Madame chair, vice chair, members of the Board of County Commissioners, members of the Orange County Board of Education, colleagues, guests and viewers at home: I’m Riza Jenkins, CHCCS Board Member and Chair of the Board's Finance, Facilities, and Operations Committee. I will be speaking on behalf of Chapel Hill-Carrboro City Schools for this first topic on school budgets.

Tonight I will share where we’ve been as a district, where we are now, and what we’re facing in the not-so-distant future.

Let’s think back to the bleakest first days of COVID-19-related shutdowns in 2020. Fear and uncertainty soon gave way to new ideas, coordinated efforts, and unprecedented levels of community support for our most vulnerable communities. I wasn’t a Board member at the time, but I was (and still am) a CHCCS parent. I remember feeling proud that all levels of government could put aside their pre-pandemic differences and recognize that what’s good for staff, students and families, is good for our community as a whole.

Fast forward to the opening of school in 2022. We see more achievement, smiling faces and staff enthusiasm than we’ve seen in years! The road to get here was -and still is- bumpy at times. But you heard Dr. Hamlett share that all 20 of our schools met or exceeded their growth targets this year. We have an all-time high graduation rate. And 83% of our schools are earning “A” or “B” grades on their state report cards, compared to just 23% of schools statewide. Our staff and our students are putting in the work, and they’re getting incredible results that should make all of us proud. We’d like to recognize and express our gratitude to Orange County and the Board of County Commissioners in providing many of the resources that make those results possible.

But that bumpy road I spoke of a moment ago is heading toward a cliff. As the Board is aware, CHCCS ended the 2022 fiscal year with an unassigned fund balance of approximately $11.9 million. A fund balance, in layman’s terms, is the cushion or safety net that school districts maintain for emergencies, sort of like a “Rainy Day Fund”. The problem is, our fund balance is running out, and we need to address this now before it’s too late.

How did that happen? Just a few months ago -and in years prior- CHCCS sat in these chairs and received direction from the County Commissioners to spend down our fund balance to increase employee compensation in the upcoming budget year. So that’s what we did. 85% of our budget is dedicated to personnel. That $5 million was well-worth the one-time investment in our staff, and our staff is grateful that we continue to be leaders in terms of employee compensation.

The issue is that these pay raises for all staff are not just “one time”. They are annual, recurring expenses that need a consistent funding source. Because we used our fund
balance to pay for raises this time, we estimate that we have only $5.3 million in unassigned, unreserved fund balance remaining at this time, which won't cover the same expenses for future budget years.

Like I said, we're headed toward a cliff. We find ourselves in a $5 million structural deficit…a recurring shortfall that this Board encouraged us to get in. At the time, we understood that the County Commissioners would be our financial backstop, and we took you at your word.

So what are we asking for? We are requesting approximately $5 million in county allocation to make ourselves whole. Without that, I'm afraid we'll be headed down a new road that no one wants to travel.

Consider the alternatives:

Would the Board of County Commissioners really ask Chapel Hill-Carrboro schools to make cuts that directly impact children?

Would the Board of County Commissioners really suggest an increase in the special district tax, which shouldn't be used to supplant the county's obligation to the staff and students of our school district?

Would the Board of County Commissioners really go back on its word that you would stand behind us and be our backstop?

Let us be clear: Because of the action we took, based on the direction you gave, we face the possibility of cutting services and positions a year from now that will directly impact students. We can stop that conversation right now. Let's work together and make good things happen for the students of Chapel Hill, Carrboro and Orange County by using available county resources to fill the gap that our staff, students, and families were promised would be filled.

We've proven we could do it before, the time has come to do it again.

Thank you. At this time, I'd like to leave space for my colleagues to add anything that I may have missed. We welcome your questions, feedback, and collaborative dialogue on this very important topic this evening.