441 Page Street • P.O. Box 427
Troy, North Carolina 27371-0427
PHONE: (910) 576-6511 • FAX: (910) 576-2044

To: Board of Education

From: Mitch Taylor

Date: June 1st, 2020

Subject: Agenda Item (Section – Consent Agenda)

Attached you will find a budget amendment for your consideration for the year ending June 30, 2020.

Fiscal Year 2019/2020 Budget Amendment # 7

State Funds

1) A net increase of $260,804.00 to the State Budget Fund (Fund 1):

$89,840 increase in PRC 009 (Non-Contributory Benefits) – This represents the amount of the state reimbursement to the district for non-contributory benefit expenses to active employees for longevity payments and expenses incurred for employees who end their employment with the district such as annual leave payouts.

$24,618.00 increase in PRC 130 (Textbook funding account) – An increase in the textbook allotment as a result of a larger than expected increase in Indian Gaming revenues.

$1650.00 increase in PRC 003 (Non-Instructional Support) – This is a reimbursement to the district for substitute teacher pay for the months of December and January.

$144,696.00 increase in PRC 154 (COVID 19 Supplement) – The state provided funding to offset unexpected expenses related to the COVID 19 pandemic.

Local Funds

2) No change to the Local Fund Budget (Fund 2)

Federal Funds

3) A net increase of $1692.00 to the Federal Budget Fund (Fund 3):

$15.00 increase to PRC 111 (Language Acquisition) – This represents the difference between the original planning allotment and the actual allotment received. It reconciles the district's budget with the state's figures.

$1653.00 increase to PRC 104 (Language Acquisition) – This represents the difference between the original planning allotment and the actual allotment received. It reconciles the district's budget with the state's figures.

$140.00 decrease to PRC 103 (Supportive and Effective Education) – This represents the difference between the original planning allotment and the actual allotment received. It reconciles the district's budget with the state's figures.

$164.00 increase to PRC 108 (Student Academic Enrichment) – This represents the difference between the original planning allotment and the actual allotment received. It reconciles the district's budget with the state's figures.

Capital Outlay Funds

4) A net increase of $249,950.00 to the Capital Outlay Budget Fund (Fund 4)

$100,000.00 increase to PRC 802 (Digital Device) – This is the amount approved to spend from the Capital Outlay Fund for the annual lease payment of the student digital devices.

$149,950 increase to PRC 802 (Green Ridge Roof Repair Settlement) This is the settlement from the architect to correct the deficiencies in the roof at Green Ridge Elementary school.

Child Nutrition

5) No change to the Child Nutrition Fund. (Fund 5)

Special Local Fund 8

6) **A net increase of $7666.16 to the Fund 8 Budget Fund (Fund 8)**

$3166.16 increase in PRC 802 (Miscellaneous Revenues) – this represents increased revenues from selling unused equipment on the Gov Deals auction website.

$4500.00 increase in PRC 428 (SHAC Grant) – this is a grant received from the state in order to improve character education in our students.

7) Overall, these adjustments resulted in an increase of $520,112.16 to the total 2019/2020 budget for Montgomery County Schools.

I will be available to answer any questions you may have.

This amendment is an action item and will require a vote.

Budget Amendment # 7

Montgomery County Administration Unit

The Montgomery County Board of Education at a meeting on the 1st day of June 2020. passed the following resolution:

Be it resolved that the following amendments be made to the Budget Resolution for the fiscal year ending June 30, 2020.

Expense Code		Description of Code	Increase	Decrease
		STATE FUNDS		
		Revenues		
1.3100.000.		State Funds PRC 009	$89,840.00	
1.3100.000.		State Funds PRC 154	$144,696.00	
1.3100.000.		State Funds PRC 130	$24,618.00	
1.3100.000.		State Funds PRC 003	$1,650.00	
		Net Change in State Revenues	**$260,804.00**	
		Expenses		
1.5000.009		Non-Contributory Benefits	$60,500.00	
1.6000.009		Non-Contributory Benefits	$19,200.00	
1.7000.009		Non-Contributory Benefits	$10,140.00	
1.5000.130		Textbook Funding Account	$24,618.00	
1.5000.003		Non Instructional Support	$1,650.00	
1.5000.154		Covid 19 Supplemental Funds	$23,500.00	
1.6000.154		Technology Funds	$1,500.00	
1.7000.154		Transportation Funds	$119,696.00	
		Net Change in State Expenses	**$260,804.00**	
		Net Change in State Budget	**$260,804.00**	

Explanation: Adjustments made for actual revenues and expenditures.

Total Appropriation in Current Budget	**$27,338,225.54**
Amount of Increase	**$260,804.00**
Total Appropriation in Current Amended Budget	**$27,599,029.54**

Budget Amendment # 7

Expense Code		Description of Code			Increase	Decrease
		LOCAL FUNDS				
		Revenues				
		Expenses				
		Net Change in Local Budget			**$0.00**	

Explanation: Adjustments made for actual revenues and expenditures.

Total Appropriation in Current Budget	**$7,181,016.00**
Amount of Increase	**$0.00**
Total Appropriation in Current Amended Budget	**$7,181,016.00**

Budget Amendment # 7

Expense Code		Description of Code	Increase	Decrease
		FEDERAL FUNDS		
		Revenues		
3.3600.111		PRC 111 Language Acqusistion	$15.00	
3.3600.104		PRC 104 Language Acquisistion	$1,653.00	
3.3600.103		PRC 103 Suportive Effective Instruction		$140.00
3.3600.108		PRC 108 Student Academic Enrichment	$164.00	
		Net Change in Federal Revenues	**$1,692.00**	
		Expenses		
3.5000.111		PRC 111 Language Acqusistion	14.48	
3.8000.111		PRC 111 Language Acqusistion	$0.52	
3.5000.104		PRC 104 Language Acquisistion	$1,620.59	
3.8000.104		PRC 104 Language Acquisistion	$32.41	
3.5000.103		PRC 103 Suportive Effective Instruction		$135.10
3.8000.103		PRC 103 Suportive Effective Instruction		$4.90
3.5000.108		PRC 108 Student Academic Enrichment	$164.00	
		Net Change in Federal Expenses	**$1,692.00**	
		Net Change in Federal Budget	**$1,692.00**	

Explanation: **Adjustments made for actual revenues and expenditures.**

Total Appropriation in Current Budget	**$3,730,867.98**
Amount of Increase	**$1,692.00**
Total Appropriation in Current Amended Budget	**$3,732,559.98**

Budget Amendment # 7

Expense Code	Description of Code	Increase	Decrease
	CAPITAL OUTLAY FUND		
	Revenues		
4.4910.	Fund Balance	$100,000.00	
4.4890.802.529	Roof Repair Settlement - GR	$149,950.00	
	Net Change in Capital Outlay Revenues	**$249,950.00**	
	Expenses		
4.9000.802.554	Digital Device Lease Payment	$100,000.00	
4.9000.802.529	Roof Repair Settlement - GR	$149,950.00	
	Net Change in Capital Outlay Expenses	**$249,950.00**	
	Net Change in Capital Outlay Budget	**$249,950.00**	

Explanation: **Adjustments made for actual revenues and expenditures.**

Total Appropriation in Current Budget	**$1,122,658.94**
Amount of Increase	**$249,950.00**
Total Appropriation in Current Amended Budget	**$1,372,608.94**

Expense Code	Description of Code	Increase	Decrease
	CHILD NUTRITION FUND		
	Revenues		
	Expenses		
	Net Change in Child Nutrition Budget	**$0.00**	

Explanation: **Adjustments made for actual revenues and expenditures.**

Total Appropriation in Current Budget	**$3,425,964.00**
Amount of Increase	**$0.00**
Total Appropriation in Current Amended Budget	**$3,425,964.00**

Budget Amendment # 7

Expense Code	Description of Code	Increase	Decrease
	LOCAL FUND 8		
	Revenues		
8.4490.000	Miscellaneous Revenues	3,166.16	
8.3200.428	SHAC Grant - Character Education	4,500.00	
	Total Changes in Fund 8 Revenues	**$7,666.16**	
	Expenses		
8.6580.802	Gov Deal Budget	3,166.16	
8.6000.428	SHAC Grant - Character Education	4,500.00	
	Total Change in Fund 8 Expenses	**$7,666.16**	
	Net Change in Local Fund 8 Budget	**$7,666.16**	

Explanation: Adjustments made for actual revenues and expenditures.

Total Appropriation in Current Budget	**$4,388,108.64**
Amount of Increase	**$7,666.16**
Total Appropriation in Current Amended Budget	**$4,395,774.80**

Summary of Budget Changes	
Previous Budget	**$47,186,841.10**
State Budget Change	$260,804.00
Local Budget Change	$0.00
Federal Budget Change	$1,692.00
Capital Outlay Budget Change	$249,950.00
Child Nutrition Budget Change	$0.00
Fund 8 Budget Change	$7,666.16
Current Budget	**$47,706,953.26**

Passed by majority vote by the Board of Education of Montgomery County on the 1st day of June 2020.

Chairman, Board of Education

Secretary, Board of Education

Budget Amendment # 7

441 Page Street • P.O. Box 427
Troy, North Carolina 27371-0427
PHONE: (910) 576-6511 • FAX: (910) 576-2044

To: Board of Education

From: Mitch Taylor

Date: June 2, 2020

Subject: Agenda Item (Section – Consent Agenda)

Budget Resolution

The Board is being asked to adopt a 2020-2021 Interim Budget Resolution for Montgomery County Schools for the purpose of paying salaries and the usual ordinary expenses of the local school administrative unit for the interval between the beginning of the fiscal year on July 1st, 2020 and the adoption of the State Budget. Approval of the 2020-2021 Interim Budget Resolution will allow Montgomery County Schools to continue with normal business operations until enough information is available to present the final 2020-2021 Budget for approval. It is anticipated that this will occur at the September or October 2020 Montgomery County Board of Education Meeting.

I will be available to answer any questions you may have.

This resolution is an action item and will require a vote.

Chairman, Board of Education

Secretary, Board of Education

ncsbt Since 1982
The risk management partner schools trust.

NORTH CAROLINA SCHOOL BOARDS TRUST
ERRORS & OMISSIONS/GENERAL LIABILITY FUND

Fund Contribution—Renewal Invoice

Member: Montgomery County Board of Education
Invoice No.: EOGL2021-47
Date Issued: May 13, 2020
Payment Due: June 30, 2020

Coverage Period: July 1, 2020, at 12:01 a.m. to July 1, 2021, at 12:01 a.m.

2020-2021 EO/GL Fund Contribution	$11,766.00
Total Fund Contribution	**$11,766.00**

MEMBER BENEFITS INCLUDE:

2.6613.801.371

- ★ Errors and Omissions coverage
- ★ General Liability coverage
- ★ Drone Liability coverage (for scheduled drones)
- ★ Cyber Liability coverage
- ★ Cyber First-Party coverage
- ★ Sexual Acts and Abuse Liability coverage
- ★ Medical Expense coverage, for school guests and students, including athletics injuries
- ★ Preservation of school board immunity for applicable claims (unlike commercial insurance)
- ★ Full defense costs of covered declaratory actions and contract litigation, with no sub-limits
- ★ Expert panel of school and insurance attorneys to handle covered litigation
- ★ Dedicated claims staff with decades of experience handling NC school board claims
- ★ Active Shooter Workplace Violence Crisis Response Group Insurance (**NEW**, January 1, 2020)

Payment will be considered late if not received by **July 20, 2020**. Please do not combine this payment with any other payment due to NCSBA or NCSBT.

Please remit payment to our NEW mailing address at:
North Carolina School Boards Trust
7208 Falls of Neuse Rd, Suite 301
Raleigh, NC 27615-3244

Donna Morris

From: Melody Coons <mcoons@ncsba.org>
Sent: Thursday, May 14, 2020 1:06 PM
To: Donna Morris
Subject: FW: 2020-2021 NCSBT EO/GL Renewal Invoice/Participation Agreement (TIME SENSITIVE)
Attachments: 20-21 EOGL Renewal Invoice_Montgomery.pdf; EOGL Fund Participation Agreement.pdf

FYI, see email below and attachments that were sent yesterday to your Board's Supt and FO.

Melody Coons
Litigation Assistant
North Carolina School Boards Association
Direct: 919.747.6684
Fax: 919.841.4315
mcoons@ncsba.org

ncsbt Since 1982
The risk management partner schools trust

PLEASE NOTE OUR NEW MAILING ADDRESS:
North Carolina School Boards Association
7208 Falls of Neuse Road
Suite 301
Raleigh, NC 27615-3244

From: Donna Lynch <NCSBA@embrams-mail.com>
Sent: Wednesday, May 13, 2020 5:52 PM
Subject: 2020-2021 NCSBT EO/GL Renewal Invoice/Participation Agreement (TIME SENSITIVE)

To: Dr. Dale Ellis ; Mitch Taylor ;
CC: mcoons@ncsba.org;

Attached are your Board's 2020-2021 North Carolina School Boards Trust Errors and Omissions/General Liability ("NCSBT EO/GL") *Fund Contribution Renewal Invoice and Participation Agreement*. For 34 years, NCSBT has provided uniquely designed risk management protection and services to meet the needs of its EO/GL Fund members, while remaining a vibrant and actuarily sound program. Over the years, NCSBT has added a number of coverage enhancements for members as we continue to respond to the evolving needs of North Carolina school districts. We are pleased to continue offering these enhanced c overages to your Board for the 2020-2021 fund year.

ACTION REQUIRED:

(1) RETURN FULLY EXECUTED PARTICIPATION AGREEMENT BY JUNE 30

The executed Participation Agreement must be returned to NCSBT by no later than Tuesday, June 30, 2020, to prevent the expiration of your Board's errors and omissions and general liability coverage through NCSBT. If NCSBT does not receive your fully executed Participation Agreement by June 30, 2020, the Board's coverage will expire on July 1, 2020 at 12:01 a.m. The superintendent, board chair, risk management coordinator, and finance officer should sign the Participation Agreement.

(2) SEND EO/GL FUND CONTRIBUTION PAYMENT TO NCSBT BY JUNE 30

Please remit your fund contribution payment payable to the ***North Carolina School Boards Trust*** at the address shown on your invoice *(please note NCSBT's new mailing address)*. **Fund contributions are due to NCSBT by June 30, 2020.** Payments shall be past due if not received in the NCSBT office by July 20, 2020. Please note that late payment may impact coverage.

NCSBT appreciates the continued partnership with your Board in the EO/GL Fund. We look forward to working with you in 2020-2021.

Please do not hesitate to contact me if you have any questions.

Regards,

Donna Lynch
Litigation Counsel
North Carolina School Boards Association
(919) 747-6685
dlynch@ncsba.org

PLEASE NOTE OUR NEW MAILING ADDRESS:
North Carolina School Boards Association
7208 Falls of Neuse Road
Suite 301
Raleigh, NC 27615-3244

AGREEMENT TO PARTICIPATE IN THE
NORTH CAROLINA SCHOOL BOARDS TRUST
ERRORS & OMISSIONS/GENERAL LIABILITY FUND

The North Carolina School Boards Trust (hereinafter the "Trust" or "NCSBT") provides local boards of education the opportunity to budget funds for the purpose of paying all or part of a covered claim made or civil judgment entered against the board, its members, or employees, or its former members or employees, when such claim is made or such judgment is rendered as damages on account of an act done or omission made, or an act allegedly done or omission allegedly made, in the scope of their duties as members of the local board of education or as employees pursuant to the terms, conditions, and limits of the NCSBT Errors & Omissions/General Liability Trust Fund Coverage Agreement (hereinafter the "Coverage Agreement"). The Trust does not provide any coverage for any claim which could not be paid by a local board of education pursuant to N.C.G.S. §115C-43(b) or successor statute. The Coverage Agreement is not a contract of insurance by a company or corporation duly licensed and authorized to execute insurance contracts in this State or by a qualified insurer as determined by the Department of Insurance. Therefore, the Coverage Agreement expressly is not considered a waiver of governmental immunity as provided in N.C.G.S. §115C-42. No coverage provided in the Coverage Agreement duplicates state-funded liability insurance for public school employees.

This Participation Agreement (hereinafter the "Agreement"), in accordance with the provisions of N.C.G.S. §160A-460 through -464, is entered into by and between the Trust and the undersigned board of education or other educational entity (hereinafter the "Member"), which is a member of the North Carolina School Boards Association, for the purpose of the North Carolina School Boards Trust Errors & Omissions/General Liability Fund (hereinafter the "Fund") providing to the Member liability coverages and no-fault coverage for medical expenses arising out of accidental injury, such coverages to be provided in accordance with the terms, conditions, and limits set forth in the Coverage Agreement and the No-Fault Coverage for Medical Expenses Arising Out of Accidental Injury Endorsement (hereinafter the "Medical Expense Endorsement").

The duration of this Agreement shall be for a term commencing at 12:01 a.m. on the date indicated elsewhere in this Agreement and continuing for the remainder of the fund year thereafter.

The Trust and the Member are desirous of setting forth the obligations and responsibilities of each party.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained herein, the parties, intending to be legally bound hereby, agree as follows:

I. THE TRUST AGREES THAT SO LONG AS THE MEMBER IS PARTICIPATING HEREUNDER, IT WILL:

A. Make liability coverage available to the Member in accordance with the terms, conditions, and limits set forth in this Agreement, the Coverage Agreement, and the excess insurance coverage purchased by the Trust. Coverage provided by the Fund shall be excess over any insurance or other coverage covering the Member board or its employees, except that no coverage provided by the Fund duplicates state-funded liability insurance covering the Member's employees, whether such insurance is primary, excess, contingent, or otherwise, and no cyber liability coverage is provided by the Fund where the Member has purchase commercial cyber liability insurance or other cyber liability coverage.

B. Make no-fault coverage for medical expenses available to the Member in accordance with the terms, conditions, and limits set forth in the Medical Expense Endorsement. No-fault coverage for medical expenses provided by the Fund shall be excess over any insurance or other coverage available to any injured person.

C. Make first-party cyber coverage available to the Member for covered Cyber Incidents in accordance with the terms, conditions, and limits set forth in the First-Party Cyber Coverage Endorsement, except where the Member has purchased commercial first-party cyber insurance or other first-party cyber coverage.

D. Make available to the Member a first-party group commercial crisis response policy, to be provided in accordance with the terms, conditions, and limits set forth in the policy.

E. Establish within the Trust separate cash reserve funds from the contributions of all Members, which funds shall be invested and shall not be intermingled with any other funds of the Trust and which funds shall be used by the Trust or its designee to:

1. Pay all operational and administrative costs incurred by the Trust attributable to the Fund.

2. Defend and/or pay covered liability claims made against the Member or other covered persons and reported to the Trust during the term of this Agreement, subject to a **$5,000 deductible per claim**, and subject to the terms, conditions, and limits of the Coverage Agreement, the excess insurance purchased by the Trust, the Trust's Claim Settlement Practices, and the Trust's Litigation and Billing Procedures. If a Member elects to discontinue participation in the Fund, the Trust will continue to handle all claims made and timely reported to the Trust during the term of this Agreement, until such claims are resolved or closed. The Trust does not provide coverage for the payment of claims which could not be paid by a local board of education pursuant to N.C.G.S. §115C-43(b).

3. Pay claims for medical expenses arising out of accidental injury, subject to all terms, conditions, and limits set forth in the Medical Expense Endorsement.

4. Purchase excess insurance for the benefit of the Member.

F. Collect from each Member contributions based upon the loss experience of the Member and the loss experience of the Fund, operating expenses, excess insurance costs, and exposure of each Member. Such contributions shall be kept in designated reserve funds, and from such funds all administrative, excess insurance, and claims costs shall be paid.

G. Reserve the right to require an additional or supplemental fund contribution from each Member for any fund year in which the initial contribution rate and unallocated Fund reserves, if any, are inadequate to pay operating expenses and claim costs.

H. Provide an annual audit report to the Member concerning the financial operations and conditions of the Fund upon request of the Member.

I. Furnish appropriate claims reporting procedures to Members.

J. Make available for inspection, upon request by the Member, the books and records of the Fund.

II. THE MEMBER AGREES THAT IT WILL:

A. Be responsible, along with its prior insurers, if any, for all liability claims that (i) arise from incidents which occurred prior to the retroactive date of the Coverage Agreement, or (ii) are first made within the meaning of the Coverage Agreement prior to the date of this Agreement, thereby holding the Trust financially harmless therefrom.

B. Enroll in the Fund for a twelve-month fund year or remaining portion thereof and obligate itself to pay all required fund contributions as prescribed by the Trustees of the Trust and any applicable deductibles.

C. Allow the Trust and/or its designee to inspect the premises owned or used by the Member and to examine a Member's records insofar as they relate to coverage afforded by this Agreement.

D. Implement procedures recommended by the Trust or its designee for the purpose of reducing liability exposures.

E. Execute and submit to the Trust or its designee any and all forms required by the Trust.

F. Designate a risk management coordinator to act as a liaison between the Member and the Trust or its designee.

G. Attend any training programs and sessions deemed necessary by the Trust.

H. By signing this Agreement, grant to the Trust the full power of attorney to:

1. Present all forms and related information to any administrative body, board, agency, or any court of law, as may be necessary, to defend liability claims covered by the Fund.

2. Obtain and retain any information or data that may affect the Member's liability claims that are covered by the Fund.

3. Do any and all acts without qualification that are necessary or convenient to effectuate the implementation and performance of the Fund.

I. Promptly notify the Trust of any claims made against the Member, as defined in the Coverage Agreement; ensure that all persons covered under the Coverage Agreement are aware of and understand the "Defense of Claims" and "Notice of Claim" provisions of the Coverage Agreement and their responsibilities thereunder; and otherwise cooperate with the Trust in the investigation and defense of claims handled under the Coverage Agreement.

J. Cooperate with the Trust in the investigation of claims for medical expenses and otherwise comply with all obligations set forth in the Coverage Agreement and Medical Expense Endorsement. The Member further agrees that the no-fault coverage for medical expenses only applies to accidental injuries occurring during the fund year, and is subject to all terms, conditions, and limits set forth in the Medical Expense Endorsement.

K. As a condition precedent to Cyber Liability and First-Party Cyber coverages, install available software product updates and releases or apply security-related software patches to computers and other components of a computer system within 30 days of the date that such updates, releases, or patches are available to the Member.

III. This Agreement, as approved by the Member, shall be forwarded to the Trust or its designee.

IV. The Trust shall acknowledge acceptance of this Agreement by noting hereon in the space provided the effective date of its acceptance and shall return a fully executed copy thereof to the Member.

V. The effective date initiating the obligations and rights of the parties to this Agreement shall commence upon the date stated herein and upon receipt by the Trust of the Member's fund contributions payable in advance. Failure by any Member to pay contributions as required by the Trust shall terminate this Agreement and void the Member's rights in the Fund upon fifteen (15) days' written notice to the Member, except that the Fund will continue to be liable for all claims that would otherwise be covered by the Fund, which were made against the Member and timely reported by the Member to the Trust while the Member was in full compliance with this Agreement.

VI. In the event of default by a Member as specified in Section V. hereof, or in the event of discontinuance of participation by a Member, all fund contributions made by the Member shall remain the sole property of the Trust, and said Member shall have no rights therein.

NORTH CAROLINA SCHOOL BOARDS TRUST
ERRORS & OMISSIONS/GENERAL LIABILITY FUND

By: _____
Authorized Representative

_____
Date Signed

_____
Effective Date of Coverage

_____
Participation Agreement Number

NAME OF SCHOOL BOARD MEMBER

_____
School Board

By: ✓ _____
Superintendent

By: ✓ _____
Board Chair

_____
Date Signed

_____
Risk Management Coordinator

_____
Telephone Number

This instrument has been preaudited in the manner required by the School Budget and Fiscal Control Act.

5-26-2020
(Date)

(Signature of Finance Officer)

NCSBT