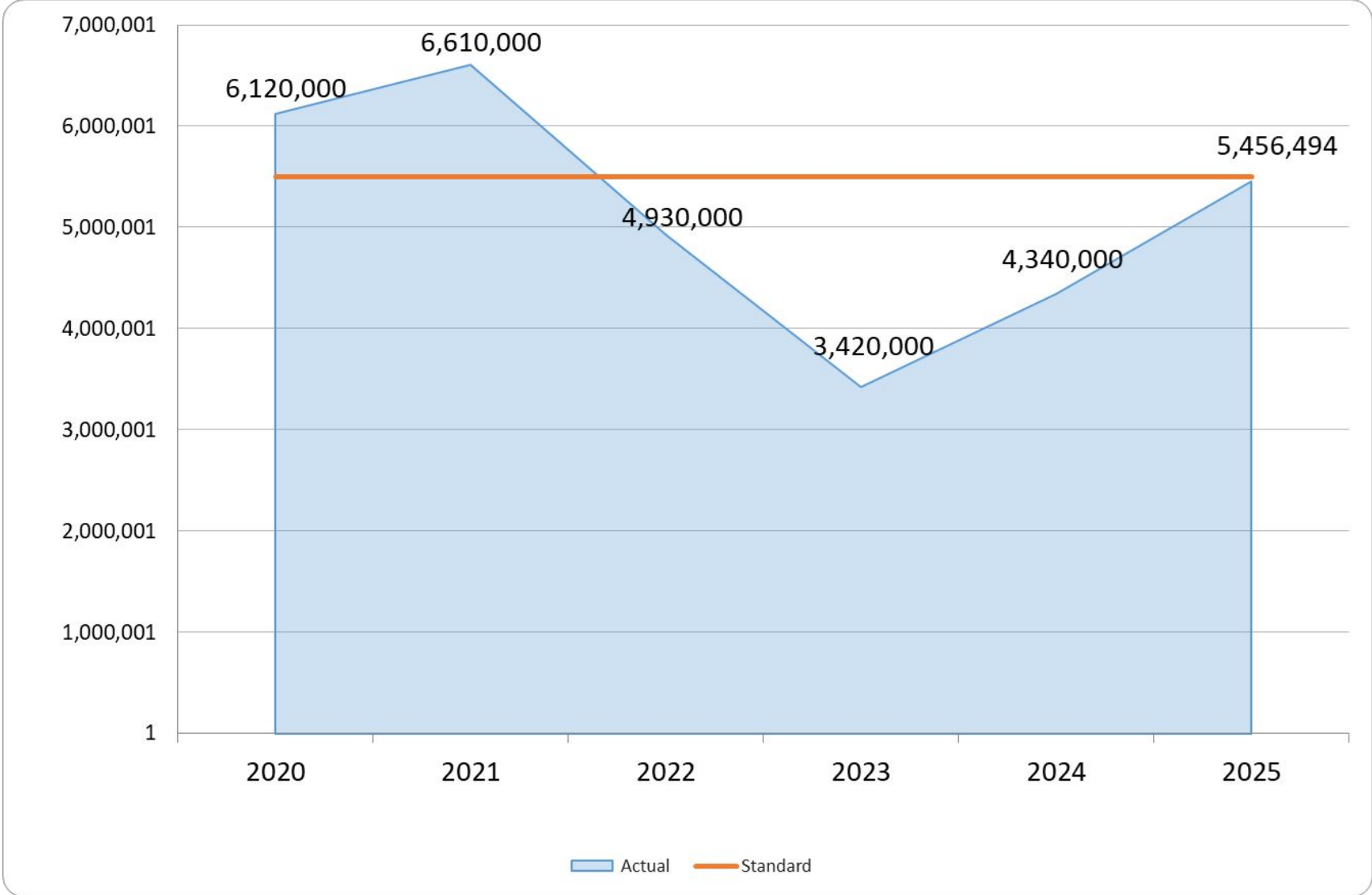
Local Operating Expansion Budget Request

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 Operating Fund Balance





Questions?





Orange County Schools

NORTH CAROLINA

ENGAGE. CHALLENGE. **INSPIRE.**