

May 1, 2019
Special Called Joint Board Meeting

The Martin County Board of Commissioners met in Special Session with the Martin County Board of Education on Wednesday, May 1, 2019 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 Tommy Bowen, Vice Chairman Dempsey Bond, Jr., Commissioner Elmo “Butch” Lilley, Commissioner Ronnie Smith, County Manager David Bone, Clerk to the Board Jessica Godard, and Finance Director/Deputy Clerk Cindy Ange.

Commissioner Joe R. Ayers and County Attorney Richard James were not in attendance.

Martin County Schools Board members and staff in attendance: Chair Barbara Council, Vice Chair Gene Scott, Board Member Renee Purvis, Board Member Gail Cargile, Board Member Keisha Manson-Rodgers, Board Member Kenneth Harrell, Board Member Van Heath, Superintendent Chris Mansfield, and Administrant Assistant Sherry Scott.

Chairman/Commissioner Bowen and Board of Education Chair Council 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 Board of Education Chair Barbara Council. Commissioner Lilley offered the invocation.

AGENDA APPROVAL

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

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

2019-20 Martin County Schools Budget Presentation

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

“Looking towards the 2019-2020 school year, most of the state budget information remains unknown at the current time. The Department of Public Instruction has only released minimal information about state funding allotments. Governor Cooper has released his proposed budget as did the House but we know these will most certainly change. Also given this is the General Assembly’s long session, the final budget is a biennial budget, and the supermajority capable of overriding a gubernatorial veto is no

longer in place, it is quite possible that we may not get a final state budget until Labor Day or well afterwards.

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, charter school enrollment, School Resource Officer funding, state-mandated employee salary and benefits increases, repairs and upgrades necessary for some of our buildings, and expenditures for special needs 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. At one time, it appeared that we would need to hire four to six elementary positions above what we would be allotted through state funds, not including enhancement positions for art, PE, or music. The phased implementation implemented last year has allowed a more gradual adjustment over about five years.

Also included in the new phased implementation is gradual funding for K-5 enhancement teachers. LEAs are to receive 50% of full funding in 2019-2020, increasing to 100% by 2021-2022. This special allocation absolutely helps although there are some limitations to the funding such as the fact it is limited to K-5 enhancement teachers.

Charter and Regional School Enrollment

As of April 16th of this year, about 418 Martin County students were enrolled in nine different charter schools. Of these 418 students, 307 attend Bear Grass Charter, 30 attend Washington Montessori, 16 attend Northeast Carolina Prep, 41 attend Northeast Regional School of Biotechnology and Agriculture (NERSBA), 34 attend Winterville Charter, 1 attends Wilson Prep Academy, 10 attend the Ignite Innovation Academy, and 11 attend the two virtual charter schools, NC Connections Academy and NC Virtual Academy.

The current expense budget presented for 2019-2020 includes \$725,000 for local charter school payments. Depending on enrollment fluctuations throughout the year, the actual expenditure could increase or decrease from this request. Additionally, we do not know the enrollment or financial impact of the Hobgood charter school.

School Resource Officers

Last summer, Martin County Schools was awarded a grant that enabled us to place a School Resource Officer in each school. This grant covers half of the officers' salaries and benefits with the other half being the responsibility of the school district. Unfortunately, this current SRO grant will end at the conclusion of next school year unless the legislature extends the funding or reauthorizes the grant for another cycle. If neither occurs, the school district will have to closely evaluate the continued placement of the eight SROs.

Employment Factors

Increases in salaries and benefits rates greatly affect the school systems' budget. Retirement rates and health insurance costs continue to increase and are projected to be 20.00% for retirement (up from 18.86%) and \$6,600 for health insurance (up from \$6,104). This budget also anticipates a 2% salary increase (mandated by the state). These figures are based on limited information received from Raleigh and could be completely different depending on the final state budget.

Special Needs and Special Populations Expenditures

Martin County Schools is charged with educating each and every child that walks through our doors regardless of challenges those students might face. However, it does become increasingly expensive to provide necessary physical, mental, and emotional therapeutic 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.

This 2019-2020 budget includes \$360,000 to pay for these services above and beyond what we receive through state and federal funding. Furthermore, a reduction of this local allocation would be viewed as a failure to maintain effort and could result in a loss of state and/or federal funds.

Repair and Maintenance of Older Facilities

Although the school district has, with the assistance of the county, been able to divest of several properties over the past 12-18 months, we are still faced with having to make significant upgrades and repairs to many of our facilities. The 2019-2020 capital outlay budget includes the following major improvement projects:

- Upgrading student restrooms at Jamesville Elementary to ADA-compliance. \$72,007
- Classroom and common area HVAC units at Rodgers Elementary. \$118,000
- Baseball fieldhouse at Riverside High. \$71,000
- Heating and AC control systems for South Creek Middle/High, South Creek Elementary, & Williamston Primary. \$71,000

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 from programs such as Title I, exceptional children, and vocational. The recent federal budget proposed by the Trump administration included several significant cuts to the Department of Education. Whether these cuts make it through Congress and to the extent they will affect Martin County is not yet known.

The state continues to leave funding for professional development completely 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.

Rules from the Governmental Accounting Standards Board (GASB) are being newly applied to school enterprise programs such as child nutrition. Although child nutrition employees are covered by the state retirement system, the child nutrition program has to account for the cost of their pension liabilities in their financial statements. This has essentially wiped out, at least on paper, the fund balance the child nutrition program has on record. For Martin County Schools, this rule has created an \$80,000 deficit in our special revenue fund resulting from the loss of indirect cost payments made by the program to the district. The district has traditionally utilized this indirect cost revenue to help reduce utility costs in the local budget. This year, it appears we cannot count on that revenue.

Classified Salary Gap

I would be remiss if I discussed our current expense budget without also drawing some attention to the need to raise the salaries of our classified employees (teacher assistants, custodial, child nutrition, etc.). For several years, Martin County Schools has struggled to keep pace with the salaries of these important employees. While the state maintains salary scales for most all certified staff and these certified employees such as teachers move from step to step each year of their employment, classified employees do not experience the same level of protection. Although the states publishes suggested salary scales for classified employees, there is no mandated step increase from year to year. While the legislature does pass some incremental across-the-board increases, these do not make up for the lack of movement along the scale based on longevity, skill, and experience. Unfortunately for Martin County and other small school districts, moving classified employees to higher salary steps each year becomes financially difficult.

This situation has also placed our district in a tough position in trying to hang on to high-quality, loyal employees who feel that their best chance to achieve a competitive salary may be to look for employment elsewhere. In many of these cases, the school district loses qualified employees and may ultimately have to replace them with higher paid individuals.

The last time a classified salary study was completed was around 2006 or 2007. Unfortunately, just as the new salary scales were being implemented, the national economy collapsed and the implementation could not continue. The Northeast Regional Educational Service Alliance has commissioned a regional salary study to include Martin and about 16 other school districts in Northeastern North Carolina. However, the results will not be available until late October 2019, and even then it will most likely tell us what we already know...that Martin County Schools is behind other area districts in terms of classified employee salaries.

Raiding classified salaries to where they need to be will not be achieved in one single year but rather over a series of years. Rather than waiting until 2020-2021, I would like

to begin the process of closing that gap now. To that end we are requesting a 2.0% increase in county funding or about \$119,000, which will allow Martin County Schools to begin to close this salary gap.

Budget Requests

Tonight the Martin County Board of Education presents a Current Budget Expense of \$6,683,239, a \$626,460 decrease from last year's Current Budget Expense. Of that budget, we request that the Board of Commissioners fund \$6,069,211. This amount essentially offsets anticipated increases in salaries and benefit, covers the increasing costs to serve those students requiring special services, helps station a school resource officer in each school building, and provides funding allocated for charter school enrollments.

The Board of Education also presents a Capital Outlay Budget in the amount of \$878,979. This budget reflects instructional, security, technology, safety, and maintenance needs throughout the school district.

Also included in the capital outlay budget is an \$11,242 expenditure to install catwalk beam lighting in the Martin County Auditorium. This figure represents 40% of the total cost of this phase of the lighting project which is \$28,103, and is similar to the breakdown used for last year's lighting phase.

- 20% Martin Community Players - \$5,620
- 40% Martin County Schools - \$11,242
- 40% Martin County - \$11,242

Conclusion

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

I am especially appreciative of the respectful and collaborative relationship that exists 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 reviewed the budget line item by line item and answered questions regarding those figures along the way. Superintendent Mansfield stated Martin County Schools was requesting from the county \$6,069,211, and Martin County Schools was anticipating the receipt of \$215,000 for fines and forfeitures. \$400,000 was being appropriated out of the fund balance to balance the budget. Overall, the Board of Education budget was trimmed by \$626,460.

Chairman Bowen stated he appreciated the time to present the budget to the Commissioners.

Commissioner Lilley asked about projected enrollment for 19-20 school year, and Superintendent Mansfield anticipated an enrollment of about 3,000 students, which was a slight decrease from the previous school year. The enrollment was affected by the charter schools and private schools in and around Martin County.

Commissioner Smith thanked Dr. Mansfield and the school board for their partnership and cooperation. Commissioner Smith stated charter schools were just the way of the future, and there was nothing that could be done about that. Commissioner Smith stated the goal should be to continue using the best practices in order to maintain current enrollment and resources. Commissioner Smith stated the children of Martin County deserved the same opportunities that students in larger counties were afforded, and the Commissioners would continue to work with Martin County Schools to ensure those needs continued to be met.

Commissioner Lilley stated the idea of going to one high school in the county caused a lot of stress on parents compared to having multiple high schools throughout the county. Commissioner Lilley felt the charter schools in the area would benefit with the further consolidation of public schools. Commissioner Lilley discussed the importance of “protecting our home base” and not essentially “running students away” to other schools.

Chairman Bowen recalled the enrollment in Martin County schools used to be approximately 5,000 and is now down to 3,000. Chairman Bowen stated he did not feel closing more schools would save money, and spoke about the several buildings in the County that were now not being used. Chairman Bowen stated in order to justify to the citizens/taxpayers of Martin County, the School Board would have to provide evidence of substantial savings.

School Board Vice Chair Gene Scott stated there were approximately \$400,000 in savings just in teacher salaries in the budget. The plan of going to one high school was just an idea and not a sure thing yet. Vice Chair Scott stated the Board of Education relied heavily on the Commissioners for funding, and the budget was a tight as it could get while still allowing the current services. Vice Chair Scott stated the enrollment in Hamilton was just too low to keep that school open, and felt that closing was justified. Commissioner Lilley stated going to one high school would be detrimental to the public school system.

Commissioner Smith inquired about the enrollment at Jamesville Elementary School. The total was 236 students with a constant enrollment year-to-year. The kindergarten pre-registration numbers were down at the time compared to historical numbers, but it was anticipated that enrollment would increase to typical numbers around August 2019.

County Manager Bone asked if the Board of Education would have to use all of the fund balance amount budgeted; Superintendent Mansfield did not anticipate it would all be needed. The capital request equated to almost 3 cents on the tax rate from the Board of Education and a 1cent on the tax rate increase from Martin Community College, making the budget process for the County Commissioners a difficult process.

Chairman Bowen stated Martin County could not afford a high increase in the tax rate. County Manager Bone stated the county was anticipating a \$50,000 decrease in property tax revenue; overall there would be a higher increase in expenses and a decrease in revenue.

Vice Chairman Bond thanked the Board of Education for their work in the budget preparation. Vice Chairman Bond stated he felt there should be equal opportunities for all students in the county regarding opportunity to take college courses while in high school. Vice Chairman Bond felt Martin County needed an early college that was accessible for all students. Although there were a number of students that took some college courses in Martin County, the students were not able to get a complete Associates Degree upon high school graduation, unlike other opportunities within the county.

The future Career Technical Center was discussed, and Commissioner Smith spoke about the Career Technical Center being in an opportunity zone (potential for investors/companies to be brought into Martin County).

School Board Chair Barbara Council spoke about the expansion of apprenticeships in Martin County Schools to broaden the opportunities for students in the school system. Chair Council thanked the Board for the meeting and cooperation.

Board Member Cargile stated the meeting was very informative and stated the Board was only asking for what they had to have.

Board Member Purvis stated when looking at decreased enrollment, the local economy should be considered, not just consolidation. She stated we all needed to look at the big picture and provide equal opportunities for everyone.

Chair Council stated the Board of Education worked hard to ensure all students had the same opportunities.

ADJOURNMENT

With nothing further to discuss, Commissioner Lilley made the MOTION to adjourn the joint meeting between the Martin County Commissioners and the School Board around 8:18 p.m., with a SECOND by Vice Chairman Bond. The Board APPROVED the motion unanimously.

With nothing further to discuss, Vice Chairman Scott made the MOTION to adjourn the joint meeting between the Martin County Commissioners and the School Board around 8:18 p.m., with a SECOND from Board Member Heath. The Board APPROVED the motion unanimously.

Tommy Bowen, Chairman

Jessica Godard

Clerk to the Board