

Report to the North Carolina General Assembly

Interim Report to the Joint Legislative Education Oversight
Committee

North Carolina School for the Deaf Board of Trustees

December 15, 2023

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North Carolina School For The Deaf (NCSD) Trustees 12-15-2023 Interim Transition Report To The North Carolina General Assembly’s Joint Legislative Education Oversight Committee¹

Summary

In Sections #1 - 4, which follow this Summary, NCSD Trustees address, in order, each of the four questions legislatively mandated by SECTION 7. (b) Session Law 2023-10 (North Carolina House Bill 11) to be included in their 12-15-2023 Interim Transition Report.

In Section #1, NCSD Trustees provide a “response to any assessments, issues, or recommendations submitted by the Department of Public Instruction (NCDPI) in reports submitted as provided in subsection 7. (a)” of North Carolina General Assembly Session Law 2023-10 House Bill 11.

In Section #2, NCSD Trustees request more information concerning the employment rights, salaries, and benefits for current employees of the schools of the deaf and blind...although NCSD Trustees do not take issue with NCDPI in regard to NCDPI’s representations.

In Section #3, NCSD Trustees begin to address what may be the most effective administrative structure for NCSD—as we are requested to do in House Bill 11.

In Section #4, NCSD Trustees respond item-by-item to eight (8) suggestions included by NCDPI in Section 4 of the NCDPI Interim Report #2² (NCSD Trustees’ responses are distinguished in red underlined text). Section #4 also includes several additional issues and observations from NCSD Trustees and some concerns and questions shared with the Trustees by the School Director.

¹ Per North Carolina General Assembly Session Law 2023-10 House Bill 11 Section 7. (b)

² The NCDPI suggestions are “bulleted” and “sub-bulleted” but not numbered or lettered in outline format. NCSD Trustees have numbered and lettered NCDPI suggestions in outline format so that we can track our discussion of them more easily.

Section #1. Response to any assessments, issues, or recommendations submitted by the Department of Public Instruction in reports submitted as provided in subsection 7. (a) of North Carolina General Assembly Session Law 2023-10 House Bill 11.

Regarding DPI's cost estimates and staffing recommendations related to administrative services currently provided by DPI:

Human Resources:

DPI Interim Report #2 recommends that each residential school modify its current staffing to include one HR Director and one to two HR technicians to ensure proper segregation of duties.

The NCSD Trustees understand that NCSD currently has on staff one HR Consultant II (not having the official Title of HR Manager) and one HR Technician and that reclassification of the HR Consultant II to an HR Director (per DPI's recommendation) will necessitate mandatory training.

To include its more complete recommendation in Interim Report #3, due on March 15, 2024, the NCSD Trustees intend to work with NCDPI and NCSD Administration to understand better the needed staffing, skills, and access to key systems, taking into account the full extent of responsibilities and tasks to be transferred from NCDPI to NCSD staff, including but not limited to those managed on the FIORI, LMS, and NCVIP systems.

School Planning:

Per NCDPI Interim Report #2, NCSD will need to replace the NCDPI architecture and engineering resources currently responsible for managing the planning and completion of Capital Projects on campus to engage with qualified architecture and engineering firms.

To include a more complete recommendation in Interim Report #3, due on March 15, 2024, the NCSD Trustees intend to work with NCDPI and NCSD Administration to understand better the needs related to planning and completion of Capital Projects, including ensuring that NCSD has a qualified Capital Projects Coordinator on staff.

Facilities Management:

Per NCDPI Interim Report #2, the most noteworthy transition item related to Facilities Management is the management of NCSD's vehicle fleet, including coordination of the schools' assigned DOA motor fleet vehicles, completing reporting requirements, liaising with Motor 4 Fleet Management on behalf of the schools, and paying associated invoices from Motor Fleet Management for lease and fuel.

To include a more complete recommendation in Interim Report #3, due on March 15, 2024, the NCSD Trustees intend to work with NCSD Administration to understand better its vehicle fleet

needs, how best to interact with Motor Fleet Services, the Department of Administration, and potentially via NCDPI for a period of time, to meet these needs.

Technology:

Per NCDPI Interim Report #2, critical considerations related to Technology include:

- a) Cost of Office 365 subscriptions, borne by DPI, that have not been consistently charged through to NCSD but will need to be borne by NCSD going forward
- b) Recommended the addition of an IT Specialist to perform the tech support and cybersecurity functions currently performed by DPI.
- c) Contract management and legal review functions currently performed by DPI
- d) Continuation of the current practice of contracting for specific IT services collaboratively across the residential schools.

Intending to include a more complete recommendation in Interim Report #3, due on March 15, 2024, the NCSD Trustees intend to work with NCSD Administration and NCDPI to understand better the issues raised by DPI, practicality of collaborative contracting, staffing needs, etc.

Business Office:

Per NCDPI Interim Report #2, all accounting and financial services are integrated into NCDPI Financial and Business Services and not tracked separately. In order to perform these functions, maintain proper segregation of duties, and meet all financial reporting and approval requirements, NCSD business office would need skill levels spanning the Accounting Manager I, Budget Analyst, Accounting Tech II, and Procurement Specialist roles.

In addition, the NCSD Trustees understand that NCSD will potentially have a need to submit claims to Medicaid, which would add to business office skills and staffing needs.

With the objective of including a more complete recommendation in Interim Report #3 due on March 15, 2024, the NCSD Trustees intend to work with NCSD Administration and to better understand the go-forward business office staffing and skill needs, taking into account the need to maintain segregation of duties and the potential need for certain roles to be filled well before July 1, 2024, in order to allow time for needed training and ensure a smooth transition of these functions from NCDPI to the NCSD business office.

Legal:

Per NCDPI Interim Report #2, NCSD currently receives legal advisement on a variety of matters, including but not limited to, policy and statute analysis and threatened litigation, special education law (e.g., Individuals with Disabilities Education Act), mediation/dispute resolution/due process/litigation, review/drafting/approval of contracts, policies, letters, agreements, and other legal documents and employment issues (e.g., non-renewal of certified/115c employees. NCDPI estimates the cost of qualified legal counsel to be \$400,000 to \$450,000.

NCSD Trustees will need full authorization to independently engage with qualified legal counsel.

To include a more complete recommendation in the Interim Report #3, due on March 15, 2024, NCSD Trustees intend to work with NCSD Administration and to better understand the full range of needed legal services, potential qualified law firms that may be selected, and the need for legislative funds to cover this significant expense being shifted from NCDPI to NCSD.

Based on discussions with the School Director, NCDPI's estimate of total hours is likely significantly understated. NCSD Trustees presume that all three schools' access to state-provided, vitally important legal services will continue after the transition date, whether through AG office or other means.

Section #2. An assessment of employment rights, salaries, and benefits for current employees of the schools for the deaf and blind under the state Human Resources Act and State salary schedules as compared to those rights, salaries, and benefits of local school administrative unit employees under Chapter 115C of the General Statutes and identification of any areas where the transition may provide lesser protections, salaries, or benefits not addressed by North Carolina General Assembly Session Law 2023-10 House Bill 11³.

DPI Interim Report #2 includes the general statement that adequate funding would need to be provided to allow for the required experience steps in the classified salary schedule. NCSD Trustees request more detailed information concerning the employment rights, salaries, and benefits for current employees of the schools of the deaf and blind.

In the next NCDPI Transition Report due in March 2024, NCSD Trustees request a more detailed assessment from NCDPI of the amount and possible sources of "adequate" funding for the required experience steps in the classified salary schedule," etc., of present NCSD employees beginning July 1, 2024.

In addition, NCSD Trustees intend to work with NCDPI and the Administration to identify and seek to address possible pay inequities. Further information regarding this is included in the observations from the School Director in Section #4.

³ This assessment of the December 15th Interim Report #2 by NCDPI is on Page 2 of The NCDPI Report. In order to save space, we have not included it here.

Section #3. An assessment of the most effective administrative structure for the schools for the deaf and blind⁴.

NCSD Trustees do not anticipate significant changes in the administrative structure at NCSD in the near future. Looking forward to the March 15th transition reports by NCDPI and NCSD Trustees, we want to make the following points.

1. The “North Carolina School For the Deaf” list⁵ shown in the section of the December 15, 2023, NCDPI report regarding this matter does not represent, in the NCSD Trustees’ view, a comprehensive “Administrative Structure.” NCSD Trustees would like to work with NCDPI on this issue between now and the submission of Interim Report #3 to incorporate (a) organization and flow charts into Section 3 of the NCSD March 15th transition report as well as (b) other suggestions from NCSD Trustees and (volunteer/unpaid) consultants.
2. NCSD Trustees do affirm support for an administrative structure consisting of the eleven (11) NCSD Departments as listed on the current NCSD website, specifically: School Director’s Office, Academic Department, Business and Finance Department, Child Nutrition Services, Communication Access Services Department, Facilities Department, Human Resources Department, Information Technology Department, Maintenance Department, Residential Life Department, and Student Health Center.

⁴ Note “Interim Report #2 to the North Carolina General Assembly by North Carolina Department of Public Instruction (NCDPI), December 15, 2023, Page 7.

⁵ North Carolina School for the Deaf • Mark Patrick - School Director • Steven Watts - Maintenance/Construction Supervisor II Director of Facilities • Sharon Shirley Bailey - Residential Life Director, Director of Student Life • Vacant - School Principal • Rachel Skipper - Sign Language Interpreting Specialist, Director of Interpreting • Aaron Dennie - User Support Analyst, Director of Information Technology • Katelyn Boltz - Nurse Supervisor I, Director of Student Health Services • Hannah Digh - Business Officer I, Director of Business and Finance • Tonya McCann - Administrative Specialist II, Executive Assistant to the School Director • Vanessa Barahona - Administrative Specialist I, Administrative Assistant to School Director • Dr. Thea Wilson - School Audiologist, School Audiologist and Director of Admissions • Edmond Price - Safety Officer I, Director of Safety and Health Services

Section #4. Any other issues identified as part of the transition process and any legislative recommendations necessary to effectuate the transition.

B. Responses to Issues and Items included in NCDPI Interim Report #2 (with NCSd Trustees' responses in red text):

1. "Allow continued use of the current HR operating systems..."
 - a. Recruitment
 - b. Payroll/Time/Leave
 - c. Personnel Actions
 - d. Organizational Management Actions
 - e. Reporting
 - f. Classification and Compensation
 - g. Onboarding
 - h. Benefits Program
 - i. Sedgwick-Workers Compensation
 - j. Unemployment Insurance
 - k. Training And Learning Management
 - l. Temporary Staffing

NCSd Trustees agree with, and support continued access to and use of the current NCDPI HR operating systems.

2. "Allow continued use of state financial operating systems..."
 - a. North Carolina Financial Systems
 - b. Department of Administration (DOA) E-Procurement
 - c. North Carolina Accounting System (NCAS)
 - d. IBM Cognos
 - e. Bank of America (BOA) Works

NCSd Trustees agree with, and support continued access to and use of the current NCDPI Financial operating systems.

3. "While individual positions for each school would be preferred, partial positions could be difficult to staff and manage. If that is not possible, it may be worthwhile to consider creating a unified central office to support the three schools."

NCSd Trustees' strong view is that utilizing a unified central office to support "the three schools'" financial services needs will NOT be feasible. Among other challenges, it is unclear where such a centralized team would be structured organizationally, who would have management authority over it, how accountability to each school would be handled and governed, etc. NCSd envisions needing dedicated staff, including an

Accounting Manager I, a Budget Analyst, an Accounting Technician II, and a Procurement Specialist”⁶. NCSd Trustees may elect to designate certain of these positions part-time to manage budgetary considerations.

4. Unlike charter schools, lab schools, and local education agencies (LEA), residential schools do not currently receive local appropriations from the counties where the students reside. In fiscal year 2023, local funds accounted for 22% of the LEAs' total expenditures, and this additional funding has budget flexibility that is not restricted by state and federal laws. The residential schools receive state and federal funding and are limited by state and federal spending guidelines. Adding local funding would allow spending flexibility and support for each school based on individual needs.

NCSd Trustees would appreciate input and assistance from NCDPI and the NC State Legislature in developing one or more palatable funding models which might include “local funds” as specified above—mainly if these would involve funding from governmental entities (discretionary or optional) other than the NC General Assembly.

5. “Ensure adequate funding is provided to maintain state salary scale increases and additional salary supplements.”

Given the unusual nature of this transition, to ensure that the NCSd Trustees are best positioned to ensure adequate funding over time, NCSd Trustees strongly feel the need for:

- a) more detailed annual financial records over the past 3-5 years (vs. average statistics, for example); and
- b) a budgetary model that projects NCSd funding needs for 3-5 years into the future to take into account possible increased budget needs that may arise after the initial budget year, which may be known to NCDPI and Administration, but may not be apparent to the NCSd Trustees at this time or reflected in the budget for the initial budget year.

NCSd Trustees would appreciate assistance from NCDPI in developing such a model for inclusion in NCDPI’s Interim Report #3 due to the North Carolina general assembly in March 2024. NCSd Trustees would be pleased to cooperate with NCDPI and the NCSd Administration in working on such a model.

6. Authorize funding for an advocacy position to assist the residential schools with identifying and submitting legislative requests.

NCSd Trustees are supportive of exploring this option with NCDPI.

⁶ Note “Interim Report #2 to the North Carolina General Assembly by North Carolina Department of Public Instruction (NCDPI), December 15, 2023, Pages 3-5.

7. "Explore options to segregate positional duties to meet all auditing requirements of OSC, OSHR, and OSBM..."

NCSD Trustees agree with the need to identify and implement methods to ensure compliance with the requirements of OSC, OSHR, and OSBM.

8. Explore the option for a MOU/MOA with three boards of trustees to remain one school food authority to allow Community Eligibility Provision CEP status to remain for the next three years.

NCSD Trustees recommend exploring three (3) options immediately in this regard with NCDPI: (a) option #1 would be between NCSD and NCDPI alone; (b) option #2 would be between NCSD and ENCSD (the two schools for the deaf) and NCDPI; (c) option #3 could be between NCSD, ENCSD, GMSB, and NCDPI. In any case, NCSD trustees would like to know that CEP status is in place for NCSD on July 1, 2024; and, if it is not possible to arrange for this with NCDPI, NCSD trustees want to explore any other possible options in this regard.

B. ADDITIONAL Items Identified by NCSD Board and Administration:

During the remainder of the Transition period prior to July 1, 2024, NCSD Trustees see significant value in the opportunity for appropriate discussions with members of the NCSD Administration, Leadership, Faculty, and Staff.

Similarly, NCSD Trustees need to thoroughly tour the campus grounds and buildings to form a complete understanding of associated capital and operating needs.

To date, the NCSD Trustees have not had these opportunities but see them as an essential component of preparing for a formal transition on July 1, 2024, and expect to work with the School Director to establish appropriate forums to do so as soon as practicable.

C. Additional Observations shared with NCSD Trustees by the School Director

NCSD Trustees will continue to work with the School Director to identify and discuss issues with the transition process, which will be raised, together with possible legislative recommendations, in Interim Report #3, due March 15, 2024.

Appendix A -- SECTION 7. (b) Session Law 2023-10 (House Bill 11)⁷

“Each board of trustees of the schools for the deaf and blind shall provide interim reports to the Joint Legislative Education Oversight Committee by December 15, 2023, and March 15, 2024, and a final report by July 1, 2024, on the plans and progress in Page 18 Session Law 2023-10 House Bill 11 transitioning to assumption of administration of the schools for the deaf and blind, **with the support of and consultation with staff of the school for that board. The Department of Public Instruction shall provide information to each board of trustees as requested.**

“The reports shall include the following:

- (1) Response to any assessments, issues, or recommendations submitted by the Department of Public Instruction in reports submitted as provided in subsection (a) of this section.
- (2) An assessment of employment rights, salaries, and benefits for current employees of the schools for the deaf and blind under the State Human Resources Act and State salary schedules as compared to those rights, salaries, and benefits of local school administrative unit employees under Chapter 115C of the General Statutes and identification of any areas where the transition may provide lesser protections, salaries, or benefits not addressed by this act.
- (3) An assessment of the most influential administrative structure for the schools for the deaf and blind.
- (4) Any other issues identified as part of the transition process and any legislative recommendations necessary to effectuate the transition.”

Appendix B – Project Manager

Project Manager -- A temporary, part-time (20 hours per week) project manager position has recently been established to provide some much-needed assistance. The project manager will meet weekly with the Interim Director of Agency Schools and Alternative Learning to identify, review/revise, and track transition progress as the transition plan takes shape. The school directors will meet with the project manager biweekly to provide input, problem-solve, and help ensure that critical benchmarks are met.

⁷ To date, NCSD Trustees’ consultation with staff has been limited, primarily, to the Director at his request. And, information from the Department of Public Instruction has also been provided primarily through the Director. We hope that, by the time of our Interim Report #3 due in March 2024, we will have had more direct consultation with staff and NCDPI.