



*Eastern North Carolina School for the Deaf
Wilson, North Carolina*

Dr. Michele Handley
School Director

Eastern North Carolina School for the Deaf Board of Trustees Report to the North Carolina General Assembly Regarding Session Law 2023-10 (House Bill 11)

Report 2 March 25, 2024

ENCSD Board of Trustees

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Mission

To provide an accessible, inclusive, and safe environment that supports and inspires every student to engage in cultivating and fulfilling their own academic and personal ambitions to achieve excellence.

Overview of Transition Planning

Pursuant to Session Law 2023-10 (House Bill 11), the state's schools for the deaf and blind will be governed by separate, independent Boards of Trustees, effective July 1, 2024. In preparation, the Eastern North Carolina School for the Deaf Board of Trustees is charged with responding to the December 15, 2023, transition report provided by the Department of Public Instruction (DPI).

Per HB 11 section 7(b), each Board of the schools shall provide interim reports to the Joint Legislative Education Oversight Committee by December 15, 2023, March 15, 2024, and July 1, 2024, on the plans and progress in transitioning to assumption of administration of the schools, with the support of and consultation with staff of the school for that Board. The DPI shall provide information as requested to each Board. 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 effective 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.

This report represents the recommendations of the Eastern North Carolina School for the Deaf Board of Trustees and will satisfy the requirements for the March 15, 2024, interim report.

The topics and requests herein represent the base operational needs of the school (which will sustain future growth) and are needed in place prior to July 1, 2024. Please see the interim report submitted December 15, 2023, as representing current needs.

Between December 15, 2023, and March 15, 2024, the School Director has participated in one meeting with the DPI which was regarding transition of budget and finance details. The ENCSD has great concern at the lack of direct contact with DPI departmental directors to:

- **specify tasks currently performed by the DPI on behalf of the ENCSD,**
- **provide training for the ENCSD to assume duties, or**
- **collaborate to develop a plan for the ENCSD to assume those duties.**

The ENCSD has not been provided with clear directions on how to operate independent from the DPI. Additionally, there are multiple conversations occurring between DPI personnel, state agency personnel, and the board attorneys. These discussions have not included the School Director, and she is seldom apprised of the discussion or decisions made. When decisions are given to her, they are often in conflict with one another, are not instructions for how to proceed, and lead to more questions. There is further delay as she must submit questions for clarification to the DPI and await responses. The school is not being provided

the support needed for success in this transition process and there is only a short amount of time remaining until the July 1 date for the transfer to occur.

The topics below were reported in the December 15, 2023, interim report as outstanding for action prior to July 1, 2024, to ensure uninterrupted operations. These largely remain unknown. Updates are provided.

1. Final steps for dissolution of the Education Services for the Deaf and the Blind:
 - Uniform Education Reporting System- ECATS, PowerSchool, NC Ed Cloud, NCEES
 - Finalization of new email addresses
 - Update: in progress. Final date unknown.
 - Comprehensive Continuous Improvement Plan tool (CCIP)
 - Licensure system
2. Delineation of actual duties performed by DPI staff that will be transferred with requisite program access and training:
 - IT-
 - security protocols
 - purchasing process
 - administrator of programs (Office 365, NCID, etc.)
 - Business-
 - OSBM communication and reporting requirements
 - OSC communication and reporting requirements
 - Delegations and permissions for: NC Financial Systems, Department of Administration, NC Accounting System, IBM Congos, Bank of America Works, IBIS
 - **Update:** training will be assigned to ENCSD staff for their roles in the system. Identification of training needed in progress. Contact OSBM for any assistance.
 - State bidding portal
 - Fixed assets tracking
 - Expansion budget requests
 - **Update:** Direction given by DPI to the School Director February 5, 2024, that full responsibility for budget requests for FY 24 are her responsibility. No previous involvement in the process and directed to contact OSBM for support in learning the process and producing the document.
 - Human Resources-
 - Delegations and permissions for: Fiori, Cornerstone (NEOGOV, NCVIP), NEOGOV, Organizational Management, BOBJ reporting, People Admin, Benefits Focus
 - New organization unit in state systems
 - OSHR communication and reporting requirements
 - OSC communication and reporting requirements
 - Health plan affiliation (DPI group number)
 - New payroll system if classified personnel transition to GS 115C
3. Costs associated with and enrollment in:
 - Unemployment insurance (Corporate Cost Control)
 - Update: The ENCSD will continue to be under the DPI. No information provided on costs or procedure.
 - Worker's compensation (Sedgwick)

- Update: The ENCSD will continue to be under the DPI. No information provided on costs or procedure.
- Supplemental insurance plan options
- 4. Are we Council of state or Cabinet for adhering to Executive Orders?
- 5. Process for establishing new positions and/or requesting them from the General Assembly.

Reporting elements as required by House Bill 11(7)(b)

1. Response to any assessments, issues, or recommendations submitted by the Department of Public Instruction (DPI) in reports submitted as provide in subsection (a) of this section. [Costs of Administrative Services]

ENCSD response to DPI March 15, 2024, interim report received March 4, 2024

- A. DPI JLEOC report 3- Transition Planning Focus Areas: Facilities Management
There are currently six capital projects in varying stages of progress at the ENCSD totaling approximately \$8 million. The transition will cause substantial disruption and a potential halting of these projects as this work is performed by a Capital Project Coordinator employed by the DPI. This includes: submission of funding requests to the state, all communication with State Construction, developing scopes of work, all aspects of the bidding process, all communication with design and construction vendors at all stages of progress, processing pay applications in Interscope, proper and timely entering of all project components in Interscope, ensuring legal compliance with codes and construction requirements, final closing of the projects, and warranty claims. No plan has been established to transition this work to the ENCSD, and the ENCSD does not have personnel to assume these responsibilities. The position request for the Engineer III (working title Capital Projects Coordinator) included below is for these responsibilities.
- B. DPI JLEOC report 3- Governance
 - a. Insurance: The cost for the recommended director and officers liability insurance for the board is unknown and additional funding will be required.
 - b. State Agency Resources/Training: The transfer of responsibility to the School Director to identify processes DPI currently performs for the ENCSD, contact state agencies to learn the processes and establish needed changes, and ensure current staff are trained to assume the responsibilities happened on February 19, 2024.
 - i. Dr. Buckwell to provided agency contacts.
 - ii. DPI to provide the training list for NC Financial System that DPI Budget and Finance used to assign appropriate training to ENCSD staff.
 - c. This approach is not setting the school up for success and the scope of this work cannot be completed by July 1, 2024. Additionally, the School Director is not privy to conversations and decisions happening between key stakeholders at the DPI and state levels.
- C. DPI JLEOC report 3- Legal
The ENCSD currently relies on lapsed salary to cover the operational costs of the school. The expense of ongoing legal services after the July 1, 2024, transition date will require new funds. The school will require contract review, employment, Board, school law, and special education law services. Indications are that any use of attorneys through the Attorney General's office will come with a costs to the ENCSD that have not

previously been assess. Current estimate for a contract with a legal firm for all areas of need are \$400,000, which does not include any litigation needs that may arise.

D. DPI JLEOC report 3- Policy

While the work of the Project Manager to review the NC School Boards Association policies and identify a minimum of policies that will be needed was a substantial contribution to advancing this need, these policies now must undergo review by someone who is knowledgeable regarding the laws and policies that apply to state agencies to identify resolutions to conflicts with typical school district operations. Also, additional policies specific to the needs of a state agency may be needed. All draft policies, the ESDB Policy manual, and links to state agency polices have been turned over to the Board attorney for this work.

E. DPI JLEOC report 3- School Business: Budget process

This responsibility was communicated to the School Director on February 5, 2024, with the instruction that the budget change request was due to the Office of State Business Management (OSBM) on February 2, 2024. As the school has never been directly involved in this process and the DPI is not providing any support to assume this responsibility, the learning curve to submit documentation that is already past due is unnecessarily steep and does not support the school for success.

F. DPI JLEOC report 3- Technology: Software

The ENCSD currently relies on lapsed salary to cover the operational costs of the school. The budget is unable to assume these additional costs and funding for this will be required. Please see the end of this report for a summary of all funding needs.

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.

Currently, ENCSD employees who are licensed are employed pursuant to GS 115C and non-licensed employees are employed pursuant to GS 126. Local school administrative units employ staff for all positions following GS 115C. House Bill 11 protects and preserves all employment rights and statuses for all current employees who are under GS 126, including the School Director, as long as continuous employment is maintained. Section 115C-12B(c)- Personnel Criteria (HB 11 page 4) and Section 2.(c) GS 126-5(cl)(8)(b) (HB page 14) indicate new non-licensed employees will be governed by GS 115C. Due to the recent alignment of the GS 115C salary schedules for non-licensed positions with that of the State Compensation Scales, salary ranges are equitable. The ENCSD has not been provided expert feedback regarding the legal differences between the two categories; the table below describes key similarities and differences between the two options as they are currently understood.

GS 126	GS 115C
Separation, demotion for cause only. Grievance rights.	At-will employees. Appeal to Board.
Considered "State employees" for initiatives and benefits such as leave bonuses, Personal Observance Day leave, etc.	Not included in state employee initiatives and benefits.

Eligible for salary and compensation actions for state employees.	Eligible for salary and compensation actions for local school administrative unit employees.
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Question: If non-licensed positions are converted to GS115C positions, a salary schedule will need to be created with either a range (will also need a salary administration formula) or a set amount. Will these positions be funded by the GA in the same way the GS126 positions are funded?

3. An assessment of the most effective administrative structure for the schools for the deaf and blind.

No new administrative positions are being requested; however, the organizational structure will be reviewed once it is known what additional funding will be allocated. Changes are indicated for reclassification of current employees and for new positions below.

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

The ENCSD's operational budget has not increased in at least the past 10 years and inflation for goods and services has caused the ENCSD to rely on lapsed salary funds for covering basic operational costs, crucial updates in equipment and supplies for students, and needs for facility maintenance of 8 buildings and 70 acres. The underfunding resulted in severely degraded facilities and inadequate student supplies. The ENCSD is requesting additional positions and recurring funding to meet identified needs as follows:

Fund	Certified	3yr AVG	Rationale	Increase requested
Office of Educational Services	467,000	1,141,000	<ul style="list-style-type: none"> • Security services, resource officer • Personnel and service contracts • Insurances • 400K Assuming all legal responsibilities (contracts, employment, Board function, special education, etc.) • Supplies and equipment • Equipment leasing, data services, phone service 	1,100,000
Utilities	415,000	427,000	<ul style="list-style-type: none"> • Inflationary increases • Campus is dependent upon 	50,000

			neighboring DHHS facility for steam and chilled water	
Maintenance	124,812	301,591	<ul style="list-style-type: none"> • Consistent shortfall • 70 acres, 9 buildings • Facilities and grounds • Student transportation (buses) 	180,000
Technology	23,729	345,651	<ul style="list-style-type: none"> • Independent infrastructure and separation from DPI (i.e., Office 365, NCIDs, Google, HomeBase, backup for all data and servers, etc.) • Regular equipment updates per life cycle 	380,000
Residential Student Life	910	7,303	<ul style="list-style-type: none"> • Supplies and other equipment • Expanded core curriculum 	10,000
Academic Program K-12	40,055	132,500	<ul style="list-style-type: none"> • Contractual services • Educational supplies and equipment • New expenditures 	150,000

A summary of recurring funding and positions needed related to the transition is below. Please see December 15, 2023, report for full explanation.

Reclassification/New position/In-range	Salary amount needed	Justification
Agency HR Manager I (R)	19,795	Assuming higher level duties.
Human Resources Technician III (R)	7,752	Assuming higher level duties.
Food Services Director I (IR)	9,602	Assuming higher level duties.
IT Director I (R)	46,840	Assuming higher level duties.
Business Director I (R)	9,576	Assuming higher level duties.

Procurement Specialist II (R)	6,011	Assuming higher level duties.
IT Security and Compliance Manager (NP)	88,156	Assuming these duties from the DPI. No current staff in place.
Engineer III (NP)	115,283	Assuming these duties from the DPI. No current school staff in place.
Safety Officer I (NP)	78,246	Additional duties under HB 11. No current staff in place.
Budget Analyst II (NP)	74,520	Assuming these duties from DPI. No current school staff in place. Segregation of duties within the business office.
Administrative Specialist II (NP)	45,738	New work under HB11 for the eligibility and enrollment process. Working title Registrar which the school does not currently have. Duties spread across multiple school positions.
Total	501,519	

Technical Clarifications or Corrections

The below are the technical corrections requested by the ENCSD, aslo included in the December 15, 2024, interim report.

SL 2023-10, House Bill 11

Page 3, 115C-150.12A

- (b) Qualifications
 - Does a conflict of interest exist for current employees, or those recently employed by the school, to serve on the Board of Trustees?
- (f)- Meetings
 - If a Trustee is a current employee is service time on the Board considered work time or is use of leave required?
 - Are they to receive per diem?

Page 4, 115C-12B(c)

- (c)Personnel Criteria
 - Seems to be designating that new employees hired after July 1, 2024, shall be governed by GS 115C rather than GS 126.
 - Are all GS 115C salaries provided by state appropriations at the level set by the Board? The ENCSD budget is fully funded by state appropriations and no local funds are received.
 - Further states that ENCSD employees ARE state employees. This implies and designates state related employment practices and fringe benefits.
 - What does it mean to be considered a “state employee” yet be governed by GS 115C? GS 115C employees in local school administrative units do not receive state related employment fringes. Current ENCSD employees under GS 115C (i.e., licensed employees) are being afforded state related fringe benefits that local school administrative unit employees do not receive (e.g., Personal Observance Day leave, Community Service Leave). Fiori will have to be specially programmed for this.

- For the purposes of executive orders and other state or federal employee programs (e.g., paid Parental Leave) for current GS 126 employees, is the ENCSD considered Council of State or Cabinet? If Council of State, who determines ENCSD's participation and how will participation be funded?

Page 11, 115C-150.13A

- (f) Free appropriate Public Education
 - Provision of a FAPE should transfer to the ENCSD upon enrollment, not upon the decision of eligibility. Admissions Teams, which include the parent, should be afforded flexibility to delay enrollment for reasons such as to ensure earning credits for middle or high school courses in progress, to allow families to prepare for changes in transportation and/or participation in the boarding program, and for other reasons that the Team may agree upon for the benefit of the child.

Page 16, Section 4(f)

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Summary of Funding Requests

Fund	Increase requested
Office of Educational Services	1,100,000
Utilities	50,000
Maintenance	180,000
Technology	380,000
Residential Life Program	10,000
Academic Program K-12	150,000
Total	1,870,000

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