

April 25, 2018
Special Called Joint Board Meeting

The Martin County Board of Commissioners met in Special Session with the Martin County Board of Education on Wednesday, April 25, 2018 at 7:00 p.m. at the Martin County Board of Education Central Office Boardroom, 300 N. Watts St., Williamston, North Carolina.

ASSEMBLY

Martin County Board of Commissioners and staff in attendance: Chairman Elmo “Butch” Lilley, Vice Chairman Tommy Bowen, Commissioner Ronnie Smith, Commissioner Dempsey Bond, Jr., County Manager David Bone, Clerk to the Board Marion B. Thompson and Finance Director/ Deputy Clerk Cindy Ange.

Commissioner Joe R. Ayers and County Attorney Melvin Bowen were not in attendance.

Martin County Schools Board members and staff in attendance: Chairman Kenneth Harrell, Vice Chairman Barbara Council, School Board Member Van Health, School Board Member Russ Ayers, School Board Member Renee Purvis, School Board Member Gene Scott, Superintendent Chris Mansfield, Administrant Assistant Sherry Scott, and Finance Officer Karen Rogerson. Refreshments were provided by the School Board.

School Board Member Addie Lou Vanderford was not in attendance.

Chairman/Commissioner Lilley and Board of Education Chairman Harrell called the Joint Board meeting between the Martin County Board of Commissioners and the Martin County Board of Education to order.

The Pledge of Allegiance was led by School Board Member Russ Ayers. School Board Vice Chairman Barbara Council offered the invocation.

AGENDA APPROVAL

Vice Chairman Bowen made a MOTION to approve the agenda as presented, with a SECOND by Commissioner Smith. The motion was unanimously APPROVED.

Upon a MOTION by School Board Member Heath, a SECOND by School Board Member Ayers, and a unanimous vote, the Board of Education approved its agenda.

2018-19 Martin County Schools Budget Presentation

Dr. Chris Mansfield, Superintendent of Martin County Schools, provided the following budget message:

“Looking towards the 2018-19 school year, much of the state budget information remains unknown at the current time. The Department of Public Instruction has released minimal

information about state funding allotments and there have been few indications regarding funding measures to be taken up in the short legislative session.

Several state funding issues continue to impact and shape the budget landscape for Martin County Schools. Chief among these are the K-3 class size limitations, the return of small county funds, charter school enrollment, employee benefits costs, and expenditures for special needs and special populations students.

K-3 Class Size Limitations

We are grateful to the General Assembly for taking another look at this issue and approving a phased implementation of the class size limits. In the fall, it appeared that we would need to hire four to six elementary positions above what would be allotted through state funds, not including enhancement positions for art, PE, or music. The phased implementation that was agreed to earlier this year will allow the class sized to remain the same for next year (2018-2019) and then adjust one grade level per year over about five years.

Also included in the new phased implementation is gradual funding for K-5 enhancement teachers. LEAs are to receive 25% of full funding in 2018-2019, increasing to 100% by 2021-2022. This marks the first time districts have received funding earmarked specially for these K-5 enhancement teachers. Martin County Schools has not yet received a dollar figure for this allotment.

Small County Funding

We were notified late last summer that we would have small county funding restored. This was certainly a welcomed improvement and allowed the movement of several locally-funded positions and other items to state-funding. However, even with these additional funds Martin County Schools had to allocate approximately \$575,000 from fund balance to meet budgetary needs.

Charter and Regional School Enrollment

At the beginning of the 2017-2018 school year, about 458 students were enrolled at eight different charter schools – more than ever before. Of these 458 students, 316 attended Bear Grass Charter, 28 attended Washington Montessori, 8 attended Northeast Carolina Prep, 47 attended Northeast Regional School Biotechnology and Agriculture (NERSBA), 34 attended Heritage Leadership Academy, 10 attended the two virtual charter schools, NC Connections Academy and NC Virtual Academy, and 15 attended the Ignite Innovation Academy.

The current expense budget presented for 2018-2019 requests \$650,000 for local charter school payments. Depending on enrollment fluctuations throughout the year, the actual expenditures could increase or decrease from this request.

There have been a couple of recent developments likely to change the impact of charter schools on our budget. The first involves Heritage Leadership Academy in Windsor. As you may know, Heritage Academy will be closing at the end of this year as their charter was revoked by the State

Board of Education. At this time, we are not able to say how many of the Martin County students enrolled in the Heritage academy will reenroll in our school system.

The second development is the planned exit of Beaufort County Schools from NERSBA. While perhaps not yet completely settled, any outcome has the potential to impact Martin County Schools.

One outcome could result in a policy/program impact. The regional school legislation contains no provision that would prohibit a district from ending its participation, nor does it contain any provision compelling a district to continue its participation. If Beaufort County Schools is ultimately compelled to remain a participating county, what precedent does that set for other LEAs that may enter into agreements or partnerships? Or even county governments? The reasons and/or conditions for entering into partnerships and agreements may change over time and may require a reevaluation of those partnerships and agreements.

The other outcome could result in a financial impact. Stated within the legislation regarding regional schools, “the number of student seats in the freshman class of the regional school shall be assigned proportionate to the total student population of the participating units, as determined by the participating unit’s final average daily membership in the preceding school year. If fewer students residing in a particular unit elect to attend the regional school than available allotted seats, the remaining seats shall be divided proportionally among the other participating units.” NC G. S. §115C-238.67(b)

Currently, Martin County Schools accounts for approximately 7.8% of the 9-12 population of the five participating counties but yet accounts for almost 17% of the students at NERSBA. We are not in the fiscal position to offset a loss or decline of NERSBA students from Beaufort County or other counties over time.

Employment Factors

Increase in salaries and benefit rates greatly affect the school system’s budget. Retirement rates and health insurance costs continue to increase and are projected to be 18.44% for retirement (up from 17.13%) and \$6,104 for health insurance (up from \$5,869). At the same time we have budgeted for a 3% salary increase. These increases account for a growing portion of our current expense budget.

Central office administration is critical in the implementation of the total educational program. The number of state and federal programs, initiatives, and mandates districts are expected to implement continues to increase at the same time central office funding is decreased. Written into last year’s biennium state budget was an overall 7.4% reduction in state central office funding spread over two years. What’s more, fiscal regulations largely prohibit the transfer of funds from other areas to help offset this reduction. (*County Funds cannot be used to offset central office reduction.*)

In fact, according to data from the North Carolina Association of School Administrators, nominal dollars allocated by the state towards central office administration will be approximately the same as in 1995-1996. In inflation-adjusted dollars, it will be approximately 64% of what

was allotted in 1995-1996. Such a discrepancy tends to shift more of the central office funding responsibility onto local governments, particularly in small, rural, and/or low-wealth districts.

From a Central Office perspective, our districts has tried to operate as efficiently as possible. In comparison to other northeastern NC school districts, Martin County Schools operates with fewer central office administration – fewer even than some districts with lower student populations.

Smaller but still relevant employee expenses include funding for bus driver medical examinations and increases in coaching supplements. A new regulation requires all CDL drivers to have a current medical exam conducted by a NCDOT-approved provider. While we believe this is a beneficial requirement, we do not believe we can simply pass this expense onto current and prospective bus drivers. This budget request includes funding to reimburse drivers for those medical examinations. Martin County Schools has not increased coaching supplements in many years and has lagged well behind surrounding districts. This budget proposes a 25% increase in athletic coaching (*and band directors*) supplements.

Special Needs and Special Populations Expenditures

Martin County Schools is, as are other districts, charges with educating each and every child that walks through our doors regardless of challenges those students might face. However, it has become more and more expensive to provide necessary services to some students and the total costs of these services far surpass the levels of state and federal funds the district receives to serve these students.

English Language Learner (*English as a second language*) are one such population of students. For many years, Martin County had a manageable population of ELL students involving only one or two languages, predominantly Spanish. That has not been the case for the past couple of years, although we have tried to manage on limited funding and on full-time ELL teacher.

Currently, Martin County Schools serves an ELL population of 76 students enrolled throughout the district and speaking a great variety of languages including Chinese, Arabic, Hindi, and Spanish. One full-time ELL teacher is no longer adequate to meet these students' instructional needs and this budget includes funding to hire an additional ELL teacher to serve this growing population.

Along with ELL students, we also serve a number of students that require a variety of contracted physical, mental, and emotional therapeutic services, the costs of which are rising at an alarming rate. For example, five years ago Martin County Schools requested \$65,000 to cover contracted services for special needs students. This 2018-2019 budget requests \$225,000 to cover the same services, a 346% increase. (*This requested increase is because of the cost of the services and the increase in the number of students in need the service.*)

Other Issues Impacting the Budget

Federal allotments, usually available by mid-April, have not yet been released, therefore we just do not know the amount of federal funding for programs such as Title I, exceptional children,

and vocational. The recent federal budget deal included slight increases in Title I and Title IV funding and a leveling off of Title IIA funding, which was cut in 2017. Whether or not these increases flow down to the individual LEA level remains to be seen.

The implementation of the Every Student Succeeds Act (ESSA) may also alter the federal funding landscape based on what state and school districts are required or not required to implement. The Department of Public Instruction submitted our state's ESSA plan in September 2017, but as of last week, it had not received approval from the US Department of Education.

The state continues to leave funding for professional development out of the state budget. This omission places school districts in the position of having to cobble together local and federal funds to provide necessary training for teachers and other staff.

Budget Requests

Tonight, the Martin County Board of Education presents a Current Expense Budget of \$6,885,464 and requests that the Board of Commissioners fund \$6,110,255. This amount essentially offsets anticipated increases in salaries and benefits, covers the increasing costs to serve those students needing special services or instruction, and provides a small increase in coaching supplements.

The Board of Education also presents a Capital Outlay Budget in the amount of \$655,143. This budget reflects instructional, security, technology, safety, and maintenance needs throughout the school district.

Also included in the Capital Outlay Budget is a \$17,757 expenditure to install the final phase of stage lighting in the Martin County Auditorium. This figure represents the project cost minus a 20% expected cost share by the Martin Community Players. We would ask that the County Commissioners consider separating auditorium capital expenditures from the school system capital outlay budget and also consider providing a recurring annual amount of capital funding for the auditorium. These actions would provide two benefits. First, it would not place the Board of Education in a position to prioritize auditorium capital needs along with other very different school system capital needs. Second, a recurring amount would allow long-range planning for other auditorium upgrades such as carpeting or upholstery. Maintenance and custodial responsibility for the auditorium will remain a function of the school system.

General Budget Concerns

Perhaps one day the funding a student's school or school system receives will not depend so much on his or her zip code. However, we are not yet at that point. There are very real disparities in the resources that students receive depending on where they live. The recent release of the 2018 Local School Finance Study by the Public School Forum of North Carolina highlights these disparities based on 2015-2016 state-wide data. *(A copy of the report was distributed to both Boards.)*

In 2015-16, the ten highest spending counties in North Carolina spent an average of \$3,103 per student. That same year the ten lowest-spending counties spent an average of \$739 per student.

That equated to a funding gap of \$2,314 per student. What may be surprising is that ten highest spending counties were not necessarily the ten wealthiest counties and the ten lowest spending counties were not necessarily the poorest.

The ten wealthiest counties (based on property valuation) outspent the poorest ten counties \$1,886,230 to \$363,638 or roughly 5 times more per child. However, many of these counties exercised a lower actual effort in spending per student and an even lower relative effort which is funding as a percentage of revenue.

I include all this to say that I am proud and grateful of the support Martin County provides to its public school system. As you can see in the chart on page five of the report, Martin County ranked 68th in wealth based on property value placing it in the third quartile of all counties in the state. However, Martin County jumped to 58th in actual effort and to 17th in relative effort. It says a great deal that such a large share of the financial resources of this county are INVESTED in its public school system. I think we all should be proud of the efforts made to overcome some very real fiscal obstacles in order to provide a quality education to the children of Martin County.

I wish to thank the Martin County Commissioners and the county government staff including David Bone, Cindy Ange, and Marion Thompson, for all their efforts on behalf of the children of Martin County. Thanks also to the Board of Education for its hard work and continued support of both students and staff. And finally, thanks to our district staff including Karen Rogerson, Lisa Bowen, and Gary Speller for their experience and expertise in the development of these budget proposals.

I am especially appreciative of the respectful and collaborative relationship that exist between the two boards present this evening. Many challenges lie ahead and we must rely on cooperation and open dialogue to continue to move forward as a county”.

DISCUSSION

Superintendent Mansfield explained the budget line item by line item, answering questions simultaneously. Acknowledging the decreasing population, Commissioner Smith asked how school funding would be affected by the population reduction. Dr. Mansfield replied as the population decreased the Average Daily Membership (ADM) dollars would also decrease.

Commissioner Smith inquired about efforts being put towards a potential school bond referendum. Dr. Mansfield replied the possibility was looking favorable. Commissioner Smith added the NC Association of County Commissioners (NCACC) has taken the school bond as a project under the direction of President Brenda Howerton. Also, he encouraged all to solicit the support of the community. All seems to agree extra funding was needed for aging capital outlay in school systems statewide.

Commissioner Bond asked about the number of Martin County high school students taking classes at any universities or community colleges. Dr. Mansfield replied quite a few are attending Martin Community College. Approximately 150 eleventh and twelfth graders are projected to attend Martin Community College in fiscal year 2018-19. When asked about the proposed Early College, Dr. Mansfield answered the biggest advantage would be for those in the ninth grades,

who would be able to take college courses at no cost, as well, rendering huge savings in a college education for the students and the parents.

Chairman Lilley added the Boards have worked and hoped to continue to work together to do what was best for the overall needs of the students in Martin County.

Commissioner Smith noted he would like to see more funding set aside for Pre-K so more slots would be open in the school setting for those students. Studies have shown investing in Pre-K works.

County Manager Bone highlighted one percent (1%) of the tax rate equated to \$160,000. Adding, there are tremendous needs throughout Martin County. The School's 2018-19 budget would be examined closely and a follow-up meeting would take place with Dr. Mansfield.

School Board Chairman Harrell stated on behalf of the Martin County Board of Education that they were hopefully for the continued support from the Martin County Board of Commissioners.

At this point, Chairman Lilley addressed the final item on the Martin County Board of Commissioners' agenda.

Resolution Opposing the Reduction in the Number of Judges in the Second Judicial District

Vice Chairman Bowen made the MOTION to approve the Resolution Opposing the Reduction in the Number of Judges in the Second Judicial District as presented, with a SECOND by Commissioner Bond. The Board unanimously APPROVED the motion.

RESOLUTION OPPOSING THE REDUCTION IN THE NUMBER OF JUDGES IN THE SECOND JUDICIAL DISTRICT

WHEREAS, on January 11th, 2018, the Joint Select Committee on Judicial Reform and Redistricting was established to study judicial reform proposals by the President Pro Tempore of the Senate and the Speaker of the House of Representatives pursuant to G.S. 120-19.6(a1), Rule 31 of the Rules of the Senate of the 2017 General Assembly, and Rule 26(A) of the Rules of the House of Representative of the 2017 General Assembly; and

WHEREAS, the Committee has proposed three different plans to redistrict the judiciary; and

WHEREAS, the proposed Plan A would keep four judges in the Second Judicial District, and proposed Plans B and C would reduce the number of judges in the Second Judicial District from four to three; and

WHEREAS, the Second Judicial District is comprised of the following five counties: Beaufort, Martin, Washington, Tyrrell and Hyde; and

WHEREAS, the geographical area of the Second Judicial District is the largest in the State of North Carolina covering over 3,900 square miles; and

WHEREAS, judges are already required to travel between 28 to 79 miles one way, to get to the various courthouses within the Second Judicial District; and

WHEREAS, the Second Judicial District has had four judges since 2001, and the number of felonies and traffic matters has steadily increased and doubled over the past seventeen years; and

WHEREAS, the swiftly developing Opioid Crisis has further contributed to a shocking increase in the number of criminal cases being dealt with in the Second Judicial District; and

WHEREAS, the indirect and tragic impacts of the Opioid Crisis upon the children and families within the affected communities has even further contributed to an equally shocking increase in the number of abuse, neglect and dependency cases requiring additional judicial time to be spent both in and out of the courtroom by judges within the Second Judicial District; and

WHEREAS, the Juvenile Justice Reinvestment Act will go into effect December 1, 2019, and requires the Second Judicial District to add court sessions to accommodate the increased number of juvenile cases to be dealt with as a result; and

WHEREAS, any reduction in the number of judges in the Second Judicial District will immediately cause a reduction in the number of court sessions and result in crowded courtrooms, longer court days, case delays, and will negatively impact the clerks, bailiffs, law enforcement, attorneys, judges, and most importantly the general public served by our court system; and

WHEREAS, we conclude it is not in the best interest of our citizens or the Second Judicial District to lose any of the four judge positions that have been assigned to that district for almost two decades, due to the immediate and significant detrimental impact such loss would have upon our citizen's access to justice in a prompt and effective manner.

NOW THEREFORE, THE MARTIN COUNTY BOARD OF COMMISSIONERS HEREBY RESOLVES AS FOLLOWS:

That this resolution in opposition to any reduction in the number of judges in the Second Judicial District is adopted, and that it be transmitted to the North Carolina General Assembly through the duly elected members of that body representing those counties within the Second Judicial District in order to respectfully request that the number of judges in the Second Judicial District not be reduced for the reasons stated herein.

ADOPTED this the 25th day of April, 2018.

Elmo "Butch" Lilley, Chairman
Martin County Board of Commissioners

ATTEST:

Marion B. Thompson, NCCCC, NCMCC
Clerk to the Board

ADJOURNMENT

With nothing further to discussion, Commissioner Smith made the MOTION to adjourn the joint meeting between the Martin County Commissioners and the School Board around 8:15 p.m., with a SECOND by Commissioner Bond. The Board APPROVED the motion unanimously.

Rather than adjourn its meeting, the School Board took a recess before continuing with its agenda items - Closed Session N C G. S. §115C-321, Personnel and Facility Reorganization.

Elmo "Butch" Lilley, Chairman

Marion B. Thompson, NCCCC. NCMCC
Clerk to the Board