

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

Tuesday, May 21, 2019

9:00 A.M. Budget Work Session

MINUTES

Place: Commissioners' Chambers, second floor, Durham County Government
Administrative Complex, 200 E. Main Street, Durham, North Carolina

Present: Chair Wendy Jacobs, Vice-Chair James Hill and Commissioners Heidi Carter,
Brenda Howerton and Ellen Reckhow

Presider: Chair Wendy Jacobs

Goal 1 Community Empowerment and Enrichment
Durham Technical Community College

Dr. William "Bill" Ingram, President of Durham Technical Community College (DTCC), reviewed the document submitted to the Board which outlined DTCC's alignment with Durham County's Strategic Plan Objectives and Strategies. He summarized DTCC's budget request and noted the two major components were for employee salary increases and the rent for the commercial kitchen space at American Tobacco Campus which housed the Culinary Arts degree program.

Dr. Ingram discussed the difficulty in capturing a meaningful graduation rate due to the lack of finite student cohorts that could be tracked for this purpose. He stated that the number of graduates was a more telling measure and it had increased over the years.

Chair Jacobs and Dr. Ingram discussed the methods DTCC used to reach disconnected youth. She encouraged DTCC to connect more with Durham Public Schools and their programs to integrate curriculums and create clear pathways for students. The goal was for a curriculum class pathway to exist which could guide, for example, a middle school student interested in nursing as to which courses to take to eventually graduate as a nurse from DTCC.

Dr. Ingram discussed the pipelines and pathways that existed for connecting people to manufacturing jobs as well as how people were not able to access opportunities in the Treyburn area due to the lack of public transportation service.

Directive: Jay Gibson and Andy Miracle to work on reestablishing public transportation service to the Northern DTCC campus and the Treyburn area. It was suggested to use a van or shuttle service if low ridership was a concern. Staff was encouraged to work with the area employers (such as Merck, Corning, and AW) to determine optimal pick-up times with respect to shift schedules.

Pre-K

Linda Chappel, Sr. Vice President of Child Care Services Association (CCSA), stated that staff was on track to open 18 total Pre-K classrooms in the fall of 2019. Ms. Chappel stated they were projecting four (4) brand new classes (72 new children in total), 11 enhanced classrooms, and 11 classrooms in private institutions. Ms. Chappel stated the goal was to eventually have a Pre-K class in every elementary school.

Ms. Chappel noted the State was considering reimbursing the County for Pre-K expenses at a higher rate, but the decision was unpredictable.

The Board discussed how the goal of having Pre-K in every elementary school in Durham would affect the Durham Public Schools (DPS) redistricting process.

Ms. Chappel discussed the current capacity of the program and the negative effects faster expansion could yield in terms of quality. She stated that staff would return in the fall of 2019 to discuss related numbers with the Board.

Commissioner Carter brought up the need for an early childhood systems coordinator position; a person who dedicated their time and effort to helping Durham's children, within the zero to eight age range. Ms. Chappel agreed and felt the Board had to examine their interface with DPS with regards to Pre-K.

Ms. Chappel noted DPS's long term plans with classroom placement directly impacted Durham Pre-K program services offerings as well as transportation, which was a barrier for many families.

The Board agreed to add this discussion to the agenda for the Joint Board of County Commissioners and Board of Education meeting to be held on Tuesday, May 28th to allow both elected bodies to hear the issues. They would also share Ms. Chappel's suggestions and discuss how they could, jointly with the City-County Planning Department, work through them.

Commissioner Reckhow raised some concerns related to infrastructure, classrooms slots, supply and demand imbalances due to private providers switching regular early childhood classrooms to Pre-K classrooms in order to participate in the program, and the possibility of including Pre-K facilities in the upcoming school bond. She emphasized the importance of a formal Pre-K screening process and described how Transylvania County's School District was able to measure results and subsequently won a national award for having quality data. She continued to say that Transylvania County kindergarten teachers and Pre-K providers held regular meetings about expectations and desired student skills.

The Board asked Drew Cummings, Chief of Staff, to request datapoints from DPS by the Joint May 28th meeting. Mr. Cummings explained the problem was more so the creation of a system that gathered longitudinal data. He informed the Board that even with a three (3) year Memorandum of Understanding (MOU) with the Durham Children's Data Center, the County had yet to receive any data almost four (4) years later.

Directives:

- **Staff to add the following to the agenda for the Joint Board of County Commissioners and Board of Education meeting scheduled for Tuesday, May 28th:**
 - **The lack of data sharing despite the three-year Memorandum of Understanding (MOU) with the Durham Children’s Data Center**
 - **An update on the Kindergarten Entry Assessment data**
 - **Add (to the ACEs discussion) the issue of additional support care and the need for more intervention services in the community**
- **Ms. Chappel to update the summary she gave to the Board (by adding key facts and what she was working towards) and provide it to the Board of Education before the May 28th Joint meeting.**

Durham Public Schools

Dr. Pascal Mubenga, DPS Superintendent, summarized the FY 2019-2020 funding request made by DPS. The presentation touched on the steady progress in student achievement, adverse impact of state budget cuts, operating and capital funds, new money request details, and budget risk.

Commissioner Reckhow encouraged DPS to work with Ms. Chappell to do a comprehensive Pre-K screening. She emphasized how screening data would aid the County and DPS in determining whether significant progress in terms of kindergarten readiness was made. It would also measure the impact of the County Pre-K investment. Chair Jacobs also wanted to address the possibility of having a Pre-K classroom in every elementary school, what this would look like, and how that could help support a pipeline for increasing enrollment in DPS schools (instead of charter schools).

Questions were raised regarding the different student enrollment projections as listed in the DPS and County budget documents. Staff explained what led to the different figures and Dr. Mubenga assured the Board that DPS would work with County staff to ensure they used the same metrics and consequently used identical data figures.

Commissioner Reckhow questioned the justification for the budget reduction in school supplies and materials in light of teachers’ complaints of insufficient supplies. Steve Unruhe, Board of Education Vice Chair, stated that the Board of Education had to make difficult decisions with the insufficient resources they had.

Dr. Mubenga emphasized that he was not presenting a wish list, but a list of necessities. He discussed teacher turnover and how opportunity scholarships were impacting Durham.

Commissioner Carter wanted to know what DPS would cut if the County Manager’s Recommended Budget passed as-is (\$1.25 million less than what DPS requested). Dr. Mubenga stated that had not yet been discussed. Commissioner Carter hoped it would not be the classified salary adjustments.

Commissioner Carter and Keith Lane, Budget Director, discussed the capital funding solution for the next three (3) years.

Commissioner Carter expressed her concerns regarding the County collecting more in tax dollars from citizens than what was spent to fulfill unmet needs. She was worried because more money went into the fund balance than what the school district's spending was increased by.

Discussion was held regarding the local fund portion of the DPS budget.

Chair Jacobs described the difficult situation that the Board faced in terms of providing for all the needs in the community. She stated new revenue (additional money collected on top of the amount collected from the previous year) totaled \$9 million and the increased tax rate bumped that figure up to \$21 million. This paled in comparison to the budget requests of \$8.1 million from DPS and \$43 million from the 27 total County departments. She believed the County Manager's Recommended Budget prioritized children and education. Dr. Mubenga appreciated what the County was able to provide and for their support of DPS.

The Board reiterated the importance of Pre-K screening and how it would help the County determine whether the investment they were making was making a difference. The Board of Education discussed the growing needs in the community and the complexity of enrollment numbers.

Directive: Dr. Mubenga, DPS Superintendent, to provide the Board with the following information:

- **How many Pre-K students DPS was serving with the funds it had**
- **What, if any, screening DPS was doing**

Cradle to Career Position

Manager Davis discussed the importance of brainstorming the purpose and goals of this position with critical stakeholders such as the CCSA, Made in Durham, some staff from the Departments of Social Services and Public Health, as well as some private sector leadership.

Discussion was held regarding the Board needing to know exactly what the Cradle to Career position would be doing, what it would accomplish, what goals the Board had for the position, and where the position would be within the County. Manager Davis confirmed that some of those details would be considered and addressed after the budget approval. The plan was for staff to provide the Board with proposals after the summer about what the position was about.

The Board discussed the need for an infrastructure to implement the recommendations given by the State of the Young Child Report, the ACEs taskforce, and a few related resolutions the County adopted in the past relating to improving the quality of life for children. There was deliberation regarding the age range that the Cradle to Career position would focus on and whether there needed to be additional positions created where one person would focus on early childhood education for ages zero to eight.

It was pointed out that the Cradle to Career position would fit in well with Welcome Baby which was housed in Cooperative Extension. Staff was encouraged to build upon what the County was already doing.

The Board agreed to keep the position in the budget for FY2019-20.

There was discussion regarding how long ago the Board asked for an early childhood education infrastructure and the lack of flushed out details with the current position request in the budget.

Directive: Staff to return to the Board in September 2019 with details and options regarding what the Cradle to Career position was going to achieve and what it was going to be responsible for.

(Bull City Community School Partnership) Community in Schools of Durham – Additional Request

Mr. Lane explained that the additional request for \$14,000 was to provide employees with health benefits. He noted, should the County accept the funding request, this could set a precedent and lead to more nonprofit requests for County-funded employee health benefits.

The Board supported the request and discussed the City's lack of contribution in funding for this nonprofit.

Budget Overview

Mr. Lane and David Ades, Assistant Budget Director, went over the presentation. Upon requesting further information from the State, staff learned that nonprofit organizations had up to three years to apply for a refund of their sales taxes. The Board and staff discussed how the tremendous amount of refunds, which increased by over 157%, affected the County's growth—the County's growth would have been much greater than 4.2% if not for the refunds. Staff noted the State was limited in the information they could divulge but recommended the County talk with their community partners (e.g. Duke University, North Carolina Central University, Durham Public Schools, etc.).

County Manager Davis emphasized the need to preserve the fund balance appropriation.

There was a discussion regarding budget expansion drivers. Staff was concerned that the County was close to outpacing its natural revenue growth with built-in expenditure growth; this would result in raising taxes. The Board felt this issue should be a priority in the upcoming year. It was noted the culture of collaboration and joint funding of ventures between the City and County had decreased in recent years.

It was pointed out that an employee of Burt's Bees, Inc., a corporation which did matching donations, had sought to donate to Bull City United, but there was not a mechanism to accept the donations.

Commissioner Howerton left the meeting at 2:10 p.m.

Directives:

- **General Manager Claudia Hager to provide the Board with information on whether Duke University was paying property taxes on their hotel, golf course, or athletic apparel sold in student stores.**

- **County Attorney Lowell Siler to return to the Board with a proposal on how to facilitate accepting donations for specific County programs and functions.**

Board Discussion

The Board discussed the system of care and requested an update via a report or assessment.

Staff confirmed that detailed data figures relating to parking revenues from the Judicial parking deck from special events as well as revenue from the lease of the South parking Deck at American Tobacco would be presented during the scheduled Budget Worksession discussion. Commissioner Reckhow wondered how all the cash collected at the Judicial parking deck during baseball games was being monitored.

Questions were raised regarding how the Innovation Lab was being used to address expenditure drivers or how it was related to the Strategic Plan.

The Board discussed the lack of process for using innovation funds, or the Commissioners' contingency fund, to implement the State of the Young Child recommendations or the Early Childhood Action Plan—such as the Reach Out and Read program (agenda item 17-0556).

Directives:

- **Staff to include Budget Work Sessions on the annual Board of County Commissioners Meeting Schedule that is approved by the Board at the end of each calendar year.**
- **Staff to provide the Board an update on the system of care via a report or assessment.**
- **Staff to include information regarding the makeup of vehicles the County was purchasing and how many were hybrids during the discussion of “vehicle purchases and consideration of energy efficiency” slated for the May 30th Budget Work Session.**
- **Staff to add a discussion of the Commissioner budget to a Budget Work Session.**
- **Staff to provide the Board with information relating to how Durham County's Board of Elections' budget compared to peer counties.**
- **Staff to provide the Board with a comprehensive, universal list of nonprofits funded through the nonprofit process and through department agreements/contracts.**

The meeting ended at 2:48 p.m.

Respectfully submitted,



Tania De Los Santos
Administrative Assistant