

**EDENTON-CHOWAN BOARD OF EDUCATION
CHOWAN COUNTY COMMISSIONERS
JOINT MEETING
Monday, June 6, 2011, 3:00 pm
Chowan County Public Safety Building**

MINUTES

A joint meeting of the Edenton-Chowan Board of Education and the Chowan County Commission was held on Monday, June 6, 2011, 3:00 pm at the Chowan County Public Safety Building.

The meeting between the Board of Education and Chowan County Commission was to address 3 areas of concern expressed by the Board of Education:

1. **Small County and Low Wealth Supplemental Funds-Correcting the Supplanting Violation.** Superintendent Smith stated that he received notification from DPI on the supplanting violation by email on Wednesday, May 25, 2011. The email was sent to school system superintendents, finance officers, personnel directors, and county managers. In order for the school system to receive Low Wealth Supplemental Funding and Small County Supplemental Funding, the county's current expense appropriation per student must be at least 95% of the average of the local current expense appropriations per student for the three prior fiscal years. Based on the formula, Edenton-Chowan Schools has been found to have used the Low Wealth and Small County Funding to supplant local current expense funds and will not receive any funding until it has remedied the deficiency in funding, or that extraordinary circumstances caused the county to supplant local current expense funds with funds allocated for Low Wealth Supplemental Funding. If not remedied the school system would lose \$1.8 million in funding.

DPI presented two options to remedy the supplanting issue. (1) the county makes a back payment in the amount to correct the supplanting violation for each of the two years. This must be in a lump sum payment to the school system. The cost would include \$15,264 for the first year and \$258,900 for the second year for a total of \$274,164. The other option is to ask for a waiver of the requirement by the State Board of Education for extraordinary circumstances (DPI said that a waiver is not likely to be granted).

Chairman Eddy Goodwin commented that this was the first time that he was advised of this issue and what assurance does the commission have from DPI that once we pay the money the issue is corrected.

Dr. Smith reviewed the timeline of events after the email on May 25th from DPI:

- May 26, 2011 Emma Berry and Allan Smith reviewed information and contacted DPI for clarification.
- May 27, 2011 Dr. Smith attempted to contact Paul Parker and Lisa Jones but neither was available. I was informed by Carrie Byrum they would not return until Tuesday, May 31st. At that time Dr. Smith shared with her the issue, explained the severity of the problem, and forwarded the email from DPI to her, Mr. Parker, and Mrs. Jones.
- May 31 and June 1, 2011 Mr. Parker and Dr. Smith had multiple conversations and exchanges of emails regarding this matter in an attempt to find a viable solution.
- June 2, 2011 Mrs. Berry and Dr. Smith met with Mrs. Jones and Mr. Parker to discuss a solution and to seek any further guidance or suggestions from them. It was suggested that Mrs. Berry and Dr. Smith attempt to meet with Keith Nixon and perhaps another Commissioner prior to the June 6th meeting. Dr. Smith contacted Mr. Nixon and we agreed to meet the following morning at 7:00 AM.
- June 3, 2011 Keith Nixon, Jeff Smith, Mrs. Berry and Dr. Smith met in the superintendent's office where Mrs. Berry and Dr. Smith explained the issue and discussed a solution.
- June 6, 2011 Joint meeting of the Chowan County Board of Commissioners and the Edenton-Chowan Board of Education.

Lisa Jones stated that the 2008-09 funding figures were \$100,000 less than her calculations. Ms. Jones stated that in previous years the figures used to calculate the local current expense appropriation had been the sum of the appropriation plus the special technology in the amount of \$3,553,542 and not \$3,453,542 as shown on the worksheet from DPI. Emma Berry and Lisa Jones will check to see what figures the state used to calculate the local current expense appropriation. Dr. Smith advised the county commission that the calculation is based on current appropriations and projected student enrollment for 2014-2015. If the state's student enrollment projection for 2014-2015 is off by 10 students then the non-supplanting requirement will not be met.

John Mitchener recommended that we obtain a letter from DPI outlining the steps needed to rectify the problem. **(Attachment #1)**

2. **Status of the Relocation of the School System's Administrative Offices.**

Dr. Smith requested clarification on the County Commission's financial commitment with the relocation of the administrative offices. The County asked the Board of Education to identify a suitable relocation site. The County plans to vacate the county office building by November 2011. Based on conversations

with the county manager it is the understanding of the Board of Education that the county would financially support the relocation of the offices through additional current expense funds. The school system would pick up the cost for minor renovations and utilities. The school system's maintenance department would be responsible for the renovations. Work would not begin until after school begins at the end of August. The maintenance department has summer projects to complete before students return to school August 25th. The Board of Education needs clarification on the county's financial commitment for the relocation of the administrative offices.

Keith Nixon commented that the county commission meets tonight to review and approve the budget. It would be the Board of Education's decision on how to use the appropriation from the county. Mr. Nixon would like to recommend at least \$100,000 more in the appropriation from the county. If any additional funds were given to the schools, the county would possibly need to RIF more of their employees. Mr. Nixon commented that in his plan the school system administrative offices would be located at the old D.F. Walker School. The county owns the building and would not cost the county additional money. Dr. Smith commented that the sharing of space on the COA campus was possibility. A defined plan must be designed and agreed upon by the County Commission, College of the Albemarle, and the Board of Education. Since an agreement and renovations cannot be completed prior to November 2011, it has been recommended that the administrative offices be relocated to the facility owned by William Chesson.

Gene Jordan asked if after tonight's county commission meeting there would be clarification on the relocation of the school system's administrative offices.

Win Dale asked that the Board of Education and County Commission work together to keep the lines of communication open between the two boards.

3. **Intent of the Memorandum of Understanding Between the Board of Commissioners and the College of the Albemarle.** The Board of Education is concerned of the intent of the proposed lease agreement between the County Commission and COA. The school system is concerned that by June 30, 2013 they will have to vacate the facilities occupied by the school's technology department. During the May 16, 2011 County Commission meeting, both COA and the County Commission agreed that if an alternate and adequate space was not available then it is the intent for COA to develop an MOU to extend the timeline. It is the desire of the Board of Education that language within the lease be amended to clearly state that intent so that there cannot be any misunderstandings by future Boards, Commission, and/or COA administrations.

Discussion was held regarding amending the lease between the County and the COA. County Commissioner Jeff Smith suggested that the Board of Education and COA put together a Memorandum of Understanding. Gene Jordan asked if

the County would back up the Board of Education if the Board of Education asked that the lease be amended. John Mitchener commented that at the time the commissioners voted on the lease agreement he was not aware that the lease had been changed.

Gil Burroughs said that he thought the original lease was a binding legal document and the Board of Education had access to the building as long as needed. Mr. Burroughs asked that a solution be reached by all parties.

The County Commission and Board of Education discussed scheduling meetings between the two Boards for discussions on items other than budget.

There being no further business, the meeting was adjourned.

Respectfully submitted,

Ricky Browder, Chairman

Allan Smith, Secretary