
Operational Improvements in Halifax County School Districts

FINAL REPORT

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EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

In January 2012, Halifax County, North Carolina selected Evergreen Solutions, LLC, to conduct an in-depth study of Halifax County's three public school systems and to submit to Halifax County Government a comprehensive study and options for improvements in each and all school systems. The three school systems under review included Halifax County Public Schools, Roanoke Rapids Graded School District, and Weldon City Schools. The study concluded in August 2012 with a final report detailing each of the study's findings and recommendations.

The comprehensive feasibility study for improvements in school operations was aimed at carefully scrutinizing the school systems based on available financial information. The review included an analysis of the financial and operational situation as it presently stands with three school systems as compared to combining two or more school systems. Operational areas under review in each of the school systems included organization and management; human resources and personnel management; facilities use and management; financial management; transportation; food services; and technology. The goal of the study was to assess the efficiency of school system operations as well as to determine the educational impact of combining two or more school systems. The study also provided an analysis of student populations and how best to assign students to schools as well as an analysis of future population estimates to plan for accommodating the expected number of students.

According to statistics provided on Halifax County school systems by the North Carolina Department of Public Instruction website, approximately 7,742 students were educated in Halifax County school systems in the 2011-12 school year. The three school systems consist of 19 schools and employ approximately 1,087 staff. Average per pupil expenditures across all three school systems were \$10,695 and total combined expenditures for the school systems were \$78,199,880.

SCOPE OF STUDY

To fulfill the requirements of the contract with Halifax County for the study of school operations, Evergreen Solutions was required to:

- analyze the financial situation as it presently stands with the three school systems as compared to combining two or more school systems;
- analyze the educational impact of combining two or more school systems;
- analyze student populations and how best to assign students to schools;
- analyze future population estimates to plan for accommodating the expected number of students; and
- review other information as relevant to the comprehensive nature of the study.



METHODOLOGY

Evergreen's approach methodology for conducting this study included the following components:

- developing profiles of each of the three school systems by reviewing existing reports and data sources, including independent financial audits, annual budget and expenditure reports, budget guidelines and procedures, accounting procedures, salary schedules, organizational charts, staffing ratios, school board policies, strategic plan, technology plan, and annual performance reports;
- conducting a diagnostic review and interviews with the Board of County Commissioners, school chairs and vice chairs in each school system, administrators and staff in the three districts, and community leaders;
- collecting additional reports and data from sources inside and outside the school systems;
- conducting a formal on-site review to examine several major operations in each school system and the impact of potential consolidation on district organization and management, personnel (human resources) and staffing, curriculum and instruction, facilities, financial management, transportation, food services, and technology; and
- preparing draft and final reports including a detailed recommendation for each finding.

Together, these steps allowed Evergreen to capture and present a snapshot of the operations of Halifax County's three school systems as well as make data-supported commendations and recommendations.

Diagnostic Review

A diagnostic review of the school systems was conducted on March 12-14, 2012. Evergreen's meetings included separate interviews with each member of the Board of County Commissioners, the Chairman and Vice Chairman of each school board, the Superintendent and Assistant Superintendent of each school system, the County Manager, the Assistant County Manager of Financial Services (Chief Financial Officer), and the Assistant County Manager of Operational Services. The diagnostic review allowed the Evergreen Team to assess school system operations, develop information and data needs requests for the study, and capture perceptions and input from key staff. The diagnostic review acted as a starting point for the on-site comprehensive study.

On-Site Review

Evergreen consultants conducted the formal on-site feasibility review of Halifax County's school systems during the week of April 30, 2012. Prior to conducting the on-site review, each team member was provided with an extensive set of information about operations in each school system. During the on-site work, the Evergreen Team conducted a detailed review of the structure and financial operations for each school system.



Project Reporting

The study concluded with a final report which included an extensive analysis of the operational and financial performance of Halifax County school systems as well as the feasibility of combining two or three of the existing schools or school systems.

OVERVIEW OF THE REPORT

This final report for the feasibility review consists of the following chapters:

- Chapter 2.0: Background
- Chapter 3.0: Enrollment Projections
- Chapter 4.0: Review of Operational Improvements in Halifax County Schools
- Chapter 5.0: Facilities Management
- Chapter 6.0: Long-Term Options, Conclusions and General Recommendations
- Chapter 7.0: Fiscal Impact

Chapters 4, 5, and 6 contain findings, commendations, and recommendations for specific operational areas, provided in the following sequence:

- a description of operations in the three school systems in Halifax County;
- a summary of our study findings;
- a commendation or recommendation for each finding; and
- estimated costs or cost savings over a five-year period which are stated in 2012 dollars.

COMMENDATIONS AND RECOMMENDATIONS

In this section we highlight major commendations and recommendations for each operational area. A total of 39 recommendations are made in this report, of which 21 have a fiscal impact. The total fiscal impact of all recommendations is a net savings of \$11.5 million over five years among Halifax County schools as a whole, and at each school system individually. It is important for Halifax County and school district leaders to keep in mind that all recommendations cannot be implemented immediately; some will take months and years to implement.

Governance and Central Administration

The organization and management of a school system involves cooperation between elected members of the school board, and administrators and staff of the school district. The school board's role is to determine the policies by which a school district will be governed, approve the plans to implement those policies as set forth by the administration, provide the funding sources necessary to carry out the plans, and evaluate the results of the plans.



The commendation in this section includes:

- The School Boards of HCS, WCS, and RRGSD are commended for recognizing the need for updated, comprehensive policies and for undertaking a comprehensive review of all policies over this last year.

Recommendations in this section include the following:

- Establish quarterly countywide school district administrator meetings and bi-annual joint Board workshops to improve communication and cooperation between and among the Halifax County LEAs.
- Eliminate the position of HCS Public Relations Officer, and designate the public information request duties to an existing administrative position.
- Implement policies and procedures for controlling legal costs based on realistic per student in average daily membership goals.
- Implement a teacher supplement in HCS and WCS as part of an overall teacher recruitment effort, and carefully consider removing or eliminating supplements in other non-critical categories.

Campus Administration

A well-defined governance structure, management, and planning process provide the foundation for effective and efficient delivery of services. Campus administrators should function as a leadership team to meet stakeholder needs. Effective leadership means that there is a clear delineation among setting goals, objectives, and policies for operations and implementing an effective management structure to accomplish those goals and objectives in a strategic manner.

Commendations in this section include:

- WCS and the Halifax Community College are commended for implementing the Roanoke Valley Early College Program, which provides services for Halifax County residents as well as some students from Northampton County.
- The Halifax County LEAs are commended for availing themselves of grants and funding opportunities that are providing improved school health care services.

Recommendations in this section include the following:

- Collaboratively seek agreement from the Halifax Community College and the three Halifax County LEAs for a modification that addresses the mutual concerns and opportunities for all Halifax County students and submit a request to the North Carolina Department of Public Instruction.
- Establish a centralized alternative education and drop-out prevention program for all students in Halifax County.



- Seek out grants and partnership arrangements with local health care providers to augment nursing services in Halifax County Schools.

Human Resources

Personnel management is a critical function in school systems. The staff in a Local Education Agency's (LEA) human resources department must ensure that complex personnel policies are followed. In many cases, this department provides the first impression of the LEA's quality to potential employees.

Commendations in this section include:

- Weldon City Schools is commended for using innovative and cost effective ways to attract new teachers.
- HCS and RRGSD are commended for preparing and disseminating employee handbooks, which are designed to provide employees useful information and guidance regarding their employment in the LEA.
- All three Halifax County LEAs have employee performance evaluation systems in place to provide timely feedback to employees.

Recommendations in this section include the following:

- Reduce non-instructional staffing levels in HCS and WCS to be more in line with state averages, and require justifications from administrators and supervisors for any staffing that exceeds those averages during the budget cycle.
- Establish a formal two-year review cycle to ensure that all job descriptions are kept current, and create a template for all job descriptions so that all essential elements are added as the job descriptions are reviewed.

Financial Management

School districts must practice sound financial management in order to maximize the effectiveness of limited resources and to plan for future needs. Effective financial management ensures that internal controls are in place and operating as intended, technology is maximized to increase productivity, and reports are generated that help management reach its goals.

Recommendations in this section include the following:

- Place all financial statements and budget versions on the LEA websites in a timely manner.
- Improve the LEA's budget document and, in time, submit it for review to the Association of School Business Officials and the Government Finance Officers Association for continued improvement.



- Implement a formal mechanism whereby the LEAs regularly report to the County Commissioners on financial management and reporting activities, and provide feedback on actions taken in regard to any audit deficiencies.
- Hire one full-time Finance Officer to provide oversight and expertise to all three LEAs, and when possible, centralize processing functions and eliminate duplicative positions.
- Examine the cash on hand in the LEAs at any given time versus the current needs, and make investment decisions that will result in a reasonable rate of interest on excess cash.
- Centralize all grant reporting, monitoring and claiming functions for the three LEAs under a single Grants and Special Revenue Specialist.

Transportation

Transportation is a vital support service that demands sound management due to the large capital investment in bus fleets and annual expenditures required for maintenance and operation. The goal of any school transportation operation is to timely transport students safely to and from school and other school related activities. Although numerous state regulations govern transportation services, districts have the flexibility of establishing procedures that can enhance operations such as setting bell schedules, designing efficient routes and establishing sound maintenance procedures.

The commendation in this section includes:

- The LEAs in Halifax County are commended for forming and maintaining the efficient cooperative arrangement for countywide transportation services.

Recommendations in this section include the following:

- Establish a formal agreement relating to the operation of the HCS bus garage and the services provided to LEAs, and involve Halifax County Government officials in the discussions to ensure that even greater efficiencies can be achieved.
- Establish a transportation work group, comprised of representatives from the three Halifax County LEAs to collaboratively identify and implement processes that achieve greater efficiencies.
- Work with participating LEAs to implement a system for ensuring the safety and drivability of all school buses in Halifax County.
- Implement a security system to deter abuse or inaccurate accounting for fuel.

Child Nutrition

School meal programs began when the Child Nutrition Act of 1946 authorized the National School Lunch Program to “safeguard the health and well-being of the nation’s children.” The program, administered by the United States Department of Agriculture (USDA), is open to all



public and nonprofit private schools and all residential childcare institutions. Healthy child nutrition programs are at the core of a sound educational program, and therefore, ensuring that these programs meet their intended goals is critical.

The commendation in this section includes:

- The three school districts in Halifax County have made the cleanliness and functionality of the school kitchens a high priority, which is evident by the exceptional inspection ratings received by each of its operations.

Recommendations in this section include the following:

- Eliminate at least two positions from HCS child nutrition central administration, and require remaining staff to learn and carry out the related functions.
- Implement a policy of maintaining the rounded full-priced meal prices at or near the weighted average federal reimbursement rates, in compliance with Section 205 of the Healthy, Hunger-Free Kids Act of 2010.
- Explore ways to increase breakfast participation in all schools.
- Examine MPLH on a monthly basis to ensure that all kitchens are productive and that practices that are impacting the MPLH in each kitchen (both positive and negative) are being addressed in a timely manner.
- Begin charging the Food Service Fund all (100 percent) of allowable indirect costs and establish an appropriate fund balance target, once the cost savings and revenue enhancing recommendations have been implemented.
- Establish a committee of Child Nutrition, Technology and Title I stakeholders from each of the three Halifax County LEAs to explore a centralized and comprehensive method for obtaining and processing applications and pre-qualifying students for the free and reduced price meal programs county-wide.
- Establish a collaboration among and between the Child Nutrition Departments where innovative ideas are discussed and joint purchasing opportunities are explored.
- Conduct a self-study of the strengths and weaknesses of the three Child Nutrition operations and solicit competitive bids for outsourcing all or part of the operations.

Technology

Innovations in information technology have allowed school districts to educate children and conduct operational processes more efficiently and effectively. However, it is often difficult for districts to keep up with the latest and greatest technology as the industry makes advancements what seems like almost daily. The Information Technology Departments in the three school districts in Halifax County have undergone strategic and measured growth in response to each district's increased commitment to integrating technology into the classroom.



Commendations in this section include:

- Weldon City Schools is commended for its instructional technology initiatives that are addressing the 21st Century needs of its students.
- Halifax County LEAs are commended for recognizing the need for and collaboratively seeking a grant as part of the Golden LEAF Foundation’s Community Assistance Initiative.
- Halifax County LEAs are commended for developing technology plans and making application for E-Rate discounts that are providing significant technology related benefits.

The recommendation in this section includes the following:

- Maximize the potential of Halifax County Schools for E-Rate discounts through better planning and budgeting.

Facilities

In many public school districts, the task of planning, programming, designing, constructing, operating and maintaining school buildings and grounds is viewed as a “to-be-endured” necessity that diverts precious financial resources from teaching and learning. This attitude is apparent when funds for facilities maintenance are among the first to be reduced – often drastically – during periods of financial downturns and tight budgets. Effective facilities maintenance planning is important as it must be in line with the district’s direction in terms of future capacity and educational needs.

Commendations in this section include:

- Halifax County and its LEAs have taken advantage of the QSCB programs to obtain interest free or low-interest funding for needed facility renovations and other improvements.
- Halifax County Schools is commended for hiring a consulting firm to help it reduce its energy consumption by 18 percent over the four-year period from 2008 through 2011 by 18 percent.
- The Roanoke Rapids Graded School District is commended for a long-standing commitment to green schools and energy conservation, and achieving an energy performance below the North Carolina average for all but its oldest buildings most in need of renovation and retrofit.
- Weldon City Schools is commended for energy use in its buildings that is below the \$1.19 per square foot average from the 38th Annual Survey of Operating and Maintenance Costs of American School and University Magazine.



Recommendations in this chapter include the following:

- Research the minimum requirements for repurposing or selling the closed facilities, and prepare a plan for the disposition of all closed school facilities.
- Maintain a level of maintenance spending that is within the 2-4 percent range of building replacement value at all Halifax County LEAs.
- Explore the possibility of consolidating the maintenance functions for Halifax County and the three LEAs, as a way to achieve economies of scale and improved maintenance services for the entire County.
- Conduct a county-wide Facilities Condition Assessment, and update it every five years.
- Staff and schedule custodial functions at a level that permits (1) Level 2 cleaning for kitchens, restrooms, kindergartens, special education areas, and food service areas and (2) Level 3 cleaning in all other locations, for a ratio of 29,000 square feet per custodian.
- Consider outsourcing the after-hours custodial functions for the three LEAs and the County, and maintain one part-time position at each school to handle spills and minor clean ups during the school day.
- Include a comprehensive energy assessment and energy savings strategy as a permanent element in the Five-Year Facilities Master Plan by focusing on an overall reduction in energy use, but emphasizing initially the buildings performing above the North Carolina average of 56,000 BTU/SF.
- Dispose of unnecessary mobile classrooms.
- Close two HCS elementary schools and redraw the attendance zones so that students will attend the nearest elementary school with excess capacity.
- Establish a joint procedure for facilities master planning—a Five-Year Facilities Master Plan between Halifax County Schools, Roanoke Rapids Graded School District, Weldon City Schools, Halifax Community College, and Halifax County Government.

Long-Term Options, Conclusions and General Recommendations

In an effort to explore long-term opportunities, Evergreen examined the governance and organization structure of the three Halifax County LEAs, conducted extensive data analyses on state and federal law including various scenarios relating to state and local funding, and sought guidance from individuals within the North Carolina Department of Public Instruction (DPI) and the North Carolina State Board of Education.

The recommendation in this chapter includes the following:

- Create a joint ad hoc Halifax County Long-Range Educational Improvement Committee— comprised of representative members of the boards of education, the board



of county commissioners, county government administrators, school system administrators, and citizens—to study the conclusion and options presented herein, as well as shared services and its implications for Halifax County and its three LEAs (**Recommendation 6-1**).

FISCAL IMPACT

Exhibit 1 shows the total costs and savings for all study recommendations that have fiscal impacts. As can be seen, the total net savings is about \$11.5 million over five years. Gross savings in Halifax County Schools is approximately \$8 million, in Roanoke Rapids Graded School District is \$1.9 million, and in Weldon City Schools is \$1.7 million. The five-year costs and savings are shown in 2012 dollars. It is important to keep in mind that the identified savings and costs are incremental.

**Exhibit 1
Summary of Annual Costs and Savings by Year
Over Five Years for Report Recommendations**

Costs and Savings*	Years					Total 5-Year (Costs) or Savings	One-Time (Costs) or Savings
	2012-13	2013-14	2014-15	2015-16	2016-17		
Costs)/Savings for HCS	\$543,666	\$1,661,674	\$1,754,939	\$2,474,289	\$1,613,289	\$8,047,857	(\$20,000)
(Costs)/Savings for RRGSD	\$87,594	\$328,296	\$463,968	\$505,318	\$468,318	\$1,853,494	(\$5,000)
(Costs)/Savings for WCS	\$110,475	\$337,351	\$421,361	\$379,861	\$406,411	\$1,655,459	(\$5,000)
(Costs)/Savings for all three LEAs	\$741,735	\$2,327,321	\$2,640,268	\$3,359,468	\$2,488,018	\$11,556,810	(\$30,000)
TOTAL SAVINGS MINUS ONE-TIME COSTS							\$11,526, 810

*In addition, in **Recommendation 6-1** there is a one-time cost for Halifax County Government of \$5,000.



***CHAPTER 1:
INTRODUCTION***



1.0 INTRODUCTION

In January 2012, Halifax County, North Carolina selected Evergreen Solutions, LLC, to conduct an in-depth study of Halifax County's three public school systems and to submit to Halifax County Government a comprehensive study and options for improvements in each and all school systems. The three school systems under review included Halifax County Public Schools, Roanoke Rapids Graded School District, and Weldon City Schools. The study concluded in August 2012 with a final report detailing each of the study's findings and recommendations.

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- a commendation or recommendation for each finding; and
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**CHAPTER 2:
BACKGROUND**



2.0 BACKGROUND

This chapter provides background information on and a comparison of the three school districts in Halifax County. This chapter includes the following three sections:

- 2.1 Background on Halifax County
- 2.2 Comparison of Halifax County School Districts
 - 2.2.1 District and Student Demographics
 - 2.2.2 Budget and Finance
 - 2.2.3 Staffing and Organization
- 2.3 Current Initiatives in Halifax County

The data and information in this chapter are primarily sourced from the North Carolina Department of Public Instruction as the department provides uniform data for each of the three school systems, which allows for accurate aggregation and analysis. Additional data were collected from the National Center for Education Statistics.

2.1 BACKGROUND ON HALIFAX COUNTY

Halifax County is located in northeast North Carolina and, according to the most recent—population estimate by the U.S. Census Bureau, had a population of 54,691 as of 2010 a 4.7 percent reduction since 2000. Halifax County has a total area of 731 square miles, including 725 square miles of land and six square miles of water. The racial makeup of the County as of 2010 was 53.2 percent Black or African American, 40.0 percent White, 3.8 percent American Indian/Alaska Native, and 0.7 percent Asian. **Exhibit 2-1** displays a map of Halifax County with municipalities and townships labeled. Cities, towns, and communities of Halifax County include:

- Aurelian Springs
- Brinkleyville
- Enfield
- Halifax
- Heathsville
- Hobgood
- Hollister
- Littleton
- Roanoke Rapids
- Scotland Neck
- South Rosemary
- South Weldon
- Tillery
- Weldon



**Exhibit 2-1
Halifax County Municipalities and Townships**



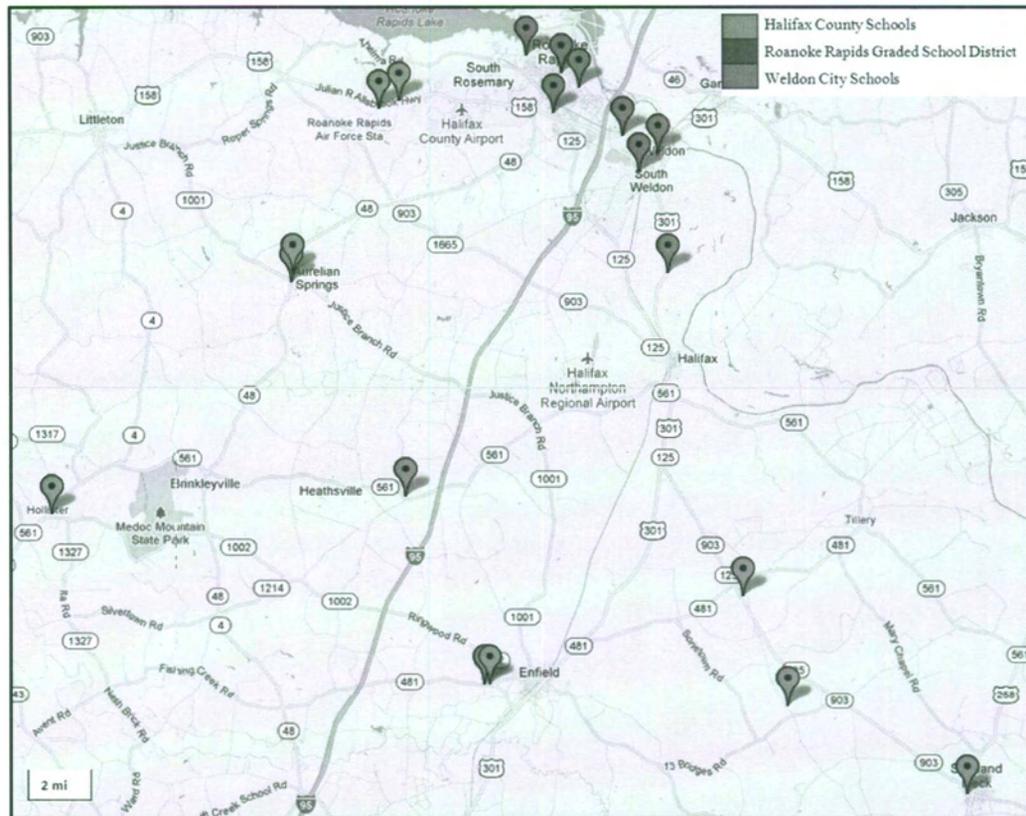
Source: Wikipedia, 2012.

Serving the school age population of Halifax County are three school systems—Halifax County Schools (HCS), Roanoke Rapids Graded School District (RRGSD), and Weldon City Schools (WCS). These school systems border one another and serve specific geographic regions of Halifax County.

Exhibit 2-2 displays a map of all schools in Halifax County by school system. As can be seen, HCS operates 11 schools and RRGSD and WCS operate four schools each, for a total of 19 schools serving Halifax County residents. HCS school locations are geographically spread much further apart than RRGSD and WCS schools.



Exhibit 2-2 Schools in Halifax County 2011-12 School Year



Map Source: Created by Evergreen Solutions using Google Maps, 2012.

Address Source: North Carolina Department of Public Instruction, 2012.

2.2 COMPARISON OF HALIFAX COUNTY SCHOOL DISTRICTS

This section provides a comparison of Halifax School systems based on a number of attributes, including student demographics, budget and finance, staffing, and organization.

2.2.1 DISTRICT AND STUDENT DEMOGRAPHICS

District and student demographics include such attributes as school size, class size, course size, enrollment and average daily membership (ADM), race and ethnicity, student performance, special programs, and safety and discipline. This section analyzes these measures to establish a profile of each of the three Halifax County school systems together, and in isolation. School, class, and course size are important in understanding the environments students face at each district. A district offering smaller class or course size may have an advantage over a district with larger class and course sizes. Conversely, districts with larger school populations may benefit from leveraging economies of scale, allowing them to essentially do more with less.



Therefore, the goal of most districts is to find a balance between achieving efficient economies of scale and maintaining course sizes that contribute to maximum student growth and success.

Exhibit 2-3 provides an overview of average school size in each district in the 2010-11 school year. As can be seen, RRGSD realizes a substantially larger average school size than HCS or WCS. HCS has the smallest average school size at the elementary level while WCS holds the smallest average school size at the middle and high level.

**Exhibit 2-3
Average School Size
2010-11 School Year**

School System	School		
	Elementary	Middle	High
HCS	271	393	570
RRGSD	710	646	830
WCS	405	233	273
County Average	462	424	558
State Average	497	655	794

Source: North Carolina Department of Public Instruction, 2012.

Exhibit 2-4 provides an overview of average class size in each school system for 2010-11. RRGSD has the smallest average class size for kindergarten, HCS for grades 1 and 2, and WCS for all remaining grades displayed (grade 3 to grade 8). Class size variation is substantial among the districts, with a difference of as many as nine students at the sixth grade level, eight students at the seventh grade level, and seven students at the fifth grade level.

**Exhibit 2-4
Average Class Size
2010-11 School Year**

School System	Grade*								
	K	1	2	3	4	5	6	7	8
HCS	22	18	19	20	22	23	24	21	20
RRGSD	18	19	21	23	23	21	24	27	21
WCS	21	19	22	19	20	16	15	19	17
County Average	20.3	18.7	20.7	20.7	21.7	20.0	21.0	22.3	19.3
State Average	20	19	20	20	21	21	22	22	21

Source: North Carolina Department of Public Instruction, 2012.

* Legislation mandates that class sizes for grades 4-12 are not restricted for 2009-10 and 2010-11.

Average core course size is another important indicator in analyzing student levels as average class size (**Exhibit 2-4**) may be skewed, for instance, by the number of specialty courses and programs offered. **Exhibit 2-5** displays the average core course size at each of the school systems. As can be seen, WCS has the smallest average core course size for six of the seven courses included. HCS has the smallest course size for the one remaining course; physical science. RRGSD, the second largest school district among the three, has the largest average course sizes in all but one course; algebra I. Based on the data, it can be determined that WCS has the most favorable conditions in terms of average course size, followed by HCS and then RRGSD.



**Exhibit 2-5
Average Course Size
2010-11 School Year**

School System	Course						
	English I	Algebra I	Algebra II	Biology	Physical Science	Civics/ Economic	US History
HCS	17	19	22	17	16	18	19
RRGSD	17	18	25	18	21	20	23
WCS	16	12	9	10	19	12	11
County Average	16.7	16.3	18.7	15.0	18.7	16.7	17.7
State Average	18	20	20	18	18	19	18

Source: North Carolina Department of Public Instruction, 2012.

Exhibit 2-6 displays a comparison of enrollment and ADM for the three school districts. As can be seen, HCS is the largest of the three districts, with RRGSD being the second largest and WCS being the smallest. Over the three-year period displayed, WCS has been an average of 296.3 percent (3,101 students) smaller than HCS while RRGSD has been an average of 38.9 percent (1,163 students) smaller than HCS when comparing enrollment. Enrollment decreased for both HCS and RRGSD between 2008-09 while it increased for WCS. However, while HCS enrollment continued to decline between 2009-10 and 2010-11, it increased slightly for RRGSD and WCS. ADM, as expected, mirrored the changes in enrollment. Despite some increase in enrollment and ADM among the three school districts, Halifax County school systems realized a net decrease across the three year period of 174 (6.15 percent) in enrollment and 140 (5.13 percent) in ADM.

**Exhibit 2-6
Enrollment and ADM
2008-09 through 2010-11 School Years**

School System	2008-09		% Change (2008-09 to 2009-10)		2009-10		% Change (2009-10 to 2010-11)		2010-11	
	Enrollment	ADM	Enrollment	ADM	Enrollment	ADM	Enrollment	ADM	Enrollment	ADM
HCS	4,429	4,265	-8.0%	-7.5%	4,073	3,943	-3.2%	-3.0%	3,942	3,823
RRGSD	3,051	2,915	-3.3%	-2.3%	2,949	2,849	0.1%	1.6%	2,953	2,896
WCS	1,008	981	5.3%	3.5%	1,061	1,015	0.9%	0.8%	1,071	1,023
County Average	2,829	2,720	-2.0%	-2.1%	2,694	2,602	-0.7%	-0.2%	2,655	2,581

Source: North Carolina Department of Public Instruction, 2012.

In order to provide further insight regarding enrollment trends in Halifax County, **Exhibit 2-7** provides a comparison of historical enrollment for the three school systems dating back to 2003-04. The data show that the decline in enrollment witnessed over the three-year period presented in **Exhibit 2-6** is a continuation of the decline trend in enrollment from 2003-04 to 2007-08. In total, Halifax County school systems have experienced a net decline in enrollment of 1,880 students from 2003-04 to 2010-11. In isolation, HCS experienced a total reduction in enrollment of 29.6 percent; RRGSD a reduction of 4.7 percent; and WCS a reduction of 6.4 percent. Enrollment across all grades and all school systems totaled 7,966 in 2010-11; HCS accounted for



49.5 percent of the total county enrollment, RRGSD for 37.1 percent of total enrollment, and WCS for 13.4 percent of the enrollment.

Exhibit 2-7
Historical Enrollment
2003-04 to 2010-11 School Years

Year	Enrollment			Countywide
	HCS	RRGSD	WCS	
2003-04	5,602	3,100	1,144	9,846
2004-05	5,316	3,074	1,117	9,507
2005-06	5,099	3,085	1,067	9,251
2006-07	4,922	3,063	1,045	9,030
2007-08	4,702	3,051	1,055	8,808
2008-09	4,429	3,051	1,008	8,488
2009-10	4,073	2,949	1,061	8,083
2010-11	3,942	2,953	1,071	7,966
Percent Change	-42.1%	-5.0%	-6.8%	-23.6%

Source: North Carolina Department of Public Instruction, 2012.

Enrollment by grade also provides insight into each of the three school systems.

Exhibit 2-8 displays a comparison of enrollment by grade. Spikes in enrollment appear to occur in fourth and ninth grades whereas troughs appear to occur in grades 8 and 12 for the school year presented. The average grade size at HCS is 303 students; at RRGSD is 227 students; and at WCS is 82 students. While average grade size provides an initial overview of each school's operating environments, to gain further insight into school and grade level density as well as inner-district grade level trends, it is necessary to analyze historical enrollment by grade by school, student per teacher ratio, and average class size.

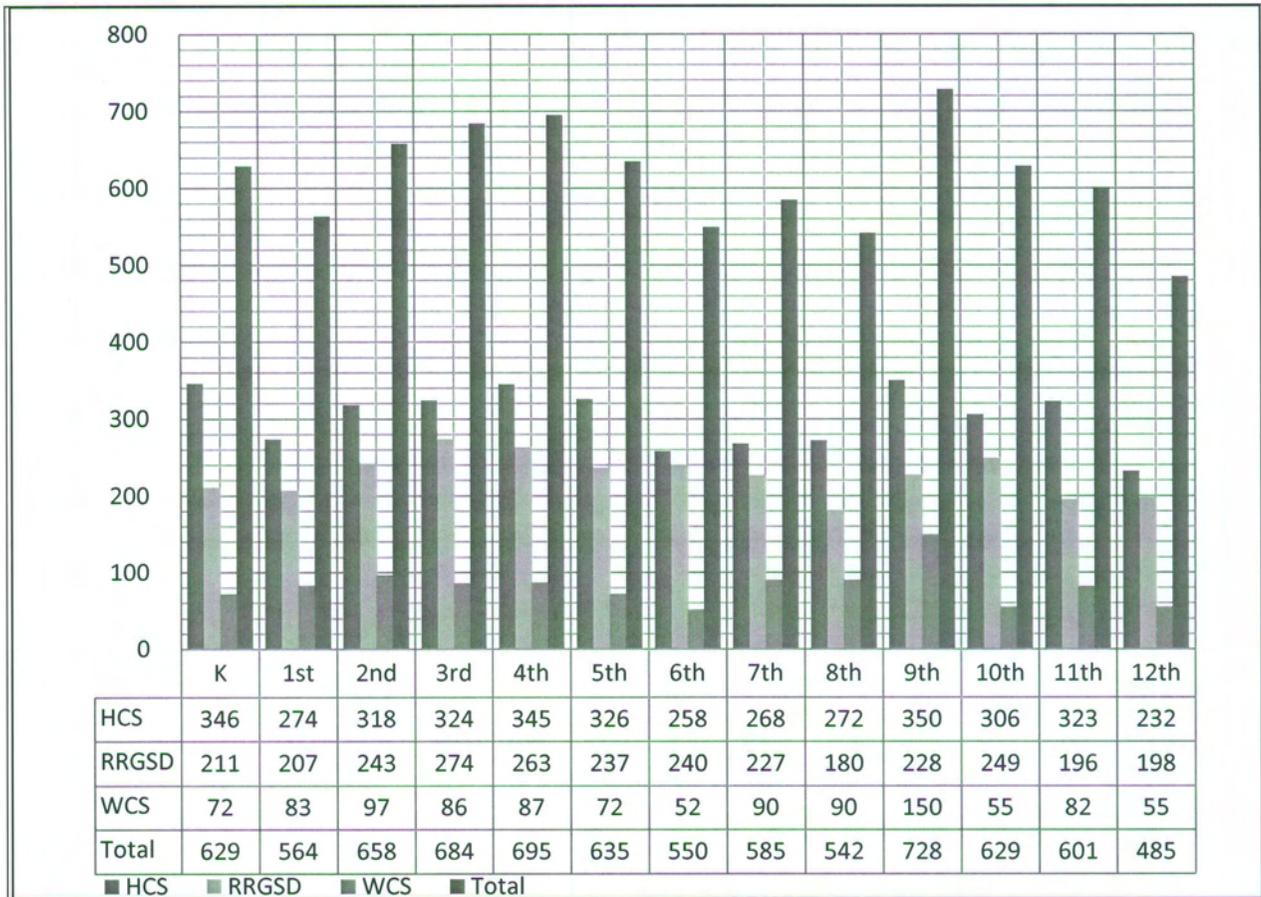
Exhibit 2-9 displays HCS's enrollment by grade from 2003-04 to 2010-11. Further, **Exhibit 2-10** displays a graphical representation of the data in **Exhibit 2-9**.

Exhibit 2-11 displays RRGSD's enrollment by grade from 2003-04 to 2010-11. Further, **Exhibit 2-12** displays a graphical representation of the data in **Exhibit 2-11**.

Exhibit 2-13 displays WCS's enrollment by grade from 2003-04 to 2010-11. Further, **Exhibit 2-14** displays a graphical representation of the data in **Exhibit 2-13**.



**Exhibit 2-8
Enrollment by Grade
2010-11 School Year**



Source: North Carolina Department of Public Instruction, 2012.

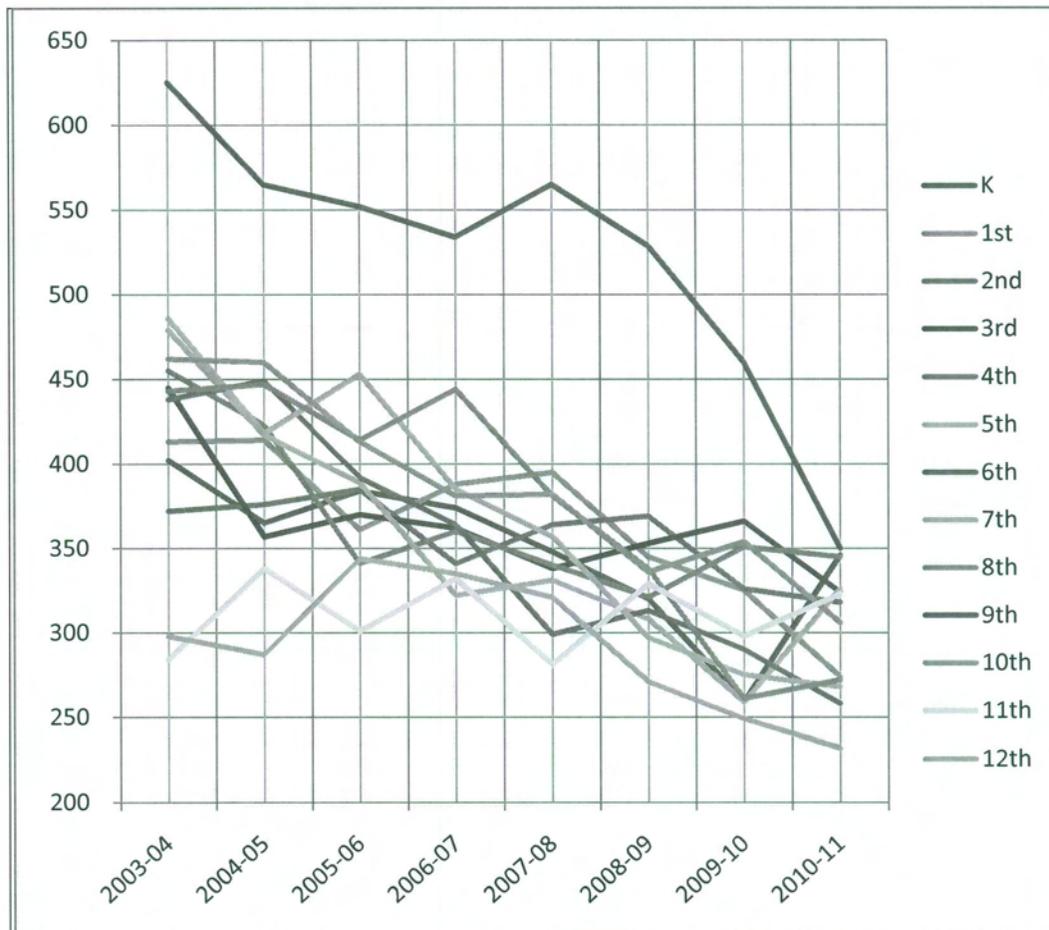
**Exhibit 2-9
HCS Historical Enrollment by Grade
2003-04 through 2010-11 School Years**

Year	Grade														Total
	K	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	
2003-04	402	413	372	445	455	479	438	486	443	625	462	284	298	0	5,602
2004-05	365	414	376	357	423	417	449	418	447	565	460	338	287	0	5,316
2005-06	384	361	385	370	341	389	392	453	414	552	413	301	344	0	5,099
2006-07	374	388	341	362	360	322	364	385	444	534	381	332	335	0	4,922
2007-08	348	395	364	338	340	331	299	357	381	565	382	281	321	0	4,702
2008-09	320	345	369	353	321	308	313	297	338	529	336	329	271	0	4,429
2009-10	259	325	326	366	351	259	290	275	261	460	354	298	249	0	4,073
2010-11	346	274	318	324	345	326	258	268	272	350	306	323	232	0	3,942
Average	350	364	356	364	367	354	350	367	375	523	387	311	292	0	4,761

Source: North Carolina Department of Public Instruction, 2012.



Exhibit 2-10
HCS Historical Enrollment Graph
2003-04 through 2010-11 School Years



Source: North Carolina Department of Public Instruction, 2012.

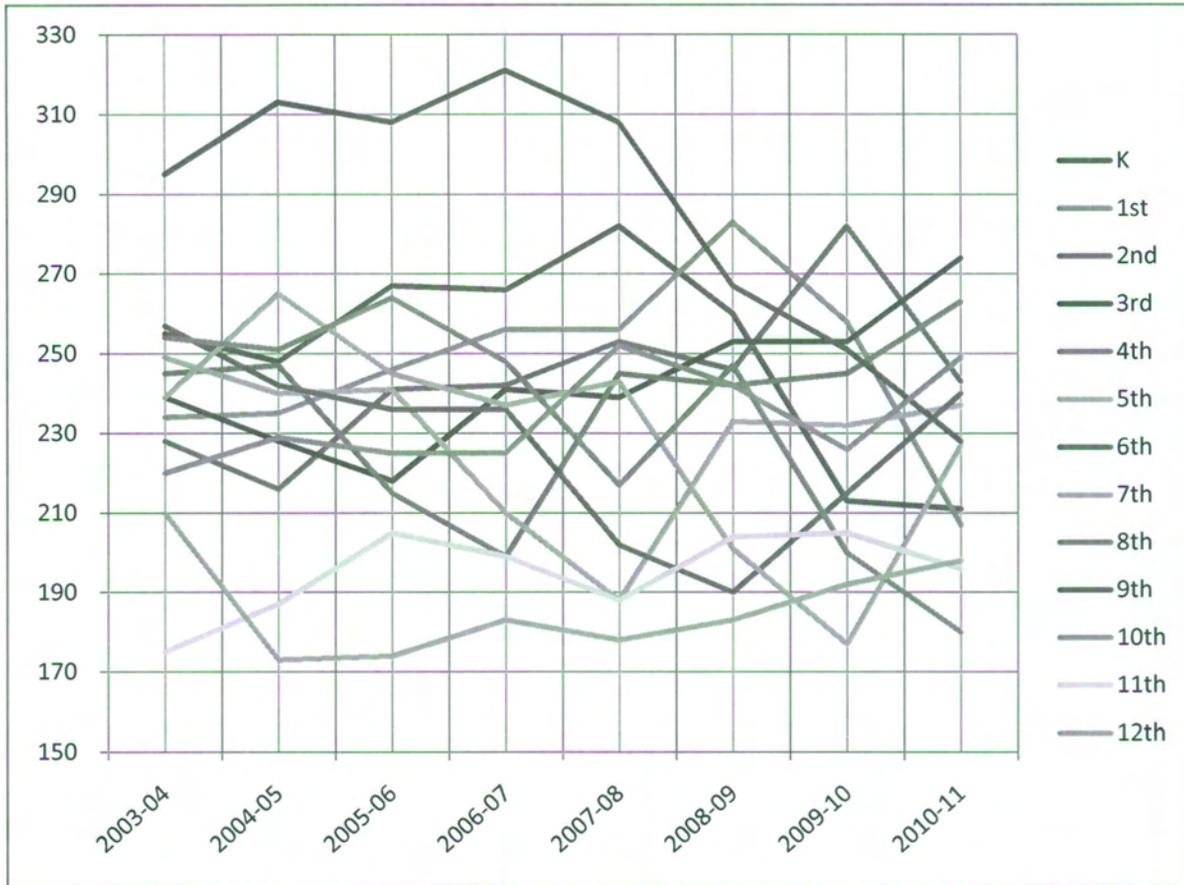
Exhibit 2-11
RRGSD Historical Enrollment by Grade
2003-04 through 2010-11 School Years

Year	Grade														Total
	K	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	
2003-04	255	234	228	239	245	249	257	239	254	295	220	175	210	0	3,100
2004-05	248	235	216	228	247	240	242	265	251	313	229	187	173	0	3,074
2005-06	267	246	241	218	215	241	236	245	264	308	225	205	174	0	3,085
2006-07	266	256	242	241	199	210	236	237	248	321	225	199	183	0	3,063
2007-08	282	256	253	239	245	188	202	243	217	308	252	188	178	0	3,051
2008-09	260	283	246	253	242	233	190	201	247	267	242	204	183	0	3,051
2009-10	213	258	282	253	245	232	215	177	200	251	226	205	192	0	2,949
2010-11	211	207	243	274	263	237	240	227	180	228	249	196	198	0	2,953
Average	250	247	244	243	238	229	227	229	233	286	234	195	186	0	3,041

Source: North Carolina Department of Public Instruction, 2012.



Exhibit 2-12
RRGSD Historical Enrollment Graph
2003-04 through 2010-11 School Years



Source: North Carolina Department of Public Instruction, 2012.

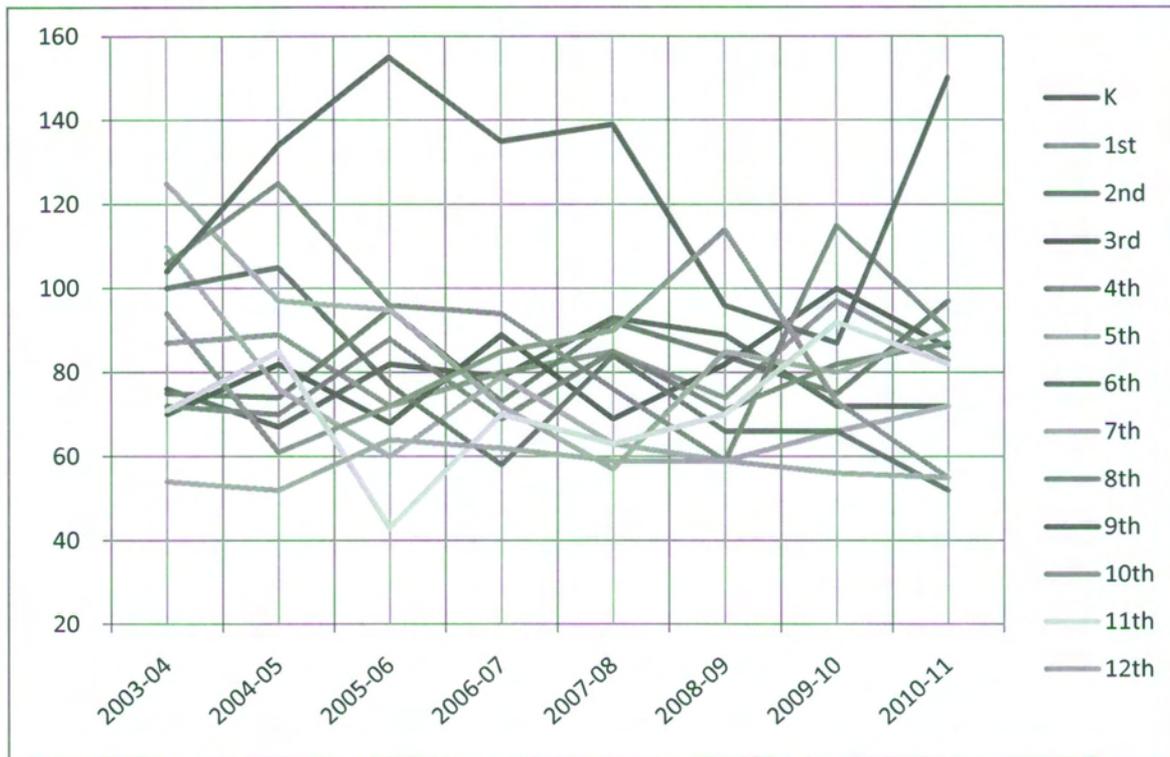
Exhibit 2-13
WCS Historical Enrollment by Grade
2003-04 through 2010-11 School Years

Year	Grade														Total
	K	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	
2003-04	76	87	75	70	72	110	100	125	106	104	94	71	54	0	1,144
2004-05	67	89	74	82	70	76	105	97	125	134	61	85	52	0	1,117
2005-06	82	72	95	68	88	60	77	95	96	155	72	43	64	0	1,067
2006-07	79	80	73	89	69	79	58	72	94	135	85	70	62	0	1,045
2007-08	93	85	92	69	85	63	84	57	76	139	90	63	59	0	1,055
2008-09	89	74	84	82	71	59	66	85	59	96	114	70	59	0	1,008
2009-10	72	97	75	100	82	66	66	80	115	87	73	92	56	0	1,061
2010-11	72	83	97	86	87	72	52	90	90	150	55	82	55	0	1,071
Average	79	83	83	81	78	73	76	88	95	125	81	72	58	0	1,071

Source: North Carolina Department of Public Instruction, 2012.



Exhibit 2-14
WCS Historical Enrollment Graph
2003-04 through 2010-11 School Years



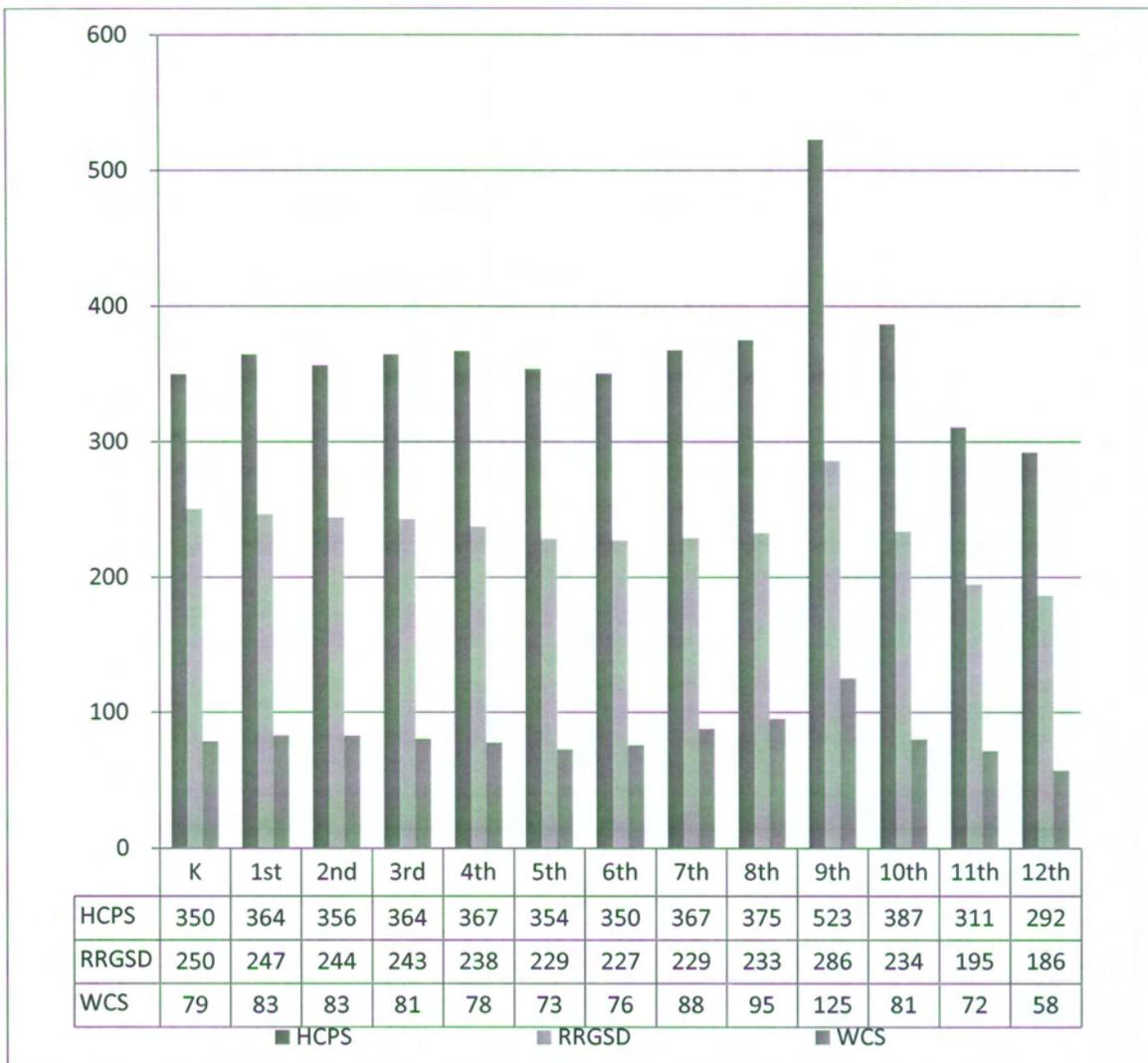
Source: North Carolina Department of Public Instruction, 2012.

As can be seen in **Exhibits 2-9 to 2-14**, the only obvious trend apparent across all grades in any one school district is in HCS, where the graph shows a steady decline in enrollment across all grades over the past eight years. In observing the RRGSD and WCS enrollment graphs, there does not appear to be any strong trends in enrollment fluctuation present across all grade levels.

Exhibit 2-15 provides an overview of the eight-year average class sizes from the previous six exhibits. The exhibit shows that over the last eight years, the cohort advancing from eighth to ninth grade has experienced sizeable increases, but returns to near normalcy into the tenth grade level and declines steady to the twelfth grade level. Twelfth grade eight-year averages are the lowest across all grade ranges, indicating that many students are transferring or dropping out before entering the twelfth grade. Analyzing the average grade size across a given period of time allows for insight into the points at which students are entering and exiting the school system and how to best align resources.



Exhibit 2-15
Comparison of Eight-Year Average Enrollment by Grade
2004 – 2011 School Years



Source: Exhibits 2-6 through 2-11.

As mentioned previously, average daily membership (ADM) is another indicator that can be used to analyze district expansion or contraction. **Exhibit 2-16** displays ADM in the three districts over the last nine years. As can be seen, ADM has decreased by a net of 1,807 across all three districts over the last nine years. In HCS, the decrease in ADM of 1,756 equals a decrease in HCS ADM of 32.9 percent. RRGSD experienced an increase in ADM of 6, or less than 1 percent. Finally, in WCS, the decrease in ADM of 57 equals a decrease in WCS ADM of 5.4 percent. The analysis of ADM reveals a historical decline in line with findings from analysis of enrollment and that HCS accounts for the largest percentage of ADM decline. Note that 2011-12 ADM is based on the MLD for month 8 of 2011-12 as final 2011-12 ADM is not yet available.



Exhibit 2-16
Historical Average Daily Membership
2010-11 School Year

School System	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12*	Total Change
HCS	5,339	5,053	4,949	4,736	4,472	4,265	3,943	3,823	3,583	-1,756
RRGSD	2,965	2,948	2,950	2,925	2,910	2,915	2,849	2,896	2,971	+6
WCS	1,065	1,038	1,014	1,009	1,011	981	1,015	1,023	1,008	-57

Source: North Carolina Department of Public Instruction, 2012.

*Based on MLD Month 8 data (See Exhibit 2-17) as final 2011-12 ADM was not available.

In addition to historical ADM and enrollment information presented in previous exhibits, it is important to analyze the most recent data available pertaining to student counts in the 2011-12 school year. This data is available in the form of membership last day (MLD) data provided by the North Carolina Department of Public Instruction. The most recent MLD data is for Month 8 of the 2011-12 school year and is provided by the state in a file containing school level data.

Exhibit 17 provides Month 8 MLD data by district, school, and grade. As can be seen, HCS has MLD of 3,583, RRGSD has MLD of 2,971, and WCS has MLD of 1,008, for total MLD across all schools of 7,562. This data is used throughout the report to support findings.

Exhibit 17
Membership Last Day (MLD) Month 8
By School and Grade*

LEA Name	School Name	Grade	Total
Halifax County Schools	Aurelian Springs Elementary	K	75
		01	77
		02	51
		03	72
		04	69
		05	73
	Dawson Elementary	K	11
		01	25
		02	22
		03	16
		04	41
		05	54
	Enfield Middle	06	144
		07	104
		08	111
	Everetts Elementary	K	66
		01	48
		02	56
		03	55
04		56	
05		65	



Exhibit 17 (Cont.)
Membership Last Day (MLD) Month 8
By School and Grade*

LEA Name	School Name	Grade	Total	
Halifax County Schools (Cont.)	Hollister Elementary	K	37	
		01	48	
		02	34	
		03	36	
		04	42	
		05	33	
	Inborden Elementary	K	54	
		01	65	
		02	54	
		03	57	
		04	66	
		05	66	
	Northwest High	09	169	
		10	111	
		11	122	
		12	153	
	Pittman Elementary	K	28	
		01	28	
		02	19	
		03	29	
		04	23	
		05	28	
	Scotland Neck Primary	K	41	
		01	46	
		02	26	
		03	30	
	Southeast Halifax High	09	110	
		10	101	
		11	97	
		12	123	
	William R Davie Middle	05	0	
		06	165	
		07	125	
		08	126	
	Halifax County Schools Subtotal			3,583
	Roanoke Rapids Graded School District	Belmont Elementary	K	119
01			117	
02			110	
03			147	
04			150	
05			142	



Exhibit 17 (Cont.)
Membership Last Day (MLD) Month 8
By School and Grade*

LEA Name	School Name	Grade	Total
Roanoke Rapids Graded School District (Cont.)	Chaloner Middle	06	237
		07	242
		08	238
	Roanoke Rapids High	09	202
		10	205
		11	230
		12	176
	William L Manning Elementary	K	119
		01	99
		02	97
		03	107
		04	120
		05	114
	Roanoke Rapids Graded School District Subtotal		
Weldon City Schools	Roanoke Valley Early College	08	40
		09	46
		10	49
	Weldon Elementary	K	83
		01	66
		02	73
		03	93
		04	78
	Weldon Middle	04	0
		05	66
		06	69
		07	42
		08	61
	Weldon STEM High	09	75
		10	44
11		51	
12		72	
Weldon City Schools Subtotal			1,008
Total			7,562

Source: North Carolina Department of Public Instruction, 2012.

Gender, race, disability, and specialized course enrollments are all important demographic attributes within a school district. As such, **Exhibit 2-18** displays the percentage breakdown of students by gender and race in the three school districts. Gender similarity exists between all three districts but racial composition differs. While Black and White students comprise over 90 percent of the student population in all three districts, ratio varies among the school system. Specifically, HCS and WCS are similar in that the majority of each district's students are Black (87 percent and 94 percent, respectively). HCS also has a relatively large American Indian population, with six percent of all students falling into this classification. Meanwhile, RRGSD's student population is majority White (70 percent).



Exhibit 2-18
Race and Gender Breakdown
2010-11 School Year

School System	Male	Female	White	Black	Hispanic	American Indian	Asian/Pacific Islander	Multi-Racial
HCS	51.0%	49.0%	5.0%	87.0%	2.0%	6.0%	0.0%	1.0%
RRGSD	50.0%	50.0%	70.0%	22.0%	3.0%	1.0%	2.0%	2.0%
WCS	50.0%	50.0%	4.0%	94.0%	1.0%	1.0%	1.0%	1.0%

Source: North Carolina Department of Public Instruction, 2012.

Free and reduced lunch status is an indicator that alludes to the financial status of the student population in school districts. However, this indicator can also uncover short comings in a districts ability to maintain or increase student meal participation. As such, the percentage of students eligible for free and reduced price meals is often examined to better understand a districts operating environment.

Exhibit 2-19 displays a comparison of the five-year average free and reduced eligible population at each district. The “total needy %” is the percentage eligible for reduced meals plus the total eligible for free meals. As can be seen, HCS has the highest total needy percentage, at 86.2 percent. Further, HCS’s total needy percentage is composed of over 90 percent free meal eligible students. WCS follows close behind with a total needy percentage of 83.3 percent. Finally, RRGSD is just over half that of the other districts, with 47.3 percent of students eligible for free and reduced lunch.

Exhibit 2-19
Comparison of Five-Year Average Free and Reduced Lunch Students
2006-07 to 2010-11 School Years

School System	Reduced (Average)		Free (Average)		Total Needy % (Average)
	#	% Reduced	#	% Free	
HCS	364	8.6%	3,297	77.6%	86.2%
RRGSD	225	7.8%	1,147	39.6%	47.3%
WCS	227	22.5%	613	60.8%	83.3%

Source: North Carolina Department of Public Instruction, 2012.

Exhibit 2-20 displays the percentage of LEP/ELL and IEP students in each school system for the three most recent years data are available. Based on the data, it can be determined that the school systems are similar in terms of their LEP/ELL and IEP population ratios. Over the three year period, the largest difference in LEP/ELL population percentage is 1.9 percent, between RRGSD and WCS in 2009-10. For IEP population percentage, the largest difference is in 2007-08 with a 2.0 percent variance between RRGSD and HCS. HCS and RRGSD have experienced an increase in their LEP/ELL population over the three year period while WCS has experienced a decline of 0.6 percent. There does not appear to be any trends in IEP population change among the three school systems for the period analyzed.



Exhibit 2-20
LEP/ELL and IEP Students as Percentage of Total Enrollment*
2007-08 through 2009-10 School Years

School System	LEP/ELL			IEP		
	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10
HCS	0.9%	0.8%	1.3%	13.2%	11.0%	12.5%
RRGSD	1.7%	2.3%	2.7%	11.2%	11.9%	11.1%
WCS	1.4%	1.1%	0.8%	11.4%	11.8%	12.1%

Source: National Center for Education Statistics, 2012.

*Source of total enrollment is NCDPI, also displayed in Exhibit 2-4.

Specialized course enrollments are analyzed in **Exhibit 2-21**. The exhibit compares the three districts to one another with a peer average as well as compares the Halifax County districts to the state average. The exhibit shows that RRGSD has the most students (4 percent) enrolled in advanced college prep courses, with HCS trailing behind at 1 percent and WCS with no students enrolled in this type course. None of the Halifax County school systems meet or exceed the state average of 5 percent for this measure. Career and technical (CTE) course offerings are more robust at all three school districts, with an average of 15 percent among the districts. Similar to advanced college prep, RRGSD realizes the most CTE course enrollments, followed by HCS and then WCS. While RRGSD and HCS exceed the state average in terms of CTE course enrollments, WCS lags behind by 2 percent.

Exhibit 2-21
Specialized Course Enrollments
2010-11 School Year

School System	Course Type	
	Advanced College Prep	Career and Technical Courses
HCS	1%	15%
RRGSD	4%	17%
WCS	0%	13%
County Average	2%	15%
State Average	5%	15%

Source: North Carolina Department of Public Instruction, 2012.

Attendance is yet another indicator of student success. While student attendance data are available, an exhibit was not created. This is because a cursory review of historical attendance data (specifically, the average percentage of students who attend school daily) dating back three years revealed that all three school systems maintained similar attendance rates between 93 and 95 percent across all grade levels, which was also in line with the state average.

Student performance on assessments is examined in **Exhibits 2-22, 2-23, and 2-24**. Test results provide insight into student ability at each of the three school districts. However, conclusions from test results may not directly correlate to how ‘smart’ the student population is, as additional factors such as teacher experience and effectiveness, class size, and course time and availability



are just a few examples of the factors that may play into student performance and therefore must be considered. **Exhibit 2-22** provides results for the three districts for the ABC end of grade (EOG) reading test, **Exhibit 2-23** provides results for the three districts for the ABC end of grade math test, and **Exhibit 2-24** provides results for the three districts for the ABC end of course (EOC) tests. Note that the number of end of course tests was reduced between 2010-11 and 2011-12 with the elimination of EOC tests for Algebra II, Physical Science, Civics and Economics, and US History.

In analyzing performance, it is apparent that RRGSD is the top performing school system for the end of grade reading assessment and the end of grade math assessment despite realizing a slight downturn in performance over the three year period. RRGSD also outperformed HCS and WCS in English I and Algebra I EOC tests. While HCS EOG reading results improved over the three year period, HCS performance is still drastically below that of RRGSD and slightly below that of WCS. WCS, like RRGSD, experienced a downturn in EOG math results over the three year period. Overall, it can be concluded from the EOG results that:

- RRGSD is the top performer by a significant margin; however, the district is experiencing a slight downturn in performance with a net decrease of 2.8 percent in reading and 3.4 percent in math over the three year period;
- HCS is performing significantly below the other districts; however, the district's performance in math and reading is trending slightly upward; and
- WCS performance in reading remains relatively stable with a deviation of no more than five percent over the three year period. WCS performance in math is trending downward with a net change of just under three percent over the three year period.

Taken together, EOG results may indicate the beginning of a convergence trend among the three districts, but performance is still significantly diverse.

In regards to EOC results, WCS is slowly catching up to RRGSD on scores for the end of course English I and Algebra I assessments. In fact, WCS has experienced a significant improvement in standing from 2009-10 to 2011-12, closing the achievement gap between the two districts. While RRGSD seems to excel in English and Algebra performance, WCS has consistently outperformed RRGSD in Biology results. In addition, while HCS has historically underperformed the other districts, the most recent results indicate that HCS has improved in the area of Biology to the point that, among the three districts, they rank second only to WCS. However, while HCS has realized gains in EOG English I and Algebra I results, performance is still significantly below the other districts.

Exhibit 2-25 provides ABC results for Halifax County school districts for 2010-11 and 2011-12. The ABC results are a measure of student academic growth in student's basic skills. Aside from end of grade tests and end of course tests, ABCs includes AYP. As the exhibit notes, AYP was updated and changed to AMO in 2011-12. Regarding this change, the NCDPI's *2012 Accountability Report Background Packet* notes that:



On May 31, 2012, the North Carolina Department of Public Instruction (NCDPI) was notified that the U.S. Department of Education had approved its flexibility waiver request from some of the requirements of No Child Left Behind as specified in the Elementary and Secondary Education Act. In its waiver requests, the NCDPI identified how it would ensure public school students would meet College- and CareerReady expectations for all students, how Title I schools would be held accountable for students' academic proficiency, and how the state would support effective instruction and leadership. Schools will now be measured against Annual Measurable Objectives (AMOs) calculated and reported under NCLB, and not the "all or nothing" measure of Adequate Yearly Progress. AMOs also identify specific proficiency targets for each student subgroup as opposed to one proficiency target that all subgroups must meet.

As can be seen from **Exhibit 2-25**, eight of the 11 schools in HCPS experienced an increase in their performance composite scores between 2010-11 and 2011-12; five made expected growth between the two-year period; and three made high growth gains. Only two HCPS schools had a decrease in performance composite scores—Enfield Middle had a decrease of 0.6 and Hollister Elementary a decrease of 3.6. Overall, HCPS schools realized an average increase of 7.3 in performance composite scores in 2011-12. However, no HCPS schools met all AMO targets in 2011-12.

In 2011-12, three RRGSD schools made expected growth in student achievement, with one (Manning Elementary) making high growth gains and yet another (Roanoke Rapids High) meeting all AMO targets. Despite these achievements, RRGSD schools realized a net reduction in performance composite scores of 4.4, for an average reduction among all schools of 1.1. Belmont Elementary and Chaloner Middle experienced a decrease in performance composite scores of 6.6 and 0.7, respectively. Meanwhile, Roanoke Rapids High and Manning Elementary realized an increase in performance composite scores of 1.3 and 1.6, respectively.

WCS 2011-12 ABC results reflect positively on the district. Specifically, three of the four schools met expected growth and two of the four met all AMO targets. WCS schools had a net increase in performance composite scores of 5.4, for an average increase among all schools of 1.4. Despite these results, two WCS schools (Weldon Elementary and Weldon Middle) experienced a decrease in performance composite scores of 11.8 and 0.9, respectively.

Graduation rate is a measure that can sometimes be correlated to student performance and behavior. **Exhibit 2-26** provides cohort graduation rates for each of the three school districts in 2010-11. Cohort graduation rates range from a low of 71.9 percent in HCS, to a high of 77.1 percent in WCS. RRGSD's 2010-11 cohort graduation rate stands between these rates at 75.4 percent. All three Halifax County school systems have a cohort graduation rate that is less than the state average of 77.9 percent.



Exhibit 2-22
Comparison of ABC End of Grade
Test Results - Reading

District	HCS	RRGSD	WCS	Average
2011-12				
Grade 3	42.7%	59.7%	37.6%	46.7%
Grade 4	38.3%	66.9%	33.3%	46.2%
Grade 5	41.4%	61.6%	54.5%	52.5%
Grade 6	37.7%	71.2%	51.5%	53.5%
Grade 7	34.1%	61.4%	45.2%	46.9%
Grade 8	35.5%	69.8%	55.4%	53.6%
Overall	38.6%	65.0%	46.2%	49.9%
2010-11				
Grade 3	36.6%	60.0%	43.8%	46.8%
Grade 4	39.1%	68.6%	60.5%	56.1%
Grade 5	30.4%	68.5%	40.3%	46.4%
Grade 6	38.7%	69.7%	41.2%	49.9%
Grade 7	31.7%	59.3%	55.7%	48.9%
Grade 8	33.0%	75.1%	58.4%	55.5%
Overall	35.0%	66.4%	51.1%	50.8%
2009-10				
Grade 3	39.7%	59.3%	50.0%	49.7%
Grade 4	39.6%	73.6%	48.7%	54.0%
Grade 5	36.4%	67.1%	34.9%	46.1%
Grade 6	42.2%	68.4%	46.0%	52.2%
Grade 7	28.5%	68.4%	66.7%	54.5%
Grade 8	33.9%	70.8%	44.2%	49.6%
Overall	37.0%	67.8%	48.4%	51.1%

Exhibit 2-23
Comparison of ABC End of Grade
Test Results - Math

District	HCS	RRGSD	WCS	Average
2011-12				
Grade 3	55.3%	74.7%	50.5%	60.2%
Grade 4	53.0%	85.1%	74.4%	70.8%
Grade 5	46.7%	69.0%	54.5%	56.7%
Grade 6	40.5%	83.1%	69.1%	64.2%
Grade 7	63.2%	79.3%	66.7%	69.7%
Grade 8	56.8%	89.8%	72.3%	73.0%
Overall	51.8%	80.1%	64.5%	65.5%
2010-11				
Grade 3	51.9%	73.8%	67.5%	64.4%
Grade 4	50.7%	87.6%	75.3%	71.2%
Grade 5	44.4%	79.8%	55.2%	59.8%
Grade 6	43.0%	82.4%	60.8%	62.1%
Grade 7	51.4%	86.6%	70.5%	69.5%
Grade 8	47.8%	>95.0%	79.5%	74.1%
Overall	48.3%	83.7%	69.2%	67.1%
2009-10				
Grade 3	51.4%	79.0%	64.1%	64.8%
Grade 4	45.5%	85.8%	67.9%	66.4%
Grade 5	45.7%	77.8%	42.9%	55.5%
Grade 6	42.9%	81.8%	73.0%	65.9%
Grade 7	47.0%	87.2%	76.4%	70.2%
Grade 8	52.2%	91.3%	73.5%	72.3%
Overall	47.5%	83.5%	67.2%	66.1%

Exhibit 2-24
Comparison of ABC End of Course
Test Results

District	HCS	RRGSD	WCS	Average
2011-12*				
English I	56.7%	85.3%	76.5%	72.8%
Algebra I	61.1%	76.7%	75.8%	71.2%
Algebra II	N/A	N/A	N/A	N/A
Biology	82.1%	73.6%	>95%	83.6%
Physical Science	N/A	N/A	N/A	N/A
Civics and Econ	N/A	N/A	N/A	N/A
US History	N/A	N/A	N/A	N/A
2010-11				
English I	47.1%	80.4%	63.8%	63.8%
Algebra I	26.1%	73.5%	67.6%	55.7%
Algebra II	35.2%	71.5%	36.8%	47.8%
Biology	58.0%	72.8%	84.1%	71.6%
Physical Science	54.6%	80.4%	94.7%	76.6%
Civics and Econ	29.5%	79.7%	55.8%	55.0%
US History	27.6%	73.7%	87.7%	63.0%
2009-10**				
English I	43.5%	80.5%	67.1%	63.7%
Algebra I	34.2%	66.8%	61.5%	54.2%
Algebra II	34.7%	60.4%	42.3%	45.8%
Biology	48.9%	82.3%	84.7%	72.0%
Physical Science	53.4%	78.9%	54.5%	62.3%
Civics and Econ	38.9%	80.8%	49.4%	56.4%
US History	24.8%	84.8%	47.1%	52.2%

Source: North Carolina Department of Public Instruction, 2012.

*According to the NCDPI (<http://www.ncpublicschools.org/accountability/reasonselimtests>), the following multiple-choice EOC tests have been eliminated from the North Carolina Testing Program for 2011-12 and beyond: Algebra II, Civics and Economics, Physical Science, and U.S. History.

**Geometry also tested in 2009-10



Exhibit 2-25
The ABCs of Public Education
2010-11 and 2011-12

School Name	Grade Span	Expected Growth	High Growth	Performance Composite	Special Conditions	ABC Status	Met All AYP Targets*	AYP Code	Type
2010-11									
Halifax County Schools									
Aurelian Springs Elementary	PK-5	No	No	50.0	~	Pri	No		R
Dawson Elementary	PK-5	No	No	30.7	~	LP	No		R
Enfield Middle	6-8	Yes	No	43.2	~	Pri Exp	No		R
Everetts Elementary	PK-5	No	No	41.5	~	LP	No		R
Hollister Elementary	PK-5	No	No	54.6	~	Pri	No		R
Inborden Elementary	PK-5	No	No	24.7	~	LP	No		R
Northwest High	9-12	Yes	No	44.8	~	LP	No		R
Pittman Elementary	PK-5	No	No	48.0	~	Pri Exp	No		R
Scotland Neck Primary	PK-3	No	No	50.0	4 *	Pri	No		R
Southeast Halifax High	9-12	Yes	No	36.1	~	LP	No		R
William R Davie Middle	6-8	Yes	No	36.8	~	LP	No		R
Roanoke Rapids Graded School District									
Belmont Elementary	PK-5	Yes	No	71.9	~	Pro Exp	No		R
Chaloner Middle	6-8	Yes	Yes	78.3	~	Pro High	No		R
Roanoke Rapids High	9-12	Yes	Yes	76.1	~	Pro High	No		R
William L Manning Elementary	PK-5	Yes	No	75.2	~	Pro Exp	No		R
Weldon City Schools									
Roanoke Valley Early College	7-13	Yes	No	80.3	~	Dst Exp	Yes	CI SH	R
Weldon Elementary	PK-4	Yes	No	61.8	~	Pro Exp	No		R
Weldon Middle	5-8	Yes	No	55.5	~	Pri Exp	No		R
Weldon STEM High	9-12	No	No	63.0	~	NR	No		R

**Exhibit 2-25 (Continued)
The ABCs of Public Education
2010-11 and 2011-12**

School Name	Grade Span	Expected Growth	High Growth	Performance Composite	Special Conditions	ABC Status	Met All AMO Targets*	AMO Code	Type
2011-12									
Halifax County Schools									
Aurelian Springs Elementary	PK-5	Yes	No	55.1	~	Pri Exp	No		R
Dawson Elementary	PK-5	No	No	39.5	~	LP	No		R
Enfield Middle	6-8	Yes	No	42.6	~	Pri Exp	No		R
Everetts Elementary	PK-5	No	No	45.8	~	LP	No		R
Hollister Elementary	PK-5	No	No	51.0	~	Pri	No		R
Inborden Elementary	PK-5	No	No	29.6	~	LP	No		R
Northwest High	9-12	Yes	Yes	60.0	~	Pro Hgh	No		R
Pittman Elementary	PK-5	No	No	54.3	~	Pri	No		R
Scotland Neck Primary	PK-3	No	No	50.0	4 *	Pri	No		R
Southeast Halifax High	9-12	Yes	Yes	68.9	~	Pro Hgh	No		R
William R Davie Middle	6-8	Yes	Yes	43.6	~	Pri Hgh	No		R
Roanoke Rapids Graded School District									
Belmont Elementary	PK-5	No	No	65.3	~	NR	No		R
Chaloner Middle	6-8	Yes	No	77.6	~	Pro Exp	No		R
Roanoke Rapids High	9-12	Yes	No	77.4	~	Pro Exp	Yes	SH	R
William L Manning Elementary	PK-5	Yes	Yes	76.8	~	Pro Hgh	No		R
Weldon City Schools									
Roanoke Valley Early College	8-13	Yes	No	87.6	~	Dst Exp	Yes	CI	R
Weldon Elementary	PK-4	No	No	50.0	*	Pri	No		R
Weldon Middle	5-8	Yes	No	54.6	~	Pri Exp	No		R
Weldon STEM High	9-12	Yes	No	73.8	~	Pro Exp	Yes	SH	R

Source: NCDPI 2011-12 ABCs Results, 2012.

*AYP was updated and changed to AMO in 2011-12.

The following codes are used to explain any special conditions

- 1 - K-2 Feeder
- 2 - Senior High (Gr 9-12)
- 3 - Senior High (Gr 10-12)
- 4 - K-3 Feeder
- 9 - School did not meet data requirements
- * - Confidence Interval Applied
- ~ - No Special Conditions
- # - School specific conditions
- S - Special Schools

The following are the codes used for the ABCs designation:

- HE-Honor Schools of Excellence
- Exp-Expected Growth
- Hgh-High Growth
- Exc-School of Excellence
- Dst-School of Distinction
- Pro-School of Progress
- Pri-Priority School
- LP-Low-Performing
- NR-No Recognition
- NS-(No Status) Schools with No ABCs Status
- ID-Insufficient Data
- ID NS-Insufficient Data; No Status
- 95R-Less than 95% tested
- CP-Change Pending
- U-Unresolved

Exhibit 2-26
Cohort Graduation Rate
2010-11 School Year

School System	Graduation Rate
HCS	71.9%
RRGSD	75.4%
WCS	77.1%
County Average	74.8%
State Average	77.9%

Source: North Carolina Department of Public Instruction, 2012.

A final point of comparison among school systems is student behavior. **Exhibits 2-27** and **2-28** examine student behavior in the three school systems serving Halifax County residents. **Exhibit 2-27** examines acts of violent crime reported per 100 students by grade level, for the 2010-11 school year. As can be seen, RRGSD far exceeds the rates reported for HCS and WCS at all grade levels as well as the state average. Note that WCS also has a rate reported for the combination middle/high of 1.79, which falls below the state average of 1.91 for this category.

Exhibit 2-27
Acts of Violent Crime Reported per 100 Students
2010-11 School Year

School System	Elementary	Middle	High
HCS	0.05	0.64	1.05
RRGSD	0.42	1.39	2.17
WCS*	0.00	0.43	0.37
County Average	0.16	0.82	1.20
State Average	0.26	1.02	1.52

Source: North Carolina Department of Public Instruction, 2012.

*Also has a figure for middle/high of 1.79 and state average of 1.91.

Exhibit 2-28 displays out-of-school suspensions and expulsions per 100 students by grade level for the most recent school year data are available. Surprisingly, this exhibit contradicts the conclusions drawn from **Exhibit 2-27** as RRGSD displays the lowest total disciplinary action among all school districts. At the elementary level, WCS outpaces the other districts in terms of the number of short-term suspensions per 100 students while HCS leads in long-term suspensions. At the middle school level, HCS has the highest number of short-term suspensions, followed by WCS and then RRGSD. However, RRGSD leads in terms of long-term suspensions. Finally, at the high school level, ranking follows that at the elementary level, with WCS displaying the highest number of short-term suspensions, followed by HCS and then RRGSD. RRGSD leads in terms of long-term suspensions at the high school level, with HCS following close behind and WCS with none. Across all grade levels, none of the districts resorted to expulsion.



Exhibit 2-28
Out-of-School Suspensions and Expulsions per 100 Students
2010-11 School Year

School System	Elementary			Middle			High		
	Short-Term	Long-Term	Expulsions	Short-Term	Long-Term	Expulsions	Short-Term	Long-Term	Expulsions
HCS	6.59	0.05	0.00	69.72	0.00	0.00	55.18	0.26	0.00
RRGSD	5.85	0.00	0.00	24.77	0.15	0.00	47.23	0.48	0.00
WCS	20.74	0.00	0.00	36.91	0.00	0.00	96.70	0.00	0.00
County Average	11.06	0.02	0.00	43.80	0.05	0.00	66.37	0.25	0.00

Source: North Carolina Department of Public Instruction, 2012.

As a result of the analyses of student demographic data presented in this section, it can be concluded that:

- Halifax County Public Schools serves a more geographically dispersed area than RRGSD or WCS;
- WCS appears to realize an advantage over the other two districts in terms of school, class, and course size, followed by HCS;
- All three Halifax County school systems have experienced net decreases in enrollment and ADM over the last eight years. However, HCS has experienced the most drastic decline of 29.6 percent (enrollment) and 28.4 percent (ADM);
- the ninth grade level in all three school districts experienced a significant increase in total enrollment each year, followed by a return to eighth grade enrollment levels in tenth grade and a steady decline exiting high school;
- HCS and WCS are very similar in terms of racial composition in that the student population is majority Black. While RRGSD has a unique composition compared to the other two districts in that 70 percent of the RRGSD's student population is White;
- HCS and WCS have a similar percentage of free and reduced meal eligible students, whereas RRGSD has a total percentage just over half that of the other districts;
- LEP/ELL and IEP population ratios are very similar among all three districts;
- RRGSD realizes the largest percentage of college prep and CTE course enrollments, followed by HCS and then WCS;
- attendance rates in Halifax County school systems are uniform;
- RRGSD has maintained the highest performance on end of grade and end of course assessments, with WCS the second highest performance and HCS the lowest performing school district from 2008-09 to 2010-11;



- WCS has the highest 2010-11 cohort graduation rate, followed by RRGSD and then HCS; and
- student discipline is a weakness for all three districts in one area or another.

2.2.2 BUDGET AND FINANCE

Budget and finance conditions and processes within a school system allude to the health, efficiency, and effectiveness of the local education agency. The most common indicators used to compare school system financial standing include per pupil expenditures, per pupil capital outlay, county appropriation, department allocation, revenues by source, and expenditures by function, to name a few. Further, department specific measures are used to determine effectiveness of various operating units. For instance, cost per mile allows comparisons between multiple transportation departments. This section, however, reviews budget and finance conditions at the global level in each of the three Halifax County school districts. Essentially, this section acts to provide a cursory financial profile of each of the three school districts.

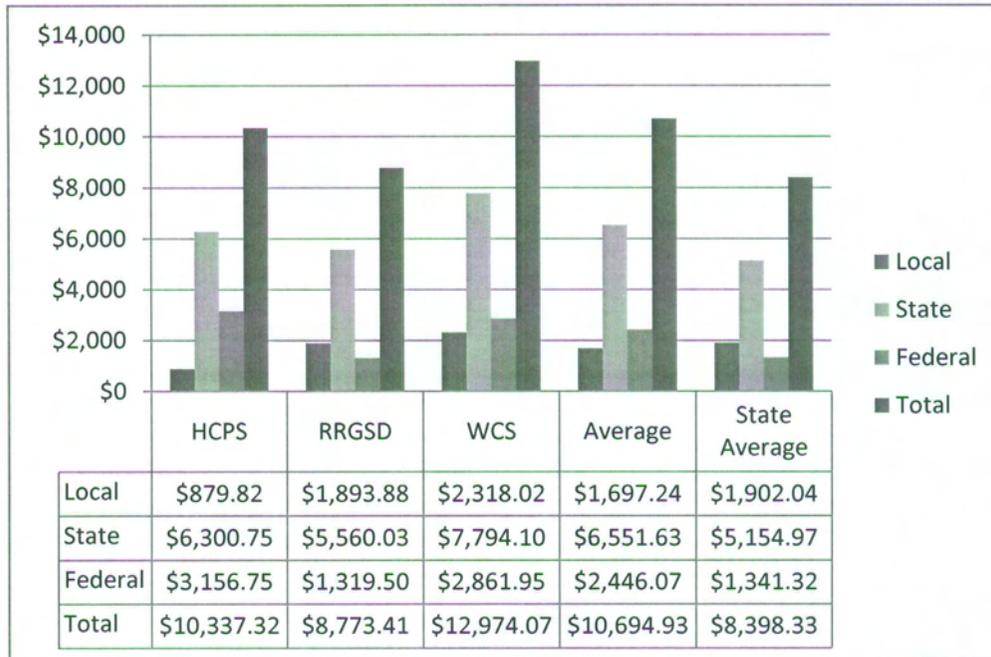
Public schools in North Carolina operate with funding from local, state, and federal sources. **Exhibit 2-29** displays source of funds per student in each of the three districts as well as the state average. The totals reflected in these data includes all expenses concerned with operating schools, including teacher and administrator salaries, textbooks, and other educational supplies and materials. As can be seen, WCS receives the highest total funding of the three districts, exceeding total funding per student in HCS by \$2,636.75, RRGSD by \$4,200.66, and the State average by \$4,575.74. RRGSD receives the least total funding per student, with a total of \$8,773.41 per student. The largest discrepancy in funding per student is in the state funding category, where the variance between the district receiving the least funding (RRGSD) and the district receiving the most funding (WCS) is \$2,234.07.

Ideally, a school system strives to reduce locally sourced revenues and increase state and federal funding. However, there are a multitude of factors that play into the level of funding any one district receives, which can all have effects on the final funding total. For instance, for state funding, these factors include the total low wealth area in the district, the total population of children with disabilities, district considered small geographic areas, a district's transportation needs, and the number of at-risk students in the district. Overall, a thorough understanding of funds available (revenues) leads to a strong basis for analysis of district expenditures.

Exhibit 2-30 displays each district's use of operational funds. As with the majority of school districts around the country, the largest expenditure category is salaries, accounting for 58 percent to 63 percent of the district operational budget. This is followed by benefits, purchased services, and supplies/materials. Interestingly, purchased services in WCS account for 16 percent of total operational spending, which is 7 percent higher than RRGSD's spending in this category. While this analysis is helpful, to gain true insight into each district's expenditures, which captures total spending per student, per pupil expenditure must be analyzed.

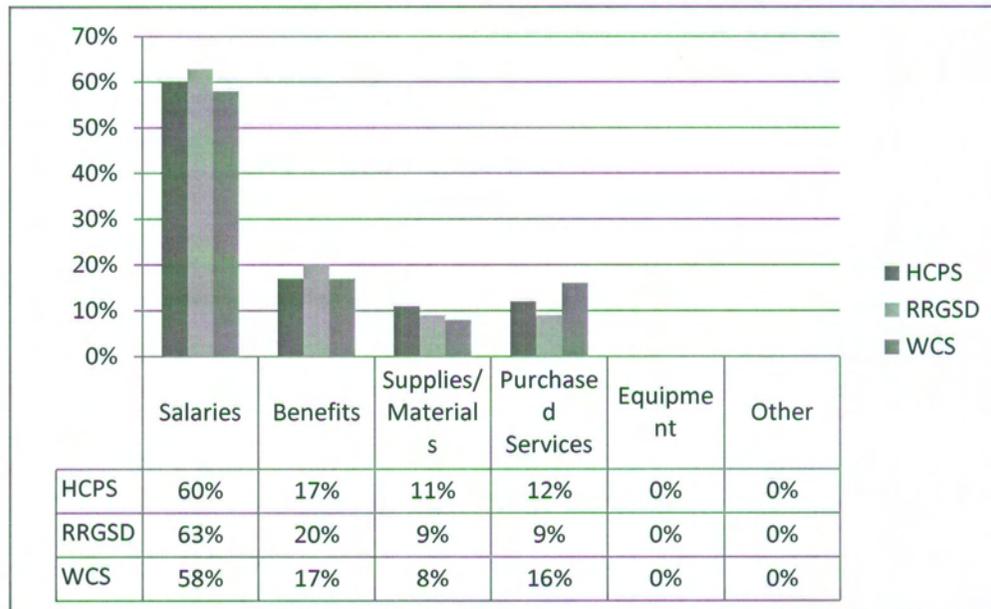


Exhibit 2-29
Funding Source – Amount per Student
2010-11 School Year



Source: North Carolina Department of Public Instruction, 2012.

Exhibit 2-30
Use of Operational Funds
2010-11 School Year



Source: North Carolina Department of Public Instruction, 2012.



Historical per pupil expenditures (PPE) and per pupil capital outlay (PPCO) five-year average for each school system is displayed in **Exhibit 2-31**. Over the four-year period displayed, WCS has had the highest PPE and PPCO five-year average every year. HCS has realized the second highest PPE each year; however, the district has had the lowest PPCO for all four years. RRGSD has had the lowest PPE and second highest PPCO for all four years. Therefore, PPE does not appear to correlate to ADM while PPCO appears to have a negative correlation with ADM, as PPCO increases as ADM decreases.

Exhibit 2-31
Per Pupil Expenditure and Per Pupil Capital Outlay
Five-Year Average
2007-08 through 2010-11 School Years

School System	Total Per Pupil Expenditure		Per Pupil Capital Outlay Five-Year	
	Total	Rank	Total	Rank
2010-11				
HCS	\$10,337	19	\$154.89	110
RRGSD	\$8,773	65	\$188.26	105
WCS	\$12,974	3	\$280.69	84
Average	\$10,695		\$207.95	
2009-10				
HCS	\$10,663	13	\$148.39	111
RRGSD	\$8,760	64	\$253.15	95
WCS	\$13,214	3	\$340.18	72
Average	\$10,879		\$247.24	
2008-09				
HCS	\$10,794	16	\$166.26	108
RRGSD	\$9,175	53	\$298.28	80
WCS	\$13,263	3	\$339.71	72
Average	\$11,077		\$268.08	
2007-08				
HCS	\$9,910	26	\$167.81	107
RRGSD	\$9,210	45	\$298.66	81
WCS	\$12,053	4	\$330.38	76
Average	\$10,391		\$265.62	

Source: North Carolina Department of Public Instruction, 2012.

Exhibit 2-32 breaks down total PPE by local, state, and federal PPE. From the exhibit, the following conclusions can be reached:

- For the last three years, WCS has had the highest state PPE, followed by HCS and RRGSD.
- RRGSD has had the lowest federal PPE for the last four years, while HCS and WCS have flip-flopped between highest and second highest federal PPE.
- Local PPE ranking among the three districts has remained constant over the four year period, with WCS highest, RRGSD second highest, and HCS lowest.



Exhibit 2-32
State, Federal, Local and Total PPE
2007-08 through 2010-11 School Years

District	State		Federal		Local		Total	
	PPE	Rank	PPE	Rank	PPE	Rank	PPE	Rank
2010-11								
HCS	\$6,300.75	30	\$3,156.75	1	\$879.82	114	\$10,337.32	19
RRGSD	\$5,560.03	59	\$1,319.50	86	\$1,893.88	39	\$8,773.41	65
WCS	\$7,794.10	5	\$2,861.95	4	\$2,318.02	17	\$12,974.07	3
Average	\$6,551.63		\$2,446.07		\$1,697.24		\$10,694.93	
2009-10								
HCS	\$6,707.17	21	\$3,383.07	2	\$572.77	115	\$10,663.01	13
RRGSD	\$5,738.89	48	\$1,543.03	46	\$1,477.90	75	\$8,759.82	64
WCS	\$6,910.51	19	\$3,455.39	1	\$2,847.86	8	\$13,213.76	3
Average	\$6,452.19		\$2,793.83		\$1,632.84		\$10,878.86	
2008-09								
HCS	\$7,357.62	16	\$2,184.47	2	\$1,251.54	109	\$10,793.63	17
RRGSD	\$6,195.71	45	\$1,185.05	39	\$1,794.49	61	\$9,175.25	51
WCS	\$7,696.57	12	\$2,091.29	4	\$3,474.81	6	\$13,262.67	3
Average	\$7,083.30		\$1,820.27		\$2,173.61		\$11,077.18	
2007-08								
HCS	\$7,295.84	17	\$1,523.73	13	\$1,090.04	112	\$9,909.61	26
RRGSD	\$6,080.71	47	\$1,031.38	45	\$2,097.94	31	\$9,210.03	45
WCS	\$7,208.62	19	\$1,887.88	2	\$2,956.40	9	\$12,052.90	4
Average	\$6,861.72		\$1,481.00		\$2,048.13		\$10,390.85	

Source: North Carolina Department of Public Instruction, 2012.

Exhibit 2-33 provides an overview of PPE fluctuation based on the data in **Exhibit 2-32**. The general trends that can be derived from the data include:

- HCS and RRGSD state PPE went through two years of decline for the most recent two periods displayed, while WCS experienced a 12.8 percent growth in state PPE over the most recent period displayed.
- All three school systems experienced significant growth in federal PPE for 2007-08 through 2009-10. However, between 2009-10 and 2010-11 federal PPE trended downward for all three school systems. The growth in federal PPE over previous years can most likely be associated with ARRA stimulus funding, which has faded recently. It appears that state funding did not cover the erosion of federal funding, forcing districts to increase local education funding.
- Local PPE declined for all school systems between 2008-09 and 2009-10 and continued to decrease for WCS between 2009-10 and 2010-11. However, local PPE increased significantly for HCS and RRGSD between 2009-10 and 2010-11.
- In terms of total PPE, it appears that WCS and HCS are on the same cycle with an increase in total PPE from 2007-08 to 2008-09, and then a decrease over the remaining periods presented. However, RRGSD has experienced an inverse trend, with a decrease in total PPE from 2007-08 to 2009-10, and then an increase over the remaining periods presented.



Exhibit 2-33
Change in PPE
between 2007-08 and 2010-11 School Years

District	State		Federal		Local		Total	
	\$ Change	% Change	\$ Change	% Change	\$ Change	% Change	\$ Change	% Change
Change from 2009-10 to 2010-11								
HCS	(\$406.42)	-6.1%	(\$226.32)	-6.7%	\$307.05	53.6%	(\$325.69)	-3.1%
RRGSD	(\$178.86)	-3.1%	(\$223.53)	-14.5%	\$415.98	28.1%	\$13.59	0.2%
WCS	\$883.59	12.8%	(\$593.44)	-17.2%	(\$529.84)	-18.6%	(\$239.69)	-1.8%
Average	\$99.44	1.2%	(\$347.76)	-12.8%	\$64.40	21.0%	(\$183.93)	-1.6%
Change from 2008-09 to 2009-10								
HCS	(\$650.45)	-8.8%	\$1,198.60	54.9%	(\$678.77)	-54.2%	(\$130.62)	-1.2%
RRGSD	(\$456.82)	-7.4%	\$357.98	30.2%	(\$316.59)	-17.6%	(\$415.43)	-4.5%
WCS	(\$786.06)	-10.2%	\$1,364.10	65.2%	(\$626.95)	-18.0%	(\$48.91)	-0.4%
Average	(\$631.11)	-8.8%	\$973.56	50.1%	(\$540.77)	-30.0%	(\$198.32)	-2.0%
Change from 2007-08 to 2008-09								
HCS	\$61.78	0.8%	\$660.74	43.4%	\$161.50	14.8%	\$884.02	8.9%
RRGSD	\$115.00	1.9%	\$153.67	14.9%	(\$303.45)	-14.5%	(\$34.78)	-0.4%
WCS	\$487.95	6.8%	\$203.41	10.8%	\$518.41	17.5%	\$1,209.77	10.0%
Average	\$221.58	3.2%	\$339.27	23.0%	\$125.49	6.0%	\$686.34	6.2%

Source: North Carolina Department of Public Instruction, 2012.

As a result of the analyses of district financial data presented in this section, it can be concluded that:

- WCS receives higher per student revenues than HCS and RRGSD, and thus has higher PPE than the other districts;
- the deviation in total PPE between the three districts increased significantly from 2007-08 to 2009-10, but decreased slightly in 2010-11;
- operational expenditures among the three districts is relatively uniform; and
- WCS has higher PPCO than RRGSD and HCS and PPCO seems to have a negative correlation with ADM, as PPCO increases as ADM decreases.

Analyzing revenue and expenditure data allows for financial conditions and processes of each of the districts to be assessed. However, this section only provides a brief overview of the financial environment at each district and is therefore meant as a basis for further analysis of financial conditions, versus providing comprehensive findings and recommendations. Throughout the remaining chapters of this report, Evergreen provides more in-depth and specific financial information where necessary to support findings and recommendations. However, this report is not an audit of district finances, and therefore every minutia of financial information is inevitably not included.



2.2.3 STAFFING AND ORGANIZATION

Analyzing staffing levels is important as expenditures for staffing (salaries and benefits) generally consume the largest part of an organization's budget. The North Carolina State Department of Education collects and provides excellent information on staffing levels within North Carolina districts.

Exhibits 2-34 through **2-36** display staffing data for each schools system for 2009-10 through 2011-12. The exhibits breakdown school system staffing by administrative staff, teachers, professionals, and other staff. As can be seen, HCS has 552 total staff, RRGSD has 357 total staff, and WCS has 178 total staff.

Exhibit 2-37 provides a summary of the three exhibits for 2011-12. In comparing 2011-12 staffing levels, the following can be determined:

- 7.9 percent of WCS staff are administrators, which is higher than in HCS (4.9 percent) and RRGSD (5.9 percent);
- RRGSD has the highest percentage of teachers to total staff, as 53.8 percent of RRGSD employees are classified as teachers. Comparatively, 45.7 percent of HCS and 46.6 percent of WCS employees are teachers. Generally, a higher percentage of teachers is considered favorable for a school district;
- 17.4 percent of WCS staff are professionals, compared to 10 percent in HCS and 5.9 percent in RRGSD; and
- 39.5 percent of HCS staff are categorized in the "other" category, which includes teacher assistants, technicians, clerical/secretarial, service workers, skilled crafts, and laborers. This is a higher percentage than in RRGSD (34.5 percent) and WCS (28.1 percent).

Several anomalies also exist in the district comparison chart presented in **Exhibit 2-36**. In the administrative staff category, locally funded administrative positions account for only 2.5 percent of total HCS locally funded staff, compared to over 9 percent in the other districts. In the teacher category, federally funded teaching positions account for 73.1 percent of total WCS federally funded staff, compared to fewer than 50 percent in the other districts. Also in the teacher category, locally funded teacher positions account for 12.5 percent of total WCS locally funded staff, compared to only 5 percent in HCS. In the professional staff category, federally funded professional positions account for 0.0 percent of total WCS federally funded staff, compared to 20.5 percent in HCS. A large discrepancy can also be seen in locally funded professional staff between WCS and the other districts. Finally, as with other staffing categories, large discrepancies in the "other" category are limited to federal and local funding as well. Generally, these discrepancies relate to various characteristics of the district, such as the percentage of low income students or the percentage of IEP students. However, discrepancies must be explored to ensure that each district is maximizing the number of state and federally funded positions received.



Exhibit 2-34
Halifax County Public Schools Three-Year Staffing Comparison

Category	Halifax County Public Schools											
	2009-10				2010-11				2011-12			
	State	Federal	Local	Total	State	Federal	Local	Total	State	Federal	Local	Total
Official Adm., Mgrs.	7	2	2	11	7	1	2	10	9	2	2	13
Principals	11	0	0	11	11	0	0	11	10	0	0	10
Ast. Principals, Teaching	0	0	0	0	0	0	0	0	0	0	0	0
Ast. Principals, Nonteaching	7	1	0	8	7	0	0	7	4	0	0	4
Subtotal Administrators	25	3	2	30	25	1	2	28	23	2	2	27
Elementary Teachers	96	21	5	122	97	18	8	123	146	23	4	173
Secondary Teachers	122	32	0	154	118	25	0	143	65	13	0	78
Other Teachers	1	3	0	4	2	0	0	2	1	0	0	1
Subtotal Teachers	219	56	5	280	217	43	8	268	212	36	4	252
Guidance	11	1	0	12	9	2	0	11	9	0	0	9
Psychological	0	0	0	0	0	0	0	0	0	0	0	0
Librarian, Audiovisual	6	1	0	7	5	1	0	6	7	0	0	7
Consultant, Supervisor	1	0	1	2	2	0	0	2	1	0	0	1
Other Professional	18	7	4	29	16	9	3	28	22	15	1	38
Subtotal Professionals	36	9	5	50	32	12	3	47	39	15	1	55
Teacher Assistants	64	25	11	100	57	23	12	92	63	17	8	88
Technicians	3	1	0	4	4	1	0	5	3	1	0	4
Clerical, Secretarial	29	2	6	37	25	3	5	33	27	2	6	35
Service Workers	31	0	40	71	9	20	41	70	24	0	47	71
Skilled Crafts	8	0	15	23	8	0	14	22	8	0	12	20
Laborers, Unskilled	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal Other	135	28	72	235	103	47	72	222	125	20	73	218
TOTAL	415	96	84	595	377	103	85	565	399	73	80	552

Source: North Carolina Department of Public Instruction, 2012.

Exhibit 2-35
Roanoke Rapids Public Schools Three-Year Staffing Comparison

Roanoke Rapids Graded School District												
Category	2009-10				2010-11				2011-12			
	State	Federal	Local	Total	State	Federal	Local	Total	State	Federal	Local	Total
Official Adm., Mgrs.	6	0	6	12	7	1	6	14	7	1	4	12
Principals	3	0	0	3	4	0	0	4	4	0	0	4
Ast. Principals, Teaching	0	0	0	0	0	0	0	0	0	0	0	0
Ast. Principals, Nonteaching	5	0	1	6	5	0	0	5	5	0	0	5
Subtotal Administrators	14	0	7	21	16	1	6	23	16	1	4	21
Elementary Teachers	108	12	1	121	81	14	5	100	118	15	3	136
Secondary Teachers	38	3	0	41	87	12	0	99	52	3	1	56
Other Teachers	27	8	0	35	0	0	0	0	0	0	0	0
Subtotal Teachers	173	23	1	197	168	26	5	199	170	18	4	192
Guidance	8	0	0	8	6	0	0	6	7	0	0	7
Psychological	1	0	0	1	1	0	0	1	0	0	0	0
Librarian, Audiovisual	4	0	0	4	4	0	0	4	4	0	0	4
Consultant, Supervisor	1	0	0	1	0	0	0	0	0	0	0	0
Other Professional	4	1	3	8	6	1	3	10	6	1	3	10
Subtotal Professionals	18	1	3	22	17	1	3	21	17	1	3	21
Teacher Assistants	50	12	5	67	46	13	5	64	36	5	3	44
Technicians	0	0	2	2	0	0	2	2	3	0	0	3
Clerical, Secretarial	20	7	1	28	23	1	2	26	22	0	3	25
Service Workers	11	39	1	51	8	14	21	43	8	17	17	42
Skilled Crafts	6	0	1	7	0	0	0	0	0	0	0	0
Laborers, Unskilled	0	0	2	2	0	0	9	9	0	0	9	9
Subtotal Other	87	58	12	157	77	28	39	144	69	22	32	123
TOTAL	292	82	23	397	278	56	53	387	272	42	43	357

Source: North Carolina Department of Public Instruction, 2012.



Exhibit 2-36
Weldon City Schools Three-Year Staffing Comparison

Weldon City Schools												
Category	2009-10				2010-11				2011-12			
	State	Federal	Local	Total	State	Federal	Local	Total	State	Federal	Local	Total
Official Adm., Mgrs.	5	1	2	8	5	1	2	8	5	1	2	8
Principals	4	0	1	5	4	0	0	4	3	0	1	4
Ast. Principals, Teaching	0	0	0	0	0	0	0	0	0	0	0	0
Ast. Principals, Nonteaching	2	0	0	2	3	0	0	3	2	0	0	2
Subtotal Administrators	11	1	3	15	12	1	2	15	10	1	3	14
Elementary Teachers	28	15	1	44	26	17	2	45	30	12	2	44
Secondary Teachers	20	1	1	22	21	3	1	25	17	4	2	23
Other Teachers	13	7	0	20	13	5	1	19	13	3	0	16
Subtotal Teachers	61	23	2	86	60	25	4	89	60	19	4	83
Guidance	2	1	1	4	2	0	2	4	2	0	2	4
Psychological	0	0	0	0	0	0	0	0	0	0	0	0
Librarian, Audiovisual	3	0	0	3	3	0	0	3	3	0	0	3
Consultant, Supervisor	2	0	2	4	12	0	0	12	9	0	4	13
Other Professional	8	2	4	14	9	0	4	13	8	0	3	11
Subtotal Professionals	15	3	7	25	26	0	6	32	22	0	9	31
Teacher Assistants	13	7	0	20	15	5	1	21	13	4	0	17
Technicians	1	0	1	2	2	0	0	2	3	0	0	3
Clerical, Secretarial	6	6	4	16	8	2	7	17	8	2	4	14
Service Workers	2	0	22	24	0	0	21	21	4	0	12	16
Skilled Crafts	0	0	0	0	0	0	0	0	0	0	0	0
Laborers, Unskilled	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal Other	22	13	27	62	25	7	29	61	28	6	16	50
TOTAL	109	40	39	188	123	33	41	197	120	26	32	178

Source: North Carolina Department of Public Instruction, 2012.

Exhibit 2-37
Comparison of Staffing for the 2011-12 School Year

School System	State		Federal		Local		Total	
	Total	% of Grand Total	Total	% of Grand Total	Total	% of Grand Total	Total	% of Grand Total
Administrators								
HCS	23	5.8%	2	2.7%	2	2.5%	27	4.9%
RRGSD	16	5.9%	1	2.4%	4	9.3%	21	5.9%
WCS	10	8.3%	1	3.8%	3	9.4%	14	7.9%
Teachers								
HCS	212	53.1%	36	49.3%	4	5.0%	252	45.7%
RRGSD	170	62.5%	18	42.9%	4	9.3%	192	53.8%
WCS	60	50.0%	19	73.1%	4	12.5%	83	46.6%
Professionals								
HCS	39	9.8%	15	20.5%	1	1.3%	55	10.0%
RRGSD	17	6.3%	1	2.4%	3	7.0%	21	5.9%
WCS	22	18.3%	0	0.0%	9	28.1%	31	17.4%
Other								
HCS	125	31.3%	20	27.4%	73	91.3%	218	39.5%
RRGSD	69	25.4%	22	52.4%	32	74.4%	123	34.5%
WCS	28	23.3%	6	23.1%	16	50.0%	50	28.1%
Grand Total								
HCS	399	100.0%	73	100.0%	80	100.0%	552	100.0%
RRGSD	272	100.0%	42	100.0%	43	100.0%	357	100.0%
WCS	120	100.0%	26	100.0%	32	100.0%	178	100.0%

Source: North Carolina Department of Public Instruction, 2012.

Exhibits 2-38, 2-39, and 2-40 provide an analysis of administrator, teacher, and total staff changes for each district between 2009-10 and 2011-12. The analysis looks to identify major changes in staffing over the three year period. However, this chapter does not explore cause for any changes identified. **Exhibit 2-41** provides a summary of net staffing changes for all three districts.

Exhibit 2-38 displays an analysis of HCS staffing. As can be seen, HCS administrative and teacher staffing has been reduced over the three year period; administrators by three positions (10 percent) and teachers by 28 positions (10 percent). Meanwhile, other staff categories were reduced between 2009-10 and 2010-11 but increased by 4 positions from 2010-11 to 2011-12. Overall, HCS staff levels were reduced by 43 positions (7.2 percent) over the three year period.

Exhibit 2-39 displays an analysis of RRGSD staffing. As can be seen, RRGSD administrative staffing remained the same over the three year period, with 21 total positions in 2011-12. Teacher staffing levels experienced a net decrease of five positions over the three year period, equating to a 2.5 percent reduction. Other staff categories decreased substantially over the three year period, by 35 positions or 19.6 percent. Overall, RRGSD experienced a net decrease of 40 positions (10.1 percent) over the three year period.



**Exhibit 2-38
HCS Staffing Analysis
2009-10 through 2011-12 School Years**

Source	2009-10			Change	2010-11			Change	2011-12		
	Administrators		Change		Administrators		Change		Administrators		
	FTE	% Total			FTE	% Total			FTE	% Total	
State	25	83.3%	0	25	89.3%	-2	23	85.2%			
Federal	3	10.0%	-2	1	3.6%	1	2	7.4%			
Local	2	6.7%	0	2	7.1%	0	2	7.4%			
Subtotal	30		-2	28		-1	27				
% Total FTE	5.0%			5.0%			4.9%				
	2009-10			Change	2010-11			Change	2011-12		
	Total Teachers		Change		Total Teachers		Change		Total Teachers		
	FTE	% Total			FTE	% Total			FTE	% Total	
State	219	78.2%	-2	217	81.0%	-5	212	84.1%			
Federal	56	20.0%	-13	43	16.0%	-7	36	14.3%			
Local	5	1.8%	3	8	3.0%	-4	4	1.6%			
Subtotal	280		-12	268		-16	252				
% Total FTE	47.1%			47.4%			45.7%				
	2009-10			Change	2010-11			Change	2011-12		
	Total Staff		Change		Total Staff		Change		Total Staff		
	FTE	% Total			FTE	% Total			FTE	% Total	
State	171	60.0%	-36	135	50.2%	29	164	60.1%			
Federal	37	13.0%	22	59	21.9%	-24	35	12.8%			
Local	77	27.0%	-2	75	27.9%	-1	74	27.1%			
Subtotal	285		-16	269		4	273				
% Total FTE	47.9%			47.6%			49.5%				
TOTAL	595		-30	565		-13	552				

Source: North Carolina Department of Public Instruction, 2012.

**Exhibit 2-39
RRGSD Staffing Analysis
2009-10 through 2011-12 School Years**

Source	2009-10			Change	2010-11			Change	2011-12		
	Administrators		Change		Administrators		Change		Administrators		
	FTE	% Total			FTE	% Total			FTE	% Total	
State	14	66.7%	2	16	69.6%	0	16	76.2%			
Federal	0	0.0%	1	1	4.3%	0	1	4.8%			
Local	7	33.3%	-1	6	26.1%	-2	4	19.0%			
Subtotal	21		2	23		-2	21				
% Total FTE	5.3%			5.9%			5.9%				
	2009-10			Change	2010-11			Change	2011-12		
	Total Teachers		Change		Total Teachers		Change		Total Teachers		
	FTE	% Total			FTE	% Total			FTE	% Total	
State	173	87.8%	-5	168	84.4%	2	170	88.5%			
Federal	23	11.7%	3	26	13.1%	-8	18	9.4%			
Local	1	0.5%	4	5	2.5%	-1	4	2.1%			
Subtotal	197		2	199		-7	192				
% Total FTE	49.6%			51.4%			53.8%				
	2009-10			Change	2010-11			Change	2011-12		
	Total Staff		Change		Total Staff		Change		Total Staff		
	FTE	% Total			FTE	% Total			FTE	% Total	
State	105	58.7%	-11	94	57.0%	-8	86	59.7%			
Federal	59	33.0%	-30	29	17.6%	-6	23	16.0%			
Local	15	8.4%	27	42	25.5%	-7	35	24.3%			
Subtotal	179		-14	165		-21	144				
% Total FTE	45.1%			42.6%			40.3%				
TOTAL	397		-10	387		-30	357				

Source: North Carolina Department of Public Instruction, 2012.



Exhibit 2-40 displays an analysis of WCS staffing. As can be seen, WCS administrative staffing decreased by only one position over the three year period, with 14 total positions in 2011-12. Teacher staffing levels experienced a net decrease of three positions over the three year period, equating to a 3.5 percent reduction. Other staff categories also decreased slightly over the three year period, by 6 positions or 6.9 percent. Overall, WCS experienced a net decrease of 20 positions (5.3 percent) over the three year period.

Exhibit 2-40
WCS Staffing Analysis
2009-10 through 2011-12 School Years

Source	2009-10		Change	2010-11		Change	2011-12	
	Administrators			Administrators			Administrators	
	FTE	% Total		FTE	% Total		FTE	% Total
State	11	73.33%	1	12	80.00%	-2	10	71.43%
Federal	1	6.67%	0	1	6.67%	0	1	7.14%
Local	3	20.00%	-1	2	13.33%	1	3	21.43%
Subtotal	15		0	15		-1	14	
% Total FTE	7.98%			7.61%			7.87%	
	2009-10		Change	2010-11		Change	2011-12	
	Total Teachers			Total Teachers			Total Teachers	
	FTE	% Total		FTE	% Total		FTE	% Total
State	61	70.93%	-1	60	67.42%	0	60	72.29%
Federal	23	26.74%	2	25	28.09%	-6	19	22.89%
Local	2	2.33%	2	4	4.49%	0	4	4.82%
Subtotal	86		3	89		-6	83	
% Total FTE	45.74%			45.18%			46.63%	
	2009-10		Change	2010-11		Change	2011-12	
	Total Staff			Total Staff			Total Staff	
	FTE	% Total		FTE	% Total		FTE	% Total
State	37	42.53%	14	51	54.84%	-1	50	61.73%
Federal	16	18.39%	-9	7	7.53%	-1	6	7.41%
Local	34	39.08%	1	35	37.63%	-10	25	30.86%
Subtotal	87		6	93		-12	81	
% Total FTE	46.28%			47.21%			45.51%	
TOTAL	188		9	197		-19	178	

Source: North Carolina Department of Public Instruction, 2012.

Exhibit 2-41 provides a summary of net staffing changes for all three school systems. As can be seen, overall all three school systems experienced a decline in all staffing categories over the three year period. HCS experienced the largest decrease in administrative positions and teaching positions and RRGSD experienced the largest decrease in other staffing and total staffing. From the analysis of staffing levels, we can amass that staffing levels are declining in all school systems.

Teacher experience and turnover are two measures for which data are collected by the state. Analysis of experience and turnover data provide insight into job satisfaction as districts where turnover is less prevalent and whose teachers are more experienced generally are characterized by more favorable working conditions. High turnover levels and low experience may stem from a number of issues, including challenging work environments stemming from behavioral problems or a lack of leadership and guidance; the availability of more desirable, stable or lucrative positions in neighboring districts; or the overall quality of organizational culture.



Exhibit 2-41
Summary of Staffing Changes
2009-10 to 2011-12 School Years

School System	Administration		Teacher		Other		Total	
	Change	% Change	Change	% Change	Change	% Change	Change	% Change
2009-10 to 2011-12								
HCS	-3	-10.0%	-28	-10.0%	-12	-4.2%	-43	-7.2%
RRGSD	0	0.0%	-5	-2.5%	-35	-19.6%	-40	-10.1%
WCS	-1	-6.7%	-3	-3.5%	-6	-6.9%	-10	-5.3%
Total	-4		-36		-53		-93	

Source: North Carolina Department of Public Instruction, 2012.

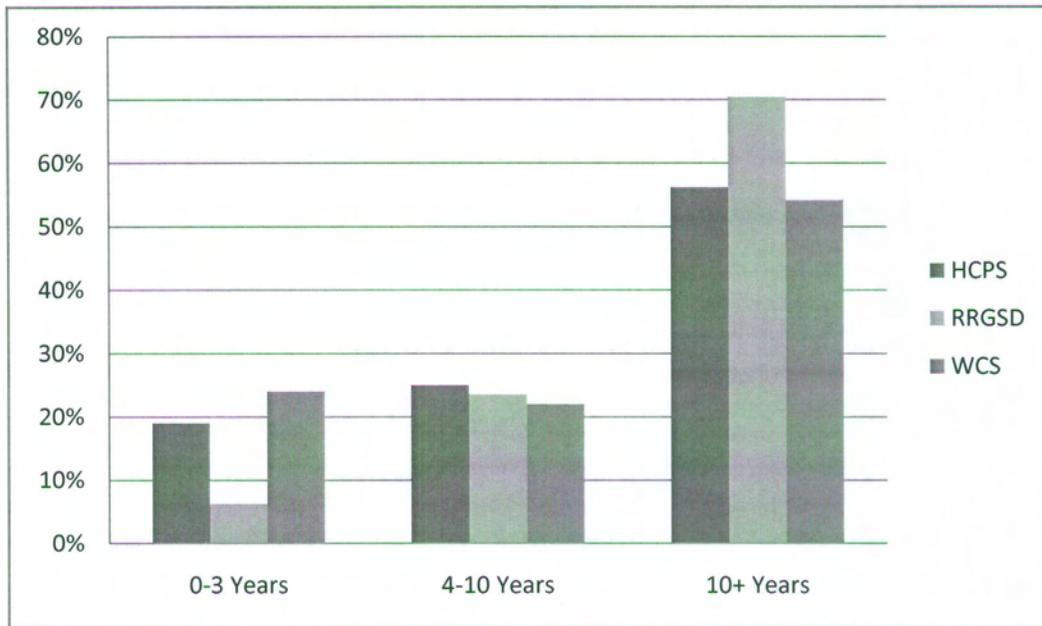
Exhibits 2-42, 2-43, and 2-44 provide a comparison of five-year average experience levels at the elementary, middle, and high school levels. From the three exhibits, it can be determined that:

- At the elementary level, RRGSD has the highest percentage of teachers with 10+ years of experience; HCS the highest percentage with 4-10 years of experience; and WCS the highest percentage with 0-3 years' experience.
- At the middle school level, RRGSD has the highest percentage of teachers with 10+ years of experience and HCS the highest percentage with 4-10 years of experience. HCS and WCS are tied at 25 percent for the highest percentage with 0-3 years' experience.
- At the high school level, RRGSD has the highest percentage of teachers with 10+ years of experience; WCS the highest percentage with 4-10 years of experience and the highest percentage with 0-3 years' experience.

Overall, the exhibits show that RRGSD retains more experienced teachers than the other districts. This either means that RRGSD has the lowest turnover rate among all districts or that RRGSD has a more effective recruitment program that is attracting more experienced teachers.

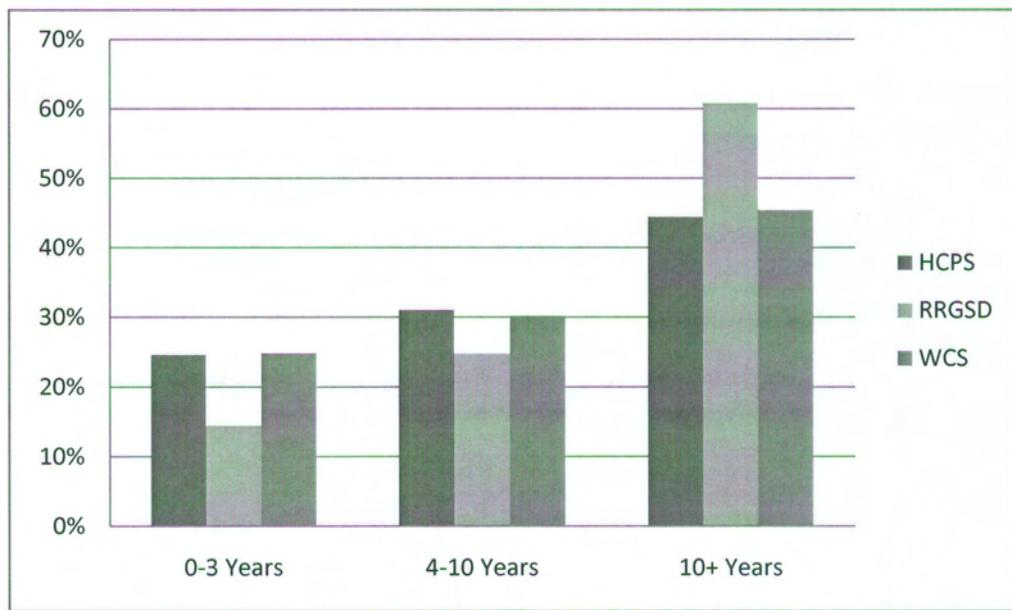


Exhibit 2-42
Comparison of Five-Year Average Experience
Elementary School



Source: North Carolina Department of Public Instruction, 2012.

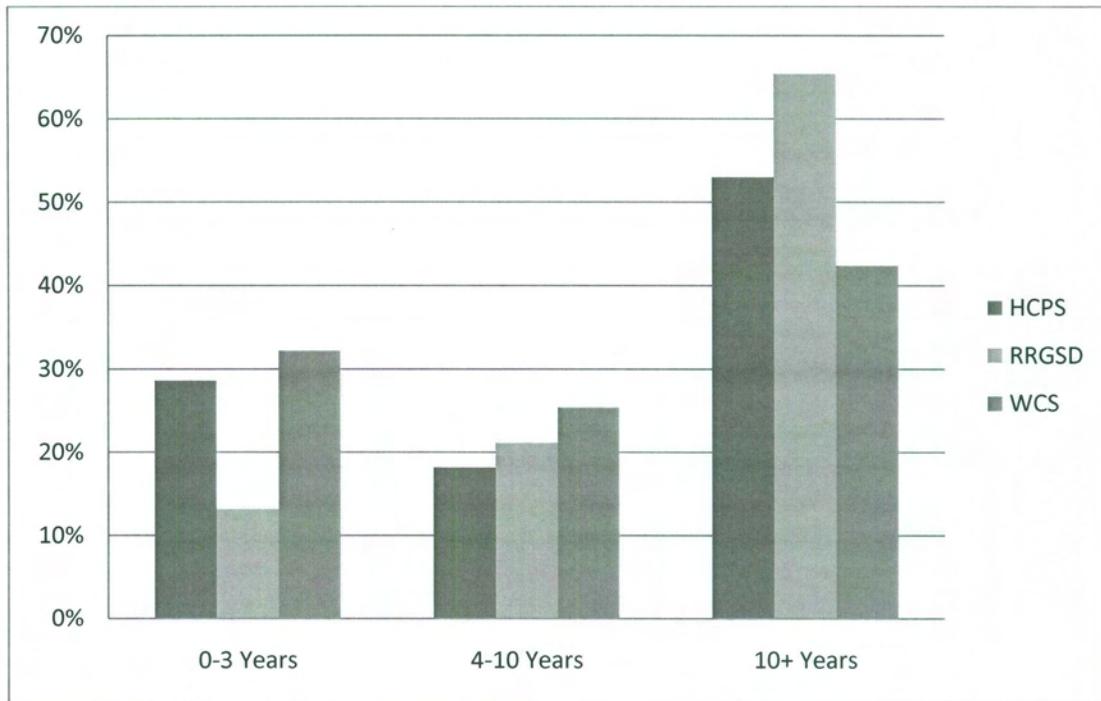
Exhibit 2-43
Comparison of Five-Year Average Experience
Middle School



Source: North Carolina Department of Public Instruction, 2012.



Exhibit 2-44
Comparison of Five-Year Average Experience
High School



Source: North Carolina Department of Public Instruction, 2012.

Exhibit 2-45 provides a comparison of teacher turnover rates at the three districts. As can be seen, the average turnover rate in HCS ranges from a low of 21 percent in 2008-09 to a high of 32 percent in 2009-10. In WCS, turnover rates range from a low of 17 percent in 2010-11 to a high of 24 percent in 2008-09. RRGSD realizes a significantly lower teacher turnover rate than the other two districts, ranging from a low of four percent in 2010-11 to a high of 13 percent in 2009-10.

From the analysis of staffing levels and teacher workforce characteristics in this chapter, it can be concluded that:

- staffing levels are declining in all districts; and
- RRGSD retains more experienced teachers than the other districts and has a significantly lower teacher turnover rate than the other districts.



Exhibit 2-45
Comparison of Teacher Turnover Rates
2008-09 through 2010-11 School Years

District	Elem	Middle	High	Average
2010-11				
Halifax County Public Schools	22%	21%	26%	23%
Roanoke Rapids Graded School District	4%	2%	5%	4%
Weldon City Schools	14%	13%	23%	17%
2009-10				
Halifax County Public Schools	34%	27%	34%	32%
Roanoke Rapids Graded School District	7%	20%	13%	13%
Weldon City Schools	25%	19%	N/A	22%
2008-09				
Halifax County Public Schools	19%	27%	18%	21%
Roanoke Rapids Graded School District	3%	6%	26%	12%
Weldon City Schools	6%	45%	20%	24%

Source: North Carolina Department of Public Instruction, 2012.

2.3 CURRENT INITIATIVES IN HALIFAX COUNTY

Understanding the context, conditions, and environment in which this study is occurring is paramount in ensuring findings and recommendations are accurate and reflect the most advantageous outcomes for the residents of Halifax County, North Carolina. This understanding requires a review of the current initiatives and activities of each school district as well as recent activity related to the County's school systems in totality.

In recent years, the debate surrounding school district consolidation has taken center stage in Halifax County. Proponents and opponents of consolidation highlight issues surrounding racial equality, taxes, and district funding as either a reason for or against the move to consolidate. An Internet search using such terms as "Halifax County consolidation," or the like, nets a slew of articles and reports surrounding the issue.

One of the more recent reports surrounding this issue was published by the University of North Carolina. Specifically, in mid-2011, the University of North Carolina's Center for Civil Rights conducted a study on the educational and legal implications of sustaining three independent school districts in Halifax County. The study concluded the following:

The most significant impediment to education reform in Halifax County is the persistent racial segregation of three separate and unequal public school systems... Halifax County and Weldon City district residents speak plainly about being excluded from the "better" school district, and seem resigned to the fact that there is nothing that can be done about it, as White power interests would never allow a merger to happen. Roanoke Rapids residents have rejected the idea of merger, arguing that such action would "lower the standards" in the Roanoke Rapids schools and "damage" the city's system.



As mentioned, these reports and related articles were reviewed by Evergreen but are not the foundation for Evergreen's findings or recommendations. Rather, activity surrounding consolidation was reviewed through these means and others to provide Evergreen consultants with a background on the issues at hand. In addition, the data and information analyzed in this section provide a strong base for which to conduct additional analysis and review in further chapters of this report.



***CHAPTER 3:
ENROLLMENT PROJECTIONS***



3.0 ENROLLMENT PROJECTIONS

This chapter addresses the enrollment projections of the three school districts in Halifax County and considers an overall projection if they were to consolidate into a single district. This chapter includes five sections:

- 3.1 Halifax County Overview
- 3.2 Halifax County Schools
- 3.3 Roanoke Rapids Graded School District
- 3.4 Weldon City Schools
- 3.5 Comparison of Consolidated and Aggregated Projections for Halifax County

This chapter evaluates the enrollment trends of the three school districts in Halifax County, North Carolina: Halifax County Schools (HCS), Roanoke Rapids Graded School District (RRGSD), and Weldon City Schools (WCS). Together, the three districts fully cover the County, and so analysis is conducted at two spatial levels. First, all past enrollments are merged and analyzed as if the County were served by a single consolidated school district (a.k.a. the *consolidation* method), which is an option under consideration. Then, each school district is analyzed independently using the same basic approaches and methods. Finally, the three separate district projections are aggregated to provide alternate enrollment projections for the entire County (a.k.a. the *aggregation* method). In all cases, several enrollment analyses and demographic comparisons are used to develop high, medium, and low growth profiles for the next decade to the 2021-22 school year, for the County and for each district.

In order to provide the most robust set of enrollment projections possible, the *aggregated* projections are compared to the *consolidated* projections to determine how differently the projection methods perform. If the three districts have had notably different historic enrollment trends, the *aggregation* and *consolidation* methods could produce very different results. On the other hand, if the districts have behaved relatively similarly, the projections for the two approaches should be very similar and provide higher confidence in the results. Another factor that must be considered in this analysis is that the districts are quite different in size, with HCS and RRGSD each about three times larger than WCS. Thus, WCS's influence is largely overwhelmed by the other two districts.

Ultimately, the *aggregation* method and the *consolidation* methods do prove to be very similar to one another. Though RRGSD differs from the other two districts to some extent, being the only district that is larger today than in 1987, all three districts in the County have experienced fairly similar enrollment trends over the past decade and differed more before 2000. In 1986, HCS, RRGSD, and WCS enrolled approximately 6,600, 2,700, and 1,300 students, respectively. Notably, RRGSD has grown modestly to 3,008 students in 2011, though it is down from its peak (in 1997) of over 3,200 students. Meanwhile, HCS, once more than twice the size of RRGSD, today is just slightly larger at 3,639 students. WCS enrolled just 1,006 students this year and could drop back below 1,000 in 2012, an event that occurred only once previously (in 2008-09) dating back to 1986-87, the earliest year for which enrollment data are available.



In general, all three districts suffered heavy declines in enrollment starting in the late 1990s. The primary difference is that HCS and WCS, while experiencing some plateau years, have not had any significant gains since 1987. In contrast, RRGSD grew very steadily and rapidly from 1987 to 1997, and then underwent the same enrollment declines as the other two districts through 2009, but most recently saw a noticeable uptick for the last two years. However, it is hard to determine with available data whether this is a short-term anomaly or a long-term recovery. As a result, the high, medium, and low projections developed later for RRGSD are the most divergent of the three districts.

The chapter begins with a county-wide assessment of population, birth, and kindergarten enrollment trends, which are important factors that influence the county-wide analysis based on the *consolidation* of the three districts. The chapter then examines each district separately (the individual models that inform the *aggregation* method), followed by a comparison of the two county-level approaches and final assessment of the County's school enrollments trends.

Each of the following four sections follows the same plan. Demographic analysis combines several approaches to triangulate on likely future populations (and hence enrollments). These approaches include: (a) examinations of population changes that took place between the 2000 and 2010 Censuses for the area; (b) trend analysis of kindergarten enrollments; and (c) analyses of statistical trends in K-12 enrollments for the past 25 school years (1987-88 through 2011-12). Note that most discussion that follows in this chapter refers to each school year by its fall semester, so "2011" will refer to the 2011-12 school year, etc. This is done for brevity in the discussion when referring to different school years as well as the fact that for most school district official enrollment totals are reported in the fall for accreditation purposes.

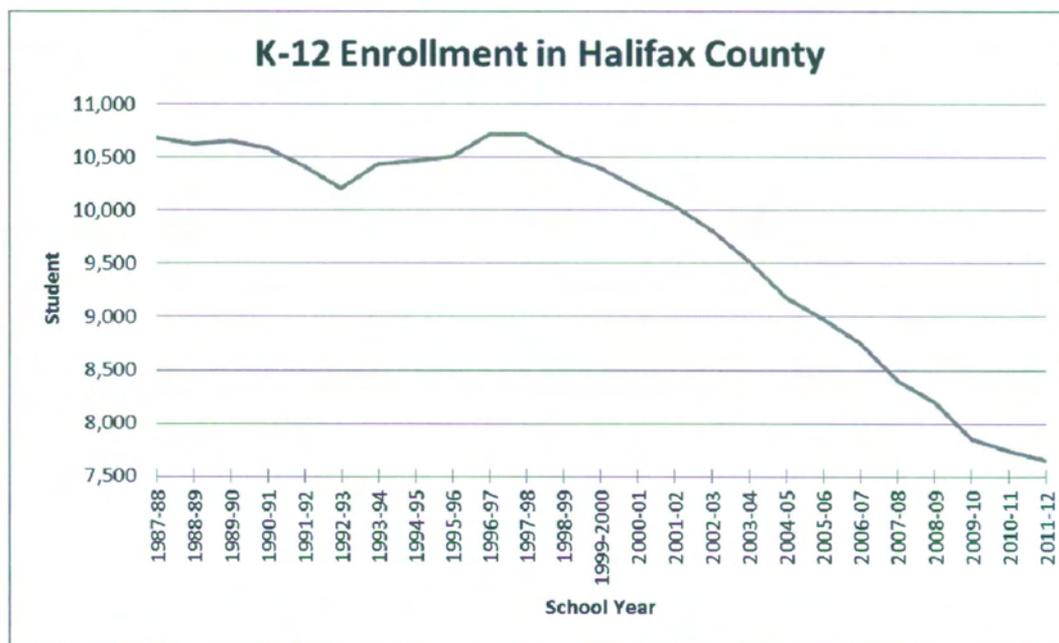
The statistical trend analysis component (c) applies linear and non-linear (quadratic and cubic) growth models to past district enrollments to find the best statistical fit. This approach fits lines or curves to past enrollments and assumes similar influences and results will continue for the next decade. The linear growth model takes the functional form $Y=b_0+b_1t$, the quadratic growth model's form is $Y=b_0+b_1t+b_2t^2$, and the cubic model's function is $Y=b_0+b_1t+b_2t^2+b_3t^3$, where the b values are intercept (b_0) and slope (b_1, b_2, b_3) coefficients and t is a sequence (time) indicator. Values of b_i differ between the models. The coefficients for the enrollment models can be used to make predictions out to any future time period t if one assumes current trends will continue without necessarily knowing what underlying processes are creating these trends. However, while these models sometimes fit past enrollment data exceptionally well, they can produce highly unlikely future projections and so must be carefully reviewed in the context of present-day enrollment and population patterns.

Taken together, the various methods inform the enrollment projections. The County *consolidation* method in the next section undertakes analysis step (c) by pooling all three district enrollment totals, at each grade, into a single county-wide tally. Since one could assume that overall population and enrollment patterns in the County would be not affected by the number of school districts in the County, this approach examines county-wide enrollment trends irrespective of individual district.

3.1 HALIFAX COUNTY OVERVIEW AND CONSOLIDATION MODEL

If the three current school districts in Halifax County are studied, enrollments gradually declined through 1992, recovered and were slightly higher in 1996 and 1997 than in 1987, but have since dropped precipitously to the present. As shown in **Exhibit 3-1**, every year since 1998 has seen a decline in public school enrollments, but from 1998 to 2009 the declines averaged 239 students per year (with 2009 representing the single-largest drop of 358 students), whereas 2010 and 2011 experienced smaller declines of 105 and 89 students, respectively. Thus, the trend, while still negative, has been *slightly* less the last two years. The question is whether the population declines are leveling out or if this is just a brief respite.

**Exhibit 3-1
K-12 Enrollment in Halifax County
1988-2012**



Source: National Center for Education Statistics, 2012.

Overall, Halifax County is aging and declining in population. Census and birth data for the County reveal trends common to much of rural America, in which birth rates are declining, the population is aging, and in-migration is minimal. In the 2000 Census, the County population was 57,345, but had shrunk to 54,691 persons in 2010 (-4.6%). The populations within two of the school districts were also smaller in 2010 than in 2000. Halifax County Schools’ resident population declined 2,472 persons from 34,985 to 32,513 (-7.1%) while Roanoke Rapids Graded School District declined 185 persons from 14,800 to 14,615 (-1.3%). Only Weldon City Schools’ population grew between Censuses, by 3 persons (+0.04%) from 7,560 to 7,563.



Demographic Modeling

As noted earlier, demographic modeling for each district consists of three components: (a) study of overall population changes between the 2000 and 2010 Censuses; (b) kindergarten enrollment trend analysis combined with comparisons of 2010 Census 1-year age cohorts and grade-level enrollments; and (c) statistical analysis of overall district enrollment trends from 1987 through 2011, capturing 25 years of enrollment. Enrollment data are actually available back to 1986 and so this analysis could span 26 years, but the analyst's standard methodology is built around a 25-year modeling horizon. The influence of 1986 enrollment values would be modest and inconsequential to the overall results, so 1986 is mostly omitted.

On an additional note, for *consolidated* Halifax County analysis step (b) includes a detailed assessment of births in the county from 1980 to 2010 as births are crucial to future projections. However, the available birth data represent county-wide totals only and are not disaggregated by school district, so for the individual district analyses only educated guesses can be made about birth patterns within each current school district.

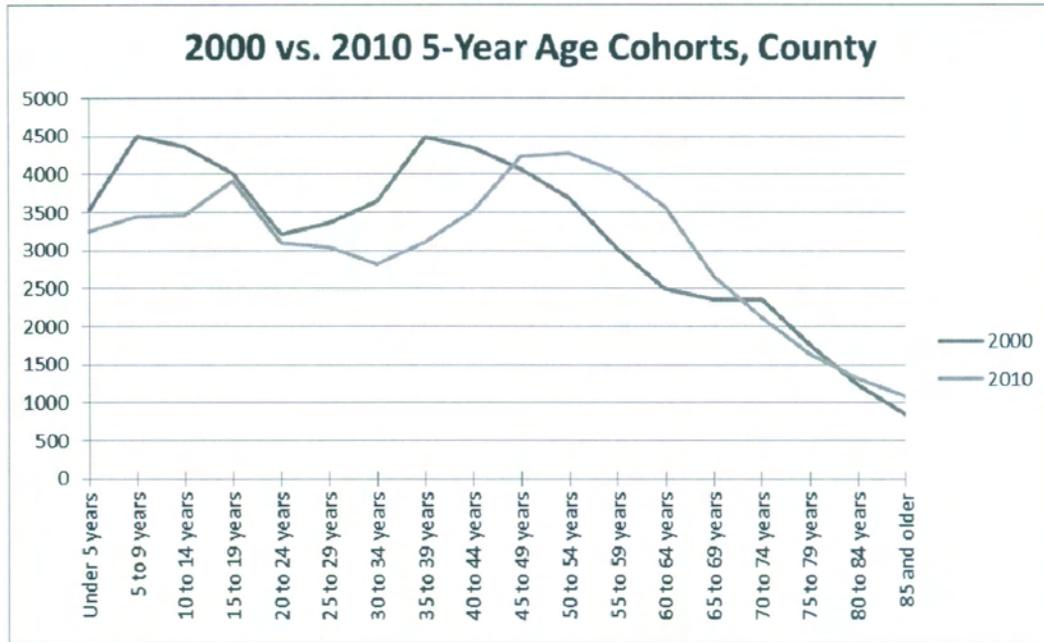
(a) Census data analysis 2000-2010: Evidence of county-wide aging without replacement by immigration is demonstrated in the figure below, comparing 5-year age cohorts from the 2000 and 2010 Censuses. Note that the largest adult population in 2000 was the age 35-39 cohort, whereas in 2010 the age 45-49 and 50-54 cohorts were almost the exact same size as one another. Likewise, in 2000 the largest school-age group was the age 5-9 cohort, but in 2010 the peak was the age 15-19 cohort. The fact that the 2010 population line mirrors the 2000 line, but shifted right two places (i.e. ten years) on the graph, clearly demonstrates that *natural* population processes dominate in this county. Declining births are attributable to aging, because people generally stop having children past their 40s, but are also the cause of this aging, as the younger cohorts are smaller than the older ones and so the largest population cohorts tend to be in the higher, usually post-childbearing age ranges. As was noted earlier, this is a common phenomenon in rural areas, as well as many European countries, in which people are having fewer children (below replacement level) and the age structure is shifting older.

Most notably, as shown in **Exhibit 3-2**, in 2000 there were 11,470 persons ages 5-17 in the district (the assumed K-12 age ranges) while in 2010 this population had dropped to 9,355, a decline of 2,115 potential students (-18.4%). The next five years' incoming classes, ages 0-4, though having dropped from 3,540 to 3,263 (a loss of 277 children), experienced a change of only -7.8 percent. This could portend a leveling off of the population implosion that has been occurring in Halifax County.

These patterns are examined in more detail in the table below. Due to the differences in the actual dates associated with each column of data, several assumptions must be made to align the figures and only modest weight should be attached to correlations made across rows of the table. Births are recorded for each calendar year, the Census was officially conducted on April 1, 2010, and school districts typically use cut-off dates in August or September for entering kindergarteners. Thus, births in a calendar year, 1-year age cohorts in the Census, and entering kindergarten classes do not align perfectly, necessitating the choices made in **Exhibit 3-3**.



Exhibit 3-2
Comparison of 5-Year Age Cohorts, 2000 and 2010 Censuses,
Halifax County



Source: US Census, 2000 and 2010.

Exhibit 3-3
Births and 2010 Census, and Kindergarten Class Size
1999-2009

Year of birth	Total births in year	Age in 2010 Census	Population in Census	Year assumed to enter K	Size of K class
2009	653	< 1 year old	621	2015	(?)
2008	668	1 year old	621	2014	(?)
2007	729	2 years old	684	2013	(?)
2006	698	3 years old	666	2012	(?)
2005	692	4 years old	671	2011	630
2004	723	5 years old	654	2010	611
2003	739	6 years old	660	2009	524
2002	753	7 years old	697	2008	647
2001	765	8 years old	702	2007	686
2000	797	9 years old	735	2006	690
1999	735	10 years old	694	2005	702

Source: US Census, North Carolina State Center for Health Statistics, National Center for Education Statistics, 2012.

This exhibit aids the search for trends up and down the columns to see how rapidly or slowly births, populations, and kindergarten class sizes have been changing over the last decade. For each column, there are peaks and valleys, and the peaks often but not always align owing to the date mismatches noted above. There was a modest increase in births in 2007 but these rapidly dropped back to levels that fit the overall trend, with births in 2010 the lowest yet at 631. The



Census population fairly matches the births, and each population cohort represents roughly 95 percent of births for the appropriate year. kindergarten class sizes 5 years after birth do not trend the same, as kindergarten enrollments radically dropped in 2009 but have rebounded the last two years and could climb for another two years based on births in 2006 and 2007 and the Census cohorts of 3- and 2-year-olds. Thus, many factors must be considered in projecting future class sizes, which is the topic of the next section. However, all projection models show county-wide K-12 enrollment declines under even the most optimistic scenario due to declining births, aging population cohorts, and declining kindergarten class sizes.

(b) Birth, kindergarten, and population trends and comparisons: Making enrollment projections is always challenging because of the uncertainty of the future, but in particular making estimates of each year's "entry cohort" (here, kindergarten) is especially crucial. Once past the entry year, most projection methods consist of age-cohort progression models, and the single largest influence on the size of a grade in a given year is the size of the preceding grade the previous year. Thus, knowing this year's total first grade enrollment allows for a very confident estimate of next year's second grade enrollment. As long as other influences such as in- or out-migration can be estimated and enrollments are adjusted accordingly, making enrollment projections is a relatively straight-forward task.

Census data, especially at this time approximately two years after the official Census date of April 1, 2010, can be very helpful in making short-term estimates of future kindergarten enrollments. **Exhibit 3-4** helps demonstrate the point at which current Census data, however, are no longer directly useful for kindergarten estimation:

Exhibit 3-4
2010 Census Cohorts and Progression of Grades
1999-2009

Age in 2010 Census	Year assumed to enter K	Grade in 2021-22 school year
< 1 year old	2015	6
1 year old	2014	7
2 years old	2013	8
3 years old	2012	9
4 years old	2011	10
5 years old	2010	11
6 years old	2009	12

Source: US Census, 2010.

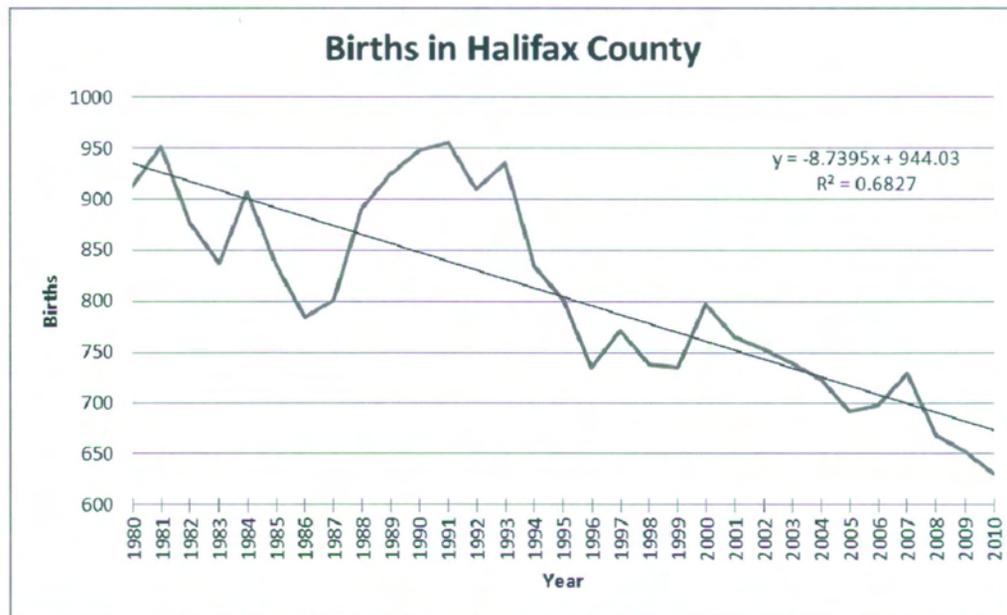
Thus, the class of children entering kindergarten in 2015 is the last group that can be estimated from known population totals (of children under age 1) from the 2010 Census. While in- and out-migration, mortality, private and homeschooling will impact all grade level estimates, including kindergarteners, the Census populations from 2010 remain the most important figures upon which to base future district enrollments. As a result, enrollments for grades K-5 in 2021 are based purely on population (birth) projections while enrollments for grades 6-12 in 2021 are largely based on known population totals from the 2010 Census.



As a result, making kindergarten enrollment projections for 2016-2021 requires making birth projections for 2011-2016, as birth data are currently only available through 2010. Also, birth data are only available for the entire county, so targeting which areas of the county might be growing at different rates due to natural processes is not easily done. However, before going into district-level detail, birth data and county-wide kindergarten enrollment data are compared to provide some baseline estimates for future kindergarten class sizes.

As can be seen in **Exhibit 3-5**, after a period of overall decline in births from 1981 to 1986, the County briefly rebounded to a peak in 1991 (with 956 births) before rapidly declining to the lowest value in the study period, 631 births, in 2010. A trend line (i.e. regression) analysis of births since 1980 results in an r^2 value of 0.68, indicating that 68 percent of the variation in births can be explained by the simple march of time over the past 30 years (note that $r^2 = 1$ indicates a perfect fit of the data to the trend line and $r^2 = 0$ indicates no apparent trend in the data). The regression line has a slope of -8.74, indicating that on average births have declined by about 9 births per year, every year, but note that births in 2008, 2009, and 2010 were all notably less than expected when compared to the trend line.

Exhibit 3-5
Total Births in Halifax County,
1980-2010



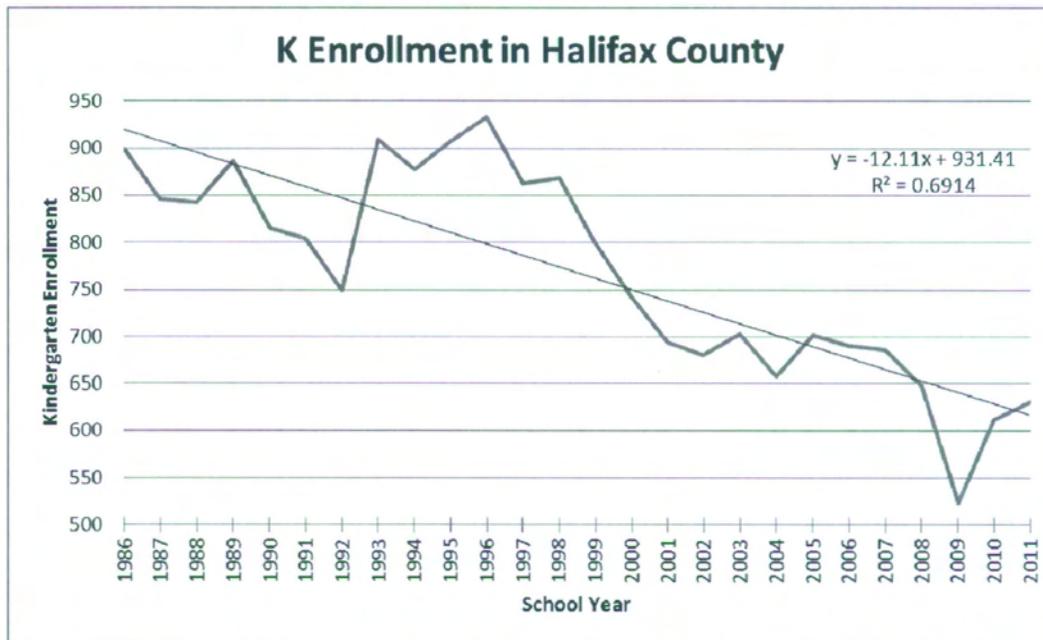
Source: North Carolina State Center for Health Statistics, 2012.

Extrapolating this model forward projects 664 births in the county in 2011 declining steadily to 620 births in 2016. Note that, due to the last three years' births being lower than the trend, the projection of 664 births in 2011 would represent a big jump over 2010. Thus, this trend line is rather optimistic since higher overall birth totals in the past, with some years experiencing higher births than the year before, influence the trend upwards somewhat.

A better-fitting trend line includes just the last 11 years of data, since 2000. The recent downward trend is more influential in this model and it fits the data much better, with an r^2 value of 0.89 and a slope of -14.34, indicating an annual average decline of over 14 births per year. This model projects 627 births in 2011, more in line with the known 2010 total of 631, and drops to 556 births in 2016. The two trend lines, the 30-year trend representing the least pessimistic projection of births and the 11-year trend representing the most pessimistic, provide an envelope of possible birth totals in the county through 2016 from a high of 620 to a low of 556.

With a high and low set of birth projections for 2011-2016 in hand, estimates and projections of kindergarten enrollments from 2012-2021 are derived from a combination of kindergarten enrollment trends, Census data trends, and birth data and projections. Kindergarten enrollment trends for the past 25 years are plotted below and a simple trend line is fit to the data (like was done for births) to demonstrate the overall direction of kindergarten enrollments across all three school districts in the County, as shown in **Exhibit 3-6**. The r^2 is almost exactly the same as it was for births (69% versus 68%). Thus, each year passing explains only two-thirds of the variation in births and in kindergarten enrollments, while the slope indicates an average annual loss of 12 kindergarten students per year since 1986 in the County. While this trend line can also be extrapolated forward, a more robust method of projecting future kindergarten class sizes exists.

Exhibit 3-6
Kindergarten Enrollments in Halifax County,
1987-2012



Source: National Center for Education Statistics, Halifax School District, 2012.



With the assumption that most 5-year-olds go to kindergarten, correlating birth data to kindergarten enrollments five years later can often be very informative. In time series analysis this temporal offset is known as a *lag*, and the assumed lag here is five years. Births from 1981 to 2006 and kindergarten enrollments from 1986 to 2011 produce a Pearson's correlation coefficient (r) value of 0.94, indicating a very strong correlation between births and kindergarten enrollments five years later. A regression line can also be constructed between the two quantities; by default, the regression r^2 value (here, 0.88) is simply the square of r .

Thus, observed variations in births can explain 88 percent of the variation in kindergarten enrollments, an improvement in model fit of about 20 percent. The slope for this regression line is 1.22, indicating that for every increase or decrease of one birth in the district, the kindergarten class five years later increases or decreases by an average of 1.22 students. Births and kindergarten enrollments in the district are thus trending downward at a 1:1.22 rate. Compare the kindergarten enrollment trend above to the birth figure shown previously; the peak kindergarten enrollment year in the county in 1996 expectedly lags the peak birth year of 1991.

Exploiting this strong birth-kindergarten correlation, known births from 2007 through 2010 can be used to predict kindergarten enrollments from 2012 to 2015 with the assumed five year lag. The last four years' births were 729, 668, 653, and 631, and the regression model (with a Y-intercept of -236.45 and a slope of 1.22) estimates kindergarten enrollments of 656, 581, 563, and 536 students from 2012 to 2015, a clearly downward trend. Moving forward, the two sets of birth projections through 2016 given earlier, based on 30-year and 11-year birth trends, can be plugged into this same regression equation to project kindergarten class sizes for 2016 through 2021. Though each district might behave somewhat differently, birth data are only available at the county level and so district-by-district analysis of this type is not possible. Each district therefore requires some individual analysis of kindergarten enrollment trends, 1-year age cohort data from the 2010 Census, and past shares of county kindergarten enrollments in order to tailor estimates for each district's incoming kindergarten classes.

One additional comparison is very useful for understanding the relationship between population patterns for the county and school enrollments. Using 2010 as a snapshot, the enrollment in each grade across the entire county for 2010 and the Census 2010 population for each age 5 (kindergarten) through 17 (twelfth grade, seniors) is used to calculate a *matriculation rate* that indicates what percentage of the eligible, county-resident population actually attended public schools in the county that year. This type of comparison can provide evidence about how much home or private schooling affects public school enrollments and can uncover differences between grade levels.

Comparisons are shown in **Exhibit 3-7** and two very noticeable patterns emerge. First, matriculation rates were much higher for elementary grades (K-5), averaging 91.5 percent, dropping for middle school ages (grades 6-8) to around 80 percent, and then peaking for freshmen (14-year-olds) at 98 percent. Then, drop-outs and early graduations start reducing the matriculation rates of sophomores, juniors, and seniors. The pattern for the high school ages is very common, while the lull for grades 6-8 is curious and unexplainable.



Exhibit 3-7
Comparison of 2010 Census Data and Grade Cohort in Halifax County,
2010

Age in 2010 Census	Population in Census	Grade in 2010	Size of class	Matriculation rate
5 years old	654	K	611	93%
6 years old	660	1	553	84%
7 years old	697	2	645	93%
8 years old	702	3	675	96%
9 years old	735	4	680	93%
10 years old	694	5	626	90%
11 years old	703	6	547	78%
12 years old	717	7	572	80%
13 years old	665	8	537	81%
14 years old	684	9	669	98%
15 years old	760	10	558	73%
16 years old	842	11	557	66%
17 years old	842	12	512	61%
K-12 Totals	9,355	---	7,742	Average: 83%

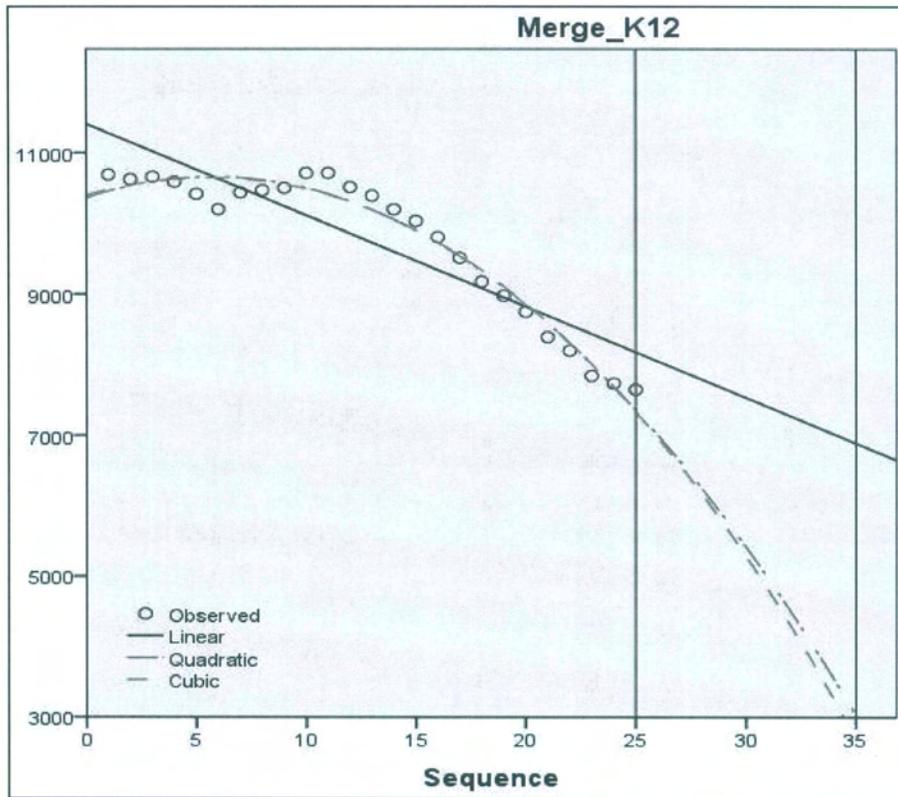
Source: US Census, Halifax County Schools, 2010, 2012.

(c) Statistical trend analysis of past enrollments: In order to refine the analysis and tease out subtle annual variations, the three statistical models are each run for three different time periods: the last quarter century (since 1987); a 15-year span starting in 1997; and an 8-year span starting in 2004. There are thus nine total statistical models that derive from computing three different model formulations (linear, quadratic, and cubic) for three different time spans (25, 15, and 8 years). The final choices of models for the projections reviewed below are based on both the strength of the statistical analysis and our professional experience studying the various influences on enrollment (births, migration, home schooling, and drop-out rates). The overall goal and result is a set of reasonable enrollment projections through 2021.

Analysis of enrollments across Halifax County since 1987 results in the three models shown in **Exhibit 3-8**. While all three models fit past data moderately well with r^2 values ranging between 0.807 and 0.968, the enrollment projections for 2021 all seem unlikely. The non-linear models overemphasize the strong downward enrollment trends and project 3,000 or fewer county students by 2021, while the linear model overestimates enrollment for the past five years and projects 6,894 students by 2021. Given that the district has lost nearly 2,400 students over the past decade, it seems unlikely to lose just 759 more in the coming decade unless the decline in birth rates slows down significantly. Thus, none of these models is ultimately chosen for final projections but they do provide some initial exploratory information.



**Exhibit 3-8
Consolidated Enrollment Trends (1987-2011)
and Projections to 2021**

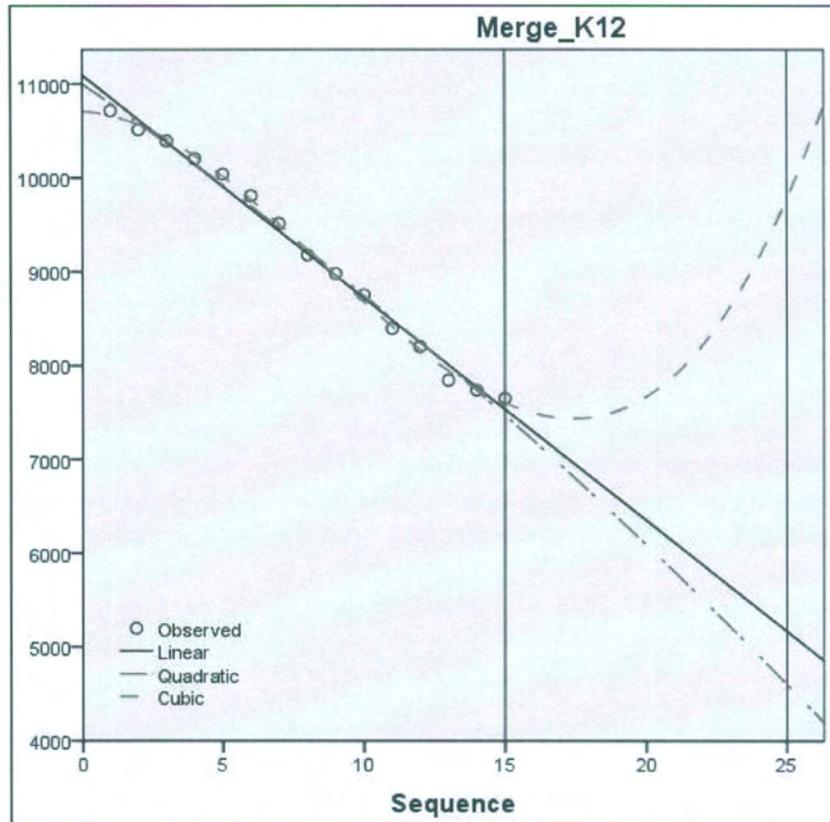


Source: Created by Evergreen Solutions using SPSS software, 2012.

All three 15-year models fit past enrollments (from 1997 to 2011) extremely well with r^2 values between 0.992 and 0.998, though the cubic model captures some sinuosity in enrollments and approaches 10,000 students by 2021. The linear and quadratic models, however, show two possible, though fairly pessimistic, outlooks for the county. The linear model (5,400 students by 2021) is chosen as the medium model and the quadratic model (4,563 students in 2021) is chosen as the low, or most pessimistic, model for county-wide enrollments a decade from now. The 15-year models are shown in **Exhibit 3-9**.



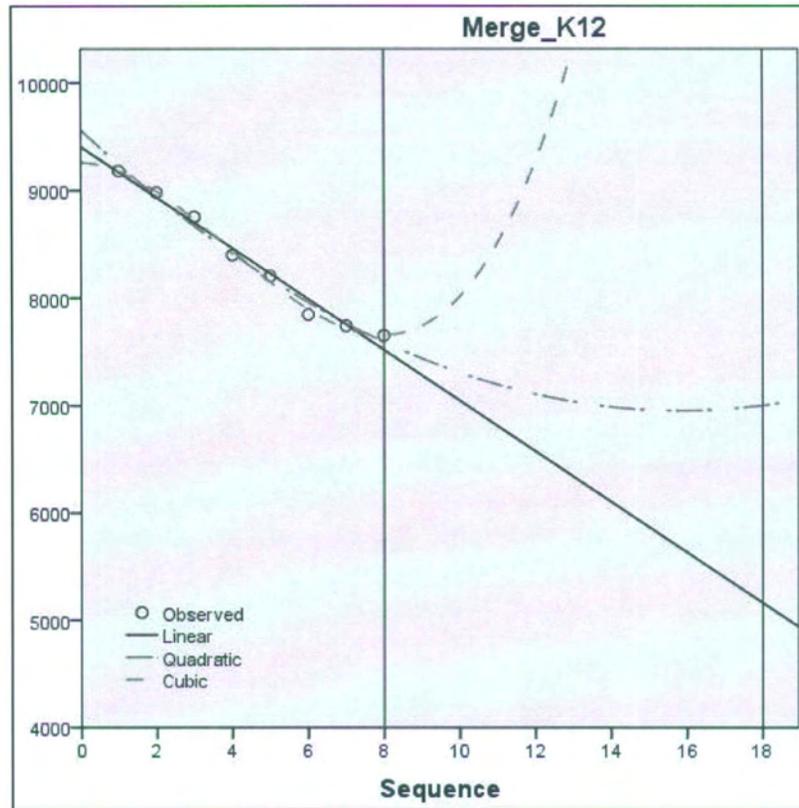
Exhibit 3-9
Consolidated Enrollment Trends (1997-2011)
and Projections to 2021



Source: Created by Evergreen Solutions using SPSS software, 2012.

Finally, the 8-year models perform well statistically, with r^2 values between 0.979 and 0.996. The cubic model again explodes upwards, this time past 21,000 in 2021, while the linear model is more pessimistic than the 15-year linear model earlier and approaches 5,100. The quadratic model below, however, shows a possible trajectory if birth rate declines (and hence birth totals) level out in the county, and while overall this model shows a net decline, it only bottoms out (in 2018) in the mid-6,900s and climbs just above 7,000 in 2021. Given the mixed signals noted earlier regarding county demographics, this outcome seems the most optimistic possible and is chosen for making high projections. The eight-year models are shown in **Exhibit 3-10**.

**Exhibit 3-10
Consolidated Enrollment Trends (1997-2011)
and Projections**



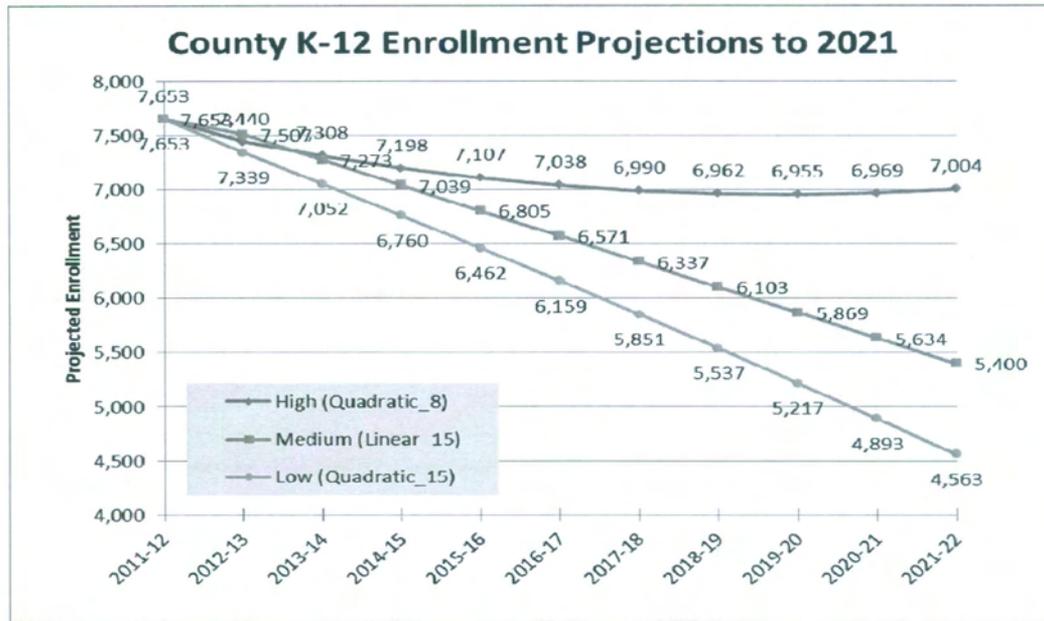
Source: Created by Evergreen Solutions using SPSS software, 2012.

The three final models are shown next and are marked each year with county-wide, K-12 enrollment projections. Note that 2011-12 values are the actual, reported district K-12 totals.

Consolidated analysis summary: Enrollments have declined steadily for consolidated public school enrollments in Halifax County, trends that informed the choice of projection models above. Overall, while declines in kindergarten enrollments have reversed course the last two years and the distribution of children ages 10 and below in the 2010 Census seem fairly stable, birth rates have declined steadily (except for 2007) and the two youngest cohorts in the Census, 1-year-olds and newborns, were noticeably smaller (at 621 children each) than the older cohorts. Thus, the patterns in **Exhibit 3-11** seem to clearly indicate continued enrollment losses for at least the next five years, and probably the next decade, though the high model above evinces some optimism that recent declines in births and kindergarten class sizes might level out. A few more years of birth records, when available, and annual monitoring of incoming kindergarten class sizes (especially past 2012, which is expected to increase again due to the relatively high number of births in 2007), will be important ways for school district administrators across the county to determine which of the growth models above is the most accurate.

Analysis now focuses on each of the three school districts in Halifax County individually.

Exhibit 3-11
High, Medium and Low Enrollment Projections
for Consolidated Model



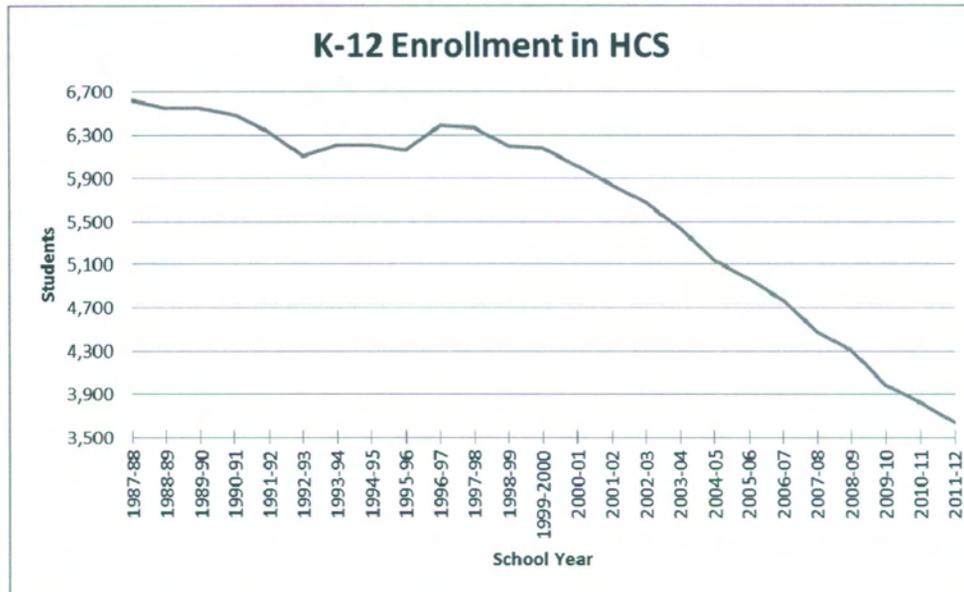
Source: Created by Evergreen Solutions using SPSS software, 2012.

3.2 HALIFAX COUNTY SCHOOLS

Much like greater Halifax County, Halifax County Schools (HSC) has experienced significant enrollment loss since 1987 if not before. From 1987 to 1992 the district lost about 500 students, as shown in **Exhibit 3-12**. Then, between 1992 and 1996, it regained about 280 students, concentrated in a 103-student gain in 1993 and a 222-student gain in 1996, offset by small losses between those two years. Since 1996 the district has lost students every single year, ranging from an 11-student decline in 1997 to 296-student and 298-student losses in 2004 and 2007, respectively. Since 1987 the average decline has been 124 students, but since 1997 the average annual loss has been 183 students. The largest school district in the county, in 1986 it was 67 percent larger (at 6,660 students) than RRGSD and WCS combined (with 4,000 total students). Today, HCS enrolls just 600 more students than RRGSD, 3,600 versus 3,000. Coincidentally, in both 1986 and 2011 RRGSD and WCS combined to total 4,000 students, RRGSD having gained about 300 students and WCS having lost almost exactly the same number.

These patterns are understandable, as HSC covers the mostly rural parts of Halifax County while the other two school districts are focused on more urban locations in the county, specifically the city of Roanoke Rapids, which is the largest place in Halifax County. Nationwide, cities are growing at the expense of rural areas and that seems to be the case here as well.

**Exhibit 3-12
Halifax County Schools
K-12 Enrollment, 1988-2012**



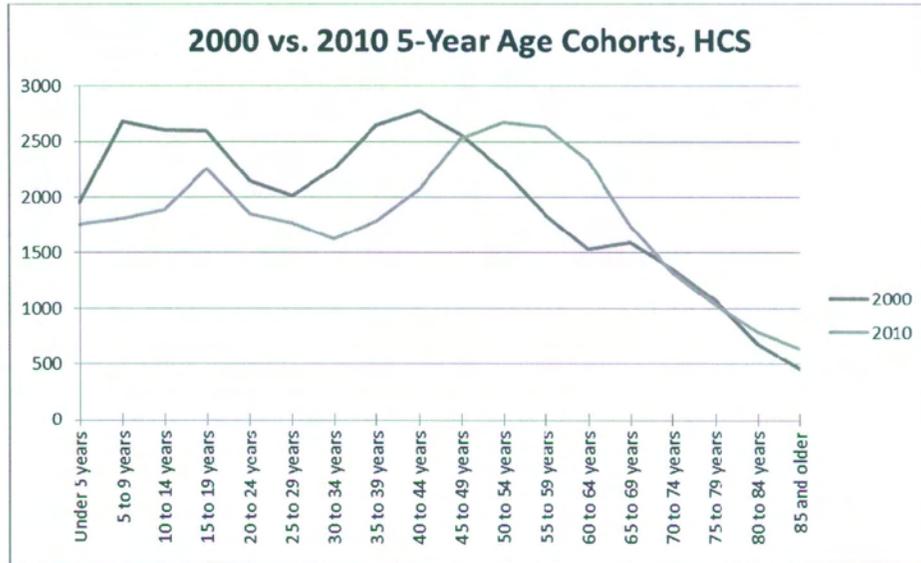
Source: National Center for Education Statistics, 2012.

Demographic Modeling

(a) Census data analysis 2000-2010: Between 2000 and 2010, the population living within HCS’s boundaries declined from 34,985 to 32,513 persons, a decrease of 2,472 people (-7.1%). Over the same period, HCS declined from 6,008 students to 3,823, a loss of 2,185 students or 36.4 percent. This huge mismatch alone does not necessarily indicate out-migration, but the figure strongly supports the migration conclusion. Each cohort under age 30 in 2000 was much smaller in 2010 (e.g., comparing 15-19 year-olds in 2000 to 25-29 year-olds in 2010), whereas there is much less shrinkage for cohorts that were older than 30 in 2000.

As shown in **Exhibit 3-13**, the largest cohort in 2000 was ages 40-44, though the age 5-9, 10-14, and 15-19 cohorts were almost as large. In 2010, however, the largest two cohorts were adults in their 50s, a 10-year aging of the 2000 peak, while all school-age cohorts were smaller than in 2000. The very small cohort for ages 0-4 in the 2000 Census foreshadowed the looming demographic collapse that the school district experienced in the last decade, and birth declines have actually leveled off as the cohort of children younger than 5 in 2010 was only slightly smaller than in 2000. In comparison, the large gaps between 2000 and 2010 for the age 5-9 and 10-14 cohorts clearly contributed to this district’s enrollment declines of the last decade. Overall, the number of 5-17 year-olds in the district declined by 1,820 (-26.4%) while the population under 5 shrank by only 187 persons (-9.6%), very near the county-wide change of -7.8 percent.

**Exhibit 3-13
Comparison of 5-Year Age Cohorts,
2000 and 2010 Censuses,
Halifax County Schools**



Source: US Census, 2000 and 2010.

(b) Kindergarten and population trends and comparisons: Given that HCS has accounted for a majority or plurality of county enrollments (declining in share from 62% in 1987 to 47% today), the HCS kindergarten enrollment trend strongly resembles the county-wide trend seen earlier. However, trend line fit is stronger for HCS than it was for the county as a whole, with an r^2 value of 78 percent compared to the county-wide value of 69 percent. This is weaker, though, than the 88 percent r^2 value achieved by correlating county births and kindergarten enrollments five years later.

Since 1987, HCS has lost an average of nearly 11 kindergarten students per year, though enrollments in the late 1990s matched 1980s levels before dropping precipitously to the present. There was a notable one-year surge in 2010 to 336 kindergarteners but enrollment dropped to 307 students this year. Going forward, this trend line estimates a kindergarten enrollment of 290 in 2012, decreasing by 10.8 students annually, to 258 students in 2015 and eventually 193 students by 2021.

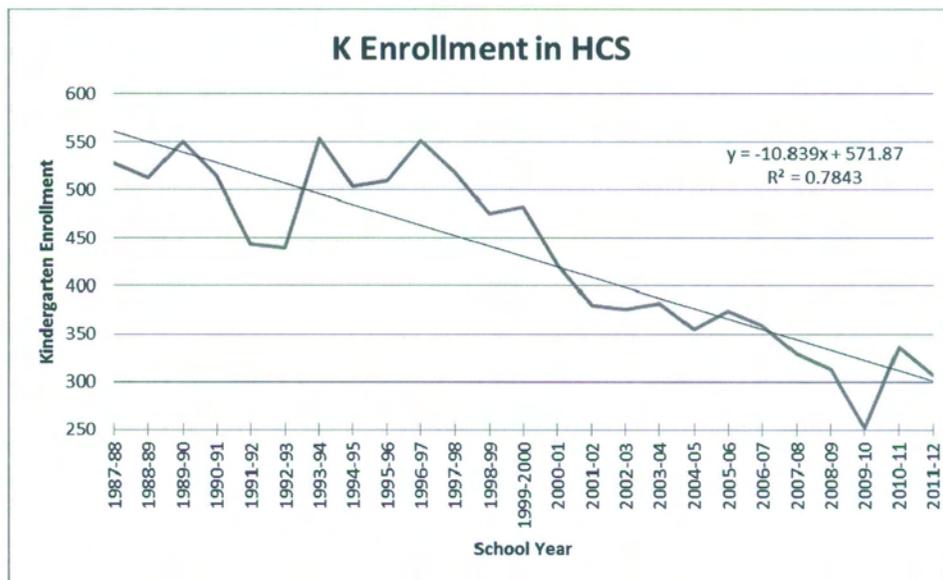
To supplement this trend line analysis, 1-year age cohorts from the 2010 Census are used to determine whether births have likely continued downwards within the HCS territory. This comparison is rough because it cannot account for migration. However, it is interesting to note that populations are quite steady across 1-year cohorts below age 8, fluctuating between 331 and 368, so the population (and birth rate) decline within HCS could be leveling off though out-migration may continue to draw away families.

Given the very uneven kindergarten class sizes and matriculation rates shown in the middle three columns in **Exhibit 3-14**, an average matriculation rate of 90 percent is assumed for the next four years (2012 to 2015) to make secondary estimates of kindergarten enrollments to complement the trend analysis. The estimates in **Exhibit 3-15** are larger (and more uneven) than the trend line estimates of 290, 279, 268, and 258 students from 2012 to 2015. Thus, the trend analysis is more pessimistic than kindergarten estimates based on known population totals (in 2010) below age 5.

Unfortunately, the comparison method only allows estimation through 2015. High kindergarten projections are based on the 2012-15 estimates from the table above and then declining by 10 students per year after 2015, medium estimates are based on allocating 47 percent (HCS' current share of all county enrollments) of all Kindergartners projected for the county through 2021, and low kindergarten estimates for this district are based on the district-level trend analysis.

The last three columns in **Exhibit 3-15** show the 2010 snapshot comparison of each grade in HCS in 2010 to the Census population totals for each 1-year cohort (shown in the second column). Compared to the county-wide average matriculation rate of 83 percent noted earlier, HCS matriculated just 75 percent of the eligible population living in the district in 2010 and barely 50 percent of 17-year-olds. This could be due to early graduations, dropouts, or transfers.

Exhibit 3-14
Kindergarten Enrollments
Halifax County Schools
1988-2012



Source: National Center for Education Statistics, Halifax County Schools, 2012.



Exhibit 3-15
Kindergarten Enrollments
Halifax County Schools
1988-2012

Age in 2010 Census	Population in Census	Year assumed to enter K	Size of K class	Matric. Rate (K)	Grade in 2010	Size of class	Matric. Rate
< 1 year old	356	2015	(320)	(90%)	n/a	n/a	n/a
1 year old	331	2014	(298)	(90%)	n/a	n/a	n/a
2 years old	357	2013	(321)	(90%)	n/a	n/a	n/a
3 years old	361	2012	(325)	(90%)	n/a	n/a	n/a
4 years old	358	2011	307	86%	n/a	n/a	n/a
5 years old	346	2010	336	97%	K	336	97%
6 years old	351	2009	252	72%	1	265	75%
7 years old	368	2008	313	85%	2	309	84%
8 years old	339	2007	329	97%	3	322	95%
9 years old	405	2006	359	89%	4	343	85%
10 years old	371	2005	374	101%	5	322	87%
11 years old	374	2004	355	95%	6	257	69%
12 years old	398	2003	382	96%	7	260	65%
13 years old	368	2002	376	102%	8	269	73%
14 years old	377	2001	380	101%	9	311	82%
15 years old	429	2000	422	98%	10	281	66%
16 years old	475	1999	483	102%	11	293	62%
17 years old	484	1998	476	98%	12	255	53%
Totals	5,085	----	---	---	---	3,823	75%

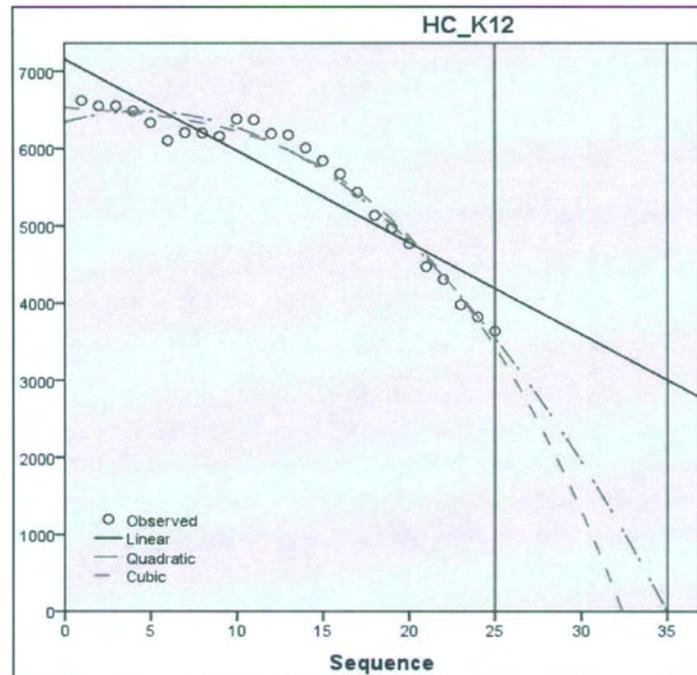
Source: US Census, North Carolina State Center for Health Statistics, National Center for Education Statistics, 2012.

(c) Statistical trend analysis of past enrollments: As before, linear, quadratic, and cubic models for the past 25, 15, and 8 years are run and assessed at the district level.

Analysis of enrollments in HCS since 1987 results in the three models shown in **Exhibit 3-16**. All three models fit past data quite well with r^2 values ranging between 0.853 and 0.978. However, the cubic and quadratic models both overemphasize the strong downward enrollment trends and project negative students by 2021, while the linear model overestimates enrollment for the past five years and projects 3,006 students by 2021. Given that the district has lost over 2,200 students in the past decade, it seems unlikely to lose just 600 more in the coming decade unless birth rates significantly increase or hypothesized out-migration slows. However, the overall trend of the linear model is as optimistic as can be posited at this time, and so extrapolating from the last point at which real enrollments and the linear model matched, in 2006, a modified 25-year model estimates 2,412 students in 2021 and this is chosen as the high model.



Exhibit 3-16
Enrollment Trends (1987-2011)
and Projections to 2021



Source: Created by Evergreen Solutions using SPSS software, 2012.

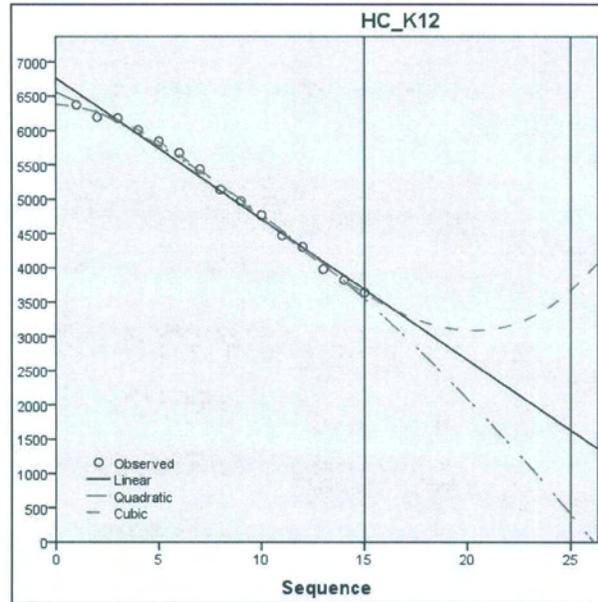
All three 15-year models also fit past enrollments (from 1997 to 2011) extremely well with r^2 values between 0.989 and 0.998, but the cubic and quadratic models behave curiously. The cubic model projects enrollments dip just under 3,100 students before trending back up to an enrollment in 2021 (3,675) almost exactly the same as today (3,639), while the quadratic model bends heavily downward and projects a mere 408 students in 2021. However, the linear model projects 1,631 students for 2021, a loss of about 2,000 students compared to 2011. In comparison, the district lost about 2,200 students from 2001 to 2011, so this loss is slightly slower than has been the case over the past decade. This linear 15-year model is chosen as an intermediate scenario or medium projection model for the district; all three 15-year models are shown in **Exhibit 3-17**.

Finally, the 8-year models perform well statistically, with r^2 values of either 0.994 (linear and quadratic) or 0.997 (cubic), and provide the basis for the final projections chosen for this analysis. The cubic model approaches 9,000 students in 2021 and is rejected, but the linear model reaches 1,236 by 2021 and is chosen as the low projection model. The eight-year models are in **Exhibit 3-18**.

The three final models are shown in **Exhibit 3-19** and are marked each year with districtwide, K-12 enrollment projections. Note that 2011-12 values are the actual, reported district K-12 totals.

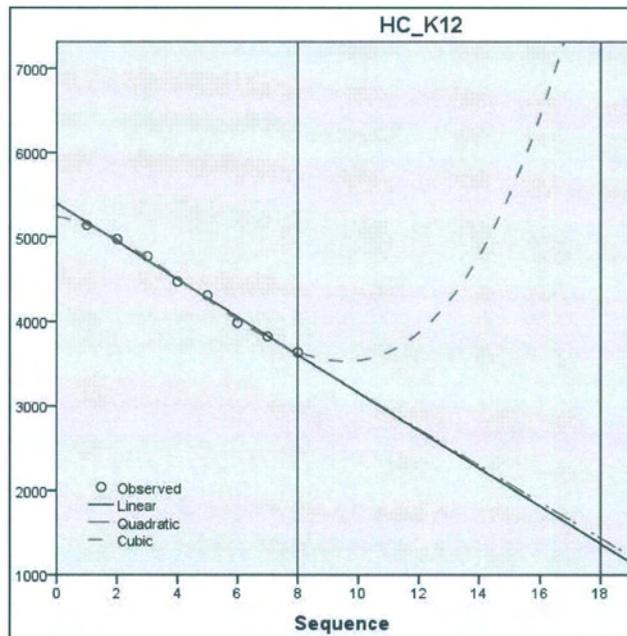


Exhibit 3-17
Enrollment Trends (1987-2011)
and Projections to 2021



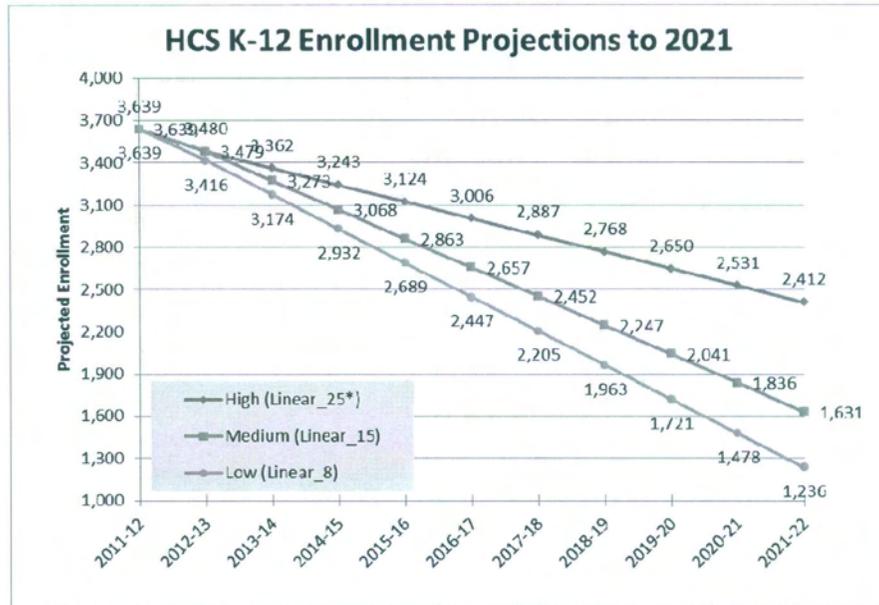
Source: Created by Evergreen Solutions using SPSS software, 2012.

Exhibit 3-18
Enrollment Trends (2004-2011)
and Projections to 2021



Source: Created by Evergreen Solutions using SPSS software, 2012.

Exhibit 3-19
High, Medium and Low Enrollment Projections
Halifax County Schools



Source: Created by Evergreen Solutions using SPSS software, 2012.

Halifax County Summary: As with county-wide enrollments, enrollments have declined steadily for HCS and even the optimistic model projects a loss of over 1,200 students in this district through 2021 assuming a slowing of the rate at which births and kindergarten enrollments have been declining. Though the 1-year cohort populations for this district (shown in **Exhibit 3-15**) revealed fairly stable population totals for each cohort under age 10 in 2010, the long-term trends in the County and in this district, which are essentially the same trend, cannot be ignored.

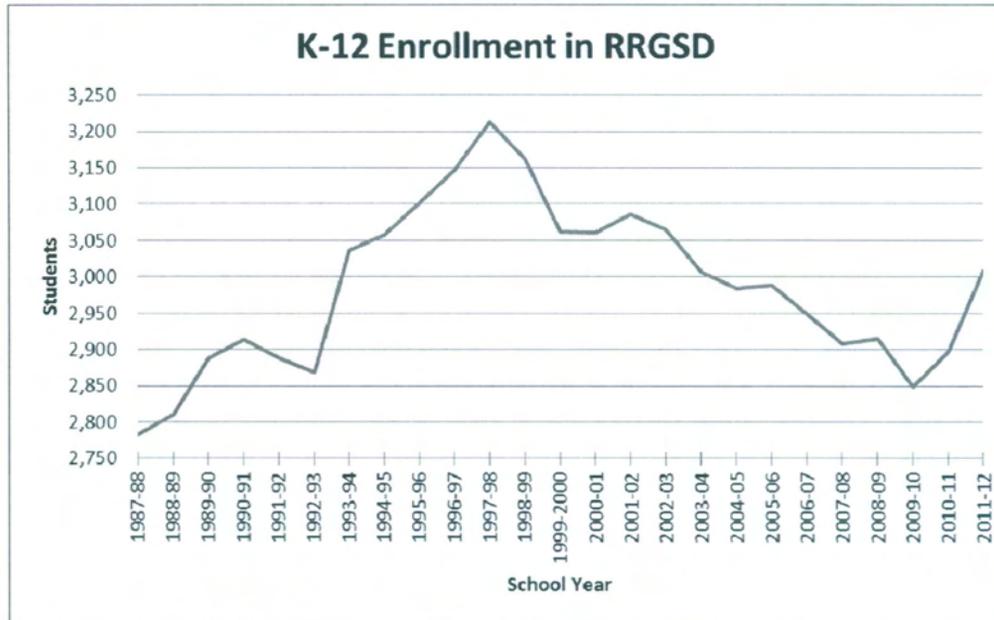
Overall, there is faint evidence that these models might be too pessimistic, based both on the stability of 1-year population cohorts referenced above as well as the fact that in both Halifax County broadly and HCS specifically the population between ages 0-4 shrank by less than 10 percent between Censuses while the population between ages 5-17 shrank by 18 percent (county) to 26 percent (HCS). However, past trends combined with currently available data make this pure conjecture. Births for 2011 and beyond, annual kindergarten enrollments, and local knowledge will help district administrators monitor annual enrollments to determine which, if any, of the models above might match reality.

3.3 ROANOKE RAPIDS GRADED SCHOOL DISTRICT

Roanoke Rapids Graded School District (RRGSD), like HCS, has experienced a significant recent enrollment loss, but the pattern has been somewhat different than was the case for Halifax County overall or for HCS. As shown in **Exhibit 3-20**, this district grew from fewer than 2,800 students in 1987 to a peak of over 3,200 students in 1997, and then experienced a 12-year plunge to about 2,850 students before surging above 3,000 again in 2011. This school district could overtake HCS as the largest district in the county if current trends continue; once accounting for

just 25 percent of County enrollments in 1987, RRGSD enrolls nearly 40 percent today while HCS enrolls 47 percent.

Exhibit 3-20
High, Medium and Low Enrollment Projections
Roanoke Rapids Graded School District K-12 Enrollment, 1987-2011



Source: National Center for Education Statistics, 2012.

As was noted earlier, Roanoke Rapids is the largest city in Halifax County, and it is hypothesized that much of the rural population of Halifax County is migrating into this district, spurring the recent growth but also causing the declines in enrollment from 1998 to 2009 to be gentler than was the case in HCS. The annual declines during that span averaged just 30 lost students per year, and there were two small increases during that time. Also, the low 2009 enrollment of 2,849 students represented just an 11 percent decline from the 1997 peak enrollment of 3,213 for RRGSD compared to HCS’s 43 percent decline from its peak in 1996 to 2011.

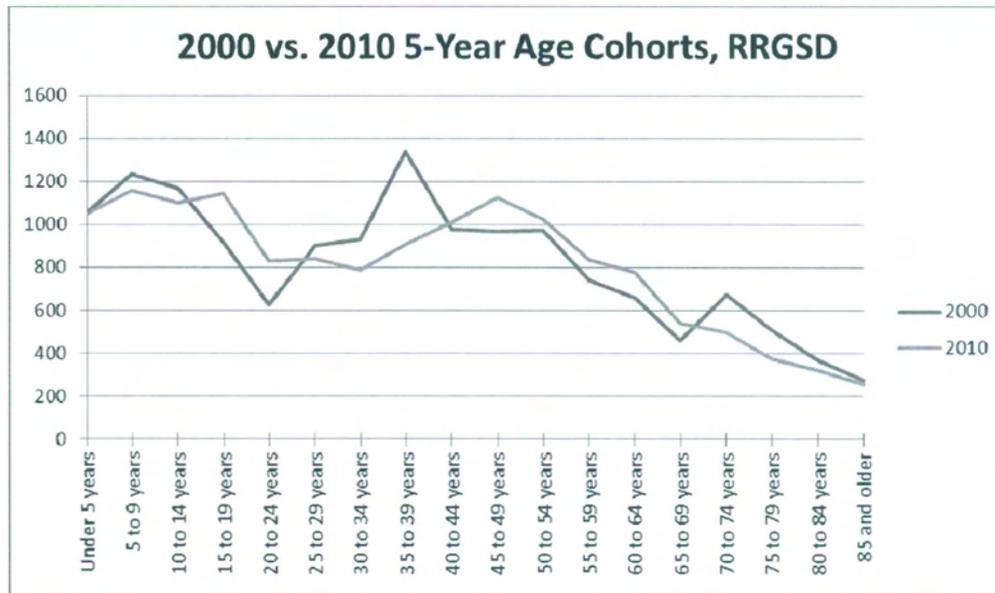
Demographic Modeling

(a) Census data analysis 2000-2010: Between 2000 and 2010, the population living within RRGSD’s boundaries declined from 14,800 to 14,615 persons, a decrease of 185 people (-1.3%). Over the same period, RRGSD’s enrollment declined from 3,061 students to 2,896, a loss of 165 students (-5.4%). Thus, while the district lost more students in percentage terms than it did population (though almost the same actual number) the enrollment loss was much less than occurred for HCS. Though it is hypothesized that HCS is losing its younger population to out-migration, these figures do not directly imply that RRGSD is the destination.

Some of the same general population patterns seen for HCS are evident in **Exhibit 3-21** for RRGSD. The largest cohort in 2000 was ages 35-39 while the second-largest cohort was ages 5-9. In 2010, the 45-49 age range was the highest adult cohort but it was considerably smaller than

when these people were 35-39 year-olds in 2000. Meanwhile, the school-age cohorts, while generally smaller in absolute size in 2010 than 2000, are relatively larger in share compared to other 2010 Census cohorts. The trends are thus not quite as clear-cut as was the case for HCS, especially for the school-age cohorts, but the adult cohorts seem to have aged as expected. Overall, the number of 5-17 year-olds in the district declined by 58 (-1.9%) while the population under 5 shrank by only 6 persons (-0.6%), a very different pattern than was the case in HCS.

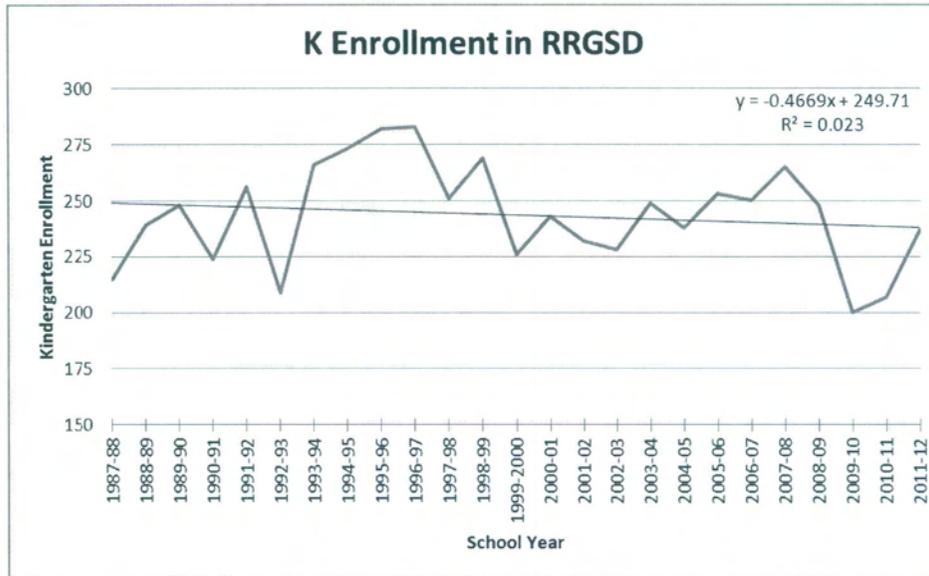
Exhibit 3-21
Comparison of 5-Year Age Cohorts, 2000 and 2010 Censuses,
Roanoke Rapids Graded School District



Source: US Census, 2000 and 2010.

(b) kindergarten and population trends and comparisons: RRGSD accounts for nearly 40 percent of county enrollments today, while the kindergarten enrollment trend is very unpredictable as evidenced by the r^2 value of 2 percent. The enrollments in **Exhibit 3-22** do not particularly correspond to overall district ups and downs seen in the district’s K-12 enrollment figure earlier, so shrinking births and subsequent kindergarten enrollment declining through time do not seem to be the obvious culprit in this district. Kindergarten enrollments averaged 249 students before 2000 and 238 after, not much of a decline, though the trend line does slightly slope downwards at a rate of about half a student (-0.4669) per year. Going forward, this trend line estimates a kindergarten enrollment of 238 in 2012, decreasing to 233 students in 2021. All other methods developed below, similar to what was done in HCS to estimate future kindergarten enrollments, are more pessimistic than this flat trend line so flat kindergarten enrollments will serve as high kindergarten enrollment projections in RRGSD.

Exhibit 3-22
Kindergarten Enrollments in Roanoke Rapids Graded School District
1988-2012



Source: National Center for Education Statistics, Roanoke Rapids Graded School District, 2012.

To supplement this trend line analysis, 1-year age cohorts from the 2010 Census are used to determine whether births have likely continued downwards within the RRGSD territory. Again, this comparison is rough because it cannot account for migration. However, it is interesting to note that populations were quite steady from ages 1 to 6, but the newborn cohort was very small and the only one below 200 persons.

The kindergarten matriculation rates shown in the table in **Exhibit 3-23** are very interesting since most cohorts in the 2010 Census were larger than their assumed kindergarten class sizes. An average matriculation rate of 100 percent is assumed for 2012 to 2015 to make additional estimates of kindergarten enrollments to complement the trend analysis. The estimates in **Exhibit 3-23** are smaller (and more uneven) than the flat trend line estimates of roughly 238 students each year from 2012 to 2015. Thus, the kindergarten estimates based on known population totals below age 5 (in 2010) are used to make low kindergarten enrollment projections. Since this method only allows estimation through 2015, the low kindergarten projections decline by 5 students per year after 2015. Finally, medium estimates are based on allocating 40 percent (RRGSD’s current share of all county enrollments) of all county Kindergartners to RRGSD through 2021.

The last three columns of the table in **Exhibit 3-23** show the 2010 snapshot comparison of each grade in RRGSD in 2010 to the Census population totals for each 1-year cohort (second column). Compared to the county average matriculation rate of 83 percent and HCS’s rate of 75 percent, RRGSD matriculated 96 percent of the eligible population living in the district in 2010, often exceeding 100 percent. This either indicates a lot of in-migration or cross-district transfers (or, probably, both). The muddled demographic evidence reviewed earlier implies that transfers might be the more logical cause, but transfer policies or numbers are unknown by the analyst.

Exhibit 3-23
2010 Census Cohorts and Grade Cohorts in Roanoke Rapids Graded School District

Age in 2010 Census	Population in Census	Year assumed to enter K	Size of K class	Matric. Rate (K)	Grade in 2010	Size of class	Matric. Rate
< 1 year old	174	2015	(174)	(100%)	n/a	n/a	n/a
1 year old	209	2014	(209)	(100%)	n/a	n/a	n/a
2 years old	226	2013	(226)	(100%)	n/a	n/a	n/a
3 years old	225	2012	(225)	(100%)	n/a	n/a	n/a
4 years old	215	2011	237	110%	n/a	n/a	n/a
5 years old	215	2010	207	96%	K	207	96%
6 years old	217	2009	200	92%	1	206	95%
7 years old	240	2008	248	103%	2	243	101%
8 years old	251	2007	265	106%	3	272	108%
9 years old	239	2006	250	105%	4	256	107%
10 years old	232	2005	253	109%	5	236	102%
11 years old	232	2004	238	103%	6	240	103%
12 years old	222	2003	249	112%	7	226	102%
13 years old	204	2002	228	112%	8	180	88%
14 years old	212	2001	232	109%	9	215	101%
15 years old	237	2000	243	103%	10	230	97%
16 years old	252	1999	226	90%	11	190	75%
17 years old	249	1998	269	108%	12	195	78%
Totals	3,002	----	---	---	---	2,896	96%

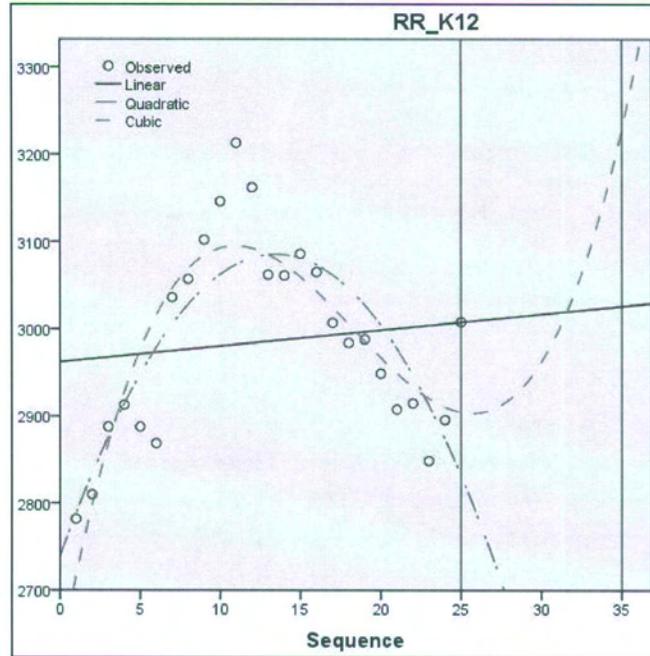
Source: US Census, North Carolina State Center for Health Statistics, National Center for Education Statistics, 2012.

(c) Statistical trend analysis of past enrollments: As before, linear, quadratic, and cubic models for the past 25, 15, and 8 years are run and assessed at the district level.

Analysis of enrollments in RRGSD since 1987 results in the three models shown in **Exhibit 3-24**. The three models fit quite erratically, the linear model having an r^2 value of just 0.014 while the quadratic and cubic models were 0.649 and 0.748, respectively. This district proved the most challenging to model, with the lowest average r^2 values and the widest range of high and low projections. Ultimately, the cubic (though lagged 7 years) and linear models below were chosen to make high and medium projections, respectively, because the modified cubic model adds about 500 students through 2021 while the linear model is almost perfectly flat, adding just 18 students through 2021.

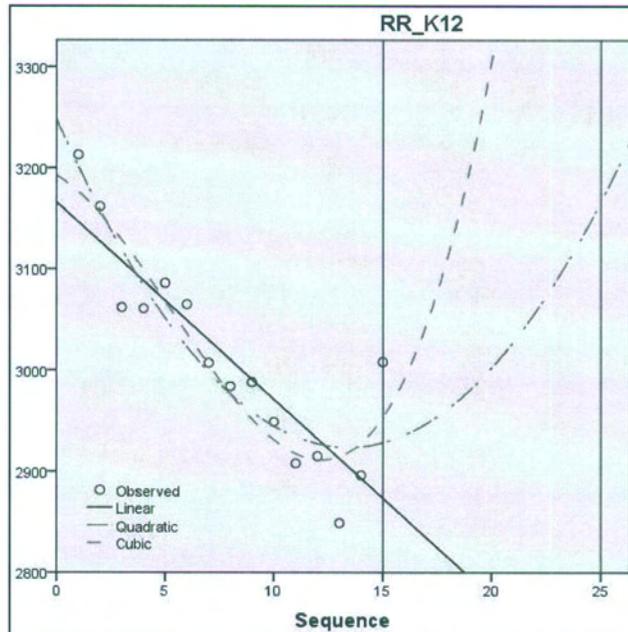
All three 15-year models fit past enrollments (from 1997 to 2011) much better with r^2 values between 0.753 and 0.869. The linear and quadratic models also produce reasonable 2021 projections near 2,700 (low) and near 3,200 (high) but they badly underestimate actual 2011 enrollments. The cubic model is a little closer to 2011 enrollments but projects over 4,100 students. As a result, none of the 15-year models shown in **Exhibit 3-25** is chosen.

Exhibit 3-24
Enrollment Trends (1987-2011)
and Projections to 2021



Source: Created by Evergreen Solutions using SPSS software, 2012.

Exhibit 3-25
Enrollment Trends (1997-2011)
and Projections to 2011

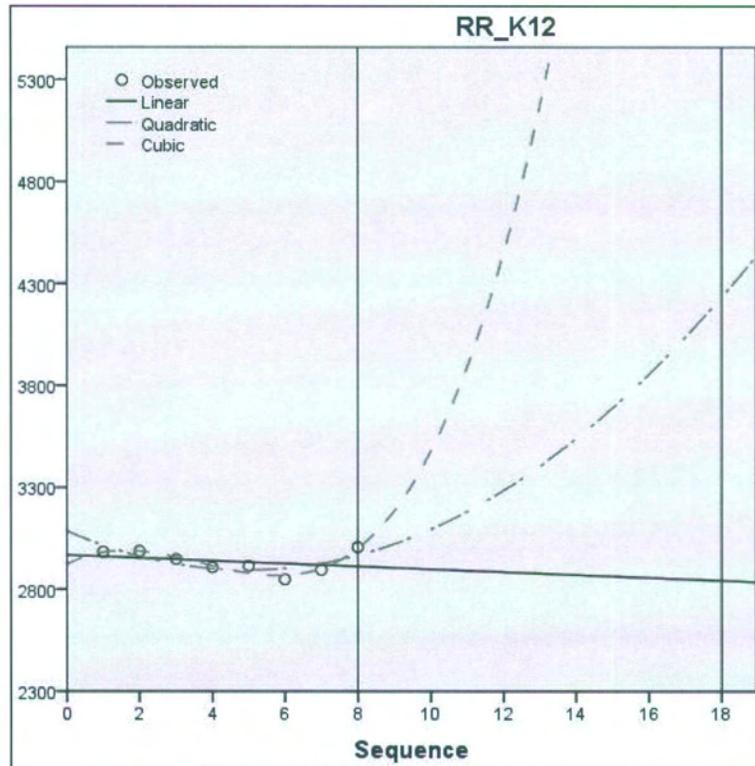


Source: Created by Evergreen Solutions using SPSS software, 2012.



Finally, the 8-year models exhibit a wide range of r^2 values: 0.098 for the linear model, 0.597 for the quadratic, and 0.909 for the cubic. Though the best fit and perfectly matching 2011 enrollments, the cubic model explodes to nearly 12,000 students by 2021 and is rejected, while the slower growth of the quadratic model still projects over 4,200 students. Though another poor-fitting model, the linear model is reluctantly chosen for low projections due to its gradual decline. The eight-year models are shown in **Exhibit 3-26**.

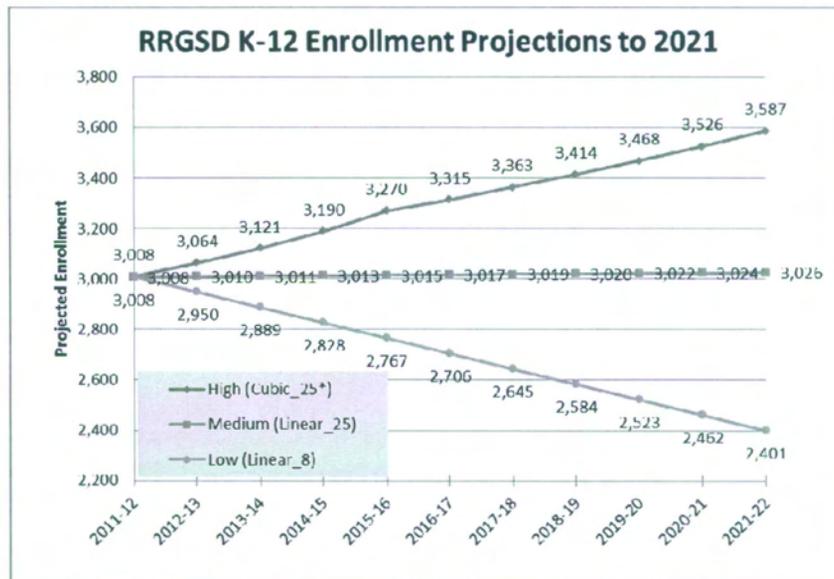
Exhibit 3-26
Enrollment Trends (2004-2011)
And Projections to 2021



Source: Created by Evergreen Solutions using SPSS software, 2012.

While there were some decently-fitting models for RRGSD with r^2 values near 0.9, these models either projected enrollments that are considered much too high or they greatly misestimated known 2011 enrollments. Thus, the three final models shown in **Exhibit 3-27** are based more on professional opinion about logical high, medium (flat), and low enrollment projections than on the statistical evidence. As with other charts of this type, the 2011-12 values are the actual, reported district K-12 totals.

Exhibit 3-27
High, Medium and Low Enrollment Projections
for RRGSD, 2011-2021



Source: Created by Evergreen Solutions using SPSS software, 2012.

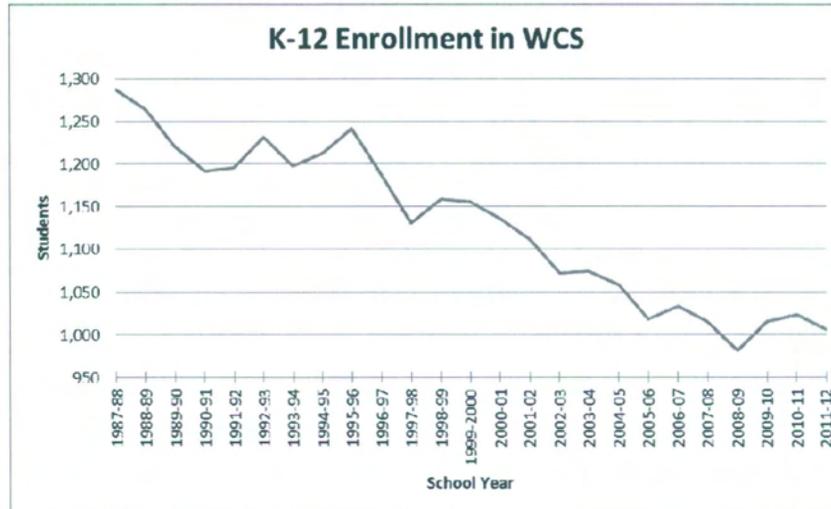
Roanoke Rapids Summary: This district has experienced the least consistent enrollment trends of the three districts in Halifax County, growing rapidly in the middle of the study period, declining steadily afterwards, but experiencing strong gains the last two years. These data are not necessarily reflective of the 2010 Census populations for the appropriate age cohorts, so immigration is hypothesized due to the fact that the district (unusually) matriculated 96 percent of the eligible school-age population. Cross-district transfers are also hypothesized.

Compared to the projection envelope for the other two districts, RRGSD shows three very different possible future trends – steady upwards growth, no growth, or steady declines. Both the data available and not available to the analyst (e.g. transfer rates, cross-district migration rates) make it very hard to guess which trend, or possibly several short trends, might occur in the next decade.

3.4 WELDON CITY SCHOOLS

Weldon City Schools (WCS) enrollment history since 1987 resembles HCS more than it does RRGSD, though all three districts differ to some extent. WCS has declined relatively steadily since 1987, with a modest plateau in the mid-1990s and a small revival in the last few years, although 2011 was down from 2010. As shown in **Exhibit 3-28**, this district enrolled nearly 1,300 students in 1987, dropped below 1,200 in the early 1990s, climbed modestly through 1995, and then plunged to below 1,000 in 2008 before rising back above 1,000 the last three years. This school district enrolls over 13 percent of public school students in the county, compared to 47 percent for HCS and nearly 40 percent for RRGSD. This district spatially and demographically falls between the other two districts, being neither heavily rural nor urban occupying the north-central portion of Halifax County.

Exhibit 3-28
K-12 Enrollment in Weldon City Schools
1988-2012



Source: National Center for Education Statistics, 2012.

Demographic Modeling

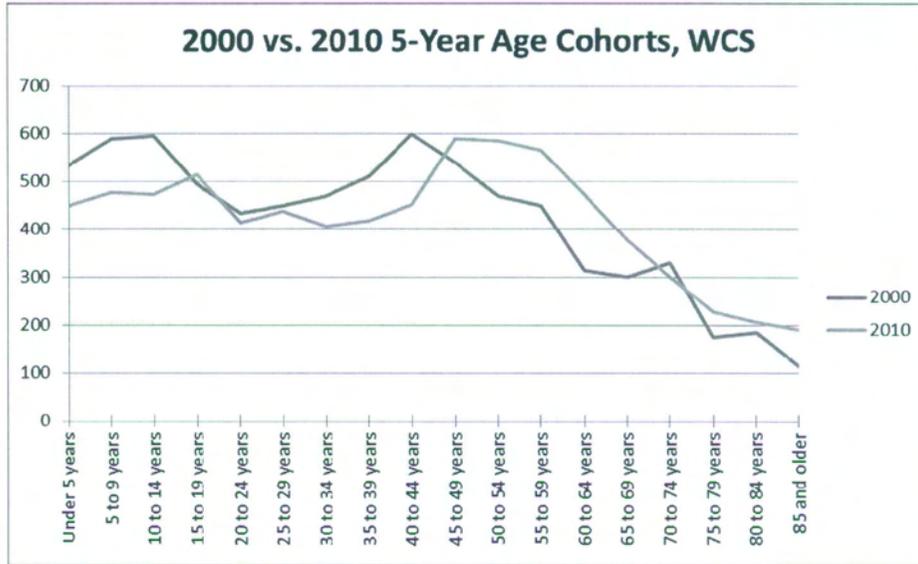
(a) Census data analysis 2000-2010: Between 2000 and 2010, the population living within WCS's boundaries was virtually unchanged in size, increasing by just three residents from 7,560 to 7,563. Over the same period, WCS declined from 1,136 students to 1,023, a loss of 113 students (-9.9%). Thus, aging and/or out-migration could be the cause of this mismatch.

The same general population patterns seen for the rest of the county are evident in **Exhibit 3-29** for WCS. The largest cohort in 2000 was age 40-44 with school-age cohorts 5-9 and 10-14 almost the same size (right around 600 people in each cohort). In 2010, the age 45-49 and 50-54 cohorts were also comprised of around 600 people but most of the rest were below 500. The school-age cohorts were smaller in 2010 both compared to the same age range in 2000 (i.e. comparing 10-14 year-old populations in 2000 to 2010) as well as comparing the same cohort of people after they aged 10 years (i.e. comparing 5-9 year-olds in 2000 to 15-19 year-olds in 2010). Thus, while the older adult population is clearly aging, it seems a modest share of school-age children left the district over the decade, again hypothesized to be due to out-migration.

At this point, it is useful to compare districts and evaluate the likely destination of migrants in the county. Are they simply shifting around, say from rural to urban areas within the county, or are they leaving the county altogether? While the district as a whole has lost population and students, some districts might be losing these people at faster or slower rates, and intra-county migration could be mitigating the losses for one district and accelerating it for the other two. In order to investigate this possibility, the table in **Exhibit 3-30** compares the various changes (abbreviated by the Greek letter delta, Δ) experienced by each district between 2000 and 2010:



Exhibit 3-29
Comparison of 5-Year Age Cohorts, 2000 and 2010 Censuses,
Weldon City Schools



Source: US Census, 2000 and 2010.

Exhibit 3-30
Changes in District Enrollment, by District

School District	District Enrollment Δ	District (Census) Population Δ	Age 0-4 Population Δ	Age 5-17 Population Δ
HCS	-36.4%	-7.1%	-9.6%	-26.4%
RRGSD	-5.4%	-1.3%	-0.6%	-1.9%
WCS	-9.9%	+0.04%	-15.7%	-15.7%
County	-24.1%	-4.6%	-7.8%	-18.4%

Source: Evergreen Solutions calculation, 2012.

It is evident that all three districts lost notable shares of their enrollments between 2000 and 2010, from just over 5 percent to over 36 percent, while the overall populations were either flat or declined by 7 percent or less. Only WCS lost more population in the typical age ranges of current (5-17) or future (0-4) students than it lost in actual enrollments (in percentage terms), and it actually gained in total population, though just by 3 persons. Thus, it could actually be the case that WCS has drawn in some migrants (or transfers) from the other two districts, and the analyst hypothesizes that since the high school is named Weldon *STEM* High School this might be a county-wide magnet school focused on science, technology, engineering, and mathematics (an Internet search could not verify this hypothesis). In any event, the fact that WCS lost around 10 percent of its enrollment while losing nearly 16 percent of its resident student population could help explain the opposite pattern in the other two districts, with enrollment losses exceeding population loss in percentage terms.

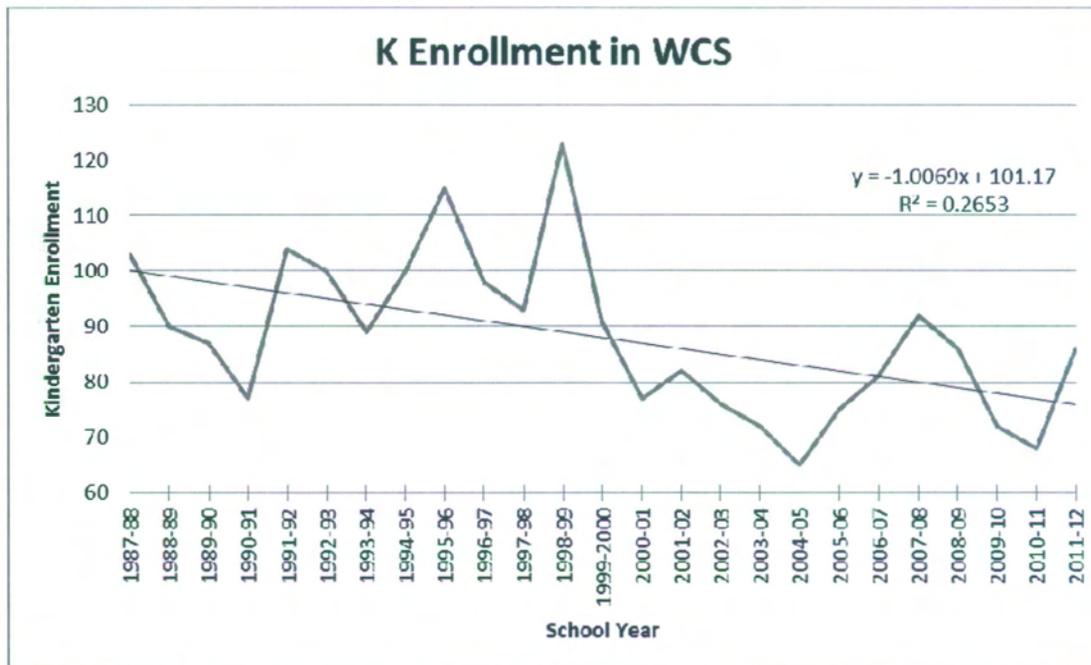
However, it is clear that the county as a whole, and as well as each of the three districts, is losing population in the younger cohorts faster than in the older cohorts. Younger families are probably

leaving the district at higher rates based on an examination of the changes in the table in **Exhibit 3-30**. Reinforcing this view is the median age of the county, which increased from 37.2 to 41.7 years of age between the 2000 and 2010 Censuses.

(b) Kindergarten and population trends and comparisons: Kindergarten enrollment trends in WSC are only slightly more predictable than they are in RRGSD; here the trend line r^2 is 0.26, still a poor fit. The slope would be even more steeply negative if the trend was constructed just since 1998, when the district experienced its peak enrollment over 120 kindergarteners. Enrollments have trended up towards 90, though overall this district’s kindergarten enrollments have been very erratic, as shown in **Exhibit 3-31**. The average annual loss of kindergarteners since 1987 has been just over one student per year, though since 1998 the average loss has been about three kindergarteners per year. Thus, it is hard to be optimistic that the strong growth from 2010 to 2011 (68 to 86) is more than a one-year anomaly.

To supplement this trend line analysis, 1-year age cohorts from the 2010 Census are used to determine whether births have likely continued downwards within the WCS territory. This is not an ideal comparison because it cannot account for migration but is the most logical way to address the concerns of declining birth rates in the absence of data past 2010.

Exhibit 3-31
Kindergarten Enrollments in
Weldon City Schools



Source: National Center for Education Statistics, Weldon City Schools, 2012.

Populations do seem to be declining gradually towards the younger cohorts, but the decline is very gentle. The average size of the age 0-7 cohorts was 90.6 while the age 8-17 cohorts averaged 99.4 persons per single year of age. This does not indicate a rapid decline of younger



child populations and in fact continues to reinforce the belief that migration is draining the district of children across all school-age groups, as does the identical percentage reduction of populations 0-4 and 5-17 between the two Censuses (-15.7%) in WCS.

The kindergarten matriculation rates shown in **Exhibit 3-32** are more typical of most school districts (RRGSD was an exception with very high rates). An average matriculation rate of 85 percent is assumed for 2012 to 2015 to make additional estimates of kindergarten enrollments to complement the trend analysis. The estimates in the table below are fairly close (but more uneven) than the flat trend line estimates of roughly 75 students in 2012 decreasing by 1 student per year to 66 kindergarteners in 2021. Thus, the kindergarten estimates based on known population totals (in 2010) below age five are used to make medium kindergarten enrollment projections. Since this method only allows estimation through 2015, the medium kindergarten projections decline by one student per year after 2015. Finally, high estimates are based on allocating 13 percent (WCS's current share of all county enrollments) of all county Kindergartners to WCS through 2021.

Exhibit 3-32
2010 Census Cohorts and Grade Cohorts
in Weldon City Schools

Age in 2010 Census	Population in Census	Year assumed to enter K	Size of K class	Matric. Rate (K)	Grade in 2010	Size of class	Matric. Rate
< 1 year old	91	2015	(77)	(85%)	n/a	n/a	n/a
1 year old	81	2014	(69)	(85%)	n/a	n/a	n/a
2 years old	101	2013	(86)	(85%)	n/a	n/a	n/a
3 years old	80	2012	(68)	(85%)	n/a	n/a	n/a
4 years old	98	2011	86	88%	n/a	n/a	n/a
5 years old	93	2010	68	73%	K	68	73%
6 years old	92	2009	72	78%	1	82	89%
7 years old	89	2008	86	97%	2	93	104%
8 years old	112	2007	92	82%	3	81	72%
9 years old	91	2006	81	89%	4	81	89%
10 years old	91	2005	75	82%	5	68	75%
11 years old	97	2004	65	67%	6	50	52%
12 years old	97	2003	72	74%	7	86	89%
13 years old	93	2002	76	82%	8	88	95%
14 years old	95	2001	82	86%	9	143	151%
15 years old	94	2000	77	82%	10	47	50%
16 years old	115	1999	91	79%	11	74	64%
17 years old	109	1998	123	113%	12	62	57%
Totals	1,268	----	---	---	---	1,023	81%

Source: US Census, North Carolina State Center for Health Statistics, National Center for Education Statistics, 2012.

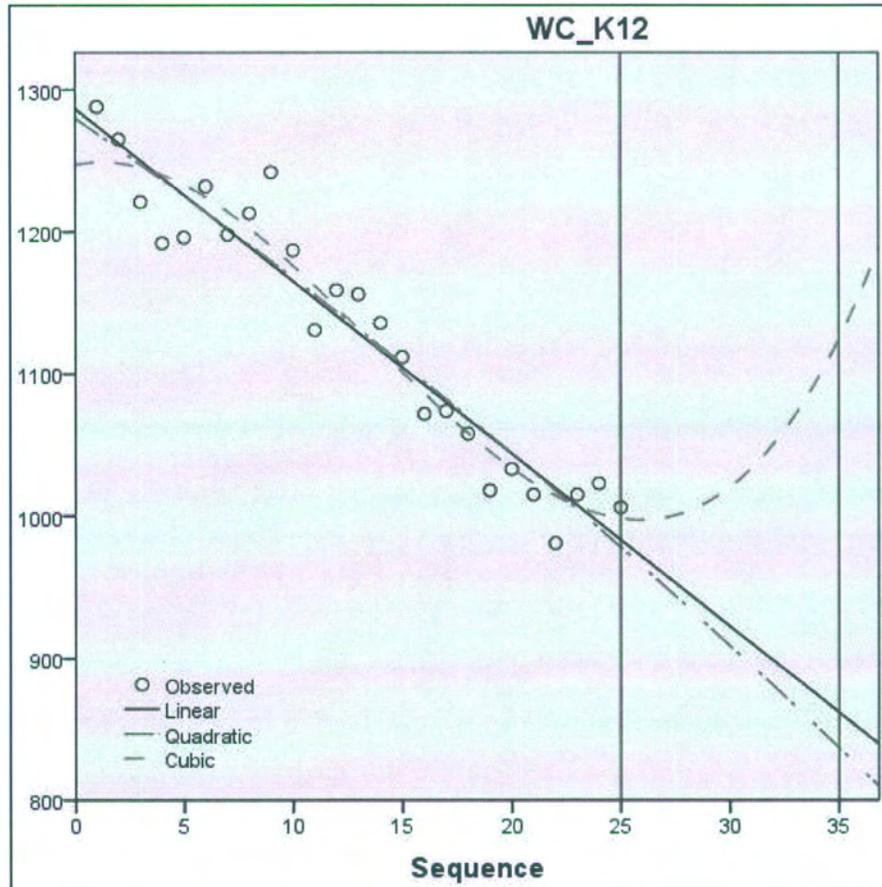
The last three columns of the table in **Exhibit 3-32** show the 2010 snapshot comparison of each grade in WCS in 2010 to the Census population totals for each 1-year cohort. WCS's overall matriculation rate of 81 percent in 2010 was extremely close to the county-wide average of 83 percent noted earlier. The freshman class in 2010 was, however, a huge anomaly as 50 percent more freshmen attended Weldon STEM High School in 2010 than there were 14-year-olds living in the district. Given that the 15-year-old/tenth grade matriculation rate was a mere 50 percent, it



is likely that the age/grade assumptions that are used throughout this chapter did not adequately apportion 14- and 15-year-olds to the correct grades in this district, or else some important policy changes (e.g. age cut-off or school assignment/transfers) occurred.

(c) Statistical trend analysis of past enrollments: As before, linear, quadratic, and cubic models for the past 25, 15, and 8 years are run and assessed at the district level; these three models for WCS enrollments since 1987 are shown in **Exhibit 3-33**. The three models fit quite well, with r^2 values ranging between 0.919 and 0.932. The linear and quadratic models are fairly close to the final low model chosen later and would have served just as effectively, but in the end neither is chosen for modeling purposes. The cubic model captures more of the recent re-growth and continues that trend into the low 1,100s by 2021, probably an overly optimistic outcome. Ultimately, none of these models is used to make projections.

Exhibit 3-33
Enrollment Trends (1987-2011) and Projections to 2021
in Weldon City Schools

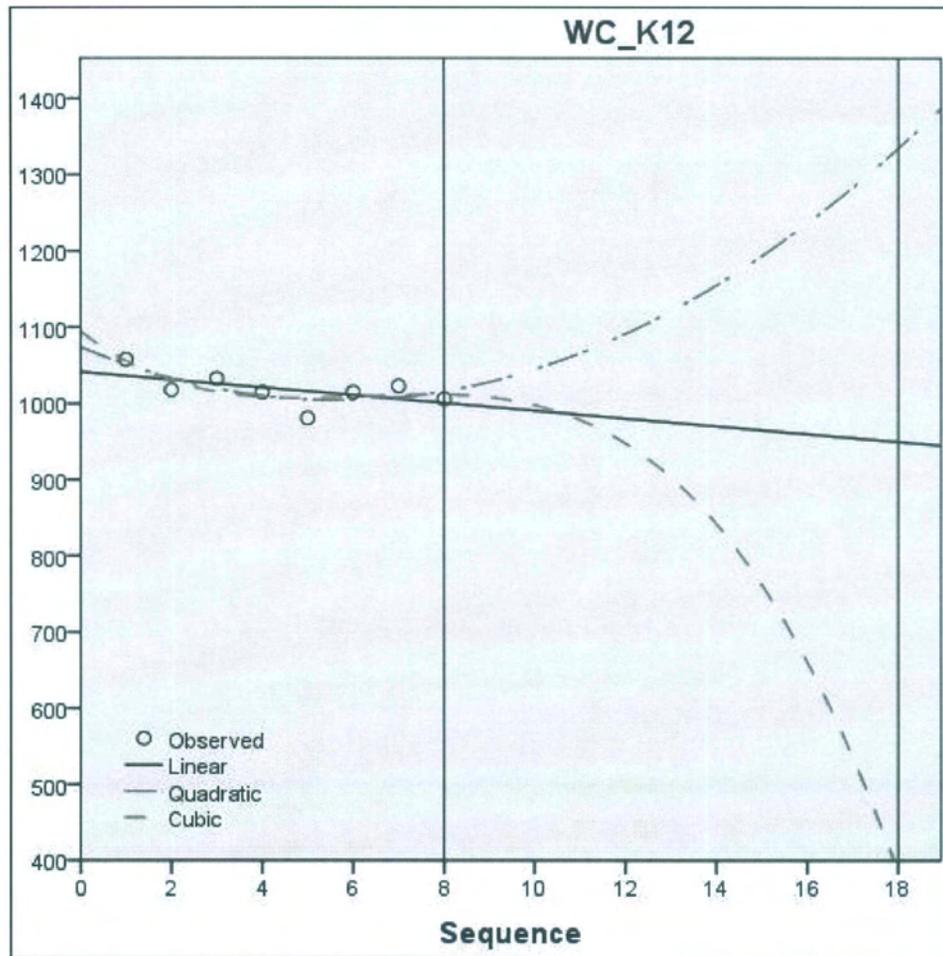


Source: Created by Evergreen Solutions using SPSS software, 2012.

All three 15-year models fit past enrollments (from 1997 to 2011) quite well with r^2 values between 0.856 and 0.941. The linear and quadratic models in particular produce reasonable 2021 projections of 887 (low) and 1,028 (high) students, respectively, and are so chosen. The cubic

model, emphasizing recent growth even more strongly, explodes to nearly 2,000 students and cannot be considered likely. The 15-year models are shown in **Exhibit 3-34**.

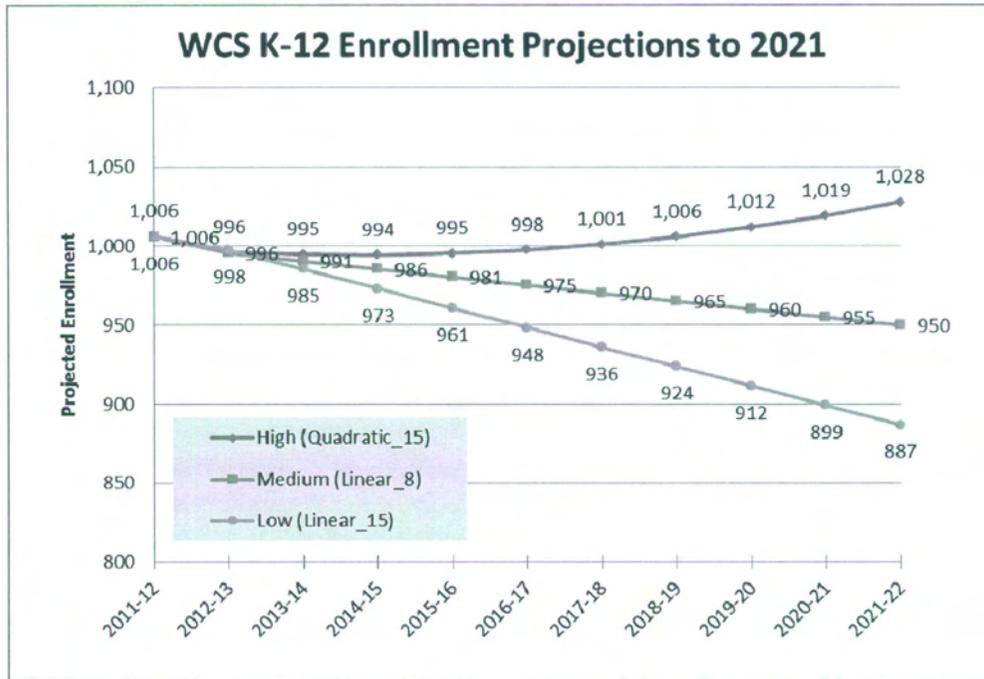
Exhibit 3-34
Enrollment Trends (2004-2011) and Projections to 2021
in Weldon City Schools



Source: Created by Evergreen Solutions using SPSS software, 2012.

The three final models are shown in **Exhibit 3-35**. The high model projects some growth (22 total students) as has occurred over the last three years, the medium model projects a moderate loss of around 5 students per year (56 total), and the low model projects a more pessimistic loss of around 12 students per year (119 total). As with other charts of this type, the 2011-12 values are the actual, reported district K-12 totals.

Exhibit 3-35
High, Medium and Low Enrollment Projections
for Weldon City Schools, 2011-2021



Source: Created by Evergreen Solutions using SPSS software, 2012.

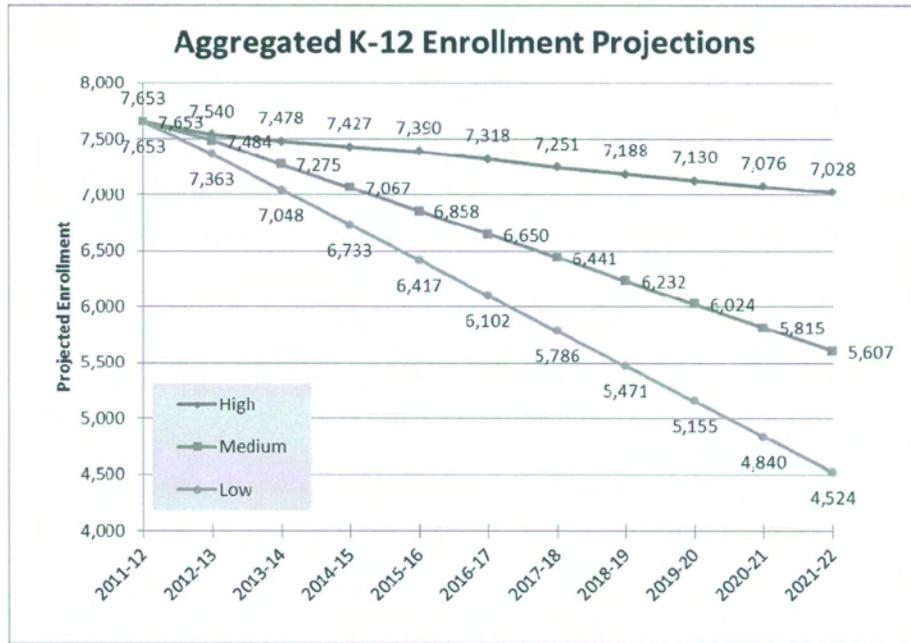
Weldon City Schools Summary: WCS seems to fit between the other districts in many ways excepting that it is only about one-third the size of the other two. It is neither entirely urban (like RRGSD) nor mostly rural (like HCS). Its enrollment has mostly declined since 1987, experiencing neither a renaissance in the late 1990s (like RRGSD) nor the respite of fairly flat enrollments that same time (like HCS), but its losses after 2000 were also not quite as steep as HCS’s. As a result, its enrollment projections as shown in **Exhibit 3-35** fan out in three directions like RRGSD’s (increasing, flat, or notably decreasing) but the spread is not as wide as for RRGSD, in which the high projection is about 50 percent larger than the low (3,600 versus 2,400). WCS’s high projections, in comparison, are only about 16 percent larger than the low projections. This district experienced more consistent enrollment changes than did RRGSD that were not as relentlessly downward like HCS.

The final section of this chapter compares the county-wide *consolidation* analysis presented at the beginning of this study with an *aggregation* of the three low, the three medium, and the three high models developed separately and independently for each district. The goal of this comparison is to determine if the enrollment trends within the three districts are similar enough that a proposed consolidated district can be modeled with high confidence.

3.5 COMPARISON OF CONSOLIDATED/AGGREGATED PROJECTIONS FOR HALIFAX COUNTY

The individual, year-by-year projections for each current district in the county as developed in the preceding three sections are summed and graphed in **Exhibit 3-36** for an *aggregation* of the three separate enrollment projections.

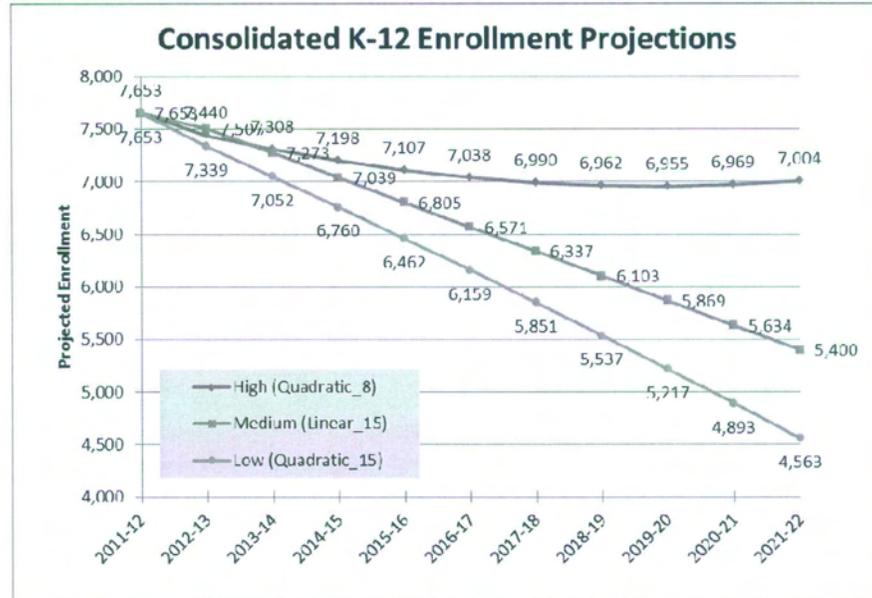
Exhibit 3-36
Aggregated High, Medium and Low Enrollment Projections
For Halifax County, 2011-2021



Source: Created by Evergreen Solutions using SPSS software, 2012.

For convenience, the growth models developed for a *consolidation* of all enrollments into county-wide, grade-by-grade enrollments are presented again in **Exhibit 3-37**. The two figures show very close alignment. While the medium projections diverge somewhat, ending with 5,400 students in the *consolidation* method but 5,607 for the *aggregation* method, the high and low projections are very similar between the two methods, deviating by just 24 and 39 students, respectively. Thus, while each district has distinct identities and unique enrollment traits, simply merging the separate district projections or retroactively assuming they were always merged produces essentially the same sets of projections, with a bit more disagreement between the medium approaches that is nonetheless just a 3-4 percent variance compared to the total district enrollment of 7,653 in 2011.

Exhibit 3-37
Consolidated High, Medium and Low Enrollment Projections
for Halifax County, 2011-2021



Source: Created by Evergreen Solutions using SPSS software, 2012.

Conclusion

Considering that school districts usually hope for steady, annual, and most importantly *predictable* growth through time, the picture is fairly bleak for the three school districts in Halifax County, North Carolina. Although Roanoke Rapids Graded School District saw notable increases in 2010 and Weldon City Schools increased in 2009 and 2010 with just a modest downturn in 2011, overall populations in the county are aging and shrinking especially rapidly for most school-age populations.

Aging seems partly to blame, but losses in the school-ages have been especially high and indicate that net out-migration from the public school systems may be a problem. Births rates further explain this pattern, as they have trended strongly downward since 1991 and had previously fallen in the early 1980s before climbing back up in the late 1980s. It is hard to envision a rapid reversal of this pattern, and even the optimistic projections (high models) shown in the two figures, **Exhibit 3-36** and **Exhibit 3-37**, immediately preceding forecast a loss of at least 600 students by 2021 in the county, concentrated in the largest district of Halifax County Schools (whose high model forecasts a loss of 800 students), while possible modest increases in Roanoke Rapids and Weldon City ameliorate these losses.

***CHAPTER 4:
REVIEW OF OPERATIONAL IMPROVEMENTS
IN HALIFAX COUNTY SCHOOLS***



4.0 REVIEW OF OPERATIONAL IMPROVEMENTS IN HALIFAX COUNTY SCHOOLS

This chapter reviews operational, administrative, and support services in the three school districts in Halifax County and is divided into the following sections:

- 4.1 Governance and Central Administration
- 4.2 Campus Administration
- 4.3 Human Resources
- 4.4 Financial Management
- 4.5 Transportation
- 4.6 Child Nutrition
- 4.7 Technology

The findings contained in this chapter are intended to identify operational strengths and challenges in the three local education agencies (LEAs) in Halifax County. The associated commendations and recommendations are designed to highlight practices that are exemplary as well as provide strategies for addressing areas of concern.

4.1 GOVERNANCE AND CENTRAL ADMINISTRATION

The organization and management of a school district involves cooperation between elected members of the school board, and administrators and staff of the school district. The school board's role is to determine the policies by which a school district will be governed, approve the plans to implement those policies as set forth by the administration, provide the funding sources necessary to carry out the plans, and evaluate the results of the plans.

Once a school board adopts policies, it is the responsibility of the Superintendent and staff to establish administrative procedures or guidelines to achieve the board's ultimate goal of providing high-quality education for its students. Accomplishing this goal involves the hiring and retention of employees as well as ongoing communication with the community to ensure an understanding of the district's efforts to accomplish these results.

Exhibit 4-1 provides information on the school board of each of the three districts. As shown, the school boards vary in size and the frequency of meetings and dates.



Exhibit 4-1
School Boards in Halifax County Schools

Name	Position	Began on Board	Term Ends*
Halifax County School Board Meets First Monday of Each Month			
Dr. Donna Hunter	Chair	July 1, 2008	June 30, 2012
Mr. Tyus Few	Vice Chair	July 1, 2010	June 30, 2014
Mr. C.J. Carmon	Member	July 1, 2010	June 30, 2014
Mrs. Debbie Hardy	Member	July 1, 2008	June 30, 2012
Mrs. Carolyn Hawkins	Member	July 1, 2008	June 30, 2012
Mrs. Gladys Walden	Member	July 1, 2008	June 30, 2012
Ms. Susie Lynch-Evans	Member	July 1, 2010	June 30, 2014
Roanoke Rapids Graded School District Board Meets on the Third Tuesday of Each Month; Board Work Session on the Second Tuesday of Each Month			
Jay Carlisle	Chair	May 2010	December 2013
Valencia Davis	Vice Chair	December 2010	December 2017
Linda Brewer	Member	December 2011	December 2017
Jane Deese	Member	December 1989	December 2017
Mary Frances Fisher	Member	December 2009	December 2015
Dr. Thomas McDonald	Member	December 2010	December 2013
Patrick Qualls	Member	May 2010	December 2013
Michael Salanik	Member	December 2003	December 2015
Dr. Michael Williams	Member	December 2010	December 2015
Weldon City Schools Board Meets Third Thursday of Each Month			
Dr. Pattie Cotton	Chair	December 20, 2010	2014
Mr. Timothy Green	Vice Chair	December 20, 2010	2014
Ms. Alberta Greene	Member	December 18, 2008	2012
Ms. Edith Jenkins	Member	December 20, 2010	2014
Ms. Barbara Balmer	Member	December 18, 2008	2012
Mr. Hugh Credle	Member	December 20, 2010	2014
Ms. Tanya Byrd-Robinson	Member	December 20, 2010	2014

Source: Compiled by Evergreen Solutions, 2012

* Per NC Statute 115-37(d) the term for board members ends when newly elected board members are sworn in.

Board policy describes the Membership and Terms of Office within each LEA:

***HCS:** The board of education will consist of seven members. All terms will be for four years with the terms staggered so that as nearly equal to one-half as possible will expire every two years. All elections are nonpartisan and are to be held in May at the time of the general election in even-numbered years. Newly elected members will take office in July immediately following their election.*

***WCS:** The board of education will consist of seven members. All terms will be for four years with the terms staggered so that as nearly equal to one-half as possible will expire every two years. All elections are nonpartisan and are to be held at the time of the November general election in even-numbered years.*



***RRGSD:** The board of education will consist of nine members. All terms will be for six years with the terms staggered so that three seats will expire every two years. All elections are nonpartisan and are to be held at the time of the November general election in odd-numbered years.*

As shown in **Exhibit 4-1** above, five of the seven WCS Board members have terms expiring at the same time.

The heart of an entity is its overall organization and management. The health of the organization can be ascertained in a number of ways, including reviewing the organizational structure and its management. An organization functioning at a best practices level has these characteristics:

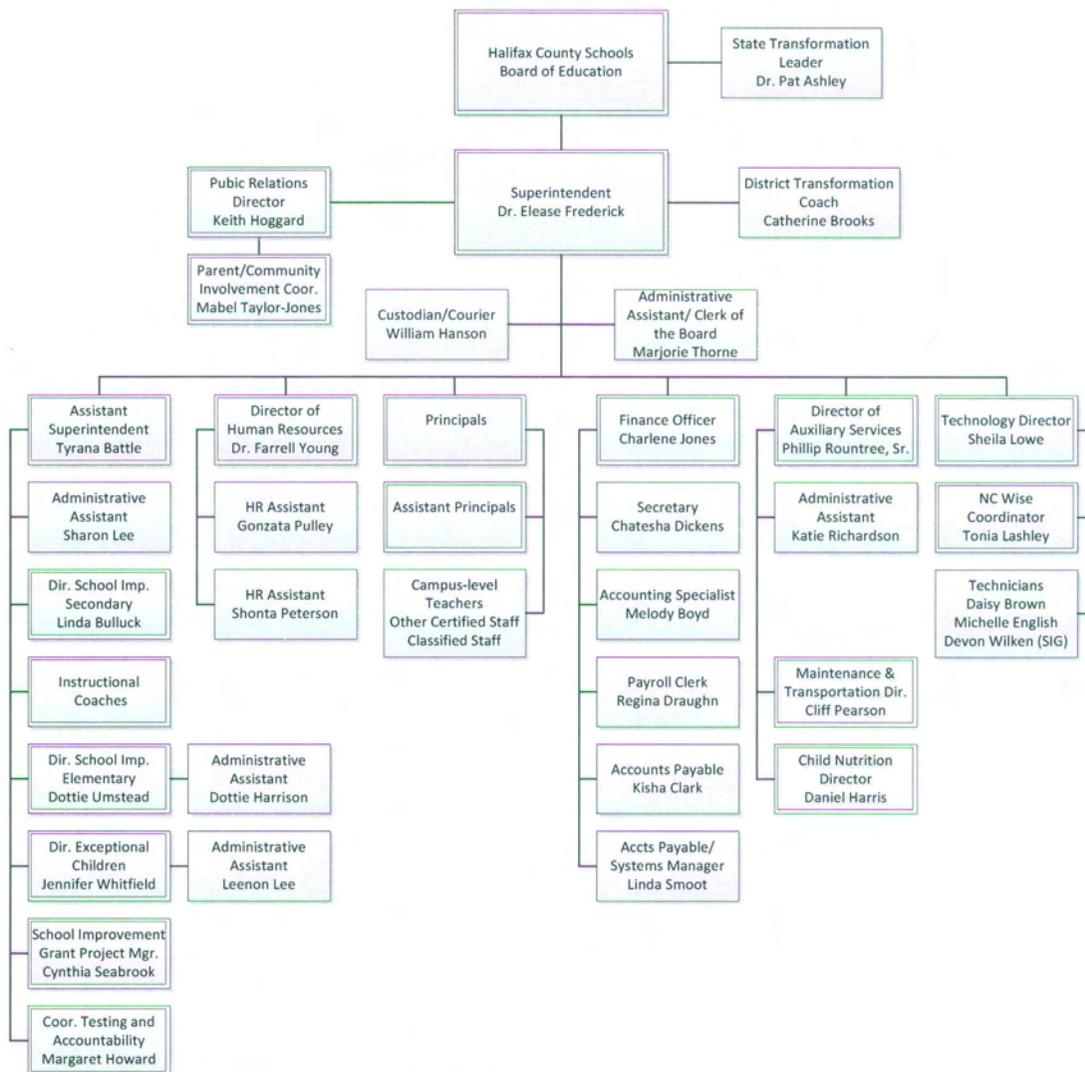
- defines itself as a system and the organization’s stakeholders include its owners and staff, its suppliers, intermediate customers, the ultimate customers of the product or service, and the communities in which the organization operates;
- has a strong sensing system for receiving current information on all parts of the system and their interactions (system dynamics thinking);
- possesses a strong sense of purpose;
- operates in a “form follows function” mode—work determines the structures and mechanisms to do it and consequently it uses multiple structures, including formal pyramidal structures, horizontal structures and teams, project structures, and temporary structures as necessary;
- respects customer service both to outside customers and to others within the organization;
- is information driven and shares information across functions and organization levels;
- has communication systems which are relatively open throughout the organization;
- encourages and allows decisions to be made at the level closest to the customer, where all the necessary information is available;
- has reward systems that support team and individual development—managers, supervisors, and teams are appraised against both performance and improvement goals;
- operates in a learning mode and identifies learning points as part of the process of all decision making;
- makes explicit recognition for innovation and creativity, and has a high tolerance for different styles of thinking and for ambiguity;
- has policies which reflect respect for the tensions between work and family demands;
- keeps an explicit social agenda;



- gives sufficient attention to efficient work, quality, and safety awareness in operations, and identifying and managing change; and
- is generally guided by a strong manager employing a variety of work groups composed of individuals possessing appropriate skills and complementary traits.

Exhibits 4-2, 4-3, and 4-5 show the 2011-12 high-level organizational structure for the central offices in the three school districts in Halifax County.

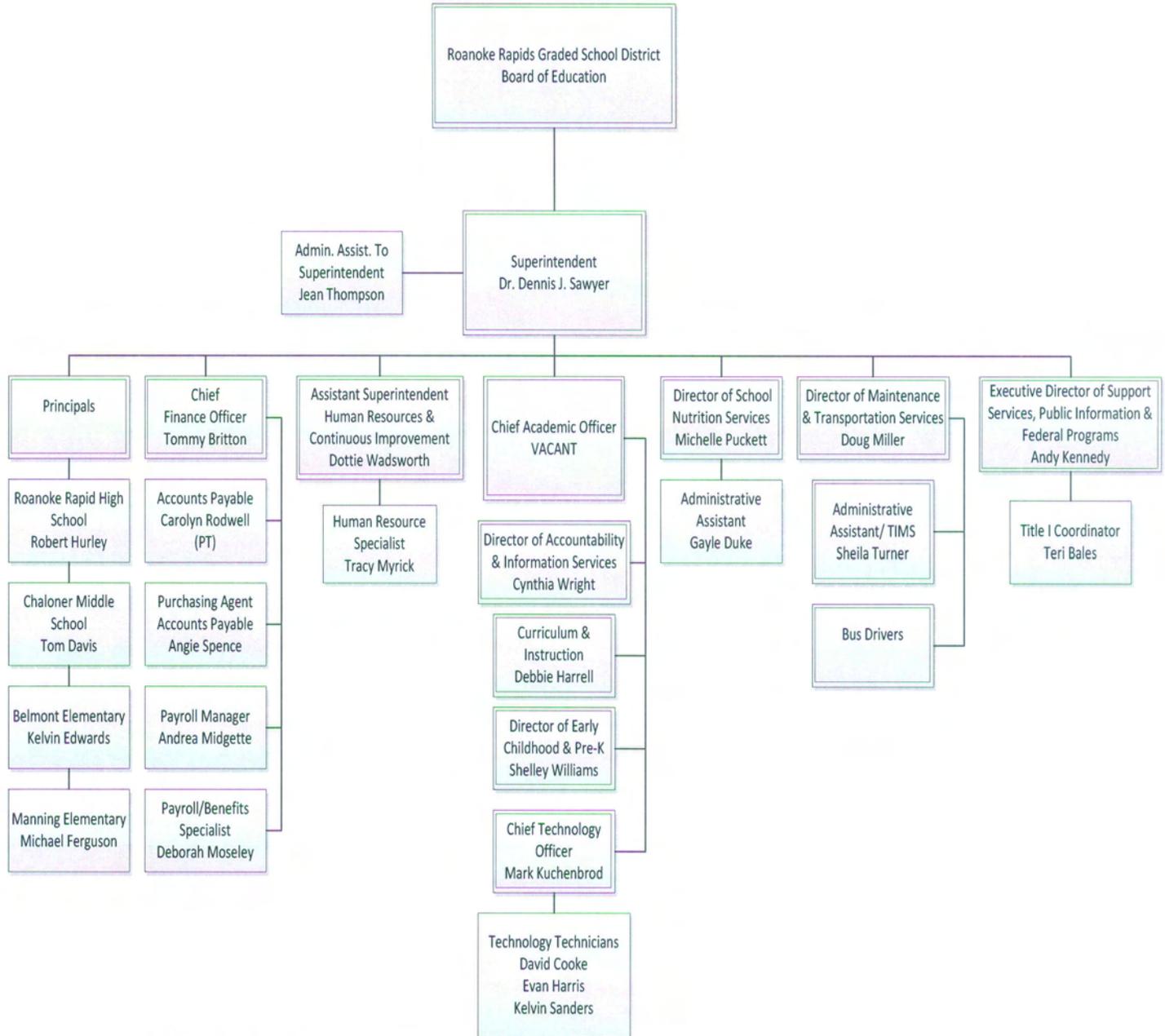
Exhibit 4-2
Halifax County Schools
Central Office Organizational Structure
2011-12 School Year



Source: Created by Evergreen Solutions, 2012.



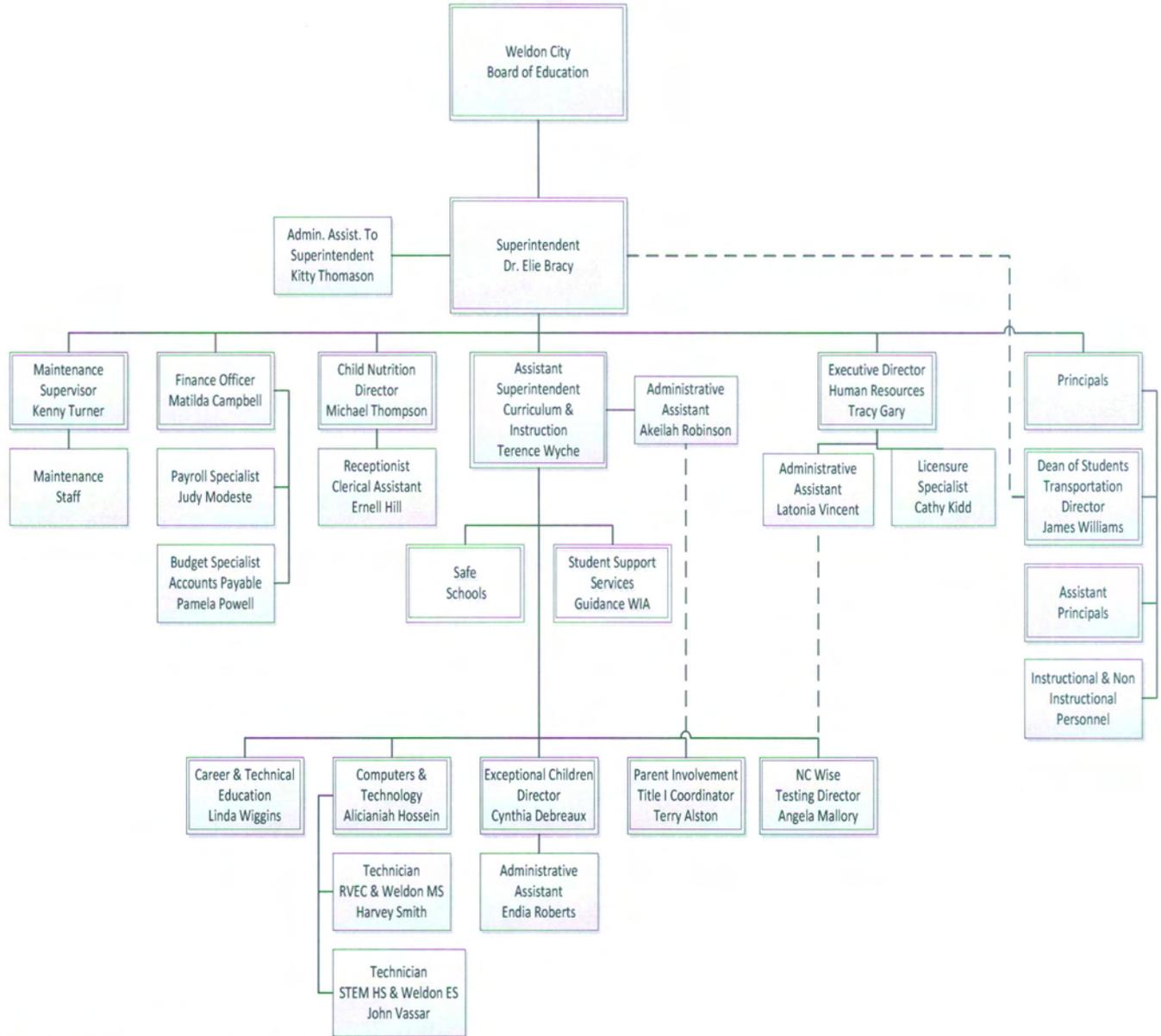
**Exhibit 4-3
Roanoke Rapids Graded School District
Central Office Organizational Structure
2011-12 School Year**



Source: Created by Evergreen Solutions, 2012.



Exhibit 4-4 Weldon City Schools Central Office Organizational Structure 2011-12 School Year



Source: Created by Evergreen Solutions, 2012.



State Monitoring

The North Carolina Department of Public Instruction (DPI) has monitored HCS in different ways for a long period of time. Starting in early 1990s, the State identified HCS as having low performing schools on and off since 1994. An assistance team would come into the low performing schools and work there for one year; an evaluation is conducted of every teacher on the campus. DPI representatives said that they had no history on how many assistance teams or for how long the assistance teams were assigned to HCS. Six years ago, Judge Manning identified 17 high schools as the worst high schools in the State, and then expanded the list to 33 and again to 66. According to DPI representatives, at that time the two HCS high schools were among the 17 lowest performing high schools in North Carolina.

Judge Manning recommended that schools be closed and principals fired. Schools would only be allowed to reopen if they presented a plan for improvement. The Judge then identified the low performing middle schools. While many of the schools improved after a few years, 12 did not move, and HCS was in that group. In 2009, the Judge singled out HCS, indicating that he wanted the State to take over Halifax County Schools. Instead, the State entered into a consent order with HCS whereby DPI can provide direction and assistance. If at any point, HCS does not take DPI's advice, DPI has the right to take them back to court. According to DPI representatives, HCS has taken critical elements of the advice.

Some of the changes include the following:

- Leadership changes in central administration (2009-10). The HCS Superintendent and most of central office staff left HCS. In January 2010, Dr. Fredrick took over as Superintendent, and most recently, her contract has been extended for two years.
- DPI helped the HCS Superintendent implement the North Carolina teacher and principal evaluation process. DPI staff trained the principals on the process and began to accumulate information on principal and teacher effectiveness.
- While there were principal shifts in 2009-10, at the end of the 2010-11 school year, principals were reassigned or fired. Only one principal remains today that was a principal prior to the 2010-11 school year.
- Out of a total of 225 teachers, 33 teacher contracts were not renewed. In 2011-12, DPI indicated that there were 60 first-year teachers. Although the student performance results were flat through 2010-11, DPI staff stated they expected student performance to move up significantly in 2011-12, based on preliminary testing results taken in January. And, in August 2012, DPI released the test results for 2011-12. As noted in **Chapter 2** of this report, eight of the 11 schools in HCS experienced an increase in their performance composite scores between 2010-11 and 2011-12; five made expected growth between the two-year period; and three made high growth gains. Only two HCS schools had a decrease in performance composite scores—Enfield Middle had a decrease of 0.6 and Hollister Elementary a decrease of 3.6. Overall, HCS schools realized an average increase of 7.3 in performance composite scores in 2011-12. While these results show



significant improvements, no HCS schools met all *Annual Measurable Objectives* (AMO) targets in 2011-12.

DPI staff indicated that when the consent order was written there was not an end date, although there is a general thought that it would last for only three years. That is not the case – the Judge appears to have intended for DPI to stay there until the student performance improved. While it is not explicitly stated, DPI said they believed they would stay in the LEA until the performance composite is above 60 percent, and North Carolina is the only state with a constitutional right to a sound education. Federal Race to the Top (RTTT) funds are being used to fund much of this effort, and that grant extends for two more years. Because HCS remains at the bottom of all schools in the State, DPI believes they will remain in HCS through 2014, at a minimum.

DPI indicated that their role is training the new leaders in how to be effective in their roles and are charged with looking at finance, personnel and academics.

In Finance, HCS has brought in individuals to assist existing staff to remedy the problems. These consultants are being paid by HCS. At one point, HCS owed the state \$1 million. DPI's primary concern in finance is making sure HCS spends its money on programs and processes that will advance academics and student achievement. Prior to the current administration, DPI staff stated that it appeared that the Board was perhaps too trusting and did not ask enough questions.

DPI is also monitoring Weldon City Schools (WCS); however, WCS is being assisted under a different model and has experienced earlier results. Using RTTT funds, WCS is experiencing a turnaround, and according to DPI staff, the high school has made significant progress. WCS is not a part of the Judge Manning order, but because the middle school and elementary school are lagging, DPI continues to work to improve student performance.

The test results posted in August 2012 show that in WCS, three of the four schools met expected growth and two of the four met all AMO targets. WCS schools had a net increase in performance composite scores of 5.4, for an average increase among all schools of 1.4. Despite these results, two WCS schools (Weldon Elementary and Weldon Middle) experienced a decrease in performance composite scores of 11.8 and 0.9, respectively.

Exhibit 4-5 provides a list of the State-supported staffing positions working in each of the LEAs and the source of funding for those positions.

DPI's efforts are budgeted to cost the State \$1.5 million per year for staff and support activities in HCS; costs for WCS were not provided.

FINDING

HCS, WCS, and RRGSD are members of the North Carolina School Board Association (NCSBA) and, as such, regularly receive recommended policy updates. NCSBA maintains all Board-adopted policies online through the NCSBA website.



Exhibit 4-5
State Supported Positions
in Halifax County Schools and Weldon City Schools

LEA	Number of Positions	Position Type	Funding Source State / RTTT*
HCS	2 (1 is part time; 1 is 0.5 FTE)	District Transformation Coach	State
	3	School Transformation Coach	State
	3	School Transformation Coach	RTTT
	2	Instructional Coach	State
	1	Instructional Coach Algebra	RTTT
	1	Instructional Coach Biology	RTTT
	1	Instructional Coach Biology	RTTT
	1	Instructional Coach ELA	RTTT
TOTAL	20.5		
WCS	1	District Transformation Coach	RTTT
	1	School Transformation Coach	RTTT
	1	Instructional Coach	RTTT
	1	Instructional Coach Algebra	State
	1	Instructional Coach Biology	State
TOTAL	6		

Source: Department of Public Instruction, 2012.

* Federal Race to the Top Grant

The HCS Board has completed a review of its policies and the Board approved the last action item at the June 4, 2012 board meeting. The Board will continue to update and review policies as needed.

WCS completed a review and update of all of its policies in May 2012 and final policies are available on the WCS website.

RRGSD is in the final stages of its comprehensive policy review. According to staff, there are still a few tasks to complete before the new policies can be finalized and indexed. They plan to complete the task by the end of the summer.

COMMENDATION

The School Boards of HCS, WCS, and RRGSD are commended for recognizing the need for updated, comprehensive policies and for undertaking a comprehensive review of all policies over this last year.

FINDING

Neither of the three school boards nor the administrators regularly meet to discuss shared concerns or planned activities within the county. All Board members and key administrators interviewed indicated that the primary time when they interact with one another is at statewide or regional meetings or training sessions put on by the school or administrator associations in the State.



Board members said they could not meet with other boards because of open meeting concerns; however, there is no reason why open meetings or workshops cannot be held among the three LEAs, as long as the posting requirements are met.

The Superintendents indicated that they often call each other to discuss issues, as did other key staff, but organizing regular meetings have not occurred.

The WCS and RRGSD Boards responded to a request for a joint meeting by adamantly stating they are not interested in consolidation. In private discussions, individuals told the Evergreen Review Team that the constant threat of consolidation is the major reason for the lack of communication among the LEAs. If discussions are allowed to happen, it will be construed as the first step towards consolidation, rather than a step toward more genuine cooperation.

Yet, in addition to communicating about opportunities for shared services and greater efficiencies, the LEAs need to come to some agreement with the County on facilities and capital project priorities. As demonstrated by the Golden LEAF grant that brought SMART Boards and other equipment to the LEAs, there are opportunities for joint grant writing that could benefit all parties. Further, the three boards and administrators must consider how best to raise the bar academically so that children leave the schools with a solid foundation that prepares them for the future—which in turn promotes economic prosperity in the county.

RECOMMENDATION

Recommendation 4-1:

Establish quarterly countywide school district administrator meetings and bi-annual joint Board workshops to improve communication and cooperation between and among the Halifax County LEAs.

The Board meetings may best be held as workshops, and facilitated by someone from outside Halifax County, to provide some neutrality during the session. Administrator meetings can be more informal, but in all instances, a clear agenda should be established and minutes taken so that the meetings are productive.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

HCS is the only LEA in Halifax County that employs a full-time Public Relations Officer, and it is a position not often seen in an LEA of this size.

HCS has been under fire over the years for poor student performance and fiscal mismanagement. While the Public Relations Officer has written only a few press releases in recent years, the Superintendent indicated that the Public Relations Officer maintains a good working relationship



with the media and has assisted her by communicating the information regarding improvement efforts.

During interviews and in the public forum, community members and county officials asked pointed questions regarding HCS operations and its source of revenue. HCS is not publishing budgets or the results of financial audits on its website, thereby adding to the perception that HCS is attempting to manage what is given out to the public. This information can be obtained through a Freedom of Information Act request, but transparency in government is not served when such requests are required to obtain basic information.

RECOMMENDATION

Recommendation 4-2:

Eliminate the position of HCS Public Relations Officer, and designate the public information request duties to an existing administrative position.

As HCS successfully improves its operations, there should be less need for the administration to manage media relations, and should instead focus on transparency in all its actions.

FISCAL IMPACT

The Public Relations Officer makes \$46,664 annually. Savings are estimated to including 33 percent benefits (\$15,400), bringing total annual savings for eliminating this position to \$62,064. The position is estimated to be eliminated in January 2013.

Recommendation	LEA	2012-13	2013-14	2014-15	2015-16	2016-17
Eliminate the HCS Public Relations Officer Position	HCS	\$31,032	\$62,064	\$62,064	\$62,064	\$62,064

FINDING

While legal costs have vacillated somewhat over time, on the whole, legal costs have risen for all of the Halifax County LEAs over the last four years.

Exhibit 4-6 shows the legal costs incurred by each of the three Halifax County LEAs and the budgeted costs through June 2012. To put the legal costs into perspective, the chart also provides the number of students in Average Daily Membership (ADM) for FY 2009 through 2011, and Membership Last Day (MLD) Month 8 for 2012 (ADM 2012 is not yet available through DPI) for each of the LEAs and calculates the legal costs per student.

Although WCS did not provide a detailed breakout of the legal costs by firm, WCS staff indicated that Tharrington & Smith is the primary attorney. This same firm also provides some portion of the legal services for HCS and RRGSD.



Exhibit 4-6
Legal Costs in
the School Districts in Halifax County
2008-09 through 2011-12 School Years**

Law Firm	2008-09	2009-10	2010-11	2011-12 Expenses Through March 2012	% Change 2009 to March 2012	FY 2012 Budget	% Change FY 2009 to FY 2012
Halifax County Schools							
Armstrong Law, PLLC	No Info Provided	\$42,449.26	\$31,043.50	\$34,848.33			
Tharrington, Smith, LLP		\$25.50	\$0.00	\$6,842.39			
Total		\$42,474.76	\$31,043.50	\$41,690.72	-2%	\$50,000.00	18%
Students in Average Daily Membership/ 2012 Membership Last Day (MLD) Month 8		4,265	3,943	3,583		3,583	-16.0%
Legal Costs Per Student		\$9.96	\$7.87	\$11.64	16.8%	\$13.95	40.1%
Roanoke Rapids Graded School District							
Armstrong Law, PLLC	\$2,530.50	\$3,259.70	\$3,078.10	\$2,808.73			
Brooks, Pierce, McClendon	\$728.50	\$0.00	\$0.00	\$0.00			
Cary Whitaker, Attny at Law	\$1,142.50	\$8,954.25	\$5,956.86	\$5,458.20			
Schwartz & Shaw PLLC	\$0.00	\$982.49	\$1,087.94	\$1,170.34			
NCSBT	\$0.00	\$0.00	\$2,869.80	\$0.00			
Womble Carlyle Sandridge	\$0.00	\$1,096.50		\$0.00			
Tharrington, Smith, LLP	\$16,062.65	\$10,702.31	\$5,374.60	\$26,540.53			
Total	\$20,464.15	\$24,995.25	\$18,367.30	\$35,977.80	76%	\$35,977.80	76%
Students in Average Daily Membership/ 2012 Membership Last Day (MLD) Month 8	2915	2,849	2,896	2,971		2,971	1.9%
Legal Costs Per Student	\$7.02	\$8.77	\$6.34	\$12.11	38.0%	\$12.11	38.0%
Weldon City Schools							
No Detail Provided							
Total	\$20,645.18	\$25,711.86	\$62,941.95	\$30,849.66	49.4%	\$35,000.00	69.5%
Students in Average Daily Membership/ 2012 Membership Last Day (MLD) Month 8	981	1,015	1,023	1,008		1,008	2.8%
Legal Costs Per Student	\$21.05	\$25.33	\$61.53	\$30.60	45.4%	\$34.72	45.4%

Source: Compiled by Evergreen from LEA provided data; MLD for Month 8 of the 2011-12 School Year, North Carolina Department of Public Instruction, 2012.

* RRGSD had exceeded its original budget of \$20,000 as of March 2012, when the data was provided.

** Because HCS did not provide data for 2008-09, Evergreen used 2009-10 as HCS base year.

As shown, the WCS legal costs per student are nearly triple that of the other two LEAs. In FY 2011, the cost per pupil of \$61.53 is eight to nine times larger than that of the other LEAs.

During interviews, all of the LEAs indicated that the board attorney attends all Board meetings and all LEAs use one or more attorneys for personnel and contracting matters, as they arise. Each of the LEAs also provided some explanations for increased costs in certain years. For example, in WCS, the increase in legal costs for 2011 directly correlates to the lawsuit related to its facilities. This lawsuit, however, does not explain the fact that legal costs for other years consistently remain nearly three times higher than those of the other two LEAs.



A financial report provided in May 2012, shows that the HCS year-to-date legal transactions have reached \$51,502, which exceeds the \$50,000 budget shown above.

One method of controlling legal costs is to limit the number of people with direct access to the attorneys. All Superintendents indicated that they or their designee make the calls to the attorneys and are the primary contacts with the attorneys. Consequently, the Superintendents are in a position to control the type and frequency of calls.

Considering the fact that the rise in legal costs is outpacing student growth (or decline), the LEAs must give careful consideration to further controlling these costs where possible.

RECOMMENDATION

Recommendation 4-3:

Implement policies and procedures for controlling legal costs based on realistic per student in average daily membership goals.

While there may be instances when additional legal costs must be incurred, establishing a budget based on a per student goal will provide the LEAs a more realistic model from which to work. If extraordinary circumstances warrant additional legal costs, the administration can bring the matter to the Board for a budget amendment with a full justification for consideration.

FISCAL IMPACT

The fiscal impact assumes that HCS and RRGSD should establish goals of no more than \$10 per student, and that due to the small size of WCS, the goal should be set at \$15. Savings are calculated using the 2012 MLD Month 8 and budgets, as follows.

LEA	MLD 2012 Month 8	Per Pupil Goal	Budget Based on Goal	Current Budget	Projected Annual Savings
HCS	3,583	\$10	\$35,830	\$50,000	\$14,170
RRGSD	2,971	\$10	\$29,710	\$35,978	\$6,268
WCS	1,008	\$15	\$15,120	\$35,000	\$19,880

Recommendation	LEA	2012-13	2013-14	2014-15	2015-16	2016-17
Implement Policies and Procedures for Controlling Legal Costs	HCS	\$7,085	\$14,170	\$14,170	\$14,170	\$14,170
	RRGSD	\$3,134	\$6,268	\$6,268	\$6,268	\$6,268
	WCS	\$9,940	\$19,880	\$19,880	\$19,880	\$19,880



FINDING

As shown in **Exhibits 4-7** and **4-8**, the number and dollar amounts of supplements have decreased for all of the LEAs; however, the changes are most dramatic in WCS and HCS. **Exhibit 4-7** shows the salary supplements for the three Halifax LEAs for the 2008 through 2011 school years. Supplement charts for 2012 are not yet available from the State. **Exhibit 4-8** provides a summary of the changes in supplements within each LEA.

HCS has not paid teacher supplements since 2008, but continues to pay supplements for coaches and band directors based on extra duties. The State also appears to be showing supplements for one principal and assistant principal; however, the Superintendent indicated that this was extra duty pay, and should not be considered.

WCS did away with its teacher supplements in 2011, and curtailed some of the supplements in other categories. The Superintendent's supplement, however, increased in 2011 over 2010.

As shown in **Exhibit 4-9**, teacher turnover in HCS and WCS far exceed the turnover rates in RRGSD. Although some of the teacher turnover in HCS has been the result of intentional efforts to increase teacher quality, the absence of supplements is a factor in recruitment and retention efforts according to the district administrators.

RECOMMENDATION

Recommendation 4-4:

Implement a teacher supplement in HCS and WCS as part of an overall teacher recruitment effort, and carefully consider removing or eliminating supplements in other non-critical categories.

While it may be difficult for the LEAs to fully implement a competitive teacher supplement in the first year, the LEAs should strive to reach a two percent supplement within three years. Publishing the Board's intent will send a strong signal to the teachers that they are valued and that efforts are underway to reward them in the future.

FISCAL IMPACT

This fiscal impact assumes that the total number of teachers will remain at 2012 levels in HCS and WCS. Incremental implementation assumes that a supplement of \$500 per teacher is possible in the first year of implementation (2013-14), \$1,000 in the second year, and a two percent supplement, which will result in an average teacher supplement of \$1,500 per year in the third year of implementation.

LEA	Number of Teachers (2012)	Cost in 2013-14 @ \$500 per Teacher	Cost in 2014-15 @ \$1,000 per Teacher	Cost in 2015-16 and beyond @ \$1,500 per Teacher
HCS	252	\$126,000	\$252,000	\$378,000
WCS	83	\$41,500	\$83,000	\$124,500



**Exhibit 4-7
Comparison of Supplements
Halifax County LEAs
2008 through 2011**

Year District	2008			2009			2010			2011		
	HCS	RRGSD	WCS	HCS	RRGSD	WCS	HCS	RRGSD	WCS	HCS	RRGSD	WCS
Teachers												
Number of Positions	325	226	79	310	222	96	255	208	90	274	198	92
Number Receiving Supplements	0	226	79	0	222	96	0	208	90	0	198	2
Average Supplement	\$0	\$1,765	\$896	\$0	\$1,764	\$591	\$0	\$1,795	\$373	\$0	\$1,727	\$3,514
Total by Category	\$0	\$398,890	\$70,784	\$0	\$391,608	\$56,736	\$0	\$373,360	\$33,570	\$0	\$341,946	\$7,028
Principals												
Number of Positions	15	5	4	14	4	4	11	3	5	11	4	4
Number Receiving Supplements	15	5	4	14	4	4	0	3	4	1	4	2
Average Supplement	\$1,500	\$6,928	\$3,282	\$2,714	\$8,846	\$2,407	\$0	\$8,985	\$1,808	\$11,000	\$7,285	\$3,690
Total by Category	\$22,500	\$34,640	\$13,128	\$37,996	\$35,384	\$9,628	\$0	\$26,955	\$7,232	\$11,000	\$29,140	\$7,380
Assistant Principals												
Number of Positions	10	6	3	9	6	2	9	5	2	7	5	3
Number Receiving Supplements	10	6	3	9	6	2	0	4	2	1	5	1
Average Supplement	\$1,200	\$3,503	\$1,064	\$1,200	\$2,039	\$1,265	\$0	\$3,245	\$587	\$4,740	\$1,861	\$8,785
Total by Category	\$12,000	\$21,018	\$3,192	\$10,800	\$12,234	\$2,530	\$0	\$12,980	\$1,174	\$4,740	\$9,305	\$8,785
Band Directors												
Number of Positions	6	2	1	6	2	2	4	2	2	4	2	2
Number Receiving Supplements	6	2	1	6	2	1	4	2	1	4	2	1
Average Supplement	\$1,000	\$1,375	\$600	\$1,167	\$2,306	\$1,200	\$1,250	\$2,165	\$1,200	\$1,250	\$2,061	\$1,200
Total by Category	\$6,000	\$2,750	\$600	\$7,002	\$4,612	\$1,200	\$5,000	\$4,330	\$1,200	\$5,000	\$4,122	\$1,200

**Exhibit 4-7 (Continued)
Comparison of Supplements
Halifax County LEAs
2008 through 2011**

Year District	2008			2009			2010			2011		
	HCS	RRGSD	WCS	HCS	RRGSD	WCS	HCS	RRGSD	WCS	HCS	RRGSD	WCS
High School Coaches												
Number of Positions	39	28	11	76	40	15	29	40	15	36	43	10
Number Receiving Supplements	39	28	11	76	40	15	29	40	15	36	43	10
Average Supplement	\$1,687	\$2,325	\$3,164	\$905	\$2,211	\$3,133	\$1,972	\$2,171	\$3,133	\$1,222	\$2,110	\$3,335
Total by Category	\$65,793	\$65,100	\$34,804	\$68,780	\$88,440	\$46,995	\$57,188	\$86,840	\$46,995	\$43,992	\$90,730	\$33,350
Supervisors												
Number of Positions	12	11	10	9	11	7	1	9	8	0	5	0
Number Receiving Supplements	12	7	10	9	7	7	1	5	8	0	5	0
Average Supplement	\$1,500	\$4,935	\$1,188	\$1,867	\$2,278	\$1,386	\$8,000	\$2,703	\$623	\$0	\$2,803	\$0
Total by Category	\$18,000	\$34,545	\$11,880	\$16,803	\$15,946	\$9,702	\$8,000	\$13,515	\$4,984	\$0	\$14,015	\$0
Assistant/Associate Superintendent												
Number of Positions	2	2	1	3	2	1	2	2	1	2	1	1
Number Receiving Supplements	2	2	1	3	2	1	2	2	1	0	1	0
Average Supplement	\$6,000	\$5,000	\$1,529	\$4,000	\$2,500	\$5,573	\$2,000	\$5,000	\$785	\$0	\$5,000	\$0
Total by Category	\$12,000	\$10,000	\$1,529	\$12,000	\$5,000	\$5,573	\$4,000	\$10,000	\$785	\$0	\$5,000	\$0
Superintendent												
Supplement	\$10,000	\$15,500	\$2,080	\$12,000	\$15,500	\$12,455	\$10,000	\$15,500	\$2,228	\$0	\$15,500	\$10,000
Total Number Receiving Supplements	85	277	110	118	284	127	37	265	122	43	259	17
Total Dollar Amount of Supplements	\$146,293	\$582,443	\$137,997	\$165,381	\$568,724	\$144,819	\$84,188	\$543,480	\$98,168	\$64,732	\$509,758	\$67,743

Source: NC Department of Public Instruction (<http://www.ncpublicschools.org/fbs/finance/salary/>), 2012.



**Exhibit 4-8
Comparison of Supplement Totals
Halifax County LEAs
2008 through 2011**

Category	2008	2009	2010	2011	Change	Percent Change
HCS						
Total Number of Supplements	85	118	37	43	-42	-49.4%
Total Dollar Amount of Supplements	\$146,293	\$165,381	\$84,188	\$64,732	-\$81,561	-55.8%
RRGSD						
Total Number of Supplements	277	284	265	259	-18	-6.5%
Total Dollar Amount of Supplements	\$582,443	\$568,724	\$543,480	\$509,758	-\$72,685	-12.5%
WCS						
Total Number of Supplements	110	127	122	17	-93	-84.5%
Total Dollar Amount of Supplements	\$137,997	\$144,819	\$98,168	\$67,743	-\$70,254	-50.9%

Source: Compiled by Evergreen, 2012.

**Exhibit 4-9
Comparison of Teacher Turnover Rates
2008-09 through 2010-11 School Years**

School District	Elementary	Middle	High	Average
2010-11				
Halifax County Schools	22%	21%	26%	23%
Roanoke Rapids Graded School District	4%	2%	5%	4%
Weldon City Schools	14%	13%	23%	17%
2009-10				
Halifax County Schools	34%	27%	34%	32%
Roanoke Rapids Graded School District	7%	20%	13%	13%
Weldon City Schools	25%	19%	N/A	22%
2008-09				
Halifax County Schools	19%	27%	18%	21%
Roanoke Rapids Graded School District	3%	6%	26%	12%
Weldon City Schools	6%	45%	20%	24%

Source: North Carolina Department of Public Instruction, 2012.

As the turnover rates in HCS and WCS decline, the LEAs should experience reduced recruitment and training costs, which will begin to offset the additional costs for supplements. Additionally, retaining more highly qualified teachers should improve student learning and achievement.

Recommendation	LEA	2012-13	2013-14	2014-15	2015-16	2016-17
Implement Teacher Supplement in HCS and WCS	HCS	\$0	(\$126,000)	(\$252,000)	(\$378,000)	(\$378,000)
	WCS	\$0	(\$41,500)	(\$83,000)	(\$124,500)	(\$124,500)



4.2 CAMPUS ADMINISTRATION

As shown in **Exhibit 4-10**, the three LEAs in Halifax County collectively operate 20 schools.

Exhibit 4-10
Schools by LEA in Halifax County

Halifax County Schools	Grades Served
Aurelian Springs Elementary	PreK-5
Dawson Elementary	PreK -5
Enfield Middle School	6-8
Everetts Elementary	PreK -5
Hollister Elementary	PreK -5
Inborden Elementary	PreK -5
Northwest High School	9-12
Pittman Elementary	PreK-5
Scotland Neck Primary	PreK-5
Southeast High School	9-12
William R. Davie Middle School	6-8
Roanoke Rapids Graded School District	Grades Served
Roanoke Rapids High School	9-12
Chaloner Middle School	6-8
Belmont Elementary	PreK -5
William L Manning Elementary	PreK -5
Clara Hearne Early Childhood Center	PreK 4
Weldon City Schools	Grades Served
Roanoke Valley Early College	9-12
Weldon STEM High	9-12
Weldon Middle	6-8
Weldon Elementary	PreK -5

Source: Compiled by Evergreen Solutions, 2012

Exhibit 4-11 shows that there are 19 principals and 11 assistant principals serving the 20 schools.

Although the state re-categorized within some of the teacher positions, all three LEAs have seen a drop in the total number of full-time equivalent (FTE) teaching positions. The total number of professional positions has increased in HCS and WCS over the three years. For example, WCS shows a 225 percent increase in the consultant, supervisor category, which according to staff, is a result of the WCS acting as fiscal agent for regional staff.

In some North Carolina LEAs, teaching assistants, bus drivers, custodians and some cafeteria staff are dual employees, meaning they hold multiple positions. For example, an individual may work and be paid for four hours per day as a teaching assistant, and two hours per day for driving a bus. WCS and HCS do not consistently use dual positions, while RRGSD uses this approach in several areas.

FINDING

Weldon City Schools has two schools involved with the New Schools Project—Weldon STEM High School and Roanoke Valley Early College.



Exhibit 4-11
Summary of LEA Full-Time Equivalent Staffing by Category
FY 2010 through FY 2012

Category	Halifax County Schools					Roanoke Rapids Graded School District					Weldon City Schools				
	2010	2011	2012	Change	Percent	2010	2011	2012	Change	Percent	2010	2011	2012	Change	Percent
Official Adm., Mgrs.	11	10	13	2	18.2%	12	14	12	0	0.0%	8	8	8	0	0.0%
Principals	11	11	10	-1	-9.1%	3	4	4	1	33.3%	5	4	4	-1	-20.0%
Assistant Principals, Teaching	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%
Assistant Principals, Nonteaching	8	7	4	-4	-50.0%	6	5	5	-1	-16.7%	2	3	2	0	0.0%
Subtotal Administrators	30	28	27	-3	-10.0%	21	23	21	0	0.0%	15	15	14	-1	-6.7%
Elementary Teachers	122	123	173	51	41.8%	121	100	136	15	12.4%	44	45	44	0	0.0%
Secondary Teachers	154	143	78	-76	-49.4%	41	99	56	15	36.6%	22	25	23	1	4.5%
Other Teachers	4	2	1	-3	-75.0%	35	0	0	-35	-100.0%	20	19	16	-4	-20.0%
Subtotal Teachers	280	268	252	-28	-10.0%	197	199	192	-5	-2.5%	86	89	83	-3	-3.5%
Guidance	12	11	9	-3	-25.0%	8	6	7	-1	-12.5%	4	4	4	0	0.0%
Psychological	0	0	0	0	0.0%	1	1	0	-1	-100.0%	0	0	0	0	0.0%
Librarian, Audiovisual	7	6	7	0	0.0%	4	4	4	0	0.0%	3	3	3	0	0.0%
Consultant, Supervisor	2	2	1	-1	-50.0%	1	0	0	-1	-100.0%	4	12	13	9	225.0%
Other Professional	29	28	38	9	31.0%	8	10	10	2	25.0%	14	13	11	-3	-21.4%
Subtotal Professionals	50	47	55	5	10.0%	22	21	21	-1	-4.5%	25	32	31	6	24.0%
Teacher Assistants	100	92	88	-12	-12.0%	67	64	44	-23	-34.3%	20	21	17	-3	-15.0%
Technicians	4	5	4	0	0.0%	2	2	3	1	50.0%	2	2	3	1	50.0%
Clerical, Secretarial	37	33	35	-2	-5.4%	28	26	25	-3	-10.7%	16	17	14	-2	-12.5%
Service Workers	71	70	71	0	0.0%	51	43	42	-9	-17.6%	24	21	16	-8	-33.3%
Skilled Crafts	23	22	20	-3	-13.0%	7	0	0	-7	-100.0%	0	0	0	0	0.0%
Laborers, Unskilled	0	0	0	0	0.0%	2	9	9	7	0.0%	0	0	0	0	0.0%
Subtotal Other	235	222	218	-17	-7.2%	157	144	123	-34	-21.7%	62	61	50	-12	-19.4%
TOTAL	595	565	552	-43	-7.2%	397	387	357	-40	-10.1%	188	197	178	-10	-5.3%

Source: North Carolina Department of Public Instruction, 2012.



The North Carolina New Schools Project (NCNSP) is a statewide public-private partnership that supports innovation in secondary schools. NCNSP promotes a vision that every high school in North Carolina will graduate every student ready for college, career and life in the 21st Century. NCNSP was launched in 2003 by the Office of the Governor and the North Carolina Education Cabinet with initial support from the Bill & Melinda Gates Foundation. Since then, NCNSP has worked with school districts and educators to develop more than 100 innovative high schools, representing 70 districts in every region of the State.

NCNSP's comprehensive approach is known as the Integrated System of School Support Services (IS4), and has four key elements:

- **Coaching** - Onsite, intensive coaching in school; change and instruction provides direct support for the purposeful design of a new school while enhancing classroom practice among teachers.
- **Professional Development for Leaders** - NCNSP's Leadership Institute for High School Redesign offers intensive and sustained professional development for principals of innovative high schools. Offerings include an "anchor experience" at one of the nation's leading innovative secondary schools and leadership coach support.
- **Professional Development for Teachers** - NCNSP engages teachers in purposeful, research-based professional development aligned with leadership support for principals. Approaches include sharing best practices as well as facilitated visits and discussions among schools.
- **Ongoing Support from Accomplished Educators** - Each school works with an assigned staff member who becomes both the expert and champion for the school, committed to working with the school to ensure progress and success.

Weldon STEM High School serves grades 9-12 in Weldon City Schools. The school had 273 students in 2010-11. Weldon STEM High School was simply Weldon High School prior to 2008. Weldon STEM High School was among a group of ten start-up high schools in North Carolina launched four years ago with an ambitious goal: boost the achievement of students who would have otherwise attended high schools that a state judge had threatened to close because of low performance. Test scores were far below average; graduation rates were at the bottom. In other words, Weldon High School was a failing turnaround school and therefore the STEM initiative was put in place to revive it. The New Schools Project turnaround model was selected. The turnaround seems to be working as Weldon STEM High Schools cohort graduation rate for 2010-11 of 77.1 percent was higher than both HCS and RRGSD rates, and was just below the state average for that year of 77.9 percent.

Roanoke Valley Early College (RVEC) is a five-year program and requires a five-year commitment unless students finish program requirements sooner. RVEC operates on the New Schools Project early college model. Located on the campus of Halifax Community College, RVEC is intended to attract students who often are underrepresented in college: minorities, students from low-income families, and those whose parents never attended college.



According to the Halifax Community College President, when he came into his current position, a number colleges in surrounding counties had implemented NCNSP, but Halifax County had not yet embraced the concept. He and the WCS Superintendent had a vision for bringing the program to Halifax County, and wrote a grant application to begin the program with students in Grades 7 and 8. As these students have progressed, the program is adding grades. In 2012-13, they expect to serve approximately 150 students in Grades 9 through 11. He indicated that the program no longer serves Grades 7 and 8, but now enrolls new students in Grade 9 with the expectations that the program will expand to Grade 12 in 2013-14. Students that complete the program can graduate with a high school diploma and up to two-years of college transfer credit and conceivably an associate's degree.

The Early College Program has been in operation for three years. It is funded by both DPI and the North Carolina New School Project. All students must be enrolled in WCS when they enter the Early College Program; however, of the current enrollment, approximately 50 percent live in HCS, 25 percent in WCS, and 25 percent in either RRGSD or the Northampton County Schools.

COMMENDATION

WCS and the Halifax Community College are commended for implementing the Roanoke Valley Early College Program, which provides services for Halifax County residents as well as some students from Northampton County.

FINDING

During visioning of and grant writing for the Early College Program, the WCS Superintendent spoke to the other Halifax County LEAs about joining in on this effort, but was turned down.

Consequently, for students from other LEAs to enroll in the program, they must be enrolled in WCS. As discussed above, only about 25 percent of the students actually reside in WCS. Since funding is based on enrollment, as WCS enrolls these non-resident students, funding follows the student. Inversely, for the LEAs that are losing students to the program, as enrollment declines, funding also declines. This funding issue, therefore, produces a disincentive for other LEAs to encourage eligible students to enroll in the program.

Had the original grant been set up as a collaboration, this funding issue could have been avoided. Despite the funding concerns of the local LEAs, parents who want their children to pursue more rigorous coursework have the option of removing their children from the local LEA and placing them in RVEC, a charter school or a private school. In each of these cases, the LEA still loses funding or incurs additional costs.

According to the State's Director for Early Colleges, the State has implemented new guidelines that require legislative approval for any *new* Early College programs; however, a modification of the agreement relating to enrollment and funding flows is possible.

The process begins with all parties coming to an agreement on the proposed changes to the agreement, such as how state funding for the students will flow, how and who will provide student transportation, and who will provide and be responsible for child nutrition.



The Director further indicated that there is precedent for up to five LEAs to be part of a collaborative agreement, and there is precedent for state funding to flow back to the LEA of residence, if this is what the group decides is most appropriate.

Should a modification be sought, WCS would need to remain the fiscal agent for the program and the teachers would remain WCS employees.

RECOMMENDATION

Recommendation 4-5:

Collaboratively seek agreement from the Halifax Community College and the three Halifax County LEAs for a modification that addresses the mutual concerns and opportunities for all Halifax County students and submit a request to the North Carolina Department of Public Instruction.

The goal of this recommendation is to remove impediments that could deter HCS and RRGSD from encouraging eligible students to pursue the Early College Program. Making the program a joint effort, supported by all of the Halifax County LEAs can benefit students, parents and the community at large.

FISCAL IMPACT

Should the LEAs agree to changes to the funding flows, funding for the students would remain with the sending LEA. However, some costs that are currently incurred by WCS would in turn become the responsibility of the sending LEA. Therefore, there should be no direct costs or savings from implementation of this recommendation.

FINDING

Each secondary school in the three Halifax County LEAs has one or more alternative programs, which appear to be a duplication of effort; is costly for all of the LEAs; and programs may not meet current state standards.

Alternative education programs generally serve at-risk students from the middle and high schools who are likely to experience school failure or other undesirable outcomes unless interventions are put into place. Circumstances that may put students at-risk include, but are not limited to:

- failure to meet state and local proficiency standards;
- attendance issues;
- lack of self-management/self-control; and
- health risk behaviors.

According to the North Carolina Department of Public Instruction's Alternative Learning Programs and Schools Standards and Implementation Procedures:



In May 2005, House Bill 1076 directed the State Board to adopt standards, instead of policies and standards, for ALPS [Alternative Learning Programs] and schools. Local boards would be required to comply with these standards beginning with any new ALP or school implemented beginning with the 2006-2007 school year. Local boards are strongly encouraged to apply the standards to ALPS implemented before that time.

The report also describes the standards, which promote a wide array of student learning and drop-out prevention strategies.

WCS has an in-school suspension program as well as an alternative program that serves students from between ten days to a full year. The program is now housed at Weldon STEM High School and serves about eight students, on average, per year. The program is staffed with one teacher and generally serves about two or three middle school students each year.

RRGSD has a long-term suspension program that currently has six middle school and six high school students. A full-time teacher and teacher aide are devoted to the program. Students must be enrolled at least 45 days. This program is located at an old school two blocks from the high school.

HCS has an in-school suspension program and also offers an alternative program. This year a proposal was submitted to the State for a combined alternative program, which would house 40-50 students. DPI had not responded to the proposal at the time Evergreen's onsite visit.

The HCS proposal has the following goals:

Educational Goals

- Students will pass 100 percent of their courses with a C or better.
- Sixty (60) percent of the students will score a level three or higher EOG/EOC tests.
- All students will show a minimum of five percentage points of growth on the EOG/EOC tests

Behavioral Goals

- The student attendance rate will be at or above 97 percent.
- The student suspension rate will be less than one percent, except in cases of reportable offenses.

The process and procedures for admission include the following:

- Principal makes a recommendation to the school-based committee which also includes the parent/guardian and the superintendent/designee. Documentation to support the recommendation is required (academic records – test scores, report card grades, discipline referrals, logs of interventions, parent contact logs, & outside agency intervention).



- Students assigned to the program, along with their parents, participate in an orientation program.
- Students are assigned in six-week intervals with the maximum being one academic school year.
- The Program Coordinator and staff determine when a student is ready to return to the home school. The determination is based on academic and behavioral progress, as well as attendance.
- Program Coordinator meets with the home school representative and parent to discuss and develop a transition plan.
- Student progress is assessed in six-week intervals.

During interviews, staff and community members indicated that a consolidated alternative program for the Halifax County had merit, but the major concern was keeping the students close to home so that students can be quickly assimilated back into the classroom. While this may be appropriate for an in-school suspension program, and a long-range goal for students in an alternative learning program, robust alternative learning programs involve a more holistic approach. **Exhibit 4-12** provides a matrix of the state's standards document, which explains the components of a compliant system.

Building a model program that meets state standards and provides exceptional learning opportunities for all students in Halifax County may be beyond the scope of a single LEA, but could be possible if resources are combined.

RECOMMENDATION

Recommendation 4-6:

Establish a centralized alternative education and drop-out prevention program for all students in Halifax County.

The program should be overseen by a single leader that works collaboratively with the student's home campus to maximize each student's potential for success. The program should be set up as an Enterprise Fund, with the cost for staffing, materials and facilities shared by the three LEAs based on the number of students referred to the program. Grant funding and other community and business collaborations should be used to reduce cost and maximize each student's potential.

FISCAL IMPACT

Implementing the program as an Enterprise Fund, with offsetting grant funding and community support, should result in improved education services for an expanded student population. Further, the cost should not exceed the current independent cost for each LEA to provide services to the students currently in the program, and in fact, should be lower.



Exhibit 4-12
Matrix Aligning Standards
with 1999 Legislation

#	Standard	Component	General Statute
1	Clear Mission Leadership Culture & Climate Professional Development Curriculum & Instruction	<i>Establish the program's mission, goals, and expected outcomes</i>	115C12(24)
2	Clear Mission Leadership Culture & Climate	<i>Identify the target population</i>	115C12(24)
3	Clear Mission Leadership Culture & Climate	<i>Develop process for assigning and enrolling students into the alternative program</i>	115C12(24) 115C-105.48 (b) 115C-397.1
4	Clear Mission Leadership Culture & Climate Professional Development Monitoring & Assessment	<i>Access to the documentation used to establish the need for the assignment</i>	115C12(24) 115C-105.48(b)
5	Clear Mission Leadership Culture & Climate Professional Development Parent/Community Involvement	<i>Provide the steps in the appeals process to the parent</i>	115C12(24)
6	Clear Mission Leadership Culture & Climate	<i>Identify the documents to be transferred to the alternative program</i>	115C12(24)
7	Clear Mission Leadership Culture & Climate	<i>Indicate how students are transported to the program</i>	115C12(24)
8	Clear Mission Leadership Culture & Climate Curriculum & Instruction	<i>Describe the curricular, instructional day, and courses to be offered</i>	115C12(24)
9	Clear Mission Leadership Culture & Climate Professional Development Parent/Community Involvement	<i>Ensure a safe, orderly, caring, and inviting environment</i>	115C12(24) 115C-105.48(b)
10	Clear Mission Leadership Culture & Climate Professional Development Parent/Community Involvement	<i>Primarily provide choice in enrollment</i>	115C12(24)
11	Clear Mission Leadership Culture & Climate Professional Development Parent/Community Involvement	<i>Provide for active parent/guardian participation in the assignment decision</i>	115C12(24) 115C-105.48 (3)(b)
12	Clear Mission Leadership Culture & Climate	<i>Include least one representative to participate in the assignment decision for enrollment</i>	115C12(24)
13	Clear Mission Leadership Culture & Climate Curriculum & Instruction Monitoring & Assessment	<i>Access to and utilize information from the referring entity that identifies previous interventions, strategies, or actions taken</i>	115C12(24) 115C-105.48 (b)



Exhibit 4-12 (Continued)
Matrix Aligning Standards
with 1999 Legislation

#	Standard	Component	General Statute
14	Clear Mission Leadership Culture & Climate Monitoring & Assessment	<i>Access to student information data prior to the arrival of the student</i>	115C12(24)
15	Clear Mission Leadership Culture & Climate Professional Development Curriculum & Instruction Monitoring & Assessment	<i>Implement effective preparation and plans to increase positive student outcomes</i>	115C12(24) 115C-105.48(b)
16	Clear Mission Leadership Culture & Climate Professional Development Curriculum & Instruction Monitoring & Assessment	<i>Effective in-take procedures that address the preparation and plans for the student</i>	115C12(24)
17	Clear Mission Leadership Culture & Climate Professional Development Curriculum & Instruction Monitoring & Assessment	<i>Effective transition procedures that address the preparation and plans for the student</i>	115C12(24)
18	Clear Mission Leadership Culture & Climate Parent/Community Involvement	<i>Strongly encourage the participation of parents in the enrollment and transition phases</i>	115C12(24)
19	Clear Mission Leadership Culture & Climate Professional Development	<i>Highly qualified and effective faculty and staff</i>	115C-47(32a) 115C-105.47(a)
20	Clear Mission Leadership Culture & Climate	<i>Sufficient faculty and staff to carry-out the mission of the program</i>	115C-47(32a)
21	Clear Mission Leadership Culture & Climate	<i>Small student to teacher ratio, 10:1 or smaller, but not more than 15:1</i>	ALP Policy & Procedures Document for Grades K-12 Adopted September 2003
22	Clear Mission Leadership Culture & Climate	<i>Minimal disparity in the percent of exceptional children in comparison to the district</i>	ALP Policy & Procedures Document for Grades K-12 Adopted September 2003
23	Clear Mission Leadership Culture & Climate Professional Development	<i>Ensure that special education and related services for students with disabilities are provided according to the student's individualized education program</i>	IDEA 115C-113
24	Clear Mission Leadership Culture & Climate	<i>Encouraged to have teacher assistants in classes with more than ten students</i>	115C12(24)
25	Clear Mission Leadership Culture & Climate	<i>Encouraged to have teacher assistants assigned to all courses that have EOGs/EOCs, or other competency-based tests that are required by the State for promotion or graduation</i>	115C12(24)
26	Clear Mission Leadership Professional Development Curriculum & Instruction Monitoring & Assessment	<i>Use the North Carolina Standard Course of Study as the primary framework for instruction</i>	115C12(24)



Exhibit 4-12 (Continued)
Matrix Aligning Standards
with 1999 Legislation

#	Standard	Component	General Statute
27	Clear Mission Leadership Culture & Climate Professional Development Curriculum & Instruction	<i>Flexibility in implementing strategies and methods that positively impact the delivery of curriculum and instruction, and student growth and development</i>	115C12(24)
28	Clear Mission Leadership Culture & Climate Professional Development Curriculum & Instruction	<i>Supplement the curriculum and instruction with life skills, character education, conflict management, and career preparation</i>	115C12(24) 115C-105.48(b)
29	Clear Mission Leadership Culture & Climate Professional Development Monitoring & Assessment	<i>Positive and effective whole school systems for student management</i>	115C12(24)
30	Clear Mission Leadership Culture & Climate Professional Development Curriculum & Instruction	<i>Learning environments that promote high expectations and encourages learning</i>	115C12(24) 115C-47(32a)
31	Clear Mission Leadership Culture & Climate Professional Development	<i>Access to continuous growth and development opportunities for faculty and staff</i>	115C12(24) 115C-47(32a)
32	Clear Mission Leadership Culture & Climate Parent/Community Involvement	<i>Provide staff, parents, and students with copies of the handbook that includes the policies, procedures, and standards of the school or program</i>	115C12(24)
33	Clear Mission Leadership Culture & Climate Parent/Community Involvement	<i>Cultivate a collaborative and supportive relationship with referring agencies and encourage them to maintain a demonstrated investment in the success of the students and the program</i>	115C12(24)
34	Clear Mission Leadership Culture & Climate Professional Development Parent/Community Involvement	<i>Cultivate a collaborative and supportive relationship with parents that enhance the success of the students and the program</i>	115C-105.48(3b)
35	Clear Mission Leadership Culture & Climate Parent/Community Involvement	<i>Cultivate a collaborative and supportive relationship with the community that enhances the success of the students and the program</i>	115C12(24)
36	Clear Mission Leadership Culture & Climate Monitoring & Assessment	<i>Evaluate their programs and procedures to ensure the on-going effectiveness of the program and success of the students</i>	115C12(24)
37	Clear Mission Leadership Culture & Climate Professional Development Parent/Community Involvement Curriculum & Instruction Monitoring & Assessment	<i>Evaluate the effectiveness of their programs based on: the mission and goals; school/program improvement plan; school/program safety/crisis plan; needs assessment; parent, student, staff surveys; assessment of student outcomes; assessment of program outcomes; and, ABC's Accountability Model for Alternative Schools</i>	115C12(24) 115c-47(32a)

Source: NCDPI, *Alternative Learning Programs and Schools Standards and Implementation Procedures*, 2011.



FINDING

Health care is critical to students and employees in Halifax County. The LEAs in Halifax County have augmented health care services through several special programs.

The North Carolina School Nurse Funding Initiative (SNFI) is a statewide program that provides recurrent funding for school nurses. Nurse funding is formula driven, with a goal of achieving a nurse to student ratio of 1:750. This is not a grant, as the LEAs are not required to submit an application, and the funding is legislatively recurring unless specifically repealed.

Since 2004, SNFI provided nurses in all three Halifax County LEAs. Although each of the LEAs has one or more locally-funded nursing positions, SNFI has provided funding for two nurses in HCS, three nurses in RRGSD, and two nurses in WCS.

These nurses carryout a number of duties, including:

- providing case management for children and chronic diseases;
- providing first aid/initial assessment of illnesses and injuries;
- developing and monitoring health plans for students suffering from chronic and acute illnesses;
- developing action plans for students with life-threatening illnesses;
- conducting health screenings for students and staff;
- leading staff training covering blood-borne pathogens, EpiPen use, diabetes, and asthma;
- providing health lessons on special topics based on teacher request;
- giving medications to students; and
- consulting with HELP (student assistance) Teams and 504 committees on health-related matters.

Last year, the State reapplied the SNFI formulas to all LEAs, and WCS and RRGSD retained funding for its nurses; however, HCS is no longer eligible for funding through this program.

HCS is, however, the recipient of three full-time school nurses and three full-time social workers, funded through the State's Child and Family Support Team (CSFT) Program. Support teams are located at the Southeast Halifax High School, William R. Davie Middle School, and Aurelian Springs Elementary School. Full-time school nurse and social worker teams in each of the selected schools work with parents, school staff and local agencies to get students the help they need. These teams find students in the schools that need help, get the parents' consent to serve them, work with families to figure out what the real needs are, and partner with them and others to get services.



On another front, in January 2012, WCS received a KB Reynolds Grant for a Health Clinic. In addition to the two nurses who are shared at four schools in the district, the Health Clinic has a nurse practitioner and will add a full-time nurse in the next year. The Clinic is housed at the elementary school and serves students and WCS employees enrolled in the program.

COMMENDATION

The Halifax County LEAs are commended for availing themselves of grants and funding opportunities that are providing improved school health care services.

FINDING

HCS lost two nursing positions as a result of the State's reapplication of the SNFI formulas, primarily because overall the nurse to student ratios are within range of the goal. The ratios appear lower because of the three full-time nurses associated with the CSFT teams; however, these nurses are only able to work in their assigned schools.

Exhibit 4-13 provides a breakdown of the nursing staff at each of the HCS schools.

**Exhibit 4-13
Nurse to Student Ratios
Halifax County Schools**

School	Nurses	Percent Employed	ADM	Nurse to Student Ratio
Aurelian Springs Elementary	1 FT	100%	423	1:423
Dawson Elementary	1 PT	25%	171	1:684
Enfield Middle School	1 PT	25%	372	1:1,488
Everetts Elementary	1 PT	25%	336	1:1,344
Hollister Elementary	1 PT	25%	230	1:920
Inborden Elementary	1 PT	25%	363	1:1,452
Northwest High School	1 PT	25%	642	1:2,568
Pittman Elementary	1 PT	25%	146	1:584
Scotland Neck Primary	1 PT	25%	138	1:552
Southeast High School	1 FT	100%	516	1:516
William R. Davie Middle School	1 FT	100%	571	1:571
TOTAL		5 FTEs	3,908	1:782

Source: Halifax County Schools, 2012.

As shown, six of HCS' schools have a nurse to student ratio at or below the recommended 750 students per nurse. Two full-time equivalent nurses that are locally funded serve the remaining eight schools, five of which have student to nurse ratios well above the recommended levels. The overall nurse to student ratio in those eight schools is 1:1,200. Northwest High School, with the highest ratio of 1:2,568, lost one SNFI nursing position during the formula reapplication process and HCS did not fund the position with local funds.

Documentation indicates that HCS understands the vital role that school nurses and adequate health care can play in improving attendance and a student's ability to learn. The 2010 Quality



Assurance Review Team reports commended HCS in several instances for the involvement of its school nurses:

- Aurelian Springs Elementary: “The school has a highly functional Child Family Support Team, which includes a full-time social worker, counselor, and nurse.”
- Hollister Elementary School: “The school nurse and social worker work together in making home visits.”
- Northwest Halifax High School: “A full-time nurse serves the school...Students benefit from an array of student services.”
- Southeast Halifax High School: “... students have access to two guidance counselors (at a ratio of approximately 250 students to one counselor), a school nurse, three administrators, a dropout prevention coordinator, a social worker, and a parent resource advocate.”
- Scotland Neck Primary School: “An in-school partnership exists among staff, social worker, nurse and guidance to implement a successful school-wide emphasis on increased staff and student attendance rates.”

Clearly, the loss of SNFI funding for nurses has negatively affected HCS. The State’s Regional Consultant indicated that this is a common problem around the State, but suggested that some LEAs have aggressively sought external grants and partnerships with local health care providers for one or more nursing positions for the schools. While there is significant competition for these scarce dollars, she said the only other alternative would be local funding, which is equally scarce.

RECOMMENDATION

Recommendation 4-7:

Seek out grants and partnership arrangements with local health care providers to augment nursing services in Halifax County Schools.

One additional FTE nursing position could reduce the nurse to student ratio in the eight schools supported by locally funded nurses to 1:800. While still above the recommended levels, seeking external funding for that additional position would allow HCS to reallocate nurses among the schools and ensure that the schools with the greatest needs, such as the Northwest High School and Enfield Middle School, are able to provide adequate services to the students.

FISCAL IMPACT

If HCS is able to secure external funding as described above, implementing this recommendation will result in offsetting revenues and expenditures.

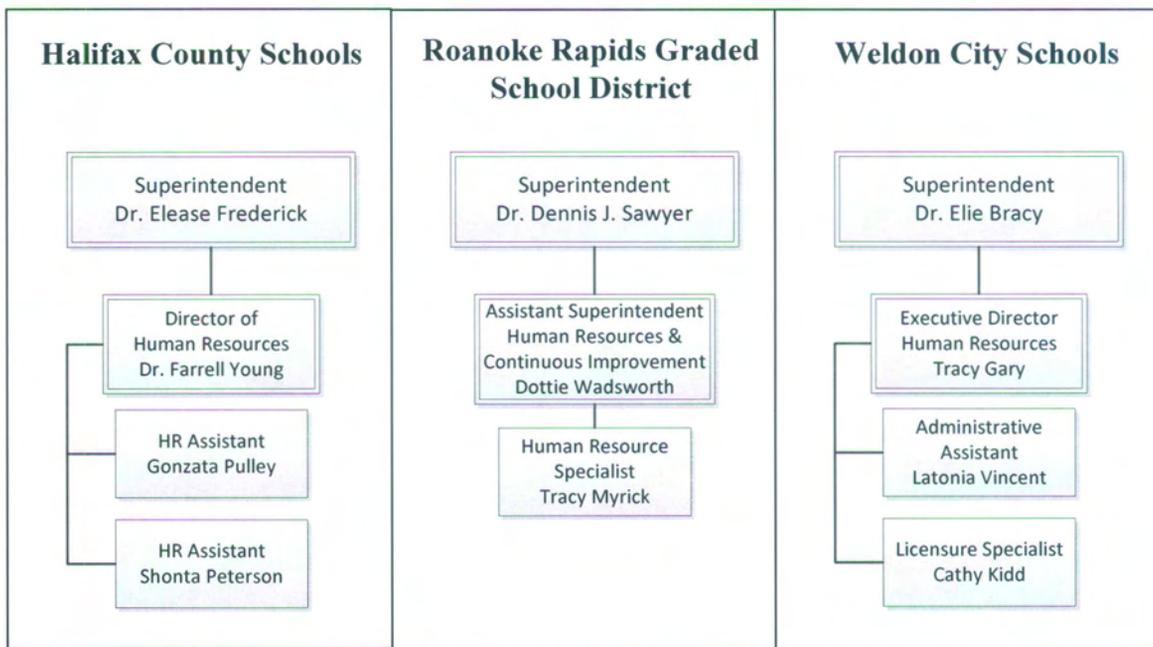


4.3 HUMAN RESOURCES

Personnel management is a critical function in school systems. The staff in a Local Education Agency’s (LEA) human resources department must ensure that complex personnel policies are followed. In many cases, this department provides the first impression of the LEA’s quality to potential employees.

As shown in **Exhibit 4-14**, a director or above position manages the Human Resource offices of the three Halifax County LEAs.

Exhibit 4-14
Human Resource Departments in
Halifax County LEAs



Source: Compiled by Evergreen Solutions, 2012.

The human resource departments in all LEAs oversee and track employee development and training, recruitment, and file management. The departments also work closely with the finance operations in each district to process payroll and manage some or all of the benefits and benefit processing activities.

Exhibits 4-15 through **4-17** provide staffing and staffing trends in each of LEAs. According to the Public School of North Carolina website, the *Public School Full-Time Personnel Report* shown below contains a summary of full-time personnel as of October 1 at the school and central office levels.



Exhibit 4-15
Halifax County Schools
Full-Time Staffing Comparisons
FY 2010 through FY 2012

Category	Activity Assignment Classification	2010	2011	2012	Change	% Change
Administrators	Official Adm., Mgrs.	11	10	13	2	18.2%
	Principals	11	11	10	-1	-9.1%
	Assistant Principals, Teaching	0	0	0	0	0.0%
	Assistant Principals, Nonteaching	8	7	4	-4	-50.0%
Subtotal		30	28	27	-3	-10.0%
Teachers	Elementary Teachers	122	123	173	51	41.8%
	Secondary Teachers	154	143	78	-76	-49.4%
	Other Teachers	4	2	1	-3	-75.0%
Subtotal		280	268	252	-28	-10.0%
Professionals	Guidance	12	11	9	-3	-25.0%
	Psychological	0	0	0	0	0.0%
	Librarian, Audiovisual	7	6	7	0	0.0%
	Consultant, Supervisor	2	2	1	-1	-50.0%
	Other Professional	29	28	38	9	31.0%
Subtotal		50	47	55	5	10.0%
Others	Teacher Assistants	100	92	88	-12	-12.0%
	Technicians	4	5	4	0	0.0%
	Clerical, Secretarial	37	33	35	-2	-5.4%
	Service Workers	71	70	71	0	0.0%
	Skilled Crafts	23	22	20	-3	-13.0%
	Laborers, Unskilled	0	0	0	0	0.0%
	Subtotal		235	222	218	-17
Grand Total		595	565	552	-43	-7.2%
Students in Average Daily Membership/ 2012 Membership Last Day Month 8		3,943	3,823	3,583	-360	-9.1%
Students to Staff Ratio		6.63	6.77	6.49	-0.1359	-2.1%
Students to Teacher Ratio		14.08	14.26	14.22	0.1361	1.0%

Source: NC Department of Public Instruction, 2012.



Exhibit 4-16
Roanoke Rapids Graded School District
Full-Time Staffing Comparisons
FY 2010 through FY 2012

Category	Activity Assignment Classification	2010	2011	2012	Change	% Change
Administrators	Official Adm., Mgrs.	12	14	12	0	0.0%
	Principals	3	4	4	1	33.3%
	Assistant Principals, Teaching	0	0	0	0	0.0%
	Assistant Principals, Nonteaching	6	5	5	-1	-16.7%
Subtotal		21	23	21	0	0.0%
Teachers	Elementary Teachers	121	100	136	15	12.4%
	Secondary Teachers	41	99	56	15	36.6%
	Other Teachers	35	0	0	-35	-100.0%
Subtotal		197	199	192	-5	-2.5%
Professionals	Guidance	8	6	7	-1	-12.5%
	Psychological	1	1	0	-1	-100.0%
	Librarian, Audiovisual	4	4	4	0	0.0%
	Consultant, Supervisor	1	0	0	-1	-100.0%
	Other Professional	8	10	10	2	25.0%
Subtotal		22	21	21	-1	-4.5%
Others	Teacher Assistants	67	64	44	-23	-34.3%
	Technicians	2	2	3	1	50.0%
	Clerical, Secretarial	28	26	25	-3	-10.7%
	Service Workers	51	43	42	-9	-17.6%
	Skilled Crafts	7	0	0	-7	-100.0%
	Laborers, Unskilled	2	9	9	7	350.0%
Subtotal		157	144	123	-34	-21.7%
Grand Total		397	387	357	-40	-10.1%
Students in Average Daily Membership/ 2012 Membership Last Day Month 8		2,849	2,896	2,971	122	4.3%
Students to Staff Ratio		7.18	7.48	8.32	1.1458	16.0%
Students to Teacher Ratio		14.46	14.55	15.47	1.0120	7.0%

Source: NC Department of Public Instruction, 2012.



Exhibit 4-17
Weldon City Schools
Full-Time Staffing Comparisons
FY 2010 through FY 2012

Category	Activity Assignment Classification	2010	2011	2012	Change	% Change
Administrators	Official Adm., Mgrs.	8	8	8	0	0.0%
	Principals	5	4	4	-1	-20.0%
	Assistant Principals, Teaching	0	0	0	0	0.0%
	Assistant Principals, Nonteaching	2	3	2	0	0.0%
Subtotal		15	15	14	-1	-6.7%
Teachers	Elementary Teachers	44	45	44	0	0.0%
	Secondary Teachers	22	25	23	1	4.5%
	Other Teachers	20	19	16	-4	-20.0%
Subtotal		86	89	83	-3	-3.5%
Professionals	Guidance	4	4	4	0	0.0%
	Psychological	0	0	0	0	0.0%
	Librarian, Audiovisual	3	3	3	0	0.0%
	Consultant, Supervisor	4	12	13	9	225.0%
	Other Professional	14	13	11	-3	-21.4%
Subtotal		25	32	31	6	24.0%
Others	Teacher Assistants	20	21	17	-3	-15.0%
	Technicians	2	2	3	1	50.0%
	Clerical, Secretarial	16	17	14	-2	-12.5%
	Service Workers	24	21	16	-8	-33.3%
	Skilled Crafts	0	0	0	0	0.0%
	Laborers, Unskilled	0	0	0	0	0.0%
Subtotal		62	61	50	-12	-19.4%
Grand Total		188	197	178	-10	-5.3%
Students in Average Daily Membership/ 2012 Membership Last Day Month 8		1,015	1,023	1,008	-7	-0.7%
Students to Staff Ratio		5.40	5.19	5.66	0.2640	4.9%
Students to Teacher Ratio		11.80	11.49	12.14	0.3423	2.9%

Source: NC Department of Public Instruction, 2012.



In HCS, staffing overall has declined by 7.2 percent over the three years, while the student population has declined by 9.1 percent. The HCS student to teacher ratios remain steady in the last two years, indicating that the LEA is matching the number of teachers needed to the number of students in the system.

Although RRGSD has experienced moderate student growth of 4.3 percent over the last three years, staffing has declined by 10.1 percent.

WCS is showing an increase in staffing at the professional level due to an increase in the number of consultant/supervisor positions. According to the WCS Finance Officer, the additional positions are Regional Accountability Consultants, for which WCS is the fiscal agent. The positions reside in regional offices and, through an arrangement that ended June 11, 2012, the North Carolina Department of Public Instruction reimburses WCS for the salaries and benefits, as well as a small administrative fee for acting as the fiscal agent. Removing those positions for the total would result in a total staffing decline of 10.1 percent, rather than the 5.3 percent shown above.

FINDING

Although staffing in all of the LEAs is declining, only the RRGSD student to staff and student to teacher ratios are in line with state averages.

Exhibit 4-18 shows the student to staff and student to teacher ratios for each of the LEAs and puts the staffing numbers into perspective.

**Exhibit 4-18
Staffing Ratios in
Halifax County LEAs
FY 2010 through FY 2012**

Student to Teacher Ratio			
FY	HCS	RRGSD	WCS
2010	14.08	14.46	11.80
2011	14.26	14.55	11.49
2012	14.22	15.47	12.14
Change	0.1361	1.0120	0.3423
% Change	1.0%	7.0%	2.9%
Students to Staff Ratio			
FY	HCS	RRGSD	WCS
2010	6.63	7.18	5.40
2011	6.77	7.48	5.19
2012	6.49	8.32	5.66
Change	-0.1359	1.1458	0.2640
% Change	-2.1%	16.0%	4.9%

Source: Compiled by Evergreen Solutions, 2012.

A higher ratio indicates that there are fewer staff or teachers to serve the number of students in the LEA. RRGSD has, on average, the largest class sizes of the three LEAs, with an overall teacher to student ratio in 2012 a full 1.25 students per teacher higher than HCS and 3.3 students



per teacher higher than WCS. The total staff to student ratio in HCS is the only ratio to decrease, indicating more total staff and fewer students.

Eliminating the WCS regional positions from the equation, the WCS staff to student ratio would rise to 5.96 staff per student, which is still well below the ratios for the other two LEAs.

Exhibit 4-19 provides a breakdown of the Halifax County LEAs in comparison to the State.

Exhibit 4-19
Student to Staffing Ratios
Halifax County LEAs versus Statewide

Category	HCS	RRGSD	WCS	Halifax County Totals	State
2011-12 MLD Month 8	3,583	2,971	1,008	7,562	1,409,895
2011-12 Teachers	252	192	83	527	93,964
2011-12 Total Staff w/o Teachers	300	165	95	560	81,666
2011-12 Total Staff	552	357	178	1,087	175,630
Student to Teacher Ratio	14.2	15.5	12.1	14.3	15.0
Student to Other Staff Ratio	11.9	18.0	10.6	13.5	17.3
Student to Total Staff Ratio	6.5	8.3	5.7	7.0	8.0

Source: Evergreen Calculated using MLD Month 8 and Staff data from DPI, 2012.

As shown, RRGSD is already above the statewide averages, whereas HCS and WCS are significantly below those averages. **Exhibit 4-20** shows what it would take to achieve the statewide averages in HCS and WCS. The calculations omit the nine staff in WCS who are not working in the LEA, and then adjusts the reductions by 20 percent to account for the small sizes of the LEAs and the efforts being made in both LEAs to improve student performance.

RECOMMENDATION

Recommendation 4-8:

Reduce non-instructional staffing levels in HCS and WCS to be more in line with state averages, and require justifications from administrators and supervisors for any staffing that exceeds those averages during the budget cycle.

This recommendation assumes that there will be no reductions in the number of teachers, although the LEAs should carefully consider how teaching assignments are made and adjusted each year.

Administrators and supervisors should be required to submit staffing justifications for every position in the first year, so that each position can be examined in terms of need and value added to the educational delivery process in the LEA. Some of the reductions may be possible through modification of the months of employment, meaning that some employees may retain their positions but may work fewer days each year.



Exhibit 4-20
Staffing Changes for Halifax County Schools and Weldon City Schools
to Achieve Statewide Ratios

	HCS	At Statewide Averages	Staff to Reduce	Reduction After 20% Offset Due to Small Size/ Special Needs	Statewide Average Salary + Benefits	Possible Savings
2011-12 MLD Month 8	3,583	3,583				
Teachers	252	239	-13	-10	\$55,972	\$559,720
Total Staff w/o teachers	300	208	-93	-74	\$45,000	\$3,330,000
Total Staff	552	446	-106	-84		\$3,889,720
Student to Teacher Ratio	14.2	15.0				
Student to Other Staff Ratio	11.9	17.3				
Student to Total Staff Ratio	6.5	8.0				
	WCS	At Statewide Averages	Staff to Reduce	Reduction After 20% Offset Due to Small Size/ Special Needs	Statewide Average Salary + Benefits	Possible Savings
2011-12 MLD Month 8	1,008	1,008				
Teachers	83	67	-16	-12	\$55,972	\$671,664
Total Staff w/o teachers	86	59	-28	-22	\$45,000	\$990,000
Total Staff	169	126	-44	-34		\$1,661,664
Student to Teacher Ratio	12.1	15.0				
Student to Other Staff Ratio	11.7	17.3				
Student to Total Staff Ratio	6.0	8.0				

Source: MLD Month 8 and staffing data from DPI; Calculated by Evergreen Solutions – Average Teacher Salary extracted from DPI Average Salaries Used for 2011-12 Initial Allotments; Evergreen estimated the averages for other staff based on a combination of higher paid administrators and lower paid support staff.

Each year, during the budget review cycle, attempts should be made to match the staffing levels to the student enrollment, and justifications for any positions that exceed the statewide average for the preceding year should require additional justification.

FISCAL IMPACT

Other recommendations in this report speak to specific staffing reductions in areas examined during the review. The reviewers did not, however, conduct a full performance review of all three LEAs and therefore cannot speak to the staffing levels in other operational areas.

Therefore, the fiscal impact shown here assumes that in addition to the specific recommendations, a minimum of *one-fourth of the total potential savings* shown in **Exhibit 4-20** could be accomplished in each of the LEAs annually, through better position control and budgeting. Savings in the first year will be possible through attrition, and are therefore assumed to be one-half of the full potential.

Recommendation	LEA	2012-13	2013-14	2014-15	2015-16	2016-17
Reduce Non-instructional Staffing Levels in HCS and WCS	HCS	\$416,250	\$832,500	\$832,500	\$832,500	\$832,500
	WCS	\$123,750	\$247,500	\$247,500	\$247,500	\$247,500



FINDING

As discussed in **Section 4.2 Campus Administration**, teachers in WCS and HCS do not routinely receive supplements, making it difficult in some situations to recruit and retain teachers. WCS, however, has implemented a reward and incentive program in an attempt to attract teachers.

Exhibit 4-21 provides an excerpt from a recruitment brochure describing teacher incentives and rewards in Weldon City Schools.

**Exhibit 4-21
Weldon City School Teacher Incentive Program**

<i>Teacher Incentives</i>	<i>Rewards for Teachers</i>
<ul style="list-style-type: none"> • Teachers receive assistance to help them prepare for taking and passing the Praxis Exams • Monthly early release days to allow teachers to participate in staff development initiatives in Technology, Mathematics, Science and Reading 	<ul style="list-style-type: none"> • Signing bonus up to \$2000.00 for teachers of EC, Math and Science • New teachers may be advanced a loan of \$1,000 to assist them with moving expenses • Teachers receive a one-time PRAXIS Exam reimbursement • Tuition reimbursement of up to \$1,000 per year • BT Support Coaches receive an annual stipend of \$600.00 • Mentor teachers receive a monthly stipend of \$100 when assigned to a beginning teacher
	
<p align="center">EDUCATION</p>	
<ul style="list-style-type: none"> • The Model Teacher Consortium assists in the cost for pursuing an advanced degree • Monthly Beginning Teacher Talk Sessions are held for novice teachers 	
	

Source: Weldon City Schools Recruitment Brochure, 2012.



Staff indicated that the one-time signing bonuses for hard-to-fill positions has helped WCS to be competitive with surrounding LEAs. WCS has designed other programs and practices that offer new teachers support and mentoring at a relatively low cost.

COMMENDATION

Weldon City Schools is commended for using innovative and cost effective ways to attract new teachers.

FINDING

Both the HCS and the RRGSD provided copies of comprehensive employee handbooks, which include a wealth of information for employees, including information about the organization, management and governance of the LEA as well as information on various benefits.

The handbooks also clarify various policy statements and provide employees a synopsis of the rules and codes of conduct that the LEAs expect an employee to follow. Both handbooks refer the employees to the Board Policies, and provide a web link and instructions regarding where employees can find a hard copy of policies.

COMMENDATION

HCS and RRGSD are commended for preparing and disseminating employee handbooks, which are designed to provide employees useful information and guidance regarding their employment in the LEA.

FINDING

All three LEAs provided copies of job descriptions with varying levels of detail.

Exhibit 4-22 provides a summary of pertinent content information related to the job descriptions provided by each LEA.

**Exhibit 4-22
Job Description Components by LEA**

Component	HCS	RRGSD	WCS
Job Descriptions Provided for a Majority of Positions	Yes	Yes	Yes
Job Descriptions Dated to Show Last Update	No	No	No
Contain specific and detailed list of duties and responsibilities	Generic	Yes	Most
Content is presented in a uniform style	Yes	Most	No
Contained salary classification code	No	Yes	Some
Showed Months of Employment	Yes	Yes	No
Contained physical requirements of the job	No	Yes	No
Contained education/ experience requirements	Some	Yes	Most
Indicated Individual or Department to which the Position Reports	Yes	Yes	Most
Were indexed to indicate completeness	No	Yes	No

Source: Compiled by Evergreen Solutions, 2012.



As noted, none of the LEAs has dated the job descriptions, nor was there an indication for the department heads that a cyclical review of all job descriptions is scheduled.

HCS has formatted job descriptions uniformly with all containing sections for Job Title, Reports To, Purpose, Salary Range, and Essential Job Functions. Most include a section for Term of Employment, which provides the number of months worked (i.e., 10-month, 12-month). Many contain a section for Required Education and Training and/or Knowledge, Skills, and Abilities Required. The Salary Range contains a statement, "State Salary Schedule," but does not provide the pay grade or classification code for the positions.

The physical job requirements, such as the ability to lift a certain number of pounds, are also not provided. While this is particularly important for custodial, maintenance and other physically demanding positions, there are often similar demands for teachers and clerical staff. Having the physical requirements clearly stated in the job description can deter some employee claims that they did not know the job would require such effort. The generic nature of the duties and responsibilities sections provides a solid base from which departments and supervisors should be able to build more job specific descriptions over time, but as currently written do not provide sufficient information, in most cases, to guide the work of the individuals holding the positions. Completing this initial phase of creating job descriptions for all positions is commendable.

RRGSD has more detailed duties and responsibilities outlined in its job descriptions and each description contains the pay grade or classification code for each position. While it is clear that RRGSD created some descriptions at different times, based on typeface and style, for the most part the descriptions contain the essential elements.

WCS also has a variety of styles and presentations, presumably because WCS staff wrote the job descriptions over time. The lack of uniformity has resulted in some descriptions having greater levels of detail than others. For the most part, the descriptions contain specific job duties and requirements as well as classification or pay grades, but do not consistently contain the physical job requirements or the months of employment.

RECOMMENDATION

Recommendation 4-9:

Establish a formal two-year review cycle to ensure that all job descriptions are kept current, and create a template for all job descriptions so that all essential elements are added as the job descriptions are reviewed.

Each LEA should establish a formal cyclical review process, with one-half of all job descriptions reviewed in odd and even years, and a formal template that each department head will use to update the job descriptions during the cycle.

FISCAL IMPACT

This recommendation can be implemented with existing resources.



FINDING

All three Halifax County LEAs appear to have an employee evaluation tracking and monitoring system to ensure that all employees receive at least an annual evaluation. Teachers in all three LEAs are evaluated following the state guidelines. Classified staff evaluations are handled somewhat differently in each LEA.

In HCS, principals evaluate classified staff at least once per year. Where the employee works in a section overseen by another department, such as Child Nutrition or Transportation, the evaluation process is a collaborative effort with the appropriate directors or supervisors. The HR Director in Halifax County Schools tracks the teacher evaluations and at the end each year, he sends a checklist to the principals for classified staff evaluations.

In WCS, principals also evaluate staff at the campus level, while the immediate supervisors of classified staff conduct annual evaluations of their staff. Where there is crossover, the supervisor and principal work collaboratively on the evaluations.

RRGSD has a policy that classified employees must be evaluated once per year. In the past few years, RRGSD began conducting mid-year reviews for classified employees, and redesigned the process to be more of a growth model.

COMMENDATION

All three Halifax County LEAs have employee performance evaluation systems in place to provide timely feedback to employees.

4.4 FINANCIAL MANAGEMENT

School districts must practice sound financial management in order to maximize the effectiveness of limited resources and to plan for future needs. Effective financial management ensures that internal controls are in place and operating as intended, technology is maximized to increase productivity, and reports are generated that help management reach its goals.

Exhibits 4-23, 4-24, and 4-25 provide a three-year summary of the revenues, expenditures and changes in fund balances of the three LEAs in Halifax County. It should be noted, however, that these statements do not include Enterprise or Business Funds, such as the School Food Service Fund, which are financed in whole or in part by fees charged to external parties.

Exhibit 4-23 for the Halifax County Schools (HCS) presents Fiscal Year (FY) 2008 through FY 2010; the auditors had not completed their work on the Comprehensive Annual Financial Report (CAFR) for FY 2011 at the time of this writing.



Exhibit 4-23
Halifax County Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
FY 2008 through FY 2010

Category	2008 Actual	2009 Actual	2010 Actual	Change	% Change
Revenues					
State of North Carolina	\$34,099,407	\$32,766,866	\$27,411,253	(\$6,688,154)	-19.6%
Halifax County	\$8,224,603	\$4,061,390	\$3,253,307	(\$4,971,296)	-60.4%
U.S. Government	\$5,731,285	\$8,733,325	\$10,589,431	\$4,858,146	84.8%
Other	\$747,321	\$1,182,624	\$1,971,834	\$1,224,513	163.9%
Total Revenues	\$48,802,616	\$46,744,205	\$43,225,825	(\$5,576,791)	-11.4%
Expenditures					
Current					
Instructional Services					
Regular instructional	\$19,180,442	\$19,132,084	\$15,245,065	(\$3,935,377)	-20.5%
Special populations	\$4,313,968	\$4,645,025	\$4,741,511	\$427,543	9.9%
Alternative programs	\$3,493,469	\$5,515,398	\$5,323,245	\$1,829,776	52.4%
School Leadership	\$2,180,738	\$1,948,685	\$1,495,777	(\$684,961)	-31.4%
Co-curricular	\$429,163	\$511,885	\$400,375	(\$28,788)	-6.7%
School-based support	\$2,674,392	\$2,679,251	\$2,980,061	\$305,669	11.4%
System wide support services					
Support and development	\$1,882,098	\$1,719,576	\$1,572,671	(\$309,427)	-16.4%
Special population support and development	\$126,467	\$164,083	\$188,675	\$62,208	49.2%
Alternative programs and services support and development	\$234,786	\$161,453	\$255,296	\$20,510	8.7%
Technology support	\$175,464	\$139,096	\$297,507	\$122,043	69.6%
Operational support	\$6,090,550	\$5,212,302	\$5,474,536	(\$616,014)	-10.1%
Financial and Human resource services	\$620,513	\$581,966	\$1,509,082	\$888,569	143.2%
Accountability	\$55,873	\$31,000	\$33,802	(\$22,071)	-39.5%
Policy leadership and public relations	\$946,916	\$1,325,005	\$1,408,262	\$461,346	48.7%
Ancillary services	\$111,691	\$104,057	\$206,156	\$94,465	84.6%
Non-programmed charges	\$594,635	\$280,233	\$1,284,029	\$689,394	115.9%
Debt Service					
Principal Retirement	\$866,913	\$874,790	\$353,679	(\$513,234)	-59.2%
Capital Outlay					
Land, buildings, and site improvement	\$4,661,074	\$257,290	\$238,995	(\$4,422,079)	-94.9%
Furniture and Equipment	\$364,209	\$209,505		(\$364,209)	-100.0%
Vehicles and other		\$17,355		\$0	0.0%
Total Expenditures	\$49,003,361	\$45,510,039	\$43,008,724	(\$5,994,637)	-12.2%
Net Change in Fund Balance	(\$200,745)	\$1,234,166	\$217,101	\$417,846	208.1%
Fund Balances					
Beginning of Year, as previously stated (restated)	(\$1,018,652)	(\$820,785)	\$762,690*	\$1,781,342	174.9%
Prior period adjustment	\$311,696				
Increase in reserve for inventories	\$86,916	(\$189,240)	\$58,978	(\$27,938)	32.1%
End of Year	(\$820,785)	\$224,141*	\$1,038,769	\$1,859,554	226.6%

Source: HCS Comprehensive Audited Financial Reports, FY 2008 through FY 2010.

* Auditors found and corrected an error, restating the fund balance for FY 2010.



Additionally, it should be noted that the external auditors for the years presented gave a disclaimer opinion on the statements presented in this chart. The Independent Auditor's Report for FY 2010 gives the following explanation:

As discussed in Note 7 to the financial statements, the beginning account balances, those as of June 30, 2009, were determined to be unreliable. Therefore we could not perform procedures to satisfy ourselves that the change in fund balances and net assets, as applicable, during the year were accurately stated in the accompanying financial statements. It also came to our attention that the Board appeared to have violated various North Carolina General Statutes and that the overall internal control environment could not be relied upon. Therefore, we were not able to satisfy ourselves about the presentation and validity of certain amounts in the accompanying financial statements.

Because of the significance of the matters described in the preceding paragraph, we are unable to express, and we do not express, an opinion on the financial statements referred to in the first paragraph.

Similar disclaimer statements can be found in audits going back to FY 2007.

It is also important to note that auditors found and corrected one error relating to the fund balance shown in FY 2009 and restated that balance in FY 2010, as follows:

We noted \$538,549 of amounts recorded as an accounts payable as of June 30, 2009 in the General Fund that did not relate to valid liabilities of the General Fund. Accordingly, the General Fund's fund balance as of June 30, 2009 was increased by this amount. Governmental activities' net assets as of June 30, 2009 were also increased by the same amount.

Exhibit 4-24 presents the financial status of the Roanoke Rapids Graded School District (RRGSD) for FY 2009 through FY 2011.

Exhibit 4-25 presents the revenues, expenditures and fund balances of the Weldon City Schools (WCS) for FY 2009 through FY 2011.

Each of the three LEAs receives revenues from state, local and federal sources. In terms of total revenue dollars, WCS is the only LEA in Halifax County to show revenue increases overall. Both HCS and RRGSD show declines in total revenues for the three years presented.

State and county revenues as a percent of total have declined over the last three years for all of the LEAs, while federal and other funds are increasing overall. As a way of better understanding the revenues, it is important to understand the various types of revenues that flow to the LEAs.

General Fund. This is the general operating fund of the Board. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. This fund is the "Local Current Expense Fund," which is mandated by State law [G.S. 115C-426].



Exhibit 4-24
Roanoke Rapids Graded School District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
FY 2009 through FY 2011

Category	2009 Actual	2010 Actual	2011 Actual	Change	% Change
Revenues					
State of North Carolina	\$18,408,049	\$16,294,875	\$16,461,156	(\$1,946,893)	-10.6%
Halifax County	\$2,385,920	\$2,004,444	\$1,948,918	(\$437,002)	-18.3%
U.S. Government	\$2,797,002	\$3,823,282	\$3,284,750	\$487,748	17.4%
Other	\$3,507,693	\$3,795,254	\$4,494,193	\$986,500	28.1%
Total Revenues	\$27,098,664	\$25,917,855	\$26,189,017	(\$909,647)	-3.4%
Expenditures					
Current					
Instructional Services					
Regular instructional	\$13,688,726	\$11,875,730	\$11,240,444	(\$2,448,282)	-17.9%
Special populations	\$2,743,899	\$2,742,449	\$2,846,636	\$102,737	3.7%
Alternative programs	\$1,386,259	\$1,642,622	\$1,799,273	\$413,014	29.8%
School Leadership	\$1,532,002	\$1,368,760	\$1,471,017	(\$60,985)	-4.0%
Co-curricular	\$587,076	\$724,409	\$652,225	\$65,149	11.1%
School-based support	\$1,345,818	\$1,340,520	\$1,348,970	\$3,152	0.2%
System wide support services					
Support and development	\$216,974	\$110,344	\$80,297	(\$136,677)	-63.0%
Special population support and development	\$41,584	\$88,053	\$131,885	\$90,301	217.2%
Alternative programs and services support and development	\$167,771	\$75,759	\$75,302	(\$92,469)	-55.1%
Technology support	\$286,128	\$296,365	\$1,071,766	\$785,638	274.6%
Operational support	\$3,382,987	\$2,897,558	\$3,629,416	\$246,429	7.3%
Financial and Human resource services	\$730,393	\$714,645	\$845,111	\$114,718	15.7%
Accountability	\$11,470	\$1,589	\$9,241	(\$2,229)	-19.4%
Policy leadership and public relations	\$568,828	\$559,006	\$491,234	(\$77,594)	-13.6%
Ancillary services	\$32,500	\$63,047	\$35,078	\$2,578	7.9%
Non-programmed charges	\$40,633	\$172,350	\$175,352	\$134,719	100.0%
Total Expenditures	\$26,763,048	\$24,673,206	\$25,903,247	(\$859,801)	-3.2%
Revenues over (under) expenditures	\$335,616	\$1,244,649	\$285,770	(\$49,846)	-14.9%
Other financing uses					
Transfer to other funds	(\$69,070)	(\$69,912)	(\$56,543)	\$12,527	-18.1%
Net change in Fund Balance	\$266,546	\$1,174,737	\$229,227	(\$37,319)	-14.0%
Fund Balances					
Beginning of Year, as previously stated (restated)	\$1,399,750	\$1,666,296	\$2,841,033	\$1,441,283	103.0%
End of Year	\$1,666,296	\$2,841,033	\$3,070,260	\$1,403,964	84.3%

Source: RRGSD Comprehensive Audited Financial Reports, Exhibit 4, FY 2009 through FY 2011.



Exhibit 4-25
Weldon City Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
FY 2009 through FY 2011

Category	2009 Actual	2010 Actual	2011 Actual	Change	% Change
Revenues					
State of North Carolina	\$7,531,043	\$6,991,143	\$8,268,396	\$737,353	9.8%
Halifax County	\$721,064	\$667,620	\$763,898	\$42,834	5.9%
U.S. Government	\$1,957,748	\$3,398,965	\$2,723,340	\$765,592	39.1%
Other	\$2,095,746	\$2,037,618	\$2,282,933	\$187,187	8.9%
Total Revenues	\$12,305,601	\$13,095,346	\$14,038,567	\$1,732,966	14.1%
Expenditures					
Current					
Instructional Services					
Regular instructional	\$5,396,978	\$4,885,207	\$5,029,020	(\$367,958)	-6.8%
Special populations	\$1,102,251	\$1,173,246	\$1,165,830	\$63,579	5.8%
Alternative programs	\$943,070	\$1,689,457	\$1,221,961	\$278,891	29.6%
School Leadership	\$794,077	\$818,186	\$813,345	\$19,268	2.4%
Co-curricular	\$292,973	\$271,642	\$285,892	(\$7,081)	-2.4%
School-based support	\$706,628	\$783,241	\$753,484	\$46,856	6.6%
System wide support services					
Support and development	\$124,667	\$96,822	\$151,298	\$26,631	21.4%
Special population support and development	\$147,821	\$72,975	\$85,961	(\$61,860)	-41.8%
Alternative programs and services support and development	\$148,246	\$234,783	\$18,240	(\$130,006)	-87.7%
Technology support	\$23,602	\$17,214	\$233,218	\$209,616	888.1%
Operational support	\$1,403,612	\$1,382,127	\$1,402,429	(\$1,183)	-0.1%
Financial and Human resource services	\$379,082	\$401,757	\$344,102	(\$34,980)	-9.2%
Accountability	\$0	\$0	\$499,314	\$499,314	100.0%
System-wide pupil support	\$6,536	\$3,039	\$2,639	(\$3,897)	-59.6%
Policy leadership and public relations	\$836,017	\$864,434	\$826,468	(\$9,549)	-1.1%
Ancillary services	\$33,108	\$38,718	\$2,297	(\$30,811)	-93.1%
Non-programmed charges	\$38,937	\$106,908	\$245,140	\$206,203	529.6%
Debt Service					
Principal retirement	\$26,658	\$28,207	\$29,846	\$3,188	12.0%
Interest and Fees	\$4,922	\$3,373	\$1,734	(\$3,188)	-64.8%
Capital Outlay	\$197,295	\$223,438	\$267,772	\$70,477	35.7%
Total Expenditures	\$12,606,480	\$13,094,774	\$13,379,990	\$773,510	6.1%
Revenues Over Expenditures	(\$300,879)	\$572	\$658,577	\$959,456	318.9%
Other Financing Uses					
Transfers to Other funds			(\$128,760)	(\$128,760)	-100.0%
Net Change in Fund Balance	(\$300,879)	\$572	\$529,817	\$830,696	276.1%
Fund Balances					
Beginning of Year, as previously stated (restated)	\$853,941	\$553,062	\$553,634	(\$300,307)	-35.2%
End of Year	\$553,062	\$553,634	\$1,083,451	\$530,389	95.9%

Source: WCS Comprehensive Audited Financial Reports, FY 2009 through FY 2011.



State Public School Fund. This fund includes appropriations from the Department of Public Instruction for the current operating expenditures of the public school system.

Federal Grants Funds. This includes appropriations from the U.S. Government for the current operating expenditures of the public school system.

Other Special Revenue Funds. The Other Special Revenue Fund is used to account for revenues from reimbursements, including indirect costs, fees for actual costs, tuition, sales tax refunds, gifts and grants restricted as to use, federal and State grants restricted as to use, federal and State appropriations made directly to local school administrative units, funds received for prekindergarten programs and special programs.

Individual Schools Fund. This fund includes revenues and expenditures of the activity funds of the individual schools. The primary revenue sources include funds held on the behalf of various clubs and organizations, receipts from athletic events, and proceeds from various fund raising activities. The primary expenditures are for athletic teams, club programs, activity buses, and instructional needs.

Capital Outlay Fund. The Capital Outlay Fund accounts for financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by proprietary funds and trust funds). It is mandated by State law [G. S.115C-426]. Capital projects are funded by Halifax County appropriations, restricted sales tax moneys, proceeds of county debt issued for public school construction, lottery proceeds, as well as certain State assistance.

Exhibits 4-26 through 4-28 provide a breakdown of the revenues by type over the last three available fiscal years. As shown, the LEAs account for funding from the State of North Carolina based on three funding mechanisms: General, State Public School, and Capital Outlay. Halifax County funds flow to both General and Capital Outlay.

As mentioned earlier, WCS was that only LEA in Halifax County to experience an increase in State Public School Funds. In FY 2011, WCS became a fiscal agent for the State and received a Special Dollar Allotment of \$556,668 for nine (9) Regional Accountability Coordinator positions, for which WCS receives a small administrative fee. This arrangement ended in June 2012.

Exhibit 4-29 presents a breakdown of the revenue sources as a percent of total revenues.

As shown, WCS receives a higher percent of revenues from U.S. Government and other sources, as compared to RRGSD and HCS.

To better understand the allocation of state and federal funds, **Exhibits 4-30 through 4-32** present the final allotments that flowed through DPI to the LEAs, including federal dollars, for FY 2009 through FY 2011. FY 2012 was not final at the time of this writing, and therefore is not presented. Although the State's funding formulas allocate a given amount to the LEAs at the beginning of the fiscal year, final allotment numbers are used because the LEAs have some latitude to make adjustments that could skew trend analyses, if not taken into account.



Exhibit 4-26
Halifax County Schools
Revenue Types
FY 2008 to FY 2010

Year	State of North Carolina	Halifax County	US Government	Other	Total
Major Funds					
General					
2008	\$927,928	\$3,499,763	\$1,336,973	\$319,625	\$6,084,289
2009	\$940,515	\$3,339,032	\$2,024,201	\$822,641	\$7,126,389
2010	\$850,479	\$2,736,506	\$1,539,924	\$1,697,901	\$6,824,810
Change	-8.3%	-21.8%	15.2%	431.2%	12.2%
State Public School					
2008	\$31,958,887	\$0	\$0	\$0	\$31,958,887
2009	\$30,951,561	\$0	\$0	\$0	\$30,951,561
2010	\$26,207,095	\$0	\$0	\$0	\$26,207,095
Change	-18.0%	0.0%	0.0%	0.0%	-18.0%
Federal Grants					
2008	\$0	\$0	\$4,394,312	\$0	\$4,394,312
2009	\$0	\$0	\$6,709,124	\$0	\$6,709,124
2010	\$0	\$0	\$9,049,507	\$0	\$9,049,507
Change	0.0%	0.0%	105.9%	0.0%	105.9%
Capital Outlay					
2008	\$1,212,592	\$4,724,840	\$0	\$0	\$5,937,432
2009	\$874,790	\$722,358	\$0	\$0	\$1,597,148
2010	\$353,679	\$516,801	\$0	\$27,555	\$898,035
Change	-70.8%	-89.1%	0.0%	100.0%	-84.9%
Individual Schools					
2008	\$0	\$0	\$0	\$427,696	\$427,696
2009	\$0	\$0	\$0	\$359,983	\$359,983
2010	\$0	\$0	\$0	\$246,378	\$246,378
Change	0.0%	0.0%	0.0%	-42.4%	-42.4%
Total Governmental Funds					
2008	\$34,099,407	\$8,224,603	\$5,731,285	\$747,321	\$48,802,616
2009	\$32,766,866	\$4,061,390	\$8,733,325	\$1,182,624	\$46,744,205
2010	\$27,411,253	\$3,253,307	\$10,589,431	\$1,971,834	\$43,225,825
Change	-19.6%	-60.4%	84.8%	163.9%	-11.4%

Source: HCS Comprehensive Audited Financial Reports, FY 2008 through FY 2010.



Exhibit 4-27
Roanoke Rapids Graded School District
Revenue Types
FY 2009 to FY 2011

Year	State of North Carolina	Halifax County	US Government	Other	Total
Major Funds					
General					
2009	\$147,763	\$1,887,673	\$13,305	\$3,006,918	\$5,055,659
2010	\$0	\$1,761,024	\$0	\$206,869	\$1,967,893
2011	\$0	\$1,754,769	\$0	\$142,708	\$1,897,477
Change	-100.0%	-7.0%	-100.0%	-95.3%	-62.5%
State Public School					
2009	\$17,995,775	\$0	\$0	\$0	\$17,995,775
2010	\$16,292,775	\$0	\$0	\$0	\$16,292,775
2011	\$16,045,311	\$0	\$0	\$0	\$16,045,311
Change	-10.8%	0.0%	0.0%	0.0%	-10.8%
Federal Grants					
2009	\$0	\$0	\$2,783,697	\$0	\$2,783,697
2010	\$0	\$0	\$3,805,387	\$0	\$3,805,387
2011	\$0	\$0	\$3,094,072	\$0	\$3,094,072
Change	0.0%	0.0%	11.1%	0.0%	11.1%
Other Special Revenues					
2009	\$0	\$0	\$0	\$0	\$0
2010	\$0	\$0	\$17,895	\$3,073,489	\$3,091,384
2011	\$0	\$0	\$190,678	\$3,805,944	\$3,996,622
Change	0.0%	0.0%	100.0%	100.0%	100.0%
Capital Outlay					
2009	\$264,511	\$498,247	\$0	\$111,058	\$873,816
2010	\$2,100	\$243,420	\$0	\$94,932	\$340,452
2011	\$415,845	\$194,149	\$0	\$91,040	\$701,034
Change	57.2%	-61.0%	0.0%	-18.0%	-19.8%
Non-Major Funds					
Individual Schools					
2009	\$0	\$0	\$0	\$389,717	\$389,717
2010	\$0	\$0	\$0	\$419,964	\$419,964
2011	\$0	\$0	\$0	\$454,501	\$454,501
Change	0.0%	0.0%	0.0%	16.6%	16.6%
Total Governmental Funds					
2009	\$18,408,049	\$2,385,920	\$2,797,002	\$3,507,693	\$27,098,664
2010	\$16,294,875	\$2,004,444	\$3,823,282	\$3,795,254	\$25,917,855
2011	\$16,461,156	\$1,948,918	\$3,284,750	\$4,494,193	\$26,189,017
Change	-10.6%	-18.3%	17.4%	28.1%	-3.4%

Source: RRGSD Comprehensive Audited Financial Reports, FY 2009 through FY 2011.



Exhibit 4-28
Weldon City Schools
Revenue Types
FY 2009 to FY 2011

Year	State of North Carolina	Halifax County	US Government	Other	Total
Major Funds					
General					
2009	\$135,850	\$686,528	\$367,398	\$1,698,909	\$2,888,685
2010	\$0	\$624,549	\$0	\$58,634	\$683,183
2011	\$0	\$658,667	\$0	\$109,515	\$768,182
Change	-100.0%	-4.1%	-100.0%	-93.6%	-73.4%
State Public School					
2009	\$7,395,193	\$0	\$0	\$0	\$7,395,193
2010	\$6,849,343	\$0	\$0	\$0	\$6,849,343
2011	\$7,842,905	\$0	\$0	\$0	\$7,842,905
Change	6.1%	0.0%	0.0%	0.0%	6.1%
Federal Grants					
2009	\$0	\$0	\$1,590,350	\$0	\$1,590,350
2010	\$0	\$0	\$3,092,157	\$0	\$3,092,157
2011	\$0	\$0	\$2,422,381	\$0	\$2,422,381
Change	0.0%	0.0%	52.3%	0.0%	52.3%
Other Special Revenues					
2009	\$0	\$0	\$0	\$0	\$0
2010	\$141,800	\$0	\$306,808	\$1,666,895	\$2,115,503
2011	\$301,800	\$0	\$300,959	\$1,876,607	\$2,479,366
Change	100.0%	0.0%	100.0%	100.0%	100.0%
Capital Outlay					
2009	\$0	\$34,536	\$0	\$205,563	\$240,099
2010	\$0	\$43,071	\$0	\$117,545	\$160,616
2011	\$123,691	\$105,231	\$0	\$102,859	\$331,781
Change	100.0%	204.7%	0.0%	-50.0%	38.2%
Non-Major Funds					
Individual Schools					
2009	\$0	\$0	\$0	\$191,274	\$191,274
2010	\$0	\$0	\$0	\$194,544	\$194,544
2011	\$0	\$0	\$0	\$193,952	\$193,952
Change	0.0%	0.0%	0.0%	1.4%	1.4%
Total Governmental Funds					
2009	\$7,531,043	\$721,064	\$1,957,748	\$2,095,746	\$12,305,601
2010	\$6,991,143	\$667,620	\$3,398,965	\$2,037,618	\$13,095,346
2011	\$8,268,396	\$763,898	\$2,723,340	\$2,282,933	\$14,038,567
Change	9.8%	5.9%	39.1%	8.9%	14.1%

Source: WCS Comprehensive Audited Financial Reports, FY 2009 through FY 2011.



Exhibit 4-29
Sources of Revenues
FY 2008 through FY 2011

	HCS	RRGSD	WCS
State of North Carolina			
2008	69.9%		
2009	70.1%	67.9%	61.2%
2010	63.4%	62.9%	53.4%
2011		62.9%	58.9%
Halifax County			
2008	16.9%		
2009	8.7%	8.8%	5.9%
2010	7.5%	7.7%	5.1%
2011		7.4%	5.4%
U.S. Government			
2008	11.7%		
2009	18.7%	10.3%	15.9%
2010	24.5%	14.8%	26.0%
2011		12.5%	19.4%
Other			
2008	1.5%		
2009	2.5%	12.9%	17.0%
2010	4.6%	14.6%	15.6%
2011		17.2%	16.3%

Source: Compiled by Evergreen from CAFRs, 2012.



Exhibit 4-30
Halifax County Schools
Final Budget Allotments FY 2009 Through FY 2011

State Public School Fund	2008-09	2009-10	2010-11	Change
Classroom Teachers	\$11,556,462	\$10,148,151	\$9,465,167	-18.1%
Central Office Administration	\$811,868	\$736,741	\$737,674	-9.1%
Non-Instructional Support Personnel	\$1,231,755	\$1,048,443	\$69,088	-94.4%
School Building Administration	\$1,625,115	\$1,181,234	\$1,381,926	-15.0%
Sb2-Waivers For Unavailable Categories	\$0	\$614,241	\$312,000	100.0%
Instructional Support	\$1,425,011	\$1,235,097	\$945,694	-33.6%
Career And Technical Edu-Months Of Employment	\$1,570,800	\$1,331,993	\$1,345,899	-14.3%
Career And Technical Edu-Program Support	\$71,947	\$96,617	\$62,216	-13.5%
Foreign Exchange	\$70,517	\$71,740	\$55,048	-21.9%
Mentor Positions (Dollar Allotment)	\$38,746	\$38,112	\$0	-100.0%
Disadvantaged Students Supplemental Fund	\$1,283,250	\$1,083,250	\$825,250	-35.7%
Teacher Assistants	\$1,510,432	\$1,018,724	\$1,301,202	-13.9%
Staff Development	\$52,134	\$0	\$0	-100.0%
Behavioral Support (Willie M.)	\$108,998	\$108,992	\$98,441	-9.7%
Low Wealth Supplemental Funding	\$2,152,315	\$1,803,902	\$1,772,035	-17.7%
Children With Special Needs	\$2,042,537	\$1,906,211	\$1,952,789	-4.4%
Incentive Award	\$121,232	\$0	\$0	-100.0%
Academically & Intellectually Gifted	\$76,678	\$50,248	\$169,202	120.7%
Child And Family Support Teams- School Nurse	\$1	\$0	\$0	-100.0%
Child And Family Support	\$374,377	\$459,137	\$351,818	-6.0%
Literacy Coaches	\$244,182	\$0	\$0	-100.0%
Limited English (LEP)	\$41,467	\$44,695	\$49,123	18.5%
Transportation	\$1,769,330	\$1,603,478	\$1,761,760	-0.4%
Classroom Material, Instr Supplies, Equipment	\$401,417	\$357,593	\$170,346	-57.6%
At-Risk Student Ser/Alternative Schools	\$1,381,047	\$1,242,801	\$1,427,229	3.3%
Improving Student Accountability	\$224,910	\$0	\$0	-100.0%
State Public School Fund	\$30,186,528	\$26,181,400	\$24,253,907	-19.7%
Federal Programs	2008-09	2009-10	2010-11	Change
Career & Technical Edu-Program Improve (Current Year)	\$154,831	\$137,367	\$102,243	-34.0%
Career & Technical Edu-Program Improve (Prior Year)	\$1,465	\$1,871	\$1,529	4.4%
Homeless Grant	(\$289)	\$20,000	\$20,000	6812.8%
IDEA VI-B Capacity Bldg. & Improv. (Current Year)	\$9,719	\$7,635	\$8,122	-16.4%
IDEA VI-B Capacity Bldg. & Improv. (Prior Year)	\$0	\$0	\$23,879	100.0%
IDEA VI-B Capacity Bldg. & Improv. (Two Years Prior)	\$0	(\$3,483)	(\$1,624)	-100.0%
Drug Free-Federal	\$28,127	\$36,870	\$582	-97.9%
IDEA Preschool	\$56,670	\$51,101	\$52,614	-7.2%
IASA Title I-Basic Programs	\$3,484,982	\$3,311,180	\$3,275,786	-6.0%
IASA Title I-Migrant (Current Year)	\$102,370	\$84,097	\$145,749	42.4%
IASA Title I-Migrant (Prior Year)	\$2,732	\$16,525	\$15,000	449.0%
Abstinence Until Marriage	\$1,222	\$0	\$0	0.0%
IASA Title V (Two Years Prior)	\$0	(\$0.08)	\$0	0.0%
IDEA VI-B Handicapped	\$1,075,563	\$1,066,272	\$1,027,940	-4.4%



Exhibit 4-30 (Continued)
Halifax County Schools
Final Budget Allotments FY 2009 Through FY 2011

Federal Programs	2008-09	2009-10	2010-11	Change
Improving Teacher Quality	\$574,416	\$550,505	\$521,626	-9.2%
Title I School Improvement (Current Year)	\$229,991	\$277,842	\$0	-100.0%
Title I School Improvement (Prior Year)	(\$119,878)	\$0	\$0	-100.0%
Title I School Improvement (Two Years Prior)	\$119,878	\$0	\$0	-100.0%
Reading First State Grant (Current Year)	\$191,487	\$0	\$0	-100.0%
Reading First State Grant (Prior Year)	\$22,062	\$16,972	\$42,756	93.8%
Reading First State Grant (Two Years Prior)	(\$108,527)	\$3,480	\$5,886	-105.4%
Educational Technology (Formula) (Current Year)	\$32,837	\$23,385	\$0	-100.0%
Educational Technology (Formula) (Two Years Prior)	(\$3,984)	\$0	\$0	-100.0%
Rural And Low-Income School	\$113,722	\$115,632	\$106,467	-6.4%
21st Century Community Learning Center (CCLC) (Current Year)	\$231,563	\$86,192	\$76,800	-66.8%
21st CCLC (Prior Year)	\$0	\$213,808	\$77,100	100.0%
21st CCLC (Two Years Prior)	\$0	\$0	\$86,100	100.0%
Language Acquisition-Significant Increases	\$0	\$10,763	\$12,090	100.0%
21st CCLC Summer Program Mini Grants (Current Year)	\$0	\$0	\$50,000	100.0%
21st CCLC Summer Program Mini Grants (Prior Year)	\$0	\$99,940	\$0	0.0%
21st CCLC Summer Program Mini Grants (Two Years Prior)	\$0	\$0	(\$2,147)	-100.0%
School Improvement 1003g	\$158,250	\$25,865	\$0	-100.0%
IDEA VIB - Special Needs Targeted Assistance	\$5,000	\$12,500	\$10,000	100.0%
IDEA Targeted Assistance For Preschool	\$0	\$0	\$10,000	100.0%
ARRA - Education Stabilization	\$0	\$1,269,353	\$1,224,522	100.0%
ARRA -Title I	\$998,013	\$997,966	\$0	-100.0%
ARRA - Title I School Improvement (Current Year)	\$0	\$87,932	\$1,900	100.0%
ARRA - Title I School Improvement (Prior Year)	\$0	\$87,933	\$0	0.0%
ARRA - School Improvement 1003 (G)	\$0	\$0	\$4,992,296	100.0%
Education Jobs Fund	\$0	\$0	\$913,055	100.0%
ARRA - Race To The Top	\$0	\$0	\$1,467,953	100.0%
ARRA - IDEA VIB	\$514,969	\$514,973	\$0	-100.0%
ARRA - IDEA Pre School	\$20,237	\$20,243	\$0	-100.0%
ARRA - Education Technology - Formula	\$0	\$55,527	\$0	0.0%
ARRA - McKinney Vento	\$0	\$17,490	\$0	0.0%
Total Federal Programs	\$7,897,428	\$9,217,736	\$14,268,224	80.7%
Other Programs	2008-09	2009-10	2010-11	Change
Textbooks	\$173,045	\$277,133	\$6,709	-96.1%
Driver Training	\$134,216	\$123,779	\$106,197	-20.9%
School Technology Fund	\$437,084	\$201,267	\$236,464	-45.9%
Lea Financed Purchase Of School Buses	\$874,790	\$353,679	\$437,371	-50.0%
Total Other Programs	\$1,619,135	\$955,858	\$786,741	-51.4%
Grand Total LEA: 420	\$39,703,091	\$36,354,994	\$39,308,872	-1.0%

Source: North Carolina Department of Public Instruction, Division of School Business Services, 2012.



Exhibit 4-31
Roanoke Rapids Graded School District
Final Budget Allotments FY 2009 Through FY 2011

State Public School Fund	2008-09	2009-10	2010-11	Change
Classroom Teachers	\$8,094,343	\$7,706,536	\$6,413,917	-20.8%
Central Office Administration	\$582,575	\$546,026	\$463,266	-20.5%
Non-Instructional Support Personnel	\$826,746	\$31,166	\$214,855	-74.0%
School Building Administration	\$623,592	\$622,342	\$607,232	-2.6%
Instructional Support	\$933,675	\$937,710	\$820,833	-12.1%
Total Dollars For K-3 Teachers	\$0	\$86,000	\$184,000	100.0%
Career And Technical Edu-Months Of Employment	\$833,636	\$804,041	\$886,743	6.4%
Career And Technical Edu-Program Support	\$108,030	\$134,124	\$139,893	29.5%
Foreign Exchange	\$107,909	\$0	\$0	-100.0%
Mentor Positions (Dollar Allotment)	\$8,946	\$7,599	\$0	-100.0%
Disadvantaged Students Supplemental Fund	\$160,881	\$162,038	\$160,740	-0.1%
Teacher Assistants	\$1,074,943	\$987,293	\$882,087	-17.9%
Staff Development	\$40,506	\$0	\$0	-100.0%
Behavioral Support (Willie M.)	\$71,475	\$71,475	\$72,816	1.9%
Low Wealth Supplemental Funding	\$1,323,402	\$1,312,230	\$2,250,716	70.1%
Children With Special Needs	\$1,264,165	\$1,311,163	\$1,287,496	1.8%
Incentive Award	\$208,060	\$0	\$0	-100.0%
Academically & Intellectually Gifted	\$135,405	\$127,333	\$135,996	0.4%
Limited English (LEP)	\$41,011	\$53,649	\$63,863	55.7%
Transportation	\$215,720	\$257,149	\$239,968	11.2%
Classroom Material, Instr Supplies, Equipment	\$214,120	\$198,791	\$137,135	-36.0%
Student Diagnostic & Intervention Initiatives	\$0	\$0	\$14,000	100.0%
Special Program Funds - EC	\$28,090	\$0	\$0	-100.0%
At-Risk Student Ser/Alternative Schools	\$540,738	\$507,355	\$503,051	-7.0%
Improving Student Accountability	\$80,625	\$0	\$0	-100.0%
School Connectivity	\$23,286	\$46,640	\$48,163	106.8%
State Public School Fund	\$17,541,879	\$15,910,660	\$15,526,770	-11.5%
Federal Programs	2008-09	2009-10	2010-11	Change
Career And Technical Edu-Program Improve (Current Year)	\$51,688	\$46,214	\$36,514	-29.4%
Career And Technical Edu-Program Improve (Prior Year)	\$490	\$625	\$546	11.4%
Homeless Grant	\$0	\$3,042	(\$145)	-100.0%
IDEA VI-B Capacity Bldg. & Improv. (Current Year)	\$5,259	\$5,703	\$5,233	-0.5%
IDEA VI-B Capacity Bldg. & Improv. (Prior Year)	\$0	\$0	\$15,371	100.0%
IDEA VI-B Capacity Bldg. & Improv. (Two Years Prior)	\$0	\$0	(\$2,121)	-100.0%
Drug Free-Federal	\$9,893	\$12,225	\$193	-98.1%
IDEA Preschool (Current Year)	\$15,280	\$10,159	\$13,130	-14.1%
IDEA Preschool (Prior Year)	\$0	\$2,000	\$0	0.0%
IASA Title 1-Basic Programs	\$931,401	\$838,355	\$785,702	-15.6%
Abstinence Until Marriage	(\$3,056)	\$0	\$0	-100.0%



Exhibit 4-31 (Continued)
Roanoke Rapids Graded School District
Final Budget Allotments FY 2009 Through FY 2011

Federal Programs	2008-09	2009-10	2010-11	Change
IASA Title V (Prior Year)	(\$1,123)	\$0	\$0	-100.0%
IASA Title V (Two Years Prior)	\$1,123	\$0	\$0	-100.0%
IDEA VI-B Handicapped (Current Year)	\$394,140	\$566,061	\$566,099	43.6%
IDEA VI-B Handicapped (Prior Year)	\$77,055	\$0	\$0	-100.0%
Learn & Serve America Grant (Current Year)	\$13,786	\$14,000	\$0	-100.0%
Learn & Serve America Grant (Prior Year)	(\$5,996)	(\$8,210)	\$0	-100.0%
Learn & Serve America Grant (Two Years Prior)	\$6,210	\$8,210	\$0	-100.0%
IDEA-Early Intervening Services (Eis)	\$79,320	\$0	(\$0.01)	-100.0%
IDEA-VI-B State Improvement (Current Year)	\$15,000	\$20,000	\$0	-100.0%
IDEA-VI-B State Improvement (Prior Year)	\$5,000	\$0	\$0	-100.0%
Improving Teacher Quality	\$145,119	\$137,734	\$131,102	-9.7%
Educational Technology (Formula) (Current Year)	\$8,776	\$5,896	\$0	-100.0%
Language Acquisition State Grant	\$0	\$0	\$10,509	100.0%
Rural And Low-Income School	\$74,196	\$79,179	\$76,643	3.3%
Language Acquisition-Significant Increases (Current Year)	\$12,351	\$12,915	\$13,753	11.3%
Language Acquisition-Significant Increases (Prior Year)	\$0	\$0	\$3,709	100.0%
Math & Science Partnership (Current Year)	\$579,500	\$288,478	\$0	-100.0%
Math & Science Partnership (Prior Year)	\$0	\$0	(\$113,235)	-100.0%
Math & Science Partnership (Two Years Prior)	\$0	\$0	\$113,235	100.0%
Children With Special Needs - Risk Pool (Current Year)	\$16,960	\$11,928	\$0	-100.0%
Children With Special Needs - Risk Pool (Prior Year)	\$0	\$4,590	\$0	0.0%
IDEA VIB-Special Needs Targeted Assistance (Current Year)	\$0	\$0	\$10,000	100.0%
IDEA VIB-Special Needs Targeted Assistance (Prior Year)	\$0	\$0	\$14,800	100.0%
ARRA - Education Stabilization	\$0	\$813,180	\$833,281	100.0%
ARRA-Title I	\$249,833	\$249,822	\$0	-100.0%
Education Jobs Fund	\$0	\$0	\$621,329	100.0%
ARRA - Race To The Top	\$0	\$0	\$370,092	100.0%
ARRA - IDEA VIB	\$305,574	\$305,574	\$0	-100.0%
ARRA - IDEA Pre School	\$12,023	\$12,018	\$0	-100.0%
Child Nutrition Equipment	\$24,626	\$0	\$0	-100.0%
ARRA - Education Technology - Formula	\$0	\$13,999	\$0	0.0%
ARRA - McKinney Vento	\$0	\$6,919	\$0	0.0%
Total Federal Programs	\$3,024,428	\$3,460,616	\$3,505,739	15.9%
Other Programs	2008-09	2009-10	2010-11	Change
Textbooks	\$110,839	\$77,663	(\$4,360)	-103.9%
Driver Training	\$74,483	\$62,366	\$58,527	-21.4%
School Technology Fund	\$59,053	\$68,836	\$39,033	-33.9%
Total Other Programs	\$244,375	\$208,865	\$93,200	-61.9%
Grand Total LEA: 421	\$20,810,682	\$19,580,141	\$19,125,709	-8.1%

Source: North Carolina Department of Public Instruction, Division of School Business Services, 2012.



Exhibit 4-32
Weldon City Schools
Final Budget Allotments FY 2009 Through FY 2011

State Public School Fund	2008-09	2009-10	2010-11	Change
Classroom Teachers	\$2,783,614	\$1,746,726	\$1,965,014	-29.4%
Central Office Administration	\$508,346	\$476,541	\$482,632	-5.1%
Non-Instructional Support Personnel	\$256,470	\$771,763	\$511,533	99.5%
School Building Administration	\$438,441	\$387,869	\$403,374	-8.0%
Instructional Support	\$338,255	\$343,065	\$419,448	24.0%
Total Dollars For K-3 Teachers	\$0	\$0	\$24,964	100.0%
Career And Technical Edu-Months Of Employment	\$393,317	\$391,949	\$517,224	31.5%
Career And Technical Edu-Program Support	\$85,502	\$33,216	\$83,828	-2.0%
Mentor Positions (Dollar Allotment)	\$11,457	\$0	\$0	-100.0%
Disadvantaged Students Supplemental Fund	\$272,753	\$264,500	\$284,598	4.3%
Teacher Assistants	\$335,569	\$333,889	\$343,911	2.5%
Staff Development	\$29,698	\$0	\$0	-100.0%
Behavioral Support (Willie M.)	\$41,848	\$40,657	\$55,743	33.2%
Low Wealth Supplemental Funding	\$451,980	\$444,749	\$471,613	4.3%
Children With Special Needs	\$483,779	\$516,287	\$491,429	1.6%
Incentive Award	\$61,554	\$0	\$0	-100.0%
Academically & Intellectually Gifted	\$47,686	\$45,778	\$48,911	2.6%
Literacy Coaches	\$61,046	\$0	\$0	-100.0%
High School Learn And Earn	\$29,000	\$316,200	\$307,650	960.9%
Transportation	\$153,013	\$136,510	\$172,220	12.6%
Classroom Material, Instr Supplies, Equi	\$69,600	\$58,011	\$26,059	-62.6%
Student Diagnostic & Intervention Initiative	\$0	\$0	\$1,600	100.0%
At-Risk Student Ser/Alternative Schools	\$342,532	\$346,242	\$236,858	-30.9%
Improving Student Accountability	\$34,353	\$0	\$0	-100.0%
Special Dollar Allotment	\$0	\$0	\$556,668	100.0%
State Public School Fund	\$7,229,813	\$6,653,952	\$7,405,277	2.4%
Federal Programs	2008-09	2009-10	2010-11	Change
Career And Technical Edu-Program Improve (Current Year)	\$36,283	\$32,123	\$23,858	-34.2%
Career And Technical Edu-Program Improve (Prior Year)	\$344	\$438	\$357	3.8%
Homeless Grant (Prior Year)	\$0	\$5,000	(\$353)	-100.0%
IDEA VI-B Capacity Bldg. & Improv. (Prior Year)	\$1,861	\$1,884	\$2,057	10.5%
IDEA VI-B Capacity Bldg. & Improv. (Current Year)	\$0	\$0	\$6,017	100.0%
Drug Free-Federal	\$7,222	\$9,660	\$152	-97.9%
IDEA Preschool	\$13,661	\$11,948	\$12,480	-8.6%
IASA Title 1-Basic Programs	\$864,251	\$821,153	\$812,386	-6.0%
Abstinence Until Marriage	(\$692)	\$0	\$0	-100.0%
IDEA VI-B Handicapped	\$293,329	\$279,991	\$289,372	-1.3%
IDEA-VI-B State Improvement	\$0	\$10,000	\$30,000	100.0%
Improving Teacher Quality	\$109,989	\$104,276	\$97,444	-11.4%
Title I School Improvement	\$71,757	\$71,401	\$30,000	-58.2%
Reading First State Grant (Current Year)	\$106,439	\$0	\$0	-100.0%
Reading First State Grant (Prior Year)	(\$41,282)	\$12,861	\$0	-100.0%
Reading First State Grant (Two Years Prior)	\$56,985	\$2,637	\$12,042	-78.9%
Educational Technology (Formula)	\$8,143	\$5,969	\$0	-100.0%
Rural And Low-Income School	\$25,583	\$26,024	\$27,552	7.7%



Exhibit 4-32 (Continued)
Weldon City Schools
Final Budget Allotments FY 2009 Through FY 2011

Federal Programs	2008-09	2009-10	2010-11	Change
Language Acquisition-Significant Increases (Two Years Prior)	\$0	(\$449)	\$4,702	100.0%
Math & Science Partnership (Current Year)	\$330,000	\$165,087	\$0	-100.0%
Math & Science Partnership (Prior Year)	(\$2,491)	\$0	(\$26,300)	955.7%
Math & Science Partnership (Two Years Prior)	\$2,491	(\$201,749)	\$26,300	955.7%
21st CCLC Summer Program Mini Grants (Current Year)	\$0	\$0	\$49,969	100.0%
21st CCLC Summer Program Mini Grants (Prior Year)	\$0	\$49,269	\$0	0.0%
21st CCLC Summer Program Mini Grants (Two Years Prior)	\$0	\$0	(\$3,569)	-100.0%
School Improvement 1003g	\$93,300	\$12,766	(\$1,543)	-101.7%
IDEA VIB-Special Needs Targeted (Current Year)	\$0	\$0	\$5,000	100.0%
IDEA VIB-Special Needs Targeted (Prior Year)	\$0	\$0	\$10,000	100.0%
IDEA Targeted Assistance For Pre	\$0	\$0	\$10,000	100.0%
ARRA - Education Stabilization	\$0	\$314,845	\$335,027	100.0%
ARRA-Title I	\$266,658	\$266,646	\$0	-100.0%
ARRA - Title I School Improvement (Current Year)	\$0	\$29,521	\$0	100.0%
ARRA - Title I School Improvement (Prior Year)	\$0	\$29,521	\$638	100.0%
Education Jobs Fund	\$0	\$0	\$249,810	100.0%
ARRA - Race To The Top	\$0	\$0	\$374,641	100.0%
ARRA - IDEA VIB	\$157,716	\$157,719	\$0	-100.0%
ARRA - IDEA Pre School	\$6,205	\$6,201	\$0	-100.0%
ARRA - Education Technology - Formula	\$0	\$14,171	\$0	0.0%
Total Federal Programs	\$2,407,752	\$2,238,913	\$2,378,039	-1.2%
Other Programs	2008-09	2009-10	2010-11	Change
Textbooks	\$57,481	\$32,131	(\$6,264)	-110.9%
Driver Training	\$40,314	\$29,993	\$49,087	21.8%
School Technology Fund	\$19,563	\$20,774	\$13,999	-28.4%
Total Other Programs	\$117,358	\$82,898	\$56,822	-51.6%
Grand Total LEA: 422	\$9,754,923	\$8,975,763	\$9,840,138	0.9%

Source: North Carolina Department of Public Instruction, Division of School Business Services, 2012.

It should also be noted that the numbers shown in these exhibits do not directly match to the numbers reported in the CAFRs for these same years, as some of the funds classified by the State as State Public School Funds may appear in the Other Special Revenues category in the CAFR. In addition, there may be timing differences that cause funds to be recognized in the CAFR in different fiscal years.

As shown in **Exhibit 4-30**, in FY 2011, HCS received nearly \$8.6 million in American Recovery and Reinvestment Act of 2009 (ARRA) funding. Although funding for many of the federal programs is recurring, ARRA funds are provided for a limited number of years, and are intended to modernize infrastructure and expand educational opportunities. Sustaining the programs and infrastructure past the initial funding period is the responsibility of the state and LEAs.

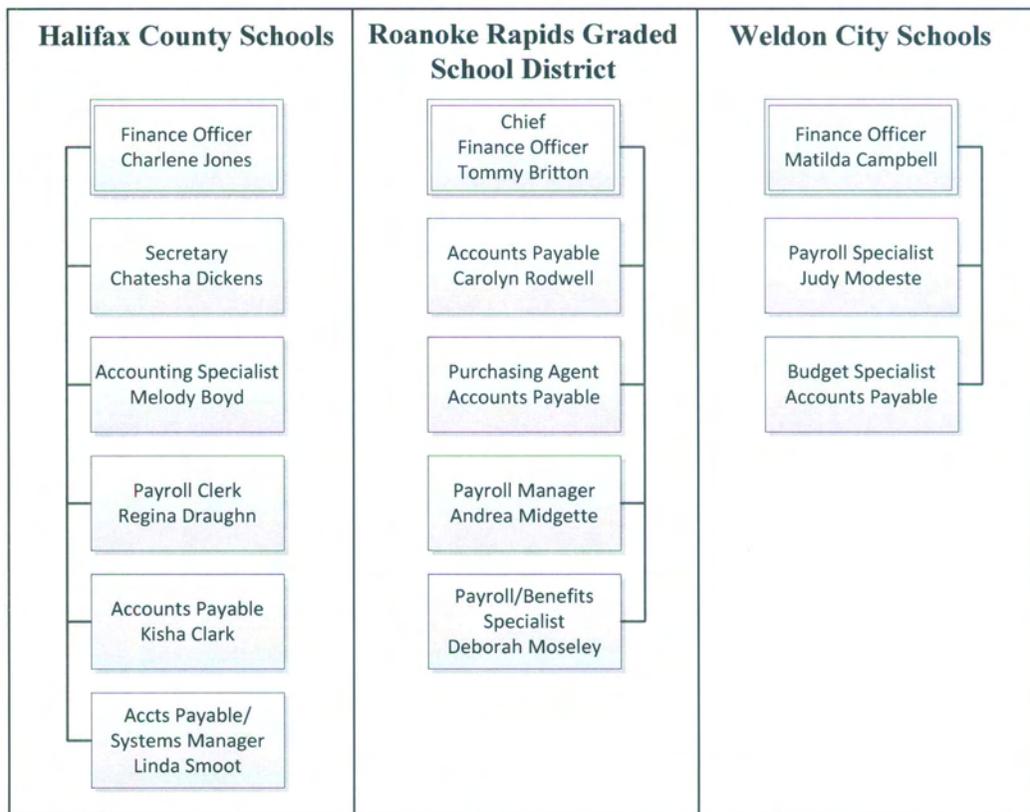
As shown in **Exhibit 4-31**, RRGSD received nearly \$1 million in ARRA funds in FY 2011.



As shown in **Exhibit 4-32**, WCS received nearly \$1 million in ARRA funding in FY 2011. As mentioned earlier, the \$556,668 Special Dollar Allotment, shown under State Public School Funds for WCS is money that flows through WCS for regional staff, but it is not money that can be used for operations. If that money were removed from the allotments, WCS revenues from the State Public School Fund would show a decline of 5.3 percent, and the overall allotment would drop to \$9.3 million, or a decline of 4.8 percent. As such, WCS has, in reality, experienced declines in overall revenues in line with the declines experienced by the other two LEAs.

The staffing for the finance functions vary by LEA. **Exhibit 4-33** presents the financial organizations of the three LEAs.

**Exhibit 4-33
LEA Financial Organizations**



Source: Compiled by Evergreen Solutions, 2012.

In addition to the LEA employees, external auditors play an important role in the financial reporting for the LEAs, that of attesting to the accuracy and completeness of the financial reports. According to the North Carolina General Statutes § 115C-447, Annual Independent Audit:

...(a) Each local school administrative unit shall have its accounts and the accounts of individual schools therein audited as soon as possible after the close of each fiscal year



by a certified public accountant or by an accountant certified by the Local Government Commission as qualified to audit local government accounts.

Exhibit 4-34 provides the names of the LEAs external auditors for audit reports issued in the last three years.

Exhibit 4-34 External Audit Firms for LEAs in Halifax County

Halifax County Schools				
Fiscal Year	2007	2008	2009	2010
Issued	2/20/2009	7/15/2011	7/15/2011	3/30/2012
By	Cherry, Bekaert & Holland, LLP	Cherry, Bekaert & Holland, LLP	Cherry, Bekaert & Holland, LLP	Anderson Smith & Wike PLLC
Roanoke Rapids Graded School District				
Fiscal Year	2009	2010	2011	
Issued	9/4/2009	9/17/2010	9/7/2011	
By	Norris, Stewart & Ralston, PA	Anderson Smith & Wike PLLC	Anderson Smith & Wike PLLC	
Weldon City Schools				
Fiscal Year	2009	2010	2011	
Issued	10/12/1009	10/18/2010	11/7/2011	
By	Norris, Stewart & Ralston, PA	Anderson Smith & Wike PLLC	Anderson Smith & Wike PLLC	

Source: Compiled by Evergreen Solutions, 2012.

The external auditor's report provides an opinion on whether the information presented in the financial reports is correct and free from material misstatements. The types of opinions that can be issued include the following:

- **Unqualified:** Issued by an auditor when the financial statements are free of material misstatements and are represented fairly in accordance with the Generally Accepted Accounting Principles (GAAP), which in other words means that the company's financial condition, position, and operations are fairly presented in the financial statements.
- **Qualified:** Issued when the auditor encountered one of two types of situations that do not comply with GAAP, however the rest of the financial statements are fairly presented. The two types of situations which would cause an auditor to issue this opinion over the Unqualified opinion are:
 - Single deviation from GAAP –one or more areas of the financial statements are misstated or do not conform to GAAP, but do not affect the rest of the financial statements from being fairly presented, when taken as a whole.
 - Limitation of scope - the auditor could not audit one or more areas of the financial statements, and although the auditor could not verify the area(s), the auditor did examine the rest of the financial statements and they conform to GAAP.



- **Adverse:** Issued when the auditor determines that the financial statements of an auditee are materially misstated and, when considered as a whole, do not conform to GAAP.
- **Disclaimer:** Issued when the auditor tried to audit an entity but could not complete the work due to various reasons and does not (will not) issue an opinion.

In addition to rendering an opinion, the auditor identifies both material weaknesses and significant deficiencies that could impact the accuracy and completeness of financial statements. The following statements from the auditor's letter to the LEAs describes the various types of material weaknesses and significant deficiencies.

Internal Control – Financial Reporting

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

*A **material weakness** is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.*

*A **significant deficiency** is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.*

Internal Control – Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis.

*A **material weakness** in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on timely basis.*

*A **significant deficiency** in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.*

Because all three of the Halifax County LEA's expend more than \$500,000 per year in federal funds, the auditors are required to conduct the audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United



States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act.

Therefore, auditors conduct tests of the entities compliance with certain provisions of laws, regulations, contracts and grant agreements. Noncompliance in one of these areas could have a direct and material effect on the amounts shown in the financial statements.

Exhibit 4-35 presents a summary of the audit findings for the LEAs.

FINDING

None of the financial documents of the Halifax County LEAs are available on the LEA websites.

While the LEAs provided most of the financial statements and budget documents to the review team electronically, in some instances, only paper documents were provided. In most instances, the LEAs provided scanned versions of paper documents. As such, the table of contents were not hyperlinked within the document and the reader could not activate a word search for key items of interest.

For there to be transparency in government operations, all pertinent financial statements and proposed and approved budgets need to be available in a form and format that will allow the public the opportunity to read and study the documents.

Requiring the public to file a Freedom of Information Act request to obtain copies of pertinent financial information creates unnecessary barriers.

RECOMMENDATION

Recommendation 4-10:

Place all financial statements and budget versions on the LEA websites in a timely manner.

Convert the files to pdf using a version that allows indexing and search capabilities.

FISCAL IMPACT

Since some of the documents provided by the LEAs were given to the Evergreen Review Team in a pdf format that contained these capabilities, there should be no cost associated with implementing this recommendation.

FINDING

The budget documents of the three Halifax County LEAs are difficult to read and understand. A LEA's budget is most effective when it is useful to both staff and the community at-large in understanding the LEA's inner workings. A budget document has three major purposes:



**Exhibit 4-35
Compilation of Halifax County School Districts
Audit Results for Financial Statements and Federal Awards**

Category	Roanoke Rapids			Weldon			Halifax				
	2009	2010	2011	2009	2010	2011	2007	2008	2009	2010	2011
Issue Date	9/4/2009	9/17/2010	9/7/2011	10/12/1009	10/18/2010	11/7/2011	2/20/2009	7/15/2011	7/15/2011	3/30/2012	
External Audit Opinion Issued	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Disclaimer	Disclaimer	Disclaimer	Disclaimer	
Total Unduplicated Count of Findings For Current Year	1	1	0	2	1	1	24	70	66	44	Not Yet Issued
Prior Year Findings Not Addressed?	0	1	0	0	0	0	17	40	70	46	
Material Weakness (es) identified?	No	No	No	No	No	No	Yes	Yes	Yes	Yes	
Number of Material Weaknesses	0	0	0	0	0	0	12	37	34	28	
Topic (s) of Weaknesses	N/A	N/A	N/A	N/A	N/A	N/A	Many	Many	Many	Many	
Corrective action taken?	N/A	N/A	N/A	N/A	N/A	N/A	No	No	No	Some	
Significant Deficiencies Not Considered Material Weaknesses	Yes	Yes	No	Yes	No	Yes	No	Yes	Yes	Yes	
Number of Significant Deficiencies	1	1	0	2	0	1	0	17	15	7	
Topic of Deficiencies	Childcare Separation of duties	Childcare Separation of duties	N/A	Child Nutrition Applicant Income Verification	N/A	General Fund Expenditures Exceeded Budget	N/A	Many	Many	Many	
Corrective action taken?	No	Yes	N/A	Yes	N/A	TBD	N/A	No	No	Some	
Non-Compliance Material to Financial Statements Noted?	No	No	No	No	Yes	No	Yes	Yes	Yes	Yes	Not Yet Issued
Number of Material Non-Compliance Issues	0	0	0	0	1	0	18	47	43	26	
Topic (s) of Material Non-Compliance	N/A	N/A	N/A	N/A	Deficit Food Service Fund Balance	N/A	Many	Many	Many	Many	
Corrective action taken?	N/A	N/A	N/A	N/A	Yes	N/A	No	No	No	Some	

Source: Compiled by Evergreen Solutions from Comprehensive Audited Financial Statements, 2012.



- a communications device;
- a policy document; and
- a financial plan.

Budget documents developed by LEAs are varied and customized for each LEA's needs and desires. The budgets for many school systems include multi-year comparative data in easy to understand formats that provide useful information to readers. To enable readers to easily understand the budget many LEAs include graphs, charts, and narrative that explain all the numbers.

Best practices budgets include sections such as:

- an introduction that provides information on the school board, a transmittal letter and a budget summary that includes messages from the board chair and superintendent; charts, graphs and narrative on revenues, expenditures, staffing, enrollment; and an explanation of the budget process and other explanatory information;
- a section on organization that includes an LEA's vision and mission statement, organization charts, and budget calendar;
- a section providing financial summaries for funds, expenditures by objects, functions, departments and schools, multi-year history of positions, projected revenues, and history of fund balances. (Easily understood schedules for each department and school that present budgeted amounts by summarized categories such as salaries, benefits, operating and capital with comparisons shown for the year to the previous two to three years so that a reader can easily see the trends);
- individual subsections for programs, schools, and departments that show multi-year data for staffing, expenditures, achievements and goals for the budget year;
- sections for grant funds, child nutrition, and capital improvement plans; and
- an information section that includes history of per pupil expenditures, ratios of staff to student enrollments, teacher to student ratios, comparisons to peer LEAs and state averages, salary schedules, insurance coverages, and glossary of terms.

The Association of School Business Officials (ASBO) and the Government Finance Officers Association (GFOA) are two national organizations that promote excellence in the form, content and presentation of budget documents. The following is a list of sample criteria for ASBO-certified budget documents:

- table of contents that identifies major budget sections;
- executive summary that presents an overview of key initiatives and financial priorities;
- background and current information about the LEA, its mission and its goals;
- organization charts;
- overview of the budget process; and
- graphs and charts to facilitate understanding and illustrate key financial information.



Many LEAs across the country use the criteria to apply for awards these organizations grant, but some use it primarily to improve their budget document's content, format and presentation. LEAs have an opportunity to "tell their story" when their budgets communicate what is behind and beyond the numbers. ASBO promotes excellence in the school business management profession through entity award and recognition programs, and it provides an excellent source for training materials in developing budgets and financial reports.

RECOMMENDATION

Recommendation 4-11:

Improve the LEA’s budget document and, in time, submit it for review to the Association of School Business Officials and the Government Finance Officers Association for continued improvement.

Improving each LEA’s budget document to include summary comparative information by departments and schools, summary comparative information for positions and other useful information will take time. But the time spent will enable the board and community to better understand how taxpayer dollars are being used in educating students in Halifax County.

Submitting the budget document to either the GFOA or ASBO for review and comment will enable the LEAs to continue to make each LEA’s budget document a more useful tool.

FISCAL IMPACT

The fiscal impact of this recommendation is based on the cost of submitting the LEA’s budget document to the Association of School Business Officials and the Government Finance Officers Association for review and comment. GFOA has a sliding scale based on the dollar amount of the budget and GFOA membership, therefore the amount show is subject to change.

Recommendation	LEA	2012-13	2013-14	2014-15	2015-16	2016-17
Improve Budget Document	HCS	\$0	(\$600)	(\$600)	(\$600)	(\$600)
	RRGSD	\$0	(\$600)	(\$600)	(\$600)	(\$600)
	WCS	\$0	(\$600)	(\$600)	(\$600)	(\$600)

FINDING

While HCS has clearly experienced egregious problems relating to financial reporting and auditing, the other two LEAs in Halifax County have also had issues identified in the annual audits that require close follow up and monitoring. As discussed above, auditors could not form an opinion related to the HCS financial statements issued since 2007. Further, the auditors issued the reports from one to three years after the fiscal year end, which is directly contrary to North Carolina General Statutes § 115C-447. Annual Independent Audit noted above.

The FY 2007 CAFR issued in February 2009 clearly states that HCS had a deficit fund balance in 2006, which worsened in 2007. In addition to pure mismanagement and massive deficits, the findings in the FY 2007 through FY 2010 reports detail numerous, and apparently long-standing, violations of the North Carolina General Statutes. The other two LEAs in Halifax County have also experienced some financial reporting difficulties, as evidenced by the auditor's findings.

In a note to the WCS 2011 financial statements, an issue relating to financial management surfaced in WCS:

At June 30, 2011 the Board had a contingent liability for a claim made by a local charter school seeking equitable distribution of their per pupil share of all money contained in the Board's local current expense fund for the prior three years. The school has demanded approximately \$617,000 in back payments. However, management of the Board, in conjunction with their legal counsel, is currently working to determine the amount of potential liability and to evaluate whether there are any available defenses. Due to the uncertainties surrounding this matter, no liability has been recorded in the Board's June 30, 2011 financial statements.

In a note to the RRGSD 2011 financial statements, a similar issue is noted:

At June 30, 2011 the Board had a contingent liability for a claim made by a local charter school seeking equitable distribution of their per pupil share of all money contained in the Board's local current expense fund for the prior three years. The school has demanded approximately \$253,000 for the 2006-07 through 2008-09 school years and an unspecified amount for the 2009-10 school year. However, management of the Board, in conjunction with their legal counsel, is currently working to determine the amount of potential liability and to evaluate whether there are any available defenses. Due to the uncertainties surrounding this matter, no liability has been recorded in the Board's June 30, 2011 financial statements.

Similarly, the HCS auditor made the following note in the FY 2009 Financial Statements:

Charter School Settlements – On March 2, 2011 the Board entered into a settlement agreement with Kipp Gaston College Preparatory School under which the Board agreed to pay the amount of \$255,521 to the charter school in thirty-six (36) equal installments of \$7,098. The first installment will be made in August of 2011 with the final payment projected to be in July 2014.

Charter School Settlements – On March 7, 2011 the Board entered into a settlement agreement with Rocky Mount Preparatory School under which the Board agreed to pay the amount of \$320,741 to the charter school in thirty-six (36) equal installments of \$8,909. The first installment will be made in April 2011 with the final payment projected to be in July 2014.

Charter School Settlements – On March 7, 2011 the Board entered into a settlement agreement with the Haliwa-Saponi Tribal School under which the Board agreed to pay the Haliwa-Saponi Tribal School the amount of \$217,616 in thirty (36) equal installments of



\$6,045. The first installment will be made in August 2011 with the final payment projected to be in July 2014.

These types of settlements and pending actions by charter schools would be unnecessary and far less costly if the LEAs proactively addressed these issues.

In addition to the formal audit documents, auditors also often produce management letters, which are not a part of the audit reports, but alert the LEA to other issues identified during the audit that do not rise to the level of an audit finding. These letters are not typically public documents, but can provide insights into the competency and rigor of management oversight if shared with Commissioners.

Although micro-management of the school systems is not suggested, the Halifax County Commissioners have the authority to provide budget oversight.

§ 115C-429. Approval of budget; submission to county commissioners; commissioners' action on budget.

(c) The board of county commissioners shall have full authority to call for, and the board of education shall have the duty to make available to the board of county commissioners, upon request, all books, records, audit reports, and other information bearing on the financial operation of the local school administrative unit.

(d) Nothing in this Article shall be construed to place a duty on the board of commissioners to fund a deficit incurred by a local school administrative unit through failure of the unit to comply with the provisions of this Article or rules and regulations issued pursuant hereto, or to provide moneys lost through misapplication of moneys by a bonded officer, employee or agent of the local school administrative unit when the amount of the fidelity bond required by the board of education was manifestly insufficient. (1975, c. 437, s. 1; 1981, c. 423, s. 1.)

As noted, the County Commissioners do not have the duty of find deficits or failures or to provide moneys lost through misapplication of funds. During interview with some Commissioners, it was apparent that the Commissioners were very concerned about HCS' financial difficulties but felt they had little power to intervene. Rather, the statute appears to provide the Commissioners authority to call for information, and the boards of education have the duty to provide the requested information.

RECOMMENDATION

Recommendation 4-12:

Implement a formal mechanism whereby the LEAs regularly report to the County Commissioners on financial management and reporting activities, and provide feedback on actions taken in regard to any audit deficiencies.



This recommendation should in no way be construed as giving the county authority to micro-manage the LEA budgets or financial management activities. Rather, the intent is to establish a formal process whereby the LEAs regularly provide financial reports and copies of audit findings to the Commissioners, and the Commissioners require thorough explanations for overspending of budgets and audit findings.

In addition, the Commissioners should require and expect the LEAs to explain the reasons behind auditor findings in both the auditor's report and management letters and the associated corrective actions. When the corrective actions are complete, the LEAs should give Commissioners a formal response showing the actions taken.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Maintaining three separate Finance Offices in the LEAs is not efficient; each LEA could benefit from additional expertise and school finance management experience.

Finance Officers in North Carolina LEAs are legislatively mandated positions.

§ 115C-435. School finance officer.

Each local school administrative unit shall have a school finance officer who shall be appointed or designated by the superintendent of schools and approved by the board of education, with the school finance officer serving at the pleasure of the superintendent. The duties of school finance officer may be conferred on any officer or employee of the local school administrative unit or, upon request of the superintendent, with approval by the board of education and the board of county commissioners, on the county finance officer. In counties where there is more than one local school administrative unit, the duties of finance officer may be conferred on any one officer or employee of the several local school administrative units by agreement between the affected superintendents with the concurrence of the affected board of education and the board of county commissioners.

§ 115C-436. Duties of school finance officer.

(a) The school finance officer shall be responsible to the superintendent for:

- (1) Keeping the accounts of the local school administrative unit in accordance with generally accepted principles of governmental accounting, the rules and regulations of the State Board of Education, and the rules and regulations of the Local Government Commission.*
- (2) Giving the preaudit certificate required by G.S. 115C-441.*



- (3) *Signing and issuing all checks, drafts, and State warrants by the local school administrative unit, investing idle cash, and receiving and depositing all moneys accruing to the local school administrative unit.*
- (4) *Preparing and filing a statement of the financial condition of the local school administrative unit as often as requested by the superintendent, and when requested in writing, with copy to the superintendent, by the board of education or the board of county commissioners.*
- (5) *Performing such other duties as may be assigned to him by law, by the superintendent, or by rules and regulations of the State Board of Education and the Local Government Commission.*

North Carolina State Board of Education Policy TCS-N-000 regarding Professional Certification Program for NC School Finance Officers provides the following education and experience requirements:

2.1 Education and Experience

After June 30, 1986, the minimum qualifications of candidates for finance officer are three years of professional experience in a business-related field combined with one of the following:

- a. *a baccalaureate degree from an accredited four-year college or university with a concentration in a business-related curriculum (accounting, finance, or business administration, etc.) including a minimum of 9 semester hours in accounting, or*
- b. *a baccalaureate degree in a non-related concentration with a minimum of 24 semester hours of business-related courses, 18 hours of which must be in the courses specified in Section 2.2, or*
- c. *a graduate degree in a business-related field, or*
- d. *a Certified Public Accountant licensed in North Carolina.*

Section 3.5 goes on to list continuing education requirements following certification as a School Finance Officer:

All certified finance officers must complete 24 contact hours of approved CPE credits during each fiscal year. Any CPE hours earned in excess of the 24 hour requirement (up to a maximum of 24 hours) may be carried forward only to the next fiscal year.

The HCS and RRGSD Finance Officers were in the process of applying for and completing the requirements for certification at the time of on-site work in the County. The HCS Finance Officer has been in her position for about a year and a half and was previously the Assistant Finance Officer. The RRGSD Finance Officer, who came to the RRGSD within the last few months, said he has experience in a school district. He came to RRGSD, however, from a finance position in a



mental health facility. The Finance Officer in WCS is the most experienced of the group, with 20 years in the LEA and six years in her current position.

HCS has brought in external experts to provide assistance to the LEA and the external auditors during this rebuilding process. In addition to providing technical guidance, these experts are performing some functions, such as assisting staff to reconcile many years of bank statements and working with the General Ledger. During the process, these experts are also training staff to perform the functions to which they are assigned.

HCS officials said they are very encouraged about the progress being made in the department; however, the ability of HCS to sustain that progress once the experts have completed their tasks will be the true test.

Each of the LEAs maintains payroll, accounts payable and purchasing functions, with limited personnel. For the most part, all use similar computer systems and programs, but with different processing cycles and dates. The State mandates many of the accounting codes, functions and systems, making it possible for some centralized processing within the county.

All three LEAs said they make the majority of their purchases using NC e-Procurement, North Carolina's online purchasing system used by State Agencies and institutions, Community Colleges, public schools, universities, and local governments. Some of the Child Nutrition staff indicated that they use cooperative purchasing arrangements with specific organizations or groups, while others do not. Significant savings are often possible through such arrangements.

There are instances, however, where competitive bids are required – such as purchases related to capital improvements. In those instances, LEAs need someone with experience and a working knowledge of the bidding and contracting processes.

RECOMMENDATION

Recommendation 4-13:

Hire one full-time Finance Officer to provide oversight and expertise to all three LEAs, and when possible, centralize processing functions and eliminate duplicative positions.

As discussed in § 115C-435 above, by agreement, the LEAs can appoint a single individual to act as the Finance Officer for all three LEAs. The position should be posted so that any one of the individuals in the current position of Finance Officer may apply, as well as individuals from outside the LEAs. The requirements should be developed collaboratively, with agreements in advance about the number of hours that the person would spend in each LEA. The hiring decision should also be collaborative.

Each LEA should retain a position of Assistant Finance Officer to carry out day-to-day operations. Both HCS and RRGSD have adequate staff to appoint an Assistant Finance Officer from within existing staff. WCS has only limited finance staff, and therefore would need to hire or appoint a person to fill the role of Assistant Finance Officer.



With one individual having oversight of the financial services, including payroll, purchasing, accounts payable and the like, opportunities for cooperative purchasing or shared services may be possible.

FISCAL IMPACT

Assuming the newly created position will make \$80,000 annually, the full cost to the three districts with benefits of 33 percent of total salary (\$26,400) would be \$106,400. Additionally, it is assumed that the position would be paid a travel stipend of \$5,000 to compensate him or her for the travel between districts, thereby bringing the total to \$111,400. For estimating purposes, the costs are allocated as follows: 40 percent to HCS, and 30 percent each to RRGSD and WCS. For the elevating an existing staff person to the position of Assistant Finance Officer, an increase in salary of \$10,000 annually is estimated for RRGSD and HCS. For WCS, a new position is estimated with a base rate of \$35,000 annually, plus 33 percent benefits.

Further, if cooperative purchasing and greater levels of bidding and contracting expertise are available to all three LEAs, it is reasonable to assume that the cost for supplies and services can be reduced. For estimating purposes, the assumption is that 90 percent of the LEA budgets are for staff salaries and benefits, with the other 10 percent attributed to purchases of supplies, materials and equipment. If the LEA could achieve savings of even 0.25 percent of total purchases through cooperative purchasing and greater levels of bidding and contracting expertise, savings would result as follows:

Element	HCS	RRGSD	WCS
10% of 2011 Expenditures (rounded) Purchased	\$4,300,000	\$2,600,000	\$1,400,000
Possible Percent Saved	0.25%	0.25%	0.25%
Dollar Amount Saved	\$10,750	\$6,500	\$3,500

The breakout of estimated costs and savings are shown below:

LEA	Eliminate Current Finance Officer Salary + 33 % Benefits	Add Allocated Cost for Shared Finance Officer Position + 33 % Benefits and Travel	Salary or Salary Increase for New Assistant Finance Officer Position + 33 % Benefits	Savings in the Price of Purchased Good	Net Savings (Costs) for Implementing a Shared Finance Officer Position
HCS	\$102,288	(\$44,560)	(\$13,300)	\$10,750	\$55,178
RRGSD	\$99,128	(\$33,420)	(\$13,300)	\$6,500	\$58,908
WCS	\$81,339	(\$33,420)	(\$46,550)	\$3,500	\$4,869

As payroll, accounts payable and purchasing functions can be shared among the LEAs, the estimate assumes that at least one position in each LEA can be eliminated as duplicative positions. Both HCS and RRGSD should be able to eliminate one position each in the second year of implementation and WCS in the third year, at an estimated rate of \$35,000 per position, plus 33 percent benefits, for total savings of \$46,550 annually thereafter.



Recommendation	LEA	2012-13	2013-14	2014-15	2015-16	2016-17
Hire One Full-time Finance Officer for Three LEAs	HCS	\$0	\$55,178	\$55,178	\$101,728	\$101,728
	RRGSD	\$0	\$58,908	\$58,908	\$105,458	\$105,458
	WCS	\$0	\$4,869	\$4,869	\$4,869	\$51,419

FINDING

When asked about investments, two of the three Halifax County LEAs said they did not have enough money in the bank to worry about investments, although according to the most recent CAFRs, all three of the LEAs reported having more than \$1 million on deposit with banks or savings and loans at the end of the fiscal year.

All three LEAs have an investment policy that stipulates the acceptable types of investment instruments, but most have chosen to leave the majority of excess funds in the State Treasurer's Short Term Investment Fund (STIF).

HCS's 2010 CAFR contained the following statement regarding deposits and investments:

At June 30, 2010, the Board had deposits with banks and savings and loans with a carrying amount of \$2,381,967 and with the State Treasurer of \$0. The bank balances with the financial institutions and the State Treasurer were \$2,397,886 and \$3,055,966, respectively. Of these balances, \$252,254 was covered by federal depository insurance and \$5,201,598 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

At June 30 2010, the Board had \$53,491 invested with the State Treasurer in the Short Term Investment Fund (STIF). The STIF is unrated and had a weighted average maturity of 1.6 years at June 30, 2010. The Board has no policy for managing interest rate risk or credit risk.

RRGSD's 2011 CAFR contained the following statement regarding deposits and investments:

On June 30, 2011, the Board had deposits with banks and savings and loans with a carrying amount of \$2,636,665 and the State treasurer of \$0. The bank balances with the financial institutions and the State Treasurer were \$3,264,828 and \$135,282, respectively. Of these balances, \$409,642 was covered by federal depository insurance and \$2,990,468 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

On June 30, 2011, the Board had \$168,569 invested with the North Carolina Capital Management Trusts's Cash Portfolio which carried a credit rating of AAAM by Standard and Poor's. There was \$670, 438 invested with the State Treasurer in the Short Term Investment Fund (STIF). The STIF is unrated and had a weighted average maturity of 1.9 years at June 30, 2011. The Board has no policy for managing interest rate risk or credit risk.



WCS's 2011 CAFR contained the following statement regarding deposits and investments:

At June 30, 2011, the Board had deposits with banks and savings and loans with a carrying amount of \$1,251,182 and with the State Treasurer of \$0. The bank balances with the financial institutions and the State Treasurer were \$1,340,462 and \$214,189, respectively. Of these balances, \$296,087 was covered by federal depository insurance and \$1,258,564 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

With interest rates at a low, keeping the money in the STIF accounts may result in equal or better rates than other institutions. Money left on deposit with the State Treasurer, however, does not accumulate interest. Ensuring that any excess cash earns a reasonable rate of interest for the LEAs can provide additional resources during tight budgetary times.

RECOMMENDATION

Recommendation 4-14:

Examine the cash on hand in the LEAs at any given time versus the current needs, and make investment decisions that will result in a reasonable rate of interest on excess cash.

The purpose of this recommendation is to make the LEAs aware that even though it is a struggle to balance budgets, at any given point of time there is excess cash that could and should be moved into interest bearing accounts.

Making good investment decisions begins with accurate cash flow forecasting—charting the amount of money you plan to spend each day, month, and year, and estimating the amount of revenue you expect to receive from each source and when you expect to receive it.

Once interest rates begin to climb again, a difference of even .5 percentage points in interest can mean additional revenues for the days that that money can be invested.

FISCAL IMPACT

Due to the current interest rates, no savings are estimated at this time, although savings could be substantial once the economy improves.

FINDING

Grant writing as well as grant management and monitoring is decentralized in the three LEAs in Halifax County.

As shown in **Exhibits 4-25** through **4-27**, revenues from state and federal grant sources represent a significant portion of the district's overall revenues.

Based on interviews, it appears that the departments and individuals that are charged with programmatic execution of the terms and conditions of the grant are also the individuals who are



charged with monitoring and tracking the grant, with few exceptions. Each LEA has a designated Title I Coordinator, and financial staff are charged with monitoring the funding flows to ensure that the money is being spent in accordance with the basic grant guidelines. The superintendents and assistant superintendents also appear to have a role in insuring that the grant funds are used effectively.

RRGSD has an Executive Director of Federal Programs, who, according to the job description:

...performs a variety of supervisory and administrative tasks in developing and administering the operations for all district's Federal and Special Services programs according to federal, state and local guidelines. Employee directs and coordinates the implementation of the Title I program, providing help to eligible schools in preparing their plans, maintaining appropriate documentation, and maintaining their budget, and ensuring adherence to federal, state and local policies and procedures. Employee also directs and coordinates the implementation of other federal programs including Title II, and other related programs. This employee reports to the Superintendent.

In HCS, auditors cited a number of instances where HCS had violated the terms and conditions of state and federal grants, and although efforts are underway to remedy those control weaknesses, sustaining control will require oversight by an individual with knowledge of the grants and programs.

The three LEAs acted collaboratively in securing the GoldenLEAF Community Assistance Initiative Grant that allowed for the purchase of SMART boards, document cameras, teacher laptops and professional development for all core subject area classrooms. Yet, none of the LEAs indicated that they have an individual charged with grant writing or oversight of the grant writing efforts for all departments.

The RRGSD Superintendent said that he had hoped to collaborate with either or both WCS and HCS on another grant opportunity, but he was unable to obtain their support. He indicated that the other LEAs intended to pursue the grant independently. While there may be good reason to pursue some grants independently, there may also be benefits to or even grant requirements for collaboration among LEAs or other external organizations.

RECOMMENDATION

Recommendation 4-15:

Centralize all grant reporting, monitoring and claiming functions for the three LEAs under a single Grants and Special Revenue Specialist.

The position of Grants and Special Revenue Specialist is a finance/audit-related function and as such, should be housed in Finance. The individuals who perform the programmatic functions associated with the grants or special revenues should work with the specialist to ensure that funds are maximized and all recordkeeping can withstand audit. Hiring this individual will not eliminate the need for participation by program staff, but rather will ensure that all program staff are aware of the requirements and are maintaining the appropriate records.



Additionally, this individual should assist the leadership in the LEAs by identifying and assisting in the writing of grants for the LEAs separately or collaboratively.

The individual selected for this position should have extensive knowledge of school and education related grants, including accounting, reporting, claiming, budget and revenue projections, as well as grant maximization strategies and the programmatic issues that impact the execution of these grants.

FISCAL IMPACT

The fiscal impact assumes that the salary for this position would be \$60,000 annually, plus 33 percent for benefits, bringing the total salary estimate to \$79,800 annually. In addition, a mileage stipend of \$5,000 is estimated for the individual's travel among the LEAs, bringing the total cost to \$84,800 annually. For estimating purposes, the costs are allocated as follows: 40 percent to HCS (\$33,920), and 30 percent each to RRGSD and WCS (\$25,440).

Additionally, it is assumed that through better coordination and effort, HCS should conservatively realize an additional \$150,000 in grant revenues, with the other two LEAs realizing an additional \$100,000 annually. Costs are estimated to begin in the first year of implementation, with savings estimated to begin in the second year of implementation. Net of costs and savings are therefore shown in FY 2013-24 through 2016-17.

If after two years the LEAs do not realize the estimated savings, a more effective person should be sought to fill the position.

Recommendation	LEA	2012-13	2013-14	2014-15	2015-16	2016-17
Centralize all Grant Reporting, Monitoring and Claiming Functions Under a Grants and Special Revenue Specialist	HCS	(\$33,920)	\$116,080	\$116,080	\$116,080	\$116,080
	RRGSD	(\$25,440)	\$74,560	\$74,560	\$74,560	\$74,560
	WCS	(\$25,440)	\$74,560	\$74,560	\$74,560	\$74,560

4.5 TRANSPORTATION

Transportation is a vital support service that demands sound management due to the large capital investment in bus fleets and annual expenditures required for maintenance and operation. The goal of any school transportation operation is to timely transport students safely to and from school and other school related activities. Although numerous state regulations govern transportation services, districts have the flexibility of establishing procedures that can enhance operations such as setting bell schedules, designing efficient routes and establishing sound maintenance procedures.



School bus transportation in North Carolina is a function of the local education agency (LEA). The board of education in each county or city school system is responsible for developing, implementing and enforcing most of the policies associated with a child's school bus ride to and from school. North Carolina General Statutes regarding school transportation are found in Article 17 of Chapter 115C, Sections 239-262.

The three LEAs in Halifax County operate a centralized bus maintenance and fueling operation under the leadership of the Halifax County Schools (HCS), while routing and drivers for HCS, Roanoke Rapids Graded School District (RRGSD) and Weldon City Schools (WCS) is a function of the individual LEAs. With only one exception in RRGSD, HCS owns all yellow buses used for transporting students to and from school throughout Halifax County. Ownership has reverted to HCS over time. As the State replaces aging buses owned by RRGSD or WCS, ownership of the replacement buses reverts to HCS.

The individual LEAs own the activity buses, often referred to as white buses. The State does not fund white buses, consequently the LEAs use local funds to purchase, replace, maintain and fuel these buses. If HCS performs any maintenance or fueling for any of the activity buses, HCS charges the individual LEAs for the cost of these services on a cost reimbursement basis.

School bus transportation is funded through a combination of federal, state and local funds. The North Carolina Department of Instruction (NCDPI) administers an allotment each year to the school systems in the state for the operation of student transportation programs. NCDPI also pays for replacement regular Yellow buses when route school buses reach age (20 years) or mileage limits (200,000).

Each LEA in Halifax County receives state funding for its drivers; however, HCS receives the bulk of funding for its role in operating the bus garage and providing fuel for the buses.

Exhibits 4-36 through 4-38 provide the state's transportation funding computations by LEA. As shown, funding for HCS and WCS increased over the last three years, whereas funding for RRGSD declined.

Exhibit 4-39 shows the staffing for transportation in each of the LEAs.

The Director of Transportation evaluates all central office employees. Mechanics are assigned to maintain all buses at specific schools. The Shop Foreman is also assigned to work on specific vehicles, but primarily assists the director where needed, and provides leadership and technical expertise to the mechanics.

The Bus Garage consists of two buildings and a fenced lot where buses can be stored. Regular buses are parked at the schools they serve during the school year and are brought back to the lot behind the garage during the summer, when they are checked and repaired. One activity bus is parked at each middle school, and one-half of the remaining activity buses are parked at each high school. One very old activity bus is kept at the Bus Garage as a spare in case of an emergency.



Exhibit 4-36
Halifax County Schools
Transportation Funding Computations
2009-10 through 2011-12 School Years

	2009-10	2011-11	2011-12	Change from 2010 to 2012	% Change from 2010 to 2012
LEA Funding DATA - (City/County Separated)					
Base Data:					
(1a) Eligible State Expenditures:	\$1,747,523	\$1,590,164	\$1,734,348	-\$13,175	-0.8%
(1b) Eligible Local Expenditures. Allowing for total increased expenditures corresponding to growth in ADM and legislated increases plus an additional amount up to \$300,000.	\$0	\$0	\$0	\$0	0.0%
(1) Total Eligible Expenditures (1a +1b)	\$1,747,523	\$1,590,164	\$1,734,348	-\$13,175	-0.8%
(2) Total Number of Buses	103	105	101	-\$2	-1.9%
(3) September Student Count	3,939	3,411	3,592	-\$347	-8.8%
(4) Budget Rating 1 (existing formula, simulator)	95.70%	88.98%	99.13%	\$0	3.6%
(5) Transportation Simulator Funding (1) x (4)	\$1,672,380	\$1,414,928	\$1,719,259	\$46,880	2.8%
(6) Budget Rating 2 (Model Rating)	94.63%	92.57%	98.43%	\$0	4.0%
(7) Model Run Funding (1) x (6)	\$1,653,716	\$1,471,982	\$1,707,037	\$53,321	3.2%
GREATER OF - BASE FUNDING FOR YEAR	\$1,672,380	\$1,471,982	\$1,719,259	\$46,879	2.8%
(9) Growth Adjustment (Based on ADM growth)	\$0	\$0	\$0	\$0	0.0%
(10) Legislative Adjustments	\$6,512	\$10,673	\$8,490	\$1,978	30.4%
* Increase - Drivers		n/a	n/a		
* Increase - Personnel		n/a	n/a		
* Social Security					
* Increase - Retirement	\$2,854	\$6,177	\$8,469		
* Increase - Hospitalization	\$3,658	\$4,496	\$21		
(11) Other Adjustments, If applicable:		n/a	\$0	\$0	0.0%
(11) Statewide \$15 million legislative cut, prorated according to eligible expenditures	-\$67,100	n/a	-\$38,457	\$28,643	-42.7%
(12) Fuel Cost Adjustments	-\$56,753	n/a	n/a	n/a	n/a
Total Funding for Year (8)+(9)+(10)+(11)+(12)	\$1,555,039	\$1,482,654	\$1,643,875	\$88,836	5.7%
* Funds returned to the state as part of the legislated discretionary reduction	n/a	n/a	\$0	n/a	n/a
Funds diverted to Charter Schools (<i>Note: Funds for existing charter schools have already been removed from the pupil transportation budget; reduction shown is only for new Charter School Students.</i>)	-\$4,135	-\$4,830	-\$7,303	-\$3,168	76.6%
Additional Fuel Adjustment 1 - To be distributed in Allotment Rev #18	n/a	n/a	n/a	n/a	n/a
Net Allotment less Charter School/ Discretionary Adjustment	\$1,550,904	\$1,477,824	\$1,636,572	\$85,668	5.5%

Source: North Carolina Department of Instruction Transportation Funding Information, 2009-10 through 2011-12.



Exhibit 4-37
Roanoke Rapids Graded School District
Transportation Funding Computations
2009-10 through 2011-12 School Years

	2009-10	2011-11	2011-12	Change from 2010 to 2012	% Change from 2010 to 2012
LEA Funding DATA - (City/County Separated)					
Base Data:					
(1a) Eligible State Expenditures:	\$216,660	\$245,923	\$239,968	\$23,308	10.8%
(1b) Eligible Local Expenditures. Allowing for total increased expenditures corresponding to growth in ADM and legislated increases plus an additional amount up to \$300,000.	\$54,089	\$8,334	\$6,175	-\$47,914	-88.6%
(1) Total Eligible Expenditures (1a +1b)	\$270,749	\$254,258	\$246,143	-\$24,606	-9.1%
(2) Total Number of Buses	12	12	12	\$0	0.0%
(3) September Student Count	841	698	807	-\$34	-4.0%
(4) Budget Rating 1 (existing formula, simulator)	95.70%	88.98%	99.13%	\$0	3.6%
(5) Transportation Simulator Funding (1) x (4)	\$259,107	\$226,238	\$244,001	-\$15,106	-5.8%
(6) Budget Rating 2 (Model Rating)	94.63%	92.57%	98.43%	\$0	4.0%
(7) Model Run Funding (1) x (6)	\$259,107	\$235,366	\$242,278	-\$16,829	-6.5%
GREATER OF - BASE FUNDING FOR YEAR	\$259,107	\$235,366	\$244,001	-\$15,106	-5.8%
(9) Growth Adjustment (Based on ADM growth)	\$0	\$0	\$0	\$0	
(10) Legislative Adjustments	\$2,200	\$4,602	\$3,226	\$1,026	46.6%
* Increase - Drivers		n/a	n/a		
* Increase - Personnel		n/a	n/a		
* Social Security					
* Increase - Retirement	\$520	\$2,234	\$3,216		
* Increase - Hospitalization	\$1,680	\$2,338	\$10		
(11) Other Adjustments, If applicable:		n/a	\$0	\$0	0.0%
(11) Statewide \$15 million legislative cut, prorated according to eligible expenditures	-\$10,396	n/a	-\$6,446	\$0	0.0%
(12) Fuel Cost Adjustments	\$0	n/a	n/a		
Total Funding for Year (8)+(9)+(10)+(11)+(12)	\$250,911	\$239,968	\$240,781	-\$10,130	-4.2%
* Funds returned to the state as part of the legislated discretionary reduction	n/a	n/a	\$0	\$0	0.0%
Funds diverted to Charter Schools (<i>Note: Funds for existing charter schools have already been removed from the pupil transportation budget; reduction shown is only for new Charter School Students.</i>)	\$0	\$0	-\$7,303	-\$7,303	0.0%
Additional Fuel Adjustment 1 - To be distributed in Allotment Rev #18	n/a	n/a	n/a		
Net Allotment less Charter School/ Discretionary Adjustment	\$250,911	\$239,968	\$240,781	-\$10,130	-4.0%

Source: North Carolina Department of Instruction Transportation Funding Information, 2009-10 through 2011-12.



Exhibit 4-38
Weldon City Schools
Transportation Funding Computations
2009-10 through 2011-12 School Years

	2009-10	2001-11	2011-12	Change from 2010 to 2012	% Change from 2010 to 2012
LEA Funding DATA - (City/County Separated)					
Base Data:					
(1a) Eligible State Expenditures:	\$139,072	\$131,024	\$160,962	\$21,890	15.7%
(1b) Eligible Local Expenditures. Allowing for total increased expenditures corresponding to growth in ADM and legislated increases plus an additional amount up to \$300,000.	\$0	\$31,250	\$1,022	\$1,022	
(1) Total Eligible Expenditures (1a +1b)	\$139,072	\$162,274	\$161,984	\$22,912	16.5%
(2) Total Number of Buses	15	15	15	\$0	0.0%
(3) September Student Count	749	789	836	\$87	11.6%
(4) Budget Rating 1 (existing formula, simulator)	95.70%	88.98%	99.13%	\$0	3.6%
(5) Transportation Simulator Funding (1) x (4)	\$133,092	\$144,392	\$160,575	\$27,483	20.6%
(6) Budget Rating 2 (Model Rating)	94.63%	92.57%	98.43%	\$0	4.0%
(7) Model Run Funding (1) x (6)	\$131,603	\$150,217	\$159,441	\$27,838	21.2%
GREATER OF - BASE FUNDING FOR YEAR	\$133,092	\$150,217	\$160,575	\$27,483	20.6%
(9) Growth Adjustment (Based on ADM growth)	\$0	\$10,605	\$11,337	\$11,337	
(10) Legislative Adjustments	\$69	\$139	\$294	\$225	326.1%
* Increase - Drivers		n/a	n/a		
* Increase - Personnel		n/a	n/a		
* Social Security					
* Increase - Retirement	\$69	\$139	\$294		
* Increase - Hospitalization					
(11) Other Adjustments, If applicable:		n/a	\$0	\$0	0.0%
(11) Statewide \$15 million legislative cut, prorated according to eligible expenditures	-\$5,340	n/a	-\$4,242	\$0	0.0%
(12) Fuel Cost Adjustments	\$0	n/a	n/a		
Total Funding for Year (8)+(9)+(10)+(11)+(12)	\$127,820	\$160,962	\$167,964	\$40,144	24.9%
* Funds returned to the state as part of the legislated discretionary reduction	n/a	n/a	\$0	\$0	0.0%
Funds diverted to Charter Schools <i>(Note: Funds for existing charter schools have already been removed from the pupil transportation budget; reduction shown is only for new Charter School Students.)</i>	\$0	\$0	\$0	\$0	0.0%
Additional Fuel Adjustment 1 - To be distributed in Allotment Rev #18	n/a	n/a	n/a		
Net Allotment less Charter School/ Discretionary Adjustment	\$127,820	\$160,962	\$167,964	\$40,144	31.4%

Source: North Carolina Department of Instruction Transportation Funding Information, 2009-10 through 2011-12.



Exhibit 4-39
Transportation Staffing in the Halifax County LEAs

Position/Function	HCS	RRGSD	WCS
Head of Transportation for LEA	Maintenance and Transportation Director	Director of Maintenance and Transportation Services	High School Dean of Students/Transportation Director
Routine Yellow Bus Maintenance	5- Mechanics 1- Shop Foreman	HCS	HCS
Major Yellow Bus Maintenance	Contract Vendors	HCS	HCS
Purchasing and Parts Inventory	TIMS Coordinator/ Cost Clerk	HCS	HCS
Maintenance of Activity Buses (White Buses)	Same as Yellow Buses, but on cost reimbursement basis	Contractor	Director of Maintenance
New Yellow Bus Purchasing	HCS Purchases for all LEAs	HCS in Consultation with LEA	HCS in Consultation with LEA
New Activity Bus Purchasing	Board Decides and Director Coordinates Purchases	Board Decides Director of Maintenance and Transportation Services Purchases	Board Decides and Director of Maintenance Purchases
Bus Fueling	1 Fuel Truck Driver	HCS	HCS
Required Monthly Bus Inspections	HCS Mechanics, Foreman	HCS	HCS
TIMS Routing	TIMS Coordinator	Administrative Assistant/TIMS	Independent Contract*
TIMS Data Entry	TIMS Coordinator/ Cost Clerk	Administrative Assistant/TIMS prepares reports; sends some to HCS for state submission	State reports sent to HCS for submission.
Scheduling of Activity Buses	TIMS Coordinator	Assigned Maintenance Staff Person	Central Office Receptionist/Clerical Assistant
Drivers	Campus Based	Campus Based	Campus Based
Monitors	None	Campus Based	None

Source: Compiled by Evergreen Solutions, 2012.

* WCS contracts with the person holding the position of TIMS Coordinator in HCS, but the contract is not through HCS.

The main facility is a brick building with five bays—four are repair bays and one is a paint bay. In addition, a metal frame building houses another bay for tire changing. There is one lift for cars. Specially built jacks are used to raise school buses. The transportation staff service 199 district vehicles, including all district cars and trucks.

According to the HCS Maintenance and Transportation Director, the regular bus fleet consists of 119 regular yellow buses. HCS designates the regular buses to the LEAs as follows:

HCS	=	93 buses
RRGSD	=	11 buses
<u>Weldon</u>	=	<u>15 buses</u>
Total	=	119 buses



The State normally allows each LEA to have a spare regular bus inventory equal to ten percent of the total fleet of regular buses. Because of declining enrollment, HCS has accumulated 30 spare buses. In North Carolina, an LEA can park an unused bus until needed or can turn in a bus for credit that can then be used against the purchase of buses in the future. The Director indicated that HCS has, over the years, turned in many buses for credit as enrollment and ridership declined. Now, HCS has chosen to park the buses to be used as spares, as they feel that the LEAs will never be able to use the already accumulated credit. Of the 30 spare buses, two are ESS spares and 28 are ESP spares.

The definitions from the North Carolina School Transportation Fleet Manual are:

ESP - A bus titled to the LEA and was once authorized for use as a regular route bus, but because of current demands is not being utilized on a daily basis. At such time that the fleet is reviewed for bus replacements, a status ESP "parked" buses will not be included in the replacement pool. It can be used as a spare and will count towards the 10 percent spare fleet.

ESS - A bus titled to the LEA, having already been replaced by the state with a new bus, authorized for use as a spare bus when a regular route bus is not available due to mechanical failure or routine maintenance. ESS buses cannot be used for any other purpose.

HCS also owns a tow truck and a fueling truck, which HCS uses for towing and fueling regular buses countywide. The HCS garage also maintains other HCS vehicles, and other HCS vehicles use fuel from the tanks at the garage facility.

Exhibits 4-40 through 4-42 provide a summary of the North Carolina Transportation Service Indicators Reports for the last four school years.

FINDING

The cooperative arrangement whereby HCS is providing maintenance and fueling for all regular school buses in Halifax County is an efficient way to operate the regular bus transportation services for the County.

RRGSD and WCS are saving money because they are not required to own or operate separate bus garages or fueling stations. All LEAs indicated that the mechanics are responsive to calls related to breakdowns or repair needs.

HCS mechanics are all certified to perform and are performing the state-required monthly inspections, which benefits all three LEAs.

COMMENDATION

The LEAs in Halifax County are commended for forming and maintaining the efficient cooperative arrangement for countywide transportation services.



Exhibit 4-40
TIMS Service Indicators
State Average versus Halifax County Schools
2008-09 to 2011-12 School Years

Service Indicators	2008-09	2009-10	2010-11	2011-12	Change
Average Student Ride Time, AM (Minutes)					
State Average	24	23	23	22	-2
Halifax County Schools	25	24	24	24	-1
Average Distance to School, Riders (Miles)					
State Average	4.36	4.37	4.34	4.34	-0.02
Halifax County Schools	6.53	8.01	7.73	7.59	1.06
Average Distance to School, All Students (Miles)					
State Average	4.23	4.27	4.35	4.33	0.1
Halifax County Schools	6.71	8.01	7.76	7.61	0.9
Average of Longest 5% of Student Ride Times (Minutes)					
State Average	73	70	69	67	-6
Halifax County Schools	69	62	64	66	-3
Average Distance for Longest 5% of Ride Times (Miles)					
State Average	8.29	8.6	8.32	8.38	0.09
Halifax County Schools	7.97	13.37	13.42	13.32	5.35
Average of Student-to-Stop Distances < 1 Mile (Feet)					
State Average	445	470	469	476	31
Halifax County Schools	187	166	203	190	3
% of Stop Distances > .5 & < 1 Mile					
State Average	1.38	1.39	1.33	1.25	-0.13
Halifax County Schools	0.56	0.5	0.7	0.82	0.26
% of Stop Distances < 1 Mile = 0					
State Average	30.5	29.04	28.55	27.79	-2.71
Halifax County Schools	58.04	59.98	53.13	56.85	-1.19
Earliest Morning Pickup Time					
State Average*	5:51 AM	5:52 AM	5:52 AM	5:48 AM	3 mins earlier
Halifax County Schools	6:07 AM	6:03 AM	6:11 AM	5:46 AM	21 mins earlier
Arrival Time					
State Average*	7:45 AM	7:38 AM	7:40 AM	7:40 AM	5 mins earlier
Halifax County Schools	7:59 AM	7:10 AM	7:25 AM	7:25 AM	24 mins earlier
Percent of Routes with Multiple Runs from the Same School					
State Average	7.32	6.89	6.6	6.9	-0.42
Halifax County Schools	0	0	0	0	0



Exhibit 4-40 (Continued)
TIMS Service Indicators
State Average versus Halifax County Schools
2008-09 to 2011-12 School Years

Service Indicators	2008-09	2009-10	2010-11	2011-12	Change
Operations Choices Affecting Service					
School Start Times (First)					
State Average*	n/a	7:40 AM	7:40 AM	7:40 AM	n/a
Halifax County Schools	7:40 AM	7:30 AM	7:30 AM	7:30 AM	10 mins earlier
School Start Times (Last)					
State Average*	n/a	8:30 AM	8:30 AM	8:30 AM	n/a
Halifax County Schools	8:15 AM	8:00 AM	8:00 AM	8:00 AM	15 mins earlier
Range of School Start Times (Minutes)					
State Average	62	62	68	62	0
Halifax County Schools	35	30	30	30	-5
Average Number of Runs per Rte, PM					
State Average	1.64	1.65	1.68	1.71	0.07
Halifax County Schools	1	1	1	1	0
Percentage of Routes with More than One Run, PM					
State Average	47.27	47.01	48.27	48.95	1.68
Halifax County Schools	0	0	0	0	0

Source: Transportation Service Indicators Reports, 2008-09, 2009-10, 2010-11 and 2011-12.

*For Earliest Morning Pickup Time and Arrival Time, the State-wide values are the median.



**Exhibit 4-41
TIMS Service Indicators
State Average versus Roanoke Rapids Grade School District
2008-09 to 2011-12 School Years**

Service Indicators	2008-09	2009-10	2010-11	2011-12	Change
Average Student Ride Time, AM (Minutes)					
State Average	24	23	23	22	-2
Roanoke Rapids Graded School District	14	12	11	12	-2
Average Distance to School, Riders (Miles)					
State Average	4.36	4.37	4.34	4.34	-0.02
Roanoke Rapids Graded School District	1.79	1.72	1.68	1.79	0
Average Distance to School, All Students (Miles)					
State Average	4.23	4.27	4.35	4.33	0.1
Roanoke Rapids Graded School District	1.3	1.29	1.27	1.3	0
Average of Longest 5% of Student Ride Times (Minutes)					
State Average	73	70	69	67	-6
Roanoke Rapids Graded School District	37	30	28	32	-5
Average Distance for Longest 5% of Ride Times (Miles)					
State Average	8.29	8.6	8.32	8.38	0.09
Roanoke Rapids Graded School District	2.34	2.23	2.12	2.28	-0.06
Average of Student-to-Stop Distances < 1 Mile (Feet)					
State Average	445	470	469	476	31
Roanoke Rapids Graded School District	511	481	505	543	32
% of Stop Distances > .5 & < 1 Mile					
State Average	1.38	1.39	1.33	1.25	-0.13
Roanoke Rapids Graded School District	1.12	0.63	0.39	0.94	-0.18
% of Stop Distances < 1 Mile = 0					
State Average	30.5	29.04	28.55	27.79	-2.71
Roanoke Rapids Graded School District	11.94	12.44	11.69	10.23	-1.71
Earliest Morning Pickup Time					
State Average*	5:51 AM	5:52 AM	5:52 AM	5:48 AM	3 mins earlier
Roanoke Rapids Graded School District	6:26 AM	6:46 AM	6:41 AM	6:44 AM	18 mins later
Arrival Time					
State Average*	7:45 AM	7:38 AM	7:40 AM	7:40 AM	5 mins earlier
Roanoke Rapids Graded School District	7:00 AM	7:20 AM	7:15 AM	7:18 AM	18 mins later
Percent of Routes with Multiple Runs from the Same School					
State Average	7.32	6.89	6.6	6.9	-0.42
Roanoke Rapids Graded School District	8.33	0	0	0	-8.33



Exhibit 4-41 (Continued)
TIMS Service Indicators
State Average versus Roanoke Rapids Grade School District
2008-09 to 2011-12 School Years

Service Indicators	2008-09	2009-10	2010-11	2011-12	Change
Operations Choices Affecting Service					
School Start Times (First)					
State Average*	n/a	7:40 AM	7:40 AM	7:40 AM	n/a
Roanoke Rapids Graded School District	7:35 AM	7:35 AM	7:30 AM	7:30 AM	10 mins earlier
School Start Times (Last)					
State Average*	n/a	8:30 AM	8:30 AM	8:30 AM	n/a
Roanoke Rapids Graded School District	8:30 AM	8:30 AM	8:30 AM	8:30 AM	no change
Range of School Start Times (Minutes)					
State Average	62	62	68	62	0
Roanoke Rapids Graded School District	55	55	60	60	5
Average Number of Runs per Rte, PM					
State Average	1.64	1.65	1.68	1.71	0.07
Roanoke Rapids Graded School District	2.25	2.25	2.25	2.25	0
Percentage of Routes with More than One Run, PM					
State Average	47.27	47.01	48.27	48.95	1.68
Roanoke Rapids Graded School District	83.33	91.67	91.67	91.67	8.34

Source: Transportation Service Indicators Reports, 2008-09, 2009-10, 2010-11 and 2011-12.

*For Earliest Morning Pickup Time and Arrival Time, the State-wide values are the median.



Exhibit 4-42
TIMS Service Indicators
State Average versus Weldon City Schools
2008-09 to 2011-12 School Years

Service Indicators	2008-09	2009-10	2010-11	2011-12	Change
Average Student Ride Time, AM (Minutes)					
State Average	24	23	23	22	-2
Weldon City Schools	20	15	17	19	-1
Average Distance to School, Riders (Miles)					
State Average	4.36	4.37	4.34	4.34	-0.02
Weldon City Schools	3.81	3.76	3.77	3.84	0.03
Average Distance to School, All Students (Miles)					
State Average	4.23	4.27	4.35	4.33	0.1
Weldon City Schools	3.67	3.75	3.97	4.28	0.61
Average of Longest 5% of Student Ride Times (Minutes)					
State Average	73	70	69	67	-6
Weldon City Schools	37	53	56	54	17
Average Distance for Longest 5% of Ride Times (Miles)					
State Average	8.29	8.6	8.32	8.38	0.09
Weldon City Schools	8.01	9.36	7.96	7.7	-0.31
Average of Student-to-Stop Distances < 1 Mile (Feet)					
State Average	445	470	469	476	31
Weldon City Schools	234	254	303	240	6
% of Stop Distances > .5 & < 1 Mile					
State Average	1.38	1.39	1.33	1.25	-0.13
Weldon City Schools	0.37	0.82	0.97	0.31	-0.06
% of Stop Distances < 1 Mile = 0					
State Average	30.5	29.04	28.55	27.79	-2.71
Weldon City Schools	47.1	45.33	41.5	47.23	0.13
Earliest Morning Pickup Time					
State Average*	5:51 AM	5:52 AM	5:52 AM	5:48 AM	3 mins earlier
Weldon City Schools	6:12 AM	6:30 AM	6:28 AM	6:38 AM	26 mins later
Arrival Time					
State Average*	7:45 AM	7:38 AM	7:40 AM	7:40 AM	5 mins earlier
Weldon City Schools	7:00 AM	7:32 AM	7:40 AM	7:25 AM	25 mins later
Percent of Routes with Multiple Runs from the Same School					
State Average	7.32	6.89	6.6	6.9	-0.42
Weldon City Schools	13.33	13.33	0	6.67	-6.66



Exhibit 4-42 (Continued)
TIMS Service Indicators
State Average versus Weldon City Schools
2008-09 to 2011-12 School Years

Service Indicators	2008-09	2009-10	2010-11	2011-12	Change
Operations Choices Affecting Service					
School Start Times (First)					
State Average*	n/a	7:40 AM	7:40 AM	7:40 AM	n/a
Weldon City Schools	7:30 AM	7:30 AM	7:30 AM	7:30 AM	10 mins earlier
School Start Times (Last)					
State Average*	n/a	8:30 AM	8:30 AM	8:30 AM	n/a
Weldon City Schools	8:00 AM	8:15 AM	8:15 AM	8:15 AM	15 mins later
Range of School Start Times (Minutes)					
State Average	62	62	68	62	0
Weldon City Schools	30	45	45	45	15
Average Number of Runs per Rte, PM					
State Average	1.64	1.65	1.68	1.71	0.07
Weldon City Schools	1.53	1.53	1.93	1.73	0.2
Percentage of Routes with More than One Run, PM					
State Average	47.27	47.01	48.27	48.95	1.68
Weldon City Schools	40	40	66.67	53.33	13.33

Source: Transportation Service Indicators Reports, 2008-09, 2009-10, 2010-11 and 2011-12.

*For Earliest Morning Pickup Time and Arrival Time, the State-wide values are the median.



FINDING

Although the cooperative transportation arrangement has been in effect for a number of years, no one in any of the LEAs could provide a copy of a formal agreement. Further, there were a number of questions that could not be answered by the individuals involved in the transportation operation, in the finance offices or at the superintendent's level, indicating some lack of understanding about the arrangement.

For example, misunderstandings relating to the ownership and signage on buses have resulted in heated debates between RRGSD and HCS to the point of involving state representatives. As discussed in other sections of this subchapter, neither RRGSD nor WCS could produce the financial computations reports from the State; rather the Review Team contacted the state for copies.

RRGSD has a TIMS Coordinator who prepares and maintains routes. Although WCS told the Evergreen Review Team that HCS prepared their routes each year, HCS informed the reviewers that WCS is contracting for an individual who works for HCS full-time to prepare its routes. This individual works for them by the hour and performs the work on the weekend or after hours – the money for this service does not flow through HCS. The Review Team asked for, but did not receive a copy of the contract; however, it would seem that including this arrangement in the WCS terms and conditions of the agreement would eliminate the confusion and allow the work to be performed during normal business hours.

There is also some confusion about what types of service are being provided by HCS and which are not. For example, the HCS Director indicated that he cannot use the tow truck to tow an activity bus. Rather, the LEAs must contract for towing services for activity buses. Yet, in Davie County (NC), the Transportation Department purchased, partially with state funds and partially local funds, a wrecker that can tow vehicles of any size, from buses to passenger cars. The State paid for the chaise and the county paid for the body. It has a life expectancy of 20 years, therefore, it will be possible for Davie County to realize savings from towing over that time. The operating costs for the tow truck are limited, as the State covers the maintenance on the tow truck. Davie County Schools does maintain local insurance on the tow truck and the other yellow vehicles that are used for multiple purposes, as the state's tort coverage does not cover the vehicles when they are in use for purposes other than regular transportation services. Consequently, it would appear that all of the LEAs could benefit, if an arrangement can be made with the State and HCS purchased additional insurance.

Another significant area of concern is the condition of the bus garage, and the fiscal implications for HCS for repairing or replacing the facility. WCS and RRGSD staff indicated that they had no responsibility for the upkeep of the facility, and HCS simply said they had no money to make any renovations. Consequently, major engine repairs and painting are all contracted out to area vendors. If the garage had adequate bays and equipment, much of that work could be done in-house at a lower cost for all parties.

Establishing a plan with the LEAs and Halifax County for renovations, could benefit the entire County, if for example, agreements can be reached for maintaining all county and LEA vehicles on a cost reimbursement basis.



The bus garage also has a fueling station that uses different codes to designate which vehicle, LEA or County Office, is using the fuel. Fueling trucks are sent around to fuel all the yellow buses at each site every three days. Only HCS activity buses are fueled from this central fueling system. While it still may be necessary for some fuel to be purchased locally, establishing a charge back system for the fueling of all activity buses may allow the participating LEAs to achieve fuel saving by virtue of HCS bulk buying arrangements.

In the absence of a clear agreement with terms and conditions clearly detailed, it will not be possible for Halifax County and its LEAs to debate the merits of various options, and determine who is in the best position to provide the needed services.

RECOMMENDATION

Recommendation 4-16:

Establish a formal agreement relating to the operation of the HCS bus garage and the services provided to LEAs, and involve Halifax County Government officials in the discussions to ensure that even greater efficiencies can be achieved.

The cooperative arrangement is benefiting the participating LEAs, but a number of opportunities for expanding the services provided by HCS appear viable. Another option might be for Halifax County Government to operate the garage for the benefit of the county and LEAs, including HCS, particularly if a new facility is needed. Regardless of the organizational structure, a clearly written cooperative agreement should be developed and signed off on by all parties. To ensure that all state and federal guidelines are met, the LEAs and Halifax County Government should involve a transportation representative from the North Carolina Department of Public Instruction in the discussions.

FISCAL IMPACT

While a number of efficiencies could be achieved as a result of implementing this recommendation, the final savings are dependent on the terms and conditions of the final agreement.

FINDING

Because HCS submits consolidated state reports, the efficiency rating is applied to all three LEAs, meaning that inefficient routing in one LEA affects all the LEAs equally.

The funding process used by NCDPI assigns each school system an efficiency rating. This rating is then translated to a budget formula used to determine the transportation allotment.

- **Budget Rating 1 – Simulator Rating:** This rating is based on transportation expenditures and buses operated, as well as students transported. These data are calculated for each North Carolina school system using the NCDPI operational simulation formula.



- **Budget Rating 2 – Model Run:** NCDPI determines this measure by comparing each county with all other counties in terms of cost and buses per adjusted student. This factor focuses on the efficiency of transportation operations in relation to all other school systems in the State.

To determine each school system's cost efficiency and bus efficiency ratings, each system is compared to the minimum statewide cost per student and the minimum statewide buses per 100 students. Ratings are developed with adjustments for differences in environmental characteristics including:

- student population density;
- median family income;
- average distance to school;
- average number of seats per bus;
- percent of special education students transported;
- roadway density; and
- circuitry, which is a measure of how well streets are connected.

Once each school system has been assigned its efficiency ratings, a buffer amount of ten percent is added, not to exceed 100 percent. This buffer is designed to account for any undetected flaws in the system. **Exhibit 4-43** provides a comparison of the efficiency rating for the last five school years.

Exhibit 4-43
Transportation Efficiency Ratings in
Halifax County Schools
2007-08 through 2011-12

Budget Rating	2007-08	2008-09	2009-10	2010-11	2011-12	Percentage Point Change from 2008 to 2012
Budget Rating 1 - Simulator Rating	90.30%	98.02%	95.70%	88.98%	99.13%	9.8%
Budget Rating 2 - Model Run	91.53%	100.00%	94.63%	92.57%	98.43%	7.5%

Source: North Carolina Department of Instruction Transportation Funding Information, 2007-08 through 2011-12.

As shown, efficiency ratings have vacillated over the five years. When asked, HCS could provide no explanation for the sharp rise or decline in efficiency ratings in specific years. When WCS and RRGSD transportation staff were asked for an explanation, they indicated they were unaware of the changes. Neither WCS nor RRGSD provided copies of the funding reports shown in **Exhibits 4-36** and **4-38** above. Instead, the State of North Carolina provided the requested data.

Exhibit 4-44 shows potential funding losses resulting from efficiency ratings below 100 percent.



Exhibit 4-44
Funding Losses Based on Efficiency Ratings
2009-10 through 2011-12

	2009-10	2011-11	2011-12
Halifax County Schools			
(1a) Eligible State Expenditures:	\$1,747,523	\$1,590,164	\$1,734,348
(1b) Eligible Local Expenditures:	\$0	\$0	\$0
(1) Total Eligible Expenditures (1a +1b)	\$1,747,523	\$1,590,164	\$1,734,348
GREATER OF - BASE FUNDING FOR YEAR	\$1,672,380	\$1,471,982	\$1,719,259
Lost Funding by Year	\$75,143	\$118,182	\$15,089
Total Lost Funding for Three Years		\$208,414	
Average Lost Funding per Year		\$69,471	
Roanoke Rapids Graded School District			
(1a) Eligible State Expenditures:	\$216,660	\$245,923	\$239,968
(1a) Eligible State Expenditures:	\$54,089	\$8,334	\$6,175
(1) Total Eligible Expenditures (1a +1b)	\$270,749	\$254,257	\$246,143
GREATER OF - BASE FUNDING FOR YEAR	\$259,107	\$235,366	\$244,001
Lost Funding by Year	\$11,642	\$18,891	\$2,142
Total Lost Funding for Three Years		\$32,675	
Average Lost Funding per Year		\$10,892	
Weldon City Schools			
(1a) Eligible State Expenditures:	\$139,072	\$131,024	\$160,962
(1a) Eligible State Expenditures:	\$0	\$31,250	\$1,022
(1) Total Eligible Expenditures (1a +1b)	\$139,072	\$162,274	\$161,984
GREATER OF - BASE FUNDING FOR YEAR	\$133,092	\$150,217	\$160,575
Lost Funding by Year	\$5,980	\$12,057	\$1,409
Total Lost Funding for Three Years		\$19,446	
Average Lost Funding per Year		\$6,482	

Source: Compiled by Evergreen from DPI Transportation Funding Reports, 2012.

Communication among and between the three Halifax County LEAs is critical if efficiency and funding is to be improved.

The NCDPI Section Chief for Transportation made the following observations of ways to increase efficiency (**Exhibit 4-45**).

Relating to idling, State Board of Education Policy states:

In order to be eligible to receive any mid-year transportation allotment resulting from increased fuel prices, an LEA must have a reduced idling policy in place at the beginning of the school year. For the 2005-2006 school year, the policy must be in place no later than January 10, 2006. The local policy must, at a minimum, prohibit all unnecessary school bus idling on school grounds and prohibit the warming up of buses longer than five minutes. As always, any increase in allotments will be subject to the availability of funds.

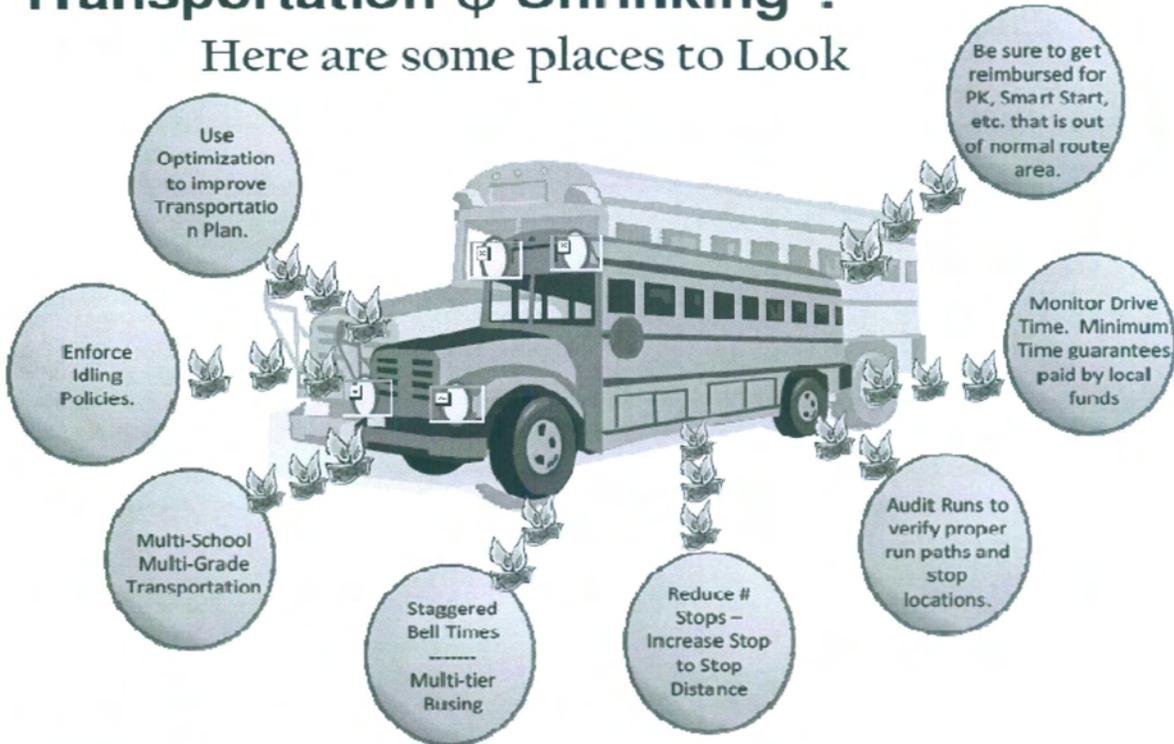
All three LEAs have Policy Code: 6306 School Bus Idling listed in their board policies.



Exhibit 4-45
Excerpt from Transportation Efficiency Presentation

Transportation \$ Shrinking ?

Here are some places to Look



Source: <http://www.ncbussafety.org/documents/NCASBOTransportation2011.pdf>

WCS transports multiple grades/schools on each route. The WCS Transportation Director said that middle school and high school students ride the same buses, and elementary and middle school students ride the same buses. WCS, however, does not mix high school and elementary students on the same buses. Because WCS achieves efficiency by transporting students from multiple grades and schools, a staggered bell time for the schools would not provide greater efficiencies.

In RRGSD, although the TIMS reports indicate that multiple routes are not run from the same school, on average 2.25 separate runs (trips) are made by each bus in the afternoon with 91.67 percent of buses making more than one run in the afternoon.

On the other hand, HCS buses run only one route per bus. The bell times displayed in **Exhibit 4-46** show that the HCS schools provide some explanation for the single route and run approach in HCS.



Exhibit 4-46
Halifax County Schools
School Bell Times

School	AM Bell	PM Bell	Breakfast
Aurelian Springs Elementary	8:00 AM	3:30 PM	Yes
Dawson Elementary	8:00 AM	3:30 PM	Yes
Enfield Middle School	7:45 AM	3:30 PM	Yes
Everetts Elementary	8:00 AM	3:30 PM	Yes
Hollister Elementary	8:00 AM	3:30 PM	Yes
Inborden Elementary	7:45 AM	3:30 PM	Yes
Northwest High School	8:00 AM	3:15 PM	Yes
Pittman Elementary	8:00 AM	3:30 PM	Yes
Scotland Neck Primary	8:00 AM	3:30 PM	Yes
Southeast High School	8:00 AM	3:15 PM	Yes
William R. Davie Middle School	7:45 AM	3:30 PM	Yes

Source: HCS Maintenance and Transportation Department, 2012.

Another efficiency indicator from the TIMS data is average drive time and miles. As shown in **Exhibit 4-47**, while HCS students are, on average, further from their schools, the average ride time is only five minutes longer than the ride times in WCS.

Exhibit 4-47
Routing Efficiency Indicators

Service Indicators	HCS	RRGSD	WCS
Average Student Ride Time, AM (Minutes)			
State Average	22.00	22.00	22.00
LEA	24.00	12.00	19.00
Average Distance to School, Riders (Miles)			
State Average	4.34	4.34	4.34
LEA	7.59	1.79	3.84
Average Distance to School, All Students (Miles)			
State Average	4.33	4.33	4.33
LEA	7.61	1.3	4.28

Source: Transportation Service Indicators Report, 2011-12.

It is also interesting to note that HCS begins picking up students as early as 5:46 a.m., whereas the other two LEAs do not pick up the first students until after 6:30 a.m. With the large geographic area in HCS, picking up multiple grades or schools, as is done by WCS, could increase efficiency and shorten student ride times. Staggering the bell times for the schools could also allow one bus and driver to make multiple runs.

While there are many ways to save local money and increase state funding for transportation, in Halifax County these efficiencies can only be accomplished when the three LEAs work



collaboratively to ensure that each is conducting their operations in a way that contributes positively to the consolidated ratings.

RECOMMENDATION

Recommendation 4-17:

Establish a transportation work group, comprised of representatives from the three Halifax County LEAs to collaboratively identify and implement processes that achieve greater efficiencies.

While there are many ways to save local money and increase state funding for transportation, in Halifax County these efficiencies can only be accomplished when the three LEAs work collaboratively to ensure that each is conducting their operations in a way that contributes positively to the consolidated ratings. As such, the LEAs should establish a transportation work group, with support from the school boards and superintendents of the three LEAs. Where policies, such as the idling policy or changes to bell times are identified as impediments to efficiency, the group should prepare an impact statement for the Boards describing the positive or negative fiscal impact on all of the LEAs. When changes have an impact on students and families, the boards should also consider input from the stakeholders.

FISCAL IMPACT

While significant local savings may also be possible, this fiscal impact uses the lost savings shown in **Exhibit 4-44** as the additional revenues possible from achieving a 100 percent efficiency rating. Additional revenues are rounded to the thousands, and are anticipated to begin in the second year of implementation.

Recommendation	LEA	2012-13	2013-14	2014-15	2015-16	2016-17
Establish a Transportation Work Group to achieve Greater Efficiencies	HCS	\$0	\$69,000	\$69,000	\$69,000	\$69,000
	RRGSD	\$0	\$10,000	\$10,000	\$10,000	\$10,000
	WCS	\$0	\$6,000	\$6,000	\$6,000	\$6,000

FINDING

Inspection scores in HCS indicate a need for better supervision and management of the bus fleet.

Because the buses are maintained and inspected by HCS staff, only one set of inspections scores is presented for all buses operating in the county. Annually, a state transportation consultant visits each LEA in the state to perform an inspection of approximately ten percent of the district's bus fleet, and perform analysis of some key school bus maintenance data contained in the statewide fleet maintenance program. While inspecting the buses, the consultant assigns Defect Points for problems found during the inspection; therefore, a lower inspection score is desirable.



As shown in **Exhibit 4-48**, over the last five years, only once (2010-11) have the inspections scores been better than the state averages.

Exhibit 4-48
Inspection Scores for Halifax County Schools Transportation
2006-7 through 2011-12

Year	HCS	State Average	Comments
2006-07	68.07	55.24	<ul style="list-style-type: none"> • Bus # 101 was removed from service for a brake hose air leak. • Bus # 101 was removed from service for an inoperative flip-up seat at the side emergency door exit. • Bus # 174 was removed from service for an aerosol can stored inside the bus. • Bus # 225 was removed from service for a stop arm light inoperative. • Bus # 248 was removed from service for a low air warning light/buzzer inoperative. • Bus # 413 was removed from service for a stop arm light inoperative.
2007-08	85.6	53.61	<ul style="list-style-type: none"> • Bus # 106 was removed from service for an exhaust leak. • Bus # 106 was removed from service for a defective belt tensioner bearing damaged. • Bus # 240 was removed from service for a brake out of adjustment. • Bus # 259 was removed from service for an aerosol can stored inside the bus. • Bus # 297 was removed from service for a brake out of adjustment. • Bus # 297 was removed from service for a low tire tread wear. • Bus # 403 was removed from service for a low air warning light inoperable. • Bus # 407 was removed from service for a low tire tread wear. • Bus # 2003 was removed from service for oil leaking on exhaust system. • Bus # 2003 was removed from service an aerosol can stored inside the bus.
2008-09	38.87	57.12	<ul style="list-style-type: none"> • Bus # 298 was removed from service for a driver seat that has been moved from the original location. • Bus # 302 was removed from service for unsealed holes in the floor.
2010-11	41.38	36.76	<ul style="list-style-type: none"> • Bus # 108 was removed from service for a tie rod end bar striking shocks. • Bus # 151 was removed from service for a loose tie rod.
2011-12	43.62	43.95	<ul style="list-style-type: none"> • Bus # 112 was removed from service for a fuel leak. • Bus # 274 was removed from service for a transmission fluid leak on exhaust. • Bus # 274 was removed from service for a stop sign light out. • Bus # 290 was removed from service for a damaged crash pad.

Source: Annual Letters from the North Carolina Department of Public Instruction, Transportation Services, 2007 thru 2012.

Inspectors removed from two to ten buses from service during the state inspections for major and minor issues. Participating LEAs stated they have not received copies of reports or responses to reports discussing HCS plans for addressing the state inspection findings.

HCS mechanics as well as the Shop Foreman and Director are certified to perform inspections. HCS inspects the white buses every 30 days and sends RRGSD and WCS a bill for the inspections at the end of the month. The Director said that the mechanics meet and talk about the inspection findings each month to determine what they can do better or differently to improve in the future. The mechanics also perform unscheduled spot inspections to ensure that the drivers are following guidelines. It does not appear, however, that executive management is involved in this process. In some LEAs, the Superintendent or an assigned executive staff person works with the transportation staff to provide additional guidance and support, thereby



ensuring that the transportation staff understands the importance of student safety and reliable transportation services for the schools.

The HCS fueling person only fuels the buses. Industry best practices suggest that the fueling person should also check oil, transmission fluid, and antifreeze while they are refueling the buses. If they note a potential problem, such as a frayed belt, they notify the mechanic by cell phone so preventative repairs can be made.

Although no specific examples were given, HCS staff claims that many of the problems identified by the state inspectors are ones that the drivers have not reported to the mechanics. The staff attributes some of the problems to reluctance by certain principals to discipline drivers for not following guidelines. For example, HCS mechanics said they have found aerosol cans used for de-icing in the bus cab, which is a safety hazard. When reported to the principals, there are no procedures for feedback, therefore staff has no way of knowing if the principal has taken action.

HCS does not use a formal pre-route inspection check sheet. According to the Director, licensing guidelines require the drivers to perform a pre-route inspection of the bus, but HCS has no formal process in place to ensure all drivers are conducting a pre-route inspection. Drivers are required to turn in a sheet showing who rode the bus and how many miles were driven. This log sheet contains a place for the driver to list any problems they are having with the bus; however, not all drivers complete this section with regularity.

RECOMMENDATION

Recommendation 4-18:

Work with participating LEAs to implement a system for ensuring the safety and drivability of all school buses in Halifax County.

Although HCS is providing maintenance and fueling for buses, all LEAs in this cooperative arrangement are responsible for ensuring that the students are being transported to and from school safely and on time. Therefore, all of the participating LEAs should work together to create a system that, at a minimum, contains the following elements:

- an understanding of the roles and responsibilities of drivers and principals in ensuring bus safety;
- a required pre-route inspection checklist form that is examined for completeness during unscheduled spot inspections;
- a consistent driver discipline process when safety infractions are noted and a process for providing HCS feedback on reported driver infractions; and
- a process for executive review of inspection findings and a formal process whereby HCS provides written responses to state inspection findings to their customers, the participating LEAs.



FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

HCS operates a central fueling site, which is accessible for specified individuals after hours and on weekends. The facility has no security cameras and records are maintained on a clip board, which could lead to abuse and inaccurate accounting and allocation of costs for the final disposition of the fuel.

The central fueling system for both diesel and gasoline is located inside of a fenced area outside of the garage. Individuals can come into the gated area between 6:00 AM and 5:00 PM each day. Those without access to the gate must fuel between those times. Before leaving for the day, the Director stated that staff shut off the fuel pumps using the shut off switch located inside of the office.

The fuel tanks have a clipboard on which the individuals getting fuel write the vehicle number, the mileage, and the number of gallons of fuel obtained. Staff brings the clipboard into the office at the end of each day, and the next day the Cost Clerk enters the fuel into the system. The system will flag the entry if the mileage does not match the vehicle. There is no space for a name on the form, so if the vehicle number is wrong, or the mileage indicates that it could not be for the designated vehicle, the cost clerk searches for the right vehicle.

The Director said that all of the maintenance and transportation employees, the HCS Superintendent, and HCS Director of Auxiliary Services have keys to get into the gates as well as the office area after hours, and they all know the alarm codes.

Therefore, since the fueling system does not record how much fuel is used, it would be hard to detect if someone fueled their personal vehicle after hours or failed to write anything on the clipboard. The Director indicated the best way to detect an after-hours entry would be observing that the alarm was reset to the office where the switch is located. Since all transportation employees are on-call 24/7 for emergencies, an employee could easily explain a reset alarm.

RECOMMENDATION

Recommendation 4-19:

Implement a security system to deter abuse or inaccurate accounting for fuel.

While the Evergreen Review Team found no evidence of abuse of any kinds, a good preventative measure would deter such occurrences in the future. The preventative measure could include, installing security cameras, increasing the fields of information on the clipboard to include a name, establishing controls such as restricting access to some areas, or compartmentalizing accesses so that employees cannot access the gates, the building and the alarm systems without detection.



Expanding the fuel availability to other county offices could make it desirable for HCS to purchase an automated key card system for tracking the fuel.

FISCAL IMPACT

There could be a wide range of costs for implementing this recommendation depending on the preferred approach. For example, a four-camera security system can be purchased for \$2,500, whereas purchasing an automated key card fuel dispensing system could run between \$10,000 and \$25,000. For purposes of this estimate, a mid-range cost of \$15,000 is used.

Recommendation	LEA	2012-13	2013-14	2014-15	2015-16	2016-17
Implement a Security System for Fuel	HCS	(\$15,000)	\$0	\$0	\$0	\$0

4.6 CHILD NUTRITION

School meal programs began when the Child Nutrition Act of 1946 authorized the National School Lunch Program to “safeguard the health and well-being of the nation’s children.” The program, administered by the United States Department of Agriculture (USDA), is open to all public and nonprofit private schools and all residential childcare institutions.

The three school districts in Halifax County participate in the National School Lunch Program (NSLP), and the School Breakfast Program (SBP). School systems that participate in these federal programs receive cash subsidies and donated commodities from the United States Department of Agriculture (USDA) for each eligible meal they serve. In return, the district must serve its students meals that meet federal guidelines for nutritional value and offer free or reduced-price meals to eligible students.

HCS and WCS use the Meals Plus System for tracking and recording meals in the cafeterias. RRGSD uses the Sartox system (K-12 Enterprises) for all aspects of the program, including POS, Inventory, Free and Reduced Application and Claims.

Federal law requires a salary match for Child Nutrition Supervisors. For the state to be eligible for Section 4 federal funds, the State’s share of that cost is in excess of \$7 million. Therefore, beginning with the FY 2010-11, each LEA is required to expend \$45,000 out of central office administration expenses. Consequently, all three LEAs said they are allocating local funds to pay \$45,000 of the Director’s salary.

The organization and staffing for the three LEAs is presented in **Exhibits 4-49** through **4-51**.

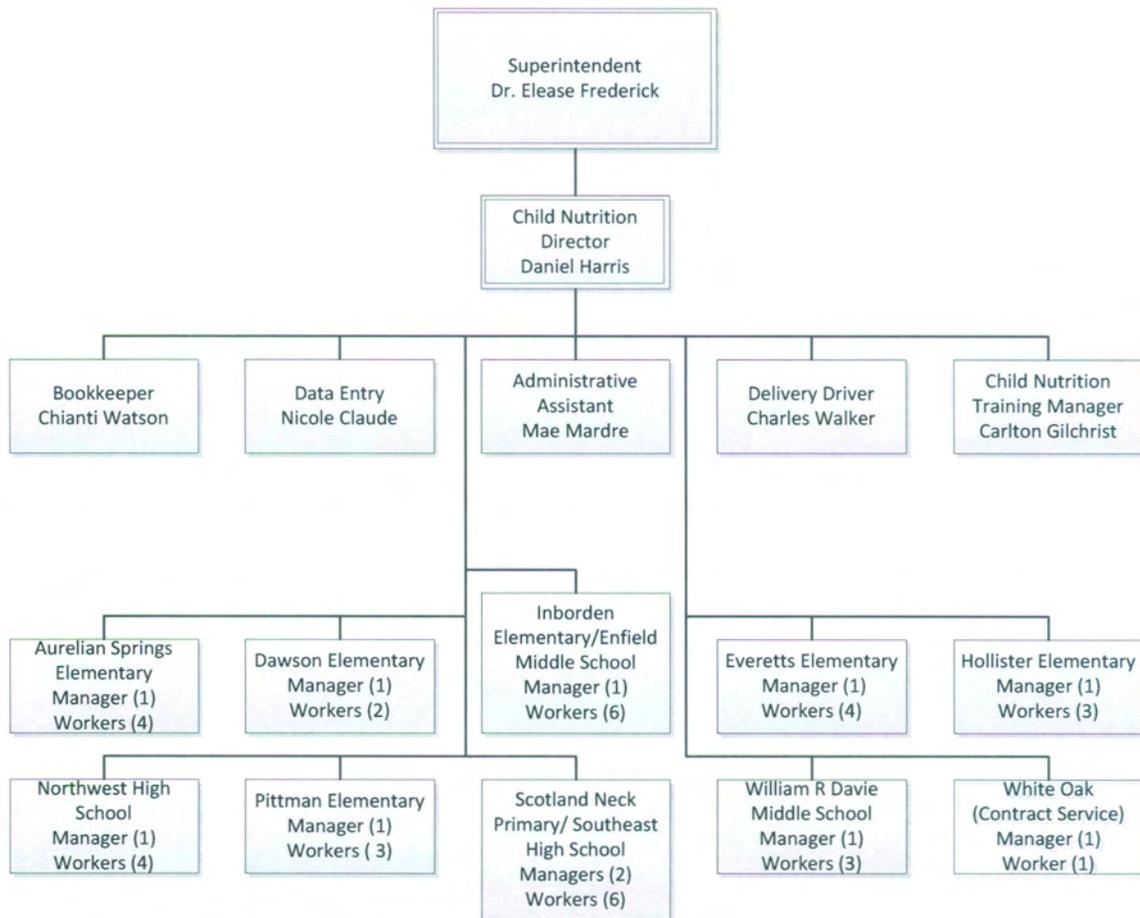
It should be noted that in all of the organization charts, the Cafeteria Managers typically work full-time or near full-time schedules, whereas many of the workers are part-time, meaning they work between three and six hours per day.



Further, each of the LEAs employee substitutes that only work when one of the other workers is out for whatever reason. They are not shown on the charts, but rather they work where they are needed to ensure the kitchens are fully staffed.

The White Oak cafeteria shown in **Exhibit 4-49** is not an HCS school. Rather, HCS provides breakfast, lunch and two snacks per day to students of the Scotland Neck Primary and White Oak Pre-School under a contract with the Choanoke Area Development Association (CADA). According to the HCS Director, meal rates negotiated as part of this contract with CADA are set to recover the full cost of food and labor.

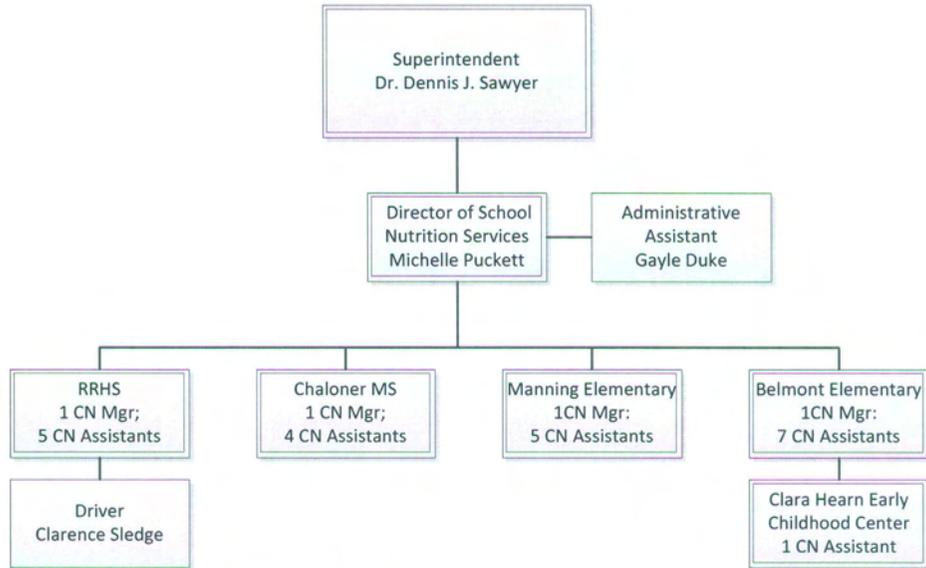
**Exhibit 4-49
Halifax County Schools
Child Nutrition Department
Organizational Chart**



Source: HCS Child Nutrition Office, 2011.

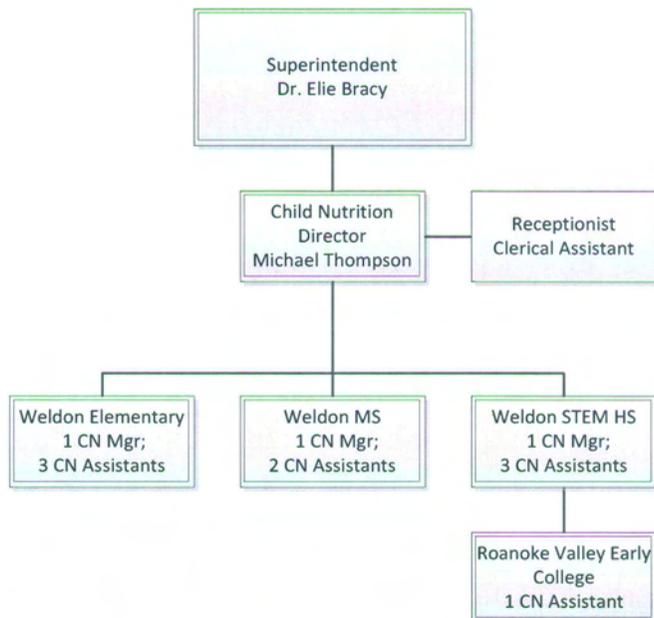


**Exhibit 4-50
Roanoke Rapids Graded School District
Child Nutrition Department
Organizational Chart**



Source: RRGSD Child Nutrition Office, 2011.

**Exhibit 4-51
Weldon City Schools
Child Nutrition Department
Organizational Chart**



Source: WCS Child Nutrition Office, 2011.



As shown in Exhibits 4-50 and 4-51, both RRGSD and WCS centrally prepare some meals for transport to other sites.

Exhibit 4-52 compares the number of students eligible for free or reduced priced meals in schools in Halifax County.

Exhibit 4-52
Students Eligible for Free or Reduced Price Meals in Halifax County
2010-11 School Year

School Name	ADM	Reduced	Free	Percent Needy	Grades
Halifax County Schools					
Aurelian Springs Elementary	411	28	383	100.00%	PreK-5
Dawson Elementary	193	16	177	100.00%	PreK -5
Enfield Middle School	359	14	318	92.48%	6-8
Everetts Elementary	353	20	333	100.00%	PreK -5
Hollister Elementary	244	16	204	90.16%	PreK -5
Inborden Elementary	392	27	365	100.00%	PreK -5
Northwest High School	647	32	452	74.81%	9-12
Pittman Elementary	159	14	139	96.23%	PreK-5
Scotland Neck Primary	145	7	138	100.00%	PreK-5
Southeast High School	493	25	390	84.18%	9-12
William R. Davie Middle School	427	21	325	81.03%	6-8
	3,823	220	3,224	90.09%	
Roanoke Rapids Graded School District					
Belmont Elementary	760	73	463	70.53%	PreK -5
Chaloner Middle School	646	35	243	43.03%	6-8
Roanoke Rapids High School	830	52	296	41.93%	9-12
William L Manning Elementary	660	39	266	46.21%	PreK -5
	2,896	199	1,268	50.66%	
Weldon City Schools					
Roanoke Valley Early College	112	-	-	0.00%	8-10*
Weldon Elementary	405	24	362	95.31%	PreK -5
Weldon Middle	233	9	191	85.84%	6-8
Weldon STEM High	273	9	168	64.84%	9-12
	1,023	42	721	74.58%	

Source: North Carolina Department of Public Instruction, Child Nutrition Service
<http://www.ncpublicschools.org/fbs/resources/data/>

* Was 7-9 in 2010-11, 8-10 in 2011-12.

FINDING

The HCS Child Nutrition Administration is overstaffed for the size of the LEA. As shown in **Exhibit 4-49**, the HCS Child Nutrition unit has six central administrative staff, including the Director, compared to no more than three in the other Halifax County LEAs.



The Child Nutrition System is highly automated, with Cafeteria Managers submitting their food and supply orders online, based on the prepared menus, through the Meals Plus system. Office employees verify the orders, determine if some of the order can be filled using commodities, and submit the order to the vendor. Meals Plus automatically converts the order into the finance system, and the finance system generates a Purchase Order (PO). Finance may send the PO directly to the vendor, or if ordering through US Food Service, one of the staff enters the order into the vendor's system. Staff also handle orders from local vendors for bread, milk and the like.

State-level reports are electronically generated, although staff must verify the accuracy.

During onsite interviews, the Director said that the Training Manager goes to the schools and performs an onsite review once per month. The Director reviews the results of the Training Manager's onsite review and they work together to come up with appropriate changes. The Director said he has a goal of visiting every school cafeteria at least once per week.

Exhibit 4-53 presents the compensation for the current Child Nutrition staff according to the 2011 HCS salary charts.

Exhibit 4-53
HCS Child Nutrition Administration

Position	Annual Salary	Benefits	Total Salary & Benefits
Director	\$47,671	\$15,731	\$63,402
Bookkeeper	\$28,612	\$9,442	\$38,054
Administrative Assistant	\$28,054	\$9,258	\$37,312
Training Manager	\$26,320	\$8,686	\$35,006
Data Entry	\$25,921	\$8,554	\$34,475
Driver	\$24,746	\$8,166	\$32,912
Total	\$181,324	\$59,837	\$241,161

Source: Halifax County Schools Salary Charts, 2012.

To put this into perspective, the Review Team analyzed staffing patterns in two North Carolina LEAs with larger student enrollment but a similar number of schools and cafeterias. In the Davie County Schools (NC), with 6,500 students and 13 schools, three staff, including the Child Nutrition Director perform all central office tasks for the LEA, including menu writing and state reporting.

In Lee County Schools (NC), with more than 10,000 students and 15 schools, four staff, including the Director and a Warehouse Manager, perform all central office administrative tasks for the LEA.

RECOMMENDATION

Recommendation 4-20:

Eliminate at least two positions from HCS child nutrition central administration, and require remaining staff to learn and carry out the related functions.



While it appears that the HCS Child Nutrition program is operating at a small profit, the accumulated fund balance shown on the last available financial statements does not indicate that the reserves are sufficient for the program to institute programs for systematic equipment replacements and other cafeteria improvements. Therefore, operating without as much overhead in central office will allow the program to accumulate the needed reserves for such activities.

FISCAL IMPACT

To be conservative, the fiscal impact assumes that the two lowest paid positions in the section will be eliminated, at a salary plus benefits of \$34,475 and \$32,912, for a total of \$67,387 in annual savings. Because this recommendation will not be implemented until mid-year, only one-half of the savings are shown for 2012-13.

The additional revenues shown below are revenues to the Child Nutrition Fund; however, additional revenues to that fund offset the corresponding need for General Operating funds to be used for equipment repairs and replacements.

Recommendation	LEA	2012-13	2013-14	2014-15	2015-16	2016-17
Eliminate at least Two Positions from HCS Child Nutrition Central Administration	HCS	\$33,694	\$67,387	\$67,387	\$67,387	\$67,387

FINDING

The published price for full-price meals in the three Halifax County LEAs is very low, and rates in two of the three LEAs have not been raised in many years.

Effective July 1, 2011, Section 205 of the Healthy, Hunger-Free Kids Act of 2010 requires school food authorities participating in the National School Lunch Program to provide the same level of support for lunches served to students who are not eligible for free or reduced price lunches (i.e., paid lunches) as they are for lunches served to students eligible for free lunches.

The Act directs school food authorities (SFAs) to:

- Compare the average price charged for lunches served to students not eligible for free or reduced price lunches (i.e., students receiving “paid lunches”) to the difference between the higher Federal reimbursement provided for free lunches and the lower federal reimbursement provided for paid lunches.
- If the average paid lunch price is *less than* the difference, an SFA must either gradually adjust average prices or provide non-federal funding to cover the difference.

A March 11, 2011 memorandum from the USDA, provides the following explanation of the reason for this new provision:



Why is this provision important?

- *Historically, there have been three main sources of funds provided to nonprofit school food service accounts: Federal reimbursements, paid meal revenues, and State and local funding. The Federal reimbursement for paid meals was designed to be minimal in relation to these other sources and has always been substantially less than the reimbursement for free and reduced price meals.*
- *Research indicates that average prices charged for paid lunches in some SFAs are less than the cost of producing those lunches.*
- *Pricing paid lunches below the cost of production effectively increases Federal subsidies for higher income children because Federal funds intended for free and reduced price lunches are being used to help fill in the gap between what a paid lunch costs and what the school receives for it. Children across all income levels are negatively affected by limiting the funds available to provide nutritious meals.*
- *This provision will help ensure that schools have funding available to support serving nutritious meals to all students.*

According to the legislation, schools may choose to cover the difference in revenue with non-federal funds instead of raising paid meal prices. During interviews with Child Nutrition staff, all agreed that the meal prices were low, but indicated some resistance on the part of the boards to raise prices since some many students in the community are economically disadvantaged.

For students that are from needy families, the pricing for full-price meals should have no impact. Only those families with the ability to pay will be impacted.

If the boards fail to act in compliance with this regulation, the LEAs will have to dedicate local General Operating Funds to make up this difference, thereby exacerbating the budget cuts required in other areas of the district's operations due to declining federal, state and local revenues.

The HCS 2011-12 meal prices for breakfast and lunch are shown in **Exhibit 4-54**. According to the Director, the meal prices in HCS were increased about two years ago, and there is no plan to increase them again in the near future.

The 2011-12 RRGSD meal prices for breakfast and lunch are shown in **Exhibit 4-55**. According to staff, the meal prices in RRGSD have not changed since 2006.



Exhibit 4-54
Halifax County Schools Meal Prices
2011-12 School Year

Breakfast	Full Price Meals	Reduced Price Meals
All Students	\$1.00	\$.30
Adult Non-Taxable	\$1.00	
Adult Taxable	\$.80	
Lunch		
Elementary	\$1.25	\$.40
Middle/ High School	\$1.50	\$.40
Adult Non-Taxable	\$2.00	
Adult Taxable	\$1.75	

Source: Halifax County Child Nutrition, 2012.

Exhibit 4-55
Roanoke Rapids Graded School District Meal Prices
2011-12 School Year

Breakfast	Full Price Meals	Reduced Price Meals
All Students	\$1.00	\$.30
Adult	al la carte prices	
Lunch		
Elementary	\$1.75	\$.40
Middle/ High School	\$2.00	\$.40
Adult	al la carte prices	

Source: Roanoke Rapids Graded School District Child Nutrition, 2012.

The 2011-12 WCS meal prices for breakfast and lunch are shown in **Exhibit 4-56**. According to staff, the meal prices in WCS increased last year. Prior to the increase, lunch prices were \$1.00 for all students.

Exhibit 4-56
Weldon City Schools Meal Prices
2011-12 School Year

Breakfast	Full Price Meals	Reduced Price Meals
All Students	\$.80	\$.30
Adult	al la carte prices	
Lunch		
All Students	\$1.25	\$.40
Adult	al la carte prices	

Source: Weldon City Schools Child Nutrition, 2012.

All meals served according to federal guidelines receive some level of reimbursement, including those served to students who pay full price.



The federal reimbursement rates for this school year are found in **Exhibit 4-57**. Because more than 60 percent of the students qualified for free and reduced price meals in HCS and WCS, these LEAs fall into the Severe Need reimbursement category.

Exhibit 4-57
National School Breakfast and Lunch Reimbursement Rates
Effective from July 1, 2011 - June 30, 2012

Category	Breakfast		Lunch		
	Non-Severe Need	Severe Need	Less Than 60%	60% or More	Maximum Rate
Paid	\$0.27	\$0.27	\$0.26	\$0.28	\$0.34
Reduced Price	\$1.21	\$1.50	\$2.37	\$2.39	\$2.54
Free	\$1.51	\$1.80	\$2.77	\$2.79	\$2.94

Source: United States Department of Agriculture, 2011.

The federal reimbursement rates for free meals are established by the federal government to match the estimated meal costs, including the cost of food, food preparation, clean-up and the like, and adjustments are made annually, as needed.

According to data compiled by the Division of School Business, Financial & Business Services, NC Department of Public Instruction in January 2011, the average cost of providing a breakfast and lunch, including indirect costs, during the 2009-10 school year was \$1.95 and \$3.08, respectively.

RECOMMENDATION

Recommendation 4-21:

Implement a policy of maintaining the rounded full-priced meal prices at or near the weighted average federal reimbursement rates, in compliance with Section 205 of the Healthy, Hunger-Free Kids Act of 2010.

The law requires the incremental adjustment of meal prices by a maximum of ten cents per year, but provides LEAs the ability to make discretionary increases of more than that amount. Given the fact that the LEAs have been reluctant to begin raising meal prices, it would be reasonable to implement a 50 cent per meal increase in full-priced lunch rates at all levels for 2012-13.

Although the focus of the Act is lunches, a corresponding 50 cent per meal increase in full-priced breakfasts should also be instituted. Annual adjustments from this point forward should then be based on adjustments to the federal reimbursement rates as envisioned by the Act.

Should some families find that they are not able to afford the price increases, the LEAs should provide them an application for the free or reduced price meal program. If they qualify, not only will the LEAs receive offsetting federal reimbursements, but by fully identifying all children eligible for the program, additional federal and state academic funds may become available.



FISCAL IMPACT

Assuming the number of paid meals served remains at 2010-11 levels, the following additional revenues could be realized:

Meal	Number of Meals Served	Price Increase	Additional Revenues
HCS			
Breakfast	37,137	\$0.50	\$18,569
Lunch	55,646	\$0.50	\$27,823
Total			\$46,392
RRGSD			
Breakfast	19,989	\$0.50	\$9,995
Lunch	98,730	\$0.50	\$49,365
Total			\$59,360
WCS			
Breakfast	7,257	\$0.50	\$3,629
Lunch	17,026	\$0.50	\$8,513
Total			\$12,142

The additional revenues shown below are revenues to the Child Nutrition Fund; however, additional revenues to that fund offset the corresponding need for General Operating funds to be used to show maintenance of effort.

Recommendation	LEA	2012-13	2013-14	2014-15	2015-16	2016-17
Maintain Full-Priced Meal Rates at or near Federal Reimbursement Rates	HCS	\$0	\$46,392	\$46,392	\$46,392	\$46,392
	RRGSD	\$0	\$59,360	\$59,360	\$59,360	\$59,360
	WCS	\$0	\$12,142	\$12,142	\$12,142	\$12,142

FINDING

Kitchens in the three LEAs in Halifax County appear to be clean and equipped appropriately, and inspection results indicate high rating from the health inspectors.

The Evergreen Review Team toured all of the kitchens and cafeterias in the three LEAs as part of the review process. In addition, the Review Team examined environmental health inspection forms for each of the campuses and found high ratings. **Exhibits 4-58** through **4-60** show the exceptional inspection scores given to the school cafeterias between the 2008 and 2011 school years.

Cleanliness and safety are clearly a priority for the LEAs and the cafeteria staff. Consistently good inspection scores give parents and staff confidence in the quality and safety of the food being served to students.



Exhibit 4-58
Halifax County Schools
Inspection Scores
2008 through 2011

School Name	Insp Date	Score	School Name	Insp Date	Score	School Name	Insp Date	Score
Aurelian Springs	9/12/2008	99.5	Eastman	5/12/2009	99.5	Northwest HS	11/10/2009	99.5
Aurelian Springs	11/19/2008	99.5	Everetts	9/4/2008	94.5	Northwest HS	1/14/2010	99.5
Aurelian Springs	1/12/2009	99.5	Everetts	11/17/2008	97	Northwest HS	6/8/2010	99.5
Aurelian Springs	4/28/2009	98.5	Everetts	1/7/2009	94	Northwest HS	9/18/2010	99.5
Aurelian Springs	9/2/2009	99.5	Everetts	4/8/2009	96	Northwest HS	11/16/2010	99.5
Aurelian Springs	11/10/2009	99.5	Everetts	9/9/2009	97	Northwest HS	1/27/2011	99.5
Aurelian Springs	1/14/2010	99.5	Everetts	11/4/2009	99.5	Pittman	9/23/2008	96
Aurelian Springs	6/8/2010	99.5	Everetts	4/20/2010	99	Pittman	12/4/2008	95
Aurelian Springs	9/14/2010	99.5	Everetts	9/16/2010	99.5	Pittman	3/4/2009	91.5
Aurelian Springs	11/16/2010	99	Everetts	11/12/2010	99.5	Pittman	6/2/2009	93
Aurelian Springs	5/10/2011	99	Everetts	11/18/2010	99.5	Pittman	9/28/2009	97
Aurelian Springs	11/27/2011	99.5	Everetts	1/19/2011	99.5	Pittman	11/23/2009	96.5
Brawley	9/3/2008	99.5	Everetts	4/13/2011	99	Pittman	3/9/2010	95.5
Brawley	12/2/2008	99.5	Hollister	9/23/2008	99.5	Pittman	6/11/2010	97.5
Brawley	3/10/2009	99.5	Hollister	12/4/2008	99.5	Pittman	9/23/2010	98
Brawley	5/27/2009	99	Hollister	3/4/2009	99.5	Pittman	12/20/2010	99.5
Davie	9/4/2008	98.5	Hollister	5/14/2009	99.5	Pittman	3/31/2011	98.5
Davie	11/7/2008	97	Hollister	9/28/2009	98	Pittman	5/17/2011	98.5
Davie	1/7/2009	98.5	Hollister	11/23/2009	99.5	Scotland Neck	9/3/2008	99.5
Davie	9/8/2009	97	Hollister	3/9/2010	99.5	Scotland Neck	9/3/2008	99.5
Davie	11/4/2009	96.5	Hollister	6/11/2010	97.5	Scotland Neck	12/2/2008	98
Davie	5/13/2010	98	Hollister	9/23/2010	98.5	Scotland Neck	3/10/2009	97
Davie	8/27/2010	98.5	Hollister	12/20/2010	99	Scotland Neck	5/27/2009	98.5
Davie	11/12/2010	98	Hollister	12/20/2010	99	Scotland Neck	9/21/2009	98.5
Davie	11/18/2010	99.5	Hollister	3/31/2011	99.5	Scotland Neck	11/17/2009	97.5
Davie	1/19/2011	99.5	Hollister	5/27/2011	99.5	Scotland Neck	3/30/2010	97
Davie	4/13/2011	99	Inborden	9/28/2008	99.5	Scotland Neck	9/28/2010	97.5
Dawson	9/29/2008	93.5	Inborden	12/3/2008	99	Scotland Neck	11/9/2010	99.5
Dawson	12/15/2008	94.5	Inborden	3/11/2009	99.5	Scotland Neck	3/22/2011	96.5
Dawson	3/11/2009	94.5	Inborden	6/9/2009	99	Scotland Neck	6/2/2011	99.5
Dawson	5/20/2009	96	Inborden	9/22/2009	98	Southeast HS	9/29/2008	98.5
Dawson	9/28/2009	97.5	Inborden	12/10/2009	98.5	Southeast HS	12/15/2008	98.5
Dawson	12/10/2009	99	Inborden	3/23/2010	98.5	Southeast HS	3/11/2009	98.5
Dawson	3/2/2010	98.5	Inborden	8/26/2010	96	Southeast HS	5/20/2009	99
Dawson	6/9/2010	99	Inborden	12/14/2010	99.5	Southeast HS	9/28/2009	99.5
Dawson	9/8/2010	99	Inborden	3/7/2011	97.5	Southeast HS	12/10/2009	99.5
Dawson	9/8/2010	99	Mclver	2/23/2008	99.5	Southeast HS	3/2/2010	99.5
Dawson	12/14/2010	99.5	Mclver	9/25/2008	98.5	Southeast HS	9/8/2010	99
Dawson	12/14/2010	99.5	Mclver	12/18/2008	99	Southeast HS	12/14/2010	99.5
Dawson	3/23/2011	98.5	Northwest HS	9/12/2008	96	Southeast HS	3/23/2011	99.5
Dawson	6/11/2011	99	Northwest HS	11/19/2008	97	Southeast HS	3/23/2011	99.5
Eastman	9/23/2008	99	Northwest HS	1/12/2009	96.5	Southeast HS	6/1/2011	99
Eastman	12/4/2008	99.5	Northwest HS	5/19/2009	97.5			
Eastman	3/4/2009	99.5	Northwest HS	9/2/2009	97			

Source: HCS Child Nutrition Office, 2012



Exhibit 4-59
Roanoke Rapids Graded School District
Inspection Scores
2008 through 2011

School Name	Insp Date	Score	School Name	Insp Date	Score
Belmont	11/3/2009	99.5	Manning	8/28/2009	99.5
Belmont	9/14/2009	98.5	Manning	10/6/2009	99.5
Belmont	1/7/2010	95.5	Manning	1/7/2010	99.5
Belmont	5/11/2010	99.5	Manning	4/22/2010	99.5
Belmont	8/31/2010	99	Manning	8/30/2010	99.5
Belmont	1/10/2011	99.5	Manning	10/6/2010	99
Belmont	5/3/2011	96.5	Manning	1/5/2011	99.5
Belmont	9/21/2011	98.5	Manning	4/7/2011	99
Belmont	11/2/2011	99	Manning	9/8/2011	98.5
Belmont	1/25/2012	99.5	Manning	10/26/2011	99
Chaloner	8/31/2009	99.5	Manning	1/5/2012	99.5
Chaloner	12/8/2009	99.5	Roanoke Rapids HS	9/15/2009	99.5
Chaloner	2/5/2010	99.5	Roanoke Rapids HS	12/2/2009	99.5
Chaloner	4/23/2010	93.5	Roanoke Rapids HS	2/23/2010	99.5
Chaloner	9/13/2010	99.5	Roanoke Rapids HS	5/21/2010	99.5
Chaloner	12/8/2010	99.5	Roanoke Rapids HS	8/27/2010	99
Chaloner	2/11/2011	99.5	Roanoke Rapids HS	2/2/2011	99.5
Chaloner	5/11/2011	99	Roanoke Rapids HS	5/4/2011	99.5
Chaloner	9/20/2011	99	Roanoke Rapids HS	9/9/2011	99.5
Chaloner	11/8/2011	99	Roanoke Rapids HS	11/22/2011	99.5
Chaloner	2/17/2012	99.5	Roanoke Rapids HS	1/20/2012	99.5

Source: RRGSD Child Nutrition Office, 2012

Exhibit 4-60
Weldon City Schools
Inspection Scores
2008 through 2011

School Name	Insp Date	Score
RVEC	8/30/2010	97
RVEC	12/9/2010	95.5
RVEC	2/14/2011	98.5
RVEC	4/12/2011	98
RVEC	9/19/2011	97.5
RVEC	11/16/2011	97
RVEC	1/17/2012	98
Weldon Elm	9/7/2010	98
Weldon Elm	12/6/2010	98.5
Weldon Elm	3/8/2011	97
Weldon Elm	5/24/2011	99.5
Weldon Elm	9/19/2011	98.5
Weldon Elm	11/23/2011	99.5
Weldon MS	9/14/2010	99
Weldon MS	12/10/2010	99
Weldon MS	3/3/2011	97.5
Weldon Stem HS	8/10/2010	99.5
Weldon Stem HS	11/8/2010	99
Weldon Stem HS	1/21/2011	99.5
Weldon Stem HS	4/6/2011	99
Weldon Stem HS	8/26/2011	99.5
Weldon Stem HS	10/6/2011	97.5
Weldon Stem HS	1/24/2012	99.5

Source: WCS Child Nutrition Office, 2012



COMMENDATION

The three school districts in Halifax County have made the cleanliness and functionality of the school kitchens a high priority, which is evident by the exceptional inspection ratings received by each of its operations.

FINDING

Based on information provided by the three Halifax County LEAs for breakfasts served as of the date of submission for 2011-12, overall breakfast participation rates range from a high of just over 60 percent in HCS to a low of just under 20 percent in RRGSD. The breakfast participation rates in Weldon City Schools were just under 50 percent. As expected, the higher participation rates are in the lower grades and in the schools with larger numbers of children who are eligible for free or reduced price meals and lower participation rates are seen in the high schools.

When asked, none of the LEAs in Halifax County have any special programs designed to increase breakfast participation in the schools with lower participation rates.

Some of the objections to a breakfast in the classroom program include issues of sanitation and clean-up. While valid issues, other schools have found ways to effectively deal with the sanitation concerns, and at the October 20, 2011 NCDPI Child Nutrition Director Meeting in Raleigh, directors were encouraged to explore alternative service methods, including:

- Breakfast in a Classroom
- Breakfast after First Period (Mid-Morning Nutrition Break);
- Grab N' Go
- Breakfast Carts

When specifically asked about the use of the programs mentioned above, directors generally indicated that the implications for teachers and principals had prevented them from pursuing new programs of this nature.

Other North Carolina school districts have addressed the problem of low breakfast participation by enacting innovative practices, such as breakfast carts. For example, breakfast participation at the Davie County High School and the Davie County Early College High School has significantly improved since Child Nutrition staff began taking breakfast carts around to the students each morning after the start of school.

Exhibit 4-61 shows that that the participation rates at the high school level increased by more than 300 percent from 2007-08 to 2009-10 as a direct result of this program.



Exhibit 4-61
Breakfasts Served in Davie County Schools (NC)
2007-08 through 2010-11 School Years

School	2007-08	2008-09	2009-10	% Change 2008 to 2010	2010-11 Projected thru June	% Change
Davie High School	14,584	50,606	61,834	324.0%	67,086	360.0%
Davie County Early College	1,379	3,610	5,990	334.4%	5,396	291.3%

Source: North Carolina Department of Instruction Unit Summary of Schools Monthly Meal Participation Report, Year-to-Date Month Ending June 2008, June 2009, June 2010, March 2011

The North Carolina State Board of Education weighed in on the breakfast participation issue, as shown in **Exhibit 4-62**. As discussed in the resolution, the issue of breakfast participation is not only a monetary and efficiency issue for the Child Nutrition operation, but an academic and behavioral issue for children who may not have access to a nutritional breakfast.

RECOMMENDATION

Recommendation 4-22:

Explore ways to increase breakfast participation in all schools.

Increasing breakfast participation must be a collaborative effort between campus administrators and the child nutrition departments in each of the LEAs. As shown, nutrition is directly linked to student achievement and behavior, and as such should be included in the strategies for raising student performance in all of the LEAs.

FISCAL IMPACT

Although the goal is increased participation and not necessarily increased revenues, the fiscal impacts assume increases in revenues where participation is increased through the use of innovative serving, marketing or menu enhancements. Increasing participation by 10 percent in HCS and WCS, and 20 percent in RRGSD, would result in the following additional revenues. Please note that the full-price meal rate is conservatively used, rather than the higher federal reimbursement rate for breakfast programs.

LEA	Approximate Number of Breakfasts per Day 2012	Estimated Increase in Breakfasts Served	Estimated Number of Serving Days per School Year	Full-price Meal Rate	Additional Revenues	Less Food Costs	Net New Revenues
HCS	2,320	200	180	\$1.00	\$36,000	\$18,000	\$18,000
RRGSD	525	100	180	\$1.00	\$18,000	\$9,000	\$9,000
WCS	510	50	180	\$0.80	\$9,000	\$4,500	\$4,500



Exhibit 4-62
State Board of Education Breakfast Promotion Resolution



NORTH CAROLINA STATE BOARD OF EDUCATION
Resolution to Promote School Breakfast

WHEREAS, the Governor of the State of North Carolina and the North Carolina State Board of Education value the 1.5 million public school children in their trust as one of the State’s most precious natural resources; and

WHEREAS, good and ample nutrition for children enhances and enables learning and attentiveness, and improves attendance and behavior at school; and

WHEREAS, North Carolina ranks second in the nation in children who suffer from hunger and food insecurity; and

WHEREAS, over half of the students enrolled in North Carolina’s public schools qualify for free or reduced-price meals but only 25% participate in the school breakfast program; and

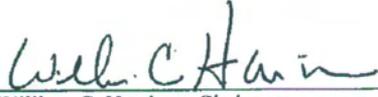
WHEREAS, scientific research indicates that students who eat school breakfast show a general improvement in academic performance, including a general increase in math and reading scores and improvements in speed and memory in cognitive tests; and

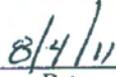
WHEREAS, research concludes that children who eat school breakfast eat more fruits, drink more milk, and consume less saturated fat and sugar than children who do not eat breakfast, thus helping to prevent childhood obesity; now, therefore, be it

RESOLVED, That, the North Carolina State Board of Education encourages Local Education Agencies to seek multiple and innovative ways of increasing school breakfast participation in their schools as an additional means of caring for and nurturing our public school children; and

THAT, the Board encourages LEAs to consider providing breakfast in the classroom during appropriate instructional and educational activities as one of the multiple options for removing barriers to participation in the school breakfast program; and

THAT, the Board directs the Secretary of the State Board of Education to enter a copy of this resolution into the official minutes of the State Board of Education.


 William C. Harrison, Chairman
 North Carolina State Board of Education


 Date


 June St. Clair Atkinson, Superintendent
 Department of Public Instruction

Source: North Carolina Department of Public Instruction, Child Nutrition Regulations and Policies.
<http://childnutrition.ncpublicschools.gov/regulations-policies/nc-state-board-policy/sbe-resolution.pdf>

This estimate also assumes that the labor to prepare the additional meals will remain unchanged, and the cost of food is approximately 50 percent of total revenues.

Recommendation	LEA	2012-13	2013-14	2014-15	2015-16	2016-17
Explore Ways to Increase Breakfast Participation in All Schools	HCS	\$9,000	\$18,000	\$18,000	\$18,000	\$18,000
	RRGSD	\$4,500	\$9,000	\$9,000	\$9,000	\$9,000
	WCS	\$2,225	\$4,500	\$4,500	\$4,500	\$4,500

FINDING

The computer systems used by the three school districts in Halifax County have the ability to continually review meal-per-labor-hour (MPLH) rates in each of the cafeterias but not all are using the information to make mid-year adjustments to ensure the cafeteria's productivity, and profitability.

Productivity is measured in meals produced for labor hours worked. When more meals are produced in an hour, the labor cost for each meal is reduced. Therefore, the productivity in a given school cafeteria can be improved by either increasing the number of meals served, or by reducing the total number of hours worked in that operation.

A meal equivalent is the rate used to compare the amount of labor needed to prepare one lunch with labor needed to prepare breakfasts, snacks, or a la carte. School lunch is used as the basis of comparison because it is the main source of revenue and it takes the most time to prepare; 1 lunch = 1 meal equivalent. Although the use of disposable plates and utensils and convenience of prepackaged foods can impact the hours used in food preparation and clean up, the standard MPLH for most child nutrition programs is 16-19 meals per labor hour.

According to all of the directors interviewed, **Exhibit 4-63** presents the meal equivalent calculations used by the LEAs.

Exhibit 4-63 Meal Equivalent Calculations used by LEAs in Halifax County

Meal Type	Meal Equivalent Calculation
Lunch	1=1
Breakfast	Total # Divided by 2
Supplemental Sales	Sales Dollars divided by 3
After School Snacks	Total # divided by 4
A la Carte Sales	Dollars divided by 3

Source: Compiled by Evergreen Solutions, 2012



Each of the LEAs were able to produce reports showing the MPLH at each campus for a period of time, but when asked how they dealt with fluctuations in the rates, only WCS indicated that they realized last year that they were overstaffed in the kitchens and reduced staffing accordingly.

Establishing staffing levels at the beginning of the school year based on historic participation rates is a critical part of holding the line on labor costs, but MPLH is based both on participation and on labor. When participation rates fluctuate monthly, the directors and cafeteria managers need to be asking why students did not eat in the cafeterias as frequently as they had in the past. They need to know which menu items increase participation, and which are not as popular.

When participation trends persist over a period of months, staffing changes are warranted. A food service operation cannot be or remain profitable if labor costs are not matched to revenues.

RECOMMENDATION

Recommendation 4-23:

Examine MPLH on a monthly basis to ensure that all kitchens are productive and that practices that are impacting the MPLH in each kitchen (both positive and negative) are being addressed in a timely manner.

The Child Nutrition Directors should monitor the MPLH at each campus and provide each cafeteria manager a copy of that monthly report. During regular management meetings, ideas for addressing downturns and successful practices should be shared, so that all managers can make appropriate and immediate adjustments for their operation.

FISCAL IMPACT

Because MPLH is a product of both participation and labor, no estimates are made relating to reductions in staffing levels, assuming that closer monitoring by directors and cafeteria managers can and will increase overall participation to meet current or future staffing levels.

FINDING

The Child Nutrition Departments in two of the three LEAs in Halifax County have been operating at a deficit, which means that the operations are not contributing indirect costs back to the LEA's General Operating Fund.

Exhibits 4-64 through 4-69 provide the financial reports for the three Halifax County LEAs as presented in the most recent comprehensive annual financial reports.

Exhibit 4-64 shows the available financial reports for HCS, indicating that the HCS School Food Service Fund has ended FY 2010 with net assets of \$362,891. It is important to note that the external auditors for the years shown gave no opinion on the accuracy of the financial statements. Reports HCS submits to the State, however, partially confirm the validity of the status of the fund.



Exhibit 4-64
Halifax County Schools Food Service Fund
Statement of Net Assets
2009 to Fiscal 2010 Fiscal Years

Category	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	Change FY 2009 to FY 2010	% Change FY 2009 to FY 2010
Assets					
Current assets:					
Cash and cash equivalents	\$175,219	\$213,655		\$38,436	21.9%
Due from other governments	\$35,880	\$73,343		\$37,463	104.4%
Receivables (net)	\$893	\$13,628		\$12,735	1426.1%
Due from other funds	\$15,654	\$44,130		\$28,476	181.9%
Inventories	\$64,817	\$84,469		\$19,652	30.3%
Total Current Assets	\$292,463	\$429,225		\$136,762	46.8%
Noncurrent assets:					
Capital assets:	\$55,089				
Equipment, furniture and vehicles net		\$40,915		\$40,915	100.0%
Total Capital Assets	\$55,089	\$40,915		(\$14,174)	-25.7%
Total Assets	\$347,552	\$470,140		\$122,588	35.3%
Liabilities					
Current liabilities:					
Accounts payable and accrued liabilities	\$20,734	\$13,069		(\$7,665)	-37.0%
Due to other funds	\$1,026	\$0		(\$1,026)	-100.0%
Compensated absences (current)	\$60,357	\$48,754		(\$11,603)	-19.2%
Total current liabilities	\$82,117	\$61,823		(\$20,294)	-24.7%
Noncurrent liabilities					
Compensated absences	\$19,793	\$45,426		\$25,633	129.5%
Total noncurrent liabilities	\$19,793	\$45,426		\$25,633	129.5%
Total Liabilities	\$101,910	\$107,249		\$5,339	5.2%
Net assets					
Invested capital assets	\$55,089	\$40,915		(\$14,174)	-25.7%
Unrestricted	\$190,553	\$321,976		\$131,423	69.0%
Total net assets	\$245,642	\$362,891		\$117,249	47.7%

NOT
AVAILABLE
AT THE
TIME OF
THIS
REPORT

Source: Exhibit 7, Halifax County Schools Comprehensive Annual Financial Statements (audited) for FY 2009, and 2010



Exhibit 4-65
Halifax County Schools Food Service Fund
Statement of Revenues, Expenses, and Changes in Fund Net Assets
2009 to Fiscal 2010 Fiscal Years

Category	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	Change FY 2009 to FY 2010	% Change FY 2009 to FY 2010
OPERATING REVENUES:					
Food Sales	\$713,076	\$863,393		\$150,317	21.1%
Total Operating Revenues	\$713,076	\$863,393		\$150,317	21.1%
OPERATING EXPENDITURES:					
Business Support Services:					
Purchase of Food	\$1,159,205	\$1,114,078		(\$45,127)	-3.9%
Donated commodities	\$0	\$0		\$0	0.0%
Salaries and Benefits	\$1,370,201	\$1,296,658		(\$73,543)	-5.4%
Indirect Costs (Full Amount Allowable)	\$0	\$218,372		\$218,372	100.0%
Material and Supplies	\$147,074	\$14,425		(\$132,649)	-90.2%
Non-capitalized equipment	\$0	\$2,626		\$2,626	100.0%
Depreciation	\$31,183	\$14,174		(\$17,009)	-54.5%
Repairs and Maintenance	\$0	\$6,815		\$6,815	100.0%
Contracted Services	\$0	\$75,553		\$75,553	100.0%
Other	\$54,054	\$23,312		(\$30,742)	-56.9%
Total Operating Expenditures	\$2,761,717	\$2,766,013		\$4,296	0.2%
Operating Income (Loss)	(\$2,048,641)	(\$1,902,620)		\$146,021	-7.1%
NON-OPERATING REVENUES:					
Federal Reimbursements	\$1,938,361	\$1,877,741		(\$60,620)	-3.1%
Federal Commodities	\$132,181	\$141,269		\$9,088	6.9%
State Reimbursements	\$10,844	\$0		(\$10,844)	-100.0%
Indirect Costs not Paid	\$0	\$0		\$0	0.0%
Interest Earned	\$0	\$859		\$859	100.0%
Miscellaneous local expense	(\$13,990)	\$0		\$13,990	100.0%
Total Non-operating Revenues	\$2,067,396	\$2,019,869		(\$47,527)	-2.3%
Change in Net Assets	\$18,755	\$117,249		\$98,494	525.2%
Net assets beginning of year	\$226,887	\$245,642		\$18,755	8.3%
Net assets end of year	\$245,642	\$362,891		\$117,249	47.7%

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AVAILABLE
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TIME OF
THIS
REPORT

Source: Exhibit 8, Halifax County Schools Comprehensive Annual Financial Statements (audited) for FY 2009, and 2010

As shown in **Exhibit 4-65**, in FY 2010 HCS contributed the full amount of indirect costs to the General Fund of \$218,372.



Exhibit 4-66
Roanoke Rapids Graded School District Food Service Fund
Statement of Net Assets
2009 to Fiscal 2011 Fiscal Years

Category	FY 2009 Actual	FY 2011 Actual	FY 2010 Actual	Change FY 2009 to FY 2011	% Change FY 2009 to FY 2011
Assets					
Current assets:					
Cash and cash equivalents	\$83,956.00	\$203,733	\$344,576	\$260,620	310.4%
Due from other governments	\$21,499.00	\$27,008	\$36,974	\$15,475	72.0%
Receivables (net)	\$2,653.00	\$2,808	\$1,720	(\$933)	-35.2%
Due from other funds	\$183.00	\$0	\$0	(\$183)	-100.0%
Inventories	\$33,745.00	\$26,339	\$43,577	\$9,832	29.1%
Total Current Assets	\$142,036	\$259,888	\$426,847	\$284,811	200.5%
Noncurrent assets:					
Capital assets:					
Equipment, furniture and vehicles net	\$26,183	\$47,649	\$45,143	\$18,960	72.4%
Total Capital Assets	\$26,183	\$47,649	\$45,143	\$18,960	72.4%
Total Assets	\$168,219	\$307,537	\$471,990	\$303,771	180.6%
Liabilities					
Current liabilities:					
Accounts payable and accrued liabilities	\$976	\$52	\$922	(\$54)	-5.5%
Compensated absences	\$38,646	\$31,698	\$31,692	(\$6,954)	-18.0%
Unearned revenue	\$8,594	\$8,150	\$7,849	(\$745)	-8.7%
Total current liabilities	\$48,216	\$39,900	\$40,463	(\$7,753)	-16.1%
Noncurrent liabilities					
Compensated absences	\$6,865	\$14,874	\$6,931	\$66	1.0%
Total noncurrent liabilities	\$6,865	\$14,874	\$6,931	\$66	1.0%
Total Liabilities	\$55,081	\$54,774	\$47,394	(\$7,687)	-14.0%
Net assets					
Invested capital assets					
Unrestricted	\$26,183	\$47,649	\$45,143	\$18,960	72.4%
Total net assets	\$86,955	\$205,114	\$379,453	\$292,498	336.4%

Source: Exhibit 7, Roanoke Rapids Graded School District Comprehensive Annual Financial Statements (audited) for FY 2009, 2010 and 2011.



Exhibit 4-67

**Roanoke Rapids Graded School District Food Service Fund
Statement of Revenues, Expenses, and Changes in Fund Net Assets
2009 to Fiscal 2011 Fiscal Years**

Category	FY 2009 Actual	FY 2010 Actual	FY 2010 Actual	Change FY 2009 to FY 2011	% Change FY 2009 to FY 2011
OPERATING REVENUES:					
Food Sales	\$596,931	\$547,847	\$543,087	(\$53,844)	-9.0%
Total Operating Revenues	\$596,931	\$547,847	\$543,087	(\$53,844)	-9.0%
OPERATING EXPENDITURES:					
Business Support Services:					
Purchase of Food	\$495,011	\$464,210	\$453,812	(\$41,199)	-8.3%
Donated commodities	\$64,725	\$58,749	\$80,964	\$16,239	25.1%
Salaries and Benefits	\$708,300	\$666,885	\$675,428	(\$32,872)	-4.6%
Indirect Costs (Full Amount Allowable)	\$76,295	\$136,346	\$134,388	\$58,093	76.1%
Material and Supplies	\$64,752	\$50,744	\$50,478	(\$14,274)	-22.0%
Depreciation	\$4,685	\$7,071	\$8,156	\$3,471	74.1%
Repairs and Maintenance	\$3,297	\$5,904	\$5,224	\$1,927	58.4%
Contracted Services	\$1,264	\$2,400	\$6,951	\$5,687	449.9%
Other	\$9,457	\$11,414	\$13,152	\$3,695	39.1%
Total Operating Expenditures	\$1,427,786	\$1,403,723	\$1,428,553	\$767	0.1%
Operating Income (Loss)	(\$830,855)	(\$855,876)	(\$885,466)	(\$54,611)	6.6%
NON-OPERATING REVENUES:					
Federal Reimbursements	\$636,452	\$701,475	\$783,914	\$147,462	23.2%
Federal Commodities	\$64,725	\$58,749	\$80,964	\$16,239	25.1%
State Reimbursements	\$0	\$965	\$478	\$478	100.0%
Indirect Costs not Paid	\$76,295	\$136,346	\$134,388	\$58,093	76.1%
Gain on disposal of capital assets	\$0	\$2,930	\$0	\$0	0.0%
Interest Earned	\$572	\$498	\$1,012	\$440	76.9%
Total Non-operating Revenues	\$778,044	\$900,963	\$1,000,756	\$222,712	28.6%
Income before contributions and transfers	\$(52,811.00)	\$45,087	\$115,290	\$168,101	-318.3%
Capital Contributions	\$0	\$24,626	\$0	\$0	0.0%
Transfers from other funds	\$69,700	\$69,912	\$56,543	(\$13,157)	-18.9%
Total contributions and transfers	\$69,700	\$94,538	\$56,543	(\$13,157)	-18.9%
Change in net assets	\$16,259	\$139,625	\$171,833	\$154,944	917.4%
Net assets beginning of year	\$98,879	\$113,138	\$252,763	\$153,884	155.6%
Net assets end of year	\$115,138	\$252,763	\$424,596	\$308,828	266.8%

Source: Exhibit 8, Roanoke Rapids Graded School District Comprehensive Annual Financial Statements (audited) for FY 2009, 2010 and 2011.

Although RRGSD is showing net assets at the end of each year, they have not yet been able to contribute any indirect costs to the General Fund.



Exhibit 4-68
Weldon City Schools Food Service Fund
Statement of Net Assets
2009 to Fiscal 2011 Fiscal Years

Category	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	Change FY 2009 to FY 2011	% Change FY 2009 to FY 2011
Assets					
Current assets:					
Cash and cash equivalents	13477	\$158,684	\$143,948	\$130,471	968.1%
Due from other governments	145165	\$15,259	\$9,436	(\$135,729)	-93.5%
Receivables (net)	317	\$2,517	\$9,931	\$9,614	3032.8%
Inventories	13738	\$17,166	\$18,882	\$5,144	37.4%
Total Current Assets	\$172,697	\$193,626	\$182,197	\$9,500	5.5%
Noncurrent assets:					
Capital assets:					
Equipment, furniture and vehicles net	\$33,167	\$46,881	\$43,548	\$10,381	31.3%
Total Capital Assets	\$33,167	\$46,881	\$43,548	\$10,381	31.3%
Total Assets	\$205,864	\$240,507	\$225,745	\$19,881	9.7%
Liabilities					
Current liabilities:					
Accounts payable and accrued liabilities	\$490	\$11,641		(\$490)	-100.0%
Due to other funds	\$198,326	\$243,326	\$173,326	(\$25,000)	-12.6%
Compensated absences	\$24,393	\$16,825	\$13,089	(\$11,304)	-46.3%
Deferred revenue					
Unearned revenue	\$350	\$297	\$544	\$194	55.4%
Accrued salaries and wages payable	\$7,310	\$6,535	\$6,687	(\$623)	-8.5%
Total current liabilities	\$230,869	\$278,624	\$193,646	(\$37,223)	-16.1%
Noncurrent liabilities					
Compensated absences	\$20,539	\$4,288	\$31,580	\$11,041	53.8%
Total noncurrent liabilities	\$20,539	\$4,288	\$31,580	\$11,041	53.8%
Total Liabilities	\$251,408	\$282,912	\$225,226	(\$26,182)	-10.4%
Net assets					
Invested capital assets	\$33,167	\$655,861	\$43,548	\$10,381	31.3%
Unrestricted	(\$78,711)	\$1,019,102	(\$43,029)	\$35,682	-45.3%
Total net assets	(\$45,544)	\$1,674,963	\$519	\$46,063	-101.1%

Source: Exhibit 7, Weldon City Schools Comprehensive Annual Financial Statements (audited) for FY 2009, 2010 and 2011.



Exhibit 4-69
Weldon City Schools Food Service Fund
Statement of Revenues, Expenses, and Changes in Fund Net Assets
2009 to Fiscal 2011 Fiscal Years

Category	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	Change FY 2009 to FY 2011	% Change FY 2009 to FY 2011
OPERATING REVENUES:					
Food Sales	\$160,013	\$162,177	\$140,985	(\$19,028)	-11.9%
Total Operating Revenues	\$160,013	\$162,177	\$140,985	(\$19,028)	-11.9%
OPERATING EXPENDITURES:					
Business Support Services:					
Purchase of Food	\$303,077	\$275,442	\$273,266	(\$29,811)	-9.8%
Donated commodities	\$33,133	\$39,067	\$34,806	\$1,673	5.0%
Salaries and Benefits	\$331,487	\$336,170	\$395,702	\$64,215	19.4%
Indirect Costs (Full Amount Allowable)	\$125,118	\$49,117	\$124,376	(\$742)	-0.6%
Material and Supplies	\$26,714	\$33,325	\$36,068	\$9,354	35.0%
Depreciation	\$7,700	\$6,912	\$8,153	\$453	5.9%
Repairs and Maintenance	\$21,406	\$12,844	\$5,939	(\$15,467)	-72.3%
Contracted Services	\$17,732			(\$17,732)	-100.0%
Other	\$17,537	\$2,557	\$1,714	(\$15,823)	-90.2%
Total Operating Expenditures	\$883,904	\$755,434	\$880,024	(\$3,880)	-0.4%
Operating Income (Loss)	(\$723,891)	(\$593,257)	(\$739,039)	(\$15,148)	2.1%
NON-OPERATING REVENUES:					
Federal Reimbursements	\$525,055	\$425,999	\$513,197	(\$11,858)	-2.3%
Federal Commodities	\$33,133	\$39,067	\$34,806	\$1,673	5.0%
State Reimbursements	\$725		\$763	\$38	5.2%
Indirect Costs not Paid	\$125,118	\$49,117	\$124,376	(\$742)	-0.6%
Interest Earned	\$442	\$427	\$464	\$22	5.0%
Total Non-operating Revenues	\$684,473	\$514,610	\$673,606	(\$10,867)	-1.6%
Income before contributions and transfers	(\$39,418)	(\$78,647)	(\$65,433)	(\$26,015)	66.0%
Capital Contributions	\$20,594	\$7,308	\$1,560	(\$19,034)	-92.4%
Transfers from other funds	\$0	\$45,050	\$128,760	\$128,760	100.0%
Total contributions and transfers	\$0	\$52,358	\$130,320	\$130,320	100.0%
Change in net assets	(\$18,824)	(\$71,339)	\$64,887	\$83,711	-444.7%
Net assets beginning of year	(\$45,544)	\$25,795	(\$64,368)	(\$18,824)	41.3%
Net assets end of year	(\$64,368)	(\$45,544)	\$519	\$64,887	-100.8%

Source: Exhibit 8, Weldon City Schools Comprehensive Annual Financial Statements (audited) for FY 2009, 2010 and 2011.

In the FY 2010 CAFR, the WCS auditor included a finding of Material Non-Compliance regarding the deficit in the Food Service Fund. According to the auditor, "State law requires that individual funds not carry a deficit fund balance." The recommendation was for management to closely monitor operations of the School Food Service Fund and make operating transfers from the General Fund if it is determined that the School Food Service Fund cannot generate the



profits necessary to overcome the deficit net asset condition. As shown in **Exhibit 4-69**, the income before contributions and transfers remained a deficit in FY 2011, and transfers from other funds of \$128,760 resulted in net assets for the year of \$519. WCS was not, however, able to begin paying indirect costs to the General Fund.

USDA defines the indirect cost a school district incurs due to meal production and service as follows:

Indirect costs are those costs which are incurred to the benefit of school food service as well as other school functions, but are not readily identifiable to the school food account. Since these costs do contribute to the cost of producing a meal, federal policy allows that they may be claimed for reimbursement. It is to the advantage of the child nutrition operation to include these costs in their claim for reimbursement so that each program may bear its fair share of the total cost.

The last phrase is important because food service revenues can only be used to support the food service operation—reimbursing the General Fund for the full amount allowed is the only way for the school system to recover any part of the costs incurred for providing administrative, financial and human resource services to that organization.

The requirements for whether or not a local board of education may assess indirect cost to the Child Nutrition program varies from state to state. In North Carolina, the annual agreement indicates that Indirect Cost may be assessed to the Child Nutrition program as long as the program remains financially solvent after the expense is paid.

In a memo dated October 15, 2009, the State provided the following clarification:

If an LEA's Child Nutrition Program has an overall positive cash fund balance at the end of the previous fiscal year that equates to at least one and one-half (1.5) months of expenditures, regardless of the net loss in the Child Nutrition Program, the LEA may charge up to the approved indirect cost rate for the coming year.

The 2011-12 Child Nutrition Agreement now defines financial solvency as being one month of expenditures.

At its discretion, a school district may require its child nutrition department to pay 100 percent of the calculated indirect cost, or a portion thereof, or nothing. Therefore, the charging of indirect costs is not an all or nothing consideration, as long as it meets the financial solvency test.

RECOMMENDATION

Recommendation 4-24:

Begin charging the Food Service Fund all (100 percent) of allowable indirect costs and establish an appropriate fund balance target, once the cost savings and revenue enhancing recommendations have been implemented.



Once current initiatives and the cost savings and revenue enhancing recommendations made in this report are implemented in RRGSD and WCS, it will be possible and prudent to charge the allowable indirect cost to the fund.

It is also important that a positive fund balance be accumulated to support and enhance the department's operations. Establishing a policy of accumulating an appropriate level for reserves will allow the operation to fund the purchase of new, more efficient food service equipment when existing equipment must be replaced, or contribute funds when kitchens are renovated or new facilities are constructed.

FISCAL IMPACT

Based on the state agreement, the LEA's General Operating Fund can be reimbursed for indirect costs from the Child Nutrition Fund as soon as the LEA accumulates one (1) month of expenditures. Based on historical indirect cost calculations not charged in the financial statements shown above, the annual indirect costs for RRGSD and WCS are conservatively estimated to be \$120,000 and \$100,000, respectively.

Assuming it will take one year for RRGSD to begin charging full indirect costs, only one-half of the indirect cost is shown as savings in 2012-13. Assuming it will take two years for WCS to achieve sufficient reserves for this purpose, savings are estimated to begin with one-half of indirect costs in 2013-14.

The savings shown below are savings to the General Operating Fund that are made possible through the savings and additional revenues associated with full implementation of the preceding recommendations.

Recommendation	LEA	2012-13	2013-14	2014-15	2015-16	2016-17
Charge Allowable Indirect Costs to Food Service Fund When Allowable	RRGSD	\$60,000	\$120,000	\$120,000	\$120,000	\$120,000
	WCS	\$0	\$50,000	\$100,000	\$100,000	\$100,000

FINDING

Accurately determining eligibility for the federal free and reduced price meal program has an impact on many other programs in the LEAs, including Title I programs, yet Child Nutrition staff in all three LEAs indicated that they are solely responsible for this exercise.

Auditors cited HCS in the FY 2010 CAFR for invalid processing of applications, as follows:

To receive meals under the program(s), a person must meet the regulatory definition of "child." To qualify a child for meals served free or at reduced price under the program(s), the child's family must submit an application to LEA. The application must be approved and maintained on file. The application establishes that the child's family income and family size place him/her within income eligibility standards issued by the State agency in accordance with guidelines published by FNS (7 CFR 245.6). If any required information has not been



completed, and the information cannot be obtained from a sibling's application, the information must be completed before a free or reduced classification can be made. If the sibling application is used, it must be attached. The LEA may ask for other information; however, even if the household fails to provide any such additional information, an eligibility determination must be made without delay provided all required information is present.

During testing we determined that the Board is incorrectly determining the eligibility of students to receive free or reduced meals in the application process. A total of 2 out of the 21 applications tested were determined to be incorrectly completed.

In addition to the clear violations in HCS, staff in HCS, RRGSD, and WCS stated that they hand out and process applications at the beginning of the school year. Further, all three LEAs indicated that they work with the Information Technology groups in their LEAs to produce a sibling match to ensure that all members of a family are picked up during the application process.

WCS stated that students can charge meals when they bring no money to school. Staff, however, check to see if the student has a current application on file, and if not they try to get one filled out by the parents. The WCS Child Nutrition Director also indicated that in trying to collect past due payment, staff has been aggressive about going by the student's homes to get parents to complete and assign an application.

Another program and operation of the LEAs impacted by the number and percent of students eligible for free and reduced price meals is technology operations. E-Rate funds for an LEA are significantly impacted by the percent of needy students. E-Rate is a federal program provides discounts to assist most schools and libraries in the United States to obtain affordable telecommunications and Internet access. When the Evergreen Review Team asked technology staff about involvement in helping Child Nutrition process applications or aggressively seek electronic data that might support the process, they said it was not one of their priorities.

RECOMMENDATION

Recommendation 4-25:

Establish a committee of Child Nutrition, Technology and Title I stakeholders from each of the three Halifax County LEAs to explore a centralized and comprehensive method for obtaining and processing applications and pre-qualifying students for the free and reduced price meal programs county-wide.

In the older grades, the stigma that students associate with applying for the free and reduced price meal programs deters some parents from applying. In addition to the many possible electronic methods used by other LEAs in identifying and qualifying students, parental education programs can help parents and community members understand how important the identification process is for the LEA's education programs.

Creating a working group of key stakeholders can heighten awareness of the interconnectivity of these programs and may produce new and innovative methods for achieving greater accuracy and rates.



FISCAL IMPACT

This recommendation has the potential to increase or decrease the number of students accurately identified for the meal programs, but could result in increased funding when eligible students are accurately identified.

FINDING

Halifax County LEAs are participating in some cooperative purchasing arrangements, and one is sending commodities for processing through a cooperative arrangement. The three Halifax County LEAs, however, are not cooperating among themselves, and some are not following purchasing guidelines from the state, county or their own LEA.

Auditors cited HCS in the FY 2010 CAFR for not soliciting competitive bids, as follows:

All purchases made with federal child nutrition funds and those funds generated by participation in the federal child nutrition programs, must be conducted in a free and open manner. "Free and open competition" must be the watch phrase of any and all purchases conducted on behalf of the National School Lunch, School Breakfast, After-School Snack, Special Milk Program and the Seamless Summer Food Service Program.

During testing we found that Child Nutrition used small vendors but had no evidence of obtaining price or rate quotations from different qualified sources.

According to the HCS Child Nutrition Director, HCS uses the North Carolina Procurement Alliance for purchasing. The Alliance solicits bids for all of the members, which reduces the paperwork for members. When asked about purchases other than those made through the Alliance, the Director indicated that HCS has contracts with some vendors for smaller purchases, which they roll over each year rather than rebidding. During his tenure, he said he has not had to issue a formal bid document. For vendors not on the state contract or through the Alliance, he indicated that HCS requests quotes by phone. He gave no indication that he knew of this audit finding or had changed his practices relating to purchasing.

RRGSD is also part of the Alliance as well as the Tar River Procurement Consortium Alliance, which works the same but is typically used for smaller items. Additionally, this year for the first time, the RRGSD Director said that she is sending some commodities for processing by vendors. For example, Nardone will be processing a small amount of commodities into pizza, Eastside Entrée will be producing a small amount of cheese sauce, and Smokehouse Bar-B-Que is converting 3,000 pounds of pork into Bar-B-Que. Processing commodities can increase the menu variety and appeal without significantly increasing labor costs.

The Child Nutrition Directors in the Halifax County LEAs are not meeting regularly to explore ideas or purchasing options, although all of these options are available to all of the LEAs. Better centralized coordination of these efforts and some collaborative purchasing arrangements may decrease the overall cost of food and supplies, and allow all LEAs in Halifax County to operate within the law and be more efficient.



RECOMMENDATION

Recommendation 4-26:

Establish a collaboration among and between the Child Nutrition Departments where innovative ideas are discussed and joint purchasing opportunities are explored.

At a minimum, the directors should meet monthly to exchange ideas and plan for greater purchasing collaboration. Challenges faced by one LEA can be shared so that another LEA that has found a way to successfully address the issue can contribute suggestions.

FISCAL IMPACT

This recommendation can be implemented with existing resources, but could result in savings or additional opportunities for efficiency for all participants.

FINDING

All of the Child Nutrition operations in Halifax County are under new management, and are showing signs that the operations are or can become cost effective in the future. There are, however, inefficiencies relating to the administration of three separate food service operations as there are three directors, three administrative assistants, two drivers, as well as additional support staff in HCS.

Some LEAs have achieved significant benefits, both in terms of improved operations and nutritional education, through outsourcing all or some of its operations. The Richland Two School District in Columbia, South Carolina conducted a self-study of the strengths and weaknesses of the food service program and decided to enter into a contract with a vendor to provide services for the district.

Under the terms of the contract, the vendor bills the district on a meals-served basis. The district takes in all revenues associated with the program, including federal reimbursements. The vendor is responsible for food and payroll costs, and the repair and maintenance of district equipment. The district is responsible for capital improvements to the cafeterias. In addition to improving the profitability of the program, the vendor is looking for ways to increase participation and emphasize nutrition education.

In February 2011, the vendor hosted the districtwide finals of *Future Chefs: Healthy Snack Challenge*, an Iron Chef-style culinary competition. Richland Two's vendor is a partner in First Lady Michelle Obama's Let's Move initiative to end childhood obesity. This particular program was created to teach kids about making healthy eating choices by encouraging them to make their own fun and nutritious snack recipes. Elementary students throughout the district submitted healthy snack recipes and the best were selected to participate in the district-wide finals event.



RECOMMENDATION

Recommendation 4-27:

Conduct a self-study of the strengths and weaknesses of the three Child Nutrition operations and solicit competitive bids for outsourcing all or part of the operations.

Once the bid specifications are agreed to by the three LEAs, the solicitation should seek responses based on the identified needs. The LEAs should be allowed to bid along with other vendors for the contract. At a minimum, the proposers should be asked to show how they will ensure profitability, increase participation, ensure that eligibility is accurately assessed, and increase nutrition education in all of the schools served.

FISCAL IMPACT

This recommendation can be implemented with existing resources, and should result in savings related to reduced administrative costs. These savings, however, cannot be estimated until the actual contracts and configurations are determined by the participating LEAs.

4.7 TECHNOLOGY

The Information Technology Departments in the three school districts in Halifax County have undergone strategic and measured growth in response to each district's increased commitment to integrating technology into the classroom. This section is intended to provide a review of technology management and the status of these systems.

Exhibit 4-70 provides an overview of the organization and management of the technology functions in the Halifax County LEAs.

Exhibit 4-71 provides responses to technology related questions on the Teacher Working Conditions Survey conducted statewide in 2010.

When asked, HCS and WCS indicated that the LEAs have made a number of improvements in wireless accesses and connectivity that they believe would significantly improve teacher satisfaction with the LEAs technology and technology applications.

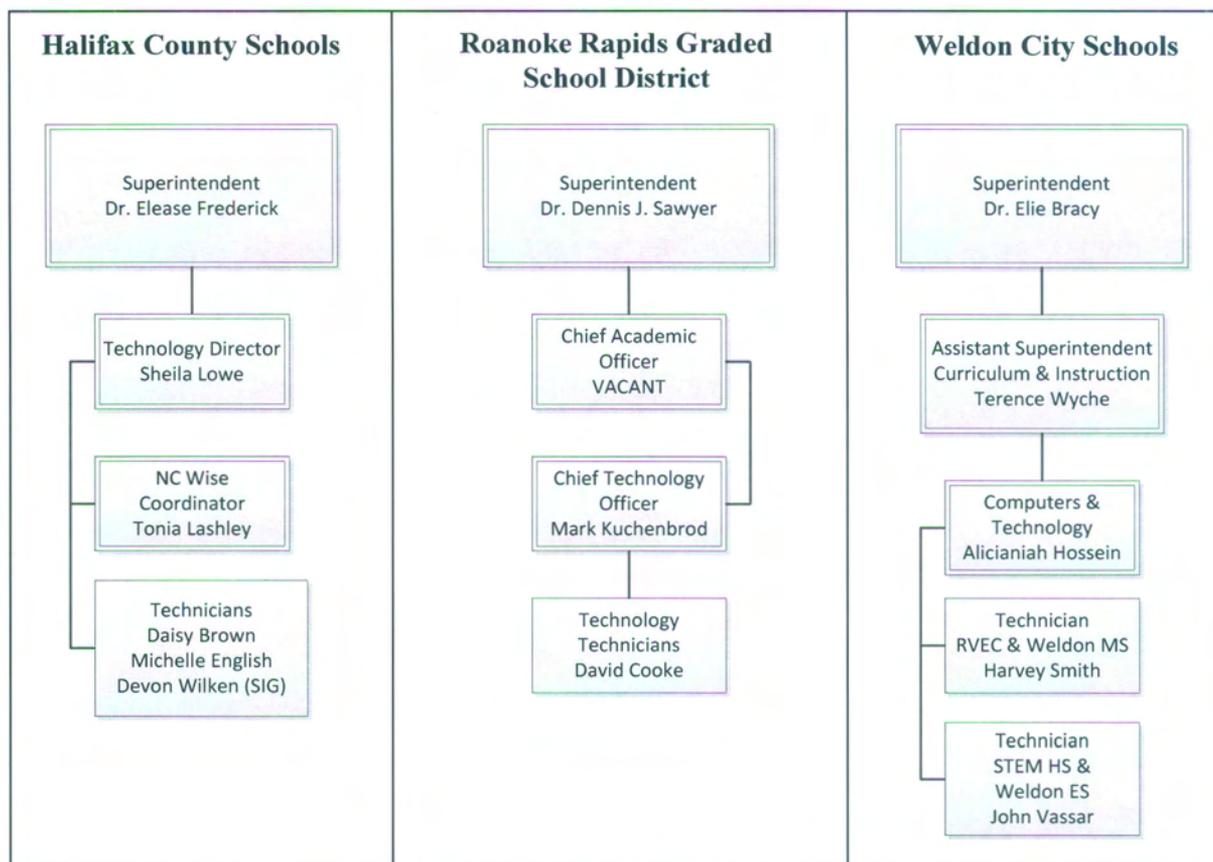
Exhibit 4-72 provides information compiled by the State relating to student access to books and technology. As shown, all but RRGSD are below the state averages in all categories.

The information from the State is dated, however. As part of this review, each of the LEAs provided an inventory of campus-based computers.

Exhibits 4-73 through 4-75 provide a summary of the information provided by each LEA. Although RRGSD remains unchanged since 2010-11, both HCS and WCS have achieved better student to computer ratios in 2012.



Exhibit 4-70
Technology Staffing in Halifax County LEAs



Source: Compiled by Evergreen Solutions, 2012.

Exhibit 4-71
2010 North Carolina Teacher Working Conditions Survey
Summary Results

Statements	Percent of Agree		
	HCS	RRGSD	WCS
Facilities and Resources			
b. Teachers have sufficient access to instructional technology, including computers, printers, software and internet access.	54.6	87.8	56.1
c. Teachers have access to reliable communication technology, including phones, faxes and email.	71.1	99.6	67.0
i. The reliability and speed of Internet connections in this school are sufficient to support instructional practices.	67.8	95.4	43.9

Source: North Carolina Department of Public Instruction, 2012; <http://ncteachingconditions.org/reports/>.



Exhibit 4-72
Comparison of Access to Books and Technology (2010-11)

District	Books per Student	Average Age of Media Center/Library Collection	Students per Instructional Computer	Students per Internet Connected Computer
HCS	22	1994	1.62	1.62
RRGSD	17	1990	2.75	2.75
WCS	26	2001	1.20	1.20
Average	22	1995	1.86	1.86
State Average	17	1996	2.14	2.14

Source: North Carolina Department of Public Instruction, 2012.

Exhibit 4-73
Halifax County Schools
Instructional Computer Inventory
2012

School	Number of Students	Number of Computers
Aurelian Springs Elementary	466	Did Not Provide Detail
Dawson Elementary	182	
Everetts Elementary	385	
Hollister Elementary	248	
Inborden Elementary	404	
Pittman Elementary	173	
Scotland Neck Primary	161	
Enfield Middle	359	
Wm R Davie Middle	415	
Northwest High	571	
Southeast High	441	
Total	3,805	2,713
Student to Computer Ratio: 1.4:1 (3,805 students to 2,713 computers)		

Source: HCS Technology Director, 2012.

Although HCS did not provide school-level numbers of computers, the total number of instructional computers and the ratios of total students to computers appear to have improved from 1.62:1 in 2010 to 1.4:1 in 2012.



Exhibit 4-74
Roanoke Rapids Graded School District
Instructional Computer Inventory
2012

School	No. of Students	Classroom Computers	Lab Computers	Student to Computer Ratio	Carts	Interactive Classrooms*	Admin. & Teacher Computers	Total
RRHS	836	180	136	2.65		32	103	419
Chaloner	726	183	120	2.40	2 iPod Touch Carts (30/cart)	32	74	377
Belmont	794	184	68	3.15	1 iPod Touch Carts (30/cart)	39	112	364
Manning	662	142	67	3.17	1	31	76	286
Clara Hearne	87	39	10	1.378		1	15	64
Central Services						1	58	58
TOTALs	3,105	728	401	2.75	4	136	438	1,568

Student to Computer Ratio: 2.75:1

(3,105 students to 1,129 computers)

Source: RRGSD Chief Technology Officer, 2012.

* Includes such things as SMART Boards and Data Projectors.

Although classrooms have computers, RRGSD officials said they chose to use the computer cart and lab approach for instructional technology, rather than placing laptops or terminals in each classroom.

Exhibit 4-75
Weldon City Schools
Instructional Computer Inventory
2012

School and Inventory	School and Inventory
<u>Roanoke Valley Early College</u> Student Laptops: 330 Classroom: N/A Computer Lab: N/A Mobile Labs: 40 Staff: 13	<u>Weldon Elementary School</u> Classroom: 102 Computer Lab: 55 Mobile Labs: 12 Staff: 31
<u>Weldon Middle School</u> Classroom: 52 Computer Lab: 91 Mobile Labs: 80 Staff: 35	<u>Weldon STEM High School</u> Student Laptops: 190 Classroom: 65 Computer Lab: 55 Mobile Labs: 20 Staff: 45
Student to Computer Ratio: 1.097:1 (1,097 Pre-K-12 students to 1000 computers for instructional use)	

Source: Weldon Computers and Technology Director, 2012.



From a business technology standpoint, there are statewide systems that all LEAs in the State are required to use, such as the North Carolina Window of Information on Student Education (NC WISE) system that tracks both student and business information, but each LEA also has a unique set of software that support administrative functions.

Exhibit 4-76 provides a list of the administrative software identified by LEA staff as being used in each LEA. As shown, there is some commonality in the systems, while some are unique.

**Exhibit 4-76
Administrative Technology in Halifax County LEAs**

Halifax County Schools	Roanoke Rapids	Weldon City Schools
<ul style="list-style-type: none"> • Webroot – filter and Anti Virus • Novell - Platform • AmberCat – HELP Desk System, Workorder system for Maintenance and Technology. • DNSDHCP – Part of Novell • Symantics • AVG (Anti-Virus) • Console One • Sartox (Now K-12 Enterprises) - Finance • Sunpac (Finance and Payroll) • TACS (Time and Attendance Collection System) • Microsoft Office 2007, 2010 • Adobe • MealsPlus (Child nutrition point-of-sale system) • HRMS (Human resources management system) • CECAS (Comprehensive Exceptional Children Accountability System) • McREL (The NC Educator Evaluation System) • SEA System (Professional development management system) • NC WISE (NCDPI) • ABC Tools (NCDPI) • EVAAS (NCDPI) • ClassScape (benchmark assessment) • MAP • eProcurement - Purchasing 	<ul style="list-style-type: none"> • SEA System (Professional Development) • CECAS • NC WISE (NCDPI) • ABC Tools (NCDPI) • Sartox (Now K-12 Enterprises) - Finance • Sunpac - Finance • Online Surveys • EVAAS • ClassScape • Employee Timesheets • eProcurement • Novell – User login • Intranet • Remote storage • Email • Online maintenance work order system • Online tech support work order system • Microsoft Office 2007, 2010 • Google docs • AVG (Anti-Virus) • School Funds • TACS – Time accounting • QSP – Food Service (Sartox food Service) 	<ul style="list-style-type: none"> • SunPac (Financial management system, payroll system, and employee portal) • AS/400 Spreadsheets (Financial reporting spreadsheet application) • SchoolFunds (Bookkeeping software for schools) • TACS (Implementing at Central Office in May 2012 – Schools July 2012) • ISIS (Child nutrition financial management module) • MealsPlus (Child nutrition point-of-sale system) • HRMS (Human resources management system) • CECAS (Comprehensive Exceptional Children Accountability System) • McREL (The NC Educator Evaluation System) • SEA System (Professional development management system) • SchoolDude (Maintenance and technology request system) • Novell Network (operating platform) • NC WISE (NCDPI) • ABC Tools (NCDPI)

Source: Compiled by Evergreen Solutions during Interviews, 2012.



FINDING

Both HCS and WCS are undertaking initiatives to create a wireless 1:1 student to computer environment at all campuses, with funds from the federal Race to the Top Program, Student Improvement Grants, E-Rate and other sources.

WCS initiated a 1:1 student to laptop initiative beginning in September 2009 at Roanoke Valley Early College (RVEC) and the Weldon STEM High School (WSHS) began planning for its 1:1 initiative during the 2010-11 academic year. Four WSHS teachers have been selected to pilot the initiative in April 2012. WSHS teachers will continue to receive professional development during Summer 2012 in preparation for the 1:1 initiative. During the 2012-13 academic year, all WSHS 9th and 10th grade students will receive a district-assigned laptop.

With the assistance of a grant awarded by Elizabeth City State University, WSHS will initiate the use of digital student portfolios beginning in the 2012-13 academic year as a means of monitoring and improving student performance. WSHS students also utilize NovaNET and NCVPS online courses for the purposes of obtaining and recovering course credits.

COMMENDATION

Weldon City Schools is commended for its instructional technology initiatives that are addressing the 21st Century needs of its students.

FINDING

In partnership, the Halifax County Schools, the Roanoke Rapids Graded School District, and Weldon City Schools were awarded a GoldenLEAF Community Assistance Initiative Grant that allowed for the purchase of SMART boards, document cameras, teacher laptops and Professional development for all core subject area classrooms.

According to the Golden LEAF Foundation's website:

...the Community Assistance Initiative is a grants program that targets communities of need and provides direct support for projects that significantly enhance the quality of life for citizens within those communities by stimulating economic activity or providing assistance in overcoming barriers to economic transition or community progress.

The initiative was created by Golden LEAF in response to concerns that some of the state's most distressed communities were not the direct beneficiaries of the foundation's grantmaking. By working directly with those communities, foundation staff and board were able to understand community priorities and challenges and were able to assist those communities in establishing a priority list of proposals for funding consideration.

Building on initial success, the Community Assistance Initiative currently targets North Carolina's Tier One counties, considered the most economically distressed counties in the state.



With Golden LEAF staff and board members working directly with county leaders and citizens, proposals are developed following a process whereby the community reaches consensus on the key issues and objectives that it would like to target and then establishes a priority list of projects that have the most potential for positively affecting the key issues and achieving the desired objectives.

As a result of the three LEAs reaching consensus, and jointly applying for this grant, teachers are receiving SMART board training on a continuous and progressive basis, with a select group of teachers at each school specially trained as trainers for their fellow faculty members. This process is helping to ensure the sustainability of SMART board instructional integration throughout the LEAs. A large percent of all of the LEA classrooms are now equipped with a SMART board and by virtue of this grant, the LEAs are increasing student engagement in learning through the teaching of interactive lessons enabled by the use of SMART board.

COMMENDATION

Halifax County LEAs are commended for recognizing the need for and collaboratively seeking a grant as part of the Golden LEAF Foundation's Community Assistance Initiative.

FINDING

All Halifax County LEAs are taking advantage of the discounted telecommunications services available to them through the E-Rate program.

The E-Rate program is administered by the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC). The program was set up in 1997 when the Federal Communications Commission (FCC) adopted a Universal Service Order implementing the Telecommunications Act of 1996. The Order was designed to ensure that all eligible schools and libraries have affordable access to modern telecommunications and information services. Up to \$2.25 billion annually is available to provide eligible schools and libraries with discounts under the E-Rate program for authorized services.

The E-Rate provides discounts of 20 percent to 90 percent for eligible telecommunications services, depending on economic need and location (urban or rural). The level of discount is based on the percentage of students eligible for participation the National School Lunch Program or other federally approved alternative mechanisms, meaning that the LEAs in Halifax County are eligible for significant discounts.

Discounts can be applied to commercially available telecommunications services, Internet access, and internal connections. Eligible services range from basic local and long distance phone services, and Internet access services, to acquisition and installation of equipment to provide internal connections.



Schools that plan to participate in the E-Rate program follow a series of steps in order for their request for services to be placed on the SLD website. The timeline for filing appropriate forms is announced annually by the SLD on their website.

According to the US Department of Education website, to apply for E-Rate Discounts, the applicant must:

- **Develop a technology plan**
- **Submit FCC Form 470** (Description of Services Requested and Certification Form)
- **Provide for a 28-day competitive bidding period:** A Description of Services Requested is posted on the SLD website for a 28-day competitive bidding period, during which service providers may contact the LEA to bid on the requested services.
- **Select service provider/sign contracts**
- **Submit FCC Form 471** (Services Ordered and Certification Form)
- **Be prepared to answer questions on your application**
- **Receive and review your Form 471 Receipt Acknowledgement Letter**
- **Receive your Funding Commitment Decision Letter**
- **Assure technology plan approval; receive services; file Form 486:** After the LEA receives the Funding Commitment Decision Letter, it will submit FCC Form 486, the Receipt of Service Confirmation Form, as an indication that services have begun. This form allows the SLD to process your service provider(s) invoices for your discount.
- **Retain records**
- **Appeals** (Related to award)
- **Pay your share:** After the SLD receives the LEA's FCC Form 486 and notifies your service provider, and after your service provider incorporates discounts into your bills, your service provider(s) will invoice the SLD for the discounted portion of your bill. Alternatively, you may seek reimbursements through Form 472, Billed Entity Applicant Reimbursement (BEAR) Form, signed by you and your service provider. (For details on the BEAR process, see "Form 472 (BEAR) Filing Guidance" posted on the SLD [website](#).) At the same time, the service provider(s) will invoice you for the non-discounted portion of your bill. Service provider invoices submitted to the SLD will be processed and paid generally within 40 days of receipt.
- **Prepare for the next funding year:** For each year of the discount program, schools and libraries must file Forms 470 for tariffed or month-to-month services and for new services to be provided in the following funding year. In addition, new Forms 471 must



be filed each year for discounts on any eligible service. Funding is on a fiscal year basis, beginning July 1st of each year and running through the following June.

All Halifax County LEAs have developed comprehensive technology plans that are regularly updated. The plans detail not only how the LEAs will use E-Rate funds, but also discuss plans and goals for various instructional technology initiatives and possible funding sources.

Exhibit 4-77 provides a summary of the E-Rate funds applied for and received over the last three fiscal years.

Exhibit 4-77
E-Rate Participation by LEA
2008-09 through 2010-11

<i>Halifax County Schools</i>	2010-11	2010-11	2009-10	2009-10	2008-09	2008-09
Type of Service/Provider	Funds Requested	Funds Received	Funds Requested	Funds Received	Funds Requested	Funds Received
Internet Access/ eChalk Ink	\$44,347.32	\$37,596.24	\$42,865.50	\$42,865.50	\$59,753.23	\$39,416.08
TeleComm/ Verizon Wireless	\$8,506.94	\$0.00	\$8,279.88	\$8,279.88	\$6,847.63	\$6,742.03
TeleComm/ U.S. Cellular	\$23,525.75	\$0.00	\$16,663.89	\$9,448.55	\$11,524.44	\$10,083.00
Telecomm/ Century Link	\$234,986.40	\$151,750.02	\$255,435.84	\$249,018.88		
Internal Conn Maint/ Surazal	\$106,434.00	\$67,737.80			\$106,434.00	\$106,434.00
Internet Conn/ Century Link	\$59,425.20	\$0.00	\$73,220.40	\$73,220.40		
Internet Conn/ Century Link	\$669,684.83	\$0.00	\$106,434.00	\$106,434.00		
Internet Conn/ Embarq					\$67,689.60	\$0.00
Internet Conn/ Embarq					\$334,424.64	\$266,580.35
TOTAL	\$1,146,910.44	\$257,084.06	\$502,899.51	\$489,267.21	\$586,673.54	\$429,255.46
<i>Roanoke Rapids Graded School District</i>	2010-11	2010-11	2009-10	2009-10	2008-09	2008-09
Type of Service/Provider	Funds Requested	Funds Received	Funds Requested	Funds Received	No information provided	
District Internet Access	\$124,676.23	\$124,676.23	\$124,042.05	\$124,042.05		
Cell Phone Data Access						
District Telephone	\$71,922.67	\$71,922.67	\$73,218.87	\$73,218.87		
District Cell Phones	\$4,193.59	\$4,193.59	\$4,308.48	\$4,308.48		
Technician Cell Phones			\$1,283.94	\$1,283.94		
Fax Line Telephone	\$4,360.73	\$4,360.73	\$4,360.73	\$4,360.73		
TOTAL	\$205,153.22	\$205,153.22	\$207,214.07	\$207,214.07		
<i>Weldon City Schools</i>	2010-11	2010-11	2009-10	2009-10	2008-09	2008-09
Type of Service/Provider	Funds Requested	Funds Received	Funds Requested	Funds Received	Funds Requested	Funds Received
CDW Government/ Email			\$11,619.44	\$11,619.44		
CenturyLink/ Wireless Networks			\$77,556.91	\$77,556.91		
CenturyLink/ Phone System			\$19,060.44	\$19,060.44		
CenturyLink/ Internet					\$27,986.11	\$27,986.11
CenturyLink/ WAN	\$93,218.40	\$93,218.40	\$75,627.11	\$75,627.11	\$52,945.20	\$52,945.20
ITS/ Local and Long Distance Phone	\$21,085.56	\$18,977.00	\$22,637.28	\$20,373.56	\$24,749.88	\$24,749.88
eChalk/ Web hosting			\$16,116.30	\$16,116.30	\$18,196.33	\$18,196.33
U.S. Cellular/ cell phone services	\$14,190.88	\$14,190.88	\$12,584.81	\$12,584.81	\$12,661.29	\$12,661.29
Intrafinity, Inc./Web hosting	\$8,311.50	\$8,311.50				
CenturyLink/ Network Switch Maint.			\$2,623.43	\$2,623.43	\$2,623.43	\$2,623.43
TOTAL	\$136,806.34	\$134,697.78	\$237,825.72	\$235,562.00	\$139,162.24	\$139,162.24

Source: Compiled by Evergreen Solutions from information provided by each LEA. 2012.



For 2012, RRGSD and WCS reported applying for \$185,000 and \$181,000 in E-Rate discounts respectively. HCS did not provide information on its application for 2012.

COMMENDATION

Halifax County LEAs are commended for developing technology plans and making application for E-Rate discounts that are providing significant technology related benefits.

FINDING

As shown above, HCS was approved to receive \$1.1 million in E-Rate discounts in 2011, but was only able to draw down \$257,000. According to staff, HCS did not have the 10 percent match, or approximately \$80,000, required to draw down the money.

A follow-up email to HCS produced the following response:

E-Rate differences in the Funds Requested and Funds Received for the following years: 2007-08; 2008-09; 2009-10; & 2010-11~during this time several things happened in Halifax County Schools that resulted in differences in funding amounts requested and received.

E-Rate is a reimbursement, NOT a grant, therefore any funds not received are actually a saving to the district and the E-Rate program. Funding which was awarded but not received is an indication that our actual expenses were lower than our budget. The E-Rate program operates to provide funding anywhere from 18+ months in the future, so we always have to apply for funds based on our best estimates several months before each school year, or from what we could estimate from existing bills, quotes, etc. Therefore, many times underutilization of approved funds is normal.

Our utilization variances were partially due to three school closures and a reduction in student enrollment during this time. Also cutting expenses in some of those years played a role as well.

While the above explanation has some merit, a funding difference of \$800,000 is significant. It is also remarkable that HCS had justified and used a minimum of \$429,000 in previous years.

RECOMMENDATION

Recommendation 4-28:

Maximize the potential of Halifax County Schools for E-Rate discounts through better planning and budgeting.

Foregoing potential savings in a financially struggling LEA only exacerbates the problem, particularly when HCS has clearly made a commitment to expanding instructional and administrative technology.



FISCAL IMPACT

Making a budgetary commitment to at least 10 percent of the E-Rate levels from prior years of approximately \$450,000, would bring in a net of approximately \$150,000 (\$195,000 less \$45,000 required to draw down the full amount) in telecommunication services over the amount received in 2011. While this is a cost avoidance for HCS, the amounts shown reflect an investment in quality educational and administrative technology.

Recommendation	LEA	2012-13	2013-14	2014-15	2015-16	2016-17
Maximize HCS Potential for E-Rate Discounts	HCS	\$75,000	\$150,000	\$150,000	\$150,000	\$150,000



***CHAPTER 5:
FACILITIES MANAGEMENT***



5.0 FACILITIES MANAGEMENT

In many public school districts, the task of planning, programming, designing, constructing, operating and maintaining school buildings and grounds is viewed as a “to-be-endured” necessity that diverts precious financial resources from teaching and learning. This attitude is apparent when funds for facilities maintenance are among the first to be reduced – often drastically – during periods of financial downturns and tight budgets.

Poor facilities planning can be seen in overcrowded or underutilized schools, excessive numbers of modular (portable) classrooms, or school buildings unsatisfactorily located with reference to demographic patterns, causing undue reliance on school transportation and its attendant high costs.

Poor facilities design is often evident in disproportionately high long-term energy, maintenance and cleaning costs. The selection of materials and equipment based on low initial cost alone can be dwarfed by resulting high long-term costs of replacement and repair. A lack of attention to indoor air quality, acoustics, daylighting and other aspects of environmental quality, can be a source of absenteeism, chronic health issues, social disorganization and dysfunction among students, teachers, and administrators, and be as a whole detrimental to teaching and learning.

Deferral of scheduled maintenance to “such time as we can afford it” can result in repair or replacement costs of more than forty times the initial cost of scheduled or preventive maintenance. Failure to perform scheduled maintenance on especially sensitive items such as boilers or roofs can result in personal injuries, or even fatalities, when such items have failed due to maintenance deferral.

This chapter examines specific opportunities for improvements in facilities use and management in three local education agencies (LEAs) in Halifax County, including the Halifax County Schools (HCS), the Roanoke Rapids Graded School District (RRGSD), and Weldon City Schools (WCS) in the following areas:

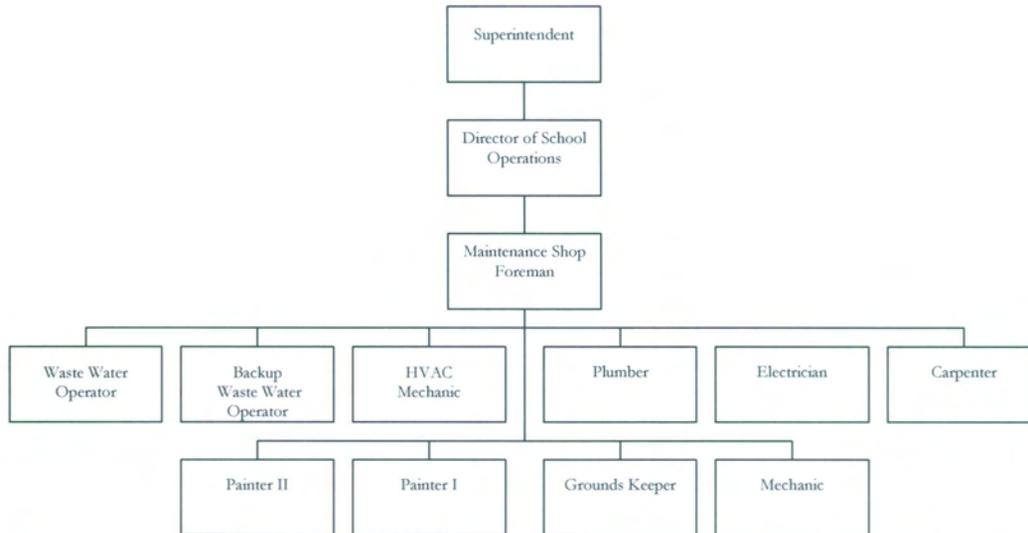
- 5.1 Organization and Management
- 5.2 Facilities Inventory
- 5.3 Facilities Maintenance
- 5.4 Custodial Services
- 5.5 Energy Management
- 5.6 Building Utilization
- 5.7 Master Planning

5.1 ORGANIZATION AND MANAGEMENT

Exhibits 5-1 through **5-3** show the organizational structures of the maintenance function at HCS, RRGSD, and WCS, respectively.

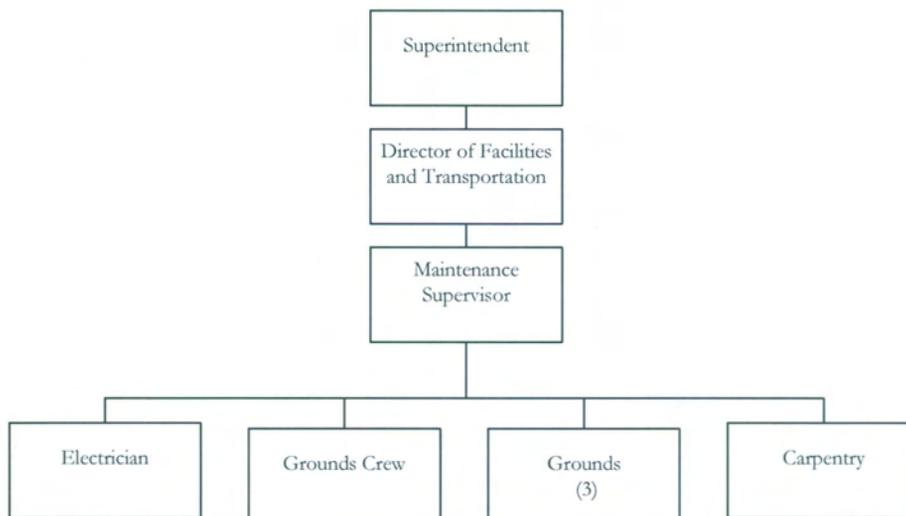


**Exhibit 5-1
Organization Chart of
Facilities and Maintenance Services
Halifax County Schools
June 2012**



Source: Prepared by Evergreen Solutions from information supplied by Halifax County Schools.

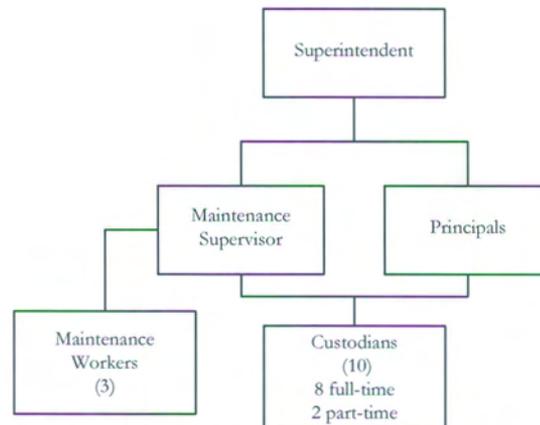
**Exhibit 5-2
Organization Chart of
Facilities and Maintenance Services
Roanoke Rapids Graded School District
June 2012**



Source: Prepared by Evergreen Solutions from information supplied by Roanoke Rapids Graded School District.



Exhibit 5-3
Organization Chart of
Facilities and Maintenance Services
Weldon City Schools
June 2012



Source: Prepared by Evergreen Solutions from information supplied by Weldon City Schools.

Exhibit 5-4 displays the insured values (also known as replacement values) for all facilities in HCS, RRGSD, and WCS, including mobile classroom units. Insured contents values are not shown.

Understanding that Local Education Agencies (LEAs) were in need of facility-related assistance, the 1987 Session of the North Carolina General Assembly passed legislation (the School Facilities Finance Act) establishing the Public School Building Capital Fund (PSBCF). The purpose of the fund is to assist county governments in meeting their public school building capital needs and their equipment needs under their local school technology plans. There are two basic funding streams administered through the PSBCF, the ADM funds and lottery funds. For the ADM fund, the State uses part of the corporate income tax revenues (about 7.25%) to provide counties with an allocation based on average daily membership.

Therefore, assuming the total cost for all necessary facility replacement/renovations in Halifax County is \$40 million, the County's share under the ADM program (if approved by the state) would be \$10 million. The County would service that debt from county tax revenues over the life of the debt.

Exhibit 5-5 presents a comparison chart relating to the two types of funds.

The Halifax County 2011 Comprehensive Annual Financial Statement contains the following description of current capital projects being financed by the county [emphasis added].

The County provided the three public school systems with \$5,403,446 in current expense and \$3,541,645 in capital outlay funds... In addition, debt service payments were made on projects for Belmont Elementary School, part of the Roanoke Rapids Graded School District, and for Weldon Middle School, part of the Weldon City Schools District...



Exhibit 5-4
Insured Values for Halifax County Public School Buildings
May 2012

School or Other Function	Original Date	Current Building Insured or Replacement Value
HALIFAX COUNTY SCHOOLS		
Aurelian Springs Elementary	1990	\$8,723,036
Dawson Elementary	1938	\$3,585,428
Enfield MS/Inborden Elementary School	2007	\$23,829,321
Everetts Elementary	1958	\$4,354,372
Hollister Elementary	1960	\$3,040,127
Northwest High	1970	\$18,790,133
Pittman Elementary (PK-5)	1959	\$3,737,858
Scotland Neck Primary (PK-3)	N/A	\$3,380,589
Southeast High	1980	\$17,246,139
William R. Davie Middle	1999	\$15,717,868
White Oak	1959	\$2,885,633
Central Office	1969	\$1,793,921
Bus Garage Building	1927	\$291,001
27 Mobile Units#	Varies	\$549,986
TOTAL HCS OPEN FACILITIES		\$107,925,412
CLOSED HCS FACILITIES		
Enfield Middle (Closed)	N/A	\$1,791,267
Inborden Elementary (Closed)	N/A	\$207,840
Bakers Elementary (Closed)	1951	\$1,609,565
Brawley Middle (Closed)	1951	\$4,506,566
Eastman Middle (Closed)	N/A	\$3,169,322
McIver Elementary (Closed)	N/A	\$2,522,619
TOTAL FOR CLOSED HCS FACILITIES		\$13,807,179
TOTAL FOR ALL HCS FACILITIES		\$121,732,591
ROANOKE RAPIDS GRADED SCHOOL DISTRICT		
Akers Alternative	1960	\$814,808
Clara Hearne Pre-K	1935	\$2,262,936
Belmont Elementary	1998	\$11,965,387
Manning Elementary	1953	\$7,238,272
Chaloner Middle	1955	\$10,330,413
Roanoke Rapids High	1921	\$25,063,880
Administration	1924	\$701,596
Maintenance	1954	\$231,119
17 Mobile Units*	Varies	\$397,692
TOTAL FOR OPEN RRGSD FACILITIES		\$59,006,103
CLOSED RRGSD FACILITY		
Medlin Elementary (Closed)	1937	\$1,707,120
TOTAL FOR ALL RRGSD FACILITIES		\$60,713,223
WELDON CITY SCHOOLS		
Weldon Pre-School	1950	In Elementary Facility
Weldon Elementary	1988	\$8,327,222
Weldon Middle	2000	\$8,817,094
Weldon STEM High	1963	\$9,526,292
Central Office	1974	\$1,198,756
1 Mobile Unit	1979	\$28,000
Roanoke Valley Early College (Not Included by NCDPI)	2010	N/A
TOTAL FOR OPEN WCS FACILITIES		\$27,897,364
CLOSED WCS FACILITY		
Andrew Jackson Elementary	1958	\$2,493,214
TOTAL FOR ALL WCS FACILITIES		\$30,390,578

Source: Prepared by Evergreen Solutions from Data supplied by NCDPI, May 2012.

#HCS lists 26 mobile units but NCDPI counts 27.

*RRGSD lists 19 Mobile Units in but NCDPI counts 17.



Exhibit 5-5
Comparison of PSBCF
Lottery Funds versus Corporate Tax (ADM) Funds

Corporate Tax (ADM) Funds	<u>Influx of funds into the PSBCF</u> 4 times per year: February, May, August, November
Lottery Funds	4 times per year: to be determined
Corporate Tax (ADM) Funds	<u>Allocation of Funds</u> Based on ADM of each county
Lottery Funds	Partially based on ADM of each I.F.A, and partially based on tax rate of each LEA
Corporate Tax (ADM) Funds	<u>Allowable uses of funds</u> Use for school construction or technology. Use for Debt Service, for projects completed after July 1, 1987, <i>only if</i> the “county does not need all or part of the funds ... for public school capital outlay projects.”
Lottery Funds	Use for school construction only; not technology. May use for debt service for construction after January 1, 2003. It was intended that a county continue to spend for public school capital outlay purposes the same amount of money it would have spent if it had not received lottery monies.
Corporate Tax (ADM) Funds	<u>Required Local Matching</u> \$1 Local per \$3 State for construction, except no match required for Technology
Lottery Funds	No match required
Corporate Tax (ADM) Funds	<u>Application Requirements</u> Specific ADM Form, with signatures of Chairs of Board of Ed and County Commission
Lottery Funds	Specific Lottery Form, with signatures of Chairs of Board of Ed and County Commission
Both Corp Tax and Lottery Funds	<u>Availability of Funds</u> Applications received before the 25 th (22 nd in February) will be processed and funds available by the 1 st of the following month.
Note: The term “construction” includes renovations, additions, and new buildings, and infrastructure to serve educational facilities.	

Source: DPI Finance and Business Services, Buildings/Construction, School Planning Section:
<http://www.schoolclearinghouse.org/otherinf/ADMFund/ComparisonLotteryADM.pdf>.



As authorized by State law (G. S. 160A-20 and 153A-158.1), the County has financed property acquisitions for use by the Roanoke Rapids School District and the Halifax County Board of Education with notes payable. The notes were issued pursuant to a deed of trust which requires that legal title remain with the County as long as the debt is outstanding. The County has entered into a lease with Roanoke Rapids School District and Halifax County Board of Education which transfers the rights and responsibilities for maintenance and insurance of the property to the School District and the Board of Education. The lease calls for nominal annual lease payments and also contains a bargain purchase option. The lease term is the same as that of the installment purchase obligation. Due to the economic substance of the transaction, the capital assets associated with the installment purchase obligation are recorded by the School District and the Board of Education and are not reported in the assets of the County.

Capital Outlay Fund. The Capital Outlay Fund accounts for financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by proprietary funds and trust funds). It is mandated by State law [G. S. 115C-426]. Capital projects are funded by Halifax County appropriations, restricted sales tax moneys, proceeds of county debt issued for public school construction, lottery proceeds, as well as certain State assistance.

Because of the enormous needs and costs associated with major facility renovations and construction, Evergreen also explored opportunities for facility sharing that the county or school systems might accomplish in advance of or in lieu of a merger.

FINDING

Weldon City Schools obtained nearly \$764,000 in interest-subsidized Qualified School Construction Bonds (QSCB) for roof replacements at Weldon Elementary School and Weldon STEM High School in 2010. Roanoke Rapids Graded School District obtained about \$1,600,000 in QSCB funding to supplement the improvements and classroom addition at Chaloner Middle School in 2011. Halifax County Schools also made efforts to obtain QSCB funding in 2009, but the County Government decided not to proceed with such a bond offering because banks were reluctant to purchase any bonds directly following the deep nationwide recession.

Board members received a Monthly Financial Report for FY 2010 from Carrie Neal, Finance Officer. (She) shared a copy of the letter from Mr. Tony Brown and Mrs. Linda Taylor regarding the Board of County Commissioners decision not to proceed with QSCB (Qualified School Construction Bond) at this time, because there are no banking institutions interested in purchasing QSCB. (http://search.yahoo.com/search;_ylt=ArX33akYpf9njSo9jxQt57qbvZx4?p=Halifax+County+NC+School+Board+meeting+October+5%2C+2009&toggl=1&cop=mss&ei=UTF-8&fr=yfp-t-701-1)

For further details on QSCB and Qualified Zone Academy Bonds (QZAB), please consult the following U.S. Department of Education Web site: <http://www2.ed.gov/policy/gen/guid/secletter/100611.html>.



COMMENDATION

Halifax County and its LEAs have taken advantage of the QSCB programs to obtain interest free or low-interest funding for needed facility renovations and other improvements.

5.2 FACILITIES INVENTORY

Exhibit 5-6 displays the combined facilities inventory for HCS, RRGSD, and WCS. As compact city school districts, RRGSD and WCS have a smaller number of schools located in closer geographic proximity. HCS covers the remainder of the entire County, and has thus a larger number of schools more geographically scattered.

Exhibit 5-7 shows the locations of all public schools in Halifax County.

FINDING

As shown in **Exhibit 5-6**, Halifax County Schools has recently closed several school buildings, resulting in a total of six closed schools with a combined floor area of over 260,000 gross square feet. Medlin Elementary and Andrew Jackson Elementary are the closed schools in RRGSD and WCS, respectively.

In HCS, Bakers, Inborden and Enfield were closed in January 2008, while McIver, Brawley and Eastman were closed in June 2009. The HCS closed buildings have been boarded-up, and electricity and water disconnected. Grounds and onsite wastewater plants are maintained, and all state permits kept active. This is typically called “mothballing.” Unfortunately, according to NCDPI sources, copper wiring, mechanical equipment and other valuable items have been stolen from these closed buildings. Andrew Jackson and Medlin Elementary Schools are not boarded nor mothballed. Andrew Jackson is not used at this time, while Medlin serves as a storage facility. Both of these schools are in good condition.

School buildings should not be left to lie empty for any length of time. They should never be abandoned and left to deterioration, vandalism, water damage, and the encroachment of mildew and vermin. A resource list on school closings from the National Clearinghouse for Educational Facilities (NCEF) (http://www.ncef.org/rl/School_Closure,_Consolidation,_Co-location.cfm) emphasizes the need for closed buildings to be “repurposed” as quickly as possible. If buildings are unoccupied and unused, they not only remain a cost burden to its owners while they deteriorate quickly, but also become huge liabilities.

According to NCDPI officials, the LEA can repurpose closed facilities only after renovations are made to ensure that the buildings will meet current code. Evergreen was unable to obtain specific information pertaining to the scope of renovations necessary for repurposing a facility or for reopening a facility as a school. The assumption is that code requirements may vary based on the intended use of the facility, therefore no single set of standards would apply in every case.



Exhibit 5-6
Combined Facilities Inventory for Halifax County Schools,
Roanoke Rapids Graded School District, and Weldon City Schools
June 2012

School or Other Function	Original Date	Classrooms	Enrollment Capacity	2012 MLD Month 8*	Square Feet	Total Square Feet	Acres
HALIFAX COUNTY SCHOOLS							
Aurelian Springs Elementary	1990	24	576	417		65,400	19.41
Mobile**	2003				864		
Mobile	1997				960		
Mobile	1997				960		
Dawson Elementary	1938	16	384	169		28,373	5.95
Classrooms	1957				20,427		
Media	1957				1,271		
Cafeteria	1957				6,675		
Enfield MS/Inborden Elementary School	2007	42	1008	359/362		126,622	35
Everetts Elementary	1958	19	456	346		34,853	9.93
Cafeteria	1958				6,785		
Main Building	1958				16,076		
Rear Building	1958				11,992		
Mobile	1992				864		
Mobile	1992				864		
Mobile	1997				960		
Mobile	2001				864		
Hollister Elementary	1960	14	336	230		23,435	7.26
Classrooms					16,997		
Cafeteria					6,438		
Mobile	1992				864		
Mobile	1992				864		
Mobile	1996				960		
Mobile	1996				960		
Northwest High		55	1320	555		167,149	94.74
Administrative Bldg	1972				7,068		
500 Building	1972				15,476		
Vocational Building	1970				3,920		
Textile Building	1970				3,920		
1000 Building - Math	1994				15,794		
1100 Building - Art	1994				13,726		
1200 Building - Science	1995				16,925		
Gym	1976				22,939		
Media Center	1972				14,473		
Cafeteria	1972				8,460		
400 Building	1972				17,985		
600 Building	1981				11,418		
700 Building	1979				12,600		
Field House	1976				2,445		
Pittman Elementary (PK-5)		16	384	155		27,422	11.31
Classrooms #1	1959				15,586		
Classrooms #2	1959				6,460		
Cafeteria	1959				5,376		
Mobile	1997				960		
Scotland Neck Primary (PK-3)		14	336	143		28,895	10.35
Mobile	1997				960		
Southeast High	1980	38	936	431		123,830	60.8
Main Building					86,178		



Exhibit 5-6 (Continued)
Combined Facilities Inventory for Halifax County Schools,
Roanoke Rapids Graded School District, and Weldon City Schools
June 2012

School or Other Function	Original Date	Classrooms	Enrollment Capacity	Current Enrollment	Square Feet	Total Square Feet	Acres
Gym					14,592		
Shop					10,240		
Music					8,900		
Metal Building					3,920		
Mobile	1966				600		
Mobile	1988				864		
Mobile	1997				960		
Mobile	1997				960		
William R. Davie Middle	1999	38	912	416		124,584	24.64
White Oak						23,375	12
Main Building	1959				13,875		
Cafeteria/Library	1967				9,500		
Central Office	1969					16,820	18.71
Warehouse	1972				3,920		
Administrative Bldg	1969				9,900		
Food Service Warehouse	1970				3,000		
Mobile-Hanson	1966				600		
Mobile-	1966				600		
Mobile-Food Service	1966				1,140		
Mobile-Tech	1966				600		
Mobile-	1997				960		
Mobile-	1997				960		
Mobile-	1997				960		
Mobile-Finance	2004				864		
Maintenance Dept Bldg	1927					6,565	5.48
Maintenance Warehouse	1967					3,286	
Bus Garage Building	1927					6,926	
Equipment Shed	1996					3,000	
TOTAL OPEN HCS FACILITIES						813,319	280.58
CLOSED HCS FACILITIES							
Enfield Middle (Closed)	N/A					15,561	7
Inborden Elementary (Closed)	N/A					69,536	16.27
Bakers Elementary (Closed)	1951	13	312			24,442	17.64
Brawley Middle (Closed)	1951	21	504			61,383	18.8
Eastman Middle (Closed)	N/A	22	528			55,022	15.35
McIver Elementary (Closed)	N/A	15	360			39,569	9
TOTALS FOR CLOSED HCS FACILITIES						265,513	77.06
TOTAL FOR ALL HCS FACILITIES						1,078,832	357.64
ROANOKE RAPIDS GRADED SCHOOL DISTRICT							
Akers Alternative	1960	N/A	15	15		6,604	
Clara Hearne Pre-K	1935	N/A	165	165		20,327	
Mobile Unit					810		
Belmont Elementary	1998	N/A	765	785		95,001	
Mobile Unit					864		
Manning Elementary	1953	N/A	596	656		62,921	
Mobile Unit					800		
Mobile Unit					800		
Mobile Unit					960		
Mobile Unit					960		



Exhibit 5-6 (Continued)
Combined Facilities Inventory for Halifax County Schools,
Roanoke Rapids Graded School District, and Weldon City Schools
June 2012

School or Other Function	Original Date	Classrooms	Enrollment Capacity	Current Enrollment	Square Feet	Total Square Feet	Acres
Mobile Unit					960		
Mobile Unit					960		
Mobile Unit					864		
Chaloner Middle	1955		605	717		81,117	
Mobile Unit					840		
Mobile Unit					840		
Mobile Unit					960		
Mobile Unit					960		
Mobile Unit					960		
Mobile Unit					960		
Mobile Unit					960		
Mobile Unit					960		
Mobile Unit					960		
Mobile Unit					1,320		
Roanoke Rapids High	1921		1,030	813		201,968	
Administration	1924		N/A	N/A		7,906	
Mobile Unit – Child Nutrition					830		
Maintenance	1954		N/A	N/A		26,100	
TOTAL FOR OPEN RRGSD FACILITIES						501,944	
CLOSED RRGSD FACILITY							
Medlin Elementary (Closed)	1937					20,469	
TOTAL FOR ALL RRGSD FACILITIES						522,413	
WELDON CITY SCHOOLS							
Weldon Pre-School	1950	9	96	96		10,707	
Weldon Elementary	1988	28	405	393		61,787	
Weldon Middle	2000	24	346	238		79,878	
Weldon STEM High	1963	26	437	242		81,455	
Central Office						18,500	
Roanoke Valley Early College		6	138	135		5,400***	
Mobile Unit – Maintenance Storage						1,320	
TOTAL FOR OPEN WCS FACILITIES						253,647	
CLOSED WCS FACILITY							
Andrew Jackson Elementary	1958					26,190	
TOTAL FOR ALL WCS FACILITIES						279,831	

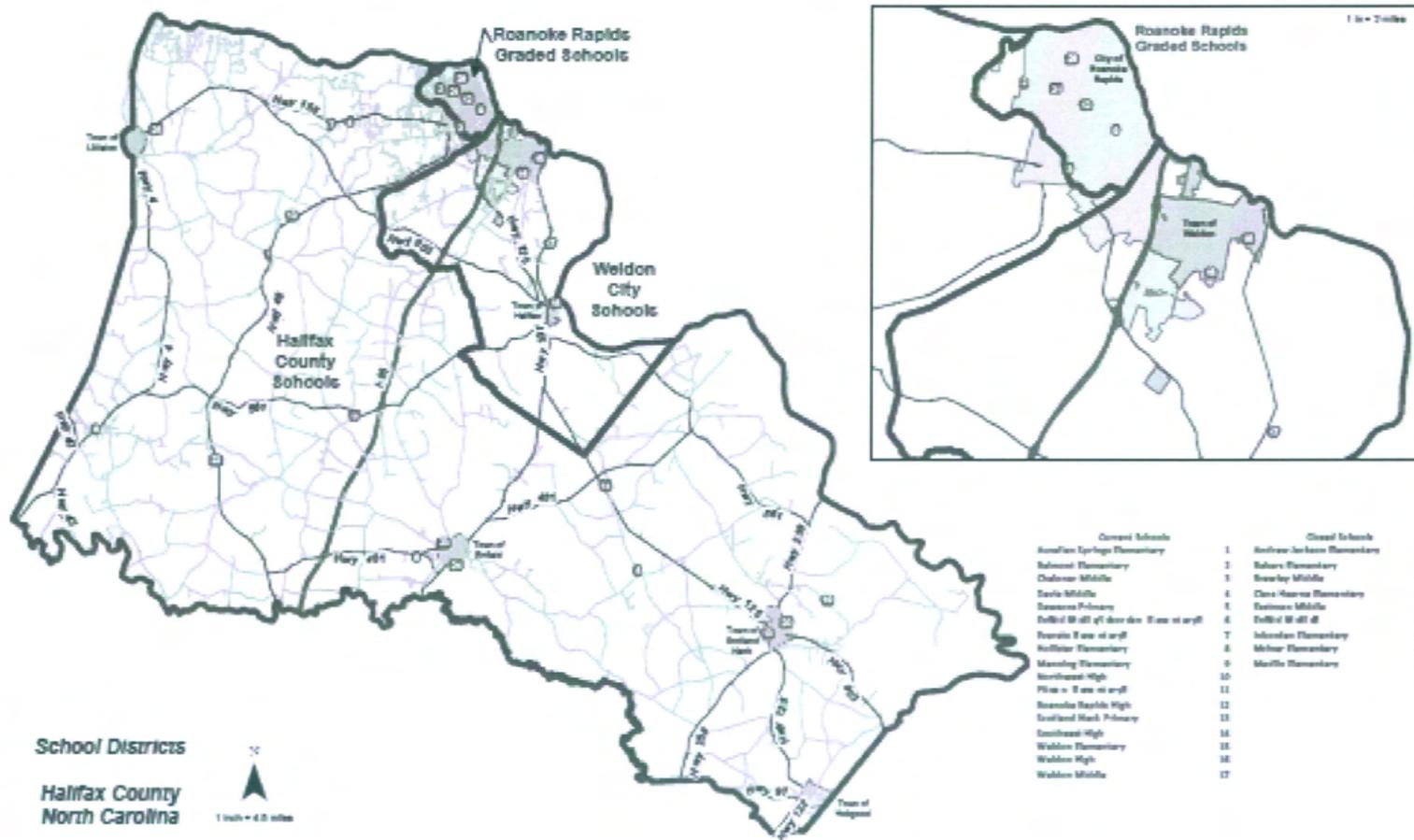
Source: Prepared by Evergreen Solutions from information supplied by Halifax County Schools, Roanoke Rapids Graded School District, and Weldon City Schools, 2012.

* ADM numbers for 2012 were not available at the time of this report, therefore the Membership Last Day (MLD) for Month 8 is used to show the number of students attending near the end of the 2012 school year. **Mobile classroom unit square footage is shown but is not included in total square feet for each campus. Only permanent building square footage is counted in the total.

***This figure is not included in the total square foot count for Weldon City Schools because it is located in leased space at Roanoke Valley Community College.



Exhibit 5-7
Location Map of All Public Schools (HCS, RRGSD, WCS)
In Halifax County, North Carolina
June 2012



Source: Prepared by Halifax County GIS Office, 2012.

Additionally, school property is not subject to property taxes. Therefore, Halifax County and other local taxing entities are losing tax revenues when several million dollars in school property lays vacant. If that property could be sold to the public, this same property, which currently is a drain on LEA and County resources, would generate additional local revenues.

RECOMMENDATION

Recommendation 5-1:

Research the minimum requirements for repurposing or selling the closed facilities, and prepare a plan for the disposition of all closed school facilities.

Once the research results on the minimum renovation requirements are known, each LEA (HCS, RRGSD, and WCS) should include a plan for the disposition of the property in the Facilities Master Plan (see **Recommendation 5-10**). The LEAs should then proceed to place their closed school buildings into re-use, or decide if, and under what circumstances, they will raze them. Depending on location and zoning, re-use opportunities may include, but are not necessarily limited to, the following:

- improved and expanded programs of the LEA;
- charter schools;
- privately-run daycare facilities;
- half-way houses;
- community centers;
- branch libraries;
- assisted living facilities;
- business offices;
- light manufacturing;
- health clinics; and
- warehouses, and more.

Ensuring that the properties are safe, regardless of the final disposition, should be a top priority in the interim.

FISCAL IMPACT

If facilities are sold, Halifax County and/or the LEAs will realize revenues from the sale of the properties. The cost of demolition or renovation of other facilities may offset all or part of these additional revenues. Therefore, no estimate of revenues is included in this estimate. On the other hand, if the land and or buildings are leased or sold and placed back on the tax rolls, the County, LEAs and other local governments could experience a new revenue stream from these properties. Evergreen assumes that a portion of the properties can be leased or placed back on the tax rolls within three to five years, providing each LEA and the county a modest revenue stream from that point forward. The actual amounts of those revenue streams cannot be estimated at this time.



5.3 FACILITIES MAINTENANCE

Two widely recognized best practice measures help to characterize how well a school district performs its facilities maintenance functions. These include:

- the Asset Protection Index (API); and
- the Facilities Condition Index (FCI).

The API measures the amount of money spent on facilities maintenance as a percentage of the total insured value of all buildings and related facilities. The FCI is a measure of the amount of accrued deferred maintenance as a percentage of the total insured value of all buildings and related facilities. **Exhibit 5-8** displays the funds expended for maintenance by HCS, RRGSD, and WCS during the past three school years.

FINDING

The maintenance expenditures in each of the LEAs have declined over the past three years. Consequently, the average maintenance expenditures are now barely below the 2-4 percent best practice standard at HCS, and barely within that rubric for RRGSD and WCS.

Exhibit 5-9 shows the results when the average maintenance expenditure over the past three years is divided into the total insured values (e.g., replacement values) for each LEA's buildings and related facilities. The result is a percentage of that total valuation. This percentage is also known as the **Asset Protection Index (API)**. In essence, the API provides a guideline that the annual maintenance expenditures for a facilities inventory should be in the range of from 2 to 4 percent of the replacement value of the building stock (see *Committing to the Cost of Ownership: Maintenance and Repair of Public Buildings* of the Building Research Board of the National Research Council - http://www.nap.edu/openbook.php?record_id=9807).

Quoting from page 18 of the Building Research Board Report:

This 2 to 4 percent range is most valid as a budget guide for a large inventory of buildings and over time periods of several years. A small town or a school district may find that a severe winter, or an older building nearing the time that a substantial renovation is warranted, temporarily raises annual M&R costs above this normal range. Such a jurisdiction may also find that past decisions to reduce construction expenditures now have, as a consequence, higher M&R costs.

Exhibit 5-9 calculates the annual average (sum of the three individual values divided by three) of the maintenance expenses from **Exhibit 5-8** for the three LEAs. Then the API is calculated as a percentage of the insured value for all open buildings displayed in **Exhibit 5-4**. Best practices indicate that the API should be in the range of 2 to 4 percent of the replacement value of its open buildings.



Exhibit 5-8
Annual Maintenance Expenditures of All Public Schools
In Halifax County, North Carolina
2009 – 2012

School Year	2011-12	2010-11	2009-10
HALIFAX COUNTY SCHOOLS			
Maintenance salaries including benefits	\$681,053	\$695,732	\$423,274
Maintenance parts	\$67,000	\$81,654	\$69,733
N.C. Lottery construction allotment	\$268,772	\$315,907	\$537,156
Maintenance equipment	NONE	NONE	NONE
Equipment repair/service	NONE	NONE	NONE
Maintenance outsourcing	NONE	NONE	NONE
Custodial salaries and benefits	\$866,781	\$778,516	\$1,026,292
Cleaning agents and chemicals	\$33,904	\$52,000	\$55,000
Cleaning tools and equipment	\$3,500	\$3,500	\$3,500
Custodial outsourcing	NONE	NONE	NONE
TOTAL	\$1,922,010	\$1,927,289	\$1,591,975
ROANOKE RAPIDS GRADED SCHOOL DISTRICT			
Maintenance salaries including benefits	\$420,941	\$477,431	\$468,941
Maintenance parts	\$86,661	\$83,561	\$75,751
N.C. Lottery construction allotment	\$201,857	\$227,415	\$367,811
Maintenance equipment	\$9,419	\$9,452	\$3,880
Equipment repair/service	\$19,404	\$23,486	\$19,756
Maintenance outsourcing	\$106,003	\$116,213	\$134,551
Custodial salaries and benefits	\$527,585	\$573,807	\$543,338
Cleaning agents and chemicals	\$35,000	\$35,000	\$50,000
Cleaning tools and equipment	NONE	\$2,300	\$8,000
Custodial outsourcing	\$10,076	\$44,070	\$960
TOTAL	\$1,416,946	\$1,592,735	\$1,672,988
WELDON CITY SCHOOLS			
Maintenance salaries including benefits	\$165,063	\$132,251	\$168,673
Maintenance parts	\$97,441	\$58,605	\$33,718
N.C. Lottery construction allotment	\$73,251	\$81,752	\$120,888
Maintenance equipment	\$1,093	\$63	\$43,929
Equipment repair/service	\$20,041	\$20,307	\$17,193
Maintenance outsourcing	\$88,068	\$71,387	\$56,617
Custodial salaries and benefits	\$272,353	\$269,119	\$300,464
Cleaning agents and chemicals	\$55,562	\$112,507	\$103,961
Cleaning tools and equipment	NONE	NONE	NONE
Custodial Outsourcing	NONE	NONE	NONE
TOTAL	\$772,872	\$745,991	\$845,443

Source: Prepared by Evergreen Solutions from data furnished by HCS, RRGSD, and WCS, and from <http://www.ncpublicschools.org/fbs/allotments/lottery/>, 2012.



Exhibit 5-9
Asset Protection Index (API) Calculation
HCS, RRGSD, and WCS
FY 2009 through 2011

	HCS	RRGSD	WCS
1. Maintenance Expenses 2009-10	\$1,922,009	\$1,672,988	\$845,443
2. Maintenance Expenses 2010-11	\$1,927,289	\$1,592,735	\$745,991
3. Maintenance Expenses 2011-12	\$1,591,974	\$1,416,946	\$772,872
4. Annual Average	\$1,813,757	\$1,560,890	\$788,102
5. Open Building Replacement Value	\$107,925,412	\$59,006,103	\$27,897,364
6. API Calculation (% of 4/ 5)	1.68%	2.65%	2.82%
7. Result	BELOW 2-4%	WITHIN 2-4%	WITHIN 2-4%

Source: Prepared by Evergreen Solutions from data in Exhibits 5-6 and 5-7.

Assuming that the expenditures provided by HCS, RRGSD, and WCS make up in their entirety all of the maintenance-related expenditures, HCS is slightly below the standard while RRGSD is barely within the acceptable range, whereas WCS finds itself near the center of the limits. In all three LEAs, the amounts committed to maintenance have declined over the 2009-2011 timeframe.

Consequently, HCS should re-examine and raise its maintenance spending levels to a minimum of \$2,159,000, or about \$345,000 per year more than the current average. RRGSD and WCS need not alter their current spending levels.

RECOMMENDATION

Recommendation 5-2:

Maintain a level of maintenance spending that is within the 2-4 percent range of building replacement value at all Halifax County LEAs.

It is important that this level of spending be implemented at HCS, and maintained at RRGSD and WCS. As will be shown later in this chapter, RRGSD has already accumulated an unacceptable level of deferred maintenance, while there is good reason to believe that a building condition assessment will reveal similarly serious deficiencies at HCS and WCS.

While this level of spending is essential, it is equally important that these funds be spent on well-defined and conscientiously executed preventive maintenance tasks.

FISCAL IMPACT

An additional \$345,000 per year should be applied to the current level of maintenance spending at HCS. All three LEAs should revisit their preventive maintenance schedule in order to determine if it is sufficiently thorough and comprehensive. Two of the LEAs already employ well-regarded computerized maintenance management systems (cmms), and the third has well-developed in-house software. These systems should be revisited to assure that all key building elements and systems are included.



Recommendation	LEA	2012-13	2013-14	2014-15	2015-16	2016-17
Maintenance Spending at 2-4 Percent of Building Replacement Value	HCS	\$0	(\$345,000)	(\$345,000)	(\$345,000)	(\$345,000)

FINDING

Some possible savings in maintenance cost may come from the application of an economy of scale. Such a savings might be achieved via a reduction in labor and outsourcing costs by combining the maintenance staff resources for all three LEAs, Halifax County Government, and possibly Halifax Community College. The three LEAs, Halifax County Government, and HCC must by virtue of their relatively small sizes operate limited maintenance organizations in terms of the skills and human resources each represents. Consequently, each separate maintenance organization may not possess either the labor hours or expertise to perform all of the functions that a larger organization might be able to offer. As shown in the organization charts above (**Exhibits 5-1 to 5-3**), each of the LEAs has maintenance staff. Recent cuts, however, are affecting the LEAs' abilities to continue to provide the level of service needed to keep the facilities functioning properly.

The number of maintenance workers in all three LEAs has been reduced in recent years. According to LEA representatives, the following reductions have taken place:

- HCS: "We currently have eight staff, five years ago we had 23." (plumber, electrician, carpenter, mechanic, HVAC mechanic, two painters, groundskeeper, all reporting to maintenance shop foreman)."
- RRGSD: One carpenter, one electrician, and four grounds persons, reporting to a maintenance supervisor. Three maintenance workers retired and were not replaced. As shown in **Exhibit 5-8**, maintenance outsourcing has averaged \$125,000 per year since 2009, but this was a typical outsourcing amount even before these retirements took place.
- WCS: There are currently four maintenance employees, including the maintenance supervisor. Five years ago, there were five maintenance employees. Maintenance outsourcing has averaged about \$72,000 per year from 2009 – 2011, but this level of outsourcing has been typical all along (see **Exhibit 5-8**).

Exhibit 5-8 shows that HCS does no maintenance outsourcing at this time, but the maintenance outsourcing for selected tasks (HVAC service, boiler start-ups, coil cleaning, etc.) is part of the maintenance costs at RRGSD and WCS. Yet, there is no evidence that the same contractors are used by the LEAs and Halifax County Government, nor is it clear that the LEAs and the County currently attempt to reduce costs through cooperative purchasing and contracting processes.



RECOMMENDATION

Recommendation 5-3:

Explore the possibility of consolidating the maintenance functions for Halifax County and the three LEAs, as a way to achieve economies of scale and improved maintenance services for the entire County.

A representative group of individuals with maintenance expertise should be brought together to discuss the primary functions that would be carried out by the consolidated organization and the manner in which revenues and charges would flow to the various entities. Another area where cooperation will be needed will be in the work order prioritization processes. Each entity must have assurances that the consolidated entity will not only be able to meet its preventive maintenance needs, but also its emergency needs.

Since there will be no need for four Maintenance Directors, it is assumed that some of the money saved through the consolidation can be used to hire additional technicians, and better equip the technicians with tools and vehicles.

FISCAL IMPACT

Although Evergreen believes that the consolidation of the four maintenance functions into one fully staffed and equipped organization is possible within current budgets and constraints, if the work group finds that a consolidated organization cannot achieve at least the same or higher quality services for all participating entities at the same or lower cost, the consolidated function should not be pursued.

FINDING

The Facilities Condition Index (FCI) is another best practices indicator of how a school district manages its building stock. For reference, details concerning the FCI Tool are provided below:

*The FCI as a facility management tool was first published in 1991 by the National Association of College and University Business Officers (NACUBO).
(http://en.wikipedia.org/wiki/Facility_Condition_Index)*

FCI is used in facilities management to provide a benchmark to compare the relative condition of a group of facilities. The FCI is primarily used to support asset management initiatives of federal, state, and local government facilities organizations, as well as that of educational facilities.

Mathematically the FCI is represented as the following percentage ratio:

$$\text{FCI} = \frac{\text{Total Dollar Value of Maintenance, Repair, and Replacement Deficiencies of the Facility(-ies)}}{\text{Current Replacement Value in Dollars of the Facility(-ies)}}$$



The industry standard for FCI is as follows:

- Below 5 percent: acceptable range. (Zero or near zero is best.)
- 5 percent to 10 percent: unsatisfactory range.
- Above 10 percent: unacceptable range.

The “Total Dollar Value of Maintenance, Repair and Replacement Deficiencies” in the FCI ratio shown above is often expressed in abbreviated form as “deferred maintenance.” This is maintenance not performed when needed, and put off for a later time. To many persons not sufficiently familiar with facilities management, deferred maintenance means little or nothing, and is generally viewed as a harmless, nonthreatening, condition. Some people erroneously believe that money can actually be saved by not spending it on needed scheduled and preventive maintenance, and letting maintenance be deferred indefinitely. Nothing could be further from the truth.

According to research completed in 2001 by David Todd Geaslin, the cost of repairing the damage from failure due to deferred maintenance is usually equal to or greater than the square of the original cost of the failed part, or 15 to 40 times the original cost of the repair of the needed maintenance task. Thus a \$10,000 deferred roof repair can at best result in a \$150,000 repair upon roof failure, or at worst in a \$100 million cost of a roof failure, including total loss of the building, and collateral damages, such as personal injuries, death, and furnishings, fixtures, and equipment. Clearly, this is why ordinary, routine, scheduled maintenance is also called “preventive” maintenance. It is intended to prevent the enormous expense of curing deferred maintenance.

When we attempt to force maintenance spending into specific lumps of time that do not meet the needs of our buildings, we create the need to defer maintenance. Maintenance budgets fail because final budgeting authorities do not understand the disastrous consequences of deferring maintenance (http://www.petersonpredict.com/whatispm_deferredmaint.htm).

By industry standards, the FCI is only satisfactory when deferred maintenance is five percent or less of the total replacement value of the facilities inventory, and it is in need of reduction when it is between five and ten percent. Any value above ten percent requires immediate attention and ultimately special funding to remove the deficiencies as quickly as possible.

Exhibit 5-10 shows the deferred maintenance for the RRGSD facilities as estimated in the *Roanoke Rapids Graded School District Long Range Facility Assessment, November 2011*, page 73. As can be seen, the total deferred maintenance amount for RRGSD is just below \$24 million.



Exhibit 5-10
RRGSD Deferred Maintenance
November 2011

Campus/Facility	Deferred Maintenance
Administration	\$62,212
Akers (special needs)	\$533,931
Belmont Elementary	\$2,701,605
Chaloner Middle	\$4,295,860
Clara Hearne PK	\$1,224,057
Roanoke Rapids High	\$7,998,457
Medlin Elementary (closed)	\$1,435,033
Manning Elementary	\$6,070,341
Maintenance	\$278,008
Total Deferred Maintenance	\$23,974,505

Source: Roanoke Rapids Graded School District Long Range Facility Assessment by Smith Sinnett Architecture, P.A., November 2011.

HCS officials noted that “... (we) don't know for sure but ... a fair estimate would be around 8-12 million dollars.” Weldon City Schools declined to offer an estimate of the magnitude of their deferred maintenance. However, based on the walk-through by Evergreen officials during the on-site portion of the work, it is clear that Weldon STEM High School appears to show significant maintenance neglect. As a “tell-tale” sign, recent estimates for renovation of the existing WSTHS versus new construction, are nearly identical at about \$30 million. Clearly, the Facilities Condition Index can only be reliably computed for RRGSD at this time. The FCI calculation for the RRGSD is therefore as follows:

- | | |
|------------------------------------|---|
| 1. Total deferred maintenance: | \$23,974,505 |
| 2. Total building replacement cost | \$60,315,531 |
| (except mobiles @ \$397,692) | \$23,974,505/\$60,315,531 x 100 = 39.74% |

By industry standards, this result is in the “unacceptable” category. Neither HCS nor WCS appear to have had a facilities condition assessment conducted recently. Such a formal assessment is needed for these LEAs to have a clear understanding of the type and dollar amount of their maintenance needs.

RECOMMENDATION

Recommendation 5-4:

Conduct a county-wide Facilities Condition Assessment, and update it every five years.

Each of the LEAs should conduct a facilities condition assessment, followed by systematic updates every five years. In the case of RRGSD, the facilities condition assessment completed in November 2011 should be scheduled for update in 2016 and every five years thereafter. Once a



building condition assessment has been completed, the amount of deferred maintenance thus identified must be reduced systematically to five percent or less of building replacement value. In the case of RRGSD, this amount is known: the approximately \$24,000,000 of deferred maintenance must be reduced to \$3 million as soon as possible. These parameters are not yet known for HCS and WCS.

FISCAL IMPACT

The cost of an initial facilities condition assessment and the five-year updates is included in the Fiscal Impact for **Recommendation 5-10**. Note that if the three LEAs were to hire a firm jointly for this purpose, and synchronize their five-year update schedules, some savings might be possible. This approach is recommended later in **Recommendation 5-10**.

5.4 CUSTODIAL SERVICES

While cleanliness is at the core of a well-run custodial operation, it is important to recognize other critical roles played by custodians:

- Custodians provide an early warning system of trouble or need. For example, custodians must be trained to detect by sight, sound or smell if there is potential trouble brewing: a water leak, a fan motor that is about to burn up, or a gas leak, etc. In addition, they must be able to identify a need for lamp replacement, for graffiti removal, and for repairs of broken items such as toilet flush valves, towel dispensers, door hardware, and the like.
- Custodians are first line communicators as they must be able to call attention to the problems and needs in a manner that can be clearly understood for a correct and prompt response.
- Custodians must be able to prepare clearly written, actionable work orders for any reactive maintenance that may be required.
- Custodians must possess the basic skills to perform minor corrective repairs.
- Custodians must complete rudimentary preventive maintenance jobs, such as lamp and filter replacements.

In most school districts, as an indication of a best practice, custodians report to a single authority in operations for basic training in district-wide cleanliness standards and procedures, but they report on a day-to-day basis to the principal or designee where they are assigned. This dual reporting usually encompasses a performance evaluation administered by the manager in operations, with input from the principals. This reporting arrangement appears to be used at HCS, RRGSD, and WCS.



Typically, school boards either outsource custodial services, organize a comprehensive in-house system of services, or use a combination of these two mechanisms. In the hybrid mode, day custodians are frequently in-house employees, whereas the night personnel are outsourced.

FINDING

For custodial staffing, the North Carolina Department of Public Instruction (NCDPI) has developed and recently updated a detailed allocation formula. This formula includes the number of teachers and students and the floor area. It assumes best practice ratios of 12 teachers per custodian, 250 students per custodian, and 20,000 gross square feet per custodian. (Two of these ratios were recently changed by NCDPI from 10 teachers per custodian, and 15,000 square feet per custodian.)

The result is the following formula:

$$(\# \text{ of Teachers} / 12) + (\# \text{ of Students} / 250) + (\text{Total Square Footage} / 20,000)$$

The resulting figure is then divided by three to obtain the suggested custodial allotment.

Exhibit 5-11 shows the desired number of custodians as compared to current staffing levels.

Exhibit 5-11
Current versus Desired Custodial Staffing

		HCS	RRGSD	WCS
1	Number of Teachers (2012 FTEs)	252	192	83
2	Teachers (#1)/12	21	16	7
3	Number of Students (2012 MLD Month 8)	3,583	2,971	1,008
4	Students (#3)/250	14	12	4
5	Number of Square Feet (from Exhibit 5-6)	813,319	501,944	253,647
6	Square Footage (#5)/ 20,000	41	25	13
7	Total of #2, #4, and #6	76	53	24
8	Total (#7)/3 = Desired Number of Custodians	25	18	8
9	Current Number of FTE Custodians	22	17	9.75
10	Custodians Above (Below) Desired Number	(3)	(1)	1.75

Source: Created by Evergreen, 2012.

As shown, both HCS and RRGSD appear to have fewer custodians than are desirable, while WCS has 1.75 FTE more than is desirable.

A key reference from the National Center for Educational Statistics (NCES) summarizes cleaning levels and the expected corresponding floor areas that a custodian should be able to clean:

Planners, administrators, and community members must agree on what constitutes "cleanliness." While there is not a nationwide standard for describing standards of cleanliness, a five-tiered system of expectations is emerging to help guide decision-making:



Level 1 cleaning results in a “spotless” building, as might normally be found in a hospital environment or corporate suite. At this level, a custodian with proper supplies and tools can clean approximately 10,000 to 11,000 square feet in an 8-hour period.

Level 2 cleaning is the uppermost standard for most school cleaning, and is generally reserved for restrooms, special education areas, kindergarten areas, or food service areas. A custodian can clean approximately 18,000 to 20,000 square feet in an 8-hour shift.

Level 3 cleaning is the norm for most school facilities. It is acceptable to most stakeholders and does not pose any health issues. A custodian can clean approximately 28,000 to 31,000 square feet in 8 hours.

Level 4 cleaning is not normally acceptable in a school environment. Classrooms would be cleaned every other day, carpets would be vacuumed every third day, and dusting would occur once a month. At this level, a custodian can clean 45,000 to 50,000 square feet in 8 hours.

Level 5 cleaning can very rapidly lead to an unhealthy situation. Trash cans might be emptied and carpets vacuumed on a weekly basis. One custodian can clean 85,000 to 90,000 square feet in an 8-hour period.

The figures above are estimates. The actual number of square feet per shift a custodian can clean will depend on additional variables, including the type of flooring, wall covers, and number of windows, all of which must be taken into account when determining workload expectations.

Source: <http://nces.ed.gov/pubs2003/2003347.pdf>

Most LEAs should be staffing custodial services at a level that accommodates a mixture of Level 2 and Level 3 cleaning. The ratio of Level 2 to Level 3 is about 1:4, resulting in an average square footage of 29,000 per custodian. If a simple formula of 29,000 square feet per custodian is applied to the square footage shown above, both RRGSD and WCS have exactly the right number of staff, and HCS would remain three custodians short of the standard.

In discussions with the LEAs, it appears that some custodians are employed for more than 10 months. All RRGSD custodians are 12-month employees, whereas at WCS are 12-month, and the other two 10 month employees. In HCS and WCS, all custodians leave at 5:00 PM each day, while RRGSD stated that the custodians typically work two shifts, with the second shift ending at 10:00 PM. While the total number of custodians may be below the desired levels in HCS, having a full team of custodians working during the school day does not allow sufficient time for the individuals performing this function to do the deep cleaning that is only possible after the students and staff leave the building. Assuming that the 12-month employees are working during the summer to perform some of these deep cleaning tasks, such as stripping and waxing floors, the cost of additional salaries and benefits may exceed the cost to hire a service during the summer for those functions.



Many school systems employ one or two custodians to work during the school day to take care of spills and other minor cleaning and repair tasks, while using the remaining custodians to work a later shift to perform deep cleaning of restrooms, floors and common areas.

The only contracted cleaning services that Evergreen is aware of occurred at RRGSD. One expense was a \$75,000 fee for cleaning services used after a weather related incident. Other small custodial outsourcing amounts are shown in **Exhibit 5-8** amounting to about \$55,000 over the three year period (2009-2011).

RECOMMENDATION

Recommendation 5-5:

Staff and schedule custodial functions at a level that permits (1) Level 2 cleaning for kitchens, restrooms, kindergartens, special education areas, and food service areas and (2) Level 3 cleaning in all other locations, for a ratio of 29,000 square feet per custodian.

As shown above, only HCS will need additional custodians. All LEAs, however, should carefully re-examine the scheduling of custodians to ensure that all schools are kept to the Level 2 and Level 3 cleaning standards.

FISCAL IMPACT

The assumption is that custodians in HCS make approximately \$25,000 per year. For three additional staff, the cost would be \$75,000, plus 33 percent benefits (\$24,750), for a total of \$99,750 annually. If HCS closes one or more schools in the coming years, the total square footage will decline, reducing the need for these additional staff.

Recommendation	LEA	2012-13	2013-14	2014-15	2015-16	2016-17
Staff Custodians to Achieve Standards	HCS	(\$49,875)	(\$99,750)	(\$99,750)	(\$99,750)	(\$99,750)

FINDING

Based on the findings shown above, custodial staffing and the cleanliness of schools should be carefully examined. With multiple shifts comes the added burden of after-hours supervision. Some school systems employ a part-time or full-time position to handle the spills and minor needs during the regular work day, and contract for the deep cleaning function with a custodial service.

Since the cleaning function is universal to the county and the LEAs, economies of scale may be possible if a single vendor were given a contract to clean all of the facilities in Halifax County.



RECOMMENDATION

Recommendation 5-6:

Consider outsourcing the after-hours custodial functions for the three LEAs and the County, and maintain one part-time position at each school to handle spills and minor clean ups during the school day.

When considering the scope of services for the Request for Proposals, consideration should be given to the specific and unique needs of each entity. Additionally, when considering outsourcing opportunities, the proposer should be asked to consider how existing staff will be transitioned either into other vacant positions within the school system, or to the vendor's team. Other considerations should be given to allowing the vendor to provide all of the cleaning supplies and equipment, thereby reducing each participating entity's costs and responsibilities associated with the cleaning function.

Finally, if one or more of the participating entities (Halifax County Government and the three LEAs) has a desire to provide custodial services to the other participants, they should be allowed to prepare a proposal so long as it meets all of the terms and conditions required of external proposers.

FISCAL IMPACT

Savings and improved cleaning services should be possible through implementation of this recommendation. Benefits currently available to custodial employees should not be eliminated in order to achieve savings via outsourcing. Savings should be demonstrable via greater efficiency and effectiveness. If, however, the quality of service cannot be maintained or improved at a cost that does not exceed the current costs for each entity (including supplies and equipment if this is made part of the request for proposal), this recommendation should not be implemented.

5.5 ENERGY MANAGEMENT

According to the U.S. Department of Energy:

The nation's 17,450 K-12 school districts spend more than \$6 billion annually on energy — more than is spent on computers and textbooks combined. As much as 30 percent of a district's total energy is used inefficiently or unnecessarily.

(http://www.energystar.gov/ia/business/challenge/learn_more/Schools.pdf)

The school buildings and other facilities of an LEA consume significant amounts of energy that often appear to be an ever-growing and sometimes unpredictable component of the overall annual budget, as energy costs rise and fall, but mostly rise, over time. With the advent of increased costs for energy to provide fuels for HVAC systems, transportation, food service operations, and other related activities, school systems have established numerous and varied policies, procedures, and methods for increasing efficiencies in energy consumption and



reducing operating costs. Policies typically describe a school board's specific desire to ensure that maximum resources are available for instructional purposes and charge the administration with developing related procedures.

Procedures generally prescribe a range of measures and activities to be implemented and a specific means for computing the results. Some school boards develop incentive systems to reward employees for actions or recommendations that have resulted in substantial savings or improvements in the performance of energy consuming equipment.

Energy management methods range from sophisticated, centralized, computer controls over HVAC systems and other energy consumption devices to simple behavioral modifications and manual procedures for turning thermostats down and lights off during periods of minimal building or room utilization.

Performance contracting is used by some school districts to finance big-ticket energy savings technologies. Details of this approach can be found in http://asumag.com/mag/university_guaranteed_savings/index.html. This article states:

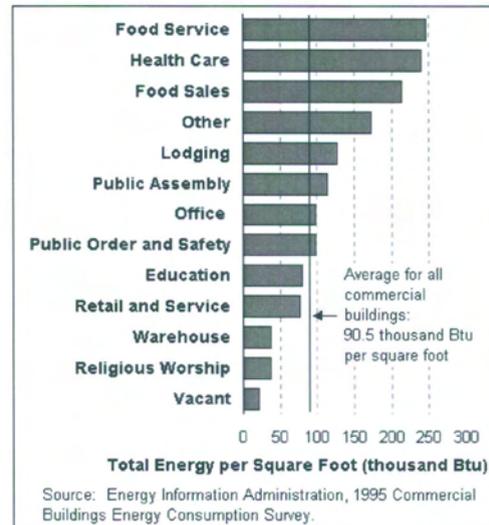
Performance contracting is a funding method in which energy savings from utility expense reductions are used to pay for projects over several years. Utility savings are realized through various energy conservation measures (ECMs) that may include high-efficiency lighting retrofits; computer-controlled energy management; and the replacement and redesign of older, inefficient heating, ventilating and air-conditioning (HVAC) equipment and systems. A performance guarantee ensures annual savings. If a school does not achieve the guaranteed level of savings, the contractor will compensate for the difference.
http://asumag.com/mag/university_guaranteed_savings/index.html#ixzz1yBupV0Gu

Educational facilities consume considerably less energy per square foot than many other building types. **Exhibit 5-12** places education in ninth place, at an average energy use of about 80,000 Btu per square foot. While this exhibit shows results of a 1995 survey, the relative magnitude of energy use has remained constant in relation to the other building types shown. However, energy conservation efforts since 1995 have resulted in a significant lowering of actual energy use across all building types. For example, according to the North Carolina Department of Commerce's Energy Office, the average energy consumption among North Carolina schools is now 56,000 BTU/SF.

Despite their relatively low ranking among building types, educational facilities represent a large energy savings opportunity for each school district in North Carolina and the United States. The search for energy savings will never end. There will always be new technologies and improved existing ones offering greater efficiencies and environmental benefits.



Exhibit 5-12
Energy consumption in BTU per square foot by building type



Source: <http://www.eia.gov/emeu/consumptionbriefs/cbecs/pbawebsite/contents.htm#Energy%20per%20Hour>.

FINDING

In 2007, HCS engaged the services of Educon, Inc. to help the LEA obtain energy savings primarily through behavioral modifications, such as turning off lights and computers. A January 2010 article in the local press describes the effect of Educon's guidance and training.

(http://www.rrdailyherald.com/news/schools-saving-energy-while-maintaining-comfort-levels/article_7a24858b-45d1-5ab4-a779-d476f34d1fb4.html). The website of Educon is <http://educonenergy.com/>. With regard to costs of Educon's services, the website states the following:

You may use EduCon's energy services with absolutely no financial risk to your school district. EduCon will contract with the school district and will not invoice for services until the accumulated savings exceed agreed-upon monthly fees. Our commitment to you is that savings will far exceed EduCon's fees and costs for local leadership and coordination. Your savings will continue after the contract period.

Exhibit 5-13 summarizes the energy use at HCS for calendar years 2008 through 2011. It is clear from this exhibit that, beginning in 2009, significant reductions in energy use occurred in almost all of the facilities of HCS. In the rightmost column are listed the reductions in KBTU/SF (one thousand BTU per square foot) for each facility from 2008 through 2011. All buildings show reductions, ranging from a high of 24.9 KBTU/SF for the Maintenance Building and Bus Garage, to as little as 1.3 KBTU/SF for Scotland Neck Primary School. The total overall reduction is from an average across all facilities of 60.6 KBTU/SF in 2008 to 49.7 KBTU/SF in 2011 – a decrease in energy use of 18 percent.



Exhibit 5-13
Summary of Halifax County Schools
Energy Use
2008-11

School Name	Year	Electricity kw	Heating Oil (GAL)	Natural Gas (CCF)	Propane (GAL)	KBTU/SF	Change from 2008 - 11
Aurelian Springs Elementary School	2008	689,989	9,728	0	0	53.2	
	2009	509,636	7,254	0	0	39.4	
	2010	463,694	8,923	0	0	40.7	
	2011	464,284	8,348	0	0	39.6	-13.6
Dawson Elementary	2008	178,719	7,961	0	1,439	68.3	
	2009	147,250	6,429	0	1,745	57.5	
	2010	155,974	7,615	0	1,799	65.0	
	2011	156,962	5,389	0	1,675	52.9	-15.4
Enfield MS/Inborden Elementary School	2008	1,118,709	0	42,309	0	64.7	
	2009	1,155,362	0	44,729	0	67.7	
	2010	1,301,117	0	48,319	0	74.5	
	2011	1,205,159	0	32,300	0	58.8	-5.9
Everetts Elementary	2008	237,157	5,985	0	1,975	48.0	
	2009	218,156	6,474	0	1,879	48.0	
	2010	202,909	6,594	0	2,100	47.6	
	2011	212,377	5,687	0	2,215	45.3	-2.7
Hollister Elementary	2008	210,000	6,023	0	1,809	63.9	
	2009	174,367	4,575	0	1,926	52.2	
	2010	206,760	5,734	0	1,809	61.9	
	2011	197,402	5,150	0	522	53.3	-10.6
Northwest High	2008	1,981,520	4,815	0	0	44.8	
	2009	1,764,641	5,230	0	0	40.7	
	2010	1,864,148	6,235	0	0	43.6	
	2011	1,623,936	5,414	0	0	38.0	-6.8
Pittman Elementary	2008	224,743	5,670	0	1,063	60.7	
	2009	179,844	5,710	0	1,357	56.5	
	2010	190,399	5,824	0	830	56.6	
	2011	181,032	5,897	0	1,698	58.8	-1.9
Scotland Neck Primary	2008	230,445	6,803	0	521	62.3	
	2009	203,247	6,120	0	292	55.0	
	2010	222,510	8,746	0	112	70.0	
	2011	227,863	6,627	0	0	61.0	-1.3
Southeast High	2008	1,448,068	30,231	0	6,140	78.5	
	2009	1,137,793	30,271	0	5,675	69.9	
	2010	1,086,444	31,166	0	4,472	68.7	
	2011	1,093,583	23,276	0	3,180	59.2	-19.3
William R. Davie Middle	2008	1,340,450	14,696	0	1,538	55.6	
	2009	1,009,701	8,676	0	1,468	39.2	
	2010	1,094,869	10,217	0	1,963	43.8	
	2011	1,001,896	8,922	0	2,526	40.1	-15.5
White Oak Daycare Pre-K	2008	125,562	6,459	0	1,060	64.0	
	2009	95,994	6,260	0	884	57.7	
	2010	105,128	6,535	0	910	60.9	
	2011	94,716	6,179	0	1,338	58.9	-14.4
Central Office	2008	266,610	2,344	0	3,459	69.1	
	2009	247,897	2,143	0	3,017	62.7	
	2010	241,209	2,770	0	2,324	60.4	
	2011	228,334	2,004	0	1,238	49.6	-19.5
Maintenance/Bus Garage	2008	112,823	8,436	0	303	124.3	
	2009	108,210	9,420	0	169	133.1	
	2010	111,106	7,186	0	774	113.3	
	2011	119,607	6,005	0	356	99.4	-24.9

Source: Prepared by Evergreen from information furnished by HCS and EduCon, Inc.



Even before the EduCon intervention, about half of the buildings in HCS were performing below the 56 KBTU/SF average of educational facilities in North Carolina. In 2011, all but a few buildings at HCS were below or near the 56,000 BTU/SF average. The accomplishment of this energy use reduction is largely the result of behavior modification and energy education, rather than much more costly energy system retrofits and building reconfigurations. The most energy-intensive building at HCS is not a school, but the Maintenance/Bus Garage building. This is understandable—a maintenance shop contains welding equipment and other machinery as well as tools for metal working, wood working, and automotive repair and service. It is also important to note, however, that the largest reduction in KBTU/SF was achieved in this building, from 124.3 to 99.4 BTU/SF.

COMMENDATION

Halifax County Schools is commended for hiring a consulting firm to help it reduce its energy consumption by 18 percent over the four-year period from 2008 through 2011 by 18 percent.

FINDING

The Roanoke Rapids Graded School District uses the Champion Systems Control Program for its HVAC operation, and the School Dude Utility Direct program tracks utility usage in all categories in all buildings. Dominion Power of North Carolina provides energy tracking on a monthly basis, and hourly at the new Belmont Elementary School.

RRGSD started its Green School Initiative in 2001, and in 2002 hired Advanced Energy of Raleigh, NC (<http://www.advancedenergy.org/>) to assess how much the implementation of Green Schools had affected electrical consumption. In 2008, RRGSD hired E2 Solutions of Blacksburg, VA (<http://e2energysolutions.com/contact.html>) to:

- assist with benchmarking of RRGSD's existing facilities;
- walk through RRGSD's schools to identify and make suggestions concerning energy systems upgrades, where operational changes can be made, and what type of energy awareness training should be provided to reduce energy consumption;
- provide energy awareness training to school personnel; and
- provide information and resources for inclusion of energy education in the classrooms.

In 2010, RRGSD was awarded a federal Energy Efficiency Conservation Block Grant in the amount of \$167,195 via the North Carolina Department of Commerce (<http://www.nccommerce.com/Portals/14/Documents/Publications/03-312011%20Recovery%20Funding%20Status%20Report.pdf>).

These efforts have resulted in a current energy performance of all major school facilities at RRGSD below the statewide 56 KBTU/SF average. Two facilities are higher:



- Clara Hearne, built in 1935, housing Pre-Kindergarten; and
- Manning Elementary, built in 1955.

Both buildings have had no major energy retrofits. However, Manning Elementary School is on RRGSD list for a major renovation and retrofit in the near future.

Exhibit 5-14 shows the current energy consumption levels for major buildings of RRGSD.

Exhibit 5-14
Current Energy Use in Major
RRGSD Facilities

School Name	KBTU/SF
Roanoke Rapids High	46.09
Chaloner Middle	50.35
Belmont Elementary	51.84
Manning Elementary	66.42
Clara Hearne PK	92.75
Average	61.49

Source: Prepared by Evergreen from data supplied by RRGSD, 2012.

COMMENDATION

The Roanoke Rapids Graded School District is commended for a long-standing commitment to green schools and energy conservation, and achieving an energy performance below the North Carolina average for all but its oldest buildings most in need of renovation and retrofit.

FINDING

Weldon City Schools have not conducted any energy conservation initiatives similar to those conducted by HCS and RRGSD. Energy bills for electrical power, natural gas, and L.P. gas at WCS were submitted for the first five months of 2012. These costs are shown in **Exhibit 5-15**. Costs for the remaining months were estimated by Evergreen Solutions on the basis of prevailing heating and cooling degree days for the region. Evergreen estimates the total energy cost at Weldon City Schools to be about \$185,000 for 2012. With a total of 253,647 square feet under roof, this amounts to 73 cents per square foot. Even if this figure is low due to the June-December estimate by Evergreen, it is nevertheless commendable. Based on the 38th Annual Survey of Operating and Maintenance Costs in Schools by American School and University Magazine, the average cost per square foot of energy (electricity, gas, and other fuels) is \$1.19 (see <http://asumag.com/Maintenance/school-district-maintenance-operations-cost-study-200904/index4.html>).

COMMENDATION

Weldon City Schools is commended for energy use in its buildings that is below the \$1.19 per square foot average from the 38th Annual Survey of Operating and Maintenance Costs of American School and University Magazine.



Exhibit 5-15
Energy Costs in Dollars at Weldon City Schools
January-May 2012 and
Estimated Costs June-December 2012

Month	Electricity	Natural Gas	L. P. Gas
January	8,014	8,246	4,066
February	8,287	10,175	8,520
March	8,506	8,241	2,945
April	8,311	5,581	0
May	9,854	1,297	1,840
June*	9,900	0	0
July*	11,000	0	0
August*	9,700	0	0
September*	8,500	2,000	1,500
October*	8,300	5,400	2,700
November*	8,100	8,000	3,000
December*	8,000	8,100	4,000
SUBTOTALS	99,273	57,041	28,571
GRAND TOTAL			\$184,885

Source: January-May data provided by Weldon City Schools.

*June-December data estimated by Evergreen Solutions.

FINDING

Although each of the three Halifax County LEAs has taken steps to reduce energy costs, energy conservation is a constant quest. New technologies and operations that are more efficient are always allowing more savings to be realized:

IKEA, notably known as the largest purveyor of home furnishings worldwide, recently released its 2009 sustainability report, cleverly named “The Never Ending Job.” Mikael Ohlsson, president and CEO of the IKEA Group, says the furniture giant is “obsessed” with minimizing waste. “This will continue to be our compass in years to come, and we will stimulate new thinking and innovation in our sustainability work,” he writes in the report. Worldwide, IKEA’s stores saw 590 million visitors during the year, and the company continues to promote sustainability around the globe. For example, 50 million low-energy bulbs have been purchased by IKEA in the past three years – an energy savings equivalent to the output of four and a half nuclear plants. <http://earth911.com/news/2010/05/27/sustainability-a-never-ending-job-for-ikea/>

Just as Total Quality Management (TQM) is a continuous quest for improvement in customer service, energy management requires a constant search for new energy conservation opportunities. Numerous organizations promote their continuous energy improvement services, such as in the following web links:

- http://www.gosustainableenergy.com/Services_Management.php;
- <http://www.pge.com/mybusiness/energysavingsrebates/rebatesincentives/cei/>; and
- <http://energyimprovement.org>.



RECOMMENDATION

Recommendation 5-7:

Include a comprehensive energy assessment and energy savings strategy as a permanent element in the Five-Year Facilities Master Plan by focusing on an overall reduction in energy use, but emphasizing initially the buildings performing above the North Carolina average of 56,000 BTU/SF.

Although some significant energy conservation actions have been taken by the LEAs of Halifax County, it is clear that the three LEAs should undertake a comprehensive energy assessment of all insulation, heating, cooling, ventilation, water heating and lighting components (with the possible exception of those installations in new buildings and recent renovations) in its buildings. As a consequence of such an assessment, a plan of action for the implementation of energy conservation measures should become part of the first Five-Year Facilities Master Plan (see **Recommendation 5-10**). Such action will bring into focus the many possible energy savings opportunities the LEAs of Halifax should consider in order to effect a major reduction in its energy bills.

The buildings performing above the North Carolina average of 56,000 BTU/SF (see **Exhibits 5-13** and **5-14**) should serve as the initial agenda for this effort, but not necessarily be limited to those buildings alone. A qualified mechanical engineer on the consulting team for the Five-Year Facilities Master Plan should prescribe the energy assessment protocol. Depending on when this effort is started, the 2012 and 2013 energy use data should be examined in like manner.

FISCAL IMPACT

The cost of the energy assessment is included in the Fiscal Impact for the Facilities Master Plan (**Recommendation 5-10**). Specific energy savings cannot be calculated at this time, but they will be a result of the recommended energy assessment. Although Energy Star (http://www.energystar.gov/ia/business/challenge/learn_more/Schools.pdf), estimates that a 30 percent reduction may be possible, a conservative savings of at least 10 percent of the energy bills for the three LEAs for heating, cooling, lighting and water heating is a reasonable, based on the work already undertaken in the LEAs.

Based on the data shown in **Exhibits 5-13** and **5-14**, the average annual energy consumption attributable to buildings in HCS and RRGSD is currently 56.78 KBTU/SF. Thus a ten percent savings would amount to about 5.68 KBTU/SF annually. This figure converts to 1.67 KWH/SF. At an average electricity rate of 8.3 cents per KWH in Halifax County, this amounts to \$0.14/SF.

	HCS	RRGSD	WCS
Square Footage	813,319	501,944	253,647
Annual Savings at 14 cents per square foot	\$113,865	\$70,272	\$35,510



This savings estimate should be considered as a placeholder until the energy condition assessment has been completed. While savings may be possible during implementation years, savings are not estimated to begin until year three. A new effort five years later should raise this level of savings by another ten percent.

Recommendation	LEA	2012-13	2013-14	2014-15	2015-16	2016-17
Conduct Energy Condition Assessment	HCS	\$0	\$0	\$113,865	\$113,865	\$113,865
	RRGSD	\$0	\$0	\$70,272	\$70,272	\$70,272
	WCS	\$0	\$0	\$35,510	\$35,510	\$35,510

5.6 BUILDING UTILIZATION

Building utilization—how effectively and efficiently a school building is used by the students, staff, faculty and administration—is a measure of facilities management competence. In its most basic usage for schools, building utilization is computed on the basis of the average number of students attending the school (Average Daily Membership – ADM), over the school building’s student capacity based on available classroom space per grade. Beyond that, there are other factors to consider (such as the capacity of a school’s core, e.g., kitchen and eating facilities, auditorium, gymnasium, resource center, etc). If a school with originally 20 classrooms has been expanded over the years to 40 classrooms, and its core has not been expanded, core capacity is probably insufficient for normal scheduling of spaces such as cafeterias, gymnasiums, libraries, and the like. This doubling of classrooms may have come about through permanent construction additions, or by the addition of mobile classrooms, or via a combination of the two. Acreage of the school’s site, and its topography, will determine the school’s capacity for parking, bus and car drop-off lanes, athletic fields, and on-site utilities.

The NCDPI has a formal process using a “Capacity Calculator” that all LEAs of North Carolina must follow in the quinquennial submittal of their *Facility Needs Assessment* documents. The purpose of this procedure is to create comparability, consistency and uniformity across the LEAs of North Carolina. Yet, a previously cited report titled *Long-Range Facility Condition Assessment* by Sinnott Smith Architecture, P.A., notes the following on page 38:

In many cases, it is difficult to determine the actual capacity of a school. All students within a given area or attendance boundary will attend a particular school. Principals cannot turn students away, but must find space on campus for all students within that geographic area. The result is that students are placed in spaces never intended to be classrooms or programs are placed on a cart because there is no other option. Therefore, a school can contain more students than it should and make it difficult to determine what the appropriate number of students should be. Conversely, when a school is underutilized and programs have spread out into adjacent classrooms, it is difficult to cull out the necessary spaces.

Exhibit 5-16 displays the actual building capacity for the school buildings of the three LEAs. The building capacity figures do not include the capacity represented by any mobile classroom building(s) on a particular school site. The Membership on Last Day (MLD) Month figures shown represent the latest membership figures for 2011-12 for each school building. If the MLD



figures are smaller than the building capacity, the difference between the two numbers is entered under “Below Capacity” with the percentage figure in parentheses. If the MLD figures are larger than the building capacity, the difference between the two numbers is entered under “Above Capacity” with the percentage figure in parentheses.

Exhibit 5-16
School Utilization for Halifax County Schools,
Roanoke Rapids Graded School District, and Weldon City Schools
June 2012

School Name	Building Capacity	MLD Month 8 2011-12	Above Capacity (No. and %)	Below Capacity (No. and %)
HALIFAX COUNTY SCHOOLS				
Aurelian Springs Elementary 10536 Hwy 48, Littleton, NC 27850	576	417		159 (28%)
Dawson Elementary 6878 Old 125 Road Scotland Neck, NC 27874	384	169		215 (56%)
Enfield MS/ Inborden Elementary School 13587/13723 NC Highway 481 Enfield, NC 27823	1008	359/362		287 (28%)
Hollister Elementary 37432 Hwy 561 Hollister, NC 27844	336	230		106 (32%)
Everetts Elementary 458 Everetts School Rd Roanoke Rapids, NC 27870	456	346		110 (24%)
Northwest High 8492 Hwy 48 Littleton NC 27850	1320	555		765 (58%)
Pittman Elementary (PK-5) 25041 Hwy 561 Enfield, NC 27823	384	155		229 (60%)
Scotland Neck Primary (PK-3) 901 Jr. High School Road Scotland Neck, NC 27874	336	143		193 (57%)
Southeast High 16683 Hwy 125 Halifax NC27839	936	431		505 (57%)
William R. Davie Middle 4391 Hwy 158 Roanoke Rapids, NC 27870	912	416		496 (54%)
ROANOKE RAPIDS GRADED SCHOOL DISTRICT				
Akers Alternative 501 Washington Ave. Roanoke Rapids, NC 27870	15	15	0 (0%)	
Clara Hearne Pre-K 731 Cedar St. Roanoke Rapids, NC 27870	165	165	0 (0%)	
Belmont Elementary 1517 Bolling Rd.	765	785	20 (3%)	



Exhibit 5-16 (Continued)
School Utilization for Halifax County Schools,
Roanoke Rapids Graded School District, and Weldon City Schools
June 2012

School Name	Building Capacity	MLD Month 8 2011-12	Above Capacity (No. and %)	Below Capacity (No. and %)
Roanoke Rapids, NC 27870				
Manning Elementary 1102 Barrett St. Roanoke Rapids, NC 27870	596	656	60 (10%)	
Chaloner Middle Chaloner Post-Addition 2012-13 2100 Virginia Ave. Roanoke Rapids, NC 27870	605 757	717 717	112 (19%)	40 (5%)
Roanoke Rapids High 800 Hamilton St. Roanoke Rapids, NC 27870	1,030	813		217 (21%)
WELDON CITY SCHOOLS				
Weldon Pre-School 805 Sycamore Street Weldon, NC 27890	96	96	0 (0%)	
Weldon Elementary 805 Washington Avenue Weldon, NC 27890	405	393	(12 (3%)
Weldon Middle 4489 Hwy 301 Halifax, NC 27839	346	238		108 (31%)
Weldon STEM High 415 County Road Weldon, NC 27890	437	242		195 (45%)
Roanoke Valley Early College 200 College Drive (Not a WCS facility) Weldon, NC 27890	138	135		3 (2%)

Source: Prepared by Evergreen Solutions from information supplied by Halifax County Schools, Roanoke Rapids Graded School District, and Weldon City Schools, 2012.

FINDING

As shown below, there are 26 mobile classrooms in HCS, 19 more in RRGSD, and one mobile unit in WCS—for a total of 46 mobile classroom units at the three LEAs in Halifax County. Yet, all of the school buildings in HCS are attended below school building capacity, and there are some below capacity instances in RRGSD and WCS. **Exhibit 5-17** lists the schools where mobile classrooms are located, while they are at the same time attended below building capacity. The one Mobile Unit at WCS is a maintenance unit.



Exhibit 5-17
School Buildings with Mobile Classrooms in Halifax County Schools,
Roanoke Rapids Graded School District, and Weldon City Schools
June 2012

School Name	Building Capacity	Above Capacity (No. and %)	Below Capacity (No and %)	Number of Mobile Units
HALIFAX COUNTY SCHOOLS				
Aurelian Springs Elementary	576		159 (28%)	3
Dawson Elementary	384		215 (56%)	0
Enfield MS/ Inborden Elementary School	1008		287 (28%)	0
Hollister Elementary	336		106 (32%)	4
Everetts Elementary	456		110 (24%)	4
Northwest High	1320		765 (58%)	0
Pittman Elementary (PK-5)	384		229 (60%)	1
Scotland Neck Primary (PK-3)	336		193 (57%)	1
Southeast High	936		505 (57%)	4
William R. Davie Middle	912		496 (54%)	0
Central Office	n/a		n/a	9
TOTAL HCS				26
ROANOKE RAPIDS GRADED SCHOOL DISTRICT				
Akers Alternative	15	0 (0%)		0
Clara Hearne Pre-K	165	0 (0%)		1
Belmont Elementary	765	20 (3%)		1
Manning Elementary	596	60 (10%)		7
Chaloner Middle	605	112 (19%)		9
Chaloner Post-Add'on 2012-13	757		40 (5%)	
Roanoke Rapids High	1,030		217 (21%)	0
Central Office	n/a		n/a	1
TOTAL RRGSD				19
WELDON CITY SCHOOLS				
Weldon Pre-School	96	0 (0%)		0
Weldon Elementary	405		12 (3%)	0
Weldon Middle	346		108 (31%)	0
Weldon STEM High	437		195(45%)	0
Roanoke Valley Early College	138		3 (2%)	0
Central Office	n/a		n/a	1
TOTAL WCS				1

Source: Prepared by Evergreen Solutions from data supplied by HCS, RRGSD ,and WCS, 2012.

The mobile classrooms at schools currently operating under capacity should be prime targets for removal. In addition, HCS has several mobiles at its central administration campus that do not appear to serve any significant functions and should be removed. Mobile units at Manning Elementary School should be removal targets once this school has been fully renovated and enlarged. Likewise, some mobile units at Chaloner Middle School should no longer be needed when the classroom addition currently under construction is placed in operation in the Fall of 2012.



RECOMMENDATION

Recommendation 5-8:

Dispose of unnecessary mobile classrooms.

All HCS mobile units should be sold and removed, and mobile units at the HCS central administration site should also be de-commissioned, bringing the total to 23 mobile units that should be removed in HCS over the coming five years.

The RRGSD mobile units are concentrated at Chaloner Middle (9) and Manning Elementary (7) Schools. Once Chaloner Middle School has its classroom expansion completed for the 2012-13 school year, at least seven of the nine units can be removed. Two units may still be needed because the kitchen at Chaloner is inadequate to house all of the equipment needed for food preparation. A nearby computer laboratory may need to be moved into one or two mobile units, and converted to kitchen space on a temporary basis. Manning Elementary is slated for a major building overhaul, after which the mobiles will no longer be needed. This is a total of 17 mobiles that should be removed at RRGSD over the next five years.

In addition, every LEA should consider how it intends to manage its use of mobile classrooms as part of its facilities inventory. For HCS, it is costly and unnecessary to continue to maintain 26 mobile units after closing several of its schools, and operating many of its remaining schools significantly below school capacity. It is therefore important for HCS to develop a strategy aimed at reducing and eventually eliminating its number of mobile units. Likewise, RRGSD must examine its reliance on mobile classroom units. Even though several mobile units will no longer be needed after the classroom wing expansion at Chaloner Middle, a more formal mobile unit management strategy will help reduce the number of these units over time. The result will be a savings in energy, maintenance and cleaning costs, plus the creation of more cohesive communities in schools.

The Facilities Master Plan and all subsequent updates should contain an element addressing the management of mobile classroom units.

FISCAL IMPACT

An Internet search for used mobile classrooms for sale has revealed that few companies list prices. Several listings on *Ebay* range from \$8,000 to \$15,000. We assume for the sake of this fiscal impact calculation an average of \$10,000 per unit as the one-time sale price. It is further assumed that the units will be sold over a period of five years, meaning that HCS will decommission a total of five units per year for each of the first four years, with three units being decommissioned in the fifth year. In RRGSD, it is assumed that four units will be decommissioned in each of the first three years, three units in the fourth year and two units in the fifth year.

In addition, an estimated energy savings of \$1,200 per year per decommissioned mobile unit is added to the projected savings. This latter amount is not a one-time savings, but continues in perpetuity.



Recommendation	LEA	2012-13	2013-14	2014-15	2015-16	2016-17
Dispose of Unnecessary Mobile Units	HCS	\$50,000	\$50,000	\$50,000	\$50,000	\$30,000
	RRGSD	\$40,000	\$40,000	\$40,000	\$30,000	\$20,000
Cumulative Annual Energy Savings for both LEAs	HCS	\$10,800	\$21,600	\$32,400	\$42,000	\$48,000*
	RRGSD	\$10,800	\$21,600	\$32,400	\$42,000	\$48,000*

*and annually thereafter

FINDING

As displayed in **Exhibit 5-16**, HCS has the capacity today to accommodate an additional 3,000 students.

Enrollment in HCS is dropping. While HCS has traditionally been the largest of the three LEAs in Halifax County, on the last day of Month 8 of the 2012 school year, there were approximately 600 more students attending HCS than RRGSD. Yet, RRGSD operates two elementary schools and a pre-school, whereas HCS operates seven elementary/primary schools. Even if all 600 students in HCS were elementary age, there is little justification for the operation of four additional elementary schools.

At a minimum, it appears that two – perhaps three – elementary schools in HCS can be closed to streamline the LEA's operations, and to save money. Additionally, the capacity and enrollment at the high schools indicate that all HCS high school students could be accommodated at one of the HCS high schools.

If the selection of elementary schools to close were based solely on age, Dawson (1938), Everetts (1958) and Hollister (1960) Elementary Schools would be the choices. If greatest renovation need were the primary criterion, Everetts Elementary School would still be a candidate, as it is the school chosen by HCS to be examined as a first priority funding candidate by the architectural firm hired to determine where the greatest facility needs exist in the three Halifax County LEAs. Another criterion to consider is geography: how far will the students from the closed schools need to be transported if their current school is closed?

According to **Exhibit 5-5**, Hollister Elementary School is located at the extreme western end of Halifax County, west of I-95. The nearest available transfer elementary schools are Pittman (12.4 miles) and Aurelian Springs (12.8 miles). If Hollister closed, its 230 students would most likely be transferred to Pittman, which has excess capacity for 229 students or Aurelian Springs, which has excess capacity for 159 students.

If Everetts Elementary School were closed in the northernmost part of Halifax County its 356 students could also be transferred to Pittman (17.2 miles) and Aurelian Springs (8.3 miles).



Since both Everetts and Hollister Elementary Schools are in the northern part of the county and would feed their students into the same schools, it would not be desirable to close both schools, as the capacity at Aurelian Springs and Pittman is not sufficient for both sets of students.

Dawson Elementary School, constructed originally in 1938, is located in the geographic center of the eastern half of Halifax County. With a total of 169 students, the school is 56 percent below capacity. The nearest transfer schools are Inborden Elementary School (coupled with Enfield MS) and Scotland Neck Primary. Their distance and travel times are 11.8 miles and 7.1 miles, respectively. Both Inborden Elementary School and Scotland Neck Primary have excess capacity to handle jointly up to 480 additional students.

RECOMMENDATION

Recommendation 5-9:

Close two HCS elementary schools and redraw the attendance zones so that students will attend the nearest elementary school with excess capacity.

Everetts and Dawson Elementary Schools are obvious choices, from the information shown above, and are used here to estimate total savings from the school closures.

Based on the HCS School Board's careful examination of the enrollments and costs associated with the continued operation of seven elementary schools, HCS should proceed with the closure of two schools in the 2013-14 school year, presumed to be Everetts and Dawson Elementary Schools. The under-utilization of other elementary school facilities permits this move without any significant changes to the schools to which the students from Everetts and Dawson will be transferred.

HCS must develop a transfer plan for students, including a re-routing of school buses as necessary, and redrawing attendance zones as appropriate.

The schools should be slated for demolition within not more than two years after closure, pending the possibility of a transfer of ownership by gift or purchase for a new, alternative use. If such an arrangement cannot be found within two years, the building(s) should be razed and the land offered for sale or lease. In the interim, these two schools should be kept fully secured and alarmed, and minimally heated and cooled to avoid damage due to freezing or mold growth. If surveillance cameras are already installed in these buildings, they should be kept activated. A custodian should be assigned about five hours per week to monitor each facility, and to keep it clean and vermin-free. Halifax County law enforcement should drive by each school at night to assure that no unlawful activities are permitted to occur. HCS should use all available means to avoid a repetition of the theft of copper wiring and other valuable building equipment from some of the previously closed and mothballed buildings. Minimal grounds keeping should be continued.

Should the HCS enrollment continue to decline, serious consideration should be given to closing at least one other elementary school and one of the high schools.



FISCAL IMPACT

HCS should realize savings from these school closures in the following categories:

- staffing;
- energy costs;
- maintenance costs; and
- sale/lease/disposal of property.

Exhibit 5-18 lists the administrative, support and teaching staff count at Everetts and Dawson Elementary Schools. As these schools are closed, HCS should eliminate the number of positions shown in the exhibit. Among the teaching positions, HCS should fill existing classrooms with the students transferring. Once the desired student-teacher ratio has been reached, teachers from the closed schools should be transferred to create new grades as needed.

Based on a review of current salaries, salaries in the mid to lower range are assumed for each eliminated position, assuming that more tenured staff, or those with high skill sets may be transferred to other vacant positions within the school system.

According to **Exhibit 5-8**, HCS spends an average of \$1,813,757 for maintenance and custodial expenses annually, on a facilities inventory of 813,319 square feet, resulting in an overall cost of \$2.23/sf.

Based on the data shown in **Exhibits 5-12** and **5-13**, the average annual energy consumption attributable to buildings in Halifax County Schools and Roanoke Rapids Graded Schools is currently 56.78 KBTU/SF. Thus, the energy savings from closing Everetts and Dawson Elementary Schools is estimated to be 56.78 KBTU per square foot x the total square footage of the schools being closed. That amount is then converted to kwhs, and multiplied times the local electric rate of about 8.3 cents per kilowat hour to arrive at the annual savings..

Assuming that the property can be sold, leased, or otherwise disposed of by the third year after the schools are closed, some investment in repairs or the razing of the existing buildings may be needed. For estimating purposes, we assume that the dollars needed to renovate or raze the buildings will be 10 percent of total value or \$794,000, and the sale price for both pieces of property will be no more than 20 percent of the current assessed value of the property or \$1,588,000. Net proceeds from the property disposal therefore, would be \$794,000. This revenue is recognized in the third year after closure.

Recommendation	LEA	2012-13	2013-14	2014-15	2015-16	2016-17
Close Two HCS Elementary Schools	HCS	\$0	\$841,453	\$841,453	\$1,635,453	\$841,453



Exhibit 5-18

Proposed Staffing Reductions from Closure of Everetts and Dawson Elementary Schools

	Everetts Staffing	Dawson Staffing	Number of Positions Eliminated	Average Salary	Total Salary Savings	Benefits (33% of Salary)	Total Savings
Principals	1	1	2	\$60,000	\$120,000	\$39,600	\$159,600
Teachers	14	8	0		\$0	\$0	\$0
Enhancement Teacher	1	1	0		\$0	\$0	\$0
Teacher Assistants	4	2	3	\$22,000	\$66,000	\$21,780	\$87,780
EC Teachers	2	2	0		\$0	\$0	\$0
EC Teacher Assistants	2	2	2	\$25,000	\$50,000	\$16,500	\$66,500
Pre-K Teachers	2	1	0		\$0	\$0	\$0
Pre-K Teacher Assistants	2	1	1	\$25,000	\$25,000	\$8,250	\$33,250
Counselor	1	0.5	0		\$0	\$0	\$0
Media	1	0	1	\$35,000	\$35,000	\$11,550	\$46,550
Nurse	1	0	0		\$0	\$0	\$0
Office Support Staff	2	1	3	\$25,000	\$75,000	\$24,750	\$99,750
Cafeteria Staff	5	3	5	\$18,000	\$90,000	\$29,700	\$119,700
Total	38	22.5	17		\$461,000	\$152,130	\$613,130

Energy and Maintenance Savings

	Everetts	Dawson
Square Footage	34,853	28,373
Maintenance/Custodian Costs (\$2.23 per square foot)	\$77,722	\$63,272
Kwhs used (56.78 KBTU X square footage)/ 3.412	579,998	472,163
Annual Energy Cost (\$.083 per kwh)	\$48,140	\$39,189
Total per Campus	\$125,862	\$102,461
Total Energy and Maintenance Savings		\$228,323

Source: Prepared by Evergreen Solutions from data furnished by HCS.

5.7 MASTER PLANNING

According to accounts by various county and school officials, the three LEAs in Halifax County once worked cooperatively in facilities planning. According to one observer, "They developed a certain kind of rhythm in working with the County, taking turns for major facilities funding on alternate years." A July 10, 2010 article in the Roanoke Register tells the story of a "(2007) committee comprised of personnel from the county schools," and of how the previously cooperative facilities planning had waned:

HALIFAX — A three-hour joint meeting between the Halifax County Board of Commissioners and the Weldon City Board of Education yielded no agreement, leaving the fate of a possible new Weldon High School still up in the air.

Weldon City Schools initiated the Thursday meeting after the commissioners apportioned their annual budget near the end of June. Weldon City Schools had been seeking money to hire an architect to design a replacement for Weldon High School and a commitment to move forward with building the new school. The commissioners had not budgeted the money for the architect, so this joint meeting was called to try to find some sort of solution to the dispute.



Weldon City Schools presented their position. Dr. Elie Bracy III, superintendent for Weldon schools, indicated the dispute really goes back to 1997, when it was first determined Weldon High School needed to be replaced. In 2007, a committee comprised of personnel from the county schools, Weldon Schools and the Roanoke Rapids Graded School District, as well as Halifax Community College, voted the need to replace Weldon High School was the greatest need among the three districts.

Bill Cram, of M.B. Kahn Construction, which did an analysis of Weldon High School, built in 1960, presented a case why the school needed replacing.

Source: http://www.rrdailyherald.com/news/new-weldon-high-school-up-in-the-air/article_7e150c0a-4079-5214-bf3a-3ff0b44bf08a.html.

An online article from *rrspin.com* titled “County, Weldon Schools head to mediation,” describes how it was agreed to mediate this dispute about Weldon STEM High School (see <http://rrspin.com/News-from-Roanoke-Rapids-Weldon-and-Halifax-County/County-Weldon-schools-head-to-mediation.html>). The ruling by the mediator resulted in the County Government having to hire an architect to conduct a facilities condition assessment of three schools buildings considered by their respective LEAs to have the highest funding priority for either replacement or renovation:

- Weldon STEM High School – Weldon City Schools
- Manning Elementary School – Roanoke Rapids Graded School District
- Everett Elementary School – Halifax County Schools

The firm of MBAJ Architecture of Raleigh, NC was selected for this work in late April 2012. The results of this study have not yet been released, but County officials expect to have the firm’s recommendations in September 2012.

RECOMMENDATION

Recommendation 5-10:

Establish a joint procedure for facilities master planning—a Five-Year Facilities Master Plan between Halifax County Schools, Roanoke Rapids Graded School District, Weldon City Schools, Halifax Community College, and Halifax County Government.

The dispute over priorities for school facilities illustrates the desirability of having a jointly followed procedure that requires facility master planning to be not only a shared task between all LEAs and Halifax County Government, but also an uninterrupted undertaking.

It is highly desirable for all LEAs in Halifax County to do their facilities planning jointly for several reasons:

- Halifax County Government is the only local taxing authority by North Carolina law, and as such has a defined and limited funding responsibility for its LEAs. This responsibility is, however, somewhat “blurry” according to a key article at <http://canons.sog.unc.edu/?p=2282>.



- Halifax County Government must decide every year which major facilities projects among its LEAs should take priority.
- Halifax County Government also must fund its own facilities requirements.
- Planning demands a look ahead several years in the facilities planning process – there should be little or no opportunity for a “facilities surprise or emergency.”
- The facilities planning process must involve all key public agencies with a building stock to manage.
- The process cannot be stopped and re-started – it must be continuous and ongoing in order to avoid losing sight of the major issues and developments that influence facilities planning in Halifax County.

Halifax County Government should therefore develop and initiate a Five-Year Facilities Master Planning Process that is a joint undertaking with all other public agencies that manage a considerable building stock:

- Halifax County Schools;
- Roanoke Rapids Graded School District;
- Weldon City Schools; and
- Halifax Community College (<http://www.halifaxcc.edu/>).

Although Halifax Community College, located in Weldon, NC, is not within the scope of this study, its participation in the Five-Year Facilities Master Plan should be encouraged: the availability, or lack of availability, of facilities at HCC will influence the provision of buildings at the County or the other three LEAs.

HCC completed a Facilities Master Plan in 2008. Its soon-to-be-developed update should be accomplished as part of the Five-Year Facilities Master Plan. Community Colleges in North Carolina are heavily funded directly by the State, but local and federal funds are also used for their support (see http://www.ehow.com/info_7831503_north-state-funding-community-colleges.html).

The concept of a Five-Year Facilities Master Plan has at its core the idea that Year One of the Plan becomes next year’s spending plan for all facilities matters:

- new buildings (including purchases of existing buildings);
- the sale, repurposing or other disposition of unneeded buildings;
- building additions and major renovations;
- reduction or elimination of mobile classroom building stock;
- minor renovations and other small capital projects as part of scheduled maintenance;
- preventive, scheduled maintenance;
- reactive maintenance;
- building cleaning and sanitation; and
- grounds keeping.



Once Year One of the Five-Year Facilities Master Plan becomes part of the coming year's adopted budget, a new Year Five is added to the Plan. The above procedure is intended to be an ongoing process. As a consequence, the Five-Year Facilities Master Plan can serve as the direct input to the Facility Needs Survey required by NCDPI from every LEA in North Carolina every five years.

The initial Five-Year Facilities Master Plan should be prepared with the assistance of a qualified consultant, preferably an architectural/engineering (A/E) firm with significant prior experience in the creation of facilities master plans. This firm should be asked to conduct a building condition assessment of the entire inventory of facilities owned and/or operated by Halifax County Government, Halifax County Schools, Roanoke Rapids Graded School District, Weldon City Schools, and Halifax Community College. This building condition assessment should identify buildings requiring major renovations and other capital improvement projects within the five year time-frame of the Facilities Master Plan. If appropriate, the building condition assessment may also recommend changes to the current schedule of preventive maintenance actions. For example, it may be found as part of the assessment that an unusually high number of reactive maintenance must be performed on certain items, such as VAV boxes or ballasts. If this type of situation exists, additional preventive maintenance tasks may be scheduled as part of the Plan.

Several earlier recommendations in Chapter 5 should be included as elements in the Five-Year Facilities Master Plan.

Recommendation 5-1 - disposition of closed buildings

Recommendation 5-4 - facilities condition assessment;

Recommendation 5-7 - energy assessment and savings strategy; and

Recommendation 5-8 - disposal of mobile classrooms.

Once the building condition assessment and its related inquiries have been completed, a five-year strategy must be prepared, consisting of the following eight major plan components:

1. Identification of key actions and attendant budgeted costs for site selection, land acquisition, facilities programs, designs, construction documents, construction and other steps required for the procurement of new buildings by Halifax County Government, Halifax County Schools, Roanoke Rapids Graded School District, Weldon City Schools, and Halifax Community College. (This must include the timely hiring of staff in such areas as maintenance, custodial, and grounds keeping, if necessary. It is unwise to assume that such additional staff is unnecessary, just as it would be ill-advised to hire no teachers or administrators for a new or expanded building.);
2. Identification of key actions and attendant budgeted costs for facilities programs, designs, construction documents, construction and other steps required for the procurement of building additions and energy retrofits by the Halifax County Government, Halifax County Schools, Roanoke Rapids Graded School District, Weldon City Schools, and Halifax Community College. (This must include the timely hiring of staff in such areas as maintenance, custodial, and grounds keeping, if necessary);



3. Identification of budgeted costs and anticipated revenues resulting from the sale of buildings and mobile classroom units by Halifax County Government, Halifax County Schools, Roanoke Rapids Graded School District, Weldon City Schools, and Halifax Community College;
4. Identification of budgeted costs for building renovations and other small capital projects that will need to be completed as a part of scheduled, preventive maintenance;
5. Identification of budgeted costs for all tasks, (labor, materials, parts, equipment) related to preventive, scheduled maintenance;
6. Identification of budgeted costs for all anticipated reactive maintenance tasks, (labor, materials, parts, equipment);
7. Identification of budgeted costs for custodial tasks (labor, materials, parts, equipment); and
8. Identification of budgeted costs for grounds keeping tasks (labor, materials, parts, equipment).

As discussed previously, Items 4-8 above should be budgeted to fall within the range of 2 to 4 percent of the calculated replacement value of the LEAs' owned/operated building stock. The costs of Items 1 through 3 will be highly variable, and should not be included in this window of 2 to 4 percent. The items included in the Five-Year Facilities Master Plan must give all planning participants reasonable assurance that no deferred maintenance backlog will be allowed to build up, and that the building stock will be utilized efficiently and effectively.

The identification of funding sources and a spending strategy for the most immediate year and the four years yet to arrive of the Five-Year Facilities Master Plan completes the first cycle of planning. Funding sources are from Halifax County, the State of North Carolina, and the U. S. Government. Private grants, bequests, donations and other assistance from non-governmental sources may also be a considered. As commended earlier in this chapter, the LEAs of Halifax County have a record of availing themselves occasionally of zero interest Qualified School Construction Bonds (QSCB) (see http://en.wikipedia.org/wiki/Qualified_school_construction_bond). The mention of QSCB is merely pointing to these and many other possible sources of funding, including funds aimed at green technology and other innovative approaches to school design. Here are selected examples:

- http://www.ehow.com/facts_5705851_grants-green-schools.html
- <http://asumag.com/green/green-grants-201003/>
- <http://www.epa.gov/greenbuilding/tools/funding.htm>
- http://www.ncef.org/rl/funding_partnerships.cfm
- http://www.ncef.org/rl/financing_options.cfm

The A/E firm selected to create and update the Five-Year Facilities Master Plan should not only have extensive experience in facilities master planning, but also have offices within a half-day's travel distance from Halifax County, North Carolina. The firm should be hired from a group of respondents to an RFQ (Request for Qualifications) (i.e., on the basis of qualifications rather



than “low bid”). The firm should be hired under a long-term contract to assure Halifax County a continuity of attention and institutional memory as updates are prepared. Appropriate contractual provisions for termination of services should, however, be included. To avoid any conflict of interest, the hired firm must agree to be excluded from competition for any design services procurements with the three LEAs and the Community College, while under contract to perform the master planning work. The conflict of interest lies in the need for the firm to be completely free and unbiased in making its master plan recommendations. Findings and conclusions formed by this firm to support such actions as new facilities construction, major additions, or major renovations, should not at the same time allow that same firm to compete for design services, as this could be construed by other design services firms to be an unfair advantage.

Halifax County should form a Facilities Planning Committee, consisting of representatives from Halifax County Government, Halifax County Schools, Roanoke Rapids Graded School District, Weldon City Schools, and Halifax Community College. This Committee should oversee the facilities master planning process, and the A/E consultant hired to prepare and update the plan. The Committee should work with other local planning boards on issues of public facilities planning as necessary and appropriate.

FISCAL IMPACT

Some of the cost savings from the implementation of **Recommendation 5-10** will not be immediately apparent, be subtle in nature, and prove difficult to quantify accurately and completely. Such savings may be categorized as follows:

- The planned and strategic decision-making in items 1 through 3 of the plan will create eventually a building stock that accommodates all required functions of the LEAs of Halifax County optimally, efficiently and effectively. Among students, teachers, administrators, and other staff, this should result in improved teaching and learning, greater productivity, decreased absenteeism, and overall improvements in morale and attitude. This item may be quantifiable ultimately, but it is too early to estimate at this time.
- Savings from improved energy performance will be realized as the Five-Year Facilities Master Plan incorporates and implements additional energy conservation opportunities in new buildings, additions, and renovations. Such additional savings can only be roughly estimated, but are shown as part of **Recommendation 5-6**.

The initial cost of hiring a qualified A/E firm to prepare a Five-Year Facilities Master Plan may range from \$200,000 to \$250,000. The cost every five years to update the Plan is likely half of the original plan development cost, or \$100,000 to \$125,000.

In the timeline below the \$200,000 and \$125,000 A/E services fees are shown in years one and five, respectively, for plan creation and updating.

Costs should be shared by the participating LEAs based on number of facilities, with HCS paying 50 percent; RRGSD paying 30 percent and WCS paying 20 percent of the total costs.



Recommendation	LEA	2012-13	2013-14	2014-15	2015-16	2016-17
Implement and annually update a Five-Year Facilities Master Plan	HCS	\$0	(\$100,000)	\$0	\$0	(\$50,000)
	RRGSD	\$0	(\$60,000)	\$0	\$0	(\$30,000)
	WCS	\$0	(\$40,000)	\$0	\$0	(\$20,000)



***CHAPTER 6:
LONG-TERM OPTIONS, CONCLUSIONS
AND GENERAL RECOMMENDATION***



6.0 LONG-TERM OPTIONS, CONCLUSIONS AND GENERAL RECOMMENDATION

This final chapter provides long-term options, conclusions and general recommendations for overall long-term improvements to the educational service delivery systems in Halifax County.

As discussed in Chapters 4 and 5 of this report, the Evergreen Review Team has identified a number of short-term opportunities for improving the management and operations of the Halifax County Schools (HCS), Roanoke Rapids Graded School District (RRGSD) and the Weldon City Schools (WCS), collectively and individually. If fully implemented, these short-term recommendations could increase the effectiveness and efficiency of the three local education agencies (LEAs) in Halifax County and save over \$11.5 million the next five years.

In an effort to explore long-term opportunities, Evergreen examined the governance and organization structure of the three Halifax County LEAs, conducted extensive data analyses on state and federal law including various scenarios relating to state and local funding, and sought guidance from individuals within the North Carolina Department of Public Instruction (DPI) and the North Carolina State Board of Education.

Halifax County's August 2011 Request for Proposals asked for consulting services to provide "an in-depth study of Halifax County's three public school systems and to submit a feasibility study and options for consolidating two or more school systems and the pros and cons of each option." At the December 9, 2011 retreat and regular meeting of the County Board of Commissioners, Commissioners voted to change the scope of work for the project to focus on school improvements rather than strictly on consolidation. The topic of consolidation, however, remains one of many options for improvement, and is an issue that evokes strong emotions in the community—both pro and con.

Therefore, this section of the report provides an analysis of the various options for consolidation and other options that could be explored in lieu of full consolidation. Please note that this section does not address quality of education issues, as the quality of education is dependent on quality leaders, quality teachers, a quality curriculum and delivery system, and an environment that is conducive to learning. As can be seen nationally, quality education is achievable in any school system—large or small, rich or poor—when there is a shared vision of excellence supported by sound governance, management and accountability systems.

Additionally, as discussed in greater detail in **Chapter 2** of this report, recently released student performance data shows that both HCS and WCS student performance scores are improving in Halifax County Schools (HCS) and Weldon City Schools (WCS)—the two LEAs that are currently being given additional assistance by the State. Assuming that these improvements continue, objections to merger or consolidation related to the quality of education should cease to exist in the coming years.



Adequate funding, however, will continue to play an important role in hiring high-quality, visionary teachers and leaders, and securing facilities, equipment and materials necessary for a learning-rich environment. As such, the following section discusses the costs, savings and potential funding issues, as well as the facility-related impacts of merger or consolidation. At the end of each section, a series of conclusions is provided, relating to the legal and logistical considerations before Halifax County and its various governing bodies.

6.1 FRAMEWORK FOR MERGER OR CONSOLIDATION

The following excerpts from the North Carolina General Statutes provide the framework in law that governs school system mergers or consolidations. As shown, different processes and procedures apply if the merger is agreed to by the county and the boards of education, unilaterally pursued by the county, or voluntarily sought by a school system.

Underlined Emphasis is added to specific sections that will affect Halifax County, should one of these options be pursued.

§ 115C-67. Merger of units in same county.

City school administrative units may be consolidated and merged with contiguous city school administrative units and with county school administrative units upon approval by the State Board of Education of a plan for consolidation and merger submitted by the boards of education involved and bearing the approval of the board of county commissioners.

County and city boards of education desiring to consolidate and merge their school administrative units may do so by entering into a written plan which shall set forth the conditions of merger. The provisions of the plan shall be consistent with the General Statutes and shall contain, but not be limited to, the following:

- (1) The name by which the merged school administrative unit shall be identified and known.*
- (2) The effective date of the merger.*
- (3) The establishment and maintenance of a board of education which shall administer all the public schools of the newly created unit, including:*
 - a. The termination of any terms of office proposed in the reorganization of the board.*
 - b. The method of constituting and continuing the board of education; the manner of selection of board members, including (i) the number of members of the board, (ii) the method of their election or appointment, (iii) whether members shall be nominated, elected, or appointed from districts or at large, (iv) the manner of determining the nominee, and (v) whether the election shall be partisan or nonpartisan; the length of the members' terms of office; the dates of induction into*



office; the organization of the board; the procedure for filling vacancies; and the compensation to be paid members of the board for expenses incurred in performance of their duties. To the extent that the method conflicts with G.S. 115C-35, G.S. 115C-37, or with any local act concerning any of the units being merged and consolidated, the plan of merger and consolidation shall prevail.

- (4) The authority, powers, and duties of the board of education with respect to the employment of personnel, the preparation of budgets, and any other related matters which may be particularly applicable to the merged unit not inconsistent with the General Statutes.*
- (5) The transfer of all facilities, properties, structures, funds, contracts, deeds, titles, and other obligations, assets and liabilities to the board of education of the merged unit.*
- (6) Whether or not there shall be continued in force any supplemental school tax which may be in effect in either or all local school administrative units involved.*
- (7) A public hearing, which shall have been announced at least 10 days prior to the hearing, on the proposed plan of merger.*
- (8) A statement as to whether the question of merger, in accordance with the projected plan, is to be contingent upon approval of the voters in the affected area.*
- (9) Any other condition or prerequisite to merger, together with any other appropriate subject or function that may be necessary for the orderly consolidation and merger of the local school administrative units involved.*

The plan referred to above shall be mutually agreed upon by the city and county boards of education involved and shall be accompanied by a certification that the plan was approved by the board of education on a given day and that the action has been duly recorded in the minutes of said board, together with a certification to the effect that the public hearing required above was announced and held. The plan, together with the required certifications, shall then be submitted to the board of county commissioners for its concurrence and approval. After such approval has been received, the plan shall be submitted to the State Board of Education for the approval of said State Board and the plan shall not become effective until such approval is granted. Upon approval by the State Board of Education, the plan of consolidation and merger shall become final and shall be deemed to have been made by authority of law and shall not be changed or amended except by an act of the General Assembly. The written plan of agreement shall be placed in the custody of the board of education operating and administering the public schools in the merged unit and a copy filed with the Secretary of State.

The plan may be, but it is not required that it be, submitted for the approval of the voters of the geographic area affected in a referendum or election called for such purpose, and such elections or referendums if held shall be held under the provisions governing elections or referendums as set forth in G.S. 115C-507, with authority of the board of county



commissioners to have such election or referendum conducted by the board of elections of the county.

Upon approval of the plan of consolidation or merger by the State Board of Education, or upon approval of the plan of consolidation or merger by the voters in a referendum or election called for such purpose, and as soon as a provisional or interim board of education of the merged unit, or a permanent board of education of the merged unit, enters in and upon the duties of the administration of the public schools of the consolidated or merged unit, then the former boards of education and all public officers of the former boards of education of the separate units thus merged shall stand abolished, and said separate boards of education or administrative units thus merged shall stand dissolved and shall cease to exist for any and all purposes. All consolidations and mergers of county and city boards of education and of county and city school administrative units heretofore agreed to and finally approved, and all consolidation or merger proceedings entered into prior to June 9, 1969, are hereby declared to be effective, legal and according to law notwithstanding any defect in the merger or consolidation proceedings and notwithstanding any dissolution of the separate boards of education and public officers of the former, separate school units. (1967, c. 643, s. 3; 1969, c. 742; 1981, c. 423, s. 1; 1991 (Reg. Sess., 1992), c. 767, s. 3.)

§ 115C-68.1. Merger of units by the board of commissioners.

- (a) The board of commissioners of a county in which two or more local school administrative units are located, but all are located wholly within the county, may adopt a plan for the consolidation and merger of the units into a single countywide unit.

The plan adopted under this subsection shall require that the county adopting the plan provide local funding per average daily membership to the resulting local school administrative unit for subsequent years of at least the highest level of any local school administrative unit in the county during the preceding five fiscal years before the merger.

The board of commissioners shall forward a copy of the plan it adopts to the boards of education of all local school administrative units located within the county, immediately upon adoption.

- (b) The boards of commissioners of two counties in which one local school administrative unit is located in both counties may jointly adopt plans for each of their counties, including a plan of consolidation and merger for such unit that is located in more than one county. The results of such consolidation and merger shall be that there is only one countywide local school administrative unit in each county, or that the entirety of the unit located within two counties is merged and consolidated with the county unit of one of the two counties. Such plans shall also merge and consolidate any other city school administrative unit located wholly within one of the two counties. Within the two-county area, all the plans shall take effect on the same day.

The plans jointly adopted under this subsection shall require that the counties jointly adopting the plans provide local funding per average daily membership to the resulting local school administrative units for subsequent fiscal years of at least the highest level of



any local school administrative unit being merged during the preceding five fiscal years before the merger.

The boards of commissioners of each of the two counties shall forward copies of the plans they adopt to the boards of education of all local school administrative units located within the county, immediately upon adoption.

(c) The plans under this section shall be prepared and approved in accordance with G.S. 115C-67 as provided by general law, or G.S. 115C-68 as provided by general law, as applicable, except that the county and city boards of education shall not participate by preparing, entering into, submitting, or agreeing to a plan, and the plan shall not be contingent upon approval of the voters.

(e) If the State Board of Education fails to approve a plan submitted to it under this section, such failure to approve does not preclude the approval of the plan by the General Assembly by local act. (1991, c. 689, s. 37(b).)

§ 115C-68.2. Merger of units by the local boards of education.

If a city board of education notifies the State Board of Education that it is dissolving itself, the State Board of Education shall adopt a plan of consolidation and merger of that city school administrative unit with the county school administrative unit in the county in which the city unit is located; provided, however, if a city school administrative unit located in more than one county notifies the State Board of Education that it is dissolving itself, the State Board shall adopt a plan that divides the city unit along the county line and consolidates and merges the part of the city unit in each county with the county unit in that county and the plans shall take effect on the same day. The plans shall be prepared and approved in accordance with G.S. 115C-67 as provided by general law, and G.S. 115C-68 as provided by general law, as applicable, except that the county and city boards of education and the boards of commissioners shall not participate by preparing, entering into, submitting, or agreeing to a plan, and the plan shall not be contingent upon approval by the voters. (1991, c. 689, s. 37(c).

The issue of equitable funding and merger is not new to North Carolina. In the late 1980s, the North Carolina Department of Public Instruction issued *A Manual for Merger, A Guide to Examine the Feasibility & Implications of Merger: Pros and Cons*. The manual was specifically created at the behest of the State Board of Education to address the relationships to and funding of special chartered school districts, such as WCS and RRGSD, by their host counties. The report lays out a series of 15 questions that “anyone seriously contemplating the feasibility of merger should address...honestly and objectively as a part of that analysis.”



The questions include the following:

- 1) *What are the factors which typically motivate school systems to merge? Are these factors significant in the situation?*
 - *A decline in number of students, particularly when the administrative unit decreases to a size which is inefficient.*
 - *An increased percentage of minority students.*
 - *An increase in the number of disadvantaged students.*
 - *A relative decline in the tax base between city administrative unit and county administrative unit.*
- 2) *What are the factors which may be a deterrent to merger? Are these factors significant in this situation?*
 - *A large concentration of minority groups in one or more of the school systems.*
 - *Unequal local support due to different property calculations, tax rates and special taxes levied for schools.*
 - *Public sentiment.*
 - *Differences in school board policies and special programs offered in the school systems.*
- 3) *Can existing facilities be utilized more efficiently in a single administrative unit than in separate school systems limited by attendance boundaries?*
- 4) *Would merger of the school systems lessen the need to renovate or replace schools?*
- 5) *Can merger reduce the costs for capital outlay expenditures?*
- 6) *Can the cost of operating schools be reduced by merger of the school units?*
- 7) *Will merger reduce current expense costs?*
- 8) *Would merger of the school systems result in pupil assignment changes which, in turn, would reduce transportation costs through shorter bus rides and fewer students transported?*
- 9) *Would merger of the school systems produce an improved educational opportunity for all children or would it tend to equalize existing opportunities?*
- 10) *Does the inefficiency due to small size of the administrative unit or the operation of small schools rend the extra money afforded through special taxes ineffective in providing better educational programs?*



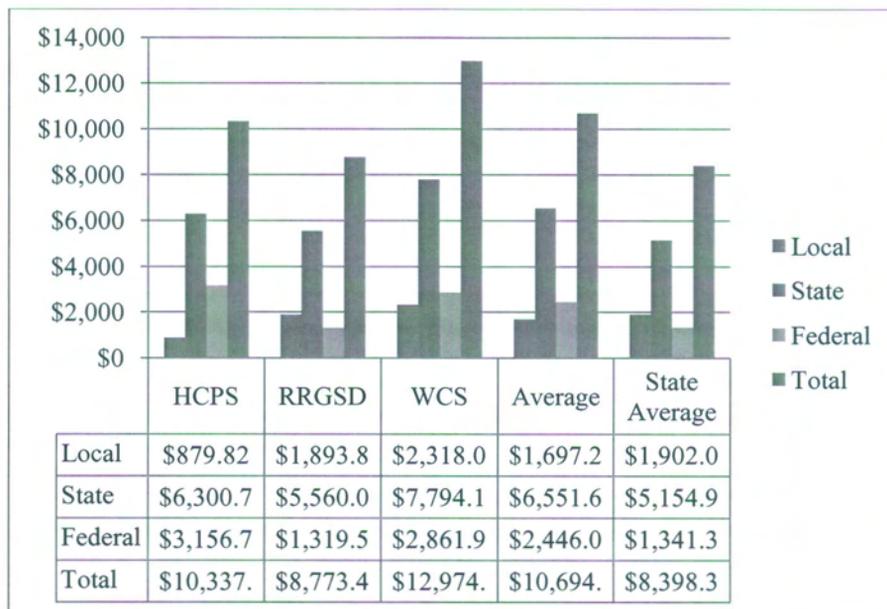
- 11) What effect would merger of the school systems have on the number and the assignment of personnel?
- 12) Would merger of the school systems improve the political process necessary to govern the schools?
- 13) Will merger of the school systems make future long-range planning more effective?
- 14) What effect will merger have upon the special taxing authority of either school system?
- 15) Will merger significantly improve student performance as measured by standardized tests?

6.2 LOCAL SAVINGS/COSTS OF MERGER OPTIONS

Traditionally, one of the reasons given for merger is savings from economies of scale, and some type of reduction in administration. Questions 6, 7 and 8 from the *Manual for Merger*, speak specifically to this issue, and is implied in several of the other questions shown above.

As shown in **Exhibit 6-1** (taken from **Exhibit 2-29** in the Background Section), per pupil funding overall is lowest in RRGSD and highest in WCS. HCS receives the lowest amount of local funding, as the LEA does not have a supplemental school tax, but received the highest amount of federal funding in 2010-11 of the three LEAs.

**Exhibit 6-1
Funding Source – Amount per Student
2010-11 School Year**



Source: North Carolina Department of Public Instruction, 2012.



State funding for WCS is artificially inflated by about \$556,000, which the State sends to the LEA as a fiscal agent for regional positions – not working in WCS. Additionally, in FY 2011, all three LEAs received federal funds through the American Recovery and Reinvestment Act of 2009 (ARRA). Although funding for many of the federal programs is recurring, ARRA funds are provided for a limited number of years, and are intended to modernize infrastructure and expand educational opportunities. Sustaining the programs and infrastructure past the initial funding period is the responsibility of the state and LEAs.

Exhibit 6-2 provides a summary of the ARRA funding for the three LEAs over the last three years.

**Exhibit 6-2
American Recovery and Reinvestment Act
of 2009 (ARRA) Funding
FY 2009 through FY 2011**

Fiscal Year	HCS	RRGSD	WCS
2009	\$1,533,219	\$592,056	\$430,579
2010	\$3,051,417	\$588,332	\$818,624
2011	\$8,599,726	\$991,421	\$960,116
TOTAL	\$13,184,362	\$2,171,809	\$2,209,319

Source: North Carolina Department of Public Instruction, 2012.

Although there are other contributing factors in the funding formulas, reducing \$8.6 million in temporary federal funds in HCS to previous averages brings HCS more in line with the per pupil funding in RRGSD.

Efficiency Savings

Exhibit 4-20 in Chapter 4 of this report shows that the WCS and HCS have student to staffing ratios that exceed the state averages. If both LEAs were able to reduce 100 percent of the positions that exceed the state averages through merger, the annual savings of approximately \$8 million, shown in **Exhibit 6-3**, could hypothetically be possible.

In reality, however, many of the positions are funded by the state or federal governments and the student populations of these two LEAs are at-risk academically, thus making full reductions in the instructional staffing levels is not advisable.

Even if a newly formed LEA could realize 100 percent of these savings through merger, the savings would be savings to the newly formed school system, **not** savings to Halifax County nor county taxpayers. As noted in the preceding chapters of this report, many of these efficiency savings are possible today, with or without merger.

Impact of Merger on State Funding

State funding pays for the salaries and benefits of certain staff, and funds specific statewide initiatives. Federal funding is also distributed based on student enrollment and demographics. Therefore, assuming the same number of students with approximately the same demographics comprise the student population of a merged district, state and federal funding provided on a per pupil basis would continue.



Exhibit 6-3
Estimate of Savings Related to Halifax County LEAs
Achieving Statewide Ratios

	HCS	At Statewide Averages	Staff to Reduce	Statewide Average Salary + Benefits	Possible Savings
2011-12 MLD Month 8	3,583	3,583			
Teachers	252	240	-13	\$55,972	\$727,636
Total Staff w/o teachers	300	208	-93	\$45,000	\$4,185,000
Total Staff	552	448	-106		\$4,912,636
Student to Teacher Ratio	14.2	15.0			
Student to Other Staff Ratio	11.9	17.3			
Student to Total Staff Ratio	6.5	8.0			
	WCS	At Statewide Averages	Staff to Reduce	Statewide Average Salary + Benefits	Possible Savings
2011-12 MLD Month 8	1,008	1,008			
Teachers	83	67	-16	\$55,972	\$895,552
Total Staff w/o teachers	86	59	-28	\$45,000	\$1,260,000
Total Staff	169	126	-44		\$2,155,552
Student to Teacher Ratio	12.1	15.0			
Student to Other Staff Ratio	11.7	17.3			
Student to Total Staff Ratio	6.0	8.0			

Source: MLD Month 8 and staffing data from DPI; Calculated by Evergreen Solutions – Average Teacher Salary extracted from DPI Average Salaries Used for 2011-12 Initial Allotments; Evergreen estimated the averages for other staff based on a combination of higher paid administrators and lower paid support staff.

DPI’s 2011-12 Allotment Policy Manual contains the following information relating to “Merged LEAs”:

If two or more LEAs are consolidated into one LEA, the following allotments shall not be less than those same allotments to the separate LEAs for the first and second full fiscal years of the consolidation and shall be used for the continuation of the positions and programs, except as specifically authorized by the State Board of Education.

1. Central Office Administration
2. Career Technical Education Months of Employment
3. Children with Special Needs - Preschool Handicapped
4. Limited English Proficiency

Additionally, individual LEAs with June 30 allotment balances that are subject to carryover provisions will be consolidated by respective category for all LEAs within the merger and re-allotted in total to the consolidated LEA.

DPI provided the following rough estimate (**Exhibit 6-4**) of the impact of the change on these hold harmless funds over the first three years of consolidation. Please note that savings shown in this chart are savings to the State, which in turn represent lost funding to the LEAs.

As shown, for the first two years, the funding for these specific items will remain unchanged. In the third year after consolidation, however, the formulas for central office staffing would revert to cover only those positions that are acceptable for a single LEA of its size.

According to state officials, the information has not been updated with current data for the 2012-13 school year. Using the available 2011 data, however, it appears that if a city merges into a county school system, state funding would decline between \$740,000 and \$800,000 annually in the third year, and each year thereafter, in these hold harmless categories. If two city systems merge with a single county system, approximately \$1.5 million would be lost annually.

Therefore, approximately \$1.5 million in possible efficiency savings will revert to the State of North Carolina.

Supplemental Local Funding

Financially, the greatest impact for Halifax County and its taxpayers as a result of merger would be in additional costs related to the equalization of local per pupil allotments.

Two separate sources provided to Evergreen calculated estimates that the *annual* cost to Halifax County taxpayers for a merger of all three LEAs into a single LEA would be from \$7 to \$7.5 million. These estimates were based on the amount of supplemental taxes currently assessed in RRGSD and WCS. By law, to merge the three LEAs would require voters to approve additional property taxes to bring the County's total per pupil allocation to the same level as the highest of the LEAs.

Instructions for computing the required local funding are found in the June 6, 1996, North Carolina State Board of Education Policy Manual – TCS-F-001 provides “Guidelines for Computation of Minimum Local Funding Requirement Upon Merger of School Systems by Boards of County Commissioners.”

G.S. 115C-68.1, as enacted by the 1991 General Assembly, authorizes boards of county commissioners to adopt plans merging local school administrative units. Such plans must "provide local funding per average daily membership to the resulting local school administrative unit for subsequent years of at least the highest level of any local school administrative unit in the county during the preceding five fiscal years before the merger." The General Assembly has defined "local funding per average daily membership" to mean budgeted local expense per average daily membership," and has directed the State Board of Education to "establish guidelines for computation of this amount."

Pursuant to the General Assembly's direction, the State Board of Education hereby adopts the following guidelines for use by boards of county commissioners in determining minimum local funding requirements in mergers accomplished pursuant to G.S. 115C-68.1:

1. *For purposes of these guidelines:*
 - (a) *The "final average daily membership" is the total days in membership for all students over the school year divided by the number of days school was in session.*
 - (b) *The term "preceding five fiscal years" means the five full fiscal years preceding the effective date of a merger plan.*



**Exhibit 6-4
Consolidation of County and City LEAs Analysis
Based on FY 2011-12 Planning Allotment Data**

Category	Savings			Year 3 Savings	
	Year 1	Year 2	Year 3	One City	One County
Administration					
Central Office Administration (note 5)	0	0	5,400,000	360,000	420,000
Instructional Personnel and Support Services					
Classroom Teachers	0	0	0		
Teacher Assistants	0	0	0		
Instructional Support	0	0	0		
School Building Administration	0	0	0		
Vocational Education - MOE	0	0	4,281,750	285,450	285,450
ABC Incentive Award	0	0	0		
Classroom Materials/Supplies/Equipment	0	0	0		
Textbooks	0	0	0		
Support					
Noninstructional Support Personnel	0	0	0		
Categorical Programs					
Category	Savings				
	Year 1	Year 2	Year 3		
Academically or Intellectually Gifted	0	0	0		
At-Risk Student Services (note 6)	0	0	0		
Children with Disabilities					
<i>School Aged</i>	0	0	0		
<i>Preschool</i>	0	0	823,005	54,867	54,867
Driver Education	0	0	0		
Improving Student Accountability	0	0	0		
Limited English Proficiency (LEP) (note 8)	0	0	416,500	29,750	29,750
Low Wealth Supplemental Funding	0	0	0		
School Technology	0	0	0		
Small County Supplemental Funding	0	0	0		
Staff Development (note 7)	0	0	0	0	0
Transportation	0	0	0		
Voc Ed-Program Support	150,000	150,000	150,000	10,000	10,000
Total Savings	150,000	150,000	11,071,255	740,067	800,067

Assumptions:

1. The average salaries remain constant for all three years.
2. Reductions in amounts needed for a base in the allotment formula reduces the entire budget. Budgets for allotments based on per ADM or Count will remain the same.
3. All schools will remain open.
4. The Merged LEA hold harmless policy would remain in effect.
5. Since we do not have a Central Office Formula, the consolidation of offices will eliminate the 6 base positions allocated to the cities based on duplication.
6. In At-risk Student Services, the redistribution of funds to bring city LEAs up to the required minimum would not reduce the overall budget. Fund would remain in the original LEA's allotment.
7. Not funded in FY 10-11
8. Weldon City is not eligible for LEP funding.

Source: Email from Department of Public Instruction, School Allotments Section, July 5, 2012.



(c) The term "budgeted local expense" means the amount of funds provided by a county board of commissioners during a fiscal year to support the current expense and capital outlay needs of a local administrative unit as ascertained from the audited financial statements of a local school administrative unit or the unit's approved budget if an audited financial statement is not available. Funds from the following sources should be included in determining this amount:

- (i) direct county appropriations;
- (ii) supplemental taxes levied pursuant to G.S. 115C-511 or local legislation;
- (iii) local sales taxes levied pursuant to Articles 39-42 of Chapter 105 of the General Statutes; and
- (iv) fines, penalties and forfeitures accruing to a local administrative unit under Article IX, § 7 of the Constitution

Funds from the following sources need not be included in determining this amount:

- (i) state appropriations, e.g., funds received from the Critical School Facility Needs Fund, G.S. 115C-489.1-4 or Public School Building Capital Fund, G.S. 115C- 546.1;
 - (ii) funds generated by a local administrative unit, e.g., gate receipts from athletic events or proceeds from the sale of surplus property; and
 - (iii) proceeds from the sale of bonds or bond anticipation notes.
2. A board of county commissioners shall determine its minimum funding requirement for the merged administrative unit for all years subsequent to merger by:
- (i) dividing the budgeted local expense for each existing local administrative unit for each of the preceding five fiscal years by the unit's ADM for each of those years;
 - (ii) selecting the highest amount obtained from these calculations; and
 - (iii) multiplying that amount by the merged unit's ADM for the preceding school year.
3. As provided by G.S. § 115C-68.1(d) the amount of the minimum local funding per average daily membership required to be provided for the merged unit shall be set forth as a part of the merger plan. Any variation from these guidelines in calculating that amount shall be explained and justified by the board of county commissioners in the merger plan.

Exhibit 6-5 shows a rough estimate of the process that Halifax County would use to calculate the potential costs to the County and its taxpayers for merger of all three LEAs into a single school system. Because of data limitations, this estimate considers the current year only, rather than the five-year average, and omits the Current Expense Allotment of \$5.4 million which Halifax



County allots to the LEAs on a per pupil basis. Therefore, only the 2011 ADM and supplemental funding is considered below.

Exhibit 6-5
Potential Funding Needs
Related to Merger of Three Halifax County LEAs

	HCS	RRGSD	WCS
Current Expense County Allocations	Allocated on a per pupil basis		
Supplemental School Ad valorem (Property Tax) Rate ¹	\$0	\$0.22	\$0.17
2011 Supplemental Property Tax Revenues ¹	\$0	\$1,744,934	\$1,318,659
2011 Local Option Sales Tax ¹	\$0	\$308,320	\$233,131
2011 Interest Earned ¹	\$0	\$6,834	\$0
Capital Outlay & Debt Service (Paid by County) ¹	\$1,424,813	\$802,253	\$325,838
Total Other Local Revenues	\$1,424,813	\$2,862,341	\$1,877,628
2011 Students in Average Daily Membership (ADM) ³	3,943	2,896	1,023
Local Other Revenues per ADM	\$361	\$988	\$1,835
New Dollars Needed to Fund \$1,835 per ADM Annually	\$2,472,359	\$2,453,017	\$0
Total of New Dollars Needed		\$4,925,376	
Dollars Generated by One Penny of Tax Effort	\$193,815 ²	\$79,315	\$77,568
Pennies of Tax Effort Required to Fund the Difference	\$0.13	\$0.31	\$0
2011 Total Countywide Property Values ¹		\$3,555,061,769	
Countywide Dollars Generated by One Penny of Tax Effort		\$355,506	
Pennies of Tax Effort Required to Fund the Difference		\$0.14	

Source: Created by Evergreen Solutions based on ¹Halifax County 2011 Comprehensive Annual Financial Report; ²Estimates from Halifax County Finance and Tax Offices; and ³Department of Public Instruction.

The tax rates and dollar amounts shown above are a *very rough* estimate of possible costs based on assumptions and available data, and *should not* be relied on as the total costs or tax rates should merger be undertaken. The Halifax County Tax Office provided an approximate estimate of the total dollars generated by each penny of tax effort within the HCS boundaries. To be conservative, Evergreen then rounded down to the lower thousands.

Five-year averages, as well as increases or decreases in enrollment, taxable values, and tax revenues can and will change, which in turn will change the dollar amount required to equalize the funding. For example, if local funding remains unchanged, but enrollment in WCS continues to decline, the WCS per pupil local funding number will rise, causing the gap between the LEAs to widen. The assumption from DPI is that when and if the decision is made to merge the districts, the number will be calculated based on the most current information and in some way certified as correct when a merger plan is submitted for review.

Even with the imperfect nature of this estimate, it is clear that for Halifax County to meet the state's merger funding guidelines, ad valorem taxes would need to be raised.

Another merger possibility would be the merger of two of the three LEAs*; however, as shown above, even the merger of RRGSD and WCS, the two LEAs with a supplemental tax, would require RRGSD to increase ad valorem taxes by 31 cents. The primary reason for the great disparity is not the total amount of revenues, but the low number of students in WCS, which significantly increases per pupil expenditures.

*It is important to note that Statue GS 115C-68.1 is ambiguous. In talking with DPI, it was Evergreen's impression that the consolidation of three school districts is ideal, but they did not say the merger of two districts was prohibited. If Halifax County decided that a consolidation of two of three was desirable, there would have to be some agreement between the stakeholders. In this case, the courts, DPI or the SBOE must scrutinize any merger plans very carefully and may or may not approve partial consolidation without some proof that not only monetary equity, but racial balance is achieved through the merger.



A proposal for a supplemental property tax for HCS residents could have significantly impacted the County's ability to equalize funding among the LEAs. On May 8, 2012, voters soundly rejected a referendum on whether to assess a 19 cent per \$100 valuation property tax for HCS.

During Evergreen's time on-site in Halifax County, both during the diagnostic review and the on-site work in the LEAs, it appeared that many of the individuals who spoke to the team about the coming election did not understand the issue. The Evergreen Review Team heard the following concerns:

- Reference to "supplemental" and "sales" taxes may have confused the issue for some voters. One citizen approached a member of the review team saying, "If [they] are allowed to assess a 19 cent sales tax, I will not be able to buy groceries and other necessities."
- Some individuals and groups of individuals felt the proposed rate was excessive, meeting or exceeding the maximum allowed by law, and/or meeting or exceeding statewide averages.
- Voters may not have understood the connection between the need for a supplemental tax and the possibility of merger. In some instances, merger proponents told the Evergreen Review Team they were adamantly opposed to the supplement tax.

The following contains excerpts from a memo of explanation regarding the referendum prepared by the Halifax County Attorney:

Local sales taxes (like state sales taxes) are collected by the N. C. Department of Revenue, not the county. After collection costs are subtracted, the Department of Revenue distributes the local sales taxes among the municipalities within the county and the county itself. Under North Carolina General Statutes Section 105-472, there are two possible methods for calculating how taxes will be divided between the county and the municipalities within the county... the "per capita" method...[and] the "ad valorem" method... The method of distribution used in Halifax County is the "ad valorem" distribution method.

Under the "ad valorem" method of distribution..., local sales taxes are divided between the county and the municipalities within the county on a pro-rata basis based upon the total property tax levy of each governmental unit (the county and the municipalities in the county)... For Halifax County, this means that the county must give a portion of its local sales taxes to each of the fire districts, the Our Community (Scotland Neck) Hospital District, and the Weldon School District. All of those entities are taxing districts that are part of the county's tax levy.

The Weldon School District has a supplemental school tax just like the supplemental school tax that was recently sought by the Halifax County School District. The Weldon supplemental school tax was passed by a vote of the people living in the district in 1946 (and again when the Weldon School District was expanded in 1956). The Weldon School District does not have the authority to levy property taxes. It cannot set a property tax rate. It can only request that a certain supplemental school property tax rate be set by the county board



of commissioners... other words, the Weldon School District property taxes are, and always have been, a part of the county's total property tax levy (just like all of the rural fire districts and the Scotland Neck Hospital District.)

On the other hand, the Roanoke Rapids Graded School District does levy its own taxes... [T]he RRGSD board of trustees has the direct authority, by act of the North Carolina General Assembly and vote of the people living in the district in 1919, to set its own school property tax rate and to collect that tax just as if it were acting like a city or county. Until 2009, the City of Roanoke Rapids tax collector collected the RRGSD property taxes on behalf of the RRGSD. Because of local legislation passed by the General Assembly in 1973, the City of Roanoke Rapids has had to treat the RRGSD property taxes as if it were a part of its property tax levy, and therefore had to give part of its local sales taxes to the Roanoke Rapids Graded School District...

...[P]rior to 2009, the RRGSD property taxes were not treated as a part of the county property tax levy, so the county did not give any of its share of local sales taxes to the RRGSD. However, in 2009, the county began collecting taxes for both the City of Roanoke Rapids and the Roanoke Rapids Graded School District. So, beginning in 2009, the county has treated the RRGSD property tax levy as if it was a part of the county property tax levy, and therefore has had to give a portion of its local sales to the RRGSD. Beginning in 2012, the City of Roanoke Rapids has agreed to treat the RRGSD property taxes part of its property tax levy, and the City of Roanoke Rapids (not Halifax County) will give a portion of its local sales taxes to the RRGSD, just as the City had done prior to 2009.

So long as local sales taxes are divided between the county and the municipalities in the county by the "ad valorem" method, the county will have to give a portion of its sales taxes to the Weldon School District, and the City of Roanoke Rapids will have to give a portion of its sales taxes to the Roanoke Rapids Graded School District...

Unless and until the Halifax County School District acquires a supplement school property tax, it will not be able to have a share of the local sales taxes. Furthermore, the county commissioners are not allowed to "equalize" this distribution of sales taxes by voluntarily giving a portion of its sales taxes to the Halifax County School District, or by adjusting the per pupil appropriations that are made by the county to all three school districts each year. State law requires that all three school districts receive the same per pupil appropriation from the county. Sales taxes are NOT a part of this per pupil appropriation...

It appears that if a supplemental property tax were assessed within the boundaries of HCS, that LEA would receive a proportionate share of the county's sales taxes, thereby lowering the total need.

CONCLUSIONS

In the long-term, some efficiency savings are possible through merger, but regardless of the savings achieved through this effort, they are not savings to Halifax County nor the



taxpayers of the County, but rather would be available to the merged school system for educational improvements.

In the long-term, state funding would decline, thereby offsetting some of the efficiency savings that may be possible by reducing staffing levels as a result of merger.

To pursue merger or consolidation of the school systems, Halifax County property taxes must be raised to cover the cost of equalizing the per pupil expenditures to “at least the highest level of any local school administrative unit in the county during the preceding five fiscal years before the merger.”

6.3 FACILITY NEEDS AND MERGER OR SHARED SERVICES OPPORTUNITIES

As discussed in Chapter 5 of this report, each Halifax County LEA is facing facility-related concerns and issues. Questions 3, 4, and 5 from the *Manual for Merger* specifically address the facility issue as it relates to student assignments by attendance zones and the need for capital improvements. Exhibit 6-6 provides a synopsis of the utilization rates for each in the three school districts, using information provided by each LEA.

**Exhibit 6-6
Facility Utilization Rates by School**

School Name	Building Capacity	MLD Month 8 2011-12	Above Capacity (No. and %)	Below Capacity (No. and %)
HALIFAX COUNTY SCHOOLS				
Aurelian Springs Elementary	576	417		159 (28%)
Dawson Elementary	384	169		215 (56%)
Enfield MS/Inborden Elementary School	1008	359/362		287 (28%)
Hollister Elementary	336	230		106 (32%)
Everetts Elementary	456	346		110 (24%)
Northwest High	1320	555		765 (58%)
Pittman Elementary (PK-5)	384	155		229 (60%)
Scotland Neck Primary (PK-3)	336	143		193 (57%)
Southeast High	936	431		505 (57%)
William R. Davie Middle	912	416		496 (54%)
ROANOKE RAPIDS GRADED SCHOOL DISTRICT				
Akers Alternative	15	15	0 (0%)	
Clara Hearne Pre-K	165	165	0 (0%)	
Belmont Elementary	765	785	20 (3%)	
Manning Elementary	596	656	60 (10%)	
Chaloner Middle	605	717	112 (19%)	
Chaloner Post-Addition 2012-13	757	717		40 (5%)
Roanoke Rapids High	1030	813		217 (21%)
WELDON CITY SCHOOLS				
Weldon Pre-School	96	n/a		
Weldon Elementary	405	393		12 (3%)
Weldon Middle	346	238		108 (31%)
Weldon STEM High	437	242		195 (45%)

Source: Prepared by Evergreen Solutions from information supplied by Halifax County Schools, Roanoke Rapids Graded School District, and Weldon City Schools, 2012.



As shown, most of the RRGSD schools are near capacity. Renovations to Chaloner Middle School are currently underway and should be complete and ready for occupancy in 2012-13.

As discussed in **Chapter 5** of this report, a number of other schools in Halifax are still in need of renovation or replacement. The three schools selected by the three LEAs as being the facilities in greatest need of replacement or renovation include:

- Weldon STEM High School – Weldon City Schools (242 students)
- Manning Elementary School – Roanoke Rapids Graded School District (656 students)
- Everetts Elementary School – Halifax County Schools (346 students)

Yet, in Halifax County, there is capacity at other schools that are in far better condition. If Halifax County had a single school system, the County could use that capacity without regard to school system boundaries. Attendance zones could be redrawn to route WCS' high school students to the current RRGSD high school or one of the two HCS high schools, thereby reducing the need for an estimated \$21-\$30 million in construction costs for the renovation or replacement of Weldon STEM High School, which is currently serving fewer than 250 students.

To put this into perspective, Halifax County is contemplating an expenditure of between \$84,000 and \$120,000 per student currently attending the Weldon STEM High School.

Students from Manning and Everetts Elementary Schools could also be reassigned to the nearest elementary location where facilities are in better condition, and those school sites repurposed or razed, as appropriate. Savings in capital improvements for those two elementary schools could be as much as another \$15 to \$20 million, depending on the identified needs at each campus.

Since funding for school facilities is shared by the state and local school systems, the cost avoidance would not result in Halifax County realizing 100 percent of the savings.

The 1987 Session of the North Carolina General Assembly passed legislation (the School Facilities Finance Act) establishing the Public School Building Capital Fund (PSBCF). The purpose of the fund is to assist county governments in meeting their public school building capital needs and their equipment needs under their local school technology plans. There are two basic funding streams administered through the PSBCF, the ADM funds and lottery funds. For the ADM fund, the State uses part of the corporate income tax revenues (about 7.25%) to provide counties with an allocation based on average daily membership.

Therefore, assuming the total cost for all necessary facility replacement/renovations in Halifax County is \$40 million, the County's share under the ADM program (if approved by the state) would be \$10 million. The County would service that debt from county tax revenues over the life of the debt. **Chapter 5** of this report provides detailed information relating to the two types of state funds available to North Carolina LEAs.

Because of the enormous needs and costs associated with major facility renovations and construction, Evergreen also explored opportunities for facility sharing that the county or school systems might accomplish in advance of or in lieu of merger.



Evergreen began the analysis with the Weldon STEM High School, as it has the largest potential cost, estimated at \$20 million, and would benefit the fewest number of students (approximately 250 students per year).

Two options are considered below:

(1) K-8 Educational Systems as Alternative to Replacing Weldon High School

Many other states allow LEAs to operate as K-8 school systems. These systems provide a full range of educational services to students up through Grade 8, and then transfer the students to a neighboring system for high school. Although state and federal funding follows the student, the sending and receiving LEAs must reach agreement on how much the sending LEA will contribute per student in local funding so that taxpayers in the receiving LEA are not burdened by the cost of educating students that reside outside of the geographic boundaries. Had this been possible in North Carolina, Evergreen had intended to recommend that WCS become a K-8 LEA, thereby making any renovation or replacement of the high school unnecessary.

North Carolina law, however does not appear to envision school systems that serve fewer than 12 grades as shown below [emphasis added].

§ 115C-74. School System Defined.

The school system of each local school administrative unit shall consist of 12 years of study or grades, and shall be graded on the basis of a school year of not less than nine months. Schools within the system may be organized in the discretion of the local board of education. (1955, c. 1372, art. 1, s. 5; 1959, c. 573, s. 1; 1981, c. 423, s. 1; 2001-97, s. 1.)

In an email from the General Counsel to the North Carolina State Board of Education, the General Counsel indicated that, “K-8 systems are permissible, the LEA determines grades.” On a related question regarding the permanent reassignment of all high school students to another school system, General Counsel stated, “I don’t have an answer for [that], but I would imagine it would require an agreement between the interlocal governmental entities (receiving LEAs).” In a follow-up phone call, staff indicated that there is no precedent for a K-8 district in North Carolina, but agreements among school systems may allow for such actions. In other words, the school system would still be responsible for providing K-12 education, but would contract for high school services with a neighboring LEA.

Staff, however, indicated that they believe that any type of agreement with a neighboring LEA that established such an arrangement would need the approval of the State Board of Education, and potentially the Attorney General’s Office prior to implementation.

(2) Reassigning Students to Lessen the Need for New or Renovated Facilities

As discussed above, reassigning students to another LEA may be possible if the school boards of the three LEAs could voluntarily reassign students to another school system.



North Carolina General Statutes address the types of allowable or prohibited student assignments [emphasis added].

§ 115C-367. Assignment on certain bases prohibited.

No person shall be refused admission to or be excluded from any public school in this State on account of race, creed, color or national origin. No school attendance district or zone shall be drawn for the purpose of segregating persons of various races, creeds, colors or national origins from the community.

Where local school administrative units have divided the geographic area into attendance districts or zones, pupils shall be assigned to schools within such attendance districts: Provided, however, that the board of education of a local school administrative unit may assign any pupil to a school outside of such attendance district or zone in order that such pupil may attend a school of a specialized kind including but not limited to a vocational school or school operated for, or operating programs for, pupils mentally or physically handicapped, or for any other reason which the board of education in its sole discretion deems sufficient.

The provisions of Part 1D of Article 9 of this Chapter, G.S. 115C-366(b), and G.S. 115C-367 to G.S. 115C-370 shall not apply to a temporary assignment due to the unsuitability of a school for its intended purpose nor to any assignment or transfer necessitated by overcrowded conditions or other circumstances which, in the sole discretion of the school board, require assignment or reassignment.

The provisions of Part 1D of Article 9 of this Chapter, G.S. 115C-366(b), and G.S. 115C-367 to G.S. 115C-370 shall not apply to an application for the assignment or reassignment by the parent, guardian or person standing in loco parentis of any pupil or to any assignment made pursuant to a choice made by any pupil who is eligible to make such choice pursuant to the provisions of a freedom of choice plan voluntarily adopted by the board of education of a local school administrative unit. (1969, c. 1274; 1981, c. 423, s. 1; 2006-69, s. 3(j).)

In essence, the law allows the boards of education latitude in reassigning students, as long as the reassignment is to benefit the student or serve the best interest of the student. But, the law also appears to exempt the board from judicial reviews and other protests to reassignment when *temporary reassignments are necessary* because of the unsuitability of a facility for its intended purpose, or overcrowding. Permanent reassignment, however, for facility-related matters, is not specifically addressed. As noted above, if the county and the boards of education wish to pursue this matter, the parties involved will need to seek a formal ruling from the State Board on the matter.

CONCLUSIONS

Expending \$21 to \$30 million to renovate or replace the Weldon STEM High School for 250 students is an expense that could be avoided if excess capacity in the HCS high schools could be used.



Operation of a WCS K-8 school system is possible and could eliminate the need to renovate or replace the Weldon STEM High School, but will require agreement by the sending and accepting school systems and formal review and approval at the state level.

In a related matter, permanent reassignment of students from Weldon STEM High School to one or more of the other three high schools in Halifax County will require a ruling from the State Board of Education before it can be seriously considered.

FINDING

The Halifax County Commissioners and the Boards of Education of the three Halifax County LEAs are fractured on the topic of merger, to the extent that a joint discussion of the topic or a comprehensive examination of the options among the governing bodies has not occurred.

The motivating factors noted in the North Carolina Department of Public Instruction's *Manual for Merger* exist in Halifax County, as do the deterrents to merger, including the significant financial effect that equalizing the per pupil funding will have on area taxpayers.

A great deal of basic information is presented in this report, and recommendations are made for improvements that involve cooperation and a willingness to explore options. These issues will require open and frank discussion among the governing bodies.

Several school board members and county commissioners indicated the law prohibits them from holding joint meetings during which these discussions might take place. While it is unlawful for the boards to meet without a formal posting or for members to meet behind closed doors for reason other than those expressly reserved for executive session, there is nothing to prevent jointly posted, open meetings or workshops.

DPI's *Manual for Merger* contains the following steps for boards to follow if they wish to explore the possibilities of merger:

- *The boards of education involved may set up a joint meeting to discuss the possibility of merger. During the meeting, the boards may consider a joint resolution authorizing a committee composed of representative members of the boards of education, the board of county commissioners, school administrators, and citizens to study the possibility of merger and its implications for the county. A committee may be appointed, its responsibilities described and a time frame established. Responsibilities of the committee should include addressing the questions set forth in the A Manual for Merger.*
- *The boards may also wish to request an outside study of the merger question by an independent consulting agency or by the Division of School Planning of the State Department of Instruction.*
- *The boards should pledge financial support for the exploration process including the expenses of the study committee and the outside study if desired.*



- *The boards should set time schedules for the exploration of merger including periodic reports and a concluding meeting.*
- *At the appointed time, the committee should report to the board.*
- *The outside study agents, if employed, should report to the board.*
- *The board should study reports and further contemplate the questions suggested in this manual and pass a resolution to proceed with merger or to remain as separate units.*

If the board elects to proceed with merger, the following steps are suggested:

- *The boards may appoint a committee to develop a plan to implement merger and to set the newly merged school unit in motion.*
- *The committee should report to the board with a proposed merger plan. The board may adopt the merger plan and begin implementation accordingly. If the plan is unacceptable, the committee may be asked for revisions and set another date for the presentation.*
- *Following approval by the two or more boards of education, a public hearing should be held.*
- *The board should obtain approval of the plans from the board of county commissioners and the State Board of Education. If the plan requires a vote, steps should be taken to establish a referendum.*
- *If the referendum supports merger and the plan receives approval from the county commissioners and the State Board of Education, implementation of the merger plan may proceed.*
- *If the plan requires the creation of an interim board, such a board must be appointed and a budget provided for its operation. If not, the approved plan is implemented as described.*
- *Existing boards should continue to execute their responsibilities to their respective school systems until the effective date of merger.*
- *The interim board should select a superintendent to begin implementation of the plan. An office should be set up and the newly appointed superintendent should begin contracting for personnel, services, supplies, and equipment and prepare for operation on the effective date of merger.*
- *The superintendent should consummate contracts with a skeleton staff to assist him with the new school administrative unit prior to the effective date of merger.*



- *On the effective date of merger, the original boards of education, the interim board, and the original administrative units must cease and the new unit will begin to function. All assets of the original boards will then become the property of the new system as will all legal obligations including debts, contracts and other liabilities.*
- *All titles, deed, insurance policies, and contracts must be revised or rewritten to reflect the name of the new school unit and to become valid on the effective date of merger.*
- *New board policies should be formulated and adopted. To avoid confusion, any changes, additions, or deletions of policies existing in units prior to merger should be approved in advance of merger by the interim board of education to be effective on the date of merger.*

Although the Board of County Commissioners contracted with Evergreen Solutions for this study, the board of education in two of the three LEAs issued a September 2011 *Joint Statement of the Weldon City Board Of Education and The Roanoke Rapids Graded School District Board Of Education In Opposition To School District Consolidation Proposal*.

The joint statement contained a rebuttal to the May 9, 2011, University of North Carolina Center for Civil Rights Report asserting that the continued existence of three separate school districts in Halifax County is an ongoing violation of the federal and state constitutions. The report recommends that the three school districts be consolidated to cure the alleged constitutional violations.

The conclusion to the joint statement reads as follows:

Regardless of any differences in the racial compositions of our respective school districts, the governing boards of WCS and RRGSD agree that the consolidation plan proposed by the University of North Carolina Center for Civil Rights is unwarranted, insufficiently supported by educational research, and extremely risky. We also agree that the plan would impose unacceptable costs on the citizens of Halifax County, including the loss of almost a million-and-a-half dollars annually in base allocations from the State and a substantial tax increase for most Halifax County residents. We urge all citizens in Halifax County to stand in opposition to this plan and to support the ongoing efforts of their local school districts to boost student achievement. Together, we can and will continue to build on the successes of the past and promote the best educational outcomes for all of our students.

Without legislative action that mandates such action, it appears that either the Board of County Commissioners must strongly agree to the merger proposal or the Boards of Education must reach agreement sufficient for a merger plan to be developed.

Additionally, many of the recommendations contained in this report require collaboration and cooperation between and among the LEAs and the Halifax County. None of those recommendations can be implemented if the parties do not meet with open minds to the possibilities.



RECOMMENDATION

Recommendation 6-1:

Create a joint ad hoc Halifax County Long-Range Educational Improvement Committee—comprised of representative members of the boards of education, the board of county commissioners, county government administrators, school system administrators, and citizens—to study the conclusion and options presented herein, as well as shared services and its implications for Halifax County and its three LEAs.

Using the findings and recommendations of the Evergreen Study, the proposed Committee should be charged with examining the pros and cons of merger, as well as the recommendations that require cooperation and a level of agreement between and among the LEAs and the County for implementation.

Under no circumstances should construction of a new high school in Weldon be undertaken until the Committee has worked through the various options and arrived at consensus on the major initiatives and approaches that will best serve *all* of the students in Halifax County.

Evergreen heard strong opinions against merger from individuals who still supported the supplemental tax, and strong support for merger from individuals who did not feel a tax increase was warranted. An examination of the laws and guidelines for merger shows that the two issues cannot be separated. Therefore, the proposed Committee should examine the supplemental funding issues, and determine if a phased approach to incremental tax increases could result in a climate where educational equity among the LEAs is possible, with or without merger.

As stated in the *Manual for Merger*, the Committee should be given a charter explaining the issues they are charged to examine, financial support for their work, and clear timelines and reporting responsibilities. The individuals appointed to the Committee should also be asked to sign an agreement that they agree to come with an open mind to listen to and respect the opinions of others.

Note: At times this proposed Committee should work in collaboration with the Long-Range Facilities Master Plan Committee recommended in **Recommendation 5-10**.

FISCAL IMPACT

The recommendation will require minimal financial support for the work of the Committee, in an amount not to exceed \$20,000, with \$5,000 coming from each LEA and \$5,000 from the County.

Recommendation	LEA	2012-13	2013-14	2014-15	2015-16	2016-17
Create a Joint Halifax County Long-Range Educational Improvement Committee	Halifax County	(\$5,000)	\$0	\$0	\$0	\$0
	HCS	(\$5,000)				
	RRGSD	(\$5,000)	\$0	\$0	\$0	\$0
	WCS	(\$5,000)	\$0	\$0	\$0	\$0

***CHAPTER 7:
FISCAL IMPACT SUMMARY***



7.0 FISCAL IMPACT SUMMARY

The Evergreen Team has developed 39 recommendations in this report. Twenty-one (21) of the recommendations have fiscal implications. **Exhibit 7-1** shows the total costs and savings for study recommendations that have a fiscal impact by school system. As can be seen, the total combined net savings is approximately \$11.5 million over five years for all three Halifax County school systems. It is important to keep in mind that the identified savings and costs are incremental and cumulative.

**Exhibit 7-1
Summary of Annual Costs and Savings by Year
Over Five Years for Report Recommendations**

Costs and Savings*	Years					Total 5-Year (Costs) or Savings	One-Time (Costs) or Savings
	2012-13	2013-14	2014-15	2015-16	2016-17		
Costs)/Savings for HCS	\$543,666	\$1,661,674	\$1,754,939	\$2,474,289	\$1,613,289	\$8,047,857	(\$20,000)
(Costs)/Savings for RRGSD	\$87,594	\$328,296	\$463,968	\$505,318	\$468,318	\$1,853,494	(\$5,000)
(Costs)/Savings for WCS	\$110,475	\$337,351	\$421,361	\$379,861	\$406,411	\$1,655,459	(\$5,000)
(Costs)/Savings for all three LEAs	\$741,735	\$2,327,321	\$2,640,268	\$3,359,468	\$2,488,018	\$11,556,810	(\$30,000)
TOTAL SAVINGS MINUS ONE-TIME COSTS							\$11,526, 810

*In addition, in **Recommendation 6-1** there is a one-time cost for Halifax County Government of \$5,000.

Exhibit 7-2 shows costs and savings by chapter for recommendations in **Chapter 4** through **Chapter 6**. There are 18 additional recommendations in this report that do not have a fiscal impact. These recommendations are included in the full report.



**Exhibit 7-2
Summary of Annual Costs and Savings by Year and LEA**

Rec #	Recommendation	LEA	Estimated (Costs)/Savings					Total 5-Year (Costs) or Savings	One-Time (Costs) or Savings
			2012-13	2013-14	2014-15	2015-16	2016-17		
CHAPTER 4 - HALIFAX OPERATIONAL IMPROVEMENTS									
4-1	Establish at least quarterly countywide administrator meetings and bi-annual joint Board workshops to improve communication between and among the Halifax County LEAs.	ALL	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4-2	Eliminate the position of HCS Public Relations Officer and designate the public information request duties to an existing administrative position.	HCS	\$31,032	\$62,064	\$62,064	\$62,064	\$62,064	\$279,288	\$0
4-3	Implement policies and procedures for controlling legal costs based on realistic per student in average daily membership goals.	HCS	\$7,085	\$14,170	\$14,170	\$14,170	\$14,170	\$63,765	\$0
		RRGSD	\$3,134	\$6,268	\$6,268	\$6,268	\$6,268	\$28,206	\$0
		WCS	\$9,940	\$19,880	\$19,880	\$19,880	\$19,880	\$89,460	\$0
4-4	Implement a teacher supplement in HCS and WCS as part of an overall teacher recruitment effort, and carefully consider removing or eliminating supplements in other non-critical categories.	HCS	\$0	(\$126,000)	(\$252,000)	(\$378,000)	(\$378,000)	(\$1,134,000)	\$0
		WCS	\$0	(\$41,500)	(\$83,000)	(\$124,500)	(\$124,500)	(\$373,500)	\$0
4-5	Collaboratively seek a modification to the Early College program agreement from the Halifax Community College and the three Halifax County LEAs that addresses the mutual concerns and opportunities for all Halifax County students and submit a request to the North Carolina Department of Public Instruction.	ALL	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4-6	Establish a centralized alternative education and drop-out prevention program for all students in Halifax County.	ALL	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4-7	Seek out grants and partnership arrangements with local health care providers to augment nursing services in HCS.	ALL	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Exhibit 7-2 (Continued)
Summary of Annual Costs and Savings by Year and LEA

Rec #	Recommendation	LEA	Estimated (Costs)/Savings					Total 5-Year (Costs) or Savings	One-Time (Costs) or Savings
			2012-13	2013-14	2014-15	2015-16	2016-17		
4-8	Reduce non-instructional staffing levels in HCS and WCS to be more in line with state averages, and require justifications from administrators and supervisors for any staffing that exceeds those averages during the budget cycle.	HCS	\$416,250	\$832,500	\$832,500	\$832,500	\$832,500	\$3,746,250	\$0
		WCS	\$123,750	\$247,500	\$247,500	\$247,500	\$247,500	\$1,113,750	\$0
4-9	Establish a formal two-year review cycle to ensure that all job descriptions are kept current, and create a template for all job descriptions so that all essential elements are added as the job descriptions are reviewed.	ALL	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4-10	Place all financial statements and budget versions on the LEA Websites in a timely manner.	ALL	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4-11	Improve the LEA's budget document and, in time, submit it for review to the Association of School Business Officials and the Government Finance Officers Association for continued improvement.	HCS	\$0	(\$600)	(\$600)	(\$600)	(\$600)	(\$2,400)	\$0
		RRGSD	\$0	(\$600)	(\$600)	(\$600)	(\$600)	(\$2,400)	\$0
		WCS	\$0	(\$600)	(\$600)	(\$600)	(\$600)	(\$2,400)	\$0
4-12	Implement a formal mechanism whereby the Halifax County Commissioners actively and timely monitor the LEAs' financial management and reporting activities.	ALL	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4-13	Hire one full-time Finance Officer to provide oversight and expertise to all three LEAs, and when possible, centralize processing functions and eliminate duplicative positions.	HCS	\$0	\$55,178	\$55,178	\$101,728	\$101,728	\$313,812	\$0
		RRGSD	\$0	\$58,908	\$58,908	\$105,458	\$105,458	\$328,732	\$0
		WCS	\$0	\$4,869	\$4,869	\$4,869	\$51,419	\$66,026	\$0
4-14	Examine the cash on hand in the LEAs at any given time versus the current needs, and make investment decisions that will result in a reasonable rate of interest on excess cash.	ALL	\$0	\$0	\$0	\$0	\$0	\$0	\$0



**Exhibit 7-2 (Continued)
Summary of Annual Costs and Savings by Year**

Rec #	Recommendation	LEA	Estimated (Costs)/Savings					Total 5-Year (Costs) or Savings	One-Time (Costs) or Savings
			2012-13	2013-14	2014-15	2015-16	2016-17		
4-15	Centralize all grant reporting, monitoring and claiming functions for the three LEAs under a single Grants and Special Revenue Specialist.	HCS	(\$33,920)	\$116,080	\$116,080	\$116,080	\$116,080	\$430,400	\$0
		RRGSD	(\$25,440)	\$74,560	\$74,560	\$74,560	\$74,560	\$272,800	\$0
		WCS	(\$25,440)	\$74,560	\$74,560	\$74,560	\$74,560	\$272,800	\$0
4-16	Establish a formal agreement relating to the operation of the HCS bus garage and the services provided to LEAs, and involve Halifax County Government officials in the discussions to ensure that even greater efficiencies can be achieved.	ALL	\$0	\$0	\$0	\$0	\$0	\$0	
4-17	Establish a transportation work group, comprised of representatives from the three Halifax County LEAs to collaboratively identify and implement processes that achieve greater efficiencies.	HCS	\$0	\$69,000	\$69,000	\$69,000	\$69,000	\$276,000	\$0
		RRGSD	\$0	\$10,000	\$10,000	\$10,000	\$10,000	\$40,000	\$0
		WCS	\$0	\$6,000	\$6,000	\$6,000	\$6,000	\$24,000	\$0
4-18	Work with all of the participating LEAs to implement a system for ensuring the safety and drivability of all buses in Halifax County.	ALL	\$0	\$0	\$0	\$0	\$0	\$0	
4-19	Implement a security system to deter abuse or inaccurate accounting for fuel.	HCS	\$0	\$0	\$0	\$0	\$0	\$0	(\$15,000)
4-20	Eliminate at least two positions from HCS Child Nutrition Central Administration and require remaining staff to learn and carry out the related functions.	HCS	\$33,694	\$67,387	\$67,387	\$67,387	\$67,387	\$303,242	\$0
4-21	Institute a policy of maintaining the rounded full-priced meal prices at or near the weighted average federal reimbursement rates, in compliance with Section 205 of the Healthy, Hunger-Free Kids Act of 2010.	HCS	\$0	\$46,392	\$46,392	\$46,392	\$46,392	\$185,568	\$0
		RRGSD	\$0	\$59,360	\$59,360	\$59,360	\$59,360	\$237,440	\$0
		WCS	\$0	\$12,142	\$12,142	\$12,142	\$12,142	\$48,568	\$0



**Exhibit 7-2 (Continued)
Summary of Annual Costs and Savings by Year**

Rec #	Recommendation	LEA	Estimated (Costs)/Savings					Total 5-Year (Costs) or Savings	One-Time (Costs) or Savings
			2012-13	2013-14	2014-15	2015-16	2016-17		
4-22	Explore ways to increase breakfast participation in all schools.	HCS	\$9,000	\$18,000	\$18,000	\$18,000	\$18,000	\$81,000	\$0
		RRGSD	\$4,500	\$9,000	\$9,000	\$9,000	\$9,000	\$40,500	\$0
		WCS	\$2,225	\$4,500	\$4,500	\$4,500	\$4,500	\$20,225	\$0
4-23	Examine MPLH on a monthly basis to ensure that all kitchens are productive and that practices that are impacting the MPLH in each kitchen (both positive and negative) are being addressed in a timely manner.	ALL	\$0	\$0	\$0	\$0	\$0	\$0	
4-24	Begin charging the Food Service Fund 100 percent of allowable indirect costs and establish an appropriate fund balance target, once the cost savings and revenue enhancing recommendations have been implemented.	RRGSD	\$60,000	\$120,000	\$120,000	\$120,000	\$120,000	\$540,000	\$0
		WCS	\$0	\$50,000	\$100,000	\$100,000	\$100,000	\$350,000	\$0
4-25	Establish a committee of Child Nutrition, Technology and Title I stakeholders from each of the three Halifax County LEAs to explore a centralized and comprehensive method for obtaining and processing applications and pre-qualifying students for the free and reduced price meal programs county-wide.	ALL	\$0	\$0	\$0	\$0	\$0	\$0	
4-26	Establish a collaboration among and between the Child Nutrition departments where innovative ideas are discussed and joint purchasing opportunities are explored.	ALL	\$0	\$0	\$0	\$0	\$0	\$0	
4-27	Conduct a self-study of the strengths and weaknesses of the three Child Nutrition operations and solicit competitive bids for outsourcing all or part of the operations.	ALL	\$0	\$0	\$0	\$0	\$0	\$0	



**Exhibit 7-2 (Continued)
Summary of Annual Costs and Savings by Year**

Rec #	Recommendation	LEA	Estimated (Costs)/Savings					Total 5-Year (Costs) or Savings	One-Time (Costs) or Savings
			2012-13	2013-14	2014-15	2015-16	2016-17		
4-28	Maximize HCS' potential for E-Rate discounts through better planning and budgeting.	HCS	\$75,000	\$150,000	\$150,000	\$150,000	\$150,000	\$675,000	\$0
Net (Costs)/Savings for Halifax County Schools			\$538,141	\$1,304,171	\$1,178,171	\$1,098,721	\$1,098,721	\$5,217,925	(\$15,000)
Net (Costs)/Savings for Roanoke Rapids Graded Schools			\$42,194	\$337,496	\$337,496	\$384,046	\$384,046	\$1,485,278	\$0
Net (Costs)/Savings for Weldon City Schools			\$110,475	\$377,351	\$385,851	\$344,351	\$390,901	\$1,608,929	\$0
Net (Costs)/Savings Total			\$690,810	\$2,019,018	\$1,901,518	\$1,827,118	\$1,873,668	\$8,312,132	(\$15,000)
CHAPTER 5 - HALIFAX FACILITIES									
5-1	Research the minimum requirements for repurposing or selling the closed facilities, and prepare a plan for the disposition of all closed school facilities.	ALL	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5-2	Maintain a level of maintenance spending that is within the 2-4 percent range of building replacement value at all Halifax County LEAs.	HCS	\$0	(\$345,000)	(\$345,000)	(\$345,000)	(\$345,000)	(\$1,380,000)	\$0
5-3	Explore the possibility of consolidating the maintenance functions for the county and the three LEAs, as a way to achieve economies of scale and improved maintenance services for the entire County.	ALL	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5-4	Conduct a County-wide Facilities Condition Assessment, and update it every five years.	ALL	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5-5	Staff and schedule custodial functions at a level that permits (1) Level 2 cleaning for kitchens, restrooms, kindergartens, special education areas, and food service areas and (2) Level 3 cleaning in all other locations, for a ratio of 29,000 square feet per custodian.	HCS	(\$49,875)	(\$99,750)	(\$99,750)	(\$99,750)	(\$99,750)	(\$448,875)	\$0



Exhibit 7-2 (Continued)
Summary of Annual Costs and Savings by Year

Rec #	Recommendation	LEA	Estimated (Costs)/Savings					Total 5-Year (Costs) or Savings	One-Time (Costs) or Savings
			2012-13	2013-14	2014-15	2015-16	2016-17		
5-6	Consider outsourcing the after-hours custodial functions for the three LEAs and the County, and maintain one part-time position at each school to handle spills and minor clean ups during the school day.	ALL	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5-7	Include a comprehensive energy assessment and energy savings strategy as a permanent element in the Five-Year Facilities Master Plan by focusing on an overall reduction in energy use, but emphasizing initially the buildings performing above the North Carolina average of 56,000 BTU/SF.	HCS	\$0	\$0	\$113,865	\$113,865	\$113,865	\$341,595	\$0
		RRGSD	\$0	\$0	\$70,272	\$70,272	\$70,272	\$210,816	\$0
		WCS	\$0	\$0	\$35,510	\$35,510	\$35,510	\$106,530	\$0
5-8	Dispose of unnecessary mobile classrooms (plus cumulative energy savings).	HCS	\$55,400	\$60,800	\$66,200	\$71,000	\$54,000	\$307,400	\$0
		RRGSD	\$45,400	\$50,800	\$56,200	\$51,000	\$44,000	\$247,400	\$0
5-9	Close two HCS elementary schools, redraw the attendance zones so that students will attend the nearest elementary school with excess capacity.	HCS	\$0	\$841,453	\$841,453	\$1,635,453	\$841,453	\$4,159,812	\$0
5-10	Establish a joint procedure for facilities master planning – a Five-Year Facilities Master Plan between Halifax County Schools, Roanoke Rapids Graded School District, Weldon City Schools, Halifax Community College, and Halifax County Government.	HCS	\$0	(\$100,000)	\$0	\$0	(\$50,000)	(\$150,000)	\$0
		RRGSD	\$0	(\$60,000)	\$0	\$0	(\$30,000)	(\$90,000)	\$0
		WCS	\$0	(\$40,000)	\$0	\$0	(\$20,000)	(\$60,000)	\$0
Net (Costs)/Savings for Halifax County Schools			\$5,525	\$357,503	\$576,768	\$1,375,568	\$514,568	\$2,829,932	\$0
Net (Costs)/Savings for Roanoke Rapids Graded Schools			\$45,400	(\$9,200)	\$126,472	\$121,272	\$84,272	\$368,216	\$0
Net (Costs)/Savings for Weldon City Schools			\$0	(\$40,000)	\$35,510	\$35,510	\$15,510	\$46,530	\$0
Net (Costs)/Savings Total			\$50,925	\$308,303	\$738,750	\$1,532,350	\$614,350	\$3,244,678	\$0



**Exhibit 7-2 (Continued)
Summary of Annual Costs and Savings by Year**

Rec #	Recommendation	LEA	Estimated (Costs)/Savings					Total 5-Year (Costs) or Savings	One-Time (Costs) or Savings
			2012-13	2013-14	2014-15	2015-16	2016-17		
CHAPTER 6 - CONCLUSIONS AND GENERAL RECOMMENDATIONS									
6-1	Create a joint ad hoc Halifax County Long-Range Educational Improvement Committee comprised of representative members of the boards of education, the board of county commissioners, school administrators, and citizens to study the conclusion and options presented herein, as well as shared services and its implications for Halifax County and its three LEAs.	HCS	\$0	\$0	\$0	\$0	\$0	\$0	(\$5,000)
		RRGSD	\$0	\$0	\$0	\$0	\$0	\$0	(\$5,000)
		WCS	\$0	\$0	\$0	\$0	\$0	\$0	(\$5,000)
Net (Costs)/Savings for Halifax County Schools			\$0	\$0	\$0	\$0	\$0	\$0	(\$5,000)
Net (Costs)/Savings for Roanoke Rapids Graded Schools			\$0	\$0	\$0	\$0	\$0	\$0	(\$5,000)
Net (Costs)/Savings for Weldon City Schools			\$0	\$0	\$0	\$0	\$0	\$0	(\$5,000)
Net (Costs)/Savings for Halifax County			\$0	\$0	\$0	\$0	\$0	\$0	(\$5,000)
Net (Costs)/Savings Total			\$0	\$0	\$0	\$0	\$0	\$0	(\$20,000)
ALL CHAPTERS									
(Costs)/Savings for Halifax County Schools		\$543,666	\$1,661,674	\$1,754,939	\$2,474,289	\$1,613,289	\$8,047,857	(\$20,000)	
(Costs)/Savings for Roanoke Rapids Graded Schools		\$87,594	\$328,296	\$463,968	\$505,318	\$468,318	\$1,853,494	(\$5,000)	
(Costs)/Savings for Weldon City Schools		\$110,475	\$337,351	\$421,361	\$379,861	\$406,411	\$1,655,459	(\$5,000)	
(Costs)/Savings Total for all three LEAs		\$741,735	\$2,327,321	\$2,640,268	\$3,359,468	\$2,488,018	\$11,556,810	(\$30,000)	
Total Savings Minus One-Time Costs for all three LEAs								\$11,526,810	

