

Monroe A. Miller Jr.
19 Big Spruce Lane
Waynesville, NC 28786
June 16, 2014

Cracked the Code! Julie Davis Denies Haywood County Schools Access to \$15 Million Dollars.

Julie Davis, Haywood County Finance Director, has been dutifully performing computations over the past ten (10) years using a Resolution (“Funding Formula”), enacted by County Commissioners entitled **FORMULA FOR FUNDING SCHOOL CURRENT EXPENSE**. This Funding Formula was enacted in 2003, and modified in 2006 and again in 2009. These three (3) resolutions provide a strict formula which included various factors to provide an accurate, agreed upon means to come up with a budget number each year, so that wrangling between school officials and county commissioners is eliminated.

The following is a summary of each funding formula. The portion of the equation that is underlined in the 2006 formula represents a change from the 2003 formula, and the portion of the equation that is underlined in the 2009 formula represents a change from the 2006 formula.

2003 Funding Formula

PPA (Per Pupil Appropriation) increased by 5 year average of percentage increase (x)
NC DPI projected ADM (Average Daily Membership) (+)
ABC Revenues = Total Expense Appropriation from the County

2006 Funding Formula

PPA (Per Pupil Appropriation) increased by 5 year average of percentage increase (x)
Current Fiscal Year’s 10 day ADM increased by 1%, Adjusted to Actual Budget Year 10 day ADM when available (+)
ABC Revenues = Total Expense Appropriation from the County

2009 Funding Formula

PPA (Per Pupil Appropriation) increased by 5 year average of percentage increase (x)
NC DPI ADM state planning allotment, using highest projection amount, and adjusted to actual budget year 10 day ADM when information becomes available (+)
ABC Revenues = Total Expense Appropriation from the County

Notes:

NC DPI - Department of Public Instruction
ABC Revenues - Liquor tax contribution
ADM - Average Daily Membership

The following is my public comment made during the June 16, 2014 Haywood County Commission

“Julie Davis, based on her calculations of the “Funding Formula” resolutions, and with your concurrence, have allocated \$14,645,044 towards this years budget for Haywood County Schools. This represents a 2.33% increase from the previous year.

Dr. Anne Garrett, in her presentation to you on April 17 at the second Budget Workshop, requested an increase of 6.8 %. You, Chairman Swanger, angrily challenged and rebuffed Dr. Garrett for deviating from the Funding Formula, saying that if you don’t use the funding formula, then what good is it?

I had never heard of the “Funding Formula” before, and long story short, I analyzed it. The only information I have been able to obtain from Julie Davis is a cryptic summary sheet, with no clue as to how she arrived at her numbers, nor how she calculated them with her spread sheet.

I reverse-engineered all three Resolutions, actually going back to 1997, and developed my own concurrent spread sheet for the entire set of calculations. And do you know what I found?

Julie Davis cooked the books. Julie Davis started in 2008, falsifying PPA data, that’s Per Pupil Allocation, one of the components of the funding formula calculation, resulting in dropping the calculated amount of money that the School System was supposed to get each year since 2008.

In fact, the School System should have been receiving a constant 5.2% increase since the first Resolution was enacted in 2003.

This year alone, instead of the \$14.6 Million Julie calculated, it should have been \$18.6 Million! The school system was denied access to \$4 Million Dollars because of Julie Davis. The total overall shortfall since 2008 is approximately \$15 Million dollars.

I believe that Julie Davis failed in her fiduciary responsibility and should stand up right now and resign her position as Finance Director, and if she does not resign, you county commissioners should fire her.

Why did she do this? That will be interesting to find out.

Why did it take so long to discover this? The information Julie Davis released is highly cryptic, that is, she buried this calculation so deeply, no one in this county has been able to crack the code. That includes everyone in the school system, who were depending on Julie Davis to come up with the correct calculations. I cracked the code.

Law Enforcement, the D/A’s Offices, and the press (but not in this town) have been notified on this falsification. I would advise that you county commissioners summon the State Auditor, Beth Wood, and have her investigate this. I will be posting my own results on my website, www.haywoodtp.net

I believe that you, Chairman Swanger, and all you other commissioners, owe Dr. Anne Garrett a public and personal apology for your outburst to her at the April 17th Budget Work Session. As it turns out, she was right, you were wrong.”

Julie Davis started substituting falsified values for PPA, starting with the year 08-09, and continued ever since, resulting in substantially less money put in proposed budgets for Haywood County Schools over these years, consequently, denying Haywood County Schools access to these funds.

Law Enforcement is currently determining jurisdiction for this falsification and the crime to be charged. You see, no money was ever taken for personal gain, nor does this appear that this could be tied to sexual favors. However, Julie Davis is sitting in the middle of what appears to be a gigantic conflict of interest. We will get to that.

I have added the (3) executed Resolutions and a sample calculation sheet prepared by Julie Davis for the year 2014-2015 for review. Additionally, <http://haywoodtp.net/pubII/140515FormulaJulieDavis.pdf> shows the most complete spreadsheet printout from Julie Davis. These appear at the end of this article.

The following table is a reconstruction attempting to use data supplied by Julie Davis to build a spreadsheet. Pay special attention to the column PPA. This spread sheet is a mess, and totally incomprehensible to the average person as to how it was created. I was the first person to successfully reverse-engineer what she did. I spent approximately **three solid days** on this mathematical investigation before the “ah-ha” moment.

Funding Formula, 2002 - 2015
Julie Davis Data

[Yr]	[PPA]	[%]	[5 yr %]	[ADM]	[ABC]	(Total)	[TOTAL]	[Diff]
02-03	1,341.00	3.730%	3.73%	7843		10,517,463	10,518,870	1,407
03-04	1,410.00	5.170%	5.17%	7915		11,160,150	11,164,088	3,938
04-05	1,489.00	5.570%		7877		11,728,853	11,729,270	417
05-06	1,575.00	5.770%		7897		12,437,775	12,381,006	(56,769)
06-07	1,652.00	4.890%		7948		13,130,096	13,129,647	(449)
07-08	1,734.94	5.020%	5.03%	8013		13,902,074	13,902,083	9
08-09	1,698.75	-2.090%	5.28%	7904		13,426,920	13,429,920	3,000
09-10	1,860.41	9.517%	3.83%	7742		14,403,294	14,403,307	13
10-11	1,878.59	1.031%	4.62%	7663		14,395,635	14,403,307	7,672
11-12	1,829.66	-2.656%	3.67%	7636		13,971,284	13,971,307	23
12-13	1,869.29	2.166%	2.16%	7567		14,144,917	14,144,926	9
13-14	1,899.09	1.594%	1.59%	7584		14,402,699	14,402,707	8
14-15	1,943.34		2.33%	7536		14,645,010	14,645,044	34
15-16								

The entries highlighted in yellow for the year 14-15 show an increase to Haywood County Schools of **2.33%** and for an amount of **\$14,645,044**. This was Julie Davis' calculated amounts that she provided to County Commissioners for the current proposed County Budget. By the way, Julie Davis spent considerable time at the Public Hearing on the budget (over five minutes) carefully explaining to commissioners, in gory detail, the way that she calculated this years numbers. The actual power point sheet she used is at the end of this article. This is the first time I recall she has ever done this.

The next table (again from my spread sheet) is an attempt to replicate and understand Julie Davis' treatment of the PPA and 5 Year Averaging.

[Yr]	[PPA]	[% Inc]	[Julie]	[Diff?]	[5 Yr]	[Julie 5 Yr]	[?]
97-98	1043						
98-99	1076	3.16%	3.16%	0.00%			
99-00	1151	6.97%	6.97%	0.00%			
00-01	1213	5.39%	5.39%	-0.00%			
01-02	1293	6.60%	6.60%	-0.00%			
02-03	1341	3.71%	3.73%	-0.02%			
03-04	1410	5.15%	5.17%	-0.02%	5.56%	5.57%	6.13%
04-05	1489	5.60%	5.57%	0.03%	5.29%	5.29%	5.06%
05-06	1575	5.78%	5.77%	0.01%	5.37%	5.37%	5.56%
06-07	1652	4.89%	4.89%	-0.00%	5.03%	5.03%	6.05%
07-08	1735	5.02%	5.02%	0.00%	5.29%	5.28%	5.88%
08-09	1699	-2.07%	-2.09%	0.02%	3.84%	3.83%	-3.42%
09-10	1860	9.48%	9.52%	-0.04%	4.62%	4.62%	7.27%
10-11	1880	1.08%	1.03%	0.05%	3.68%	3.67%	0.00%
11-12	1830	-2.66%	-2.66%	0.00%	2.17%	2.16%	-3.00%
12-13	1869	2.13%	2.17%	-0.04%	1.59%	1.59%	1.24%
13-14	1899	1.61%	1.59%	0.02%	2.33%	2.33%	1.82%
14-15	1943	2.32%	2.33%	-0.01%	0.89%	0.89%	1.68%
15-16	1961	0.93%	0.89%	0.04%	0.86%	0.86%	1.27%

This is also a mess, and totally incomprehensible. There are percentage numbers that appear on her cryptic spread sheet output [re: <http://haywoodtp.net/pubII/140515FormulaJulieDavis.pdf>] that do not seem to bear any relationship to logic or anything else. Attempts to have Julie Davis explain these, via a continuous stream of e-mail requests for public information, were met with stony silence.

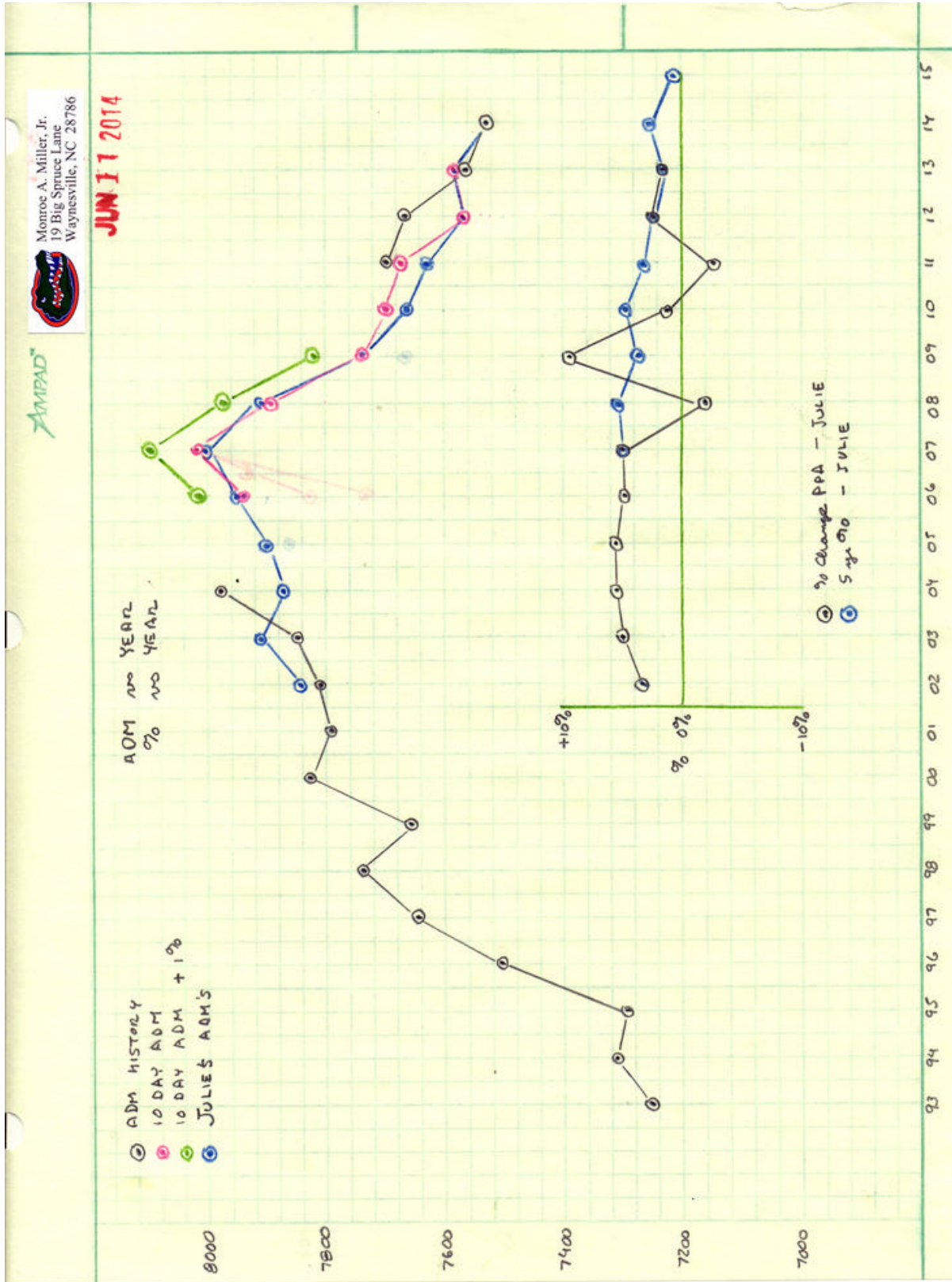
This next table reconstructs from a couple of sources, (still incomplete) various ADM numbers used in the Formula. Sources are DPI and Haywood County Schools.

Allocated ADM History and Day 10 ADM

[Year]	Hist	Day-10	Day-10+1%	Julie
93-94	7248			
94-95	7316			
95-96	7288			
96-97	7505			
97-98	7643			
98-99	7742			
99-00	7654			
00-01	7828			
01-02	7797			
02-03	7810			7843
03-04	7845			7915
04-05	7980			7877
05-06				7897
06-07		7933	8012	7948
07-08		8021	8101	8013
08-09		7892	7971	7904
09-10		7742	7819	7742
10-11		7694		7663
11-12	7701	7677		7636
12-13	7665	7567		7567
13-14	7564	7584		7584
14-15	7536			7536

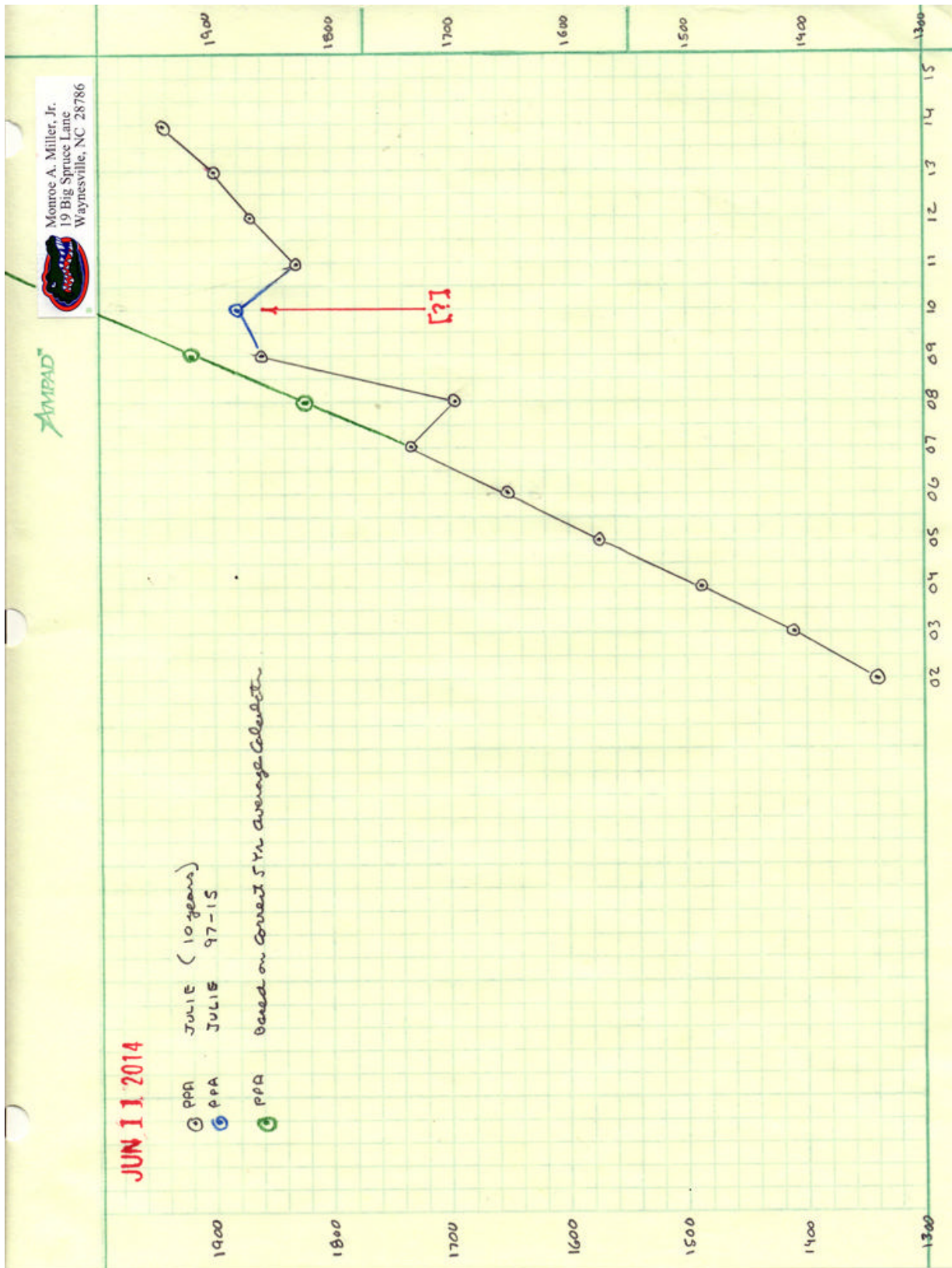
There is little correlation with anything.

Graphs were plotted, and this is where the fun begins. This is the place in time where you can actually use your brain to see what is going on. For most people, it has been easier to explain what is going on by referring to a graph, then an endless maze of numbers in a spread sheet. **Note:** These are hand plotted on actual graph paper. Who does that?

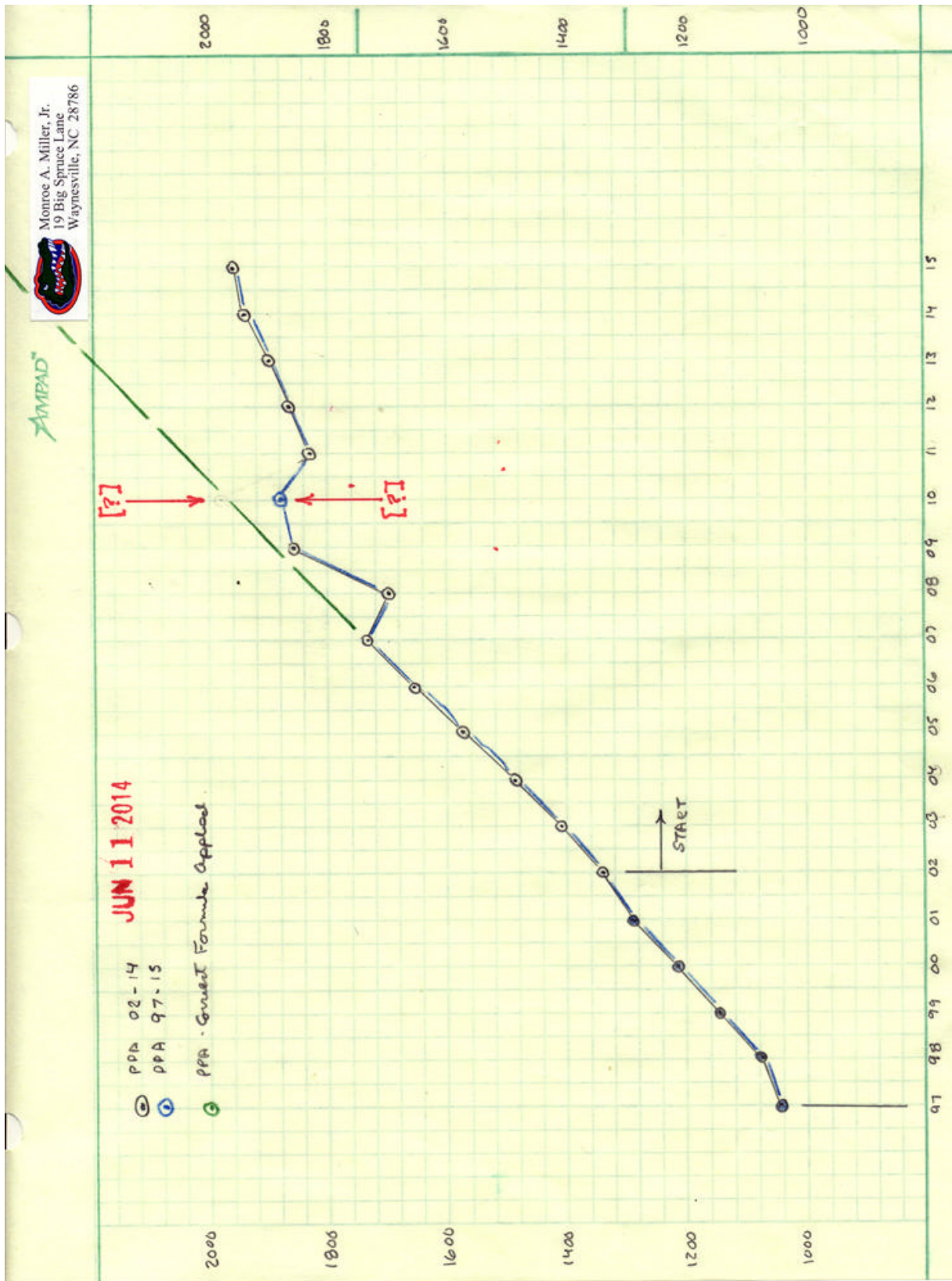


This graph plots ADM, noted by the legend. The important observations about ADM is that there is a steady increase in ADM until 2007, then there was a steady decline.

Percent change of PPA (Julie's data again is plotted on the same time axis). Note violent and unexplainable fluctuations in percentage changes between 08-12.



This graph plots Julie Davis PPA data (all but the green data points - that comes later and is the answer). 2008 was the first year there was a significant departure from the “average”. How can that be, one asks? Note, a minor reduction in PPA will drastically reduce the overall amount that the Funding Formula yields, consequently, less money Haywood County Schools.



This is basically the same plot as before, except with an expanded time axis containing known data back to 1997.

The recurring question at this point, what drives changes in the PPA value? A re-examination of the calculation example sheet for 2014-2015 smacks you in the face with the answer. The only thing that can change PPA **is the average of the previous 5 years change of PPA numbers**. Nothing else! Not even a rouge Haywood County Finance Director named Julie Davis.

This is the “ah-ha” moment! :-)

This is the point where I was able to recreate the PPA portion of the spread sheet, providing me with a fully functional spread sheet. Really, the only initial values I needed **were the first 5 years**, 97-98 thru 01-02. This is called a kernel. The Resolution kicks in after that and PPA values self generate themselves forever after. Julie Davis knows this, because she is a smart person. Perhaps, not so smart after all.

PPA - the only thing that changes the value of PPA is the prior 5 year average

[Yr]	[PPA]	[5 Yr %]	[Factor]	[New PPA]
97-98	1043			
98-99	1076	3.16%		
99-00	1151	6.97%		
00-01	1213	5.39%		
01-02	1293	6.60%		
02-03	1341	3.71%	5.17%	1410
03-04	1410	5.17%	5.57%	1489
04-05	1489	5.57%	5.29%	1567
05-06	1567	5.29%	5.26%	1650
06-07	1650	5.26%	5.00%	1732
07-08	1732	5.00%	5.26%	1824
08-09	1824	5.26%	5.27%	1920
09-10	1920	5.27%	5.22%	2020
10-11	2020	5.22%	5.20%	2125
11-12	2125	5.20%	5.19%	2235
12-13	2235	5.19%	5.23%	2352
13-14	2352	5.23%	5.22%	2475
14-15	2475	5.22%	5.21%	2604
15-16	2604	5.21%	5.21%	2739

Tracy Hargrove, the Haywood County Schools Facilities guy, and the only other person to attempt to find out what was going on here with the creation of a parallel spread sheet, made the astute observation that when you continue to take 5 year averages of prior data, the percentage will eventually converge on a single number. This is born out in the above table, where the percentage converges to about 5.2% (the third column of data).

This averaged percent and newly derived PPA values are depicted on the previous two graphs as the solid green line with a constant slope.

Here is the kicker, when you compare Julie’s computation using her PPA with the PPA from the above calculation -

[Julie's formula]
 14-15 1,943.34 x 7536 **14,645,010**

[Correct Formula]
 14-15 2,475.00 x 7536 **18,651,600**

Haywood County Schools is being denied \$4 Million Dollars this year alone!!!!

The following table of data includes the calculation of total funding denied by Julie Davis since she began cooking the books.

[Year]	[PPA]	[% Inc]	[Ave Inc]	[Factor]	[New PPA]	[Julie's ADM] [Total]	[Julie's Total]	[Shortfall]	
00-01	1213	5.39%							
01-02	1293	6.60%							
02-03	1341	3.71%	5.17%	1.0517	1410	7843			
03-04	1410	5.17%	5.57%	1.0557	1489	7915			
04-05	1489	5.57%	5.29%	1.0529	1567	7877			
05-06	1567	5.29%	5.26%	1.0526	1650	7897			
06-07	1650	5.26%	5.00%	1.0500	1732	7948			
07-08	1732	5.00%	5.26%	1.0526	1824	8013	13,882,159	13,902,083	
08-09	1824	5.26%	5.27%	1.0527	1920	7904	14,413,057	13,429,920	983,137
09-10	1920	5.27%	5.22%	1.0522	2020	7742	14,862,239	14,403,307	458,932
10-11	2020	5.22%	5.20%	1.0520	2125	7663	15,477,862	14,403,307	1,074,555
11-12	2125	5.20%	5.19%	1.0519	2235	7636	16,225,643	13,971,307	2,254,336
12-13	2235	5.19%	5.23%	1.0523	2352	7567	16,913,427	14,144,926	2,768,501
13-14	2352	5.23%	5.22%	1.0522	2475	7584	17,837,559	14,402,707	3,434,852
14-15	2475	5.22%	5.21%	1.0521	2604	7536	18,650,204	14,645,044	4,005,160
15-16	2604	5.21%	5.21%	1.0521	2739				
							Total short	14,979,472	

Notes:

- Calculated with Julie's ADM numbers, not independently verified
- No ABC revenue anywhere
- Not re-calculated yearly total based on Day 10 ADM
- No amounts of revised yearly budget (Day 10 ADM) returned to county available yet.

This calculation indicates that Julie Davis has denied access of **\$15 Million Dollars** to the Haywood School System since 2009 by falsifying PPA values.

Summary -

- Current years shortfall is \$4Million Dollars.
- Accumulated shortfall since 2008 is \$15 Million Dollars.

Conflict of Interest?

Why did Julie Davis do this? She is a smart person and now her neck is stretched out a mile. I honestly do not believe that she "made a mistake". So what gives?

You see, Julie Davis is sitting square in the middle of a gigantic conflict of interest.

On the one hand, she and the county manager (whichever one hasn't quit recently) are the two main individuals for each years budget preparation. She and the county manager, this year, Ira Dove, a newbie, must go around to each county department, **including the Sheriff's department**, assess their needs, get their input on how much money they need for the next year, balance those requests with every department, and most importantly, come up with a number that is balanced with projected revenue. Every department will ask for more than they need, and Julie Davis and Ira Dove will tell them what they are going to get. This occurs within the time frame of the first Budget Work Session. Haywood County Schools and HCC have traditionally been relegated to a second work session and treated independently. Up until this year, I never realized that there was a Haywood County Schools "Funding Formula". HCC screwed themselves when Rose Johnson and the then Board of Trustees built the Platinum Green Creative Arts Building, and the quarter cent sales tax was gobbled up for the next ten years paying off the debt.

On the other hand, Julie Davis had the keys to the “Funding Formula”. No one else know how she was able to manipulate it and get away with it. Commissioners want to keep as much of county government running and appear not the least bit interested in trimming all the deadwood that is floating about. So they want to put as much money into current government as they can. They cannot even consider the concept of rasing property taxes, and this year Sorrells, Kirkpatrick and Upton are running on the November ballot. So if you were a commissioner, how would you get a bunch of extra money? Simple. Take the area that consumes the largest chunk of budget, and figure out a way to grab some of that without anyone being able to detect it. That area happened to be the Haywood County School System budget. This falsification was buried so deep, that I do not believe that even the county commissioners realized what Julie had done. Why? Julie started falsifying numbers in 2008¹. The last change to the Funding Resolution was in 2009, signed off by none other that James Weaver “Kirk” Kirkpatrick III. The part of the funding formula dealing with PPA Julie Davis falsified **was not changed!** The county started gagging on the 5.2% increase each year, the year Obama was elected, the economy started tanking and the ADM started declining. If County Commissioners had realized PPA was a problem, they could and should have changed that part of the Funding Formula calculation, but they did not. They dickered with ADM, which we now know simply to be round-off error.

This is the most interesting part of analyzing the PPA graphs. It appears in 2009, Julie may have had a pang of guilty conscience, and attempted to bring the PPA back almost to where it should have been. But then after that, it dropped again, and she re-established a new PPA slope, devastating to the Haywood County School System.

Next years increase had already been computed [re: <http://haywoodtp.net/pubII/140515FormulaJulieDavis.pdf>] and was going to be .89%. **.89%!!** Commissioners now had the Haywood County School System exactly where they wanted them - under their thumb. By this time, Julie is saying to herself - “Self, nobody has caught this, I am in the clear, so I will keep on doing this”.

I believe we can all say, the current Funding Formula is on life-support. I believe change will be a-coming.

Terry L. Stoops, Ph.D., Director of Research and Education Policy Studies, John Locke Foundation, pretty much the smartest man in North Carolina regarding anything that has to do with the Public School System and who has taken an interest in this “Funding Formula”, has initially suggested that “Ideally, the funding formula would be based primarily on enrollment with increases for inflation built in.”

Where is the outrage? Where have Michael Sorrells and Bill Upton been? These two guys came from the School System. It will be interesting to see which way they go when confronted with Julie Davis’s actions. Will they:

- Keep with their mantra - All for one and one for all, i.e. show complete agreement with every decision during county commission meetings, or will there be a fracture or crack in this Golden Rule?, or
- Fire her [Expletive Deleted]?, or
- Circle the wagons and protect her, and recommend a fat property tax increase to recover this money?, or
- Circle the wagons and start to chop out county employee deadwood [i.e., David Francis, Marc Pruett, Bruce Crawford, Johnny Glance, Steven King and Dale Burris]?

¹ Constructive Fraud Law & Legal Definition. <http://definitions.uslegal.com/c/constructive-fraud/> Fraud is generally defined in the law as an intentional misrepresentation of material existing fact made by one person to another with knowledge of its falsity and for the purpose of inducing the other person to act, and upon which the other person relies with resulting injury or damage. Fraud may also be made by an omission or purposeful failure to state material facts, which non-disclosure makes other statements misleading.

Constructive fraud is considered fraud under the law although deceptive intent is missing because it has the same consequences as an actual fraud would have. It is a finding imposed in the interest of fairness and justice, such as to prevent violation of a public or private trust or confidence, the breach of a fiduciary duty, or the use of undue influence.

Black's law dictionary defines constructive fraud as "all acts, omissions, and concealments involving breach of equitable or legal duty, trust or confidence, and resulting in damage to another, 38 Cal Rptr. 148, 157; i.e. no scienter is required. Thus the party who makes the misrepresentation need not know that it is false."

What was Kirkpatrick thinking? Does this guy have a brain? He was the commissioner who signed the 2009 funding formula Resolution, keeping the current PPA portion of the equation intact, the portion that Julie Davis falsified.

All three are up for re-election in November. You see, they have a real problem here, one of them is going to have to take the fall. Swanger and Ensley, who are not up for re-election, will vote not to fire Davis. But that is only two votes. One of the three will have to take the fall and vote to keep Davis, in essence, slitting his throat.

There are three viable candidates that will be running for County Commissioner in November. Vote wisely.

- Windy McKinney [LIB]
- Phillip Wight [R]
- Denny King [R]

I do not see why any Haywood County School employee, any parent of kids attending Haywood County Public Schools, or anyone else for that matter, is not going absolutely ballistic about this.

A final note to Commissioner Mark Swanger. I will repeat for you why I do what I do. If a person who is elected or appointed to a position of power, and uses that power to either abuse their power or to intimidate someone, I will step forward. You know, we would all be sitting here, fat, dumb, and happy, not having a clue as to what Julie Davis had done, but because you had viciously berated Dr. Anne Garrett at the April 7th Budget Work Session [re: recording], that was the one thing that really pissed me off. You were the inspiration for me to dig as hard as I did to uncover this fraud.

Monroe A. Miller, Jr.

A very livid Haywood County Taxpayer.

Resolution

FORMULA FOR FUNDING SCHOOL CURRENT EXPENSE

WHEREAS, funding of education is a top priority for Haywood County; and

WHEREAS, the Haywood County Board of Commissioners desires that Haywood County Schools are funded in the top per pupil funding statewide in appropriations from local resources; and

WHEREAS, the County Board of Commissioners and the Board of Education agree that the best system for funding school current expense is on a per pupil allocation; and

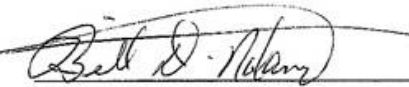
WHEREAS, a committee appointed by the Board of County Commissioners and the Board of Education has arrived at a suitable funding formula as follows:

Haywood County Per Pupil Appropriation increased by the 5-year Average Percent Increase x
NC Department of Public Instruction Projected Average Daily Membership (ADM) +
ABC Revenues =
Total Current Expense Appropriation from the County.

NOW, THEREFORE, BE IT RESOLVED that the Board of County Commissioners hereby adopts this resolution establishing the formula of funding for school current expense for the next three years, unless unusual economic conditions dictate otherwise, after which the funding formula will be reviewed.

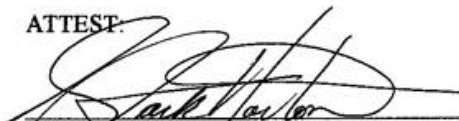
Adopted this 8th day of July 2003.





Bill D. Noland, Chairman
Haywood County Board of Commissioners

ATTEST:



C. Jack Horton, Clerk to the Board

Resolution

FORMULA FOR FUNDING SCHOOL CURRENT EXPENSE

- WHEREAS,** funding of education is a top priority for Haywood County; and
- WHEREAS,** the Haywood County Board of Commissioners desires that Haywood County Schools are funded in the top per pupil funding statewide in appropriations from local resources; and
- WHEREAS,** the County Board of Commissioners and the Board of Education agree that the best system for funding school current expense is on a per pupil allocation; and
- WHEREAS,** after three years of budgeting with the original formula, it has been determined that a formula for current expenditure allocation has been beneficial to both the county and the school system; and
- WHEREAS,** it has been determined that the original formula could be improved by including an adjustment to the estimated appropriation as soon as the 10 day ADM number is available in order to more accurately calculate the historic five year average ADM, to parallel the state's allocation procedure, and to reinforce the per pupil allocation purpose, as follows:

$$\begin{aligned} & \text{Haywood County Per Pupil Appropriation increased by the 5-year Average Percent Increase} \times \\ & \text{Current Fiscal Year's 10 day ADM increased by 1\%, and} \\ & \text{Adjusted to Actual Budget Year 10 day ADM when available} + \\ & \text{ABC Revenues} = \\ & \text{Total Current Expense Appropriation from the County.} \end{aligned}$$

NOW, THEREFORE, BE IT RESOLVED that the Board of County Commissioners hereby adopts this resolution establishing the formula of funding for school current expense for the next three years, unless unusual economic conditions dictate otherwise, after which the funding formula will be reviewed.

BE IT FURTHER RESOLVED that the adjustment for current expense that will be made after the 10 day ADM figure is known should be transmitted to the County Board of Commissioners and the school administration as soon as practicable so that both boards may finalize their budgets.

Adopted this 6th day of March 2006.




Mark S. Swanger, Chairman
Haywood County Board of Commissioners

ATTEST:


Richard L. Honeycutt, Clerk to the Board

Resolution

FORMULA FOR FUNDING SCHOOL CURRENT EXPENSE

- WHEREAS,** funding of education is a top priority for Haywood County; and
- WHEREAS,** the Haywood County Board of Commissioners desires that Haywood County Schools are funded in the top per pupil funding statewide in appropriations from local resources; and
- WHEREAS,** the County Board of Commissioners and the Board of Education agree that the best system for funding school current expense is on a per pupil allocation; and
- WHEREAS,** after six years of budgeting with a formula, it has been determined that a formula for current expenditure allocation has been beneficial to both the county and the school system; and
- WHEREAS,** it has been determined that the current formula could be improved by changing the ADM portion of the formula to reflect the highest ADM projected amount before adjusting to the actual 10 day ADM number to parallel the state's allocation procedure, and to reinforce the per pupil allocation purpose, as follows:

Haywood County Per Pupil Appropriation increased by the 5-year average percent increase, x NC Public Schools DPI ADM state planning allotment, using the highest projection amount, and adjusted to actual budget year 10 day ADM when information becomes available, +
ABC Revenues =
Total current expense appropriation from the County.

NOW, THEREFORE, BE IT RESOLVED that the Board of County Commissioners hereby adopts this resolution establishing the formula of funding for school current expense for the next three years, unless unusual economic conditions dictate otherwise, after which the funding formula will be reviewed.

BE IT FURTHER RESOLVED that the adjustment for current expense that will be made after the 10 day ADM figure is known should be transmitted to the County Board of Commissioners and the school administration as soon as practicable so that both boards may finalize their budgets.

Adopted this 16th day of March 2009.




J.W. Kirkpatrick, II, Chairman
Haywood County Board of Commissioners

ATTEST:


David B. Cotton, County Manager and Clerk to the Board



FY2014-2015 Haywood County Public School Funding Formula

Since funding of education is a top priority for Haywood County and it is the desire that Haywood County Schools are funded in the top per pupil funding statewide in appropriations, the Haywood County Board of Commissioners established and adopted a formula for funding of school current expense.

Steps in determining the appropriation for public school current expense funding:

- Step 1:** begin with the current year per pupil appropriation.
- Step 2:** Increase the amount by the average increase over the past five years.
- Step 3:** Multiply by the NC Department of Public Instruction state pupil planning allotment.
- Step 4:** Adjust step 3, when the actual pupil count is known.

Funding Formula: Haywood County Per Pupil Appropriation increased by the 5-year average percent increase, X NC Public Schools DPI ADM state planning allotment, using the highest projection amount, and adjusted to actual budget year 10 day ADM when information becomes available + ABC revenues = Total current expense appropriation from the County.

PPA = Per Pupil Appropriation
 DPI = NC Department of Public Instruction
 ADM = Average Daily Membership (number of pupils attending school)

Step 1: Begin with the current budget year (FY13-14) per pupil appropriation:

FY2013-14 per pupil appropriation	\$ 1,899.09
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Step 2: Increase the amount by a factor equal to the average annual percentage increase over the last five years:

Fiscal Year	Annual % Increase	5 year Ave. % Increase
2009-2010	9.517%	
2010-2011	1.031%	
2011-2012	-2.656%	
2012-2013	2.166%	
2013-2014	1.594%	
Average annual growth		2.33%

FY2014-15 appropriation to public school system (2.33% growth factor applied) $= 1,899.09 \times 1.0233$	\$1,943.34
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Step 3: Multiply by the NC Department of Public Instruction state pupil planning allotment:

FY2014-15 NC DPI state pupil planning allotment –highest estimate – 7,536 $= 1,943.3445 \times 7,536$	\$14,645,044
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Step 4: Adjust when the actual pupil count is known – usually in August of each new fiscal year.