



Report to the North Carolina General Assembly

Interim Report

Transition Planning for Governor Morehead
School for the Blind (GMS)

SESSION LAW 2023-10 (House Bill 11)

SESSION LAW 2024-57 (Senate Bill 382)

Date Due: March 15, 2025

Appointments to the Boards of Trustees (BOT)

Section 6.(a) of S.L. 2023-1- requires the General Assembly and the State Board of Education (SBE) to make initial appointments to the boards of trustees no later than 60 days after House Bill 11 became law. Each advisory board was asked to recommend candidates to the SBE for consideration. The SBE made its appointments during its July and August 2023 meetings. All the SBE's appointees were currently serving as members of their respective schools' advisory councils.

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NC DEPARTMENT OF PUBLIC INSTRUCTION

Maurice “MO” Green, State Superintendent: 301 N. Wilmington Street: Raleigh, North Carolina 27601-2825

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Thomas Tomberlin, Director of Educator Recruitment and Support, NCDPI
6301 Mail Service Center, Raleigh, NC 27699-6301 / Phone: (984) 236-2114 / Fax: (984) 236-2099

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Review of Legislative Action Summary

On December 11, 2024, Senate Bill 382 clarified previous legislation HB 11 determining that the Governor Morehead School (GMS) should become its own independent state agency, which would remove administrative support of GMS from the North Carolina Department of Public Instruction (NCDPI) on June 30, 2025. It further clarified that the Department of Administration shall provide support to GMS in matters related to finance, human resources, and procurement, including information technology. It also reiterated the following actions:

1. Governor Morehead School would regain 16 maintenance positions from the North Carolina Department of Health & Human Services.
2. Governor Morehead School would regain 32 positions from the North Carolina Department of Public Instruction from its Early Learning Sensory Support Program regarding visual impairment (ELSSP-VI only), positions formerly recognized as the “GMS preschool.”
3. GMS needs to take active steps to ensure LEA can comply with the following provision from SB 382: “Local school Superintendents shall report by November 30 each year the names and addresses of parents or custodians of any blind or visually impaired children who have given written consent to the superintendents of the schools for the deaf and blind. With specific questioning, **Do you consent to the release of your contact information and information regarding your child and his or her hearing or vision status to these schools so that you can receive more information on services offered by those campuses?**” (House Bill 1030, current reporting requirement for LEAs/PSUs)
4. Governor Morehead School and the Department of Health and Human Services shall enter into a memorandum of understanding related to the use of the assets in Complex 1-92-9 for shared services.

5. The Department of Administration shall reassign all assets in Complex 1-92-9 to GMS.

Immediate Needs and Specific Requests for Legislative Actions

1. Request for legislation to provide additional positions and recurring funding that are needed due to the maintenance team and ELSSP-VI being added to GMS as outlined below.

Human Resources:

Creation of New Positions	Recurring Funding	Justification
Architectural Supervisor II (Capital Projects Coordinator)	\$125,100.00	Replaces work previously performed by DPI School Planning
EC Director/School Administrator	NC DPI Certificated Salary Schedule	Aligns GMS administrative structure with that of a LEA
HR Technician II	\$48,036	Per DPI JELOC report recommendation; due to additional staff being added and separation of duties
Budget Analyst II	\$85,000	Per DPI JELOC report recommendation due to additional staff being added and separation of duties
IT Director	\$125,000	Per DPI JELOC report Recommendation; due to additional staff being added and separation of duties

2. Request for legislation to specify teacher salary supplements be funded through recurring state appropriations at the same percentage and adjusted annually to align with Wake County Public School System (WCPSS supplement is currently 23%). This request should include all current positions 115C certified staff in GMS's K-12 programming. The legislation should also specifically include the 115C certified positions that are being transferred to GMS from NCDPI referred to as "GMS preschool."

This specific request is needed because SL 2010-31 Section 10.21A(a), required the State Board of Education to continue the same salary supplement that was in place upon transfer on June 1, 2011, for the residential schools and the preschool programs.

3. Request for legislation to clarify the transition of the Governor Morehead Preschool from NCDPI to GMS. Specifically, the legislation should specify exactly which records, personnel, property, unexpended balances of appropriations, allocations or other funds, such as Medicaid reimbursements, should transfer from NCDPI to GMS. Despite the fact that SB 382 specifies that the Governor Morehead Preschool should transfer from NCDPI to GMS as a Type I transfer and this is defined as the transfer of all records, personnel, property, unexpended balances of appropriations, allocations, or other funds, NCDPI has communicated to GMS that they request additional clarifying legislation.
4. Request for legislation to direct that the current MOU with NCDHHS and NCDPI specific to the infant Toddler Program serving birth to age 3 for the Governor Morehead Preschool be assigned from NCDPI to GMS. Further, it is requested that NCDHHS be directed to enter into any future MOU with GMS for services for children from birth to age
5. Request for nonrecurring appropriation in the amount of \$22,500 to comply with a legislative requirement that GMS must begin billing Medicaid or can do so. This mandate came legislatively but came with no legislative startup funds.
6. Request for a recurring appropriation of \$75,500 to cover the costs associated with Information Technology, such as Office 365 subscription for each school staff member.
7. Request for the same provision the North Carolina School for the Deaf received in SB 382 as was appropriated from the General Fund to the Department of Public Instruction the sum of one hundred twenty thousand dollars (\$120,000) in recurring funds for the 2024-2025 fiscal year to be allocated to the North Carolina School for the Deaf for legal and administrative services be granted for GMS.
8. Government Auditing Standards (Yellow Book, 2018) – Requires a third-party financial audit for new state agencies, justifying GMS's \$25,000 audit funding request. GMS requests a one-time funding provision of \$25,000.00 for a financial audit to be performed by a third party prior to July 1, 2025.

Current Progress

Policy:

Using model policies from the North Carolina School Boards Association, the school has developed draft policies categorized into sections beginning with a 1000 series and continuing through a 9000 series.

The draft policies are being reviewed by the school administration, boards of trustees, and legal counsel. There will be a need for additional discussion and policy adoption regarding the GMS Preschool/ELSSP.

Governor Morehead Preschool:

From October 2001 to December 2010, The Governor Morehead Preschool served over 500 students (Cansler & Pearson, 2010). Specifically, in the 2008-2009 school year, GMP served 811 students. It was estimated that in the 2009-2010 school year, they would exceed enrollment by nearly 100 more students. Once GMP transitioned to DPI, enrollment dropped significantly. In 2014, it was estimated that GMP served nearly 600 students, but current estimates place this number at around 300 (Tikkun, 2021). To further complicate matters, in October 2024, the NC DPI Office of Exceptional Children directed the program to stop serving children with visual impairments from age 3 to 5. Thus, it appears that the transfer of GMP from being part of GMS to a separate program within DPI has resulted in significant underserving of students with visual impairments. Pursuant to SB 382 that authorizes GMS to serve children with visual impairments from birth to age 22, it is the intent of the school to reinstate services for children from age 3 to 5 across the state.

The transfer of the preschool back to GMS is an urgent matter as S.B. 382 directs that GMS is to provide services from birth to age 22. As of October 2024, NCDPI's Office of Exceptional Children directed that the ELSSP-VI (formerly Governor Morehead Preschool) stop serving children with visual impairments from ages 3 to 5. Historically, in 1988, Chapter 1100 of the Session Laws was enacted which established a visually impaired preschool program to serve visually impaired preschool children from birth to five years of age. In 2001, the preschool program was transferred from DHHS to Governor Morehead School in SL 2001-424 Section 21.80(e). In 2010, SL 2010-31 Section 10.21A(a) transferred Governor Morehead Preschool to DPI. As required under SL 2010-31 Section 10.21A(a), the State Board of Education adopted structural changes within the agency to accommodate the transfer of the Governor Morehead Preschool and reported those changes to the General Assembly. Specifically, in the report approved by the SBE in December 2010, it specifically noted that the program served students from birth to age 5. Since December 2010, there is no known action by the SBE or General Assembly to amend the age group served by the program. GMS urgently wishes to restore services to children from age 3 to 5 to offer a comprehensive program from birth to age five. Again, this is an urgent matter as planning for the provision of services for the 25-26 school year is quickly approaching and GMS wishes to lead the way in providing statewide services for early intervention and preschool children with visual impairments.

GMS awaits further budget and human resources information from NCDPI so that the associated positions can be transferred pursuant to SB 382. Hence, the aforementioned administrative positions and funding requests.

School Planning Transition:

GMS met with members of NCDPI's School Planning Team in February 2025.

NCDPI is writing/supporting an RFQ on behalf of GMS and potentially the schools for the Deaf to hire a capital projects coordinator via contract. The school planning team notified GMS that they could not facilitate or support an MOU with GMS for the retention of these services. Additionally, there would be limited funding if a contractor could be hired in the next four months, hence the school's request for funding for the position of Architectural Supervisor II located at the bottom of page two of this report. It was noted during this discussion that the average time to hire is typically 18-21 months. GMS is waiting to hear back about the RFQ and hiring process for the school planning team from NCDPI.

Transfer of NCDHHS maintenance positions, buildings, funding, and MOA:

Pursuant to Senate Bill 382, GMS initiated a meeting with members of NCDHHS in February to discuss continued concerns regarding information regarding arrears billing, forward billing, transfer of current equipment, asset inventory transfer, and the process of building transfer, and HR notification to transferring employees.

NCDHHS reported that it was researching internally and externally to find out more information about the process of transfer of assets (including vehicles, materials, buildings, and tools). Regarding utilities and other billing issues, the NCDHHS team is working with the GMS business and finance team to ensure that current bills remain current until a final transferring process can take place.

GMS is also working on a solution to bill NCDHHS for buildings that will continue to be occupied on campus after the transition, with a goal of generating and implementing an MOA for all matters pertaining to billing, shared services, and additional supports by April/May 2025. GMS is working with NCDHHS HR to formally transfer employees to GMS for maintenance positions and ensure recent changes to system inputs are correctly tracking the positions, salaries, and time management functions. All these matters continue to be of utmost importance and urgency to GMS to ensure no lapse of services for the students and staff we serve.

Regarding maintenance, there is still a need for funding specific to raising the maintenance team, tools, and supplies at GMS. Although the 1.395 million dollars were transferred to GMS for this school year, it will be mostly spent paying either current utilities or past utilities via NCDHHS or additional costs for ordering and items for current maintenance issues. GMS will still have a need to purchase new equipment and new tools in the next school year.

As GMS has had a chance to view some of the equipment and tools to be transferred, a large percentage is inoperable or not safe for staff to use. Please see Appendix B for the repeated request for maintenance support.

In communicating with NCDHHS regarding the transfer of assets and buildings on the property, it was shared with GMS that:

- DHHS-owned networking equipment will be removed from the buildings DHHS currently occupies.

Thus, phone and internet connection will not be available in these buildings once the equipment is removed. GMS will incur additional costs to replace this equipment, and its IT staff will need to be expanded to provide support for the additional equipment.

- The door access ID badge system will be brought offline and will require GMS to either implement our own system or assume the current ADT contract. Depending upon funding and resources, GMS is willing to discuss and consider the assignment of the contract from NCDHHS to GMS. This is a significant security and safety concern because no new key access cards can be made, nor doors be programmed after disconnection.
- HVAC system will be brought offline and need to be moved under the GMS network in order to manage HVAC in all buildings, besides Lineberry Hall. There has been no set date, but it was communicated this could be within the next 2 to 3 weeks. This is a significant safety concern for students and staff as GMS has no knowledge of the HVAC systems and its compatibility with current systems used by GMS.

In the spirit of SB 382 and the mandate for GMS to enter into an MOU with NCDHHS for continued use of campus facilities, it is concerning that information that is shared comes in the form of strict deadlines as opposed to thoughtful and planned transition timelines to ensure systems remain operational in the interim.

Required School Admissions Criteria & Procedures:

GMS has updated and posted admissions criteria and procedures consistent with SB 382.

Required Reporting of HB 1030 Visually Impaired information:

GMS has created a portal button on its website for local school districts and public school units to submit information regarding students with visual impairments. GMS will send out notifications to Superintendents and EC Directors. Further, it has created a document to share with local superintendents and EC Directors that can be submitted to the GMS portal upon the LEA's completion of the required information.

Unresolved Matters from Previous JELOC Reports

Schools shared positions:

Currently, GMS pays 34% of the cost of one employee who supports all three schools and is the Director of Digital Learning.

This position wears many hats including serving as the “district level” Chief Technology Officer or Educational Technology Leader within and among all three schools (e.g., implementation of DLMI, Home Base products, UID, CIPA compliance, Eddie, OCR submissions, and e-Rate and pre-approval all IT purchases to ensure they meet the DPI and DIT requirements), Director of Career and Technical Education (providing leadership and management for the CTE comprehensive local needs assessment, annual application for funding, grant applications, accountability for CTE testing, and ensuring federal policy adherence), and Chief Academic Officer (overseeing LETRS and Amplify implementation, ensuring graduation requirements are understood).

School Business:

The accounting and financial services for these schools are integrated into the Department of Public Instruction's existing Financial and Business Services. The following functions are performed for these schools: purchasing, accounts payable, cash management, grant management and compliance, budget, fixed asset management, payroll accounting, and general ledger accounting. Recently, GMS has entered into discussions with the Department of Administration (DOA) and the Office of State Comptroller (OSC) to explore how the services that DOA have in their existing form can support GMS moving forward. OSC and DOA are supporting GMS with the initiation of its own budget code and agency number. GMS will no doubt take on many of the aforementioned responsibilities internally which is the justification for the request for the additional position. GMS has worked with the State Fire Marshall's Office, DOA, and motor fleet services to determine all new areas of need for insurance for directors and officers, vehicles, buildings, etc., based on the clarification of GMS being its own independent state agency and is in the process of purchasing.

Legal:

GMS has retained highly qualified legal representation. Most importantly, this firm has expertise in IDEA Special Education Law, Contract Management, Technology Security Vetting, mediation/dispute resolution/due process/litigation, School Board Association policy approvals, etc. It will be essential that GMS has legislative funds allocated for legal representation because the current budget cannot support this added responsibility.

As part of SB 382, the North Carolina School for the Deaf was appropriated from the General Fund to the Department of Public Instruction the sum of one hundred twenty thousand dollars (\$120,000) in recurring funds for the 2024-2025 fiscal year to be allocated to the North Carolina School for the Deaf for legal and administrative services. GMS requests the same recurring provision and consideration given directly to the school via the General Assembly starting in school year '25-'26.

**Appendix A: NCDPI – DHHS Maintenance Memorandum of Agreement current
MOU in process of being dissolved**

AGREEMENT#

**NC Department of Health and Human Services (DHHS) MEMORANDUM OF
AGREEMENT (MOA)**

**BETWEEN: North Carolina Department of Health and Human Services
AND
North Carolina Department of Public Instruction**

This agreement provides for maintenance and utility services for the Governor Morehead School, located on the Governor Morehead Campus, at 301 Ashe Avenue, Raleigh, North Carolina.

THIS AGREEMENT, made and entered into this 26th day of October 2011, is by and between the Department of Health and Human Services, hereinafter referred to as DHHS, and the Department of Public Instruction, hereinafter referred to as DPI.

The administrator of this MOA for the DHHS will be the Facility Maintenance Director of Central Regional Maintenance (CRM), Division of Property and Construction and the administrator for the DPI will be Barbria Bacon.

This MOA will begin on July 1, 2011, and may be amended, if mutually agreed upon in writing, to change scope. Such changes shall be incorporated as an addendum to this MOA. Since the initial budget and staff appropriated for these services were transferred from the Governor Morehead School to Central Regional Maintenance, this MOA shall not be terminated without legislation authorizing the permanent transfer of the appropriated budget to DPI.

DHHS agrees to provide:

- A. Water, sewer, steam, and electricity through the Governor Morehead Campus central utility systems.
- B. Trash and waste removal from campus containers. Hazardous waste disposal is not included unless it is a portion of a demolition/construction project managed by DHHS.
- C. Quarterly service of the kitchen grease trap.
- D. Routine maintenance and service to building chiller systems. Major repairs requiring contractor-level response are not covered except for management by DHHS staff as a part of a contract.
- E. Routine tests, inspections, and repair of building fire alarm and sprinkler systems as permitted by applicable code. Licensed contractor-required tests, inspections, or repairs are not covered. Routine building maintenance and repair

assistance, in coordination with DPI, with bidding/ contracting for non-routine maintenance when necessary.

- F. Preparation of OC-25 and capital improvement information for DPI to use in its request for repair and renovation funding from the annual Repair and Renovation Reserve administered by the Office of State Budget and Management.
- G. Routine maintenance of building IT cabling, and maintenance and upkeep of the exterior IT cabling infrastructure with prior approval by GMS IT staff
- H. Access to and use of the Dix Campus fueling station. GMS will be billed for fuel.
- I. "Mechanical repairs and preventive maintenance (PM) for activity buses. Maintenance that cannot be done by CRM staff and must be contracted out must be pre-approved by GMS and will be billed to GMS. PM for school buses and activity buses is covered by State Board of Education Policy TCS-H-005" <http://www.ncbussafety.org/manuals/index.html>.
- J. Maintenance support for other non-motor Fleet vehicles. For work that cannot be performed by CRM, prior approval will be obtained from GMS.
- K. Grounds maintenance to include cutting of lawns and shrubbery, cleaning of sidewalks and parking areas, and snow removal from the parking lots and sidewalks.
- L. Notification of utility outages and upgrades that may impact the Governor Morehead School.
- M. Emergency maintenance on-call services.
- N. Use by the Governor Morehead School (DPI) of space in Cooke (2,500 sq. ft.) and Crockett-Peeler (4,900 sq. ft.) Buildings.
- O. A detailed accounting of all costs associated with these services by the 20th business day of the month following the end of the quarter.
- P. Allocation of \$1,395,547.00 in the budget of Central Regional Maintenance, Division of Property and Construction, to cover the cost of maintenance and utilities for the Governor Morehead School. This funding will be adjusted as required to reflect funding provided by the General Assembly, such as for employee salaries and benefits. In the event total utility and maintenance costs for The Dorothea Dix Campus and the Governor Morehead School exceed the total allocation for the Dorothea Dix Campus and the Governor Morehead School, DHHS will invoice DPI for the Governor Morehead School's allocated share of the excess costs and provide documentation supporting the calculation to DPI.

DPI agrees to provide:

- A. Funding for the Governor Morehead School's allocated share of the excess costs of maintenance and utilities as described above in R. DPI shall pay the invoice no later than 30 days after receipt of the invoice and the appropriate supporting documentation.
- B. Housekeeping/Janitorial Services and supplies
- C. IT Services beyond general maintenance as determined by Central Regional Maintenance.

Elevator and Chairlift services and maintenance as required by the NC Department of Labor within all buildings allocated to DPI after consultation with Central Regional Maintenance.

- D. Administration of the AHERA (Asbestos Hazard Emergency Response Act) Management Program per federal guidelines.
- E. Maintenance, service, and repair and/or replacement for all food service equipment including exhaust hood systems after consultation with Central Regional Maintenance.
- F. DHHS continued use of space in the Simpson (6,900 sq. ft.) Building.
- G. Coverage for financial obligations resulting from litigation brought pursuant to the NC Tort Claims Act except if caused by DHHS's negligence.
- H. Coverage and response for all incidents with adverse or unlawful environmental impact originating from or due to the operation of the DPI facilities on the campus.

Both DHHS and DPI agree to mutually cooperate to the extent feasible to ensure that the missions and activities of both organizations, as they relate to operations on the Governor Morehead Campus, are achieved.

N.C. Department of Health and Human Services

BY: Lanier M. Cansier

Date: 10/25/11

BY:  _____

DATE: 10/25/11

N.C. Department of Public Instruction

BY:  _____

DATE: 11/1/11

BY: June St. Clair Atkinson

Date: 11/1/11

Appendix B: GMS Maintenance Startup Cost

Equipment	Quantity	Cost	Type	Amount
Vehicles				
Trucks	2	\$50,000.00		\$100,000.00
Vans	2	\$50,000.00		\$100,000.00
Box Truck	1	\$100,000.00		\$100,000.00
Cars	3	\$25,000.00		\$75,000.00
Gators	2	\$10,000.00		\$20,000.00
Bobcat	1	\$50,000.00		\$50,000.00
Trencher	1	\$50,000.00		\$50,000.00
Back Hoe	1	\$100,000.00		\$100,000.00
Landscaping				
Riding Mowers	3	\$15,000.00		\$45,000.00
Push Mowers	6	\$2,000.00		\$12,000.00
Edgers	3	\$250.00		\$750.00
Trimmers	3	\$250.00		\$750.00
Tilers	1	\$250.00		\$250.00
Hand tools	1	\$10,000.00		\$10,000.00
Supplies	1	\$20,000.00		\$20,000.00
Carpentry				
Compressor and piping	2	\$5,000.00		\$10,000.00
Radial Arm Saw	2	\$2,500.00		\$5,000.00
Planer	2	\$2,500.00		\$5,000.00
Miter saw	2	\$2,500.00		\$5,000.00
Drill Press	2	\$2,500.00		\$5,000.00
Painters	3	\$1,000.00		\$3,000.00
Sander	3	\$1,000.00		\$3,000.00
Saws	5	\$500.00		\$2,500.00
Nail gun	1	20,000		\$20,000.00
Total				\$737,250.00

References

- Cansler, L., & Pearson, D. (2010). Plans to achieve efficiencies of scale and ensure the appropriate education of students with visual and hearing impairments. Raleigh, NC: Report to the North Carolina General Assembly.
- North Carolina Department of Public Instruction (2017). *2016-17 Greenbook Testing Accommodations*.
<https://www.dpi.nc.gov/documents/americanindianed/reports/green/2016-17-greenbook-testing-accommodations/open>
- North Carolina Department of Public Instruction (2023). *2022-23 Greenbook Testing Accommodations*. <https://www.dpi.nc.gov/testing-accomodations/open>
- Tikkun, S. (2021). Services to children with Visual Impairments and Teacher Training: How to make NC the regional leader [White paper]. North Carolina Central University School of Education.

