

STATEMENT FROM TODD SUTTON

Issued 2/4/2020

First, I would like to thank our County Commissioners for assisting the Board of Education by providing us with the additional funds that will allow us to continue to support the students and staff of Johnston County Public Schools.

In regards to the article published on JOCO Report, January 31, 2020, written by Mr. Kay Carroll, a few key items were omitted. These key details took place during Mr. Carroll's tenure as Board of Education Chairman. Let's take a walk down memory lane: The recession of 2008 was a tough year for everyone, including Johnston County Public Schools. Our school system lost over \$40 million in revenue from the three funding sources: state, federal, and local.

I hope Mr. Carroll has not forgotten about the \$30 million of bond money that was overspent on the construction of Corinth Holders and Cleveland High Schools. Then Chairman Carroll and the Board of Education secured a loan from First Citizens Bank and Trust for \$30 million dollars amortized over the next 20 years. In case anyone missed the meaning of what I have just stated...this loan is being paid back using incoming NC Educational Lottery money instead of funding our classrooms.

Due to the very apparent mismanagement of bond money voted on by the taxpayers of Johnston County, the NC Education Lottery money is being used to repay the \$30 million dollar loan. This has left the Board of Education with no choice but to use the fund balance to cover emergency costs, as listed below.

- At the end of the 2015-2016 fiscal year the fund balance was approximately \$10 million.
- Hurricane Matthew damages in the 2016-2017 school year totaled approximately \$1.5 Million in insurance deductibles. Funds were transferred from current expenses to

capital outlay to cover the deductible. \$800,000 was used from fund balance for this transfer.

- At the end of 2016-2017 the fund balance was approximately \$9.2 million.
- \$2.5 million of the fund balance was used in 2017-2018. This total came from \$875,000 in personnel costs from re-organization, and \$1.5 million for a 1% teacher supplement raise. This brought the fund balance to \$6.8 million.
- 2018-2019 JCPS lost 690 students to charter schools. This resulted in losing \$3.5 million in state funding, that had to be absorbed into local funding. It also resulted in an additional \$1 million loss in local funds.
- In addition to these losses there was a shortfall in the EC budget which resulted in having to ask the county commissioners for an additional \$1.5 million.
- At the end of 2018-2019 \$888,000 remained in fund balance.

To summarize all of the above, we continue to experience the consequences created by the former Democratic Board of Education Chairman, Kay Carroll. Due to the mismanagement of funds and the overspending of projects to the tune of \$30 million dollars, our schools are not able to benefit from the NC Education Lottery monies since they are being used to repay a loan which he secured to because of the irresponsible spending. Unfortunately, we continue to suffer from former Board Chairman Kay Carroll's leadership or lack thereof!