<table>
<thead>
<tr>
<th>Time</th>
<th>Session Name</th>
<th>Notes</th>
<th>Presenter</th>
</tr>
</thead>
<tbody>
<tr>
<td>8:15 AM</td>
<td>Log-In</td>
<td>Submit Sign-In Form</td>
<td></td>
</tr>
</tbody>
</table>
| 8:30 AM    | School Health Requirements for NC Charter Schools| Participants will understand student health requirements for NC Charter Schools, Student health recommendations for consideration and available resources for assistance in addressing student health needs. | Annette Darden Richardson
              |                                                  |                                                    | Amy Johnson                                    |
| 9:15 AM    | Strategic Goals & Accountability                | Measuring What Matters                                                | Joseph Letterio Maimone                        |
| 10:30 AM   | Break                                           |                                                                     |                                                 |
| 10:45 AM   | School Nutrition                                 |                                                                     | Jacquelyn McGowan                              |
| 11:15 AM   | School Transportation                            |                                                                     | Kevin Harrison                                  |
| 11:45 AM   | Expert on the Ground                             | School Transportation and Nutrition in Action                         | Maria Mills, Carolina Charter Academy           |
| 12:30 PM   | Lunch                                            |                                                                     |                                                 |
| 1:30 PM    | State Health Plan                                |                                                                     | Howard Michael                                 |
| 2:15 PM    | State Retirement Plan                            | Options for Your New Charter School                                  | Doug Mayer                                     |
| 3:00 PM    | NC 401(K) and NC 457 Retirement                  | Options for Your New Charter School                                  | Margaret Hendershot                             |
| 3:45 PM    | Wrap-Up                                          | RTO 1 Due December 2                                                 | Jenna Cook                                     |
| 4:00 PM    | End                                              |                                                                     |                                                 |
School Health Requirements for NC Charter Schools

Annette Darden Richardson
Amy Johnson
Charter School Statutory Health Requirements

• Participant Handouts
Strategic Goals & Accountability – Measuring What Matters

Joseph Letterio Maimone, Office of Charter Schools
On a Road to Nowhere?
Why Charter Schools Close...
Agenda

- Learning Outcomes
- What is my responsibility as a BOD member?
- What does effective oversight look like?
- SMART goals activity
- How can we turn ideas into action?
Learning Outcomes:

- Understand the responsibilities of the board to set clear goals, develop an accountability plan, and build tools to support the accountability plan.

- Identify concrete steps the board can take to plan, monitor, and evaluate itself, its school, and its school leader using Specific, Measurable, Attainable, Relevant and Time-Bound (SMART) goals.
The Responsibility of the Board of Directors

Accountability begins and ends with the Board of Directors (legal responsibility, oversight, and mission promotion).

Understanding your fiduciary duty—what is a fiduciary?

Three keys to exemplary governance:

• Consistency—stability, constancy
• Honesty—is this action, or this statement, true and above reproach?
• Intentionality—discipline in words, time, and actions
The Responsibility of the Board of Directors

- Governing for Growth around the 5 Ps:
  ✓ People
  ✓ Priorities
  ✓ Process
  ✓ Performance of the board-internal and external
  ✓ Progress towards charter renewal

- Develop strategic goals and measurement systems with this in mind.
Effective oversight looks like....

- Focus on the things that matter the most for your school
  - Academic Excellence/Student Achievement
  - Fiscal Viability, raising and using resources wisely
  - Legal Compliance
  - Board Effectiveness
  - School Improvement

- Follow three key steps:
  - Strategic planning
  - Oversight and monitoring
  - Evaluation and reflection
Effective oversight looks like...

- **Strategic Planning**
  - Define your priorities.
  - Clearly outline goals and objectives with a completion timeline (SMART goals).
  - Identify concrete outcomes aligned to your mission.
  - Identify who is responsible and can impact certain goals and outcomes.
If I had an hour to solve a problem, I’d spend 55 minutes thinking about the problem and 5 minutes about solutions.

Albert Einstein
<table>
<thead>
<tr>
<th>Performance Data</th>
<th>Demographic Data</th>
<th>Process Data</th>
<th>Perception Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Local summative and interim assessment results</td>
<td>• School location and size of student body</td>
<td>• External school reviews</td>
<td>• Teaching and learning conditions (e.g. staff surveys)</td>
</tr>
<tr>
<td>• Student work samples</td>
<td>• Student characteristics, including poverty, language proficiency, IEP, race/ethnicity</td>
<td>• Observations of instruction</td>
<td>• Perception survey data (parent/student surveys)</td>
</tr>
<tr>
<td>• Classroom assessment results</td>
<td>• Student mobility /re-enrollment rates</td>
<td>• Academic interventions available to students</td>
<td>• Self-assessment results</td>
</tr>
<tr>
<td>• K-3 reading assessment results (required by READ Act)</td>
<td>• Staff characteristics (experience, attendance, turnover)</td>
<td>• Student attendance</td>
<td>• Focus group data from key constituents</td>
</tr>
</tbody>
</table>
Effective oversight looks like...

- **Strategic Planning**
  - What are the two to four most important issues on which this BOD needs to be focused?
  - What must the BOD do at this particular point in time?
  - What must the BOD due as part of its due diligence or governance responsibilities?
  - What does the BOD need in terms of ongoing professional learning that will help it make informed decisions?
Operational & Aspirational Goals

- Operational – core annual tasks that tie you to your charter agreement.
  - Fiscal Oversight
  - External Stakeholder Communication
  - Focus on Achievement, Continuous School Improvement, Equity
- Aspirational – (short-and long-term REACH goals)
  - How you will change / transform the world - why you started the school
Effective oversight looks like.

- Set mission-aligned S.M.A.R.T. goals:
  - **Specific**: A specific goal has a much greater chance of being accomplished than a general goal.
  - **Measurable**: A clear criteria for measuring progress toward attainment of each goal set should be established.
  - **Attainable**: Goals that are important to the organization are easy to figure out how to make come true.
  - **Realistic**: Realistic goals represent an objective towards which the organization is both willing and able to work.
  - **Time-Bound**: A goal should be time-bound. Deadlines too far in the future are easy to put off, goals set too close tend to be unrealistic and have little success.
  - **SMART TOOL**
Effective oversight looks like. .

- Set mission-aligned S.M.A.R.T. goals:

  Example: School improvement plan states your goal is to improve school climate and teacher morale.

  - Re-written as a SMART goal for staff retention: Over the next three years, the number of staff requests to transfer will be reduced from an average of 8 per year, to an average of 4 per year.

  - Re-written as a SMART goal for staff absenteeism: By November, 2024, SMART Charter School will have reduced our staff absentee rate by 50%, to an average of 3.5 days.
Goals Not SMART....

The Board will maintain a focus on high standards of learning, social development and emotional support for all of our children, with continual improvement.

+ Monitor student achievement through the examination of multiple sources of data regularly throughout the school year.
+ Engage in regular dialogue with administration about both areas of strength and opportunities for improvement.
+ Continually strive to support a well-rounded education for all students that take into account their individual strengths, interests, and needs.
+ Continually support the social, emotional, and physical needs of our students, both because these are important goals in and of themselves and because social, emotional, and physical health is essential for optimal learning.
Goals, SMART, Not SMART....

The Board will perform all of its duties with the highest ethical standards.
+ The Board will be cognizant of the importance of confidentiality of both students and staff.

The Board will ensure access and equity for all stakeholders
+ Develop an equity statement that reflects the board's commitment
+ Provide training for board and school leader around equity.
Goals, SMART, Not SMART....

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+ Continually support the social, emotional, and physical needs of our students, both because these are important goals in and of themselves and because social, emotional, and physical health is essential for optimal learning.
## SMART(er) Goals....

### Examples of SMART Goals and Complete Plan Illustration

<table>
<thead>
<tr>
<th>Student Performance Goals</th>
<th>Anatomy of SMART Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>By 2011, all students in grades K-12 will improve performance on the X and local assessments by ____% each year in reading.</td>
<td>Reading</td>
</tr>
<tr>
<td>By 2021, all students will increase their mathematics and numeracy achievement on the X and local assessments by at least 5% each year; and reduce the achievement gap in each subgroup by at least 10% each year.</td>
<td>Mathematics and Numeracy</td>
</tr>
</tbody>
</table>

### Anatomy of SMART Goal

- **Specific**
- **Measurable**
- **Attainable and Achievable**
- **Realistic and Relevant**
- **Timely**
## SMART(er) Goals....

### Examples of SMART Goals and Complete Plan Illustration

<table>
<thead>
<tr>
<th>Expectations and Conditions Goals</th>
<th>Anatomy of SMART Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Specific</strong></td>
<td><strong>Measurable</strong></td>
</tr>
<tr>
<td><strong>Attainable and Achievable</strong></td>
<td><strong>Realistic and Relevant</strong></td>
</tr>
<tr>
<td><strong>Timely</strong></td>
<td></td>
</tr>
</tbody>
</table>

### By the end of the 2010-2011 school year, suspensions/office referrals reported for all students in the 4th, 6th, and 9th grade and SWD (Students with disabilities) in all grades will be reduced by 50% from 2006-2007 EMIS data.

- **Suspensions/office referrals**
- **All students in grades 4, 6, 9 and SWD**
- **Reduce referrals**
- **50% reduction over a 5 year period (2021 to 2026)**
- **By 2021-2022**

### By 2021, the Board will provide a working and learning environment that allows each employee to demonstrate leadership and contribute to increasing student learning as measured by 25% eased satisfaction and changes in leadership practice (X Rubric).

- **Changes in working and learning environment**
- **Increases in satisfaction and improvement on X rubric scores**
- **Improved working conditions, leadership opportunities, hiring and assignment policies**
- **25% increased satisfaction, changes in leadership practices, policies and procedures**
- **By 2021**

### By 2025, the Board will ensure the Board and Staff mirror the demographic make-up of the student body.

- **Intentionality in recruitment, hiring, PD, and retention practices**
- **Reflective in hiring data and board composition**
- **Culturally responsive working conditions, leadership opportunities, hiring and assignment policies**
- **Closing the gap by 20% each year**
- **By 2026**
Effective Oversight Looks Like. . .

- **Oversight and Monitoring**
  - Measure what matters

<table>
<thead>
<tr>
<th>Measure Characteristic</th>
<th>Main Concern</th>
</tr>
</thead>
<tbody>
<tr>
<td>Understandable</td>
<td>Can the performance measure be easily and clearly communicated?</td>
</tr>
<tr>
<td>Controllable</td>
<td>Can the results be controlled or significantly influenced under a designated span of control?</td>
</tr>
<tr>
<td>Actionable</td>
<td>Can action be taken to improve performance?</td>
</tr>
<tr>
<td>Credible</td>
<td>Is the performance measure resistant to manipulation?</td>
</tr>
</tbody>
</table>
Effective Oversight Looks Like... 

- **Oversight and Monitoring**
  - Gather input and feedback along with data and observations.
    - Parents, teachers, students, community members, etc.
    - Measure a variety of things from internal process to external outcomes.
  - Check-in on progress at every meeting.
  - Establish a committee structure.
Effective Oversight Looks Like. . .

- **Evaluation and Reflection**
  - Complete a comprehensive evaluation of the school director (or executive director).
  - Complete a comprehensive self-assessment and evaluation of the board.
  - Schedule intentional time for strategic planning and evaluation towards goals.
  - Celebrate success and be honest about areas for improvement.
Turning Ideas into Action

✓ Review the SMART goals in your charter application. Are you measuring what matters? What priorities are missing?

✓ Create a dashboard and review it at every meeting.

✓ Leverage your team and expertise to develop action steps and benchmarks for each goal.

✓ Develop your skills for analyzing data.

✓ Create an open and honest board culture.
Questions?
Break

We will Return at 10:45
School Nutrition
Jacquelyn McGowan, Office of District Operations and School Nutrition
North Carolina
Department of Public Instruction
Office of School Nutrition

USDA is an equal opportunity provider and employer.
OBJECTIVES

1. What is the National School Lunch Program (NSLP)?
2. How long is the application process?
3. Steps for participating in the federally assisted School Nutrition Programs
4. Reimbursement Rates
5. Professional Standards
6. Decisions, decisions... do we want to participate?

We think Nutrition because students can’t think without it.
The National School Lunch Program is the federally-assisted meal program operating in public and nonprofit private schools and residential child care institutions. Provides nutritionally balanced, low-cost or free lunches to children each school day.
WHAT OTHER PROGRAMS ARE OFFERED UNDER SCHOOL NUTRITION?

National School Lunch Program (NSLP)
- After School Snack Program (ASSP)
- Seamless Summer Option (SSO)
- Fresh Fruit and Vegetable Program (FF&VP)

We think Nutrition because students can’t think without it.
WHAT OTHER PROGRAMS ARE OFFERED UNDER SCHOOL NUTRITION?

- School Breakfast Program (SBP)
- Special Milk Program (SMP)

*We think Nutrition because students can’t think without it.*
HOW LONG IS THE APPLICATION PROCESS?

The School Nutrition Program application process takes a minimum of eight to twelve (8-12) months to complete.

*We think Nutrition because students can’t think without it.*
STEPS TO PARTICIPATE IN THE SCHOOL NUTRITION PROGRAM

1. Complete Potential School Food Authority (SFA) Interest Form along with a School Calendar
2. Catering Contract/Request For Proposal
3. Create menus, complete menu grids and certification worksheets – submit for approval
4. Submit required Technology Access forms
5. Complete and submit required Operations/Management documents for review and approval.

*We think Nutrition because students can’t think without it.*
6. Complete online Agreement Application process
7. Submit required original signed documents to NCDPI – School Nutrition Services
8. Congratulations! Your School Food Authority is an approved sponsor in the School Nutrition Program!
9. *An Operations and Program Management Consultant will be onsite to observe meal services within four (4) weeks of approval.

*We think Nutrition because students can’t think without it.*
## WHAT IS THE REIMBURSEMENT RATE?

### USDA Reimbursement Rates for School Food Authorities

**Effective from: July 1, 2022 to June 30, 2023**

<table>
<thead>
<tr>
<th>National School Lunch Program</th>
<th>Less than 60% (includes 8 cents for performance based reimbursement)</th>
<th>60% or More (includes 8 cents for performance based reimbursement)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contiguous States</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paid</td>
<td>0.85</td>
<td>0.87</td>
</tr>
<tr>
<td>Reduced-Price</td>
<td>4.01</td>
<td>4.03</td>
</tr>
<tr>
<td>Free</td>
<td>4.41</td>
<td>4.43</td>
</tr>
<tr>
<td>School Breakfast Program</td>
<td>Non-Severe Need</td>
<td>Severe Need</td>
</tr>
<tr>
<td>Contiguous States</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paid</td>
<td>0.50</td>
<td>0.50</td>
</tr>
<tr>
<td>Reduced-Price</td>
<td>1.96</td>
<td>2.37</td>
</tr>
<tr>
<td>Free</td>
<td>2.26</td>
<td>2.67</td>
</tr>
<tr>
<td>Special Milk Program</td>
<td></td>
<td></td>
</tr>
<tr>
<td>All Milk</td>
<td>0.2700</td>
<td>0.2700</td>
</tr>
<tr>
<td>Pricing Programs Without Free Option</td>
<td>0.2700</td>
<td>N/A</td>
</tr>
<tr>
<td>Pricing Programs With Free Option</td>
<td>N/A</td>
<td>0.2700</td>
</tr>
<tr>
<td>Non-Pricing Programs</td>
<td>0.2700</td>
<td>N/A</td>
</tr>
</tbody>
</table>

### After School Snack Program

| Contiguous States |                                                |                                                |
| Paid              | 0.09                                           |                                                |
| Reduced-Price     | 0.54                                           |                                                |
| Free              | 1.08                                           |                                                |
EXPENSES IN THE SCHOOL NUTRITION PROGRAM

Typical expenses:
The average school nutrition program has a number of expenses beyond food, labor, benefits and supplies that factor into the budget. These include:

- Purchased and leased equipment (kitchen, office, dining, vehicles)
- Purchased services (contracts with vendors for data processing, consultant fees, custodial, printing, advertising, legal, human resources, etc.)
- Repair / maintenance
- Electricity / water / trash removal
- Transportation / fuel
- Professional development
- Marketing / promotion
- Security services and lunch room supervision

https://schoolnutrition.org/AboutSchoolMeals/SchoolMealTrendsStats/
PROFESSIONAL STANDARDS FOR SCHOOL NUTRITION PROFESSIONALS

• Bachelor’s degree or equivalent educational experience, with academic major in food & nutrition, food service management and at least eight hours of food safety training

• Associate’s degree or equivalent educational experience, with academic major in food & nutrition, food service management and at least one year experience and at least eight hours of food safety training
USDA Professional Standards

High school diploma (or GED) and at least three years of relevant experience in School Nutrition Programs and at least eight hours of food safety training either not more than five years prior to their starting date or completed within 30 days of the employee’s start date;

In Local Education Agencies with less than 500 students, the State Agency may approve a candidate that meets the educational standards but has less than three years of experience.
PROFESSIONAL STANDARDS FOR
SCHOOL NUTRITION
PROFESSIONALS

Additional Information:

NC Department of Public Instruction
http://childnutrition.ncpublicschools.gov/continuing-education/professional-standards

US Department of Agriculture
https://www.fns.usda.gov/school-meals/professional-standards
We think Nutrition because students can’t think without it.
THANK YOU FOR YOUR PARTICIPATION!

Any questions?

Jacquelyn McGowan, Compliance Specialist
Office of School Nutrition, NCDPI
Jacquelyn.Mcgowan@dpi.nc.gov
(984) 236-2909
http://childnutrition.ncpublicschools.gov/

We think Nutrition because students can’t think without it.
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Program information may be made available in languages other than English. Persons with disabilities who require alternative means of communication to obtain program information (e.g., Braille, large print, audiotape, American Sign Language), should contact the responsible state or local agency that administers the program or USDA’s TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339.

To file a program discrimination complaint, a Complainant should complete a Form AD3027, USDA Program Discrimination Complaint Form which can be obtained online at: https://www.usda.gov/sites/default/files/documents/USDA-OASCR%20P-ComplaintForm-0508-0002-508-11-28-17Fax2Mail.pdf, from any USDA office, by calling (866) 632-9992, or by writing a letter addressed to USDA. The letter must contain the complainant’s name, address, telephone number, and a written description of the alleged discriminatory action in sufficient detail to inform the Assistant Secretary for Civil Rights (ASCR) about the nature and date of an alleged civil rights violation. The completed AD-3027 form or letter must be submitted to USDA by:

1. mail:
   U.S. Department of Agriculture
   Office of the Assistant Secretary for Civil Rights
   1400 Independence Avenue, SW
   Washington, D.C. 20250-9410; or
2. fax:
   (833) 256-1665 or (202) 690-7442; or
3. email:
   program.intake@usda.gov
School Transportation

Kevin Harrison, Section Chief, Office of District Operations
School Transportation

A Review of Current Issues Affecting the Safe Transportation of Students To and From Charter Schools in North Carolina

Kevin Harrison
Transportation Services
NC Department of Public Instruction
984-236-2932
DPI Transportation Services

- Allotment of Funds for Transportation Operations
- Statewide Computer Systems
  - TIMS
  - State Vehicle Fleet Management System
- Inspection of School Buses
- Policy Initiatives
- Replacement of School Buses/Service Vehicles
Why Ride the Bus?

- Gateway to Education
- Keep Kids Safe
- Help the Environment

- Equal Access
- Parental Needs
- Safest Vehicles
- Dedicated Professionals
- Reduced Pollution & Costs
- Reduced Traffic
School buses transport more than half of the 50 million students to and from school each day.

Despite that, they account for less than 1% of student travel fatalities during school travel hours.

I wish every student could take advantage of school bus transportation.

Safe Vehicles

School buses are designed specifically to protect students on and off the bus with special safety features not available on any other vehicle.

Safety features of school buses:

- Color
- Size and height
- Reinforced sides
- Flashing red lights
- Cross view mirrors
- Crossing arm/stop sign
Buying School Buses

- State Term Contract for School and Activity buses (New)
- School buses are listed for sale at [www.ncbussafety.org](http://www.ncbussafety.org) under Used Vehicles for Sale.
- Discount for Charter Schools $500 (or quantity 2+ buses: 25%)
- Any purchase should be made only after consulting a trusted diesel mechanic.
- Any purchase should be made only after consulting the transportation staff at the LEA where the bus was previously in service.
- All surplus school bus sales are as-is, no warranty.
- PLEASE arrange with the district to keep the safety and signaling equipment functional.
• Vehicle 11+ including the driver is a BUS
• A BUS used to transport students to school or school-related events is a SCHOOL BUS
• A new SCHOOL BUS must meet Federal Motor Vehicle Safety Standards
To go to and from school, kids are safest when in a school bus!

- NON-CONFORMING VEHICLES
  - Federal law requires that any new SCHOOL BUS (a vehicle built to transport 11 or more passengers including the driver and used to transport students to school or school-related events) sold or leased by a dealer meet all FMVSSs applicable to school buses. Also illegal to buy or lease a new non-conforming vehicle

- In most places, there is no legal prohibition on USING such a vehicle
NC School Transportation Laws and Policies on the Web

http://www.ncbussafety.org/NCLaws.html
§ 115C-218.40 - Charter School Transportation

- Charter school may provide transportation
- Charter school shall develop a transportation plan so that transportation is not a barrier to any student who resides in the local school administrative
- The charter school is not required to provide transportation to any student who lives within one and one-half miles of the school.
- Local board may contract with the charter school to provide transportation in accordance with the charter school's transportation plan
- A local board may charge the charter school a reasonable charge
- A local board may refuse to provide transportation
Unique Historical Note

- This was a change from pre-1997 charter school law. SL 1997-430

(h) Transportation. – The charter school shall provide transportation for students enrolled at the school who reside in the local school administrative unit in which the school is located. The charter school may provide transportation for students enrolled at the school who reside in different local school administrative units. The charter
§ 115C-218.10 - Exemptions

- Except as provided in this Part and pursuant to the provisions of its charter, a charter school is **exempt** from statutes and rules applicable to a local board of education or local school administrative unit.
§ 115C-218.75 – General Op. Requirements

• Health and Safety Standards. - A charter school shall meet the same health and safety requirements required of a local school administrative unit.

• How does this apply to transportation?
  – Driver training and certification?
  – 30 Day Inspection of School Buses?
  – Preventive Maintenance of Buses?
  – School Bus Equipment?
What do LEAs have to do?
(Safety-Specific)

- Buy NC Spec Buses and maintain with same or newer spec equipment
- Inspect Buses every 30 calendar days with an inspector certified by DPI to a standard set by SBE policy
- Train students in school bus safety and document that training
- Assure students are transported responsibly (at or below capacity and seated in seats)
- Document approved routes for their buses
- Maintain a list of approved safe charter bus companies
School Bus Safety and Charter Schools

- Public school law & SBE policies and Rules dealing with school bus safety have never been officially applied to Charter Schools
Other State and Federal Laws

- Prohibition on use of cellular phones while in motion (State 20-137.4 and Federal)
  - Applies to everyone transporting students to and from school in a school or activity bus
  - ALSO includes anyone transporting students in ANY vehicle for compensation
Other State and Federal Laws

- 49 CFR Part 382 – Drug and Alcohol Testing
  - Pre-employment
  - Post-accident
  - Random
  - Reasonable Suspicion
  - Everyone with a CDL required as potentially part of their job duties
School Bus Drivers

• § 20-218
• School bus drivers must have a school bus driver certificate (DMV and County transportation director certify fit & competent)
• Activity bus drivers must have the same or a valid CDL for the vehicle class
• School bus speed limit 45 (Activity 55)
• Violation: Class 3 misdemeanor
School Bus Drivers

• Driving a school bus or activity bus with capacity of 16 or more (including the driver) requires a Commercial Driver’s License and a P (passenger) and S (school bus) endorsement.

• Contact DMV School Bus and Traffic Safety Division - Classes are usually held at the LEA transportation facility or central office. All school bus drivers (whether public, private or charter school) must obtain this license and a school bus driver’s certificate.

• A DOT Medical Card is required of all school bus drivers

• More information is available at http://www.ncbussafety.org/BusDrivers.html
School Bus Drivers

• Need access to a School Bus with Traffic Signaling Equipment

• The S endorsement is recognized nationally
  – DMV SBTS has indicated that they cannot certify an S endorsement for someone who can’t demonstrate, behind the wheel, a proper passenger stop and proper use of signaling equipment.

• Federal Law for anyone transporting students to and from school or school related activities in a CDL-size bus.
McKinney Vento – Homeless/Foster Care Transportation

• Right to remain in school of origin
  – If requested, and if in the best interest of the child; no matter the distance or cost.
• Transportation must be provided even if normally it would not be
• Must also enable the student to take full advantage of extra-curricular activities
• At no cost to the parent….
EC Transportation

• Section 504 Disability
  – Temporary disability
• IDEA - As required by an IEP as a related service
• Primary thing to remember is that it must be at NO COST to the parent
  – Your obligation likely doesn’t end until you reach their front door should the IEP or 504 require it
CBD Oil

- Advertising and Use has exploded in NC
- The NC School Boards Association has encouraged LEAs to prohibit use outright
- Issues:
  - There are not uniform quality standards for the products to adhere to
  - Use can affect different people differently
  - Use can yield a POSITIVE drug test result (pre-employment or random)
    - Information becomes part of the national CDL drug testing information clearinghouse
    - Follows the driver to every employer and MAY prevent future employment in many industries
  - It’s a gamble, and drivers need to understand it could cost them their career
    (It already has for multiple bus drivers in NC)
NTSB Report - Iowa

- Fire likely caused on overheat of turbo after repeated attempts to get out of the ditch with a blocked exhaust pipe
- Fire and toxic gases penetrated an incomplete firewall (what we would call the dog-house engine access) and then spread quickly
- The driver had medical issues with his back and was due for surgery in 2 days
- The student may have attempted to assist the driver out of his seat before understanding the level of danger she was in and before being overcome by the heat and toxic gases
NTSB Report - Iowa

• Probable Cause of the Fatal Run-Off-Road & Fire
  – Driver failure to control the bus (unknown reasons)
  – Failure of the Riverside Community School District to provide adequate oversight by allowing a driver to operate a school bus with a known physical impairment that limited his ability to perform emergency duties

The probable cause of the fire was ignition of a fuel source on the exterior of the engine’s turbocharger due to turbocharger overload and heat production, resulting from the blockage of the exhaust pipe by the bus’s position in the ditch and the driver’s attempts to accelerate out of the ditch.

Contributing to the severity of the fire was the spread of flames, heat, and toxic gases from the engine into the passenger compartment through an incomplete firewall.
NTSB Report – Iowa - Recommendations

- US DOT – Require all in service school buses to have fire suppression systems installed
- NHTSA -
  - Require all new school buses to have fire suppression systems (at least engine compartment)
  - Develop standards for newly manufactured school buses, especially those with engines that extend beyond the firewall, to ensure that no hazardous quantity of gas or flame can pass through the firewall from the engine compartment to the passenger compartment.
  - Revise FMVSS 302 to require the more rigorous performance standards on interior flammability and smoke emissions already in use in Aviation and Rail
- States -
  - Revise your school bus driver requirements so that all drivers must pass a physical performance test on hiring and at least annually, and also whenever a driver’s physical condition changes in a manner that could affect his or her ability to physically perform school bus driver duties, including helping passengers evacuate a bus in an emergency
NTSB Report on Baltimore and Chattanooga

• Failures in Oversight – People including management knew the drivers were erratic or not medically fit and did nothing.
  – Both contractors AND those employing the contractors were at fault
  – Failure of medical systems and the ability of medical staff of varying types to report medically unfit drivers
Chairman Sumwalt

• Lack of proper oversight again named probable cause.

• Staff knowing someone is unfit and failing to do something about it is being pointed to as a primary cause as opposed to more technical things as was previous practice.

• “We’ve got to send the message that, by God, if you’re a school district you have a responsibility to make sure that you’re providing the oversight that those kids deserve,”
COVID-19

- NC DHHS Requirements apply to all public schools
- These include face covering requirements, school bus cleaning and sanitizing, symptom screening protocol, and getting kids home safely without group transportation if they fail screening or become ill, etc.
- Also in Plan-B or if ANY student in the vehicle is in grade 6-12
  - No more than one passenger per seat in a school bus (unless members of the same household)
  - No more than two students in a non-bus vehicle unless all students in the vehicle are members of the same household

- Remember! Bus is 11 or more passengers including the Driver!
Important Web Sites

• www.NCBUSSAFETY.org
  – Pupil transportation in North Carolina
• www.NASDPTS.org
  – National Association of State Directors of Pupil Transportation Services
  – Position papers
• www.nhtsa.gov/school-buses
• www.schoolbusfacts.com
Charter Schools and Transportation Safety

Have Questions?
Kevin Harrison, Section Chief:
Kevin.Harrison@dpi.nc.gov
Expert on the Ground

Maria Mills, Carolina Charter Academy
2022 Charter School Principal of the Year
EXPERT ON THE GROUND
AT CAROLINA CHARTER ACADEMY
Intro to Maria Mills, M.Ed.

In 19th year of education (BS in Psychology, BA in Classical Studies, Masters in Education/Teaching, Masters in Math, School Administration)

- Taught HS and MS math, ESL gifted education
- opened a MS school in Brooklyn, NY—similar to transformation/renewal here—but not charter
- Admin in WCPSS for 3 years
- NOW—leading a new and growing charter school.
- POY—and in 3rd year and Oh! Does the learning not stop
Intro to Maria Mills, M.Ed.

- Charter School world is literally a different set of rules, expectations, guidelines, etc.
- While autonomy is nice
- It’s also EXHAUSTING. All the decisions, all the oversight, and sometimes, not any of the support.
Biting off just a little; over and over again.
Budget

- Likely more hands-on than in larger districts
- Probably the biggest difference between public and charter
- Set up procedural safeguards to ensure compliant budget
- Title I (federal programs) all directly monitored
- Able to make decisions and focus resources where they are best utilized now.
- More opportunities for grant funding
Develop a Vision and Strategic Plan in a charter setting

- Can be more difficult due to increased rate of attrition in charter setting
- Often referenced in the original charter
- Difficulty balancing original intention in charter with current needs years later of school population.
- Some freedom to amend charter
What are we/CCA up against

Covid years 1 and 2

Growth of 30% years 2 and current year 3.

All local affinity schools at low performing status
Misnomers that I am actively trying to change:

ACCESS for All

- Noted populations that need support in understanding
- Free, tuition free, support with uniforms
- Free and Reduced Lunch
  - 41 lunches made daily for students who qualify with proof from other social service organizations (WIC/food stamps) or proof of income
- Transportation
  - 3 buses with group stops, 136 bus riders, chosen by lottery with priority given to those who qualify for free and reduced lunch
- ACCESS grant - supporting a weighted lottery for EDS (educationally disadvantaged students)
Unique nature of parent/community involvement in charter setting

- Advantage is that all chose to be here
- Typical trends of parent involvement waning as students age up
- Can set parameters in place to require parent involvement.
- Small-town setting allows for easy community connections to be made.
  - Have to be forward-facing to community. Many don’t know what a charter school entails.
Transportation Year 1 (2019/2020)

- Initial survey sent to determine where routes should be placed.
- 2 buses, 2 community routes
  - Fuquay Varina (Wake County)
  - Angier (Harnett County)
  - Stops within 2-3 miles of the school
- Families opted in during enrollment (all spots filled)
- Quite a few students geographically far away, not logistically feasible to send a bus that far
  - Lillington (11 mi/20 min)
  - Garner (16 mi/25 min)
  - Ultimately almost all of these families still chose to come and use carpool or one of the community stops
Transportation Year 2 (2020/2021)

- Started out limited due to Covid social distancing regulations
- In the second semester, when restrictions lessened, more students were added to the bus through a general interest form
Transportation Year 3 (2021/2022)

- 3 buses with 3 group stops (2 Wake county and 1 Harnett)
  - All buses at full capacity
- Lottery system for all seats
- Emails and forms sent in both English and Spanish
- Preference for:
  - Those who rode in 21-22
  - Those who qualify for free and reduced lunch

CCA buses being are utilized for field trips to cut costs for families and to ensure that all students can attend. (Not contingent on a parent or guardian driving/chaperoning the trip.)
Year 4 and Beyond - NEXT STEPS

Currently have purchased a 4th bus, but we do not have a driver to add a route.

- Actively seeking a 4th driver with CDL
- In the meantime, family survey will be sent to determine best fourth bus location.
- Will have 4 buses up and running by 2023-2024, at the latest
- Will continue to prioritize previous riders and those who qualify for free and reduced lunch
Best Practices, Challenges, Lessons - Transportation

- Assigning bus seats
  - Returning students “grandfathered in” vs. need?
- No-Shows
  - Sometimes families sign up for the bus but don’t ride it.
- Inclement weather
- Bus failure or Driver sickness
  - Cancel the route or have a driver do a double route? What is less complicated?
- Suspension
  - Being suspended from the bus due to misbehavior can impact ability to attend school. Is there a way to mitigate this w/o jeopardizing bus safety?
Nutrition Year 1 (2019/2020)

- 44 students participating - about 13% (includes free and reduced lunch)
- Attempted to work with 3rd party vendor to provide a free/reduced option either paid for or supplemented by school funds
  - This proved very challenging - costs were high for most restaurants
  - 3rd party vendor made an error and with some families and granted them too many “credits”
- Spring semester of 19-20 we re-evaluated and decided to directly purchase food from restaurants (such as McDonald’s or pizza). This was cheaper, but time consuming and required organization from staff members

First year as a school - AND the world shut down in March 2020
Nutrition Year 2 (2021/2022)

- GROWTH DATA STATS:
  - 31 students qualified for free and reduced lunch, 28 participated.
- Lunch internally organized by staff members since this year.
  - 2 designated TA’s had a duty to microwave and pack lunch daily for the students. (No kitchen available) AD is in charge of the ordering and keeping records of purchases
- Noticed trends with the older students not wanted to receive the brown bag lunch, which was an indicator of a free and reduced lunch.
  - The purchase of “cool” reusable lunch bags was authorized for those students.
Nutrition Year 3 (2022/2023)

- **GROWTH DATA STATS:** around 75 lunches made daily.
- Same process used to purchase and assemble lunches as in 21-22, but with the addition of a rotating schedule of church volunteers to help our TA’s
- Looking to outsource purchase of lunch food, in order to reduce cost.
Nutrition Year 4 and Beyond - NEXT STEPS

- Population of CCA will continue to grow
  - 1000 students by Year 6 (2024/2025)
- This has the potential of increasing our numbers to over 150, if we mirror the previous years
- Microwaving lunches for many students will no longer be sustainable
  - A warming kitchen is in the works for summer construction.
Best Practices, Challenges, Lessons - Nutrition

- Not every family who qualifies uses the program
  - Some decline to complete income paperwork altogether
- Students who frequently don’t have/”forget” their lunch
- Are older students still reluctant to take the lunch due to worrying about image? How can we survey this casually?
- Ordering and storing in bulk.
  - Have we found a cost effective manner? What other avenues do we explore?
Innovation doesn’t have to be the end all, be all.

Sometimes it’s just a bite; while always remembering your WHY.
Lunch

12:30 PM – 1:30 PM
Overview of Topics

• State Health Plan Overview
• Legislation and Process
• New Group Setup
• Eligibility and Enrollment
• Group Premiums
• Overview of Plan Options
• Employing Retired Teachers in a Full-Time Position
State Health Plan Overview

• The State Health Plan provides health care coverage to more than 727,000 teachers, state employees, retirees and their dependents.

• The State Health Plan is a division of the Department of State Treasurer. The Treasurer is responsible for administering and operating the State Health Plan. An Executive Director oversees the day-to-day operations of the Plan.

• The Plan is governed by a Board of Trustees consisting of 10 members. The State Treasurer serves as the ex officio chair.

• The State Health Plan is governed by North Carolina General Statute 135 Article B and must adhere to Section 125 of the Internal Revenue Code (IRS); therefore, groups must follow the Plan’s rules as established.
Legislation and Process

• As required in NCGS 135-48.54, a Charter School Board of Directors must submit the election to join the Plan in writing no later than two (2) years after both parties (the State Board and the applicant) have signed the written charter under G.S. 115C-238.29E. A copy is required to verify the date signed after the election is submitted. Session Law 2018-84 House Bill 977 changed the notification requirement from 30 days to 2 years effective June 25, 2018.

• Send required documents to the State Board of Education, and to the State Health Plan’s Executive Director:
  
  Dee Jones, Executive Director
  State Health Plan for Teachers and State Employees
  3200 Atlantic Avenue
  Raleigh, NC 27604
  or email HBRInquiries@nctreasurer.com

• Election is irrevocable.

• The Board of Directors shall notify each employee of the election in writing whether the board elects to become a participating employer in the Plan.

• Each employee shall acknowledge receipt.
New Employing Unit Setup

- Important resources and tools are available on the State Health Plan website at www.shpnc.org.
- Once the Plan receives the election-to-participate letter, the Plan will send a Group Setup form to start the implementation process.
- Training and resources are provided to explain the implementation process.
- This will equip you with the knowledge you will need to educate your employees on their health plan options, and to show you how to use eBenefits, the Plan’s online enrollment system.

Contact at State Health Plan:
919-814-4400
HBRInquiries@nctreasurer.com
How to Enroll

Visit the State Health Plan website at www.shpnc.org and click eBenefits.
Eligibility For Permanent Employees

- Working 30 Hours Per Week
  - May enroll themselves and their eligible dependents

- Working 20 Hours but Less than 30 Hours Per Week
  - May enroll themselves and their eligible dependents but must pay full cost of coverage

A full list of who is eligible for State Health Plan coverage is located in the Benefits Booklet, which is posted to the Plan’s website.
Who is an Eligible Dependent?

• Legal spouse
• Children up to age 26*
  • Natural
  • Legally adopted
  • Foster children
  • Children under legal guardianship
  • Stepchildren
• *A child’s coverage may be extended beyond age 26 if the child is physically or mentally disabled and the condition developed before their 26th birthday and the dependent was covered by the State Health Plan. When requesting extension of coverage, members must complete the Coverage Request for Disabled Dependent form on the Plan’s website. The form must be approved prior to the termination date.
• Employees are required to provide a valid, unique Social Security number (SSN) and required documentation to verify the eligibility of the dependent.
• View the list of acceptable documents on the Plan’s website under the Health Benefits Representatives (HBRs) tab. Select Enrollment Information to locate the Dependent Verification Requirements document.
When Can You Enroll?

- Employees of new groups are eligible to enroll the first of the month that the group elects to join the Plan.
- After the group is on the Plan, the effective date for new hires is the first of the month following the employee’s hire date or the first of the second month following the employee’s hire date.

<table>
<thead>
<tr>
<th>Hired</th>
<th>Can elect coverage until</th>
<th>Effective date of coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 15</td>
<td>November 14</td>
<td>Either Nov. 1 or Dec. 1 (employee’s choice)</td>
</tr>
</tbody>
</table>

- Dependents must be added at time of the employee’s enrollment or can be added within 30 days of a qualifying life event or during Open Enrollment. Documentation is required to validate the status change.
- Please keep in mind that group setup can still be initiated before we receive the signed charter. However, enrollment may be delayed by statute until the Plan has a copy of the signed charter.
Group Premiums

• Prepaid Plan
  • Billed monthly for the next month
  • i.e., June bill is for July

• Bills are generated in the middle of the month

• Premium is due by the first of the next month and must be paid as billed

• If premium is not paid by the due date, claims are held

• Premiums not received by the fifteenth day of the month following the due date shall be charged 1 ½% interest of the amount due the Plan, per month beginning with the sixteenth day of the month following the due date. (NCGS 135-48.55)

• eBilling administered by Blue Cross and Blue Shield of North Carolina (Blue Cross NC) offers paperless invoices, electronic one-time and recurring payments, on-demand and scheduled reporting
Overview of Plan Options

The State Health Plan offers two plan options:

**Enhanced PPO Plan (80/20)**

Members pay a 20% coinsurance for eligible in-network services. For some services (i.e., office visits, urgent care or emergency room visits), members pay a copay. Affordable Care Act (ACA) Preventive Services performed by an in-network provider are covered at 100% by the Plan, at no cost to the member.

**Base PPO Plan (70/30)**

Members pay 30% coinsurance for eligible in-network expenses. Similar to the Enhanced PPO Plan (80/20), members pay a copay for some services (i.e., office visits, urgent care or emergency room visits). Affordable Care Act (ACA) Preventive Services performed by an in-network provider are covered at 100% by the Plan, at no cost to the member.

Review the [Plan Comparison](#) on the Plan’s website for a side-by-side comparison of both plans.
## 2023 Enhanced and Base PPO Plans

<table>
<thead>
<tr>
<th>Plan Design Features</th>
<th>Enhanced PPO Plan (80/20)</th>
<th>Base PPO Plan (70/30)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Deductible</strong></td>
<td>$1,250 Individual</td>
<td>$1,500 Individual</td>
</tr>
<tr>
<td></td>
<td>$3,750 Family (Combined Medical &amp; Pharmacy)</td>
<td>$4,500 Family (Combined Medical &amp; Pharmacy)</td>
</tr>
<tr>
<td><strong>Medical/Rx Out-of-Pocket (OOP)</strong></td>
<td>$4,890 Individual</td>
<td>$5,900 Individual</td>
</tr>
<tr>
<td></td>
<td>$14,670 Family (Combined Medical &amp; Pharmacy)</td>
<td>$16,300 Family (Combined Medical &amp; Pharmacy)</td>
</tr>
<tr>
<td><strong>Preventive Services</strong></td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Primary Care Provider (PCP)</strong></td>
<td>$0 for CPP PCP on ID Card</td>
<td>$0 for CPP PCP on ID Card</td>
</tr>
<tr>
<td></td>
<td>$10 for non-CPP PCP on ID card</td>
<td>$30 for non-CPP PCP on ID card</td>
</tr>
<tr>
<td></td>
<td>$25 for any other PCP</td>
<td>$45 for any other PCP</td>
</tr>
<tr>
<td><strong>Specialist Copay</strong></td>
<td>$40 for CPP Specialist</td>
<td>$47 for CPP Specialist</td>
</tr>
<tr>
<td></td>
<td>$80 for other Specialists</td>
<td>$94 for other Specialists</td>
</tr>
<tr>
<td><strong>Speech, Occupational, Chiro and Physical Therapy Copay</strong></td>
<td>$26 for CPP Providers</td>
<td>$36 for CPP Providers</td>
</tr>
<tr>
<td></td>
<td>$52 for other Providers</td>
<td>$72 for other Providers</td>
</tr>
<tr>
<td><strong>Hospital &amp; ER Copays</strong></td>
<td>$300 + Ded/Coins.</td>
<td>$337 + Ded/Coins.</td>
</tr>
</tbody>
</table>
Pharmacy Benefits

- Pharmacy Benefits are administered by CVS Caremark.
- Members are not limited to just CVS pharmacy locations for their prescriptions. CVS Caremark has a broad pharmacy network, which can be found using the Pharmacy Locator Tool available on the Plan’s website.
- As a reminder, the State Health Plan utilizes a custom, closed formulary (drug list). The formulary indicates which drugs are excluded from the formulary and not covered by the Plan.
- All other drugs that are on the formulary are grouped into tiers. A medication’s tier determines the employee’s portion of the drug cost.
- Members have a $0 copay for Preferred and Non-Preferred Insulin.

<table>
<thead>
<tr>
<th>Rx Tier</th>
<th>Enhanced 80/20</th>
<th>Base 70/30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1 – Generics &lt;$150</td>
<td>$5</td>
<td>$16</td>
</tr>
<tr>
<td>Tier 2 – Preferred Brands &amp; High-Cost Generics</td>
<td>$30</td>
<td>$47</td>
</tr>
<tr>
<td>Tier 3 – Non-Preferred</td>
<td>Ded/Coin</td>
<td>Ded/Coin</td>
</tr>
<tr>
<td>Tier 4 – Low-Cost Generic Specialty</td>
<td>$100</td>
<td>$200</td>
</tr>
<tr>
<td>Tier 5 – Preferred Specialty</td>
<td>$250</td>
<td>$350</td>
</tr>
<tr>
<td>Tier 6 – Non-Preferred Specialty</td>
<td>Ded/Coin</td>
<td>Ded/Coin</td>
</tr>
<tr>
<td>Preventive Medications</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Preferred Diabetic Supplies</td>
<td>$5</td>
<td>$10</td>
</tr>
<tr>
<td>Preferred and Non-Preferred Insulin</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>
Pharmacy Benefits, con’t.

• It is important to note that Tier 3 and Tier 6 medications do not have a defined copay but are subject to a deductible/coinsurance.

• Medications that are subject to coinsurance in most cases will result in higher out-of-pocket costs.

• A formulary exclusion exception process is available for Plan members who, per their provider, have a medical necessity to remain on an excluded, or non-covered, medication.

• If a member is approved for the excluded drug, that drug will be placed into Tier 3 or Tier 6 and the member will be subject to the applicable cost share.

• For more information, visit www.shpnc.org.
Wellness Premium Credit Opportunity

- Active members can reduce their employee-only premium by $60 on both the Enhanced PPO Plan (80/20) and Base PPO Plan (70/30) by completing the tobacco attestation.

- During Open Enrollment or initial enrollment, an employee **MUST** attest to being a non-tobacco user or agree to visit a Primary Care Provider (PCP) for at least one tobacco cessation counseling session within 60 days of their enrollment to earn their premium credit.

- The tobacco attestation premium credit applies only to the employee premium. It does not apply to spouses or dependents.

- The tobacco attestation is completed during the online enrollment process in the Plan’s enrollment system, eBenefits.
# 2023 Premium Rates

<table>
<thead>
<tr>
<th>Monthly Premium Rates</th>
<th>2023 Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Enhanced PPO Plan (80/20)</strong></td>
<td></td>
</tr>
<tr>
<td>Subscriber Only</td>
<td>$50.00</td>
</tr>
<tr>
<td>Subscriber + Child(ren)</td>
<td>$305.00</td>
</tr>
<tr>
<td>Subscriber + Spouse</td>
<td>$700.00</td>
</tr>
<tr>
<td>Subscriber + Family</td>
<td>$720.00</td>
</tr>
<tr>
<td><strong>Base PPO Plan (70/30)</strong></td>
<td></td>
</tr>
<tr>
<td>Subscriber Only</td>
<td>$25.00</td>
</tr>
<tr>
<td>Subscriber + Child(ren)</td>
<td>$218.00</td>
</tr>
<tr>
<td>Subscriber + Spouse</td>
<td>$590.00</td>
</tr>
<tr>
<td>Subscriber + Family</td>
<td>$598.00</td>
</tr>
</tbody>
</table>

*Assumes completion of tobacco attestation. The employee-only premium will be $60 higher per month if the tobacco attestation is not completed.

- The monthly employer contributions for 2023:
  - $472.08/month for the Medicare primary population
  - $584.96/month for the non-Medicare primary population
High Deductible Health Plan (HDHP)

Non-Permanent Full-Time Employees
HDHP for Non-Permanent Full-Time Employees

- To avoid tax penalties under section 4980H of the Internal Revenue Code (the Code), employers must offer health coverage to all full-time employees.

- Employees are considered full-time, and thus required to be offered employer-sponsored health care, if they are reasonably expected to work 30 hours per week.

- Employing units are responsible for determining whether an employee is a full-time employee. This includes all non-permanent employees.

The State Health Plan is not able to provide guidance to employing units regarding eligibility for employees.

Additional information is posted on the Plan’s website under the Health Benefits Representatives (HBRs) tab. Click High Deductible Health Plan.
# High Deductible Health Plan Summary

<table>
<thead>
<tr>
<th>Medical Coverage</th>
<th>In-Network (Individual Coverage)</th>
<th>In-Network (Family Coverage)</th>
<th>Out-of-Network (Individual Coverage)</th>
<th>Out-of-Network (Family Coverage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deductible</td>
<td>$5,000</td>
<td>$10,000</td>
<td>$10,000</td>
<td>$20,000</td>
</tr>
<tr>
<td>Coincurrence</td>
<td>50%</td>
<td>50%</td>
<td>60%</td>
<td>60%</td>
</tr>
<tr>
<td>Out-of-Pocket Maximum (Medical and Pharmacy)</td>
<td>$6,450</td>
<td>$12,900</td>
<td>$12,900</td>
<td>$25,800</td>
</tr>
<tr>
<td>Preventive Care Services</td>
<td>$0 (covered at 100%)</td>
<td>$0 (covered at 100%)</td>
<td>60% after deductible</td>
<td>60% after deductible</td>
</tr>
<tr>
<td>Office Visits</td>
<td>50% after deductible</td>
<td>50% after deductible</td>
<td>60% after deductible</td>
<td>60% after deductible</td>
</tr>
<tr>
<td>Specialist Visit</td>
<td>50% after deductible</td>
<td>50% after deductible</td>
<td>60% after deductible</td>
<td>60% after deductible</td>
</tr>
<tr>
<td>Inpatient Hospital</td>
<td>50% after deductible</td>
<td>50% after deductible</td>
<td>60% after deductible</td>
<td>60% after deductible</td>
</tr>
</tbody>
</table>

**Preventive Care Services**
- $0 (covered at 100%)
- Preventive Medications
  - $0 (covered at 100%)
- Preferred/Non-Preferred Insulin
  - $0 for 30-supply

**Third Party Claims Administrator – Blue Cross NC**
### 2023 Premium Rates – High Deductible Health Plan

<table>
<thead>
<tr>
<th>Monthly Premium Rates</th>
<th>2023 Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HDHP</strong></td>
<td></td>
</tr>
<tr>
<td>Subscriber Only</td>
<td>$96.00</td>
</tr>
<tr>
<td>Subscriber + Child(ren)</td>
<td>$284.00</td>
</tr>
<tr>
<td>Subscriber + Spouse</td>
<td>$513.00</td>
</tr>
<tr>
<td>Subscriber + Family</td>
<td>$617.00</td>
</tr>
</tbody>
</table>
Rehired Full-Time Retirees Rule

In adherence to §135-48.40, a retiree employed full-time under an employing unit is no longer eligible for health coverage under the Retirement Systems and the employing unit is responsible for paying the employer premiums.

• Permanent rehired retirees are eligible for the traditional plans (Base PPO Plan 70/30, Enhanced PPO Plan 80/20.)

• Effective January 1, 2016, employing units had the option to offer non-permanent full-time rehired retirees either the High Deductible Health Plan (HDHP) or the traditional plans.

• Please review the Rehired Retirees page under the HBRs tab of the State Health Plan website for additional details.
Questions?

Thank you!

This presentation is for general information purposes only. If it conflicts with federal or state law, State Health Plan policy or your benefits booklet, those sources will control. Please be advised that while we make every effort to ensure that the information we provide is up to date, it may not be updated in time to reflect a recent change in law or policy. To ensure the accuracy of, and to prevent the undue reliance on, this information, we advise that the content of this material, in its entirety, or any portion thereof, should not be reproduced or broadcast without the express written permission of the State Health Plan.
State Retirement Plan

Doug Mayer
Teachers’ and State Employees’ Retirement System (TSERS) Charter School
NC Total Retirement Plans Include

**TSERS – 401(a)**
**Defined Benefit Plan** – amount you receive at retirement based on a defined formula to calculate guaranteed monthly lifetime retirement benefits (not based on your or your employer’s contributions)

**NC 401(k), NC 457, NC 403(b)**
**Defined Contribution Plans** – amount you receive at retirement depends on the amount you have accumulated in your plan account (your personal contributions, plus any employer contributions, and investment earnings)
Retirement Eligibility
Service Retirement Eligibility (Unreduced Benefits)

TSERS

Age 65 with 5 years of membership service

Age 60 and 25 years of creditable service

30 years at any age
Early Retirement Eligibility (Reduced Benefits)

- **AGE**
  - **60** with **5** years of membership service

- **SERVICE**
  - **50** with **20** years of creditable service

TSERS
Defined Benefit Formula
Defined Benefit Formula

Average Final Compensation

Accrual Factor

×

Years of Service

= Maximum Retirement Benefit

÷ 12

Monthly Maximum Benefit

Note: Reduction factors apply for early retirements
Options
<table>
<thead>
<tr>
<th>Option</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Maximum</strong></td>
<td>When member dies, benefit stops. It is only for the member’s lifetime.</td>
</tr>
<tr>
<td><strong>Option 2  100%</strong></td>
<td>Member paid reduced benefit for their lifetime, when they die, their surviving beneficiary will receive the same amount for their life. If beneficiary dies before member, member’s benefit doesn’t change.</td>
</tr>
<tr>
<td><strong>Option 3  50%</strong></td>
<td>Member is paid more during their lifetime, when they die, their surviving beneficiary will receive half that amount for their life. If beneficiary dies before member, member’s benefit doesn’t change.</td>
</tr>
<tr>
<td><strong>Option 4 to age 62</strong></td>
<td>“Social security leveling”- Member paid a higher modified maximum benefit until they turn 62. When member turns 62, reduce benefit amount by social security. Only for member’s lifetime.</td>
</tr>
<tr>
<td><strong>After age 62</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Option 6-2 Pop-up</strong></td>
<td>Similar to Option 2, with the exception that if beneficiary dies before member, member’s benefit pops back up to maximum benefit.</td>
</tr>
<tr>
<td><strong>Option 6-3 Pop-up</strong></td>
<td>Similar to Option 3, with the exception that if beneficiary dies before member, member’s benefit pops back up to maximum benefit.</td>
</tr>
</tbody>
</table>
Employer Contributions
Employer Contribution 2022-2023 Fiscal Year

24.50%

• Retirement System Pension Fund  17.37%
• Death Benefit Trust Fund       0.13%
• Retiree Health Benefit Fund   6.89%
• Disability Income Plan        0.10%

Upon the rectification of the biannual budget, we anticipate the rates will be at least 100 basis points higher than this year.
Death Benefits
Death Benefits

• Active Employee Death Benefit
  – Member must have one year of membership service
  – Payment will be no less than $25,000 and no more than $50,000

• Survivor’s Alternate Benefit
  – If you die while in active service or you die within 180 days of your last day of service, and you have named only one eligible beneficiary for the return of your contributions (i.e., beneficiary is living at the time of your death), and you’ve met the requisite age and/or service requirements, then
  – Your beneficiary may choose to receive a lifetime monthly benefit under Option 2, instead of a lump sum return of contributions payment.

• Guaranteed Refund
  – Is a complete refund of all remaining contributions made by the member
Health Coverage - Optional
Retiree Health Coverage

New legislation changes the 30-day entry window to two years for all newly created charter schools. The legislation further provides for a non-binding six-month notification to SHP from charter schools for planning purposes. Additionally, under current law, any existing charter school that missed its original 30-day window needed to request special legislation to join the SHP. In order to rectify this situation, this new provision also provides a two-year window for all existing nonprofit charter schools who have not opted into the State Health Plan to join. (Effective June 26, 2018)

To learn more about the options available to you, call the State Health Plan at 855-859-0966 or visit the plan’s website at www.shpnc.org.
Transfer Benefit
Optional Transfer Benefit

• Available to retiring TSERS members with NC 401(k) or NC 457 accounts
• May transfer all or portion of NC 401(k)/457 funds to TSERS
• Receive separate monthly lifetime benefits based on the amount of transfer
• After-tax Roth contributions are non-transferable
• Transfers are a one-time irrevocable election
• One-time $100 administrative fee
In all Cases:

- During required 6 month waiting period, retiree is prohibited from returning to work in any capacity for any employer under the Retirement System from which they retired without facing a significant financial penalty (up to and including a repayment of all benefits received).

- After 6 month wait, a retiree can return as a contributing member of TSERS, or under an earnings restriction (earnable allowance).
Returning as a contributing member of TSERS

• The retirement benefit for employees in receipt of a TSERS benefit and who work full-time for a participating TSERS employer in a regular contributing position requiring the employee to be a permanent employee who works at least 30 hours per week for 9 months per year, will be suspended the month following the month in which the employee returns to work.
Returning under an “Earnings Restriction”

• Retirees who are “reemployed by, or otherwise engaged to perform services for, an employer participating in the Retirement System on a part-time, interim, temporary, contractual, or any other basis that does not require membership in TSERS, may continue working in such capacity and receiving a retirement benefit so long as they do not exceed their earnable allowance limit.
Current Retirees

• Return to Work provisions applies to retirees currently in receipt of a TSERS benefit when the employer becomes a participating employer in TSERS.
Charter School Enrollment and Withdrawal
Major Provisions of State Law (House Bill 276/S.L. 2015-168)

• Removes the 30-day window for all charter schools that elect to participate in the Retirement System.
  – Under the old law, charter schools had 30 days after obtaining a charter from the State Board of Education to notify the Retirement System that they wished to participate in the System.

• Provides that the TSERS Board of Trustees will require financial and actuarial reviews before charter schools are allowed to become participating employers.
  – Under the old law, a charter school’s admission into the System was automatic and didn’t require any votes by Legislature or the Board of Trustees. Schools had to seek permission from the legislature to enter the System, but no legal, financial, or actuarial reviews were required.

• Requires any charter school that has participated in the System for more than one year and that elects to exit the Retirement System to pay a withdrawal liability before exiting.
  – Under the old law, admission in the Retirement System was irrevocable. The Legislature could remove agencies from the System, but this would create an unfunded mandate on all other agencies in the System to pay the cost of liabilities left behind since no withdrawal liability existed.
TOLLING THE TERMS OF CHARTERS TO ALLOW TIME TO OBTAIN LAND USE APPROVALS

• G.S. 115C-218.5 is amended by adding a new subsection to read: "(g) A charter school shall be entitled to automatically extend any deadline to begin operations or commence the term of its charter until the next school year if it notifies the State Board by June 30 that it is seeking land use or development approvals for its selected site or facilities or if it is challenging the denial of any requested land use or development approvals.
• The term of the charter issued by the State Board shall be tolled during the period of any extension or extensions issued under this section."
Overview - New Charter School Enrollment Policy
(in operation for less than two school years)

Notification of Election to Join the Retirement System
- No 30-day window
- Provisional affiliation for one year
- May be removed for late payment or failure to submit employee and employer contributions
- May choose to leave the Retirement System at any time prior to full affiliation without a withdrawal liability

[AFTER ONE YEAR]
- Undergo financial and actuarial review to evaluate stability and risk to the Retirement Systems
- Determination of the withdrawal liability (provisional entrants not required to pay the cost to determine the withdrawal liability)
- Acknowledgement and acceptance of withdrawal liability
- Vote by Board of Trustees to grant or deny full affiliation with the Retirement System.
Overview – Existing Charter School Enrollment Policy
(in operation for more than two school years)

Notification of Election to Join the Retirement System

- RSD receives the charter school’s notification to the Board of Trustees of its intent to join the Retirement System
- Undergo financial and actuarial review to evaluate stability and risk to the Retirement Systems
- Determination of the withdrawal liability
- Acknowledgement and acceptance of withdrawal liability
- May choose to leave the Retirement System at any time prior to the end of the first year following the date of participation in the System without a withdrawal liability

- Vote by Board of Trustees to grant or deny full affiliation with the Retirement System
Overview of Withdrawal Policy

Notification of Intent to Withdraw from the Retirement System

• Must notify its employees and the Board of Trustees in writing of its decision to withdraw
• Required to make a lump-sum withdrawal liability payment to the Retirement System
• Must submit the lump-sum withdrawal liability amount and the cost of determining the withdrawal liability within 90 days from the date of complete withdrawal
• Required to submit employee and employer contributions up until the complete withdrawal date (if applicable)
• Cannot elect to become a participating employer in the Retirement System for five years after its complete withdrawal date
• Employees cannot accrue future benefits with the Retirement System due to employment with the withdrawing charter school.
• No retirement allowance or return of accumulated contributions will be paid until the member actually terminates employment with the withdrawing charter school, with no intent or agreement (express or implied) to return to service with the withdrawing charter school
• Statute allows for payment plan of withdrawal liability if certain criteria are met. (*House Bill 977/S.L. 2018-84*)
How to Contact the Retirement Systems

Phone: Toll Free 1-877-NCSECURE (919) 814-4590
       Fraud and Abuse Hotline 1-855-903-7283

Internet: www.MyNCretirement.com
          nc.retirement@nctreasurer.com

RSD and the Department of State Treasurer are located at:
3200 Atlantic Avenue, Raleigh, NC 27604

Virtual Retirement Consultations are scheduled by appointment only.
Retirement Planning Conference Survey

• Give us your feedback on this retirement planning conference
• Complete the survey at: https://tinyurl.com/NCRPC-survey
• This web-based survey only requires a few minutes of your time
• Survey responses are completely confidential
• Your opinion plays an important role in the development and delivery of enriched training sessions
• Thank you in advance for your feedback
NC 401(K) and NC 457 Retirement

Margaret Hendershot
NC 401(k) & NC 457 Retirement Plans
Today we will discuss

Why you need to save a little extra for your retirement

Understanding the features of your NC 401(k) & NC 457 Plans

How to get started today

Your local Retirement Education Counselor and other resources are available to help you through every phase....from enrollment through retirement
How do you envision your retirement?
Will you have money for the “must-haves?”

Healthcare  Housing  Food  Transportation
Where will your money in retirement come from?

- NC Retirement System?
- Post-retirement earnings?
- Other ?
- Savings ?
Why you need to save a little extra for your retirement
One of the biggest misconceptions people have about retirement is that it is simply a function of age.

- You could spend one-third of your life in retirement
- To maintain your standard of living in retirement, you may need an annual income equal to about 80 percent of your final working income

### Estimate Your Life Expectancy

<table>
<thead>
<tr>
<th>Current Age</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>25</td>
<td>77.4</td>
<td>82.0</td>
</tr>
<tr>
<td>35</td>
<td>78.3</td>
<td>82.5</td>
</tr>
<tr>
<td>45</td>
<td>79.2</td>
<td>83.1</td>
</tr>
<tr>
<td>55</td>
<td>80.7</td>
<td>84.0</td>
</tr>
<tr>
<td>65</td>
<td>83.1</td>
<td>85.7</td>
</tr>
<tr>
<td>75</td>
<td>86.3</td>
<td>88.1</td>
</tr>
<tr>
<td>85</td>
<td>91.0</td>
<td>92.0</td>
</tr>
</tbody>
</table>

Source: United States Life Tables, 2018; National Vital Statistics Reports, Vol. 69, No. 12, November 17, 2020
Inflation can zap the power of your retirement savings. So you may need more than you thought.

For illustration purposes only. Assumes a 3.5% annual inflation rate.
Teachers & State Employees Retirement System (TSERS)

- Six percent pre-tax contribution deducted automatically from your paycheck
- Vested after five years of membership service
- At retirement, receive a monthly benefit paid for life

<table>
<thead>
<tr>
<th>When Can You Retire?</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unreduced Benefit</strong></td>
<td><strong>Reduced Benefit</strong></td>
</tr>
<tr>
<td>Age 65 and 5 years of membership service¹</td>
<td>Age 50 with 20 years of creditable service¹</td>
</tr>
<tr>
<td>Age 60 and 25 years of creditable service¹</td>
<td>Age 60 with 5 years of membership service¹</td>
</tr>
<tr>
<td>Any age with 30 years of creditable service¹</td>
<td></td>
</tr>
<tr>
<td>If LEO:² - Age 55 and 5 years of creditable service as an officer, or - With 30 years of creditable service at any age</td>
<td>If LEO:² - Age 50 and 15 years of creditable service as an officer, or - With 25 years of creditable service and 15 years of service as an officer</td>
</tr>
</tbody>
</table>

¹ Source: Teachers’ & State Employees’ Retirement System Member Handbook, 2021 Edition, J0121
How much will TSERS provide?

Formula determines benefit:

**Annual Benefit =** 1.82% of Average Final Compensation* x Years/Months of Creditable Service

*example... $24,000.68 = 1.82% x $40,000 x 32.2 years

**Monthly Benefit = $2,000.06**

*AFC is an average of your highest paid years of employment.*

Take charge of paying for your retirement

Enroll
• In your NC 401(k)/NC 457 Plan

Allocate
• Your investments

Consolidate
• Into your NC 401(k)/NC 457 Plan

Increase
• Your contributions regularly

Catch Up
• By making additional contributions if you’re 50 or older

Rollover assets may be assessed fees or other surrender charges. Please contact current account provider for this information.
What are the benefits of enrolling?

- Decrease today's taxable income
- Generate future tax-deferred potential growth
- It's easy to get started
- Optional asset allocation program
- Flexibility
- Low-cost savings plan

Keep in mind that application of asset allocation and diversification concepts does not assure a profit or protect against loss. It is possible to lose money by investing in securities. Past performance of investments or asset classes does not guarantee future results.
## Specifics of the NC 401(k) Plan

<table>
<thead>
<tr>
<th>Feature</th>
<th>NC 401(k) Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>State-sponsored</td>
<td>Yes – approved by NC State Treasurer</td>
</tr>
<tr>
<td>Eligibility</td>
<td>Employees Actively Participating in TSERS or LGERS</td>
</tr>
<tr>
<td>Contribution Types</td>
<td>Pre-Tax, Roth</td>
</tr>
<tr>
<td>No Minimum</td>
<td>Yes</td>
</tr>
<tr>
<td>Flexibility</td>
<td>Yes – changes anytime</td>
</tr>
<tr>
<td>Vesting</td>
<td>100%</td>
</tr>
<tr>
<td>Rollovers</td>
<td>Yes</td>
</tr>
<tr>
<td>Age 50+ Catch-Up</td>
<td>Yes</td>
</tr>
<tr>
<td>3-Year Catch-Up Provision</td>
<td>No</td>
</tr>
<tr>
<td>GoalMaker®</td>
<td>Yes</td>
</tr>
<tr>
<td>Investment Oversight</td>
<td>Yes</td>
</tr>
<tr>
<td>Withdrawals While Working</td>
<td>At or after age 59½</td>
</tr>
<tr>
<td>Loans/Hardship Withdrawals</td>
<td>Yes</td>
</tr>
<tr>
<td>Purchase of Service Credits</td>
<td>Yes</td>
</tr>
<tr>
<td>Multiple Distribution Options</td>
<td>Yes</td>
</tr>
<tr>
<td>Transfer Benefit</td>
<td>Yes</td>
</tr>
<tr>
<td>Early Withdrawal Tax Penalty</td>
<td>Possibly, depending upon age at separation from service and withdrawal method</td>
</tr>
</tbody>
</table>
# Specifics of the NC 457 Plan

<table>
<thead>
<tr>
<th></th>
<th>NC 457 Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>State-sponsored</td>
<td>Yes – approved by NC State Treasurer</td>
</tr>
<tr>
<td>Eligibility</td>
<td>Anyone receiving W-2 income from State or Local Government Employer</td>
</tr>
<tr>
<td>Contribution Types</td>
<td>Pre-Tax, Roth</td>
</tr>
<tr>
<td>No Minimum</td>
<td>Yes</td>
</tr>
<tr>
<td>Flexibility</td>
<td>Yes – changes anytime</td>
</tr>
<tr>
<td>Vesting</td>
<td>100%</td>
</tr>
<tr>
<td>Rollovers</td>
<td>Yes</td>
</tr>
<tr>
<td>Age 50+ Catch-Up</td>
<td>Yes*</td>
</tr>
<tr>
<td>3-Year Catch-Up Provision</td>
<td>Yes*</td>
</tr>
<tr>
<td>GoalMaker®</td>
<td>Yes</td>
</tr>
<tr>
<td>Investment Oversight</td>
<td>Yes</td>
</tr>
<tr>
<td>Withdrawals While Working</td>
<td>At or after age 59½</td>
</tr>
<tr>
<td>Loans/Hardship Withdrawals</td>
<td>Yes</td>
</tr>
<tr>
<td>Purchase of Service Credits</td>
<td>Yes</td>
</tr>
<tr>
<td>Multiple Distribution Options</td>
<td>Yes</td>
</tr>
<tr>
<td>Transfer Benefit</td>
<td>Yes</td>
</tr>
<tr>
<td>Early Withdrawal Tax Penalty</td>
<td>Never incur 10% early withdrawal penalty regardless of age</td>
</tr>
</tbody>
</table>

* Age 50+ catch-up provision & 3-Year catch-up provision cannot be used in the same year.
Differences between the NC 401(k) and NC 457 Plans

<table>
<thead>
<tr>
<th>Eligibility</th>
<th>NC 401(k) Plan</th>
<th>NC 457 Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees Actively Contributing to TSERS or LGERS</td>
<td>•</td>
<td>• Anyone receiving W-2 income from State or Local Government Employer</td>
</tr>
<tr>
<td>3-Year Catch-Up Provision</td>
<td>• No</td>
<td>• Yes</td>
</tr>
<tr>
<td>Loans/Hardship Withdrawals</td>
<td>• Yes, under six conditions, as approved by IRS</td>
<td>• Yes, under four conditions, as approved by IRS</td>
</tr>
<tr>
<td>Withdrawals While Working</td>
<td>• At or after age 59½</td>
<td>• At or after age 59½</td>
</tr>
<tr>
<td>Early Withdrawal Tax Penalty</td>
<td>• Possibly, depending upon age at separation from service and withdrawal method</td>
<td>• No early withdrawal penalty, regardless of age at separation of service</td>
</tr>
</tbody>
</table>
Less impact on your pay with pre-tax contributions

<table>
<thead>
<tr>
<th></th>
<th>Not Contributing $</th>
<th>Contributing $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nick’s Salary per Month</td>
<td>$3,000</td>
<td>$3,000</td>
</tr>
<tr>
<td>Voluntary Contribution</td>
<td>0</td>
<td>90</td>
</tr>
<tr>
<td>Taxable Income</td>
<td>3,000</td>
<td>2,910</td>
</tr>
<tr>
<td>Taxes (NC State &amp; Federal Income Tax)</td>
<td>923</td>
<td>895</td>
</tr>
<tr>
<td>Nick’s Take-home Pay</td>
<td>$2,078</td>
<td>$2,015</td>
</tr>
</tbody>
</table>

Paycheck is only $63 less

For illustrative purposes only. Assumes 5.75% NC State Tax, single filing status, one allowance and a federal income tax bracket of 25%. Retirement plan distributions will be taxed upon withdrawal. Amounts withdrawn are subject to income taxes. This information has been provided for your benefit and is not intended or designed to be tax advice. Neither Empower, nor any of its representatives, may give legal or tax advice.
For illustrative purposes only. Assumes 5.75% NC State Tax, single filing status, one allowance and a federal income tax bracket of 25%. Retirement plan distributions associated with pre-tax contributions will be taxed upon withdrawal. Information and interactive calculators are made available to you as self-help tools for your independent use and are not intended to provide investment advice. We cannot and do not guarantee their applicability or accuracy in regard to your individual circumstances. All examples are hypothetical and are for illustrative purposes. We encourage you to seek personalized advice from qualified professionals regarding all personal finance issues. We do not provide investment OR tax advice. Please consult a tax advisor for more information.

<table>
<thead>
<tr>
<th>Contribution Amount</th>
<th>Estimated Tax Advantage</th>
<th>Reduction in Take-Home Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>$25</td>
<td>$ 7.69</td>
<td>$ 17.31</td>
</tr>
<tr>
<td>$35</td>
<td>$ 10.76</td>
<td>$ 24.24</td>
</tr>
<tr>
<td>$50</td>
<td>$ 15.38</td>
<td>$ 34.63</td>
</tr>
<tr>
<td>$75</td>
<td>$ 23.06</td>
<td>$ 51.94</td>
</tr>
<tr>
<td>$100</td>
<td>$ 30.75</td>
<td>$ 69.25</td>
</tr>
<tr>
<td>$150</td>
<td>$ 46.13</td>
<td>$ 103.88</td>
</tr>
<tr>
<td>$200</td>
<td>$ 61.50</td>
<td>$ 138.50</td>
</tr>
<tr>
<td>$300</td>
<td>$ 92.25</td>
<td>$ 207.75</td>
</tr>
<tr>
<td>$500</td>
<td>$ 153.75</td>
<td>$ 346.25</td>
</tr>
</tbody>
</table>
A Different Type of Contribution within Your Retirement Plan

- After-tax contributions; future tax-free income*
- Both traditional pre-tax and Roth elective deferral contributions are possible

* Generally, for distributions of Roth 401(k) contributions to become qualified for federal income tax purposes, you have to wait at least 5 tax years after making your first Roth 401(k) contribution before taking a withdrawal, and your withdrawals must begin after: you have reached age 59½; your death; or you have become disabled. If your withdrawal does not meet these qualifications, your accumulated Roth 401(k) earnings—but not your Roth 401(k) contributions—will be taxed, and may be subject to a 10% early distribution penalty if you have not reached age 59½. State tax treatment may vary. Roth 457 non-qualified withdrawals are not subject to a 10% early distribution penalty.
Nick and Sarah earn $42,000 per year, but Sarah could potentially have

$623,083 more

Nick starts contributing 4% each year at age 25

$346,016

At age 65

Sarah starts contributing 4% each year at age 25, but increases 1% each year until reaching 15% per year

$969,099

Assumptions: $42,000 annual salary, contributions beginning at 4% made monthly, 7% rate of return, invests for 40 years until age 65. The compounding concept is hypothetical and for illustrative purposes only, and is not intended to represent the performance of any specific investment, which may fluctuate. No taxes are considered; generally, withdrawals are taxable at ordinary rates and may be subject to tax penalties. It is possible to lose money by investing in securities. This information has been provided for your benefit and is not intended or designed to be tax advice. Neither Empower, nor any of its representatives, may give legal or tax advice.
Assumes contributions made at the beginning of the month; hypothetical 3%, 5%, and 7% annual effective rates of returns on investments; monthly compounding and reinvestment; less income taxes deferred; 5.75% NC State Tax; single filing status; one allowance; an income bracket of 25%. The calculations do not take into account leap years. This hypothetical chart is for illustrative purposes to demonstrate the effects of compounding. They do not reflect the actual performance of any specific investment. Individual experience will likely vary. Past performance does not guarantee future results.
Choosing your NC 401(k)/457 Plan investments

You have two options:

• Do it yourself
• Get help with GoalMaker
* Note: Keep in mind that the application of asset allocation and diversification concepts does not assure a profit or protect against loss. It is possible to lose money by investing in securities. Past performance of investments or asset classes does not guarantee future results.
Understand risk vs. reward

This is a simplified illustration of the relationship between investment risk and potential rate of return. There is no assurance that higher risk investments will provide greater returns over time. Past performance is not indicative of future performance.
### Get help with GoalMaker

<table>
<thead>
<tr>
<th><strong>You Provide</strong></th>
<th><strong>You Get</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Your investor style</td>
<td>• Automatic asset allocation</td>
</tr>
<tr>
<td>• When you plan to access the money in retirement</td>
<td>• Automatic rebalancing</td>
</tr>
<tr>
<td></td>
<td>• Automatic age adjustment (optional)</td>
</tr>
<tr>
<td></td>
<td>• All at no additional cost</td>
</tr>
</tbody>
</table>
What happens when you leave your job?

- Do nothing! Keep your funds in the Plan
- Roll over your money to an IRA or a new employer’s program
  - If you remain an NC public employee, you may continue contributing through your next employer!
- Begin withdrawals*:
  - Installment payments
  - Partial withdrawal (on an as-needed basis)
  - Lump-sum withdrawal
- “Transfer Benefit” – move pre-tax assets to TSERS/LGERS to generate additional guaranteed monthly income
  - Guaranteed lifetime payout!!
  - May elect survivor options, COLA, and refund feature
  - www.NCLifetimeIncome.org

* Payments are subject to a mandatory 20% federal income tax withholding, and for withdrawals from the NC 401(k) Plan, may be subject to a 10% tax penalty if taken prior to age 59½.
Access to funds while working

Access to Funds

- Loans
- In-service distributions
- Hardship withdrawals
Let’s get started

- Decide how much to contribute
- Choose your investments
- Enroll in the Plan
- Elect a beneficiary
- Consolidate prior retirement plans
Retirement Income Calculator

• Know where you stand.
• See where you’re going.
• Save your way.
• Retire your way.
The Member Annual Retirement Statement (MARS):
- is available in your ORBIT account online
- is released once a year for those members with error-free data and at least one year of consecutive contributing service as of December 31
- provides active members with an estimate of their potential monthly retirement benefit based on service accrual and retirement contributions as of December 31 of the prior year
Contact Information
Margaret Hendershot
Retirement Education Counselor
919-214-1906
margaret.hendershot@empower.com
Your tools, your way

• myNCPlans.com
• NC 401(k) & NC 457 Quarterly Statements
• Member Annual Retirement Statement (MARS)
• Quarterly Newsletter
• Toll-free number 866-NCPLANS or 866-627-5267
Carefully consider the investment option’s objectives, risks, fees and expenses. Contact Empower Retirement 866-NCPlans (866-627-5267) for a prospectus, summary prospectus for SEC-registered products or disclosure document for unregistered products, if available, containing this information. Read each carefully before investing.

Empower Retirement, LLC provides the communications and recordkeeping services for the NC 401(k) and NC 457 Plans. The investments offered to you within the NC 401(k) and NC 457 Plans are not offered by or affiliated with Empower Retirement.

North Carolina Total Retirement Plans and the North Carolina Total Retirement Plans logo are service marks of the North Carolina Department of State Treasurer.

Participants using the Retirement Income Calculator should consider other assets, income and investments (e.g., equity in a home, Social Security benefits, individual retirement plan investments, etc.) when assessing the adequacy of the estimated income stream as provided by this tool. The Retirement Income Calculator is hypothetical and for illustrative purposes only and is not intended to represent performance of any specific investment, which may fluctuate. There is no assurance that retirement income objectives will be met. It is possible to lose money by investing in securities.

GoalMaker’s model allocations are based on generally accepted financial theories that take into account the historic returns of different asset classes. Past performance of any investment does not guarantee future results. Participants should consider their other assets, income and investments (e.g., equity in a home, Social Security benefits, individual retirement plan investments, etc.) in addition to their interest in the plan, to the extent those items are not taken into account in the model. Participants should also periodically reassess their GoalMaker investments to make sure their model portfolio continues to correspond to their investment objectives, risk tolerance and retirement time horizon.

Securities, when presented, are offered and/or distributed by Empower Financial Services, Inc., Member FINRA/SIPC. EFSI is an affiliate of Empower Retirement, LLC; Empower Funds, Inc.; and registered investment adviser, Empower Advisory Group, LLC. This material is for informational purposes only and is not intended to provide investment, legal or tax recommendations or advice.

Amounts withdrawn before age 59 1/2 may be subject to a 10% federal income tax penalty, applicable taxes and plan restrictions. Withdrawals are taxed at ordinary income tax rates.

Amounts withdrawn (except qualified Roth 401(k) contributions) are subject to income taxes. Withdrawals (except those from 457 plans) before age 59 1/2 may also be subject to a 10% federal income tax penalty and plan restrictions.

Retirement products and services are provided by Prudential Retirement Insurance and Annuity Company, Hartford, CT, or its affiliates. PRIAC is an affiliate of Empower Retirement, LLC.

“EMPOWER” and all associated logos and product names are trademarks of Empower Annuity Insurance Company of America.

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NO ACTION REQUIRED: FOR YOUR INFORMATION

Overview
As of April 1, 2022, Empower acquired the full service retirement business of Prudential Retirement. Over a period of time, you may see references to Prudential and Empower as we transition our experiences. Throughout this process, we want you to know that our focus is on you and making the transition as seamless as possible. For your reference, outlined below is the entity level detail of the acquisition, including important information to help determine who will be servicing your account or other products.

Post-close
On April 1, 2022, Great-West Life & Annuity Insurance Company (GWLA), the parent company of Empower Retirement, LLC (Empower) acquired the full service retirement business of Prudential Financial, Inc. In connection with the transaction, GWLA acquired all shares of the following entities, which are no longer affiliated with Prudential Financial, Inc.: Prudential Retirement Insurance and Annuity Company, Prudential Bank & Trust, FSB, Global Portfolio Strategies, Inc., TBG Insurance Services Corporation, MC Insurance Agency Services, LLC, and Mullin TBG Insurance Agency Services, LLC.

Please use the following to determine if Empower is now the service provider for your account. If you have multiple accounts, you may be a customer of Prudential Financial, Inc. and its affiliates (together, Prudential) and Empower.

<table>
<thead>
<tr>
<th>ACCOUNT TYPE</th>
<th>SERVICE PROVIDER</th>
</tr>
</thead>
<tbody>
<tr>
<td>If you are an annuitant, contingent annuitant or other beneficiary under a group annuity contract issued or reinsured by Prudential’s pension risk transfer business or plan participant whose benefit is administered by Prudential’s pension risk transfer business…</td>
<td>...Your account remains with Prudential and was not impacted by the transaction.</td>
</tr>
<tr>
<td>How do I know if this applies to me?</td>
<td>The “Important Disclosures Regarding the Empower Transaction” listed below do not apply to your account.</td>
</tr>
<tr>
<td>You were previously issued an annuity certificate from the Prudential Insurance Company of America in connection with your employer’s defined benefit plan OR previously received a communication from your employer that Prudential has issued a guaranteed annuity covering all or a portion of your pension benefit or pays your pension benefit.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ACCOUNT TYPE</th>
<th>SERVICE PROVIDER</th>
</tr>
</thead>
<tbody>
<tr>
<td>If you independently purchased an individual annuity, life insurance or investment product with Prudential...</td>
<td>...Your account remains with Prudential and was not impacted by the transaction. The &quot;Important Disclosures Regarding the Empower Transaction&quot; listed below do not apply to your account.</td>
</tr>
<tr>
<td>How do I know if this applies to me?</td>
<td></td>
</tr>
<tr>
<td>• You independently purchased a product from Prudential (other than a SmartSolutions IRA) that is unrelated to an employer workplace plan.</td>
<td></td>
</tr>
<tr>
<td>• The product you purchased is issued by The Prudential Insurance Company of America (PICA), Prudential Annuities Life Assurance Corporation (PALAC), Pru Life Insurance Company, or Pru Life Insurance Company of New Jersey.</td>
<td></td>
</tr>
<tr>
<td>• You purchased an investment product or service through Prudoc Securities, LLC.</td>
<td></td>
</tr>
<tr>
<td>If you are a participant in the Prudential Employee Savings Plan (PESP), the Jennison Associates Savings Plan, the Assurance Savings Plan, the Prudential Supplemental Employee Savings Plan, the Prudential Financial, Inc. 2021 Omnibus Incentive Plan and the attendant Prudential Financial, Inc. 2016 Deferred Compensation Plan for Non-Employee Directors or the PGIM, Inc. Omnibus Deferred Compensation Plan...</td>
<td>...Empower is currently providing services to the plans as a sub-contractor to Prudential for a transitional period. During this period, Prudential will remain the service provider for the plans. Please carefully review the &quot;Important Disclosures Regarding the Empower Transaction&quot; below that apply to you, as applicable.</td>
</tr>
<tr>
<td>How do I know if this applies to me?</td>
<td></td>
</tr>
<tr>
<td>• You receive statements and other notifications from Prudential in connection with one or more of these plans.</td>
<td></td>
</tr>
<tr>
<td>If you are a participant in a retirement plan previously serviced by Prudential Retirement, which may include defined benefit plans, non-qualified plans, defined contribution plans, and 401(k) plans (including a plan that permits self-directed brokerage accounts), or you are an account holder of a SmartSolution IRA, Auto Roll IRA, or NFS Prudential Brokerage Account...</td>
<td>...Empower is now the service provider for your account. However, with respect to Smart Solution IRA accounts and certain Auto Roll IRAs, Prudential Investment Management Services LLC (PIMS) remains the broker-dealer for a transitional period. Please carefully review the &quot;Important Disclosures Regarding the Empower Transaction&quot; below that apply to you.</td>
</tr>
<tr>
<td>How do I know if this applies to me?</td>
<td></td>
</tr>
<tr>
<td>• You receive a notification from Prudential Retirement notifying you that Empower will become the service provider for your account.</td>
<td></td>
</tr>
<tr>
<td>• You receive a welcome email or letter from Empower.</td>
<td></td>
</tr>
</tbody>
</table>
Important Disclosures Regarding the Empower Transaction

Effective April 1, 2022, the following will apply to you:

• All references to “Prudential Retirement” refer to Empower. Prudential Retirement is no longer a business unit of Prudential.
• Certain insurance products written by The Prudential Insurance Company of America were reinsured to GWLA and Great-West Life & Annuity Insurance Company of New York (for New York business). Empower Retirement will become the administrator of this business acquired from Prudential.
• Empower Retirement refers to the products and services offered by GWLA and its subsidiaries, including Empower Retirement, LLC. Empower Retirement is not affiliated with Prudential or its affiliates.
• Full-service retirement sales personnel and certain service personnel are no longer registered representatives of Prudential Investment Management Services LLC (PIMS) and are registered representatives of GWFS Equities, Inc. For a transitional period, certain back office and service personnel will remain registered representatives of PIMS.
• During a transition period, Prudential and, as applicable, its affiliates will continue to provide services to Empower. PIMS will continue to provide certain broker-dealer services under the terms of existing services agreements for certain plans and will continue to be the broker-dealer of record for existing SmartSolution IRA accounts and certain Auto Roll IRA accounts for a transitional period.
• Any documents pertaining to fraud or security commitments by Prudential Retirement are no longer applicable and are replaced with Empower’s commitments set forth at https://participant.empower-retirement.com/participant/#/articles/securityGuarantee.
• If Empower is the service provider for your account, Prudential's Privacy Statements and Privacy Notices are replaced with Empower's Privacy Notice set forth at https://www.empower-retirement.com/privacy for that account.

All product names, logos, and brands are property of their respective owners. "EMPOWER", "EMPOWER RETIREMENT", all associated logos, and product names are trademarks of Great-West Life & Annuity Insurance Company. Prudential, the Prudential logo and the Rock Design are trademarks of Prudential Financial, Inc. and its affiliates and are used under license.

Information provided herein, including linked documents, is being provided for informational or educational purposes only. By sharing it, neither PIMS nor Prudential is acting as your fiduciary as defined by the Department of Labor or otherwise. If you need investment advice, please consult with a qualified professional. Prudential Financial, its affiliates, and their financial professionals do not render tax or legal advice. Please consult with your tax and legal advisors regarding your personal circumstances.

Have additional questions? For Prudential accounts and products, please call 800-621-1089. For Empower accounts and products, please call 877-778-2100.

Empower Participant 4.2022
Planning Year 3 Wrap-Up

Jenna Cook
December 2nd

RTO1 due in Epicenter

December 14th

Planning Year IV: Virtual
RTO 1 Submission

• Submit all items + Your Checklist
• https://my.epicenternow.org/Submissions/Types/Collections/836
A score of **Advanced** consists of evidences that reflect a thorough understanding of effective school instructional, governance, operational, and financial planning to produce a viable and quality public charter school. The evidences address each area with specific and detailed information that demonstrates the board’s and school leadership’s diligence and preparation.

- All required evidences are **completed and submitted on time**.
- School policy manuals and handbooks are formally adopted and align with ALL sections of the SBE approved charter application.
- The school will be ready to open two weeks prior to the opening day of their projected calendar.

A score of **Intermediate** consists of evidences of each criteria being addressed; however, the evidences lack meaningful detail and still require important additional information prior to the public charter school’s opening.

- Most required evidences are completed and submitted on time.
- School policy manuals are close to completion and align with ALL sections of the SBE approved charter application.
- The school is projected to meet the opening day of their projected calendar.

A score of **Insufficient** consists of the evidences lacking meaningful detail; demonstrates lack of preparation; unanticipated obstacles, or otherwise raises substantial concerns about the applicant’s understanding of the school governance, operational, and financial planning.
## Minimum Guidelines to Open

### Guidelines for CSAB RTO Decision Making

<table>
<thead>
<tr>
<th>Issue</th>
<th>Minimum Standard</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enrollment</td>
<td>75% of Projected Enrollment by June 1st</td>
</tr>
</tbody>
</table>
| Facility               | - Substantial progress toward attaining an Educational Certificate of Occupancy 30 Days before opening day  
<pre><code>                      | - Valid comprehensive contingency plan in place 60 days before opening day         |
</code></pre>
<p>| Budget                 | Valid budget reflecting break-even number by June 1st                             |
| RTO Progress Report    | All evidence checklist categories rated as emerging or quality (no insufficient ratings) |</p>
<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Location</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 28, 2022</td>
<td>8:15 – 4:00</td>
<td>NC DPI</td>
<td>Charter School Governance</td>
</tr>
<tr>
<td>October 26, 2022</td>
<td>8:15 – 4:00</td>
<td>NC DPI</td>
<td>Charter School Finance</td>
</tr>
<tr>
<td>November 16, 2022</td>
<td>8:15 – 4:00</td>
<td>Virtual</td>
<td>Charter School Operations &amp; Accountability</td>
</tr>
<tr>
<td>December 14, 2022</td>
<td>8:15 – 4:00</td>
<td>Virtual</td>
<td>Meeting the Needs of All Students</td>
</tr>
<tr>
<td>January 25, 2023</td>
<td>8:15 – 4:00</td>
<td>NC DPI</td>
<td>Our School Opens in 7 Months! Now What?</td>
</tr>
</tbody>
</table>

Note: Dates and topics are subject to change. If needed, other trainings may be scheduled in February, March, and April. Site visits and/or board meeting observations may be scheduled during these months, as well. We reserve the right to pivot these meetings online should we need to due to changing health metrics. Please note this schedule is tentative and subject to change.

Other Important Dates:
- December 2, 2022 – Ready to Open Progress Report Part 1 Due
- March, 2023 - RT01 resubmissions due; this will be assigned in Epicenter
- Application and facility updates will be provided to the OCS starting in late February and continue through September of the opening year.
- May 19, 2023 – Ready to Open Progress Report Part 2 Due (includes Enrollment Report #3) OCS will follow up according to the level of quality demonstrated in the report.
- June 7-8, 2023 - New Charter School Leaders Institute (Both the school leader and at least one board member are required to be in attendance full time both days. This will be held at NC DPI)
- July 1, 2023 - Charter Agreement Begins
- July, 2023 – Enrollment Report #4 Due (includes facility update)
Planning Year Session 3 Feedback

https://forms.office.com/r/100h3AdG1t