



School Operations Specialists
"Succeeding Together"

New Hanover County Schools - Financial Wellness Review – February, 2025

Executive Summary:

School Operations Specialists, LLC (SOS) was contracted with the New Hanover County Schools Board of Education to conduct a financial wellness review.

Overall, SOS found that the structures in place for each area reviewed are, simply put, excellent. We have proudly served 30+ school districts and nonprofits across the state. Some of the structures, protocols, procedures, and processes we reviewed are among the best we have seen.

It is important to note that our review follows a year's worth of district-led analysis, recommendations, and actions that ultimately led to over 100 position cuts this year alone, which includes 53 central office positions. As far as central office positions, a full analysis was not completed in this review. However, in reviewing NHCS' organizational charts, coupled with the recent round of central office cuts, there is no evidence to support staffing overages in the central office. Most of the position cuts were through attrition and reassignments. Every district faced the "ESSER cliff" dilemma, and every district wrestled with this loss of funding. In order to maintain the level of efficiency we have observed at this point in time, any deviance from the current structures in place will likely lead to future reductions, a reduced fund balance, and other long-term budget implications. It is imperative to put safeguards in place (e.g., review structures, processes, and written procedures regularly to ensure compliance) to help maintain the current situation.

While we found the functional operational areas at high levels of efficiency, we have made a number of recommendations for your consideration as well. The most urgent and critical area for your review and consideration are staffing levels across the EC department and schools.

Scope of work:

- Budget process enhancement/smart budgeting
- Review of maximization of state, federal and local funding
- Review and analysis of operational efficiency
- Provide initial financial wellness assessment with findings
- Conduct review of staffing and allotment plans to ensure maximization of resources
- Review position control procedures.

Finance:

- Budget process enhancement/smart budgeting – make recommendations
- Review of maximization of state, federal and local funding
- Review and analysis of operational efficiency
- Provide initial financial wellness assessment with findings

Human Resources:

- Conduct review of staffing and allotment plans to ensure maximization of resources
- Review position control procedures.
- Review compliance with staffing protocols and consequences for not following established protocol.

Child Nutrition:

- Review the financial status of school nutrition-meals per labor hours, participation, etc.

- Review the pay scale and employee hours at each school.
- Review Procurement procedures and bid documents.
- Review the training for supervisors and staff.
- Review the analysis for menus.

Transportation:

- Conduct review of transportation efficiency.
- Review of transportation staffing.

Exceptional Children:

- Conduct review of EC department efficiency.
- Review of EC and related-services staffing district-wide.

Methodology:

Onsite interviews:

- On Monday, December 16, Aaron Beaulieu and Arasi Adkins traveled onsite to New Hanover County Schools and met with Superintendent Barnes and Chief Finance Officer Ashley Sutton. We discussed the scope of work and priority areas of review.
- On Monday, January 13 and 14, Aaron Beaulieu, Arasi Adkins, Debra Baggett, Scott Denton, Brenda Watford and Alicia Tate traveled onsite to New Hanover County Schools to conduct interviews with selected staff in the departments above to inquire about the relevant concerns listed above.

Document reviews:

SOS reviewed the following documents provided as part of this audit:

- 3 years of allotment information by Fund, PRC, Purpose and Object code
- 5 years' worth of comprehensive financial statements (audit reports)
- Budget Presentations on 2025-26 Budget. Budget calendar, priorities, new money requests, etc.
- 3 years of salary and position information by Fund, PRC, Purpose and Object code, and % employed
- Current allotment formula document(s)
- Current allotment and staffing plans by school
- Written position control protocols
- Organizational charts
- Transportation budget rating for the past 3 years
- DPI Inspection Score/Report for past 3 years
- Transportation pay structure for staff and drivers, including any bonus programs
- CNS - Procedure notebook
- CNS - copy of November's end of month reports, plate cost and meals per labor hours for each school
- NHCS Special Education Services Liaison Assignments
- Student Support Services Division Organizational Chart
- Related Services Caseload Data Sheets/Cost Projections
- EC Staffing Template/FTE Calculations/Projections
- EC District Leadership Team Duties
- NHCS EC Program Delivery Options

FINANCE:**Budget process enhancement/smart budgeting:**

The following events have taken place:

12/3/2024 Regular Board Meeting

- 2023-24 Financial Report
- Budget Development-Budget Calendar

12/16/2024 Regular Board Meeting

- Audit

1/3/2025 Finance Committee

- Budget Overview
- Budget Priorities
- Future Meetings Topics

1/13-14/2025 Budget Listening Tour

1/17/2025 Regular Board Meeting

- Letter of Support Teacher Salary Increases

1/31/2025 Finance Committee

- Organizational Charts
- NHCS Positions

2/5/2025 Regular Board Meeting

- Budget Amendment #2
- Contracts and PO's -\$100,000 to \$300,000
- Software Contracts Extending into 2026
- NHCS Employee Performance Bonus Plan

Observations/Findings:

- NHCS has very detailed and comprehensive materials being presented to summarize the budget.
- The process meets all General Statute requirements as defined in Article 31 115C.
- Supporting documentation around contracts, PO's and organizational charts are all very pertinent information for the district's financial operations.
- Audit has no findings and indicates excellent financial management.
- Budget information summarized at the appropriate level to allow Board members and the community to see how resources across the district are utilized.

Recommendations:

- Continue the implementation of the Budget Advisory Committee.
- Educate Board members around the need to summarize the budget at the Program Report Code.
- Provide Board members training around the Chart of Accounts.
- The Budget Calendar should include ADM review. Review ADM projections with new second month prior year numbers.
- Need to develop projections for multiple year forecasting of increases.
- Need to develop a tool for program evaluation and abandonment.
- The Budget Process currently being utilized by NHCS is very comprehensive and detailed. It summarizes the important financial information at the appropriate level to allow the Board of Education to make decisions and these practices should continue to be a priority of the district.

Review of maximization of state, federal and local funding:

The following reviews were done to determine if state, federal and local funds were being maximized within the different position, dollar and categorical allotments:

- Reviewed all position allotments for appropriateness of personnel being paid from each allotment.
 - Classroom Teacher
 - Program Enhancement Teachers
 - Principals and Assistant Principals
 - School Health Personnel
 - Instructional Support
 - Career Technical Education
- Reviewed all positions by object code to determine if positions could be maximized by moving from Dollar Allotment to Position Allotment
 - Teachers
 - Principals and Assistant Principals
 - Instructional Support Staff
 - Title One
- Reviewed the utilization of state benefit allocations

Observations/Findings:

- NHCS Budget Department is very comprehensive in allocating positions to the appropriate allotments.
- Some local PRC's are utilized to identify certain positions being funded by the county and to maintain positions with special allocations.
- Maximization of state, local and federal resources are done in most circumstances.

Recommendations:

- Fully utilize the state allocations for employee benefits.
- Need to review the possibility of reallocating some higher paid personnel from some dollar allotment to position allotments.
- Need to review the possibility of reallocating some higher paid positions from special county appropriations to positions allotments.

- Continue to monitor the change in personnel with new hires to make sure the appropriate personnel are being paid from the allotments that allow NHCS to fully utilize the position allotments.

Review and analysis of operational efficiency:

See individual review of the following departments:

- Human Resources
- Transportation
- Child Nutrition
- Exceptional Children

Overall:

- Strong position control reconciliation between finance and human resources.
- Good internal processes for successful financial management.
- Budget and financial documents provide relevant and important information.
- Good reconciliation of positions by year.
- Reconciled reduction of over 450 positions across the district over the last three years by Program Report Code and Object Code.
- Enterprise Fund-Child Nutrition in strong financial standing.
- Good utilization of state position allotments.
- Insufficient amount of unassigned General Fund balance.

Finance Exhibit:

New Hanover County Schools				
Comprehensive Financial Statements - Fund Balance				
	General Fund (Local)	Special Revenue		Child Nutrition (Net Position)
2020-21	\$ 11,963,724	\$ 5,382,483	\$	(3,061,442)
2021-22	\$ 6,642,895	\$ 5,937,476	\$	326,647
2022-23	\$ 6,128,463	\$ 3,874,679	\$	2,632,788
2023-24	\$ 1,288,893	\$ 14,153,439	\$	3,741,647

HUMAN RESOURCES:

- Conduct review of staffing and allotment plans to ensure maximization of resources
- Review position control procedures.
- Review compliance with staffing protocols and consequences for not following established protocol.

Observations/findings:

1. **Detailed Documentation and Processes:** The FY25 Position Allotments document includes excellent explanatory notes, clear instructions, and a robust system for understanding position control, allocations, and changes. Notable best practices include the use of consistent position numbering systems and a collaborative process between HR and Finance to maintain alignment.
 - Example: Notes about adjustments due to state funding projections and the role of Munis position control. Recently dated notes show that the document is used on an ongoing basis.
2. **Position Summary and Change Reconciliation:** The position summary document provides clear and structured information on staffing by categories (teachers, instructional support, administration, etc.) The position changes document facilitates effective communication and understanding between HR and Finance to prevent overstaffing.
 - Positive note: Ongoing updates and regular reconciliation with Munis.
3. **Small School Consolidation Potential:** Six elementary schools with fewer than 350 students were identified as potential candidates for consolidation to optimize funding and staffing. We know this is way easier said than done, but ongoing conversations need to happen about this, especially if enrollment numbers continue to decrease.
4. **Collaborative Relationships and Strong Systems:** Regular communication between HR and Finance is supported by a highly skilled IT Analyst who bridges these departments. Processes for freezing and annotating positions, as well as system safeguards, demonstrate advanced operational capabilities.
5. **Staffing Analysis:** I took a random sampling of 7 schools at all levels to closely analyze the district's stated allotment formulas against the actual staff (based on payroll data from December, 2024). The staffing across schools showed strong consistency with position allotments and formulas. The formula for clerical staffing, however, may require review, especially in high schools with 7.5 clerical staff per site. Additionally, every small "overage" in staffing found was accounted for by a local or federal funding source. For example, if a school had more staff members than positions allotted in a given allotment category (i.e. classroom teachers), the number of positions over was properly funded by an alternative source, like federal or local funds. Since the allotment and staffing analyses contain confidential personnel information, I will share and review with the superintendent, finance officer, and executive director of HR separately.

Schools selected:

304 - Bradley Creek ES: projected ADM 382
 324 - Edwin Alderman ES: projected ADM 273
 362 - Pine Valley ES: projected ADM 452
 343 - Holly Shelter MS: projected ADM 824
 351 - Myrtle Grove MS: projected ADM 595
 342 - Hoggard HS: projected ADM 2169
 352 - New Hanover HS: projected ADM 1517

6. **EC and other Funding Challenges:** Questions remain about the allotment formula for EC teachers (caseload vs. IEP hours), and the impact of underfunded AP positions by the state. Assistant principal positions and other positions like clerical staff and central office positions have long been under-

allocated by the state. This is a common dilemma faced by all North Carolina school districts. As it has been doing, the district should continue to advocate for a more realistic funding allocation in assistant principal positions especially.

7. **Best Practices in Position Control:** Uniformity in position numbering and cross-departmental processes ensures accuracy and consistency, enabling effective staffing management.
 - Anecdotal example: In every school system I have worked in - I have tried to implement a system where the position number helps to categorize positions (where the last three digits signify the position type.) NHCS has achieved just that. It might seem small, but it takes enormous effort and strong communication between HR and finance, as well as internally among both staffs. This is a best practice that I have not yet encountered in any of the 30+ school systems we have worked with. Well done!

Recommendations:

1. **Continue with Close Collaboration and Communication:** Continue fostering the strong collaboration between HR and Finance. Continue ongoing review meetings, and principal involvement in staffing adjustments to ensure alignment with actual needs., and to verify the actual staff vs. allotments. Create a more formal method of communicating internal position changes, rather than or in addition to email. For example, a Google sheet that is accessible to selected finance and HR staff (those whose roles involve staffing.)
2. **Address Staffing and Budgetary Efficiency:**
 - Review and consider the feasibility of consolidation of smaller elementary schools to optimize funding and staffing.
 - Analyze clerical staffing in high schools for potential reductions.
3. **Vacancy Management:** Continue to ensure all vacant and frozen positions are consistently annotated in the system and follow up with HR specialists to confirm adherence to safeguards.
4. **Principal Engagement:** Continue to encourage discussions with principals to assess their understanding of the allotment process and their role in staffing decisions.

Overall:

The documents, conversations, and other information reviewed reflects a highly organized and collaborative approach to staffing and position control, with strong processes and communication mechanisms in place. However, opportunities exist to improve efficiency, particularly through school consolidations and clerical staffing adjustments. Continued engagement with HR, Finance, and principals will ensure alignment with strategic goals and funding realities.

Additional information:

- It is important to keep the rising costs of both the mandatory employer retirement percentage and the mandatory state hospitalization rates at the forefront of budgeting and staffing processes.
- Continue to use historical data as a guide when budgeting. Understanding the increases over time, ensuring those projected cost increases are factored into budgeting, and educating the school and larger community about these costs is of utmost importance.

- Below are two charts showing the 10-year historical data for both the employer retirement contribution rates and the state health plan hospitalization rates. It is worth noting that while the employer retirement contribution has risen, on average, at least 6 percentage points *per year*, the employee contribution has remained the same at 6% for over twenty years.

Fiscal Year	Employer Retirement Contribution Rate (%)	% increase from the previous year
FY15	14.69%	—
FY16	15.32%	4.29%
FY17	16.12%	5.22%
FY18	17.13%	6.27%
FY19	18.86%	10.10%
FY20	19.70%	4.45%
FY21	21.68%	10.05%
FY22	22.89%	5.58%
FY23	24.50%	7.03%
FY24	25.02%	2.12%
FY25	24.04%	-3.92%

Fiscal Year	Employer Hospitalization Insurance Contribution	% increase from the previous year
FY15	\$5,378	—
FY16	\$5,471	1.73%
FY17	\$5,471	0.00%
FY18	\$5,869	7.27%
FY19	\$6104	4.00%
FY20	\$6304	3.28%
FY21	\$6326	0.35%
FY22	\$7020	10.97%

FY23	\$7398	5.38%
FY24	\$7557	2.15%
FY25	\$8095	7.12%

Central Office comparison:

- A full analysis was not completed in this review. However, in reviewing NHCS' organizational charts, coupled with the recent round of central office cuts, there is no evidence to support staffing overages in the central office.
- For a more thorough review on central office staffing comparison, a more detailed analysis of the following comparable school districts should follow.

1. Onslow County Schools (OCS): [Onslow County Schools Organizational Chart](#)

2. Pitt County Schools (PCS): [Pitt County Schools Leadership Organizational Chart](#)

3. Gaston County Schools (GCS): [Gaston County Schools HR Organization Chart](#), [Gaston County Schools Finance Organization Chart](#)

4. Durham Public Schools (DPS): [DPS IT Organizational Chart](#), [DPS Organizational Charts](#)

5. Wayne County Public Schools (WCPS): [Wayne County Public Schools](#)

6. Johnston County Public Schools (JCPS): *(Org chart not available on their website)*

7. Public Schools of Robeson County (PSRC): *(Org chart not available on their website)*

CHILD NUTRITION:

- Child Nutrition procedure notebook
- Financial stability
- Staffing efficiency
- CNS training

Observations/Findings:

- Excellent procedure manual. The director is updating procedures as needed.
- School Nutrition is doing well with their funds!
- FC1A looks great.
- Most schools are reaching the required meals per labor hour, but some schools are very low and need to pay attention to participation and employee labor at the schools.
- Procurement procedures are followed per USDA guidelines.
- As USDA changes guidelines, the director will update the procedures as needed.
- The director schedules training when she has days available to complete the required training.
- Supervisors will train employees when the employee is hired.

Below are the statistics for the Child Nutrition school employees.

- Director
- Assistant Director
- Supervisors = 3
- Office Personnel = 4.5 (The 1/2 position is technology)
- Warehouse Personnel = 2
- Team Members (helpers) = 91
- Team Leads (cooks) = 40 (includes 4 satellite schools)
- Team Managers = 40
- Assistant Managers = 3
 - Total Positions = 184.5

Recommendations:

- Consider reviewing the system of compensation for CNS managers from being based on the size of the school to participation rates instead. An example of a detailed plan and savings follows at the end of this review.
 - This change would create equitable pay based on participation. Participation is also the tool used to determine the number of staff assigned to each school.
 - This change would encourage participation and manager growth.
 - Annual participation would determine the next year's grade placement. Participation will be reviewed quarterly and semi-annually. If a significant change occurs the manager's grade will be adjusted (participation increases/decreases by 100 meals consistently).
 - Daily hours for the manager would be between 6.5 and 8 hours per day depending on school participation and level of meal service.
- If the salary structure does change to one based on participation rates, there should be sufficient funding to change the director position to an executive director position. Based on a district this size, this is commensurate with the duties.

Move from grades determined by grade level to grades determined by participation:

Current Grade:

Elementary Schools - grade 61

Middle Schools - grade 62

High Schools - grade 63

Proposed New Grade Scale:

Participation... 99 - 399 meals = Grade 61

Participation...400-699 meals = Grade 62

Participation...700-999 meals = Grade 63

Participation...1000 meals = Grade 64

Information below is from July 1, 2024 through December 31, 2024

Option A

If participation of **breakfast and lunch** only is used, we would see the following changes:

- Grade 64 = 1 manager moved to grade 64
- Grade 63 = 1 manager moved to grade 63, 1 manager would see no change
- Grade 62 = 11 managers moved to grade 62, 4 managers would see no change, 2 managers would be held harmless on grade 62 change would occur when manager leaves position.

*Option 1

- *Grade 61 = 16 managers would see no change; 4 managers would be held harmless on grade

**Option 2 - Grade 61 change would occur when the manager leaves the position.

- **Grade 61 = 3 manager/team lead would move to grade 61, 16 managers would see no change, 4 managers would be held harmless on grade 61 change would occur when manager leaves position. (Wrightsville beach is paid on grade 57 as a satellite manager and would need to be included in new scale to be consistent, 2 teams lead paid on team lead move to mgr. 6.5 & 7 hr.)
- Making grade 61 for Wrightsville Beach, WEC and Isacc Bear due to participation compared to Mosley & Sea Tech.

Estimated annual cost difference: *Option A, *Option 1=\$15,457.55 and **Option 1 including option 2=\$23,401.35

Option B = If participation of **breakfast, lunch, and supplemental sales** are used, we would see the following changes:

- Grade 64 = 1 manager moved to grade 64
- Grade 63 = 2 manager moved to grade 63, 3 managers would see no change
- Grade 62 = 10 managers moved to grade 62, 6 managers would see no change

*Option 1

- *Grade 61 = 15 managers would see no change; 3 managers would be held harmless on grade 61 change would occur when manager leaves position.

**Option 2

- **Grade 61 = 3 manager/team lead would move to grade 61, 15 managers would see no change, 3 managers would be held harmless on grade 61 change would occur when manager leaves position. (Wrightsville beach is paid on grade 57 as a satellite manager and would need to be included in new scale to be consistent, 2 teams lead paid on team lead move to mgr. 6.5 & 7 hr.)

Estimated annual cost difference: *Option A, *Option 1=\$16,728.84 and **Option 1 including option 2=\$24,672.64

I recommend using Option B with option 1 & 2 with a total of \$24,672.64 because some school supplemental sales are equal to schools serving 100 +/- meals per day. This would also encourage sales.

Examples of average meals per day (breakfast & lunch) are below.

- Supplemental Meal equivalent...for every \$4.75 supplemental sold = 1 meals equivalent
- Laney averages 1125 meals per day and 64 meal equivalent supplemental items.
- Hoggard averages 620 meals per day + 21 meals for Roe and 117 meals equivalent supplemental items.
- CRECC averages 161 meals per day
- SEA Tech averages 134 meals per day
- Wrightsville Beach averages 104 meals per day

TRANSPORTATION:

Transportation Overview

New Hanover County Schools (NHCS) is a mid-sized school district in coastal North Carolina. The district operates 111 school buses transporting roughly 8,500 students. With a budget rating of 100%, the district has made the necessary changes required to maximize state funding. Although population growth has been significant in recent years, the district overall has seen a slight decline in student enrollment of 1,705 students since the 2017/18 and has a reported ADM of 24,900.

Roughly $\frac{1}{3}$ of the students enrolled utilize school bus transportation, which is lower as a % of students than many districts across the state. The lower ridership numbers are attributed in part to school district policies which provide transportation to students that live outside of established safe walking distances from their assigned school. NHCS also utilizes State Board Policy which allows students to walk up to 1 mile from their residence to an established bus stop. By consolidating bus stops and utilizing double runs, NHCS operates fewer buses and has been able to minimize operating costs. Even though NHCS operates fewer buses than many of their peers, they transport more students per bus (non-EC) which yields a higher state budget rating. Staggered bell times and centralized bus stops also play a major role in achieving a higher budget rating.

Management Team

Ms. Deb Trafton has completed 2 years of service within the Transportation Department having transitioned from a career with NHCS in Human Resources. During my conversations with Ms. Trafton, it is clear that she is a rising star in the pupil transportation industry. Ms. Trafton has successfully implemented numerous strategies during her limited time in Transportation that has yielded significant progress and success during a time when many Transportation Departments have struggled with bus driver shortages among other challenges.

Human Resources (Annual reviews, process for disciplinary action)

During my visit, I toured the facilities and spoke with several employees. Staff is engaged in their work, pleased with the direction the Department is moving and seemed very upbeat about the current leadership team. It seems clear that communication is made a priority both internal and external to the Department. A couple of strategies stood out as having a positive impact in Transportation:

- NHCS Transportation utilizes their camera systems, not only for student discipline, but also for a proactive review of driver behavior. Doing so is an example of the forward thinking deployed within the

Department. This technique improves morale between management/bus drivers and provides documentation needed for disciplinary action. Kudos to Ms. Trafton for employing this technique.

- Also, evaluation forms have been updated and deployed to more accurately document the performance of School Bus Drivers and staff.
- School bus driver candidates are hired as bus aides and paid for training while earning their CDL license. This strategy is important in attracting and retaining school bus drivers.

Observations/Findings:

- The Organizational structure appeared sound and logical with the Department able to provide quality services thru well defined jobs and responsibilities.
- Competitive wages for all staff is nearly always a challenge for school districts. Allocating funds for educational/instructional needs often takes priority over operations funding, particularly as it relates to compensation for staff positions. However, keeping students safe while in transit to and from school is not only a high priority, it is a basis expectation. NHCS has recently improved compensation for bus drivers and safety assistants which was needed and appreciated. Mechanical and office staff also deserve competitive wages as these folks are often working long hours to support the operation. Their work is invaluable as it ensures safety and on time delivery for students.

Recommendations:

- Consider approving a request for the position of Safety Officer to focus on training, accident prevention/investigation, OSHA compliance, Drug Testing, etc.
- Conduct a compensation review for mechanical and office staff to ensure competitive wages to include a plan for implementation.

School Bus Discipline

Observations/Findings:

- Ms. Trafton has reviewed and updated her student disciplinary action forms to comply with School Board policy. She feels confident that communications between Transportation and Schools are in a good place, although relationship building is always a work in progress.

Recommendations:

- As an additional tool to be used when managing difficult student behavior, consider suspending riding privileges for the a.m. only before proceeding to a full suspension. Doing so will improve student attendance at school while also imposing disciplinary action for infractions that warrant a suspension of riding privileges.
- Consider automating the student discipline referral process with the use of Samsara GPS. Implementing this capability will streamline communications with schools and bus drivers related to discipline action.

Transportation of EC, McKinney Vento, Early College or other specialty groups of students.

Observations/Findings:

- Currently yellow school buses are utilized for any and all transportation needs throughout the district. Students that are assigned to specialty programs or may be homeless create unique challenges for NHCS Transportation Services when it relates to ride times, on-time arrival for school or after school activities.

As these populations expand, having access to additional transportation options will continue to be an issue. It should be noted that parent contracts are already being used when possible.

Recommendations:

- Consider adding vans/SUV's to the fleet. Use of these types of "passenger" vehicles is allowed by NCDPI so long as the vehicles are constructed to hold 10 or less passengers. NHCS must purchase and maintain insurance on the vehicles, but may pay for fuel and maintenance cost with 056 funds. Utilization of passenger vehicles within the NHCS Transportation Department has several advantages:
 - Drivers do not need a CDL License to operate the vehicle;
 - The vehicles start up cost is significantly less than purchasing a yellow bus;
 - Maneuverability allows vehicles to travel into areas that yellow buses cannot access;
 - Note: Pick up and drop off of passengers must be done in a safe area (these vehicles may not stop traffic!)
- Evaluate the location of EC/Specialty programs; give significant consideration to relocating those programs to central parts of the county so that Transportation is able to meet the 45 minute ride requirement for all students.

Budget

Observations/Findings:

- NHCS continues to excel in their use of budgeted funds. Bus Drivers have received a significant increase in compensation which has not negatively impacted the overall budget rating. Addressing compensation for bus drivers was needed and the District responded with a hefty pay increase for this group of employees. The next step should be to consider a compensation review for mechanical and office staff. These employees can sometimes be overlooked and undervalued, but in reality are key to the successful operation of the Transportation Department. Compensation needs to be competitive with the local market.
- Consolidated bus stops have favorably impacted cost by reducing routes, miles and fuel consumption. These strategies allowed Transportation to reduce operating costs by 10% (which complied with the departmental directive to reduce budgets in 2022/23; also contracted services that were being performed outside of NHCS were brought back in house (i.e. white fleet maintenance; body work for buses). Fuel bidding (instead of relying solely on State Contract Pricing) is also used as a way to save costs associated with the purchase of fuel.

Recommendations:

- Utilize fuel pre-buys to leverage budget dollars as a hedge against future budget spikes.

Use of Local Funding to increase State Funding

Observations/Findings:

- With NHCS being at a 100% budget rating, it may be possible to increase the amount of state funding by investing local \$\$ during the current school year (if those funds can be made available).

Recommendations:

- Utilize NCDPI Transportation Services Budget Rating Simulator to see how much money could be spent in local dollars during 2024/25 that would be included with state funding during 2025/26. There are needs within the department that could be addressed with the additional state funding (i.e. modernizing technology - GPS, Routing System, Camera Systems) and the compensation review for mechanics and office staff.

Transportation Processes**Observations/Findings:**

- The key to successful transportation operations is threefold: Having great people; Utilizing well defined processes; Having systems/technology that supports the work. NHCS Transportation has worked to utilize staff in the most effective manner and define/refine many processes within the Department. The systems used to complement the people and processes is paramount to running an efficient and effective operation. Currently, NHCS is in need of some system upgrades to allow the Transportation Department to deliver the services needed/expected from administration, schools, parents and students.

Recommendations:

- Allow BusPlanner to conduct a demo of their Transportation management software solution. While routing is an integral part of the software (which also needs to be addressed within NHCS Transportation), there are many other facets of the software that will significantly streamline daily operations including, but not limited to:
 - Route and Bell Time Optimization
 - Simplified (and more accurate) mapping/routing
 - Driver/Mechanic records management, including DOT and required Drug Testing
 - Field Trips
 - WorkFlow management, such as EC Transportation and IEPs/504s
 - Improved communication via web and Parent App applications
 - Enhanced Dispatch functions
 - Accident Investigation

K-2 / Requirement for Parent to Meet at Bus Stop**Observations/Findings:**

- NHCS School Board policy requires that parents meet K-2 students at the bus stop for deboarding students from the bus. Policy also requires ALL Special Needs parents to meet the bus regardless of age/disability of the student. A recent review of this practice has called into question whether or not Special Needs students may be treated differently than general education students if the requirement for a responsible adult to be at the bus stop is not included in the student's IEP. Since the policy applies to all K-2 students, the question remains about whether students in 3-12 may be treated differently without proper IEP documentation.

Recommendations:

- Check with legal counsel to see if there is any concern regarding this issue. Update Board policy if required.

Fleet Maintenance

Observations/Findings:

- The primary role of Fleet Maintenance employees is to ensure the school and activity buses are safe for daily operations. An indicator of the condition of the fleet is determined annually during the NCDPI Inspection. Review of the last 3 years' worth of inspection reports revealed the following:
 - Scores over the past 2 years (28.81) are better than State average over the same time period (33.94) and a significant improvement over the 2022/23 inspection (47.25).
 - Inventory balances extraordinarily well considering the volume of parts that flow through the organization. On the most recent inspection, inventory on hand totaled \$308,101.94 with only \$109.22 in shortage adjustments.
 - 18 of 19 compliance items checked are "Satisfactory" for the past 2 years, which is very good.
- The TD-28 is part of the required record keeping for recording and reporting defects found during the daily required pre/post trip inspection by a bus driver. The reports are used by mechanics to make repairs for buses and the forms are filed manually to track the repair history for each bus. Samsara, which NHCS already has installed on part of the yellow bus fleet, can be used to automate this process. The result of the automation is that bus drivers are able to submit and review items reported to maintenance personnel; mechanics are able to receive their request for repairs electronically and communicate with the driver on the status of repairs. Management may run reports as often as desired to see how many defects/repair requests are reported daily by bus drivers, the status of those defects and the history of defects reported/resolved by bus.

Recommendations:

- NHCS should consider finding the funds to install Samsara on remaining school buses and activity buses.
- Automation of the TD-28 should be considered (along with Student Discipline referrals discussed in a different section).
- Samsara may also be utilized to electronically submit discipline referrals to school administration. It is recommended that NHCS explore use of the Samsara software for this purpose.

Overall:

It was a pleasure to visit with Deb Trafton and her team. NHCS is fortunate to have Ms. Trafton leading the Department. In two years, she has done more than many Transportation Departments do in a much longer span of time . . . and she came into the Director's role with no prior school bus transportation experience! Truly impressed with the way the leadership in Transportation and see further improvements to operations on the horizon.

As she continues her quest for constant improvement within the Transportation Department, it is my recommendation that NHCS Administration support investment in technology and staff that will allow the Transportation Department to further improve their service for students. The good news appears to be that investing in these areas up front will result in a higher level of state funding.

Transportation Exhibit: NHCS Funding Comparison

New Hanover County Schools Funding Comparison										
PSU	# of Buses			# Of Students Transported			Transportation Budget (000's)			Budget Rating
	Regular	EC	Total	Regular	EC	Total	State	Local	Total	
New Hanover	78	19	97	7,924	307	8,231	\$ 7,191	\$ -	\$ 7,191	100.00%
Pitt	172	41	213	9,640	629	10,269	\$ 8,562	\$ 251	\$ 8,813	85.12%
Robeson	211	8	219	9,191	42	9,233	\$ 7,097	\$ 1,686	\$ 8,783	86.58%
Onslow	198	27	225	13,230	289	13,519	\$ 8,819	\$ 467	\$ 9,286	95.33%
Alamance	112	13	125	8,141	173	8,314	\$ 5,319	\$ 599	\$ 5,918	100.00%
Harnett	198	32	230	10,673	295	10,968	\$ 6,423	\$ 691	\$ 7,114	93.91%
Iredell	217	24	241	12,927	183	13,110	\$ 8,034	\$ 1,735	\$ 9,769	86.65%
Buncombe	199	35	234	10,987	347	11,334	\$ 9,134	\$ 395	\$ 9,529	93.87%
PSU Average	173	25	198	10,339	283	10,622	\$ 7,572	\$ 728	\$ 8,300	92.68%
New Hanover	78	19	97	7,924	307	8,231	\$ 7,191	\$ -	\$ 7,191	100.00%

PSU	Students Per Bus		Total Cost Per Student
	Regular	EC	
New Hanover	101.6	16.2	\$ 873.65
Pitt	56.0	15.3	\$ 858.21
Robeson	43.6	5.3	\$ 951.26
Onslow	66.8	10.7	\$ 686.89
Alamance	72.7	13.3	\$ 711.81
Harnett	53.9	9.2	\$ 648.61
Iredell	59.6	7.6	\$ 745.16
Buncombe	55.2	9.9	\$ 840.74

Note: Data from NCDPI Transportation Services Budget Rating Simulator for similar sized PSU's.

EXCEPTIONAL CHILDREN'S DEPARTMENT:

Understanding the complex role of the special education department is critical because it supports some of the district's most vulnerable students while intersecting with nearly all aspects of district operations. This awareness is essential for informed decision-making, resource allocation, and ensuring the department can effectively meet its obligations to students, staff, and families.

Unlike any other department in a school district, special education departments bear an unparalleled level of responsibility that spans nearly every operational and instructional area. Their oversight includes, but is not limited to:

- **Curriculum and Instruction:** Ensuring students with disabilities receive access to both general education and extended content standards while supporting differentiated instruction and inclusive practices in the Least Restrictive Environment (LRE).
- **Student Services:** Managing critical areas like behavioral supports, school psychology, nursing services, and related services such as occupational therapy, physical therapy, and speech-language services.
- **Operations:** Collaboration with operational departments such as transportation and food/nutrition to meet the specific needs of students with disabilities, ensuring compliance with health and safety regulations.
- **Fiscal Management:** Navigating complex financial landscapes involving multiple budget sources, grants, federal and state reporting requirements, and strict funding restrictions.

- **Contract Services:** Coordinating and managing external partnerships including developmental day and day treatment services, related service providers, and virtual or contracted staff to fill critical gaps.
- **Human Resources:** Recruiting, retaining, and supporting special education staff, at the school and district level often amid persistent shortages, high turnover, and the challenges of alternative licensure pathways.
- **Community Engagement:** Working collaboratively with parents, families, advocates, and community agencies to ensure the needs of students are met holistically across a wide variety of settings.
- **Legal Compliance:** Maintaining compliance with IDEA and other local, state and federal regulations, while navigating disciplinary decisions for students with disabilities, due process litigation, and state complaints.

Adding to these responsibilities is the increasingly difficult task of managing the often-competing demands of parents and schools. Parents of students with disabilities rightfully advocate for robust and timely services, pushing for compliance with IEPs and access to individualized supports. Simultaneously, schools rely heavily on the special education department to address gaps in staffing, provide training, and ensure legal and instructional compliance.

In the current landscape of persistent staffing shortages, the department must juggle these demands with limited personnel, resulting in delayed services, overextended staff, and increased pressure on district leadership to fill the gaps. With insufficient staff to meet rising needs, the department is forced to prioritize immediate crises, leaving little capacity for proactive support, professional development, or long-term strategic planning.

These responsibilities are executed in service to a diverse population of students aged 3 to 22, spanning a wide continuum of needs. Special education departments must address both general education and extended content standards, often with inadequate staffing at both the school and district levels.

The stakes are magnified by the looming threat of due process litigation, which influences every decision and places additional pressure on staff to meet rigorous compliance and service delivery standards. The special education department thus operates at the nexus of education, operations, compliance, and advocacy—supporting some of the most vulnerable students in the district while striving to balance the expectations of families, schools, and the broader community.

Observations/Findings:

Financial Challenges: The district started in financial difficulty ("red") due to a Medicaid funding backlog and budget cuts, leading to reduced staffing and resources.

- **Disproportionality:** Available funds are restricted due to over-identification of students with emotional disabilities (ED), limiting flexibility in resource allocation to meet the needs of already identified students with disabilities across the district. Addressing this issue will need collaboration with curriculum/instruction, district and school-based administration (particularly in the area of MTSS).
- **Budget Management:**
 - Budget cuts (district office cut 14%) complicate resource management and support to schools.

- Medicaid and federal carryover funds are limited, with increasing needs for complex cases (e.g., 1:1 nursing).

Staffing Issues:

- Significant vacancies and turnover among teachers, support staff, and contracted service providers (e.g., speech, VI, OT, PT).
- EC teacher turnover increased from 13% to 22-23%, with 39 beginning teachers (18 alternative licensed) that require additional support/coaching that the district is unable to provide with current staffing levels.
- Difficulty retaining and recruiting staff, particularly in specialized areas like speech-language pathology and VI.
- High reliance on contract services, which are costly and inconsistent.

Administrative Challenges

District EC Staff:

45 schools are supported by only 12 EC district staff, with many newer or less experienced teachers taking on leadership roles like department chairs who require extensive support/coaching that the department is able to provide with current capacity.

- Though local budgets experience unique constraints and considerations, it is beneficial to compare the similarities and differences with a district similar in size and the capacity to provide individual school/student support: [NHCS/Buncombe County EC Department District Comparison](#)

Compliance and Legal:

- Three state complaints last year and one so far this year.
- An increased amount of time is being spent on responding to parent advocacy representative requests/demands that cause delays in processes and compliance.
- The need to respond to the threat of due process and state complaints continue to pressure resources.

Recommendations:

- Despite being significantly understaffed and working within the constraints of limited resources, the current EC district staff have demonstrated remarkable dedication, resilience, and professionalism in serving the district's students with disabilities. Their ability to navigate complex compliance requirements, provide critical support to schools, and address the diverse needs of students aged 3 to 22—all while managing high workloads and persistent challenges—is nothing short of extraordinary.
- These individuals consistently go above and beyond to meet the demands placed upon them, often taking on roles and responsibilities far beyond their job descriptions. They have maintained a steadfast commitment to ensuring equitable access to education for all students, even as they face overwhelming caseloads, increasing parent and school demands, and the ever-present pressure of compliance and legal challenges.

- The exceptional performance of the current EC district staff highlights not only their dedication but also the urgent need for additional personnel to sustain their efforts. Supporting these talented professionals with the staffing and resources they need is essential to preserving the high-quality services they strive to provide, ensuring compliance, and ultimately improving outcomes for students with disabilities across the district.
- The current capacity of the district’s special education department is insufficient to meet the growing demands of compliance, service delivery, and support for schools and students with disabilities. With only 12 district-level staff serving 45 schools, the department is stretched far beyond its capacity to provide the necessary oversight, coaching, and compliance monitoring. This lean structure leaves schools without adequate guidance and disproportionately burdens inexperienced staff, contributing to delays, inefficiencies, and heightened legal and compliance risks.
- Increasing district-level special education staff is not just a matter of improving efficiency—it is a critical investment in equity, compliance, and the long-term success of students with disabilities. Without additional personnel, the department cannot effectively:
 - Support beginning teachers and department chairs, many of whom lack the experience and resources to navigate complex special education processes.
 - Address rising compliance demands, including state complaints and due process threats, which divert attention from proactive support to reactive crisis management.
 - Provide the coaching and professional development necessary to retain and build capacity among EC staff, especially in specialized and high-turnover positions.
 - Respond promptly to parent and advocacy group requests, which currently delay processes and strain limited resources.
- The district must prioritize increasing the number of district-level special education staff to provide the support schools need, ensure compliance with state and federal mandates, and safeguard against costly legal challenges and compensatory education.
- Without immediate action, the district risks further exacerbating teacher turnover, service gaps, and compliance issues, all of which negatively impact students and families. A strategic investment in district special education staff is an investment in stability, equity, and the future of the district’s most vulnerable students.

Program-Specific Concerns

Observations/Findings:

- **Speech Services:**
 - Chronic vacancies and high turnover for speech-language pathologists.
 - Contracted services unable to meet demand; virtual options are costly and require additional staffing (e.g., para support).
 - Non-compliance issues due to IEP and evaluation delays, leading to compensatory education costs.
- **Pre-K Coordination:**
 - Lost Pre-K coordinator position, resulting in fragmented services and inefficiencies.
 - General education Pre-K teachers often lack special education expertise.
 - Increased turnover and over-serving concerns due to lack of integration and shared resources.
- **Low-Incidence Disabilities:**
 - Significant challenges in filling VI and brailist roles, leading to costly workarounds (e.g., \$8,000 per braille book).
 - High vacancy rates in critical areas (e.g., Deaf/HH interpreters requiring advanced degrees).

Recommendations:

Re-establish Pre-K Coordination:

- Consider reinstating a Pre-K EC coordinator position to streamline services, improve efficiency, and ensure that general education Pre-K teachers receive adequate support and training in special education practices.
- Explore restructuring existing district roles outside of the EC Director position to dedicate personnel for Pre-K coordination until funding for a full-time position is available.
- Facilitate regular collaboration between general and special education Pre-K staff to address integration and resource-sharing gaps.
- Provide professional development for general education Pre-K teachers focused on strategies for supporting students with disabilities, including early intervention practices.

General Staffing:

- The comparison of NHCS and Buncombe County EC departments highlights critical gaps in NHCS's ability to provide adequate support to schools and students due to the absence of essential district-level roles such as program specialists and additional lead related services providers despite all the best efforts of existing staff. Unlike Buncombe County, which has nine EC program specialists and three dedicated related services supervisors (one for each discipline), NHCS operates without program specialists and only a single related services supervisor who oversees all areas. This disparity significantly limits NHCS's capacity to:
 - Provide consistent guidance and expertise across schools, particularly in areas like adapted curriculum, compliance, and instructional coaching.
 - Ensure effective oversight and coordination of related services such as OT, PT, and speech, which are already strained by chronic vacancies and increasing student needs.
 - Offer targeted support to address the unique challenges faced by EC staff, including beginning teachers and those in specialized roles.
- The lack of program specialists forces lead teachers at each school, many of whom manage full/partial caseloads and the majority of whom have less than 3 years' experience, to take on additional responsibilities that divert their attention from direct student support and instruction. Similarly, the single related services supervisor is stretched far too thin to provide the necessary oversight, coaching, and professional development for specialized service providers.
- To address these critical gaps and align with best practices demonstrated by similar districts, NHCS must prioritize the addition of program specialists and dedicated lead related services providers. These roles are essential for improving service delivery, ensuring compliance, and equitably meeting the needs of students with disabilities. Without these positions, the district's ability to support schools and staff will remain severely limited, ultimately impacting student outcomes and compliance with legal mandates.

Key Takeaways

1. **Systemic Stress:** The district's EC program is strained by budget constraints, staff turnover, and compliance issues (as a result of lack of experienced staff at school level and appropriate staffing levels at district level).

2. **Resource Allocation:** Limited funding and personnel hinder the ability to address increasing student needs, particularly in specialized services like speech, behavioral support, compliance, professional development/coaching and curriculum and instruction,
3. **School-Based Leadership Gaps:** A lack of experienced staff in leadership roles at the school-based level exacerbates challenges in the provision of services to students with disabilities and increases the stress on the district special education department.

Overall:

The NHCS special education department has demonstrated remarkable resilience and dedication in the face of significant challenges. Despite chronic staffing shortages, increasing compliance demands, and a growing student population with complex needs, the department consistently prioritizes the equitable education and well-being of students with disabilities. The department has worked tirelessly to uphold the district's commitment to providing individualized services for students aged 3 to 22, navigating a wide array of responsibilities with professionalism and care.

Strengths of the department include:

- **Dedication and Expertise:** The current team has gone above and beyond to fulfill their responsibilities, often stepping into multiple roles to ensure that essential services are provided despite limited resources.
- **Student-Centered Focus:** Every decision and action reflects a deep commitment to the success and inclusion of students with disabilities, even as the department contends with high workloads and limited personnel.
- **Adaptability:** The department has implemented creative solutions to address service gaps, such as utilizing virtual service providers, restructuring roles, and maintaining partnerships with community agencies to the extent that they are able.
- **Collaboration:** There is a strong culture of collaboration within the department and with other district departments, as evidenced by efforts to support beginning teachers, coordinate with general education staff, and engage families and advocates in meaningful ways.

However, while these strengths have allowed the department to maintain operations under challenging circumstances, the current structure is not sustainable. The ability to provide meaningful and lasting improvements in services for students with disabilities requires additional resources, staffing, and systemic support. Key areas that need reinforcement include:

- **District-Level Capacity:** Expanding the district team to include program specialists, additional lead related services providers, and a dedicated Pre-K coordinator is critical to meeting the needs of students and schools.
- **Support for School-Based Staff:** Additional coaching, mentorship, and training opportunities are essential for retaining staff, building capacity, and reducing the burden on overextended educators.
- **Strategic Alignment:** Addressing systemic issues such as compliance, service delivery, and resource allocation will require a comprehensive approach supported by sufficient personnel and tools.

The department's unwavering commitment to students is its greatest asset, but meaningful, sustainable change will only be possible with increased investment in staffing and resources. Strengthening the department's

capacity will not only enhance service delivery but also ensure that students with disabilities receive the high-quality education and support they deserve, now and in the future.