

PERSON COUNTY BOARD OF COMMISSIONERS

OCTOBER 1, 2009

MEMBERS PRESENT

OTHERS PRESENT

Johnny Myrl Lunsford
Jimmy B. Clayton
Kyle W. Puryear
B. Ray Jeffers
Samuel R. Kennington

Heidi York, County Manager
C. Ronald Aycock, County Attorney
Brenda B. Reaves, Clerk to the Board

The Board of Commissioners for the County of Person, North Carolina, met in recessed session on Thursday, October 1, 2009 at 6:30 p.m. in the Person County Office Building Auditorium for the purpose of a joint session meeting with the Board of Education.

Chairman Lunsford called the meeting to order.

Dr. Larry Cartner, Superintendent for Person County Schools and Heidi York, County Manager welcomed the group noting at the last joint session meeting on April 27, 2009, the charge from both boards was to study funding formula options for the school system and report back.

STATEMENT FROM THE CHAIRS:

Gordon Powell, Chairman of the Board of Education and Chairman Lunsford both made statements of interest in hearing about the funding formula options as well as keeping education for the children of Person County a priority.

OPEN DIALOGUE BETWEEN BOARDS FACILITATED BY CHAIRS OF BOTH BOARDS:

A time of open dialogue between both boards followed including discussions of previous boards planning, historical data of county allocations to the schools, county tax base, loss of industries, earmarked funding, and setting a vision or goals whereby both boards establish a formula to meet the goals. Both boards talked about neighboring counties contributions to schools, economic development, and the basic needs for Person County School whether it is staffing, technology, professional development, and text books. The needs as described by School Board members are to improve literacy, lower the drop out rate, increase the graduation rate, and graduate college ready students. School Board Members expressed a desire for Person County children to not only meet the state standards but be above the state average to be competitive in college selection and noted funding is not adequate for the best or average students to succeed.

OVERVIEW OF FUNDING FORMULA PROCESS REQUEST:

Person County Finance Director, Amy Wehrenberg presented to the joint boards the following presentation.

School Funding Formula



Formula Options for School Funding

Formula Options Considered



- % of Change in Major Revenue Sources
- Targeted Equivalent Tax Rate & Property Tax
- Targeted Per Pupil Expenditures (PPE) & Student Population
- State's Average PPE as reported by DPI & Student Population

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Formula using State Average PPE and Student Population


- Goal: To fund schools current expense at a level based on the State's average per pupil expenditure allocation and the prior year's student population.
- Two Phase Process
- Phase I: Reaches target over the next 3 years
- Phase II: Formula Implementation in 4th year



Phase I: Catching up!




- Uses the prior 3-year State average PPE and the prior year's student population to calculate the beginning targeted appropriation.
- Distributes total over the next three years using a % scale approved by Commissioners. (If formula is approved, recommending a graduating scale so as to lessen the impact in the first year)





Phase II: Reaching the Target!

- Uses the actual reported State average PPE and the # of students to calculate the schools current expense allocation in year 4 and beyond.
- IF the downward trend in student population holds and the economy remains sluggish as forecasted over the next 2 to 3 years, it is anticipated that there will be a minimal difference between year 3's appropriation and year 4.

Our Rationale

- State PPE average and student population are strictly data driven parameters.
- A Phase-In process would allow for a more gradual, less impactful change while still working toward an established target.
- The lag in the economy and the ongoing reduction in student population may contribute to an easier target in the 4th year.
- Changes in State's PPE average and school population are likely, less volatile variables than others we reviewed.
- Impacted by economy and population growth only.

Person County Schools Finance Director, Julie Masten presented and explained the following spreadsheet.

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Funding Formula Based on NCDPI Statistical Profile State Average Per Pupil Expenditure

Year	DPI Statistical Profile State Average Local PPE (Does not include Child Nutrition)	Person County Schools ADM (Day 20)	Charter Schools ADM (Day 20)	Total # Students in Public & Charter Schools	Local Appropriation for Current Expenditures	Local Appropriation Paid to Charter Schools	Actual Local Funding Remaining With Public Schools
2004-2005	\$ 1,468.61	5826	340	6166	\$ 6,535,836.00	\$ 362,797.00	\$ 6,173,039.00
2005-2006	\$ 1,544.92	5798	371	6169	\$ 7,075,000.00	\$ 415,467.00	\$ 6,659,533.00
2006-2007	\$ 1,635.61	5659	573	6232	\$ 7,875,000.00	\$ 684,492.00	\$ 7,190,508.00
2007-2008	\$ 1,692.89	5563	639	6202	\$ 8,479,850.00	\$ 847,072.00	\$ 7,632,778.00
2008-2009	\$ 1,750.05	5300	758	6058	\$ 9,048,000.00	\$ 1,130,254.00	\$ 7,917,746.00
2009-2010	TBD	TBD	TBD	TBD	\$ 8,861,567.00	TBD	

Plus:
 Based on actual data from all 115 LEAs.
 Based on actual data reported to DPI,
 which controls all other formulaic
 allotments based on this same data.
 Data resides on state server.
 Three year rolling average to account for
 changes in economy.

Minus:
 Three year rolling average will always be

3 Year Average	3 Year Average	3 Year Average	3 Year Average Total
DPI Statistical Profile State Average Local PPE	Person County Schools ADM	Charter Schools ADM	# Students in Public & Charter Schools
\$ 1,549.71	5,761.0	428.0	6,189.0
\$ 1,624.47	5,673.3	527.7	6,201.0
\$ 1,692.85	5,507.3	656.7	6,164.0

Fiscal Year	Projected Local Appropriation for 3 Year Average	Actual Appropriation	Difference
2008-2009	\$ 9,591,175.82	\$ 9,048,000.00	\$ (543,175.82)
2009-2010	\$ 10,073,359.14	\$ 8,861,567.00	\$ (1,211,792.14)
2010-2011	\$ 10,434,727.40		

Projected Local Appropriation for 3 Year Average	Actual Appropriation 2010	Difference
\$ 10,434,727.40	\$ 8,861,567.00	\$ 1,573,160.40

Fiscal Year	Increase in Allocation from Prior FY	County Appropriation	Percentage of Increase from Difference in 2010-2011
2010-2011	\$ 393,290	\$ 9,254,857	25%
2011-2012	\$ 550,606	\$ 9,805,463	35%
2012-2013	\$ 629,264	\$ 10,434,727	40%

FUNDING FORMULA DISCUSSION:

Ms. Masten confirmed for both boards that the presented funding formula using state statistical data would always be two years behind.

Ms. York suggested the boards decide on a goal and noted they struggled with the formula presented being two years behind the state but felt this formula was the best solution based on the variables. Ms. Wehrenberg stated the funding formula presented is one option of many, however, this one was chosen as a starting point noting there are other formulas using other factors that would be above state averages keeping in mind reasonable variables.

Ms. Wehrenberg confirmed the funding formula allocation would not include pass-through funds but only current expenses appropriation.

ITEMS OF AGREEMENT:

Commissioner Kennington stated his desire for the County to continue the zero base budgeting procedure setting parameters to the County Manager and all departments in January as confirmed by the County Manager so that Person County Schools can plan their budget coinciding with the first state planning allotment.

Commissioner Puryear stated support of moving forward with the funding formula process.

Board of Education Member, Ronnie King stated time was needed to study the information presented but liked the idea of having a formula.

RECESS:

A **motion** was made by Commissioner Jeffers, **seconded** by Commissioner Puryear, and **carried** to recess the meeting at 8:06 p.m. until October 5, 2009, at 7:00 p.m.

Brenda B. Reaves
Clerk to the Board

Johnny Myrl Lunsford
Chairman

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