

Minutes
Transylvania County Board of Education &
Transylvania County Board of Commissioners
May 12, 2011

Agenda

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Adjourn

The Transylvania County Board of Education met in joint session with the Transylvania County Board of Commissioners at 6:30 p.m. on May 12, 2011, in the Rogow Room of the Transylvania County Library. The purpose of the meeting was to discuss the FY12 education budget request. In addition to 500+ 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
Daryle Hogsed
Artie Wilson, County Manager
Gay Poor, Finance Officer
Trisha Hogan, Clerk to the Board

Daryle Hogsed gave the invocation and Chris Whitmire led the Pledge of Allegiance. Chairman Whitmire and Chairman Hawkins gave welcomes, opening comments, and called the respective boards to order. Mr. Hawkins introduced the members of the Board of Commissioners and staff.

Overview/Comments

Chairman Hawkins discussed the complexities of county funding, explaining that while education is of paramount importance, it is not the only need competing for local funding. He gave a presentation showing that the county's state ranking in terms of total funding/ADM increased from 11th to 6th over the last 10 years (includes funding for current expense, capital outlay and debt service), while the 10-year ranking for current expense/ADM increased from 17th to 5th in the state. He stated that total county appropriation for the school system in FY2010-2011 was 32.5% of the total county budget. Mr. Hawkins stated that the commissioners had asked county departments to find efficiencies in order to have a flat budget for FY12, in keeping with the county's goal of not having to raise property taxes. Department heads identified several hundred dollars that could be cut from next year's operating expenses. However, that still left a \$1 million deficit for the county's first pass budget. This deficit is projected to rise to \$1.9 million in FY13. Four possible solutions were identified:

1. Access fund balance. Mr. Hawkins reported that county governments must maintain at least 8% of their total budget in fund balance. Transylvania County's current fund balance of \$9.3 million represents 21% of its total budget. Mr. Hawkins reported that commissioners have traditionally tried to keep a 20% fund balance on hand for emergencies or unexpected opportunities. He stated that using fund balance is a short-term solution that would do nothing to fix the underlying problem.

2. Use capital reserve. Approximately \$2 million is reserved for specific building projects. The county animal shelter and the renovation of the former sheriff's office and library for office space are the two biggest projects within this category.
3. Raise taxes and fees.
4. Look for additional efficiencies and/or cuts.

Chairman Hawkins reported that the county had conducted a 10-year analysis of how it spends its resources. The study showed that total county spending went up 10.7% (adjusted for inflation) from 2001 to 2010. The bulk of the spending went toward public safety, education and capital. Removing these three components from the equation reflected an 8.5% *decrease* over 10 years. In other words, the county government is operating on 8.5% less in real dollars than it did 10 years ago. Mr. Hawkins stated that depending on efficiencies and/or cuts as a budget strategy is not sustainable. He expressed his hope that the county could do more than just get by for the next two years, and urged his fellow commissioners to take the necessary steps to begin addressing the infrastructure problems, facilities needs, and economic development issues that the county and school system face now and for the future.

Chairman Whitmire introduced the Board of Education members and staff.

FY 2012 Education Request

Dr. McDaris presented the budget PowerPoint shown at recent Board of Education meetings, highlighting the possible cuts to staff and programs. He presented the Board of Education's budget request for the 2011-2012 year:

- Capital funding equal to current year (\$1,046,963)
- Request \$200,000 of this be moved to current expense
- Use allowable percentage of lottery funding for jobs (\$131,581)
- Use another \$200,000 of current lottery balance to offset capital loss
- Use \$200,000 (14%) of undesignated fund balance
- Request *increase* in local current expense (not including capital conversion) of \$1,650,657
- In summary, a total local current expense appropriation of \$11,057,040; an increase of \$1,850,657 from FY11, and a capital outlay appropriation of \$846,963; a decrease of \$200,000 from FY11

Board Discussion/Questions

Chairman Hawkins gave a reminder that the purpose of the meeting was for discussion and information sharing only. No actions or decisions would be made. He opened the floor for questions.

Mr. Chappell asked whether the \$1.6 million increase includes \$100,000 for Child Nutrition. Dr. McDaris responded in the affirmative. Mr. Chappell asked how the Board plans to cover the EduJobs amount, which will not be available for FY13. Dr. McDaris reported that the difference could hopefully be made up through retirements and attrition. He clarified that the Board is not saying that it wants to cut sports and extra-curricular programs. Although to do so would save approximately \$300,000, the loss in dividends for children would be immeasurable.

Mr. Chapman expressed appreciation for the large turnout and thanked everyone for their e-mails. Noting the large number of students in attendance, he commented that he hoped they

would learn a lesson from the meeting, namely that “You eventually reach a point where you can no longer spend more than you take in.” He stated that implementing a local tax increase in the current recession would severely impact the county’s hardest hit citizens. He noted that 230 homes are in foreclosure, 2400 families are receiving food stamps, and unemployment is at 9%. He feels that the November election sent a message that governments cannot continue spending and taxing. He questioned whether the issue at hand is a revenue problem or a spending problem, and reiterated that in his opinion, the budget deficit cannot be solved by raising taxes.

Mr. Chappell asked about lottery funds and whether the Board would use this year’s allotment to help cover salaries. Dr. McDaris reported that the Board would, but believes it is risky to count on the lottery allotment for salaries because the state can delay disbursement until June 30 or later. Chairman Whitmire pointed out that lottery funds are sorely needed as an emergency capital fund. Citing the broken chiller at PFES and the advanced age of the mechanical systems in all schools, he emphasized that one large emergency repair can wipe out what has taken years to accumulate. Adding that to the fact that TCS recently had to pay \$120,000 to Brevard Academy due to the Sugar Creek lawsuit, and the likelihood of losing even more to charter schools thanks to Senate Bill 8, the Board may have even less ability to address urgent needs.

Mr. Chapman asked what criteria would be used in the event the schools have to reduce staff. Dr. McDaris explained that school employees are funded from combinations of state, federal and local monies, and no category of funding would be protected should cuts become necessary. The major impact of staff reductions would likely be to teacher assistants in grades 2-3. Mr. Whitmire reported that the state is rather foolishly attempting to set the criteria for furloughs rather than leave that decision to the LEAs.

Public Comment

Chairman Hawkins opened the floor for public comment. Due to the large number of people who signed up, speakers were asked to keep comments to three minutes. The assembly was asked to control their responses and be respectful of all.

1. Meredith Licht, teacher, stated that the schools have reached the tipping point where nothing more can be cut without significant impact to the classroom. She reported that Transylvania County’s public schools attract families, which in turn bring doctors, business owners, and other professionals to the county. Without a sound, quality public school system, those professionals will eventually begin to leave, resulting in a declining county. She urged the commissioners to raise taxes and fees in order to support education. She stated that it may be hard to pay more taxes, but it would be even harder to witness what would happen to our children and our county without it.
2. Gerry Hunsicker addressed Mr. Chapman’s comments about voter mandates, saying that the mandate was targeted at curbing wasteful spending at the state level, not at lean, top-achieving school systems like Transylvania. He stated that industry is gone and many businesses have cut back due to reduced work. However, the schools do not have reduced work and have already implemented many efficiencies. He cautioned against chasing away the remaining county residents by letting the school system decline. He expressed support for a five-cent tax increase designated for the schools.
3. Robert Porter stated that he and many others would be willing to pay more taxes to help the schools. He warned that if we don’t pay now, we will pay later with loss of revenue from families moving away, and with increased dropouts, drugs and crime. He also

predicted that more students would return to live and work in the county if the school system remains strong.

4. Tim Shea, MD, stated that he and his family had moved here 13 years ago due to the quality of the public schools. He believes that the school board has stepped up and made cuts and dug into their reserve. He urged the commissioners to do the same.
5. Debbie Holden expressed disappointment in the county's decision to cut the New Adventure infant program. She stated that as a mother of six, she feels that cutting extracurricular activities and teacher assistants would be a terrible mistake. She stated that she would be willing to pay extra taxes for the schools.
6. Sarah Kane reported that her family had moved to the county 12 years ago for the excellent schools. She feels that Transylvania County Schools are superior to any others in Western North Carolina and should be preserved. She encouraged commissioners to visit classrooms for just one day to see for themselves how hard teachers and teacher assistants work. She challenged them to take this opportunity to do what is right and change the course of history. She stated that her husband is one of the county's unemployed, yet she would still support a tax increase. She asked, "How can you tell a child that he is not worth the price of a large pizza once a month?"
7. Carol Weeks, teacher, stated that she too had moved here for the schools. As a taxpayer and a single parent, she stated she would be willing to pay extra taxes in order to continue in the same manner that drew her here. She questioned why anyone would exacerbate the county's economic problem by causing even more families to move away in search of better schools.
8. Patrick Miller advised, "The decision you make calls for wisdom and courage. Many things attract people to this county. Our schools are superb, and what they have achieved has been done with modest tax rates. As a card-carrying Republican, I see a tax increase as unavoidable. If we were faced with the prospect of laying off police officers or fire fighters, I would say support them as I say support the teachers. Without a tax increase, unemployment will increase and there will be a loss of talent. Children unable to participate in sports will transfer to other systems or drop out. All the effort that has been put forth by the schools to achieve outstanding results will be slammed by the realization that the community would not come to their aid. The city and county will no longer be able to use the schools as a draw. We look toward the leadership of our county. Supporting the schools would be a great way to celebrate the 150th anniversary of this county."
9. Aaron Neumann, student, stated that he has been working hard since third grade in hopes of playing middle school sports. He would be very disappointed not to play next year for his school.
10. Paul Folkmer, business owner, reported that like many others, he and his family moved here primarily for the schools. He commented that he can tell the schools are underfunded just by looking at the crumbling BHS parking lot. He stated that his alarm grew to anger when he read the recent newspaper article with comments from county officials such as, "Citizens appear to be panicking...We don't need to be saber rattling.... We will not be intimidated." He said he realizes that commissioners are reacting to downturns that are beyond their control; however, he feels that they were elected to lead

and not to simply react. He urged them to lead by saying that our children are worth 49 cents a day.

11. Betty Scruggs, retired educator of 37 years, asked the county commissioners to think about positional leadership versus influential leadership. She urged them to stand up and make a difference by exhibiting true, influential leadership.
12. Heidi Bullock, teacher, read a quote from Thomas Payne, which exhorts, "Do not shrink but stand up.... If there must be trouble, let it be in our day, not our children's". She pointed out that we cannot go back and educate children retroactively once the economy improves.
13. Tami Forte Moss addressed an earlier comment about how people are struggling. She stated that people were struggling long before the current economic recession. Yet it is those people who recognize that they can lift their children up from poverty through education. People will do whatever it takes, even those who don't have the means.
14. Kaitlyn McCreery, student, spoke about her passion for sports and the discipline and hard work she has learned through the public school system. She urged the county to step up and make the difference.
15. Susan Burger asked how we could consider cutting arts programs in a community that is renowned worldwide for musical excellence. She stated that our schools need to be a home for students to become all that they can be. She encouraged a property tax increase that would be designated exclusively for the schools. She also recommended that county tax bills be changed to show a breakdown of where each dollar goes.
16. John Waldo, retiree, asked everyone to make a distinction between being elected and holding office. He stated that being an elected official takes courage and wisdom and also the knowledge that one is no longer campaigning. He stated, "Your job is not to keep your job. Your job is to keep us all together."
17. David Siniard, teacher, spoke about the importance of mentoring our community's youth. He stated that it is time to stick our necks out and stop cutting. He feels that adding a penny or two to the tax rate could save many children.
18. Bob Shoemaker, teacher, gave an analogy comparing a father's responsibility as the head of the household to provide for his family to the commissioners' responsibility as the elected head of the county to provide for the community family. He stated that we as a family are faced with a crisis not of our making, and too many of our family's children are going without. He asked whether we are willing to put party expediency before the needs of our children. He urged, "Raise my taxes so that we can act as the Lord Jesus taught us to act."
19. Stan Smith, retiree, said that the schools do not deserve to be undermined. He suggested finding out why parents are going to charter, home, religious and private schools and what can be done to attract them back. He stated that what is required is a measure of shared pain through a tax increase, and urged the county to do the right thing.

20. April McNeely, business owner, stated that she does not want any teachers to lose their jobs. However, she does not believe a tax increase is the answer. She sees jobs as the primary need facing the county and the ultimate solution to keeping education strong. She urged the county to offer tax exemptions or other incentives to recruit businesses to this area. She feels that raising taxes will hurt small businesses and cause more jobs to be lost.
21. Mason Sexton, home school parent and advocate, stated that the TCS budget is "like Jello." He objects to the fact that his children must dual enroll in the public schools in order to participate in the public schools' extracurricular activities. He estimated that an extra 49 cents a day in taxes would take at least \$8 million out of the economy. He stated that he works 60 hours a week, pays \$5000 in insurance deductibles, and expects no less from those whose salaries he funds.
22. John Huggins Jr., stated that that the county has a management problem. He feels that the county's recreation study was ignored, and that Transylvania's facilities fall short when compared to neighboring counties. He stated that the schools allowed a 37-year old chiller to go down due to lack of maintenance. He stated that he is tired of all the theatrics and recommended establishing a donation program at a local bank for those who want to contribute to the schools.
23. Mick Davis recommended looking into ways to get more federal funds for education. He listed some ideas such logging in national forests, ginseng permits, highway tolls, or allowing private homes to be built on the Parkway.
24. Tommy Wakefield, student, spoke about the importance of sports programs and urged no cuts to athletics. He stated that he wants to attend Brevard High School, not Brevard Learning Center.
25. Dick Ream, bus driver and business owner, spoke about the vital roles of support staff such as school bus drivers, custodians, secretaries, etc. He urged no cuts to these positions.
26. Dianne McKinney reported that she had started a petition expressing opposition to potential cuts. She stated that if the schools cut sports, her family will leave. She stated that kids are more important than a library, offices or a dog pound.
27. Bob Baldwin, track and cross country coach, reported that winning is a tradition for his teams. He predicted that we will lose our best athletes to other school districts if their sports are cut here. He stated that coaches teach kids not to give up. He stated that he hoped the county would not give up on the school system.
28. Mike Moore stated that you cannot borrow your way out of debt. He questioned the school system's recent purchase of a heavy duty school bus wrecker. *(Dr. McDaris explained that the new wrecker was provided free of charge by the Department of Transportation not purchased.)*
29. Jessica Porter, student, spoke in support of school athletic programs.
30. Andy Von Cannon, teacher, stated that one rationale given for the county not meeting the funding gap is that people cannot find work or pay more taxes. He reported that he has taken on a second job as a landscaper and has seen high demand and booming

business. He stated that Transylvania County Schools are fiscally responsible and would do well with any additional tax dollars.

31. Rebekah Huggins, retired teacher, stated the state budget crisis is a self-inflicted wound that has more to do with political promises than with the needs of the state. She urged everyone to contact their elected officials. She stated that the GOP leaders are throwing education under the bus, and she hoped that local leaders would not do that here.
32. Kelly Nicholson, coach, warned that by not investing in athletics, we will deny students the leadership skills, love and encouragement that many do not get at home. She stated that our county has lost sight of its full-time residents and focuses too much on part-time residents and tourism. She would like to see more local money directed toward education.
33. Marty Griffin, retired educator, asked why, as products of the local school system, the county officials would not want to ensure that their children and grandchildren have the same opportunities and same great leadership that they themselves had?

Mrs. Fox stated that as career educators, she and her husband have shared the philosophy that academics, athletics and the arts all work together to help children become the best that they can be. She stated that the Transylvania County School system is one of the best because of that same philosophy and also because of its team approach to education--with everyone from cafeteria workers to bus drivers, teachers to administrators, and everyone in between all serving an integral role in the educational process. Without adequate funding, the schools will lose some of those integral people and become "bare bones" offering few opportunities. She cautioned that cutbacks may save money today, but they will cost everyone in the years to come. She gave a reminder that several years ago under *No Child Left Behind*, Transylvania's dedicated teacher assistants chose to pursue the long hours of training necessary to earn their degrees. She believes that the teacher assistant cuts that are being pushed by state legislators are insulting and a travesty. She stressed that teacher assistants are invaluable to the classroom, and every single one is sorely needed.

Mrs. Norman urged the commissioners to set aside campaign rhetoric and realize their responsibility to current and future generations. She noted that only a few of the evening's speakers had opposed a tax increase. She asked the commissioners to remember that they are all products of the public school system and to provide the means for today's youth to have the same opportunities that they themselves had. She urged listening to the voices that were heard this evening, setting aside party stances, and "being human" rather than politically expedient.

Mrs. Petit stated that she is proud of the TCS teachers and staff, and pledged that the Board will fight for them until the end. She stated that the school system's budget list represents true needs, not wants, and although it is difficult to prioritize band-aids, the Board has done its best with what it has. She expressed confidence that the two boards can work together to do what is right for schools and children.

Mrs. McCoy thanked the commissioners for their support over the years, and stated that while the current budget crisis is not their fault, they are the only funding source to whom the Board can appeal for help.

Dr. McDaris stated that everyone can be proud of our local government, our schools and our educators. He gave a reminder that the public schools "do not get to choose who we take in. We take in all students, from the best and brightest to those with profound needs, and we move

them all forward successfully.” He stated that TCS is transparent in all of its reporting and represents the very best in American democracy.

Chairman Whitmire thanked the commissioners for patiently listening while “a lot of fire was thrown” by the speakers. He emphasized that the Board’s funding dilemma is critical and very real, saying, “We will keep patching chillers because that is our only choice. But the bottom line is that our programs cost money. People cost money. Our schools achieve excellence. We need your help.” He observed that over the last 10 days, nearly 800 people have come out and expressed their feelings regarding the legitimacy of the school system’s needs, and the vast majority of them stated clearly that our schools are worthy of a sustainable investment. He urged everyone to base their decisions on the facts for TCS and not on generalizations about public education as a whole. As one example, he noted that BHS and RHS consistently have 90% or better graduation rates, not the 70% national average that is widely quoted. He concluded by saying, “Transylvania is doing it right. We need and deserve a sustainable fix.”

ON A MOTION MRS. MCCOY, SECONDED BY MRS. NORMAN, the Board of Education adjourned at 10:22 p.m.

Mr. Chappell gave clarifications on some items for which he had felt unfairly criticized, in particular a petition which erroneously stated that commissioners had voted to do away with extracurricular activities and sports. He stated, “Some of us have been fighting for education for a long time. I want my daughter to have the same opportunities that I had. I know how important teacher assistants are. We are in this together.” He thanked everyone for coming out.

Mr. Chapman expressed offense at the insinuation that decisions are made based on party politics. He stated that his decisions will be based on what he feels is important for the majority of citizens in this county. He stated that North Carolina politicians have been lying to the public for years. He stated that schools are important. He stated that what he does, he does as a commissioner and not a politician.

Mr. Hogsed thanked everyone for their comments, opinions and attendance. He thanked everyone who had sent e-mails and gave assurance that he had read every single one.

Mr. Phillips stated that the speakers and the Board have clearly demonstrated what is important to them. He gave special thanks to the students who spoke so passionately for their schools. He asked everyone to pray for wisdom and guidance for the commissioners as they make decisions for the county. He thanked everyone for their calls and e-mails and input.

Chairman Hawkins echoed the previous comments and expressed appreciation to the Board of Education and staff for all of their hard work. He pledged that the commissioners would work with the Board as much as they can.

ON A MOTION BY MR. PHILLIPS, SECONDED BY MR. CHAPMAN, the Board of Commissioners adjourned at 10:33 p.m.

Respectfully submitted,

Chairman

Secretary