

Legislative Oversight Committee

Summary Report on

John de la Howe School

September 2019



In 2018, John de la Howe School (JDLHS) began a transition to become the Governor's School for Agriculture at John de la Howe as outlined in a feasibility study authorized by proviso. The school is expected to open in the fall of 2020, and the board is continuing with the services of the Student-Centered Education Consulting Group (SCECG) who prepared the feasibility study to assist in the transition. Determining the projected costs to bring about the school and the timeline to implement the program of studies are essential elements which should be provided by SCECG to the JDLHS board of trustees and leadership as soon as possible. With the assistance of SCECG, the board of trustees and leadership of JDLHS should develop written short- and long-range plans for repairing and upgrading the facilities. The board of trustees should initiate an action in the circuit court of McCormick County under §62-7-412 and 413 so that the court can determine whether the transition of the school will be consistent with the terms of the will of Dr. John de la Howe. In addition, the board of trustees and school officials should divest the school of operating and maintaining its own electrical system by working with a local electric cooperative or company who can take over the ownership of the system.

Issues

Updates from Subcommittee Meeting Held on March 21, 2019

At a meeting held by the oversight subcommittee on March 21, 2019, Professor Alan Medlin from the USC School of Law provided an overview of statutes related to the will of Dr. John de la Howe, including §62-7-412 and 413, and the effect of those statutes on the school as it transitions to the Governor's School for Agriculture. S.C. Code §62-7-412(b) allows a court to modify a deviation from the original intent if the charitable purpose of the will becomes impracticable. Statute section 413 allows changes where the original purpose is impractical, wasteful, unlawful, or impossible to achieve. The subcommittee members advised school officials that the school's board of trustees should initiate an action in the circuit court of McCormick County under the equitable deviation statute regarding the new direction of the school. Per Professor Medlin's suggestions, the Attorney General should be named as an interested party along



with John and Jane Doe descendants.

- **Agency Recommendation:** The board of trustees should initiate an action in the circuit court of McCormick County under §62-7-412 and 413 so that the court can determine whether the transition of John de la Howe School to the Governor's School for Agriculture will be consistent with the terms of the will of Dr. John de la Howe. If the court determines that it will be inconsistent, then the board should request that the court determine whether the transition will

be allowed under existing state law allowing changes to a charitable trust where the original purpose has become impractical, wasteful, unlawful or impossible to achieve.

The school's electrical system is owned and maintained by the school and is in need of extensive repair and maintenance. Since the school does not have adequate staff to maintain the electrical system, school officials should investigate divesting the school of operating and maintaining its own electrical system. One option to consider is reaching an agreement with a local electric cooperative or company who could take over the ownership of the system.

- **Agency Recommendation: The board of trustees and school officials should divest the school of operating and maintaining its own electrical system by working with a local electric cooperative or company who can take over the ownership of the system.**

Contract with the Student-Centered Education Consulting Group

Officials with JDLHS have contracted with the Student-Centered Education Consulting Group (SCECG) to assist with the transition to the Governor's School of Agriculture. As of January 10, 2019, JDLHS paid four invoices to SCECG totaling \$87,593. A scope of work included with the procurement documentation discusses numerous tasks to be completed by SCECG, but the dates for completion are not included. In particular, the projected costs to bring about the school and a timeline to implement the program of studies are elements of the scope of work which should be provided by SCECG to JDLHS's leadership as soon as possible. These documents will help clearly define the roles and responsibilities of both parties. The board of trustees of JDLHS should link items outlined in the scope of work to be completed by SCECG to payment under the contract. This would allow the board and SCECG to agree to specific, timely deliverables and ensure that fair and open communication between the two entities is maintained throughout the contract period.

- **Agency Recommendation: The projected costs to implement the Governor's School of Agriculture and the timeline to develop the program of studies for the school should be provided by the Student-Centered Education Consulting Group to the board of trustees and leadership of John de la Howe School as soon as possible to ensure that funding can be appropriately allocated and proper planning and development can be undertaken.**
- **Agency Recommendation: The board of trustees of John de la Howe School should link specific items outlined in the scope of work dated June 22, 2018 of the Student-Centered Education Consulting Group to payments made under the contract.**

Capital Projects

Most of the buildings and facilities on the campus of the school have not been properly maintained over many years and are in need of extensive repair. The scope of work to be performed by SCECG includes assistance with the evaluation of JDLHS' facilities and equipment, including advisement on use and maintenance of facilities and equipment and assistance with developing a long-range plan for facilities use and maintenance.

- **Agency Recommendation: The board of trustees and the leadership of John de la Howe School, with the assistance of the Student-Centered Education Consulting Group, should develop written short- and long-range plans for repairing and upgrading facilities.**

Legislative Oversight Committee

South Carolina Senate



Report on
John de la Howe School

September 2019

In 2018, John de la Howe School (JDLHS) began a transition to become the Governor’s School for Agriculture at John de la Howe as outlined in a feasibility study authorized by proviso. The school is expected to open in the fall of 2020, and the board is continuing with the services of the Student-Centered Education Consulting Group (SCECG) who prepared the feasibility study to assist in the transition. Determining the projected costs to bring about the school and the timeline to implement the program of studies are essential elements which should be provided by SCECG to the JDLHS board of trustees and leadership as soon as possible. With the assistance of SCECG, the board of trustees and leadership of JDLHS should develop written short- and long-range plans for repairing and upgrading the facilities. The board of trustees should initiate an action in the circuit court of McCormick County under §62-7-412 and 413 so that the court can determine whether the transition of the school will be consistent with the terms of the will of Dr. John de la Howe. In addition, the board of trustees and school officials should divest the school of operating and maintaining its own electrical system by working with a local electric cooperative or company who can take over the ownership of the system.

I. Agency at a Glance

Mission

In 2018, John de la Howe School (JDLHS) began a transition to become the Governor’s School for Agriculture by the 2020 school year. A consulting contract to assist in the development and implementation of the school was signed on June 22, 2018. A preliminary report dated March 20, 2018 was presented by the subcommittee which outlined the school’s operations at that time. This preliminary report also described the options contained in a feasibility study authorized by proviso and performed to determine what agricultural educational programs could be offered which would align with the terms and purpose of the Dr. John de la Howe will.

Most recently, the school served as a residential facility for at-risk youth who attended nearby McCormick county schools since JDLHS lost its accreditation in 2016. JDLHS also operated a Wilderness Program for male students. Alternative schools at most of the state’s school districts, which allow students to remain in their communities, displaced JDLHS’s previous mission of serving at-risk youth who may have had disciplinary infractions, were a year or more behind in school, or may have been expelled from their home school.

Governing Authority:

On May 8, 2018, the board of JDLHS was reconstituted with the Senate confirming five new board members and reappointing one board member. Two board members who were already serving remained on the board with terms expiring in 2019 and 2021. The board, which has nine members, currently has one vacancy. Board members are appointed by the Governor subject to confirmation by the Senate, and terms of the members are five years. The only compensation of trustees is per diem and mileage as provided by law for members of state boards, committees, and commissions.

Position	Position Title	Current Members	Appointed By	Appointed Date	Expiration Date
At Large	Member	Lamb, Edgar	Governor Henry McMaster	5/10/2018	4/1/2021
At Large	Member	Kesler, J. Craig	Governor Henry McMaster	5/10/2018	4/1/2023

At Large	Member	Bland, Hugh Mitchell	Governor Henry McMaster	5/10/2018	4/1/2023
At Large	Member	Love, Thomas R.	Governor Nikki R. Haley	4/17/2014	4/1/2019
At Large	Member	Tilden, Melissa A.	Governor Henry McMaster	5/10/2018	4/1/2023
At Large	Member	Smith, Alton O. Jr.	Governor Henry McMaster	5/10/2018	4/1/2019
At Large	Member	Griffin, Jerry Michael	Governor Nikki R. Haley	4/7/2016	4/1/2021
At Large	Member	Davis, Ronald M.	Governor Henry McMaster	5/10/2018	4/1/2023
At Large	Member	VACANT			

Operations/Programs

The board is continuing with the services of the Student-Centered Education Consulting Group (SCECG) who prepared the feasibility study in 2017 to assist in the transition to the Governor’s School for Agriculture. Current plans are for the school to be open for students by the fall of 2020. Many buildings and facilities on the campus will need repairs or refurbishment prior to that date. The school is expected to be the first residential agricultural high school in the United States. Plans are for graduates to be well prepared to enter college or the workforce upon graduation. Additional skills beyond the academic requirements for a high school graduate will be mandatory, and students will be evaluated on their proficiency level with these skills. Such skills may include, but not be limited to, the following according to a draft sample diploma for the school:

<u>Skill Group</u>	<u>Specific Skills</u>
Leadership	Prepared public speaking Planning and conduct of meetings
Mechanical	Welding Carpentry and Shop equipment Preventive and routine maintenance of farm equipment
Equipment Operation	Certified forklift operator Certified tractor operator Landscape equipment operation and maintenance Livestock equipment operation and maintenance
Animal Sciences	Animal nutrition Animal health and safety, including basic veterinary care Selective breeding
Life Skills	Social skills and manners Routine vehicle maintenance

	Household finances
Technology	Proficient in Microsoft Word, Excel & PowerPoint
	Proficient in Web Page Development and Software

The transition to the Governor’s School for Agriculture will involve many components including curriculum development, staffing, training, the process for state accreditation, admissions requirements, upgraded campus-wide technology, marketing, recruiting, security, and the repair and modernization of many buildings. To accomplish these goals by 2020, JDLHS will require a dedicated board of trustees, an enthusiastic staff, skilled consultants, and a supportive community.

Finance

The table below shows revenues and expenditures by fund for the last two fiscal years for JDLHS.

Fund	FY 16-17		FY 17-18	
	Revenue	Expenditures	Revenue	Expenditures
	\$	\$	\$	\$
General Funds	4,912,498	4,912,498	4,795,670	4,208,114
Restricted Funds	720,269	0	720,269	92,018
Earmarked Funds	522,162	89,228	481,512	42,863
Federal Funds	353,290	0	353,227	0
Total	6,508,219	5,001,726	6,350,678	4,342,995

The school is seeking to realign existing general fund appropriations to cover renovations, deferred maintenance, and other capital projects requests. This realignment will be aided by the reduction in force implemented in August 2018, resulting in a yearly savings of \$1.8 million.

According to a school official, beginning carryforward funds from FY 17-18 totaled \$479,567, and a transfer of \$200,000 of these funds was made to the school’s “Special Funding Carryforward” account to be used for upcoming capital projects and deferred maintenance. As of November 28, 2018 total carryforward funds for the school were \$826,040.

Budget Request

In its FY 19-20 budget request, JDLHS requested realignment of salaries expenses to operations expenses to accommodate the establishment of the new high school for agriculture. The savings in salaries is estimated to be \$1.8 million per year based on the salaries of positions affected by the reduction in force plus the employer contributions. In addition, the budget request contains three capital requests as follows:

- 1) \$2.6 million for campus maintenance and repairs
- 2) \$500,000 for an upgrade to the school’s electrical grid system
- 3) \$150,000 for swimming pool renovations to be used as “a recruiting and retention tool” for the new school of agriculture.

A new proviso is proposed in the budget request which would allow the school to carry forward FY 18-19 appropriations for employee salaries and fringe benefits that will not be paid due to the August 2018 reduction in

force. This proviso is related to the requested realignment of these salaries to be used for deferred maintenance projects and renovations to facilities for the transition to the Governor’s School for Agriculture.

Staffing

The school had 22 employees as of November 7, 2018, four of whom are temporary employees. In August 2018, a reduction in force was implemented with the assistance of the Department of Administration. Thirty-five employees were included in the reduction in force, including one retiree and two temporary employees. At our preliminary report date, March 20, 2018, the school had 55 employees. At a called meeting of the board of trustees held on May 30, 2018, the board approved the hiring of a new interim president.

II. Issues

Contract with the Student-Centered Education Consulting Group

Officials with JDLHS have contracted with the Student-Centered Education Consulting Group (SCECG) to assist with the transition to the Governor’s School for Agriculture. According to the minutes of the June 22, 2018 meeting of the board of trustees, a consultant with SCECG provided board members with a briefing on the direction of the school. This same consulting group had assisted the board in 2017 in completing the feasibility study to determine what agricultural educational programs could be offered by the school.

A purchase order was issued by the school on August 23, 2018 referencing a Department of Education “blanket” state contract and including a 5-page scope of work to be completed by SCECG. The scope of work was signed by representatives of SCECG and JDLHS on June 22, 2018. The purchase order states that it is valid from August 23, 2018 to June 30, 2019, and the scope of work references the term as 1 year, for 2018-2019. A purchasing requisition outlines the fees to be based on \$1,500 per day at an estimated 200 consulting days, which would result in a total contract price of \$300,000. As of January 10, 2019, JDLHS paid four invoices to SCECG totaling \$87,593.76. Although the two earlier invoices did not include itemized dates, descriptions of services provided, and the name of the consultant providing the services, the invoices paid in December 2018 and January 2019 included this information.

Scope of Work

The scope of work states that the consulting group “will perform all of the tasks necessary to assist the President of John de la Howe to plan, develop and implement the school of agriculture, the education center and the teacher training program at John De La Howe (sic) as described in the Feasibility Study Report.” This document states that SCECG will assist with all phases of these new programs to include but not be limited to:

- Planning
- Hiring
- Program and school development
- Curriculum development
- Training
- Financing and budgeting
- Staffing
- Use of current resources and facilities
- Other matters related to the school, the education center and the teacher training center.

The scope of work states that the consultants will travel to the Governor’s Schools in Hartsville and Greenville to develop an understanding of the procedures used in those state-wide schools. In addition, they will meet with a variety of state agencies, colleges, universities and community colleges which may be of assistance. The consultants will be available to meet with committees of the General Assembly and other state representatives.

Other duties outlined regarding staffing for all of the operations of the school include determining the level of staffing, writing or re-writing all job descriptions, developing or refining the employee evaluation system, and developing and providing training as needed. Training is to be provided to the administration, teacher, and support staff on the new curriculum and operations. JDLHS lost its accreditation from the SC Department of Education in 2016, and SCECG will assist with the re-accreditation process. In addition, the consultants plan to conduct a national search for the president of the school, as well as, conducting a search for the principal.

As discussed in the scope of work, SCECG will inventory “all (f)acilities, structures, outside areas, labs currently available for use in instruction . . . or that could be used for agricultural purposes.” In addition, SCECG will “(a)ssist with developing short and long-range plans for repairing, upgrading, and building facilities as needed.” We note that since these repairs and upgrades could take long lead times to be properly procured, providing this information as soon as possible to the administration of JDLHS will result in improved outcomes.

Projected Costs and Timeline

A fair, open, and accountable contracting process requires a written document which clearly outlines the responsibilities and expectations of both the contractor and the school. While the scope of work discusses numerous tasks to be completed by SCECG, the dates for completion are not included. We found two areas of particular concern. On page two of the scope of work, the following tasks are listed:

SCECG will determine the projected costs to implement the school.

SCECG will develop a timeline to implement the program of studies.

During discussions with school personnel, we could not determine that updated projected costs or the timeline have been supplied by the consultants. The feasibility study prepared by these consultants in 2017 contained one page of estimated costs including salaries, fringe benefits, and residential costs based on year one, with separate estimates for year two and beyond. The source of these estimates was not listed. Determining the projected costs is an essential first step in the process of developing the school. Updated projected costs will be needed by JDLHS’s board of trustees to accurately allocate funding for capital projects and program development.

In addition, the timeline for the implementation of the program of studies is a critical element of the planning process. Having appropriate staff available to begin planning the course offerings and having the necessary classroom space, facilities, and grounds ready at the times needed will require many man hours as well as outside contracted assistance. Without the timeline to implement the program of studies, the interfacing and coordination of all components may be at risk.

Both the projected costs and the timeline are elements of the scope of work which should be provided by SCECG to JDLHS’s leadership as soon as possible. These documents will help clearly define the roles and responsibilities of both parties. Guidelines for successful contract administration advise that payments should be linked to the satisfactory completion of specific contract tasks or services, spread throughout the life of the contract. The board of trustees of JDLHS should link items outlined in the scope of work to be completed by SCECG to payment under the contract. This would allow the board and SCECG to agree to specific, timely deliverables and ensure

that fair and open communication between the two entities is maintained throughout the contract period. Further, this would ensure that state resources are spent prudently and effective contracting principles are followed.

- **Agency Recommendation:** The projected costs to implement the Governor’s School of Agriculture and the timeline to develop the program of studies for the school should be provided by the Student-Centered Education Consulting Group to the board of trustees and leadership of John de la Howe School as soon as possible to ensure that funding can be appropriately allocated and proper planning and development can be undertaken.
- **Agency Recommendation:** The board of trustees of John de la Howe School should link specific items outlined in the scope of work dated June 22, 2018 of the Student-Centered Education Consulting Group to payments made under the contract.

Capital Projects

Most of the buildings and facilities on the campus of the school have not been properly maintained over many years and are in need of extensive repair. The school’s current Comprehensive Permanent Improvement Plan (CPIP), includes 12 projects totaling approximately \$3.9 million, to be completed between 2018 and 2021. These 12 projects include:

	Proposed Permanent Improvement Projects on CPIP	Estimated Cost
	<i>Plan Year 2018</i>	\$
1	Water tower (for fire sprinklers)	190,000
2	Roof - Administration	245,000
3	Family Center Roof	134,500
4	Residential Cottage Renovation	64,000
5	Swimming Pool Renovation	75,000
	<i>Plan Year 2019</i>	
6	Computer System Upgrade	76,350
7	HVAC Replacement in School	108,000
8	Infirmery HVAC & Plumbing	129,000
9	Wilderness Project	36,500
10	Cottage Renovation	89,500
	<i>Plan Year 2020</i>	
11	Superintendent’s House	37,500
	<i>Plan Year 2021</i>	
12	Campus Agricultural Expansion	<u>2,675,000</u>
	Total	3,860,350

Many of the projects listed above were included in a 2015 report completed by Quackenbush Architects & Planners of repairs needed to facilities at JDLHS totaling over \$4 million. While none of these projects have been completed, several are currently in the approval process of the Joint Bond Review Committee (JBRC) and are discussed below.

SCECG to Provide Assistance with Evaluation of Facilities

The scope of work to be performed by SCECG includes assistance with the evaluation of JDLHS’ facilities and equipment. Specifically, on page two, it states:

SCECG will inventory of all (sic) Facilities, structures, outside areas, labs currently available for use in instruction or that could be used for instruction or that could be used for agricultural purposes that will help the school or the community.

SCECG will assist with securing the L S Brice School facilities, furnishings and equipment as needed. This includes an initial cleaning of the school facilities.

On page 4 of the scope of work, the following assistance is to be provided:

Facilities and Equipment

- Advise on use and maintenance of facilities and equipment
- Assist with developing a long-range plan for facilities use and maintenance
- Ensure that amenities for a successful experience for students are available to include, but are not limited to:
 - Swimming pool
 - Horse trails with horses available for riding
 - Tennis courts



Administration Building Roof Project



The costliest repair included in the Quackenbush report was over \$1.7 million for repairs to the Administration Building, including the replacement of the clay tile roof. Also included were repairs to the auditorium, interior walls, and the electrical, HVAC and fire sprinkler systems.

This roof repair was included in JBRC's meeting on October 16, 2018. The total budget for the roof repair is \$340,000 and is expected to be paid from FY 17-18 carryforward funds. According to the information included in JBRC's report, "it is important to repair the roofing structure to reduce any further damage to the building's interior. Making the roof repairs will provide additional 50-75 years to the roof." However, the bid process completed in early 2019 for the project resulted in no award. Only one bid was received which was double the budget estimate prepared with assistance from the Office of the State Engineer. The original interlocking clay shingles are no longer made, and there is no source for salvaged shingles. Therefore, an alternative shingle is being evaluated and the project may be re-bid in August or September 2019.

Family Life Center Roof Repair

The roof repair process for the Family Life Center building has recently begun the JBRC approval process. According to JDLHS's most recent CPIP, the cost to repair the roof will be approximately \$134,500. The school recently hired an architect in October of 2018 who is completing an evaluation to submit to the Office of State Engineering for this project.



Renovation of Cottages

Some maintenance staff of JDLHS are currently working to renovate the interior of several residential cottages. These renovations primarily include repair of walls and painting. Repairs to the roofs, refinishing of the hardwood floors, and outside painting will be performed by outside contractors.



Energy Audit

In August of 2018 an energy audit was performed of the Administration Building, the Family Life Center and L.S. Brice School. This audit revealed that energy savings could be achieved in these three buildings by upgrading insulation in the walls and roofs, installing a building automation system to regulate the heating and air-conditioning in the buildings, installing occupancy sensors for lighting, upgrading fluorescent lighting to LED fixtures, and weatherizing all exterior doors and windows. These upgrades were estimated to cost approximately \$322,000 (for materials only) providing an annual energy savings of \$26,000 over a payback period of 12.27 years.

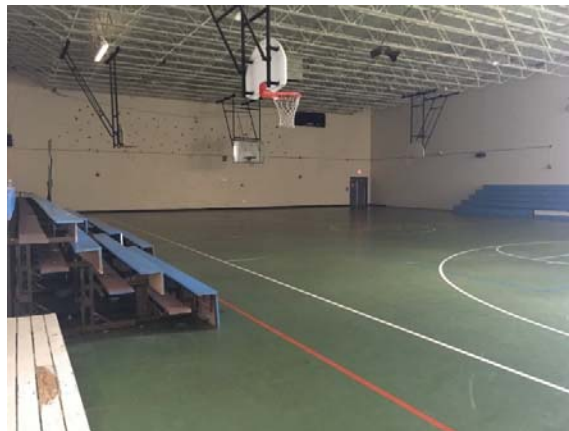
- **Agency Recommendation:** The board of trustees and the leadership of John de la Howe School, with the assistance of the Student-Centered Education Consulting Group, should develop written short- and long-range plans for repairing and upgrading facilities.

Pictures of Buildings and Facilities of John de la Howe School taken on November 7, 2018:

Horse Barn



Gymnasium in L.S. Brice School



Laundry Building



President's House



Updates from Subcommittee Meeting Held on March 21, 2019

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- **Agency Recommendation: The board of trustees should initiate an action in the circuit court of McCormick County under §62-7-412 and 413 so that the court can determine whether the transition of John de la Howe School to the Governor's School for Agriculture will be consistent with the terms of the will of Dr. John de la Howe. If the court determines that it will be inconsistent, then the board should request that the court determine whether the transition will be allowed under existing state law allowing changes to a charitable trust where the original purpose has become impractical, wasteful, unlawful or impossible to achieve.**

Following the briefing from Professor Medlin, a school official updated the members on a variety of topics relating to the school. In particular, the school's electrical system is owned and maintained by the school and is in need of extensive repair and maintenance. In 2018, representatives from South Carolina Electric & Gas Company (now Dominion Energy) visited the school to evaluate the system. Necessary maintenance and upgrades to the electrical system, estimated to cost \$500,000, include cutting and removing overgrowth, replacing poles and transformers, and installing meters on residences and ground level shut-off valves on residential cottages. Since the school does not have adequate staff to maintain the electrical system, school officials should investigate divesting the school of operating and maintaining its own electrical system. One option to consider is reaching an agreement with a local electric cooperative or company who could take over the ownership of the system.

- **Agency Recommendation: The board of trustees and school officials should divest the school of operating and maintaining its own electrical system by working with a local electric cooperative or company who can take over the ownership of the system.**

Other updates received by the subcommittee are listed below.

- A Director of Facilities was hired and began work on April 2, 2019. The job responsibilities for that position include the planning, design, construction, installation, renovation, maintenance and repair of facilities, engineered systems and equipment using an efficient work order system.
- School officials are in the process of hiring a school principal who will begin work on July 1, 2019.
- The school has very mature trees on several tracts. The South Carolina Forestry Commission will be consulted to assist in bidding out the harvesting of these tracts. In addition, the school has approximately 45 goats, 70 swine and a herd of 50 cattle. The school's greenhouses will be opened in April of this year.

- School officials are in the process of drafting a lease with McCormick County to put a police substation on school property in order to have a law enforcement presence on the grounds.
- A school official agreed that there is enough interest in the school of agriculture and that it will open in 2020 with 100 students.
- The school leadership believes that the consultant is doing good work and it was hired through state procurement.
- The school is advertising now for teaching positions for the 2020-2021 school year and is receiving applications from many teachers with agriculture teaching experience.