

**Minutes**  
**Transylvania County Board of Education &**  
**Transylvania County Board of Commissioners**  
**March 29, 2011**  
**REVISED**  
**Joint Meeting**

**Agenda**

Welcome/Introductions  
Overview of First Pass County Budget  
Current Concerns Facing the Board of Education  
FY 2012 Current Expense Scenarios  
Board Discussion/Questions  
Public Comment  
Adjourn

The Transylvania County Board of Education met in joint session with the Transylvania County Board of Commissioners at 7:00 p.m. on March 29, 2011, in the Brevard High School Auditorium. The purpose of the meeting was to discuss the budget needs of the school system. In addition to approximately 175 guests, the following board members and staff were present:

**Board of Education**

Chris Whitmire, Chair  
Tawny McCoy, Vice Chair  
Sue Fox  
Shelia Norman  
Cindy Petit  
Dr. Jeff McDaris, Superintendent  
Norris Barger, Director, Business Services  
Jenny Hunter, Admin. Assistant

**Board of Commissioners**

Mike Hawkins, Chair  
Kelvin Phillips, Vice Chair  
Larry Chapman  
Jason Chappell  
Artie Wilson, County Manager  
Gay Poor, Finance Officer  
Trisha Hogan, Clerk to the Board

Mrs. McCoy gave the invocation and Mr. Chapman led the Pledge of Allegiance. Chairman Whitmire and Chairman Hawkins called the respective boards to order and introduced their board members and staff. Chairman Hawkins reported that Commissioner Daryle Hogsed was out of town.

**Overview of First Pass County Budget**

Chairman Hawkins reported that the county's tax base is projected to remain flat for next year, with no increase expected in tax revenue. At this time, the commissioners are planning no pay increases for county staff and no difference in level of support for the schools. For FY12, the county is looking at an operating deficit of \$1 million. The deficit is projected to rise to \$1.9 million for FY13 and reach \$2 million by FY14. Chairman Hawkins stated that the commissioners have identified the following possibilities to address this deficit:

1. *Fund balance* - Transylvania County currently has approximately \$8.3 million in fund balance. This represents 21% of its total operating budget. The county prefers to maintain at least 20% in undesignated fund balance; the state recommends a balance of at least 8%.
2. *Reduction in services* - Only 8% of the county's \$40 million operating budget is discretionary. The county library and the parks and recreation department would fall into this category.

3. *Utilize capital reserve* - The county has \$2.6 in capital reserve. Two million of that amount is tied up in the new animal shelter and the renovation of the old sheriff's department for additional office space.
4. *Increase fees* - Certain fees, such as the solid waste charge per ton, could be increased. Current rates are lower than the average. Property taxes could be increased. Transylvania currently has the 12<sup>th</sup> lowest property tax rate in the state.
5. *Some balance of options 1-4.*

Chairman Hawkins stated that the county is facing a difficult situation and that none of the above options would be without some pain.

### **Current Concerns Facing the Board of Education**

Dr. Jeff McDaris gave a PowerPoint presentation highlighting the many accomplishments and milestones of the Transylvania County Schools, and also the budget concerns for next year, focusing on what the state budget cuts could mean for Transylvania County Schools. Dr. McDaris stated that TCS has been an excellent steward of funds, always stretching every dollar as far as it will go. On top of that, the school system has already seen over \$1 million in cuts. Since 2009-2011, there have been cuts to field trips, supplies and materials, and student activities; class sizes have increased; three programs were cut or eliminated; personnel has been reduced by 25 employees in 3 years; transportation has been reduced each year for over 5 years; energy costs have been reduced; and worn equipment life has been extended far past its recommended repair or replacement. Dr. McDaris stated that under the current political and economic climate, the school system faces a challenge unseen since the Great Depression, a challenge that will affect the educational, cultural, historical and economic legacy of our county's next 150 years.

### **FY 2012 Current Expense Scenarios**

Dr. McDaris presented the following known changes to current expense for FY12:

- Health insurance 7% increase = \$28,940
- Retirement increase of 1.1% = \$47,803
- Title I cuts (4 TA positions) = \$100,276
- ARRA funding ends (15 teachers, 0.5 instructional support, 3 TAs) = \$891,152
- IDEA VI funding loss (1 TA) = \$28,666
- Title IID Federal Technology (0.5 position)  
*Includes potential cuts to 23 people*
- ADM reduction - including 4 teachers, building level administration, instructional support, and CTE = \$217,295  
*Includes potential cuts to 7 people*
- Charter school litigation = \$42,000
- Additional litigation and legislative issues anticipated

Total of what we know thus far, and not including additional state cuts = \$1,356,132

*Total potential cut of 30 people*

Dr. McDaris presented the proposed state cuts currently being discussed by the House and Senate:

Governor's Proposal:

- 15% cut to non-instructional support (includes custodians, secretaries, etc.)
- Textbooks, supplies and materials
- Instructional support (includes guidance counselors, librarian/media specialists, etc.)
- Potential cut to NC State Technology Trust Fund (includes \$\$ for technology expenses)
- Transportation (includes bus drivers, fuel, etc.)
- School bus replacement
- Additional categorical (includes CTE teacher allotment, teacher assistants, building administrators and central services)
- AP testing assistance  
     \$842,291 in total cuts  
     *Potential cut of 9 people*

DPI Proposed 5% Cut: \$933,615  
*Potential cut of 42 people*

DPI Proposed 10% Cut: \$1,670,923  
*Potential cut of 58 people*

JLEOC (Joint Legislative Education Oversight Committee) Option A: \$2,369,749  
*Potential cut of 40 people*

JLEOC (Joint Legislative Education Oversight Committee) Option B: \$2,525,933  
*Potential cut of 53 people*

JLEOC (Joint Legislative Education Oversight Committee) Option C: \$2,912,327  
*Potential cut of 70 people*

Combining the known budget changes with potential state cuts, Transylvania County Schools could be facing any of the following scenarios:

Known changes + Governor's budget = job losses to **39** people  
 Known changes + DPI 5% cut = job losses to **72** people  
 Known changes + DPI 10% cut = job losses to **88** people  
 Known changes + JLEOC Option A = job losses to **70** people  
 Known changes + JLEOC Option B = job losses to **83** people  
 Known changes + JLEOC Option C = job losses to **100** people

Dr. McDaris reported there is a small bit of good news. In anticipation of the budget crisis, the school system has held in reserve a Federal Edu-Jobs allotment that came in last year in order to use it as a cushion for FY12. This \$770,030 allotment could save 15 teaching positions.

Dr. McDaris stated that while it is not fair for the state to keep passing along costs to the local county governments, the school system will need help from the county. He noted that North Carolina considers Transylvania to be a wealthy county; therefore, Transylvania receives none of the supplemental "low wealth" or "small school" funding that goes to nearly every other district in the state. He added that Transylvania lost approximately 100 students last year due to the fact that their parents had to move away in order to find work. To much applause from the

assembly, Dr. McDaris stated that it is time for the state to stop throwing money at the poor performing districts and give some of it back to the top systems like Transylvania.

### Discussion/Questions

Chairman Hawkins remarked that the uncertainty and magnitude of possible cuts is overwhelming. He asked if there were any other alternatives to cutting staff. Dr. McDaris reported that the administration has been working on several contingency plans to try and cut everything else before people. He gave examples of cuts already being made by other school districts. Charlotte-Mecklenburg has eliminated all middle school athletics. Other districts are eliminating club competitions, travel to out-of-county competitions, and all non-revenue sports. Some are even eliminating non-core classes such as arts and CTE. Dr. McDaris said that he would hate to do that here because he wants our students to have a well rounded education. Our principals have said to cut everything else before people. Dr. McDaris said that some of the other options being considered include hub bus stops and further postponing needed repair/replacement of furniture and equipment, etc.

Chairman Whitmire remarked that eliminating field trips and programs sounds draconian. He stated that what we do today matters for tomorrow. Unfortunately, because salaries are a big portion of a school system's budget they are a big target. He said that the administration and school board have been trying to prepare over the last two years for what they knew was coming. However, at some point there remains nothing left to cut without reaching the point of diminishing returns.

Mr. Chapman acknowledged that Transylvania has an excellent school system; however, the bottom line is that the federal government and the state are broke, and the county is close to it. He stated that over 2300 families in this county are on food stamps. Over 200 homes are in foreclosure. Unemployment rates in the county range from 9% to 15%. He stated that our citizens cannot stand a tax increase. He encouraged everyone to lobby their legislators. He stated that we need to find a solution with the least disruption to our schools and to our citizens.

Mr. Chappell requested a copy of Dr. McDaris' PowerPoint presentation and asked when the commissioners could expect the Board to present its budget request. Dr. McDaris stated that the budget request would be ready by May 15. He hopes by that time to have received the state's budget in order to be able to reliably project needs. Mr. Hawkins stated that he would be more interested in a plan than a budget right now just to get a sense of the options and cuts that are being considered by the Board of Education. He stated that the commissioners would need this information soon in order to know what they should be telling the county department heads to expect.

Mr. Whitmire stated that one major complication is the categorical differences between the governor's budget proposal and the other legislative proposals. He noted that until the state finalizes its budget, there are too many possible scenarios to count. He stated that it ultimately all boils down to our people. He stated that the school system does not have the same economies of scale as larger systems. He stated that until the Board has something solid from the state, they do not want to create unnecessary fears about jobs. He pledged that the Board would protect its classrooms and educators as long as possible.

Mr. Chappell stated that it would be helpful also to have an idea regarding the school system's capital needs. Dr. McDaris stated that would try to get that information to the commissioners soon. He said that technology funding is of great concern to the Board because they want students to be able to continue to achieve and compete at the next level. He reiterated that the Board's main focus is to save jobs.

Chairman Hawkins asked about lottery funds and whether there was any flexibility in that area. Dr. McDaris reported that the NC lottery was initially sold as a way to provide schools with lots of money for new infrastructure. In reality, Transylvania receives a small amount compared to other districts, most of which is restricted to specific categories of capital projects. Recently the Governor held back some of the lottery funds. Last year, the state did grant some flexibility in how the lottery funds could be used; it is unknown if this flexibility will continue. Chairman Whitmire noted that the lottery funds cannot be used for routine capital needs such as repairs and replacements.

Mr. Chapman asked how many of the 490 TCS employees are teachers, stating that we have to maintain teachers in the classrooms (*applause from the assembly*). Dr. McDaris reported there are 134 elementary teachers, 70 secondary teachers, and 47 in other categories (CTE teachers, special education, etc.). In addition, there are 9 principals, 4 assistant principals, 8 guidance counselors, 7 media specialists, 1 school psychologist, over 100 teacher assistants, plus central office administrators, office support, bus drivers, mechanics, maintenance workers, custodians and cafeteria workers. Dr. McDaris stated that one of the proposed state cuts is to building level administration. TCS has already had to eliminate assistant principals in the elementary schools. He said that he does not know where else cuts could be made. He stated that another major concern is how freely those in Raleigh are offering up teacher assistants. He emphasized that our teacher assistants are big part of the reason our schools are so successful. He stated that cutting teacher assistants and increasing class sizes would be a huge mistake (*round of applause*).

Chairman Whitmire stated he would like to hear each commissioner's thoughts on the role of education in this county and also where they perceive excess. He stated that all of the TCS employees are important and all of their efforts contribute to students' success. He emphasized that TCS staffers wear many hats and perform multiple jobs. In an already very lean system, he asked where would cuts not harm services? He stated that educators have a calling and serve the next generation. He urged commissioners to ponder the future of our schools and community by realizing that decisions made today will impact the students of tomorrow. Commissioner Chapman explained that he did not mean to imply that the school system had a lot of excess. He stated that the county simply cannot be expected to make up all of the deficits that were shown in the budget presentation. He reiterated that he is looking for the best way to address the situation with the least amount of pain to our citizens and students.

Chairman Hawkins discussed the next steps between now and May. He stated that the County Commissioners would likely need more information/clarification from the Board of Education over the coming weeks. Another joint meeting may be needed. Mrs. McCoy stated that the Board respects that the county is in an awkward position due to the many state unknowns. She emphasized that the Board of Education is not intentionally withholding information or trying to drag the process out. She also acknowledged that it is unfair for the county to have to absorb the additional costs resulting from state cuts. Mr. Hawkins stated that it is still early in the process; nevertheless, the sooner both boards can nail down some assumptions, the better.

Mr. Chappell stated that it would be helpful to have at least a starting point in terms of dollars that the school system may be seeking. As a former school board member, he stated that he understands the Board's hands are tied until the state renders its budget.

Mr. Chapman stated that the county's assumption would be a flat amount for the school system. He stated that anything other than a flat amount would mean making some hard decisions regarding cuts to county services. Dr. McDaris emphasized that the school system and the county government have always had a tremendous partnership. One component of that

partnership is the School Resource Officer program, which is provided through the county sheriff's department. Dr. McDaris emphasized the important role of SROs in the schools, noting how many serious incidents have been de-escalated or avoided together through their presence and intervention. He also spoke about the vital role of school nurses, provided through the county health department, as well as the importance of the Child Nutrition program. He emphasized that the budget debate does not need to become a "school employees versus county employees" battle, stating, "We need every one of them, and I hope they need every one of us."

Chairman Whitmire discussed the possibility of a property tax increase. He stated that for the average homeowner, the actual impact to the pocketbook would be fairly small. He estimated that a 4.62-cent tax increase would cost the owner of a \$200,000 home an additional \$8 per month or approximately \$100 per year. He noted that over half of Transylvania County's tax base comes from property owned by wealthy part-time residents. He stated that a single \$3 million dollar home could generate \$1,500 extra dollars a year in tax revenue. He emphasized that the budget discussion should not pit county employees against school system employees.

Mrs. McCoy stated that she personally wanted to give the Board of Commissioners an idea of the Board of Education's passion for the students and teachers of Transylvania County Schools. She stated that the Board was here to speak for them and to protect them. She said the Board members know well that people in the community are hurting and that times are bad for many families. They see the free and reduced lunch numbers rising every day. She stated that all the talk of numbers ultimately comes back to people and families.

Mrs. Petit stated that everyone has had to cut back over the last two years. She expressed confidence that the two boards can work together to save jobs and classrooms and help the schools.

Mrs. Norman stated that the Raleigh lawmakers seem to believe that small systems can absorb the same level of cuts as large systems, when in fact the larger systems have enough extra padding to make the impacts of their cuts negligible. She expressed dismay at the lack of common sense on display among some elected state officials, adding that they have forgotten their responsibility to their constituents and the fact that education is an investment in the future. To leave our children vulnerable is a very wrong move in her opinion.

Mrs. Fox pointed out that all ten members of the two boards are alumni of the Transylvania County school system. She expressed her belief that each person wants the same things for all students as they do for their own children and grandchildren. She stated that she is certain the two boards can work together to find an answer and thanked the commissioners for all that they do.

Mr. Chapman stated that the citizens of this county sent a message in November. He stated that we are seeing the consequences of what Raleigh has done in the past, and local boards now have to deal with those consequences and make the hard choices. He stated that we cannot keep increasing taxes and regulations—that is just prolonging the problem. He noted that the lawmakers in Raleigh said they would not balance the budget on the backs of counties, but it is hard to believe them judging from their actions. He again encouraged everyone to contact their legislators and make their voices heard. He stated that a tax increase would just be putting off what has to be done.

Mr. Phillips said that ever since he served on the Board of Education 15 years ago, he has seen inequity in the way the state funds school systems. He commended the school board for cutting

everything it can up until now. He believes that unfortunately, it will come down to making the cuts that hurt the least. He stated that a lot of new legislators are supportive of education. However, they must reduce the red ink or the years that follow this one will be even worse. He believes that our legislators hear us and know that we are desperate. He stated that he looks forward to working together toward the best solution possible. He assured the school board that the county commissioners are on their side and are ready to roll up their sleeves. He said he is proud to be a product of the Transylvania County Schools, and has a vested interest in the schools—his granddaughter is entering kindergarten this fall.

Mr. Chappell expressed thanks to everyone for coming out and invited everyone to share their ideas with the boards. He stated that the commissioners would be asking a lot of questions and seeking information over the next couple of months in order to make the best decisions. He said that he hoped the Board would not become defensive by the questions and that everyone could be honest with each other and work toward a common goal.

Mrs. Norman expressed hope that neither side becomes defensive, and that Raleigh would use some common sense. She agreed that each side needs to share information with each other.

### **Public Comment**

1. Speaking as the “biological mother of two and the ‘adopted’ mother of 60 that she parents every day,” teacher and TCAE president, Meredith Licht, spoke against any cuts to teacher assistant positions. She stated that the dedicated teacher assistants in this county go above and beyond the call of duty every day, and any reduction in their number would be devastating to our classrooms. She stated that Transylvania’s schools are one of the biggest attractions for business and commerce. They are the reason that we had a successful bond referendum. She stated that investment in our schools is a good investment, and urged the county commissioners to set aside a capital reserve fund so that the schools would only have to come to them for operating costs. She also urged the adoption of a resolution supporting the maintenance of the 1% sales tax.
2. Gerry Hunsicker reported that her family had moved to Transylvania County because of the quality of the schools. She noted that teachers do not work for the wages; they work for the love of their students. They pay for supplies out of their own pockets. They hold fundraisers to keep programs going. They are asked to manage students with their hands tied. They are performing daily miracles, working with students with children who receive little to no parental direction. She stated that if you reduce teacher assistants, you reduce student performance. She stated that our county has a jail facility which is so nice that some may look forward to going into it. She stated that she has worked at the Job Corps with young people who did not get a good foundation. She cautioned that if we let our schools slide and do not pay them the attention that we should, we may have to institute a “Jail 101.”
3. David Williams, Principal of BMS, but speaking as a resident of Cedar Mountain, stated that he was speaking for those in the county who do not come to meetings like this. He stated that Mr. Whitmire has warned repeatedly about “kicking the can down the road” regarding our school system’s needs. Mr. Williams stated that now the can has reached the end of the road, the bill has come due and the rubber has met the road. Regarding Mr. Chapman’s comment about inflicting the least amount of pain on our citizens, Mr. Williams stated that the pain started a long time ago. He reported that school staffs have seen the pain as they watched family after family leave this county in order to find work. They have seen the pain as children come to school with stress anxiety from family worries, and the pain is manifesting in their attitudes, emotions and performance. Mr. Williams concluded,

“People are already feeling the pain. But if we all feel that we are sharing that pain, we are more willing to accept it. For the next generation, I am willing.”

4. Rhi Matson, BMS teacher, reported that exciting, creative things are happening in the schools. She stated that cutting field trips and extracurricular activities would certainly hurt the kids who are not used to having any extras. She cautioned, however, that cuts would not be just the extras. It would be the teachers who have the exciting and creative ideas. She stated that the schools cannot absorb any more cuts. She feels that students should not have to see the programs they love being cut and the teachers they love being stressed out.
5. Brevard resident, Suzanne Barrett, stated that she would be willing to have her taxes raised in order to protect the schools. She stated that we cannot make a difference if we do not use all of the tools at our disposal. She believes that taxes have to be a part of the balance of options that Mr. Hawkins mentioned at the beginning of the meeting.
6. Dick Ream, school bus driver, spoke in support of TCS support staff. He stated that bus drivers, maintenance workers, secretaries, cafeteria workers, etc., are all a vital part of the educational system. He noted that the first and last person that a student sees every day is the school bus driver. He stated that school system employees have not had raises in years. He agreed with Mr. Williams that school employees see students and families consumed with stress every day. He urged the commissioners to support the staff and infrastructure to keep our schools strong.
7. Jane Fuller, high school math teacher, stated that she too chose to move here for the quality of the school system. She stated that as a parent and as a teacher, she is very fiscally conservative. She has seen that Dr. McDaris has worked hard to “lean” the central office and attempts to save money in every way possible. She reported that everyone is using and re-using every resource. She stated that her seniors are having great success based in part on having great teacher assistants and lower class sizes. Having taught in other states, she is amazed and gratified by the level of commitment among the TCS employees—both those who grew up here and those who have moved here. Noting that it is not that way everywhere, she concluded, “You just don’t realize what good people you have.”

### Adjourn

Chairman Hawkins thanked the speakers for their comments and everyone for coming out to the meeting. He thanked the Board of Education for providing valuable insight and information, and stated there will be more questions from the commissioners over the next few weeks. ON A MOTION BY MR. CHAPPELL, SECONDED BY MR. PHILLIPS, the Board of Commissioners adjourned at 9:27 p.m.

Chairman Whitmire commended everyone for coming **to the meeting**. He stated there is not a person on either side who does not value the jobs of all our staff. He reiterated that not fixing things now will cost a great deal more in the future. He expressed hope that the next time the two boards meet they will **hopefully** have more concrete information **from Raleigh** and a better direction. He stated that the Board of Education works hard to maximize what the taxpayers give to the schools. ON A MOTION BY MRS. NORMAN, SECONDED BY MRS. FOX, the Board of Education adjourned at 9:31 p.m.



March 29, 2011

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Respectfully submitted,

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Chairman

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Secretary