

# WELCOME, AND THANK YOU FOR COMING!

**The program will begin shortly.**

In the meantime, please take a moment to **share your thoughts:**

- **Questions** – green paper
- **Comments** – orange paper

(Please submit your questions or comments to County staff to ensure your thoughts are considered.)

# Community Conversation on Schools



October 2025

Catawba County

# WHAT TO EXPECT THIS EVENING?

**Welcome and Agenda Overview** *(BOC Chair Randy Isenhower)*

**Presentation: The County-wide Perspective**

**Presentation: A More Detailed Look** *(County Manager Mary Furtado)*

**Break-out Stations - Share your feedback: What have we missed?**

***Student Achievement and Access*** *(Academics, Special Programs, Extra-Curriculars)*

***Student Logistics*** *(School Assignments, Transportation, Class Size, Culture and Tradition)*

***Financial*** *(State & Federal Funding, School Construction Costs, Local Tax Impacts)*

***Governance*** *(School Board Composition, Administrative Structure)*

***Other / Frequently Asked Questions***

**\*BOC members will be available for conversation during break-outs**

# OPENING REMARKS FROM CHAIR ISENHOWER

**Welcome on behalf of BOC**

**Introduction of BOC  
and  
Other Elected Officials**

**County-Wide Perspective:  
What Brought Us Here and the Choices We Face**



# WHAT THIS CONVERSATION IS ABOUT

- Commitment to do what's in the **best interests of students**
- **Economic competitiveness** – schools as talent attraction strategy
- **Confront the realities** we face as a community head on, **whether we like them or not** (*structural budget deficits, facility pressures*)
- Recognizing that **community growing pains are better than the alternative problems**
- Thoughtful public policy – focus on **long-term viability**
- Opportunity to **demonstrate civility and respect** in public dialog – we can model the way



# HOW DID WE GET HERE? WHAT BROUGHT THIS ABOUT?

## 2 Key Trends Converged:



GROWING ENROLLMENT IN  
CATAWBA COUNTY SCHOOLS

AND



CONTINUED STUDENT LOSSES IN HICKORY  
AND NEWTON-CONOVER CITY SCHOOLS

# OUR COLLECTIVE REALITY: MANY MOVING PARTS

CATAWBA COUNTY SCHOOLS	HICKORY CITY SCHOOLS	NEWTON-CONOVER SCHOOLS
<ul style="list-style-type: none"><li>• <b>Facility Enrollment &amp; Capacity Study</b> to address classroom capacity pressures (October 2023)</li><li>• <b>Redistricting in Bandys High School feeder</b> (March 2024)</li><li>• <b>Mobile Classrooms @ Sherrills Ford, St. Stephens, Balls Creek Elems.</b> (2024-2025: \$1.9M)</li><li>• <b>CCS Master Facilities Plan</b> (May 2025: \$485M)</li></ul>	<ul style="list-style-type: none"><li>• <b>Facility Enrollment &amp; Capacity Study</b> (July 2025)</li><li>• <b>Hickory High School</b><ul style="list-style-type: none"><li>• <b>Needs-based grant submittal:</b> \$184M request - \$122M Local; \$63M State (October 2025)</li><li>• <b>Matching funds appropriated</b> by County: \$25.9M (September 2025)</li></ul></li></ul>	<ul style="list-style-type: none"><li>• <b>Newton-Conover High School renovation / expansion</b> (2024-2025: \$64M)<ul style="list-style-type: none"><li>• \$40M State; \$28.8M local</li><li>• Phase II: \$12M</li></ul></li><li>• <b>Request for operating funds assistance</b> (November 2024)</li><li>• <b>Budget reductions</b> to address \$1.3M shortfall (February 2025)</li><li>• <b>Facility Enrollment &amp; Capacity Study</b> (April 2025)</li></ul>

# EVALUATING MERGER IS A RESPONSIBLE POLICY APPROACH

- Board of Commissioners directed County Manager to **evaluate the possibility of a merger** to:
  - **Stabilize enrollment-driven revenue erosion** in Hickory and Newton-Conover City Schools
  - **Ease capacity pressures** in Catawba County Schools
  - **Avoid "temporary fix" expenditures**, wherever possible
  - **Minimize property tax increase** needed to address school facility needs
  - **Preserve flexibility and adaptability** to respond to future unknowns
  - **Re-balance current operating and capital inequities** between the systems



# CATAWBA COUNTY STRATEGIC PLAN

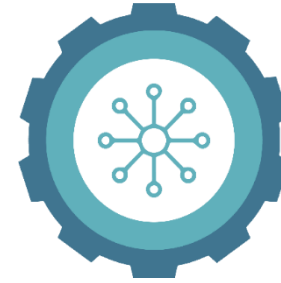
**Success for Catawba County means driving economic and population growth through creating jobs and enhancing our strong quality of life.**



**ECONOMIC  
DEVELOPMENT**



**EDUCATION**



**COMMUNITY PLANNING  
+ DEVELOPMENT**



**HEALTHY + SAFE  
COMMUNITY**

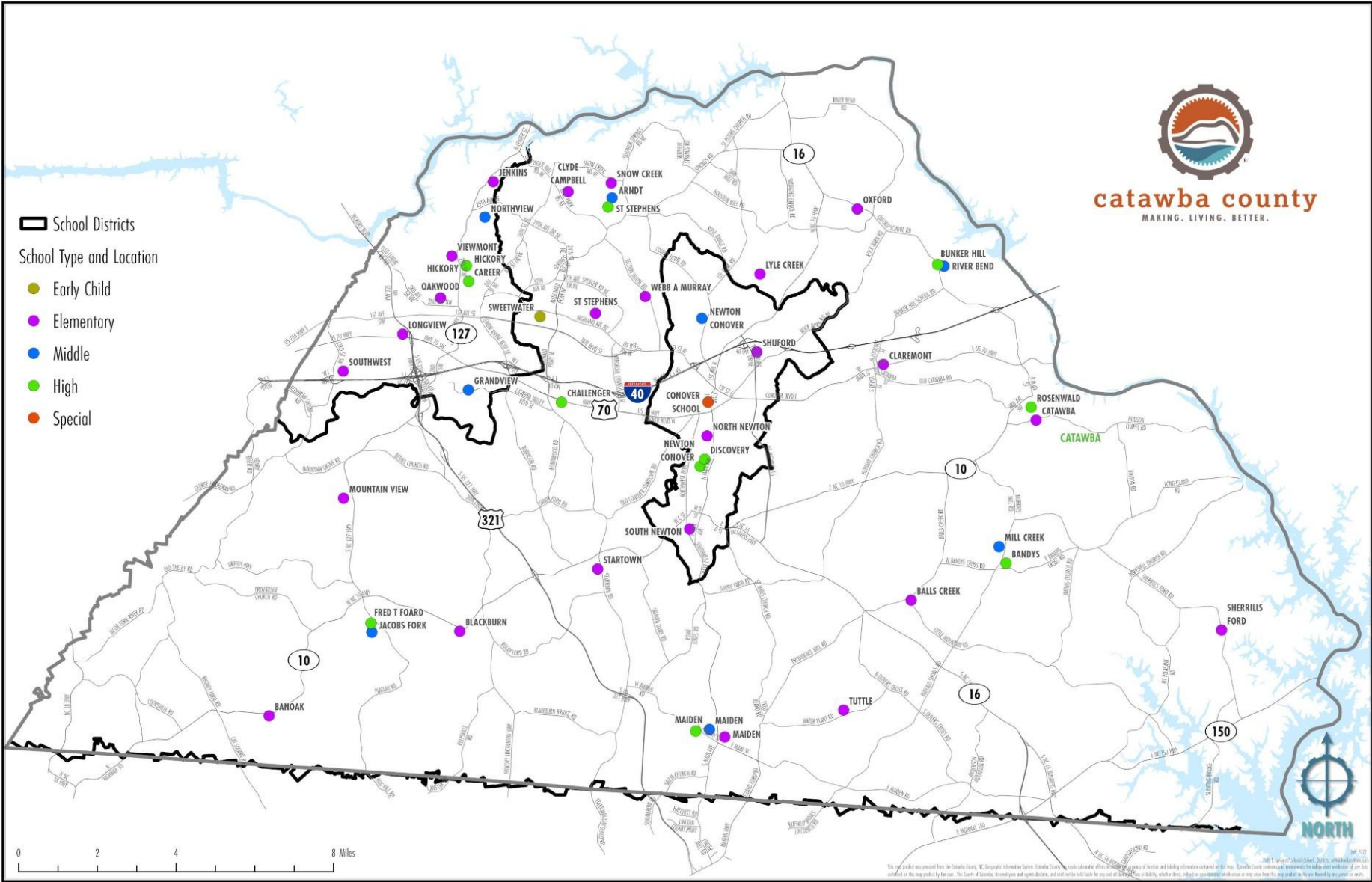


**NATURE + CULTURE**

# 40 CENTS OF EVERY LOCAL DOLLAR SUPPORTS EDUCATION (FY26)



# BOC RESPONSIBLE FOR FUNDING PUBLIC EDUCATION



# OVERVIEW OF COUNTY FUNDING RESPONSIBILITY

- State of **North Carolina** primarily responsible for operating funds (called Current Expense)
- Catawba **County's statutory responsibility** includes:
  - ***Supplementing state current expense*** – must fund all 3 systems on equal per pupil basis (FY26: \$2,146 per student; \$47.8M total)
  - ***Primarily responsible for capital and construction*** – portion of local non-food sales tax restricted for school capital, construction, or debt (FY26: \$41.3M total - \$12.3M in capital; \$29M in construction)



# A MORE DETAILED LOOK

## County Manager Mary Furtado





# ENROLLMENT DRIVES SCHOOL BUDGETS, WHICH DRIVE CLASSROOM OPPORTUNITIES

- Each year, certified enrollment (official # of students) is multiplied by the per pupil amount to generate a total budget appropriation by system.

Schools - Certified	Catawba	Hickory	Newton	Total
FY 2025/26	16,027	3,644	2,610	22,281
FY 2024/25	15,894	3,705	2,623	22,222
<b>Increase/Decrease</b>	<b>133</b>	<b>(61)</b>	<b>(13)</b>	<b>59</b>
<b>% Change</b>	<b>0.8%</b>	<b>-1.6%</b>	<b>-0.5%</b>	<b>0.3%</b>

FY26: \$2,146 per student

Schools Recommended Budgets	Catawba	Hickory	Newton	Total
FY 2025/26	34,393,942	7,820,024	5,601,060	47,815,026
FY 2024/25	33,425,082	7,791,615	5,516,169	46,732,866
<b>Increase/Decrease</b>	<b>968,860</b>	<b>28,409</b>	<b>84,891</b>	<b>1,082,160</b>
<b>% Change</b>	<b>2.9%</b>	<b>0.4%</b>	<b>1.5%</b>	<b>2.3%</b>

# IMPLICATIONS OF DIVERGENT ENROLLMENT OVER TIME

- In any given year, the impacts are not too significant to absorb. But year after year after year, these reductions add up.

Schools - Certified ADM	Catawba	Hickory	Newton	Total ADM
FY 2024/25	15,894	3,705	2,623	22,222
FY 2023/24	15,677	3,810	2,802	22,289
Increase/Decrease	217	(105)	(179)	(67)
% Change	1.4%	-2.8%	-6.4%	-0.3%

FY25: \$2,103 per student

Current Expense by System	Catawba	Hickory	Newton	Total ADM
FY 2024/25	\$ 33,425,082	\$ 7,791,615	\$ 5,516,169	\$ 46,732,866
FY 2023/24	\$ 31,165,876	\$ 7,574,280	\$ 5,570,376	\$ 44,310,532
Increase/Decrease	\$ 2,259,206	\$ 217,335	\$ (54,207)	\$ 2,422,334
% Change	7.2%	2.9%	-1.0%	5.5%

# IMPLICATIONS OF DIVERGENT ENROLLMENT OVER TIME

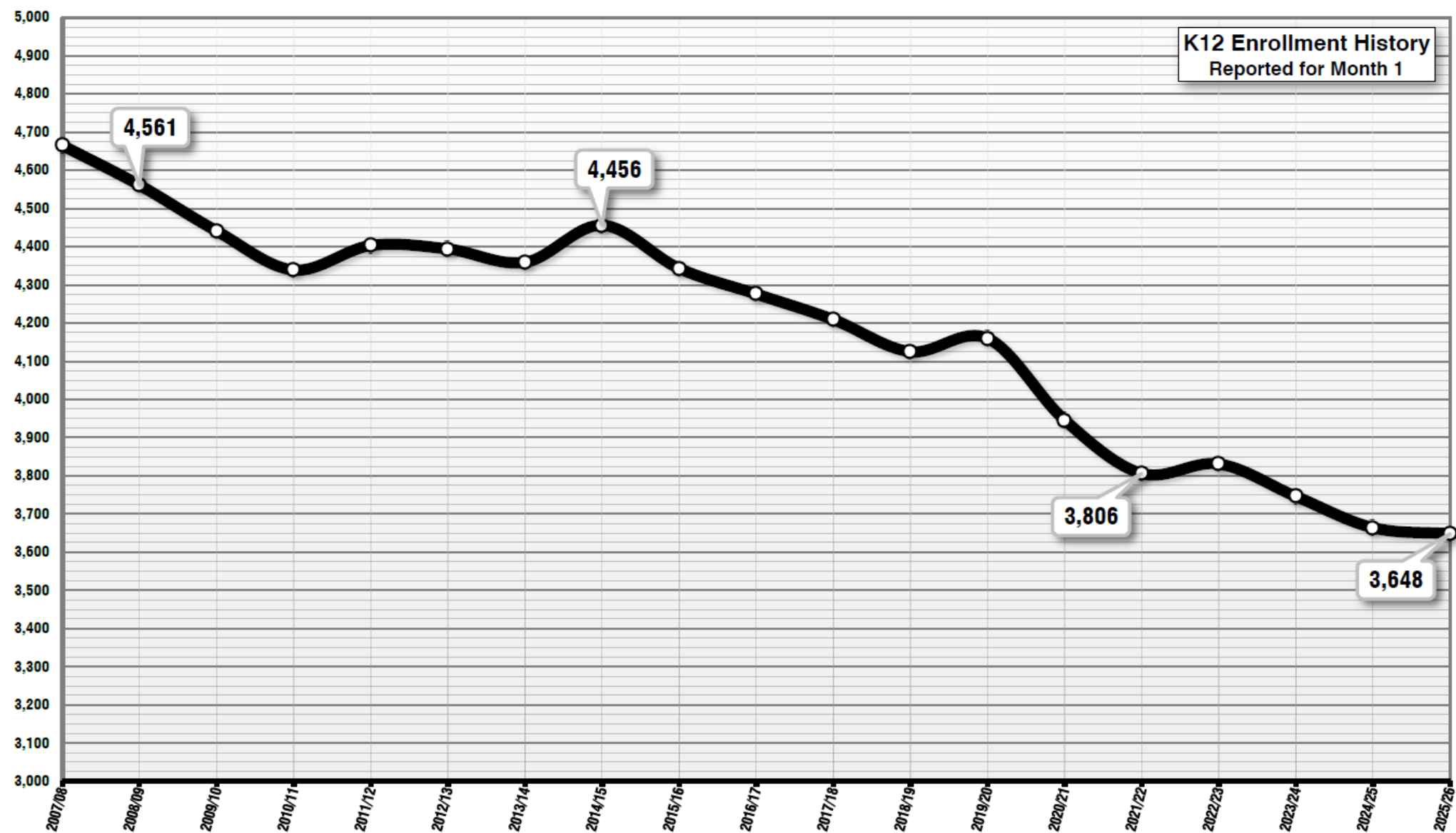
- How long can the systems continue to absorb these reductions without it impacting the student experience?

Schools - Certified ADM	Catawba	Hickory	Newton	Total ADM
FY 2023/24	15,677	3,810	2,802	22,289
FY 2022/23	15,653	3,853	2,861	22,367
Increase/Decrease	24	(43)	(59)	(78)
% Change	0.2%	-1.1%	-2.1%	-0.3%

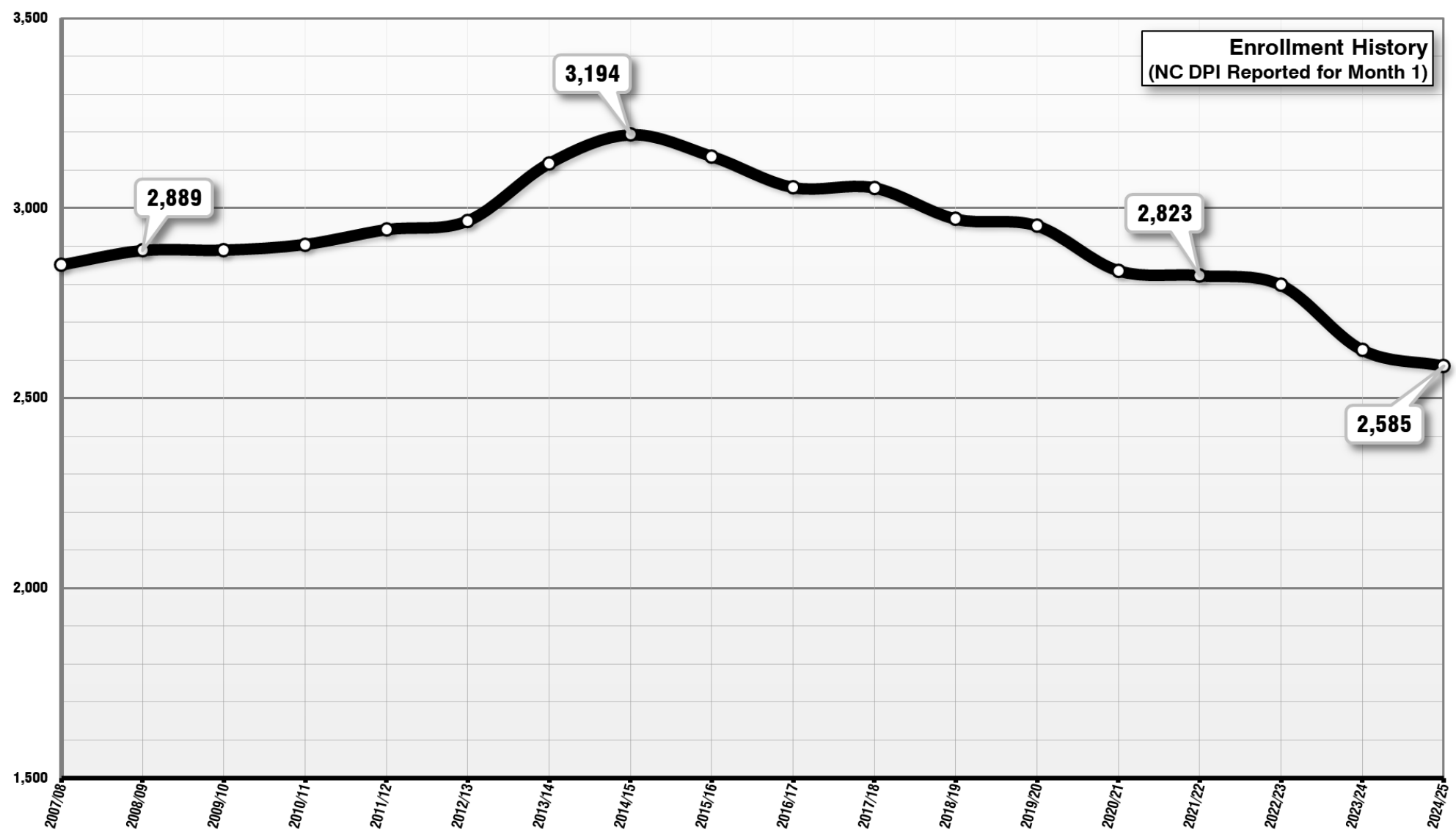
FY24: \$1,988 per student

	Catawba	Hickory	Newton	Total ADM
FY 2023/24	31,165,876	7,574,280	5,570,376	44,310,532
FY 2022/23	29,631,129	7,293,729	5,415,873	42,340,731
Increase/Decrease	1,534,747	280,551	154,503	1,969,801
% Change	5.2%	3.8%	2.9%	4.7%

# HICKORY CITY SCHOOLS: DOWN 22% SINCE 2007-08

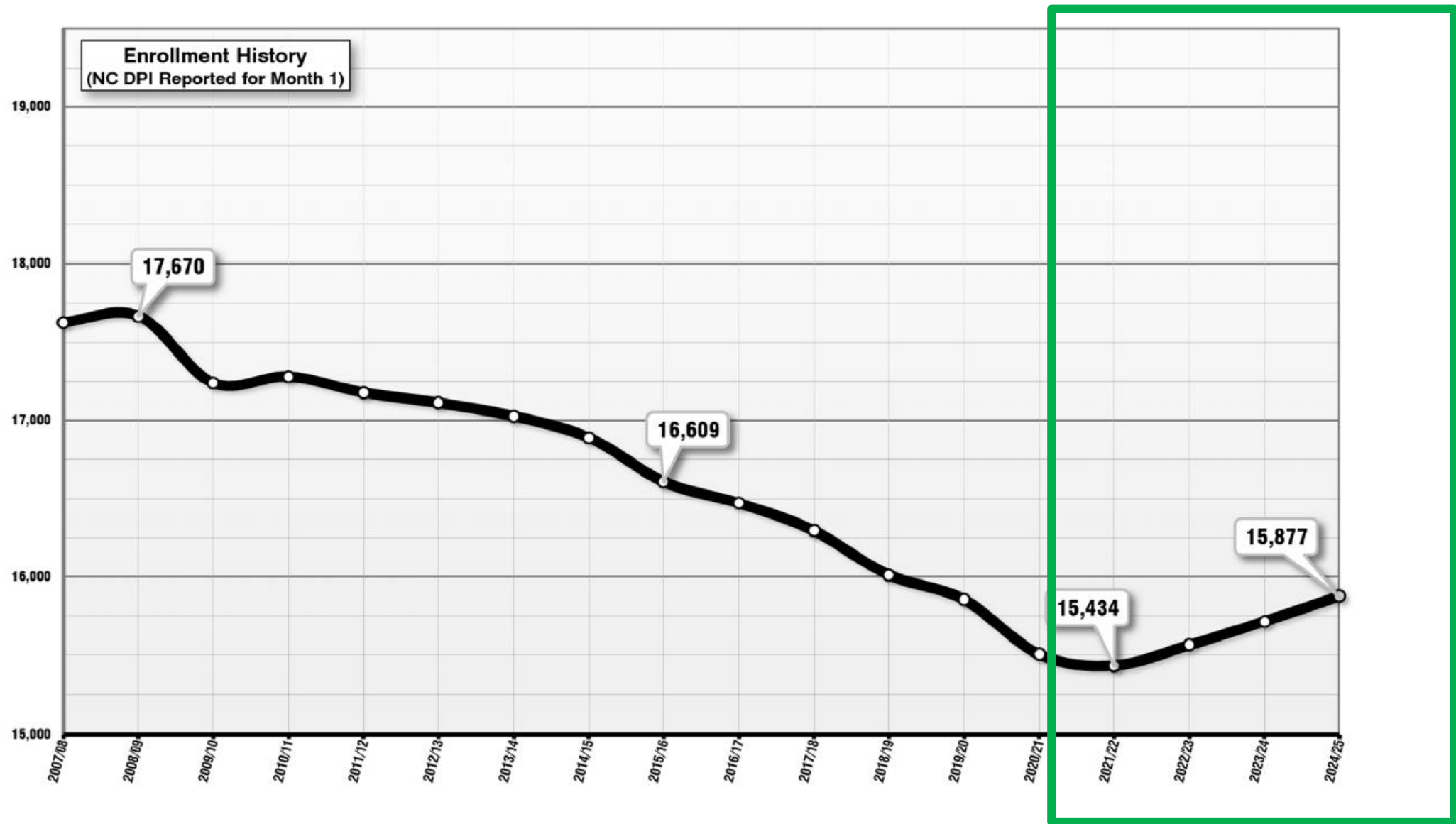


# NEWTON-CONOVER CITY SCHOOLS: DOWN 9% SINCE 2007-08

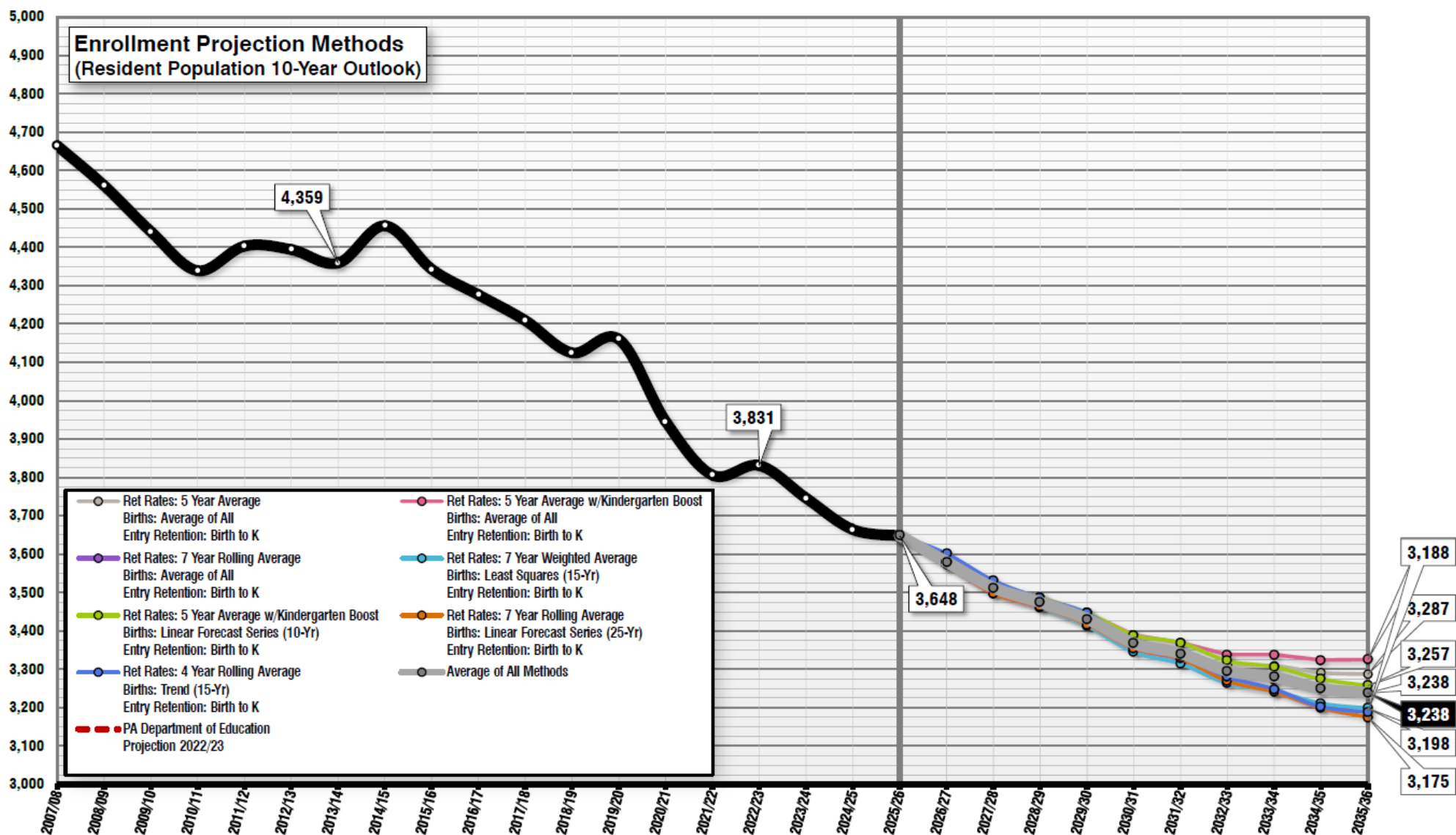




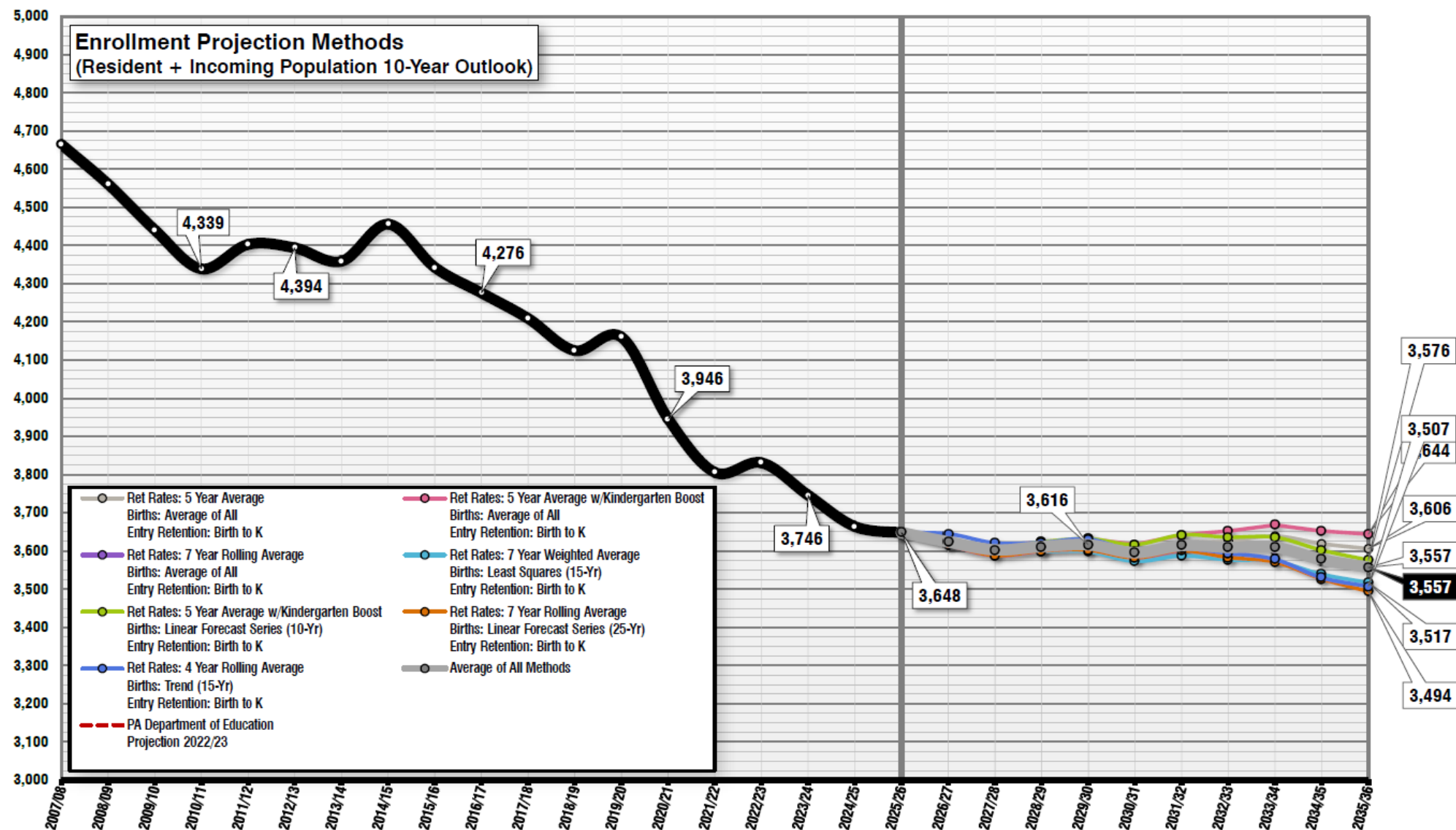
# CATAWBA COUNTY SCHOOLS: DOWN 10% SINCE 2007-08, BUT



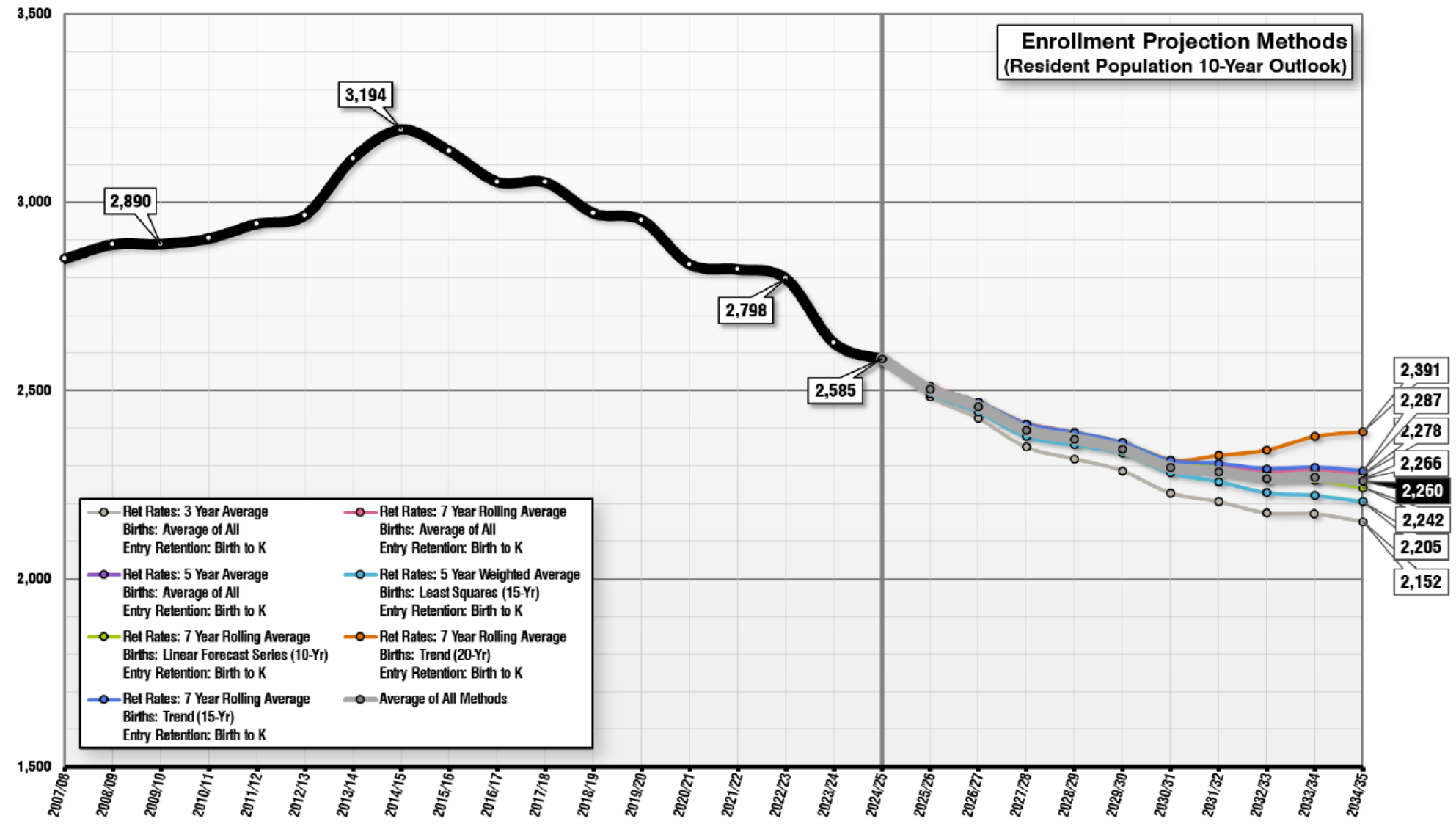
# HICKORY CITY SCHOOLS' FUTURE ENROLLMENT WORST CASE = MORE DECLINES



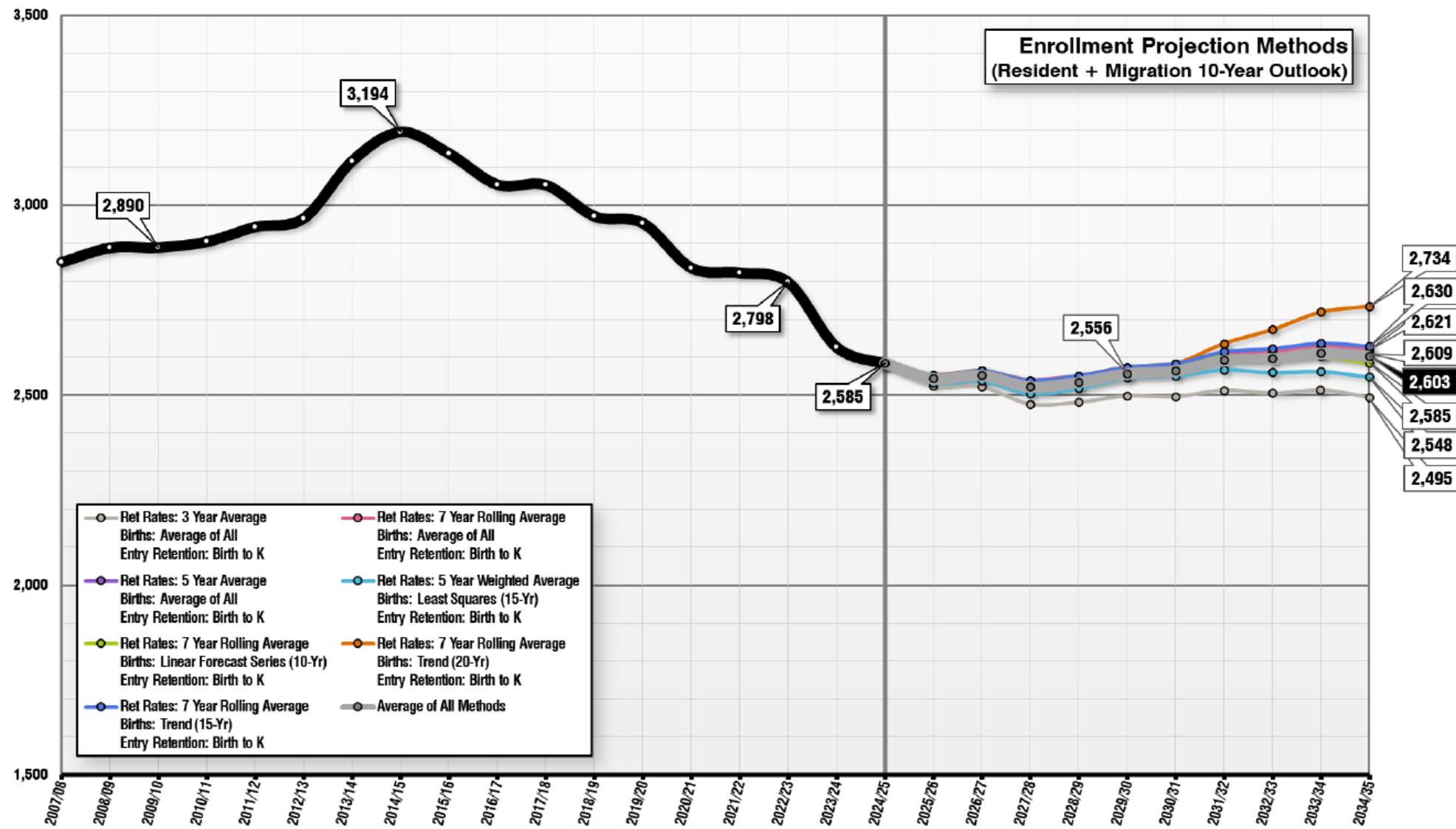
# HICKORY CITY SCHOOLS' FUTURE ENROLLMENT BEST CASE = FLAT-LINED



# NEWTON-CONOVER CITY SCHOOLS' ENROLLMENT FORECAST WORST CASE = MORE DECLINES

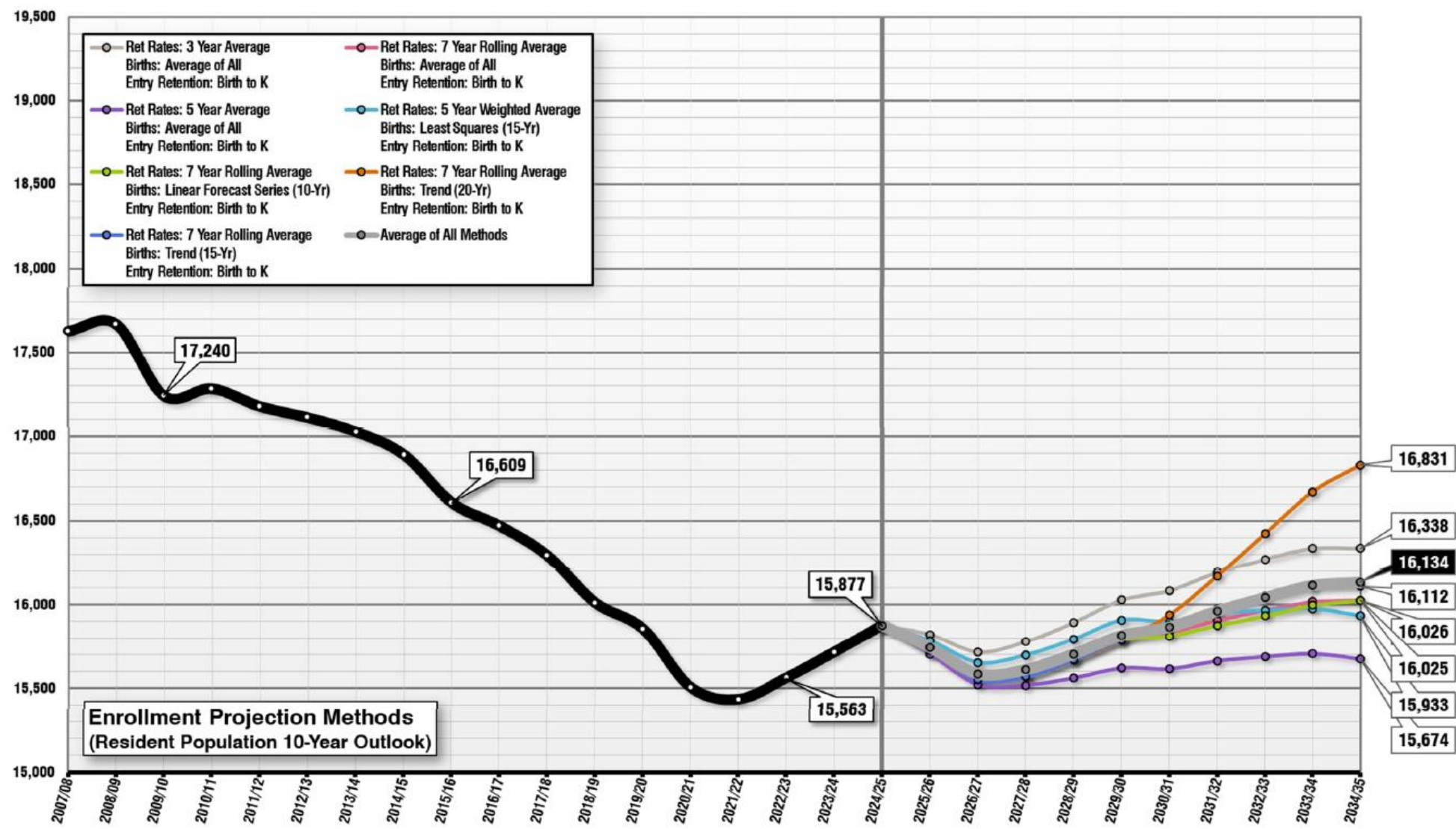


# NEWTON-CONOVER CITY SCHOOLS' FUTURE ENROLLMENT BEST CASE = FLAT-LINED

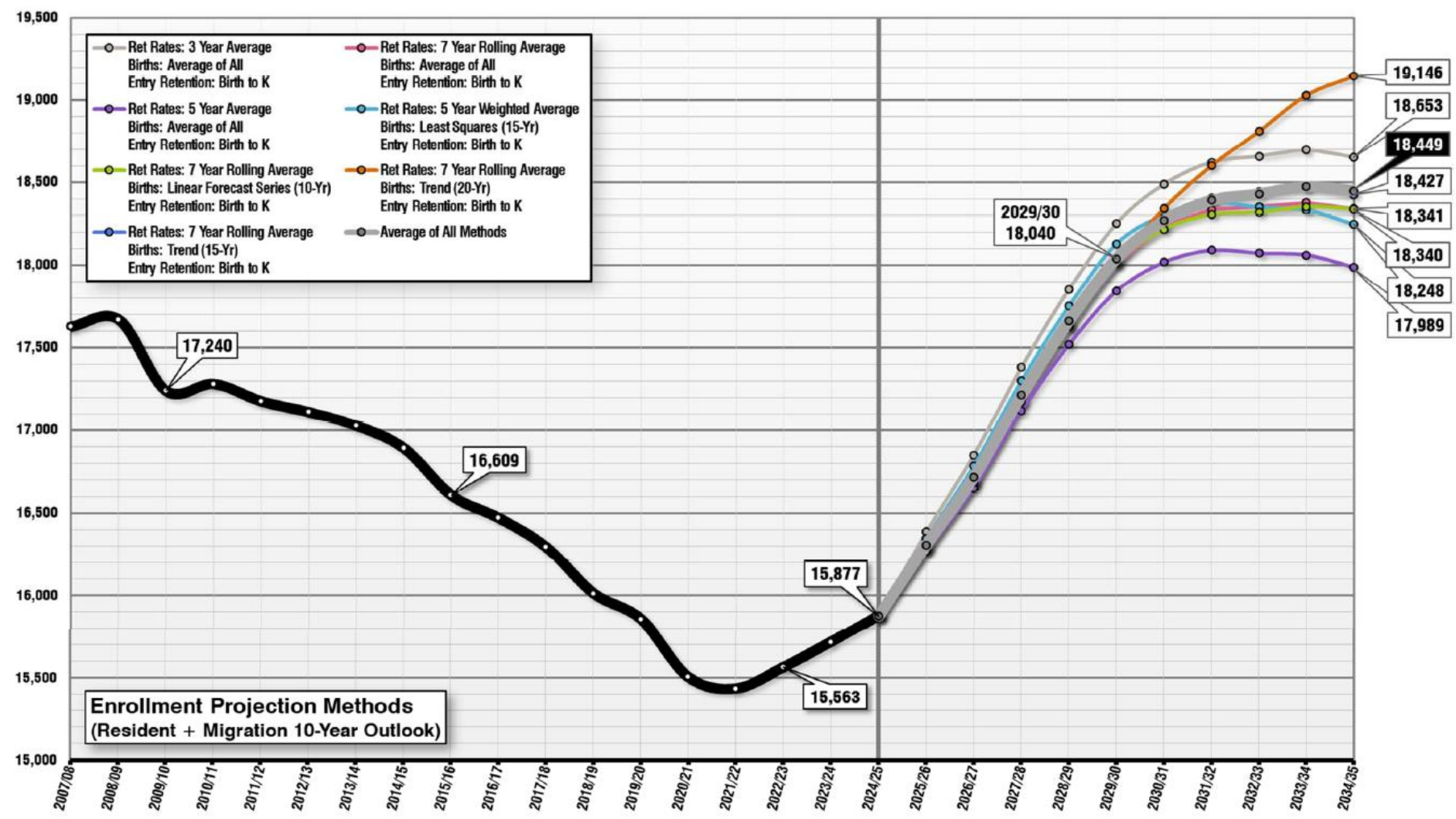




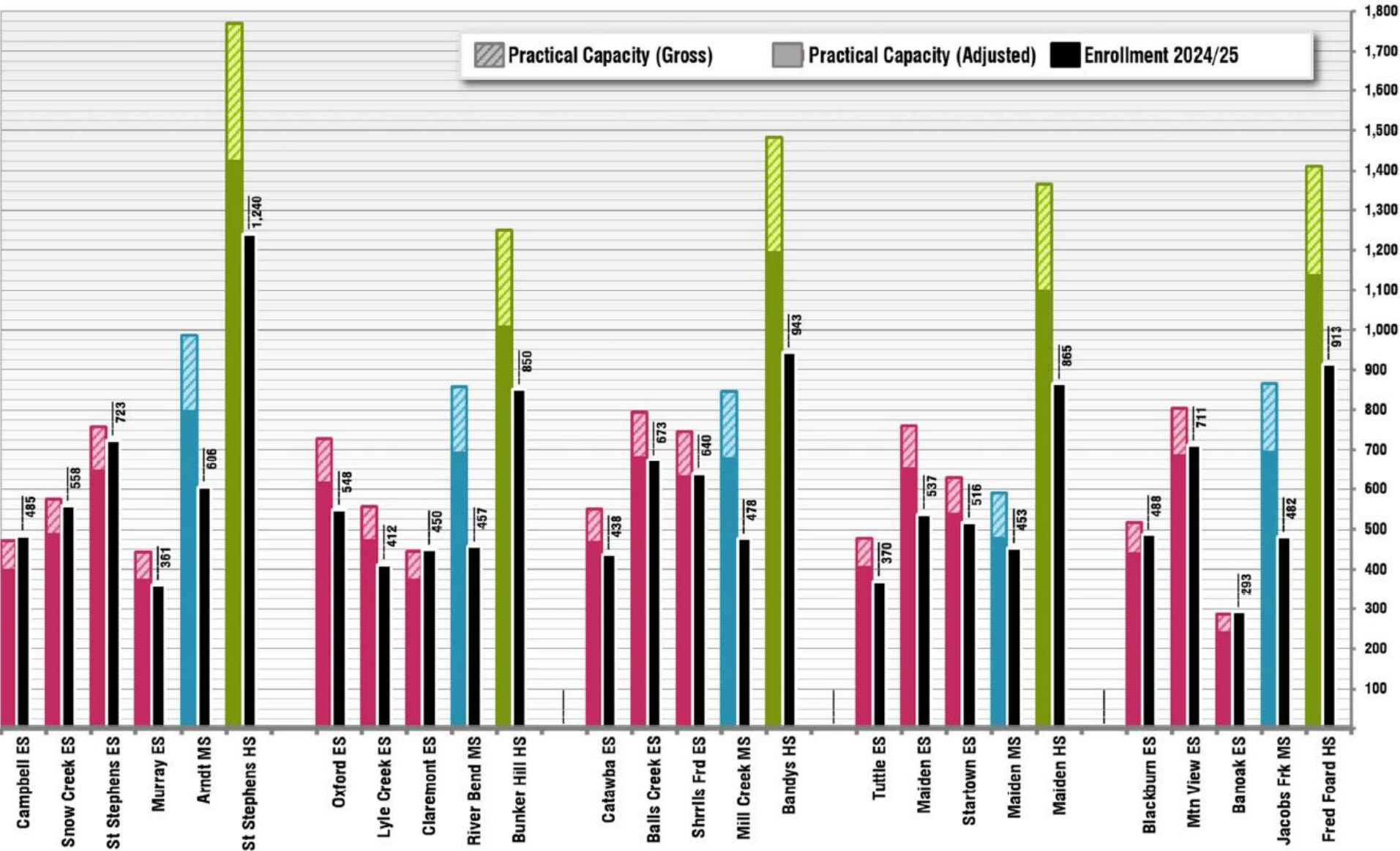
# CATAWBA COUNTY SCHOOLS' ENROLLMENT FORECAST TO GROW IN WORST CASE



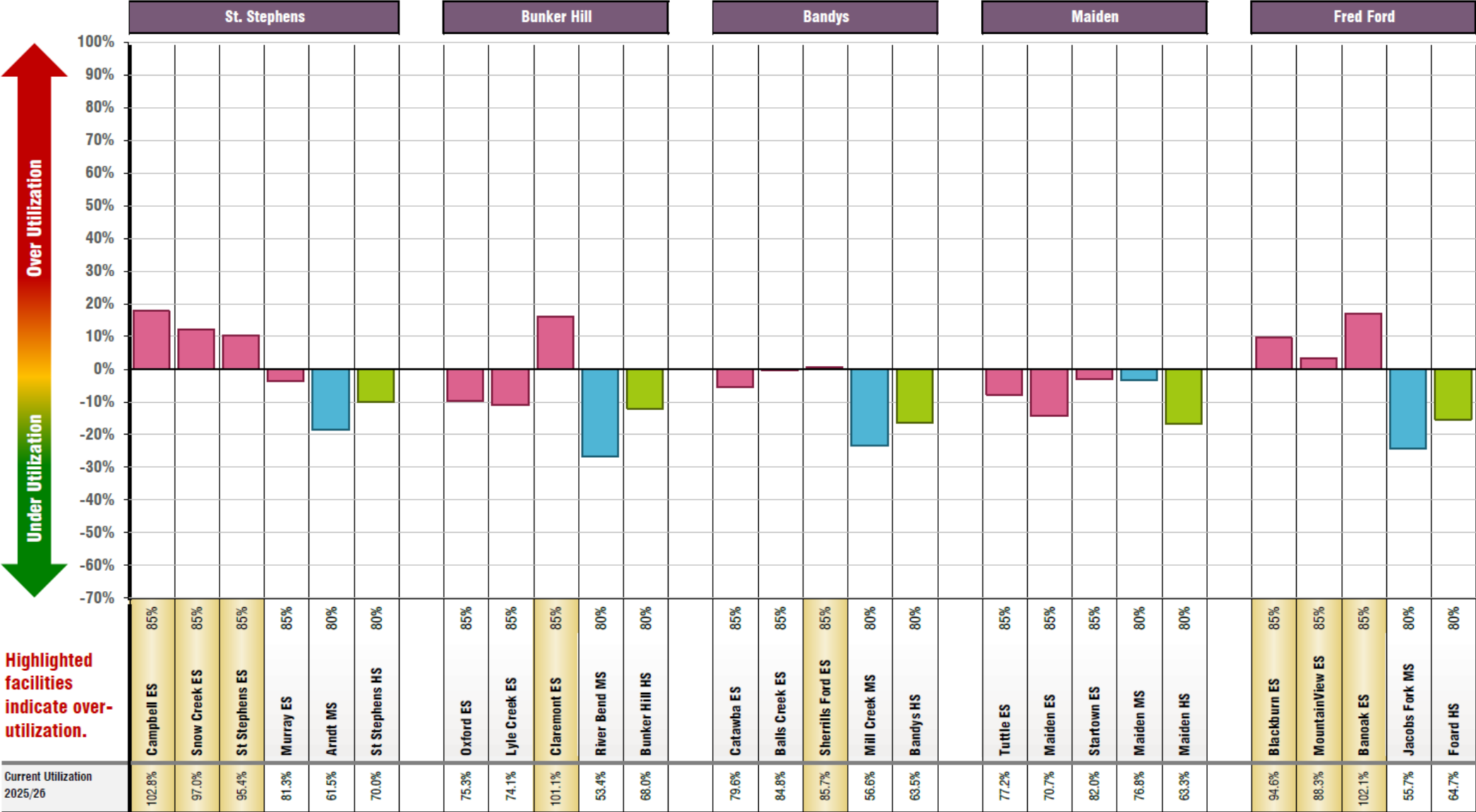
# AND TO GROW EVEN MORE IN BEST CASE...



# CATAWBA COUNTY SCHOOLS' CAPACITY PRESSURES REQUIRE IMMEDIATE ATTENTION



# CATAWBA COUNTY SCHOOLS ELEMENTARIES CURRENTLY OVER-UTILIZED



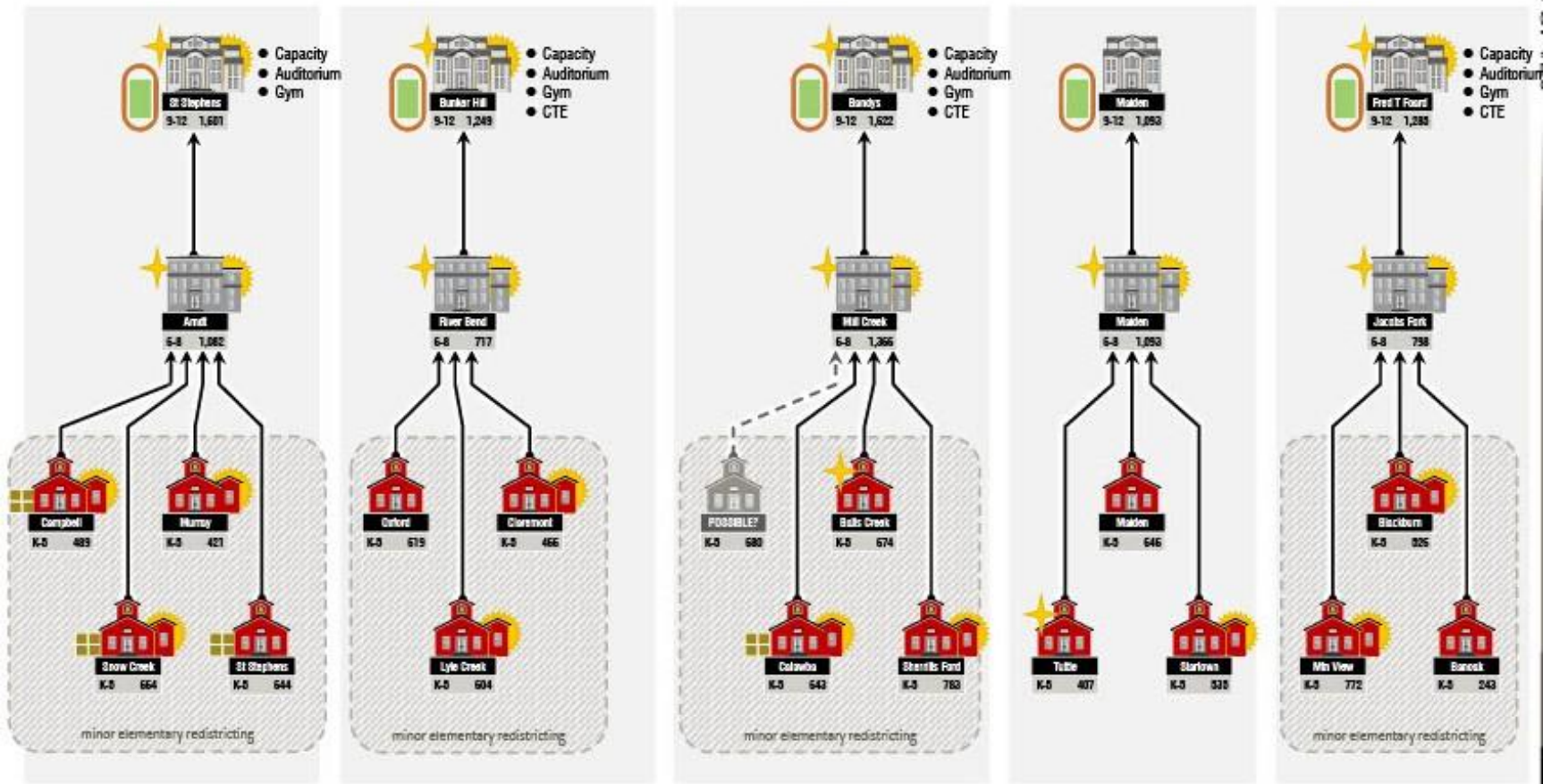


# CATAWBA COUNTY SCHOOLS' PLAN TO ADDRESS GROWTH

Estimated Cost:  
\$485M

Tentative Strategy for  
Catawba County Schools  
K-5/6-8 with HS Equity

Grade Level	Schools	Seats	Buffer	Capacity	Renov SF	New SF	Cost
Elementary Schools	K-5 16	10,756	@ 85%	9,136	TBD	TBD	\$ TBD
Middle Schools	6-8 5	5,944	@ 80%	4,755	TBD	TBD	\$ TBD
High Schools	9-12 5	8,566	@ 80%	6,850	TBD	TBD	\$ TBD
Total	26	25,268		20,741	TBD	TBD	\$ TBD

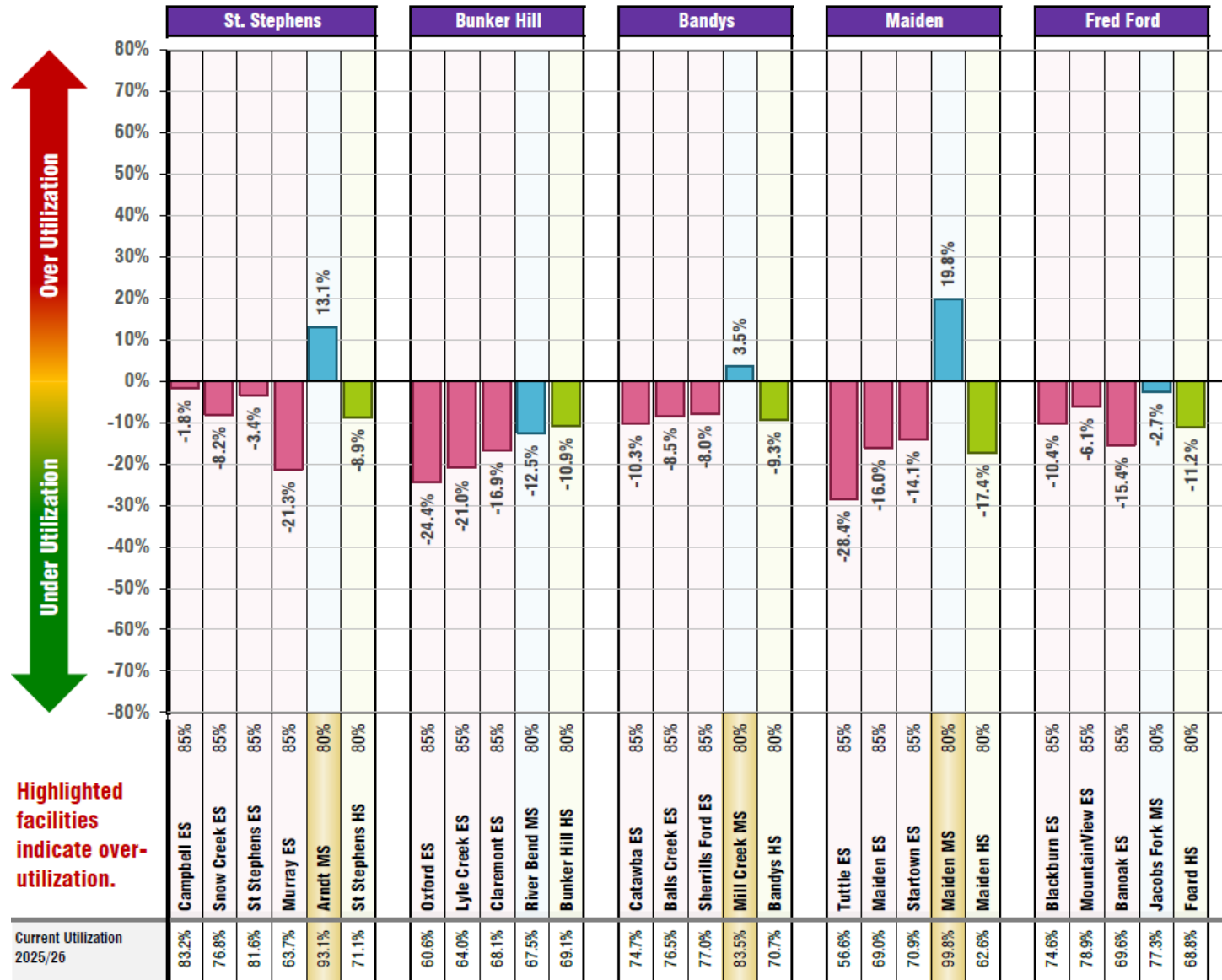




# PLAN IMPLEMENTATION ALREADY UNDERWAY

- **Realignment of elementary districts** within Bandys HS feeder (completed March 2024)
- **Deployment of mobile classrooms:**
  - Sherrills Ford Elementary (July 2024: \$500K)
  - St. Stephens Elementary and Balls Creek Elementaries (April 2025: \$1.4M)
- **Realignment of 6<sup>th</sup> grade to middle schools** to ease elementary school capacity pressures. (Currently top priority for capital investment.)
  - Planning work underway to determine project scopes
- **Break-down of \$485M** cost estimate:
  - "Safe, Warm, and Dry" - \$99M
  - Expansions and Enhancements - \$386M

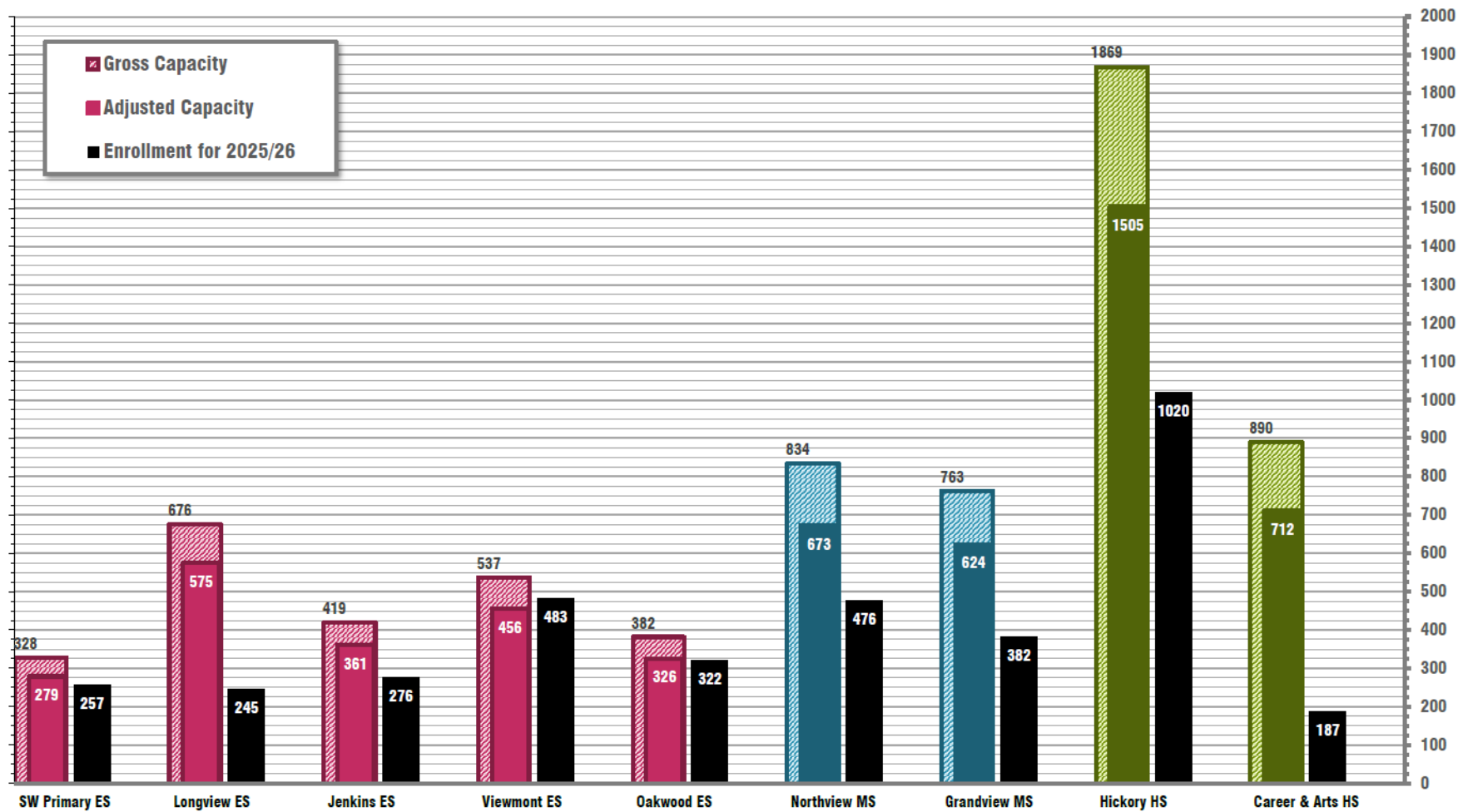
# THIS EASES CCS CLASSROOM PRESSURES AND NARROWS CAPITAL FOCUS



# HICKORY CITY SCHOOLS HAS SIGNIFICANT AVAILABLE CAPACITY

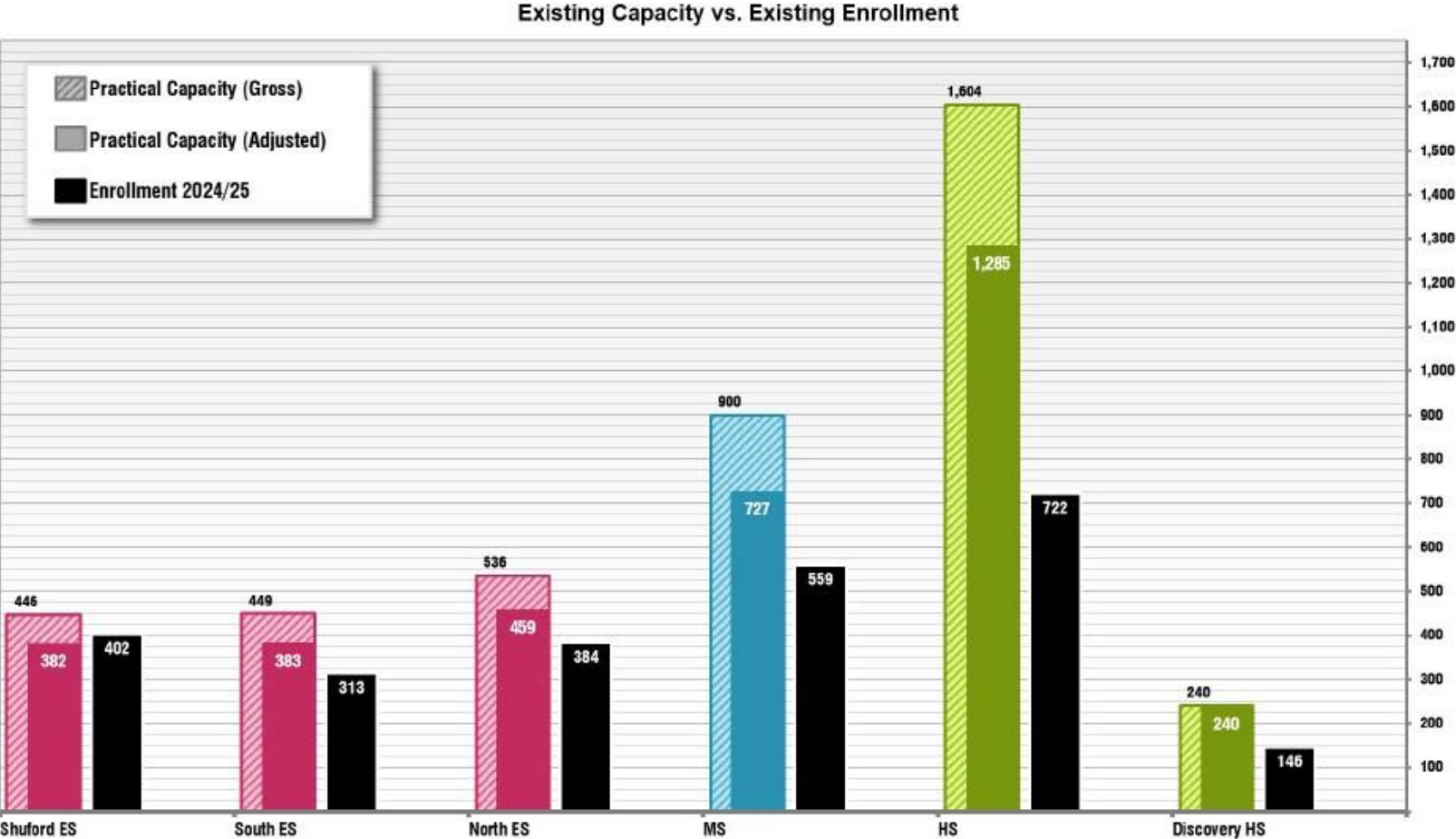
October 20, 2025

Existing Capacity vs. Existing Enrollment

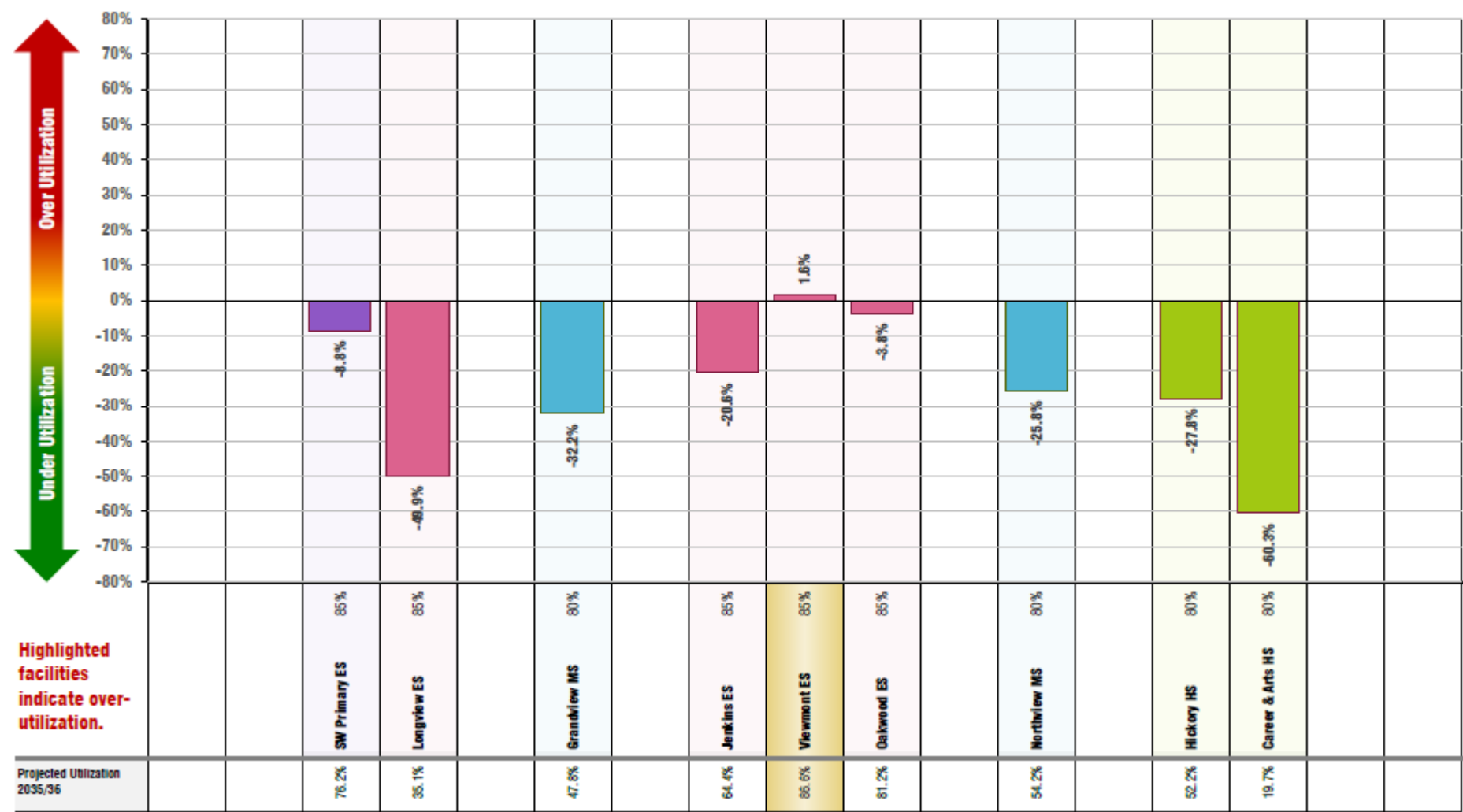


# AS DOES NEWTON-CONOVER CITY SCHOOLS

Existing Capacity and Enrollment Comparison by School

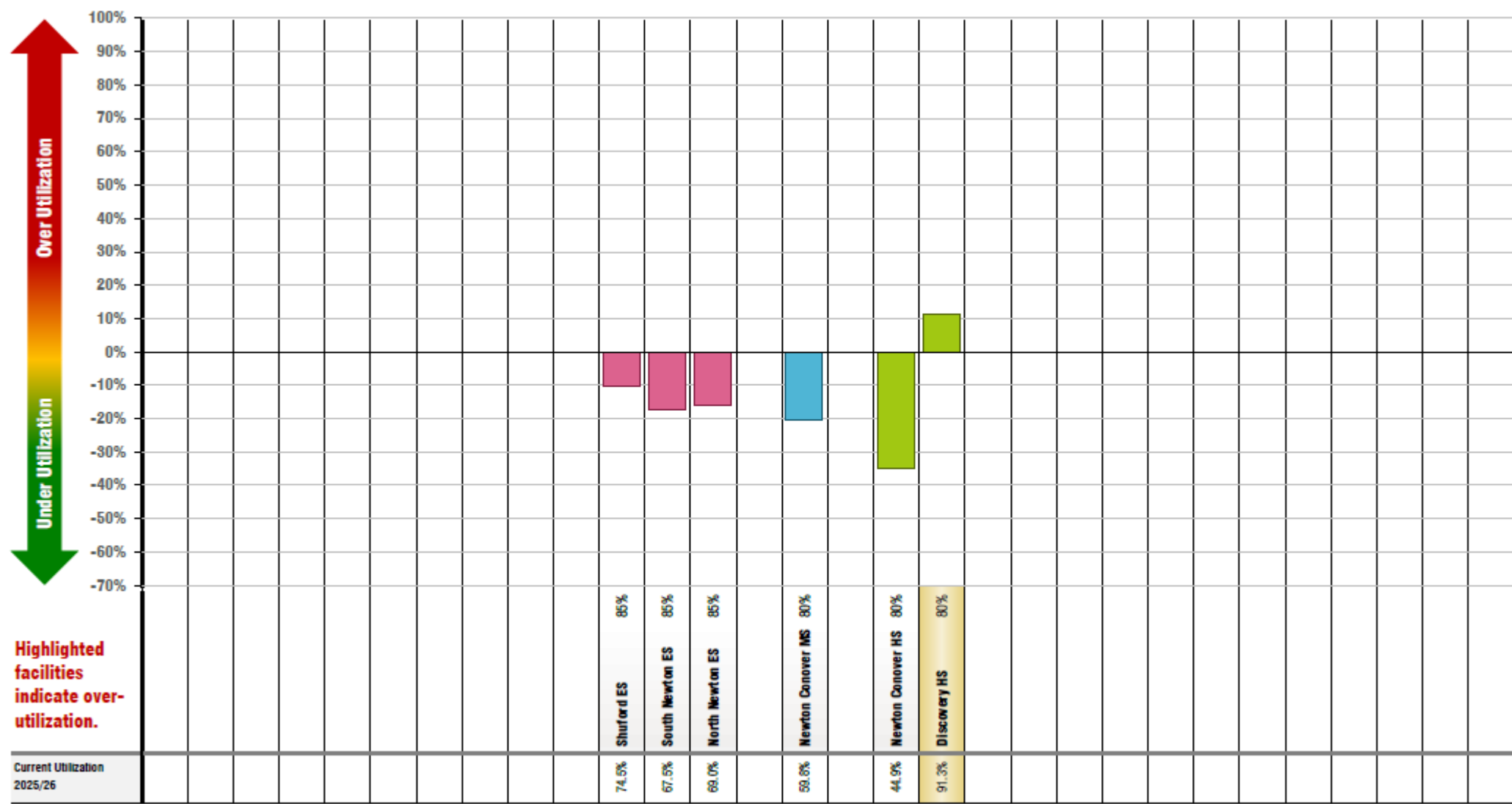


# UNDERUTILIZED CAPACITY IN HICKORY CITY SCHOOLS...

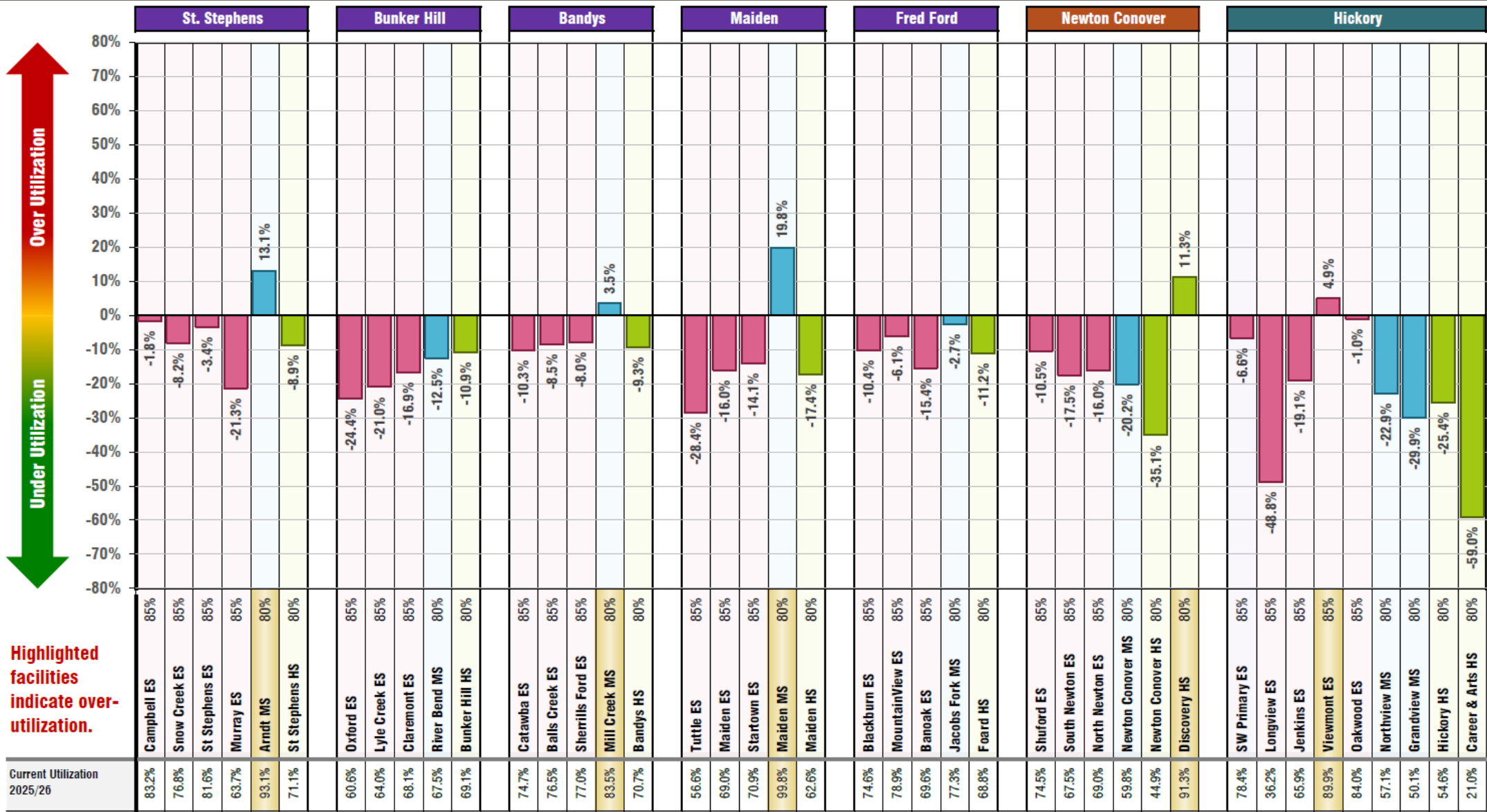




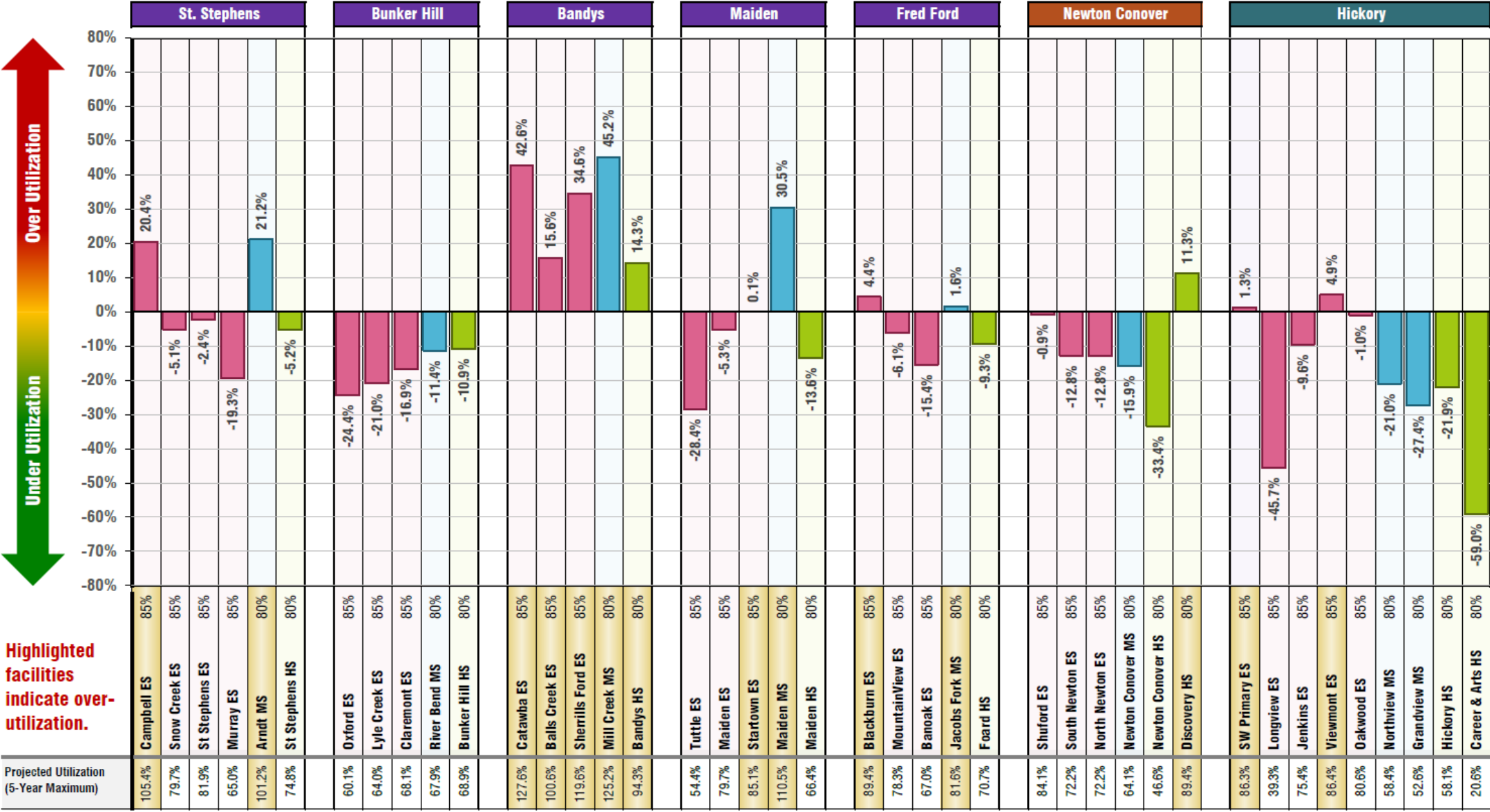
# AND NEWTON-CONOVER CITY SCHOOLS...



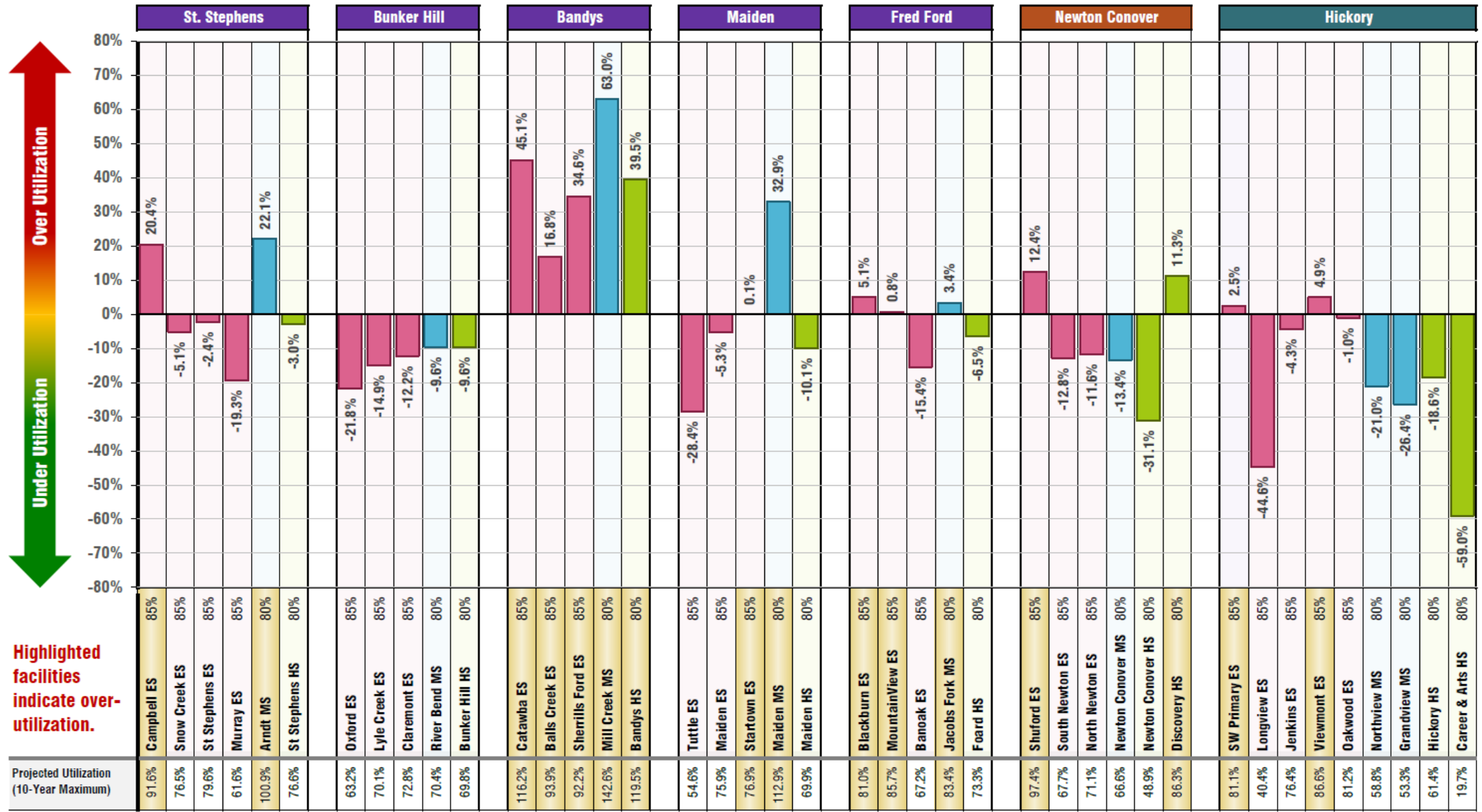
# EQUALS SIGNIFICANT TAXPAYER SAVINGS COUNTY-WIDE - NOW



# ...AND INTO THE FUTURE, 5 YEARS FROM NOW



# ...AND 10 YEARS FROM NOW



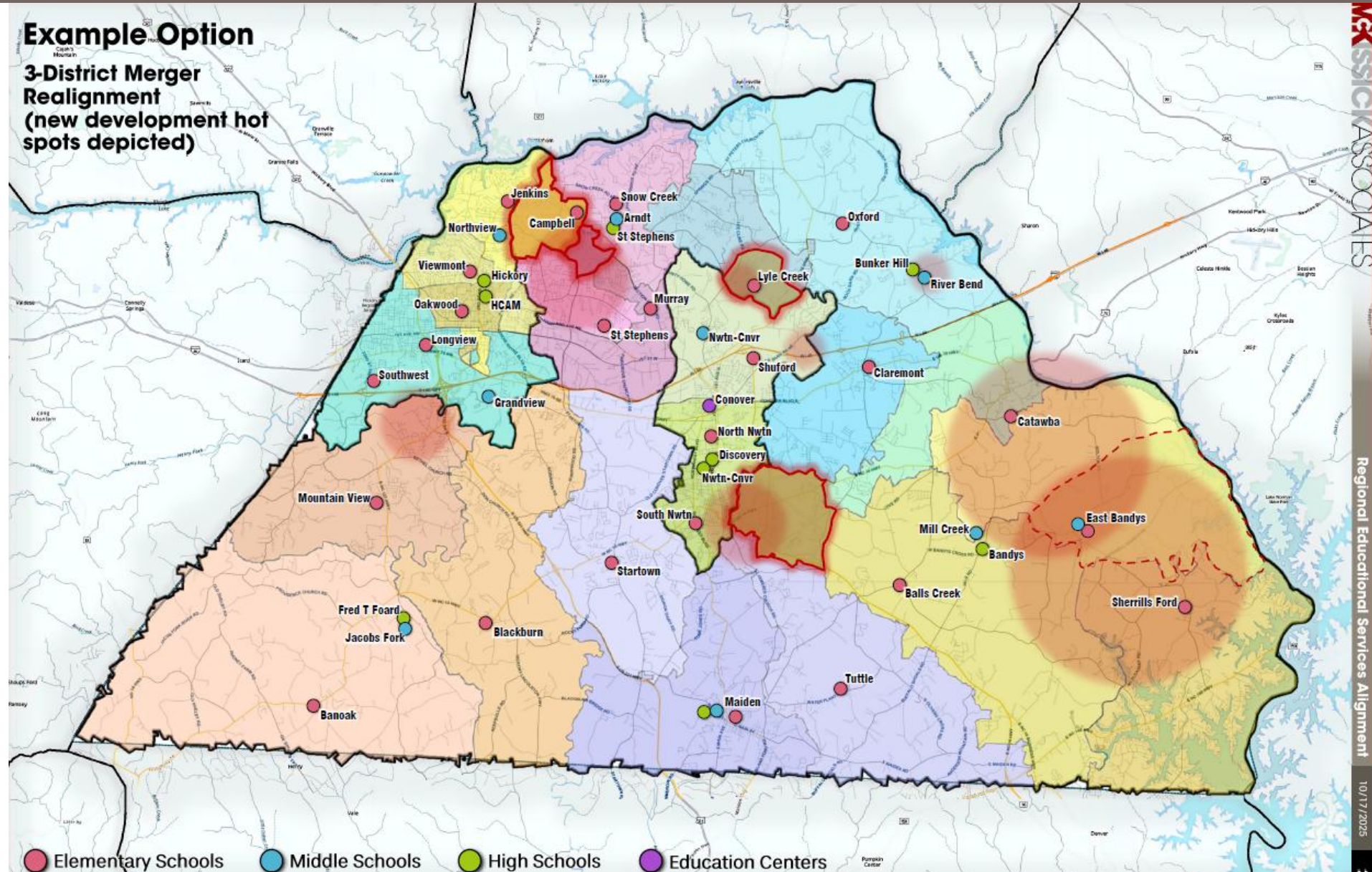
# WHY NOT JUST MOVE THE LINES? (A COMMON QUESTION...)

- **Board of Commissioners lacks authority** to move district boundaries; only NC General Assembly can make those changes
- This is a **temporary partial fix**
  - Unpredictable outcome - **can't be guaranteed**
  - **Takes significant time.** Meanwhile, mobile units cost real money
- **Doesn't allow agility / flexibility** in the face of uncertain future (**can't respond to future growth shifts**)
- Moving lines **negatively impacts the system losing territory**

*\*Note: School feeder district boundaries can be adjusted locally, but system district boundaries can't*



# WHAT MIGHT A MERGER ACTUALLY LOOK LIKE?



# SIGNIFICANT QUANTIFIABLE COST SAVINGS NOW AND OVER TIME

## Ease Capacity Pressure through Optimized Facility Use: Capital Cost Offsets

Present - CCS Students Served by NCCS/Hickory City (SF per Pupil x 1.58 circulation)					Immediate
● Elementary	527 students	@ 58 sf/pp	48,294 SF	@ \$ 450 / SF	\$ 21,732,400
● Middle	261 students	@ 68 sf/pp	28,042 SF	@ \$ 450 / SF	\$ 12,618,900
● High School	351 students	@ 78 sf/pp	43,257 SF	@ \$ 450 / SF	\$ 19,465,700
● Project Costs				@ 15%	\$ 8,072,600
● TOTAL	1,139 students		119,593 SF		\$ 61,889,600

Future - CCS Growth Served by NCS/Hickory City (SF per Pupil x 1.58 circulation)					10-Year Growth
● Elementary	1,009 students	@ 58 sf/pp	92,465 SF	@ \$ 450/ SF	\$ 41,609,300
● Middle	1,165 students	@ 68 sf/pp	(6,984) SF	@ \$ 450 / SF	\$ (3,142,800)
● High School	615 students	@ 78 sf/pp	75,793 SF	@ \$ 450 / SF	\$ 34,106,900
● Project Costs				@ 15%	\$ 10,886,000
● TOTAL	2,789 students		161,274 SF		\$ 83,459,400

Total Avoided Capital Costs from the Utilization of Existing Capacity			3,928 Students	\$145,349,000
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# REVISITING THE COUNTY-WIDE VIEW

- **With or without merger, a county tax increase will be needed** to fund school capital and construction needs.
- While no decision has been made yet regarding the level of tax increase to be proposed, **a merger will reduce the tax increase needed** and/or help investments go farther

	No Merger	VS.	Merger
Catawba County Schools	\$485,000,000		\$485,000,000
Hickory City Schools	<u>\$122,000,000</u>		<u>\$122,000,000</u>
	\$607,000,000		\$607,000,000
			<del>-\$ 145,349,000</del>
			\$ 465,651,000

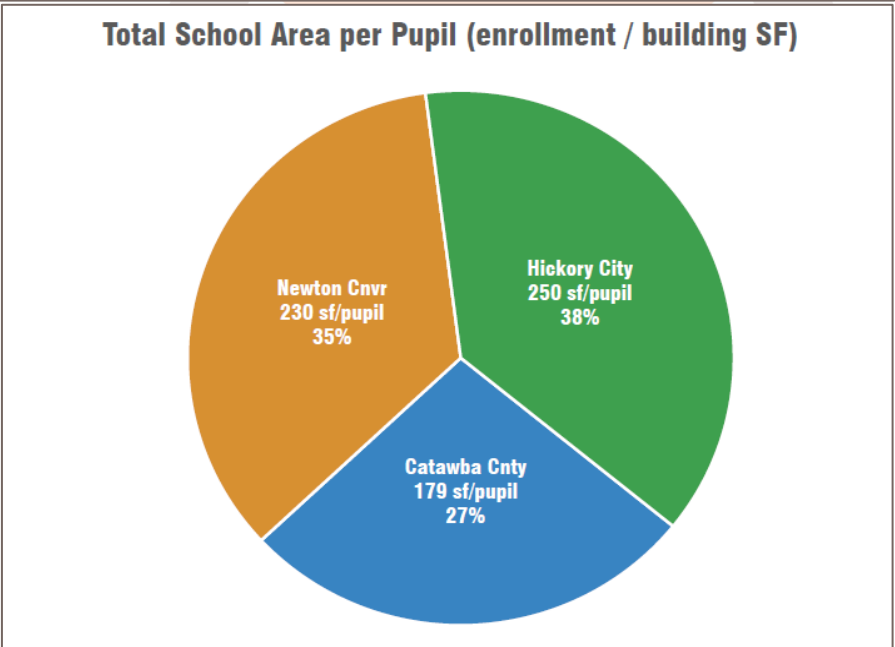
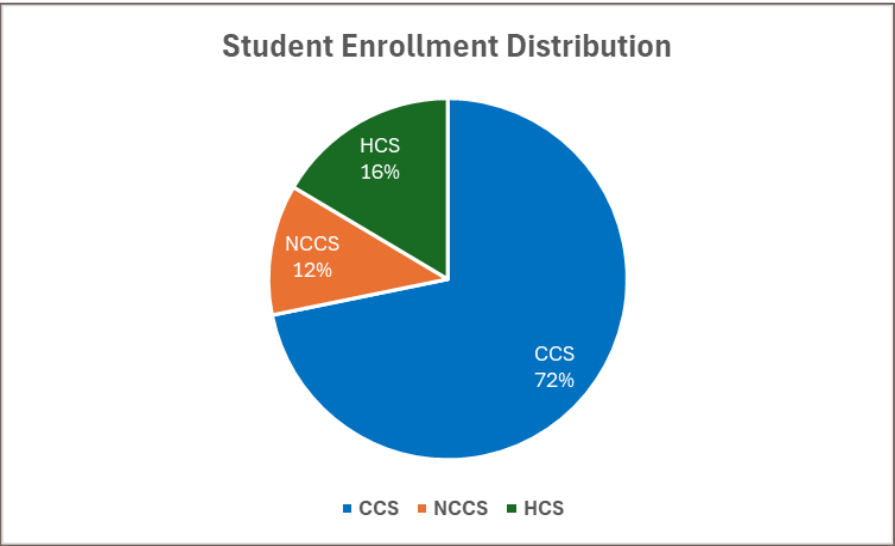
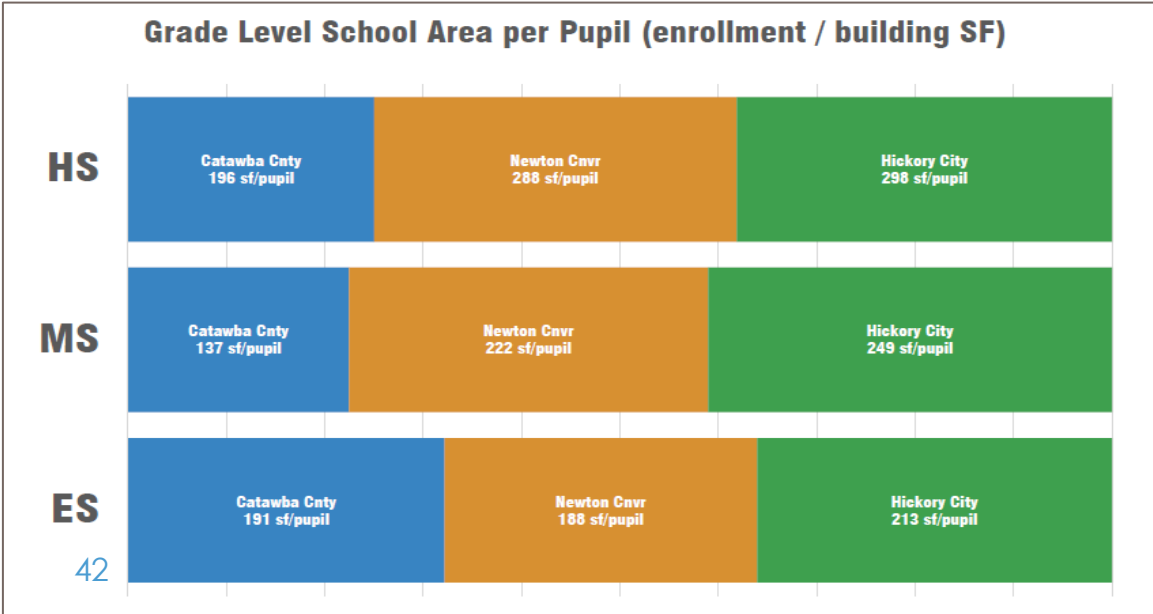
- **This minimal savings is equivalent to a little under 47 cents of property tax revenue**
- Each 1-cent = \$33.46 for average home (value: \$334,590); 47 cents = \$1,572



# PROPORTIONAL SQUARE FOOTAGE: CAPITAL IMBALANCE BETWEEN SYSTEMS

# Schools by Grade Level			
DISTRICT	ELEMENTARY	MIDDLE	HIGH
CCS	16	5	6
HCS	5	2	2
NCCS	3	1	2
	24	8	10

TOTAL SQUARE FOOTAGE: 4,289,264



# HOW WOULD A MERGER OCCUR? A STATUTORY PROCESS OVERVIEW

- **Initiated by Board of Commissioners;** approved by State Board of Education (NCGS 115C-68.1)
- Must combine all **3 districts into a single County-wide district;** Catawba County lacks authority to merge 2 of the 3
- **Requires public hearing on proposed merger plan** – statutorily required
- **Components of merger plan:**
  - **Name** of new unit and **effective merger date**
  - Demonstrates **ability to set funding level equal to highest level of any of 3 districts** over past 5 years
  - **Establishment of board of education:** #, method of election / appointment, whether at-large or district-based, etc
  - **Any other condition or prerequisite to the merger** – ex.: preservation of specialty programs and extra-curricular activities



# INFORMATION LEVEL-SETTING ABOUT MERGER

- Will the schools really lose \$2.7M in State funding per year?
  - It is true **some state formula funding would be reduced** by the move from three districts to one. This is **<1% of total County-wide education budget** (\$248.3M, per FY24 audits).
  - However, these **reductions would be offset by enrollment-based funding increases realized through the merger**, because the newly merged district is forecast to experience strong student enrollment growth in the near-term, and funding follows enrollment in public education.
  - Even if not offset, this state funding loss would be **less concerning than the long-term effects of continued revenue erosion** driven by student enrollment loss on the student experience.

# INFORMATION LEVEL-SETTING ABOUT MERGER

- **Will special academic programs and extra-curriculars (like AP Academy, orchestra, HCAM, Discovery, etc.) be cut in a merger?**
  - *While decisions like this would ultimately be up to a newly established Board of Education in a merger, the **Board of Commissioners could require through the merger plan continuation of certain programs** for a predetermined time, as appropriate. These programs are at greater risk for enrollment-based cuts than they are for merger-based cuts.*
- **How many students would be displaced through a merger?**
  - *It is unlikely that a significant #s of HCS and NCCS students would be displaced through a merger, as **students from CCS district would be moving to current HCS and NCCS schools** to fill the empty seats.*
  - *Students in CCS will experience **minor redistricting with a merger or not.***
  - *Ultimately, the **newly established Board of Education would make those decisions**, unless the merger plan stipulates differently.*

# WHERE TO GO FOR MORE INFORMATION?

**[WWW.CATAWBACOUNTYNC.GOV](http://WWW.CATAWBACOUNTYNC.GOV)**

*"Click here for Schools Community Conversation information"*

- *Tonight's presentation*
- *Catawba County Schools Master Plan*
  - *CCS-NCCS Merger Analysis*
  - *Frequently Asked Questions*

# BREAK-OUT STATIONS – SHARE YOUR FEEDBACK

## **1. Student Achievement & Access**

*(Academics, Special Programs, Extra-Curriculars)*

## **2. Student Logistics**

*(School Assignments, Transportation, Culture and Tradition)*

## **3. Financial**

*(State & Federal Funding, School Construction Costs, Local Tax Impacts)*

## **4. Governance**

*(School Board Composition, Administrative Structure)*

## **5. Other / Frequently Asked Questions**



**Thanks for coming.  
Have a good evening.**

