

Onslow County Board of Education

Special Meeting

April 24, 2017

ATTENDANCE

Chairman Pam Thomas and the following Board members were present: Joel Churchwell, Jonathan Merritt, Brock Ridge, Earl Taylor, Bob Williams, and Paul Wiggins.

Superintendent Rick Stout, Deputy Superintendent Dr. Beth Folger, Associate Superintendent Dr. Barry Collins, Associate Superintendent Dr. Lesley Eason, Chief Financial Officer Jeff Hollamon, Chief of Operations Steve Myers, Administrative Assistant Jodie Ramsey and Evan Erwin, from the office of Board Attorney E. Alex Erwin, III were in attendance. Chief Technology Officer Jeff Pittman was absent.

CALL TO ORDER

Chairman Thomas called the Onslow County Board of Education to order in special session at 9:00 am on Monday, April 24, 2017, at the Onslow County Schools Education and Technical Support Center.

SYSTEM FUNDING REVIEW AND FY 2017-18 LOCAL CURRENT EXPENSE SUMMARY

Chief Financial Officer Jeffrey D. Hollamon provided a review of the adopted joint educational funding policy between the Board of Education and Board of Commissioners providing an objective method to determine funding level each year using independent third party data. The funding policy would address the annual current expense budget, the annual capital budget, and the long-range capital improvement program. Mr. Hollamon shared that through the joint funding policy, the FY2018 County appropriation is calculated to be \$49.3 million. The increase of about \$2.6 million is necessary just to maintain a position near state average funding. Mr. Hollamon noted that Onslow County is the 12th largest school system in North Carolina and the funding policy keeps Onslow on pace to remain near average in County appropriations. The funding policy restores funding for the annual capital outlay budget to a pre-2003 funding level of \$3 million for FY2018 and addresses long range planning needs providing for needed new schools, building additions, major improvements, renovations, and system replacements. Mr. Hollamon went on to review the operational funding supported through the Local Current Expense Fund. He reviewed the budget development process. He went on to discuss key factors affecting the budget including K-3 class size restrictions and noted that the budget has been developed on the House Bill 13 (HB13) level of class size restrictions with major adjustments becoming necessary if HB13 or similar relief is not passed. Additional key factors include increased costs in potential State salary adjustments, employer's retirement contribution, employer's health insurance contribution and other insurances. Departmental priorities were highlighted through a departmental budget review. Mr. Hollamon shared that total continuation costs and expansion requests total approximately \$65.7 million. Total available revenues including a fund balance appropriation of \$7 million with a total of \$57.1 million. Mr. Hollamon reviewed \$8.6 million in expansion items deferred and eliminated due to the budget constraints leaving a total revised recommended budget request of \$57.1 million. Following board discussion, Chief of Operations Steve Myers reviewed the FY2017-18 Operational Budget proposal. He shared information on the system's assets and square footage and major systems supported by the Capital budget. He reviewed the Capital Outlay Budget proposal development process and prioritization and shared key highlights of the budget proposal. Board discussion occurred, specifically about deferred maintenance. Mr. Myers reported that the total proposed FY2017-18 Capital Outlay budget is \$3,027,000. Total revenues include a requested County

appropriation through the joint funding policy of \$3 million and \$27,000 in sales tax reimbursement.

Mr. Hollamon concluded with next steps and shared that a public hearing has been scheduled for Tuesday, May 2nd at 5:30 p.m. at Blue Creek Elementary School. The Board of Education will consider the FY2017-2018 budget at their regular meeting on May 2nd at 6:30 p.m. for approval and submission to the County Commissioners. Final approval and adoption of the budget will occur at the June 6th regular Board of Education meeting. Board discussion occurred, including discussion about the level of budget detail.

RESTART SCHOOLS

Deputy Superintendent Dr. Beth Folger addressed the Board and shared that General Statute allows for recurring low-performing public schools in North Carolina can be granted restart status allowing them to operate with the flexibility usually given to charter schools. Some of the flexibility granted includes greater freedom in determining school calendar, staffing, licensure, class sizes, budgeting, and other school operations. Dr. Folger noted that restart schools remain under the control of and are governed by the local board of education and employees assigned to the school are employees of the LEA. Dr. Folger shared that Onslow County Schools administration would like to submit restart applications to the NC State Board of Education for Clyde Erwin Magnet Elementary School and Richlands Elementary School. If approved by the State Board, restart implementation would begin in the 2017-18 school year. Board discussion occurred. Mr. Wiggins made a motion, seconded by Rev. Churchwell to approve staff proceeding with submitting Restart Model applications for Clyde Erwin Magnet Elementary School and Richlands Elementary School. The motion passed unanimously.

ADJOURNMENT

There being no further questions or comments, upon motion by Mr. Williams and second by Mr. Ridge, Chairman Thomas adjourned the meeting at 11:13 am.



Superintendent Rick Stout
Secretary to the Board of Education