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Subject: Funding Formula - Kathy Ross gets it wrong again.

You're sitting there, minding your own business, reading another article in the Mountaineer, and something hits you in the face like a sock full of smelly fish. Well, that's what happened to me reading the Kathy Ross article 'Schools want increase in long-term share of county funding'.

https://www.themountaineer.com/news/schools-want-increase-in-long-term-share-of-county-funding/article_dd20722a-18fe-11ed-91bc-fb57c9e40937.html

Here is a short quote from the article, Kathy Ross quoting Nick Nolte (soon to retire) and **Bryant Morehead**:

“... We have not wasted a single penny while we have gone above and beyond to serve the community during COVID and increase our state ranking in terms of performance, and frankly if we don't get a funding increase, we won't have a fund balance, and all the things we've been able to do for quite some time will be in jeopardy,” Nolte said. “We've been spending our funding balance for a long time. And if we are going to continue with the quality system we have, the school system will need a much better funding formula.” The county and school system are in the third year of a three-year funding formula, so it is time for the two agencies to look at their funding arrangements, said Morehead, the county manager. ...”

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WTF?

I would like to edumacate Kathy Ross - The Funding Formula was **Mark Swanger's** ingenious method of holding the Haywood School System backs against the wall for years and years. When the school would come and beg for more money, **Swanger** would slap them in the face with the “Funding Formula”.

The most infamous egregious act by **Julie Davis**, then Finance Director, was when she cooked the books and falsified the Funding Formula.

[Flashback! The gift that keeps on giving. Cracked the Code on the Haywood County Schools Funding Formula! Julie Davis cooked the books \(i.e. falsified the calculation\). Denied School System \\$15 Million Dollars and should Resign or be Fired. 6/16/2014...](#)

<https://www.haywoodtp.net/pubII/140616CrackedTheCode.pdf>

Julie Davis never recovered from that.

So, Kathy Ross, don't get me started on the Funding Formula and quote **Bryant Morehead** that this is only the third year of a three-year funding formula. (Article follows).

Monroe A. Miller, Jr.
Haywood County Taxpayer

Since the 2018-2019 school year, Haywood schools have seen their proportion of county money decreasing. It is a trend retiring Haywood County Schools Superintendent Bill Nolte hopes to reverse.

And that means that Nolte is preparing to ask county leaders to increase the share of money they give the schools in the years to come, beginning with the 2023–24 year. While the local dollars provided to the school system have increased from \$15.97 million for the year ending June 2019 to \$16.77 million for this budget year, as a percentage of the county budget, the school system’s share has decreased.

For the budget year running July 2018 to June 2019, 19.3% of the county’s general fund budget went to the school system. This year, 17.3% of county money will go to schools, according to figures provided by Nolte at a school board work session last week. Nolte pointed out another way of looking at the numbers. In that same time span, the county has increased its budget by 13%, not counting the money its commissioners have pulled from previous savings, known as a general fund balance. The school’s share of that county budget has increased by 4.9% over the same time frame.

“Our overall increase is about two and half times less than the county’s,” Nolte said. These education budget numbers include funds for the charter school, Shining Rock Academy, Nolte said. Money for Shining Rock is allocated through the Haywood County Schools system, which in turn channels that money to the charter school. When looking at per-pupil spending, the margin is much narrower between the county’s overall spending increase and what it provides the school system. In the year ending in 2019, the county spent \$2,107 on education for each of its students. This year, it is budgeted \$2,354 per student. That is an 11.7% increase in per-pupil spending, compared to an overall 13 percent increase in county spending over the same time. The difference in the increases between the county’s total allocation to schools and its per pupil allocation goes back to the fact that the county has about 500 fewer students today than in 2019. But many of the costs tied to education are increasing even as the number of students decreases, Nolte points out. The school system still needs to pay for maintenance and care of its buildings and grounds, as well as its bus fleet, regardless of the number of students it serves. “Bryant Morehead, the county manager, gets that,” Nolte said. “He said in our conversation that he understands if you’re riding a bus and you have a dozen kids get on or 30 kids get on, you still have to run your route.” “If all we were doing was hiring teachers, then maybe the funding formula would be enough, but even the increases we’ve gotten haven’t covered local costs,” Nolte said. The Haywood school system has local school employees not funded by the state — who also receive recent state-specified pay increases — only with local money. The school resource officers, additional teachers and counselors the Haywood system has many positions that are not covered by state funding.

“Spending per student is about the same, but there are increased costs for insurance and keeping the buildings open and paying our local employees,” Nolte said. “If we want to be like school systems that don’t have a lot of local employees, that don’t have a lot of support people, that’s what will happen if we don’t have a budget adjustment.” The school has compensated for the proportional loss of county money by drawing on its own fund balance. Nolte credits previous school boards and his predecessor, Anne Garrett, for building up that money so that it has been available. The school system has also cut local staff by 21 positions for this budget year, mostly through retirements and departures that were not replaced. With the exception of about three positions, of those losses were in teaching positions, Nolte said. “We have not wasted a single penny while we have gone above

and beyond to serve the community during COVID and increase our state ranking in terms of performance, and frankly if we don't get a funding increase, we won't have a fund balance, and all the things we've been able to do for quite some time will be in jeopardy," Nolte said. "We've been spending our funding balance for a long time. And if we are going to continue with the quality system we have, the school system will need a much better funding formula." The county and school system are in the third year of a three-year funding formula, so it is time for the two agencies to look at their funding arrangements, said Morehead, the county manager. "We need to sit and look at the trends," he said. "We need to also look at state and federal funding. From a local standpoint, I think we've done a good job of funding our schools." Whether the school's local funding should directly reflect how much the county has increased overall spending, "I guess that's really an answer for our elected officials to weigh in on," Morehead said. The county's increased spending since 2019 has not been a matter of choice, Morehead added. In that span, the county has had to add two additional medical ambulance units because of a dramatic increase in calls — and that was compounded by the county having to pick up convalescent transports. In the same time span that Nolte is using for comparison, the county's extra expenses include seven additional paramedic positions, six telecommunication positions and additional staff in health and human resources. "The demand is driving the cost for us," Morehead said. Morehead and Nolte agree the school and county leaders have had a good working relationship when it comes to making funding decisions for the schools — better than many counties, Morehead added. Still, Nolte told his school board, "This is a critical round of negotiations. This one is probably the most critical one."

Nolte has had conversations with Morehead, and hopes to begin meeting with county commissioners in the near future. The school superintendent said he hopes to have the discussions completed before

< a href="https://www.themountaineer.com/news/haywood-schools-superintendent-to-retire/article_1e2a0860-1816-11ed-8153-27b0b122fc5d.html" target="_blank">his pending retirement , which he announced this past week will be Nov. 1. "I don't know when we will finish. I hope it is before I retire," he stated via email. "But, there is no way to know for sure."