

WAKE COUNTY

RECOMMENDED BUDGET

JULY 1, 2018 – JUNE 30, 2019

19



WAKE COUNTY

FY19 RECOMMENDED BUDGET

Wake County Manager David Ellis is proposing historic investments in housing affordability and education in the county's **\$1.3 billion recommended budget** for Fiscal Year 2019, which runs from July 1, 2018, to June 30, 2019. He presented his proposal to the Wake County Board of Commissioners during a board meeting on May 9.

“ Through this budget, we can truly make a difference in the lives of our residents—especially those living on the margins. It provides an opportunity for us to make real progress in our board’s goal areas, particularly housing affordability, behavioral health and education. ”



County Manager David Ellis

Ellis recommends funding these historic investments with a **2.9-cent property tax increase**, which would bring the county’s property tax rate to 64.4 cents for every \$100 of property value. The tax increase would generate about \$41.6 million in FY19.


\$300,000
home

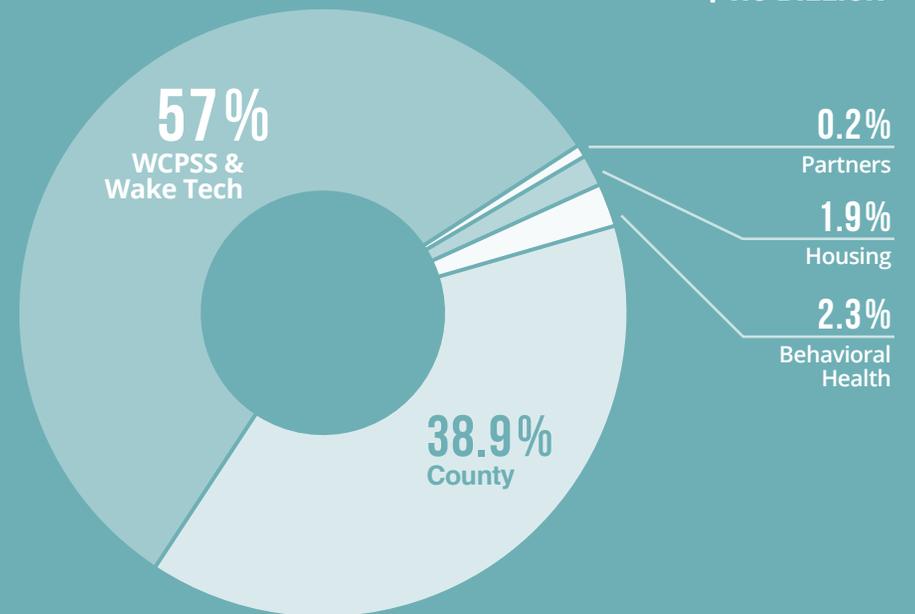



additional
\$87/year
in property tax

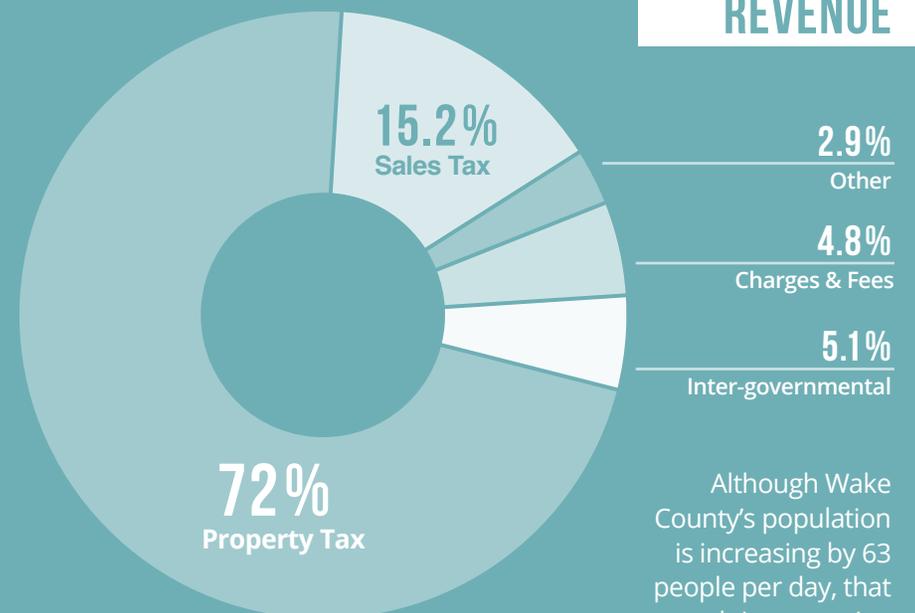
Under this proposal, a property owner would pay an extra \$29 in property taxes for every \$100,000 of assessed value. Therefore, the owner of a \$300,000 home, for example, would pay an additional \$87 in property taxes.

EXPENDITURES

TOTAL GENERAL FUND BUDGET:
\$1.3 BILLION



REVENUE



Although Wake County’s population is increasing by 63 people per day, that growth is not paying for itself.

The property tax is our main funding source. It represents 72 percent of our total budget and is the only revenue source within the county’s complete control. By increasing it, we can fund expanding needs in the Wake County Board of Commissioners’ priority areas and advance its goals.

A HISTORIC INVESTMENT IN HOUSING AFFORDABILITY

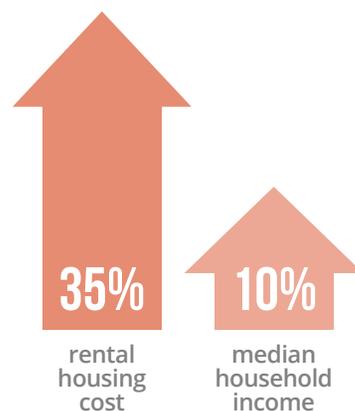
Currently, more than 93,000 Wake County residents are living at or below 100 percent of the federal poverty rate. That means roughly 10 percent of our population lives in poverty. For a household of four, that equates to an income of less than \$25,000 a year. They often struggle to find affordable places to live and may experience homelessness.



Housing affordability is one of the biggest long-term challenges we face in Wake County. There are several key trends driving our housing needs:

1 Our housing supply is not keeping up with population growth, which puts upward pressure on the cost of renting or owning a home.

2 Household incomes are not keeping pace with the rising cost of housing. Since 2007, rental housing costs have increased by **35 percent**. But, the median household income for residents without a bachelor's degree—who typically earn lower wages—increased by only **10 percent**.



3 Wake County has a shortage of homes that are affordable to families making less than \$39,000 a year. There is a need for 56,000 more housing units than what is currently available.

The budget recommends investing an additional

\$15 MILLION IN NEW REVENUE

to help provide more housing options for all our residents. This would be a dedicated, recurring funding stream for housing affordability efforts.

We would use it to:

Build and preserve more housing that working families can afford. Wake County would have the potential to produce

2,500 NEW AFFORDABLE HOUSING UNITS over the next five years.

Provide operating and capital financial support for a new shelter,

ADDING 37 BEDS

to serve homeless women without children.

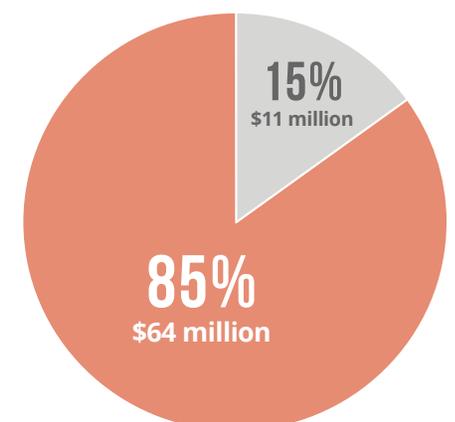
Implement a **pilot program** for permanent supportive housing that combines housing assistance with support, such as mental health services and job training.

Effectively end veteran homelessness in Wake County by the end of calendar year 2021.

Over the **first five years**, this proposed investment would generate

\$75 MILLION for housing affordability.

- Production and preservation of housing
- Program operating costs

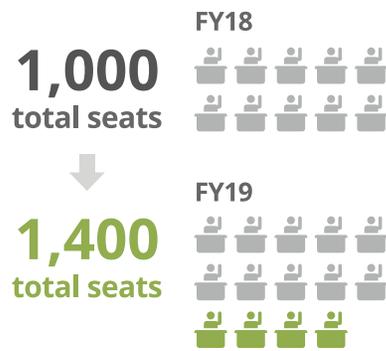


A HISTORIC INVESTMENT IN EDUCATION

SmartStart

The FY19 budget recommends investing nearly **\$1.2 million** in Wake County's SmartStart program.

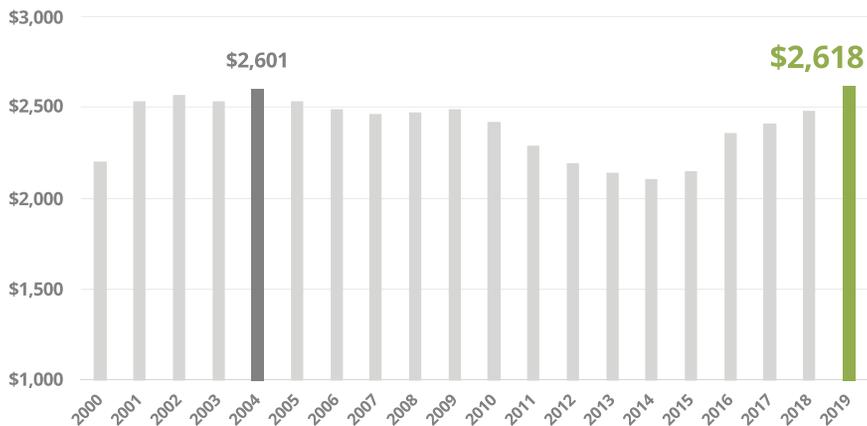
By contributing this historic amount, we would enable SmartStart to clear its 2018 Pre-K waiting list and give 400 more children a seat in a classroom this fall.



Wake County Public School System

The budget proposes providing **\$461 million** in operating funds to the Wake County Public School System, a **\$30.1 million increase** from FY18. This would be a record-setting total annual investment and would result in per-pupil funding of \$2,618 – the highest amount ever.

County Per-Pupil Funding (factoring in inflation)



Wake Technical Community College

The budget recommends investing a total of **\$25.4 million in Wake Tech**, and that includes **\$4.6 million in new funds**.

\$2.5 MILLION

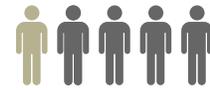
are one-time funds necessary to hire faculty and staff for the new RTP campus.

of that

\$2.1 MILLION

would go towards facility maintenance, utilities and technology staffing.

INVESTING IN BEHAVIORAL HEALTH



1 IN 5 ADULTS
in the U.S.

will experience
A MENTAL ILLNESS

Studies show one in five adults in the U.S. battles mental health issues. In Wake County, that means we have thousands of people entering the system for the first time, or striving to achieve lives of recovery and stability.

The recommended budget includes a **\$30.6 million total investment** in programs to better coordinate access to mental health and psychiatric services for our residents.

They include:

- Developing and implementing a pilot program to offer behavioral health urgent care.
- Increasing staffing for Alliance Behavioral Healthcare's school-based mental health team to better serve students.
- Investing in a pilot project that would pair mental health professionals with our first responders, so they could intervene earlier when someone is experiencing a crisis.

INVESTING IN COUNTY OPERATIONS

The recommended budget proposes investments in our organization to meet growing demands for service, and achieve the board's goals and initiatives.



They include:

- Completing the replacement of the Board of Election's 13-year-old voting equipment with **more modern technology** and funding **nine early voting sites** for the 2018 General Election.
- Providing funding to operate and **hire employees** for the library we're currently expanding in Wake Forest and the new one we're building in downtown Cary.
- Investing in new tools to **protect our IT network** from security threats like phishing scams, ransomware and hackings.
- Purchasing **two new ambulances** and **hiring the staff** needed to operate them to help EMS maintain safe call response levels.
- Adding a **second recruiter** in the Wake County Sheriff's Office to help fill critical vacancies for deputies and detention officers.
- Funding the **One Water Study** to ensure that clean, safe water is always available in Wake County for future generations.

GUIDING PRINCIPLES

As the proposed budget was developed, County Manager Ellis looked to the Wake County Board of Commissioners' goals and priorities to guide his decisions. They helped him ensure the choices he made would move the organization in the direction the board wants it to go.



Community Health



Economic Strength



Education



Great Government



Growth and Sustainability



Public Safety



Social and Economic Vitality

WAKE COUNTY BOARD OF COMMISSIONERS



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Vice Chair/District 1



Matt Calabria
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District 5



Greg Ford
District 6



John D. Burns
District 7

David Ellis
County Manager

Denise Hogan
Clerk to the Board

Scott W. Warren
County Attorney

NEXT STEPS

The board will consider adopting the FY19 Recommended Budget at its regular meeting on **June 4 at 5 p.m.** It will take place on the second floor of the Wake County Justice Center in downtown Raleigh.

In the meantime, you can learn more about the proposal by visiting



WAKEGOV.COM/BUDGET