



NCACC Webinar Series: In Practice: County-School Partnerships that Work

Presented by:
Bobby Outten, Dare County Manager/Attorney



Dare County: Need for a New Funding Plan

◆ Previous Per - Pupil Formula No Longer Worked

- The old per - pupil formula treated both fixed costs and variable costs as variable based on average daily membership (ADM).
- Funding was rising at a significantly greater level than actual expenses.
 - ◆ *ADM rising at less than 1% annually.*
 - ◆ *CPI increasing by less than 2% annually.*
 - ◆ *Dare County funding increasing by almost 28% annually.*

Need for a New Funding Plan

- ◆ No relationship between funding and actual costs of student population increase.
- ◆ Continuing to use this formula for funding portion increasing by nearly 28% per year — with Dare County's — was unsustainable.
- ◆ Additionally, this lack of correlation between funding, actual costs and student population resulted in contention between the Dare County Board of Commissioners and the Dare County Board of Education.
- ◆ It became clear that a more sustainable funding approach was needed, and in 2015 Dare County and the Dare County Board of Education collaborated to develop a plan.

Developing a New Funding Plan

- ◆ In 2015, Dare County's Manager & Finance Director worked with Dare County Schools' Superintendent & Finance Director to find a better way to fund schools — that more accurately reflected actual costs.
- ◆ The FY15 funding level was used as a baseline.
- ◆ Staff from Dare County and the Board of Education looked at costs that varied based on the number of students, as well as costs that stayed the same regardless of the number of students.
 - ◆ *Found that the vast majority of costs were not related to the number of students (fixed costs).*
 - ◆ *Found very few costs that changed with student population increases (variable costs).*

Developing a Plan: Fixed Costs:

- ◆ Developed a plan that calculated variable costs funding, fixed costs funding and county - funded Board of Education staff positions separately.
- ◆ Looked at fixed costs — those that were not affected by the student population:
 - ◆ *Used FY15 actual expenses to calculate*
 - ◆ *Increased actuals by CPI (1.3%)*
 - ◆ *Funded local share of that amount (94%)*
 - ◆ *Resulted in a \$61,213.00 increase over FY15*

Developing a Plan: Variable Costs

- ◆ Staff also looked at the variable costs associated with the number of students:
 - ◆ *Calculated the cost per student in FY15 (\$250.43)*
 - ◆ *Multiplied the result by projected enrollment (4,973)*
 - ◆ *Added the CPI for the upcoming year (1.3%)*
 - ◆ *Then funded the local share of that amount (94%)*
 - ◆ *Resulted in a \$2,010.00 increase in funding for FY16*

Developing a Plan: Salary Costs

- ◆ Dare County to fund staff salary increases determined annually based on state salary increases so that state funded and county - funded positions have the same salaries.

Proposed Plan Reviewed

- ◆ Asked the chairman of the Dare County Board of Commissioners & the chair of the Board of Education to meet with staff to review the proposed plan, provide input, ask questions and sign off on it.
- ◆ Then asked the Board of Commissioners and Board of Education to each request two other elected board members — hence the name “5 on 5” — to review the proposed plan, provide input, express concerns, sign off, etc. before presenting to the full boards.
- ◆ Held several “5 on 5” meetings to vet the proposed plan and make the appropriate changes as needed.

Proposed Plan Presented & Adopted

- The proposed plan was presented to the full Dare County Board of Commissioners and the full Dare County Board of Education for discussion and approval.
- A joint meeting of the Dare County Board of Commissioners and the Dare County Board of Education was also held to review and discuss the proposed plan together.
- Each board agreed to proceed according to the new funding plan.

Application of New Funding Plan

- It was determined in 2015 that both boards would apply the approved funding plan in future years.
- Dare County's new Board of Education funding plan was officially implemented for FY16.
- Dare County Board of Education Funding Plan Details:
 - ◆ *Funding is always based on the previous year's actual costs plus CPI.*
 - ◆ *Funding may fluctuate depending on increases in the actual base costs and CPI.*
 - ◆ *Non - CPI increases to the base must be approved by the Dare County Board of Commissioners.*

Funding Plan's Success

- This funding plan has been in place in Dare County since FY16, and it has worked well.
- The actual costs required to operate Dare County Schools have been covered.
- Expected cost increases during year anticipated with CIP increase.
- Increase in county - funded education costs flattened to sustainable levels.
- Having the plan in place has improved relations between the Dare County Board of Commissioners & the Dare County Board of Education — no longer an adversarial or contentious relationship.

“5-on -5 Committee” Established

- The “5 on 5 Committee” was formally established to discuss Dare County Board of Commissioners/Dare County Board of Education issues.
- The committee is comprised of 3 Dare County commissioners, 3 members of the Dare County Board of Education, the Dare County manager, the Dare County finance director, the school superintendent and the school finance director.
- This format has worked very well for both boards since the committee was formed.
- 5- on - 5 Committee meetings are held several times each year to address any concerns from either board —and to be sure there is a continued dialog between the two boards in order to prevent surprises.

Benefits of Partnership

- Both the Dare County Board of Commissioners and the Dare County Board of Education know in March or early April of each year what their respective budgets for education will be.
- This makes planning easier and ensures there are no last - minute surprises for either entity.
- There is no MOA or formal written agreement between entities regarding the plan. An outline (similar to this presentation) was provided to both entities and ensures continuity if there are changes in staff.

Capital Requests

- The plan does not include capital items (capital items costing \$50,000 or more) or capital outlay (capital items costing less than \$50,000).
- Capital items are determined and prioritized by the Board of Education.
- Together, the Dare County Board of Education and Dare County Board of Commissioners determines which items are to be paid with lottery funds.
- The goal is to most efficiently use the available funds and to get as many projects accomplished as possible in any given year.

Capital Requests

- County - funded capital items are integrated into Dare County's Capital Improvement Plan (CIP), with priorities set by the Dare County Board of Commissioners based on available funds and overall needs of both boards.
- There is no default or automatic prioritization when it comes to Dare County and Dare County Board of Education requests.
- Capital outlay funding increases by 5% annually.

Dare County's Board of Education Funding Plan

- This funding model has provided financial stability, improved planning capabilities, and strengthened collaboration between the two boards.
- Additionally, the plan helps to ensure that Dare County's diverse educational needs are met in a more sustainable and effective manner than they were prior to its development.



Thank You! / Questions?

Bobby Outten
Dare County Manager/Attorney
Outten@darenc.gov
252 - 475 - 5800



For more information about the North Carolina Association of County Commissioners (NCACC), visit ncacc.org.



Webinar 4 — January 16, 2026 | 12:00 p.m.

Looking Ahead: Funding Challenges, Shifts, and Strategic Planning

Webinar 5 — January 23, 2026 | 12:00 p.m.

Ask the Experts: Live Q&A on County Roles in School Funding

REGISTER
FOR THE
NEXT
WEBINAR

[ncacc.org/
events](https://ncacc.org/events)

For more information about the North Carolina Association of County Commissioners (NCACC), visit ncacc.org.