

February 4, 2022

MEMORANDUM

To: Joint Legislative General Government Oversight Committee, Chairs
Joint Legislative Education Oversight Committee, Chairs
Fiscal Research Division

From: Secretary Pamela B. Cashwell

Re: Report on the Use of State Fiscal Recovery Funds

In accordance with *Session Law 2021-180, Section 20.2* the Department of Administration must report on the use of State Fiscal Recovery Funds for the purpose of ensuring compliance with the provisions set out in *G.S. 115C-552* and *G.S. 115C-560*. This initial report as required in Section 20.2 (1) directs the Department to include:

- a) A description of the increase in home school notice of intent filings as a result of the COVID-19 pandemic and the number of those home schools that have since submitted termination notices.
- b) The current approach to tracking the number of operational home schools in the State.
- c) Challenges in maintaining an accurate count of operational home schools.
- d) Efforts underway to determine which home schools are no longer operational.
- e) The current methodology for compiling annual statistical reports on operational home schools and any planned database improvements and changes to the statistical report methodology.
- f) Year-to-date and planned expenditures.

Please see the attached report. Please contact Legislative Liaison, Katie Hall at (984) 236-0004 or katie.hall@doa.nc.gov if there are questions.

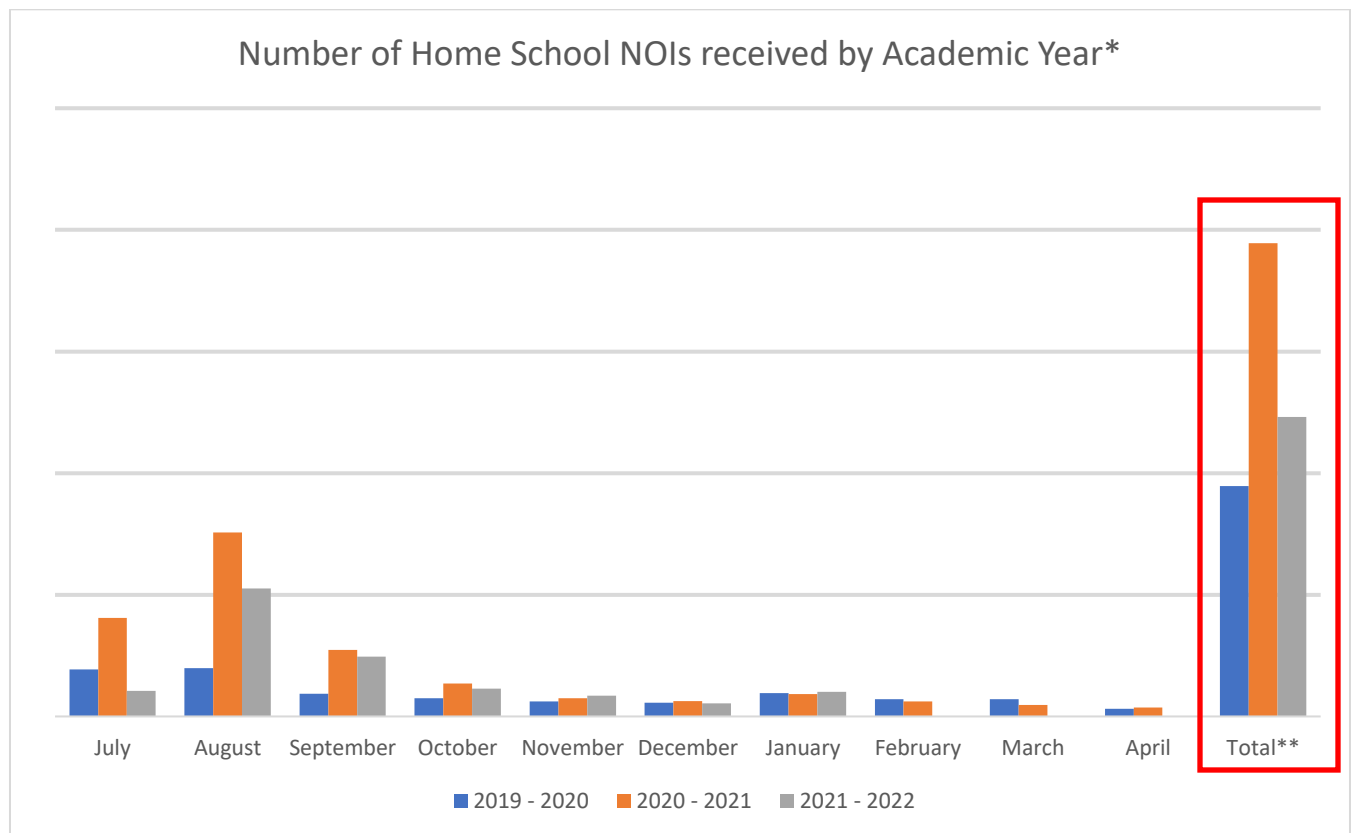


A description of the increase in home school notice of intent filings as a result of the COVID-19 pandemic and the number of those home schools that have since submitted termination notices.

During the pandemic’s first full academic school year, July 1, 2020 – June 2021, the Department of Administration’s Division of Non-Public Education (DNPE) experienced an approximately 105% increase in home school notices of intent (NOIs) to operate. Of the approximately 31,500 new home schools opened between July 1, 2020 and January 31, 2022, approximately 2,700 home schools have closed.

- **Pre-pandemic**, the average number of NOI filings - 9,000 per academic year
- **During the 2020-2021 academic year**, NOI filings - 19,454
 - 105% increase over pre-pandemic average yearly NOI filings
- **Between July 1, 2021 and January 31, 2022**, DNPE received 12,314 NOIs

The chart below reflects these numbers graphically.



*DNPE does not accept NOIs for home schools in May and June.

**2021-2022 academic year total through February 1, 2022.

The current approach to tracking the number of operational home schools in the State.

N.C.G.S. §115C-552 and §115C-560 require home school chief administrators to notify DNPE if they intend to open a home school in North Carolina and if they intend to cease operation. Home school chief administrators often fail to notify DNPE upon closing, making it difficult to accurately track the number of operational home schools.

Challenges in maintaining an accurate count of operational home schools.

The statutes governing home schools requires home school chief administrators to maintain certain enrollment and testing records. However, the statutes do not require submission of those records to DNPE. Without this requirement, DNPE cannot maintain an accurate count of operational home schools and cannot effectively ensure compliance with statutory recordkeeping requirements. Despite our best efforts, it is a challenge to get home school chief administrators to voluntarily update their enrollment, testing, and other account information.

Efforts underway to determine which home schools are no longer operational.

DNPE used the following methods to update its home school database:

- As a result of a 2018 outreach effort by mail and phone, DNPE removed 424 home schools from the active registration list.
- As a result of a 2019 outreach effort by mail and phone, DNPE removed 1,009 home schools from the active registration list.
- As the result of a 2021 phone and mail campaign and a database assessment, DNPE removed 22,349 home schools from the active registration list.

Session Law 2021-180 dedicated \$750,000 to DNPE to increase staff and improve the home school database. In addition to an existing full-time employee, DNPE is in the process of establishing three time-limited staff to make direct contact with home schools to verify their operational status.

The current methodology for compiling annual statistical reports on operational home schools and any planned database improvements and changes to the statistical report methodology.

DNPE uses the information catalogued in the database to complete the annual home school report. The report includes the total number of open home schools, the number of home schools per county, and the number of home schools by classification (religious or non-religious). Each year a state government statistician computes an estimation of the home school enrollment using an algorithm developed by OSBM. The report includes an estimation of student enrollment by county and age. Additional reports include the number of new home schools for the year along with the number that remain open.

Planned database improvements include upgrading the current system to:

- determine how many schools are open on a specific date
- allow home school chief administrators quick and easy access to their account information with the capability to upload compliance data including attendance records and testing information annually
- allow emails to be sent to all home schools from the system and track delivery to and responses from home school chief administrators
- allow Record Review Meeting data to be entered. remind home school chief administrators by email to update their compliance data
- create custom reports with specific parameters such as:
 - enrollment per county
 - enrollment per year
 - number of new NOIs
 - number of open home schools overall, county, town, etc.
 - number of closed home schools per county, per year, etc.
 - listing of home schools that submitted attendance and testing data each year
 - listing of home schools that have updated enrollment numbers annually

Year-to-date and planned expenditures

Fiscal Year 2021-2022

Salaries	\$58,534	3 months new positions
Estimated Benefits	\$16,390	
Total Salaries and Benefits	\$74,924	
Contracted Services	\$48,000	3 months contracted IT program developer/analyst
IT & Miscellaneous Expenses	\$11,100	Laptop, monitor, email, phone, software, postage, printing
Software Subscriptions	\$18,141	Server, database subscriptions, telephone customer service software
Total Expenses	\$77,241	

Fiscal Year 2022-2023

Salaries	\$196,551	Time-limited new staff
Estimated Benefits	\$55,034	
Total Salaries and Benefits	\$251,585	
Contracted Services	\$64,000	4 months contracted IT program developer/analyst
IT & Miscellaneous Expenses	\$12,625	Email, phone, software, postage, travel
Software Subscriptions	\$18,141	Server, database subscriptions, and customer service software
Total Expenses	\$94,766	

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Fiscal Year 2023-2024

Salaries	\$174,000	Time-limited new staff
Estimated Benefits	\$48,720	
Total Salaries and Benefits	\$222,720	
IT & Miscellaneous Expenses	\$11,625	Email, phone, software, postage, travel
Software Subscriptions	\$17,140	Server, database subscriptions, and customer service software
Total Expenses	\$28,765	

Total 2021-2024	\$750,000
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