

Approved by the Charlotte-
Mecklenburg Board of Education
February 10, 2009
Regular Board Meeting



Charlotte, North Carolina

May 27, 2008

**REGULAR MEETING
of the
CHARLOTTE-MECKLENBURG BOARD OF EDUCATION**

The Charlotte-Mecklenburg Board of Education held a Regular Board Meeting on May 27, 2008. The meeting began at 5:35 p.m. and was held in Room CH-14 of the Government Center.

Present: Joe I. White, Jr., Chairperson, Member At-Large;
Molly Griffin, Vice-Chairperson, (District 5);
Trent Merchant, Member At-Large;
Vilma D. Leake (District 2);
Tom Tate (District 4); and
Ken Gjertsen (District 6)

Absent: Kaye McGarry, Member At-Large;
Larry Gauvreau (District 1); and
George Dunlap (District 3)

Also present at the request of the Board were Dr. Peter Gorman, Superintendent; Regina H. Bartholomew, General Counsel; Maurice Green, Deputy Superintendent/Chief Operating Officer; Tyler Ream, Chief of Staff; and Nancy Daughtridge, Clerk to the Board.

Upon motion by Ms. Leake, seconded by Mr. Merchant, the Board voted unanimously of those present for approval to go into Closed Session for the following purposes:

- **To consult with the Board's attorneys on matters covered by the attorney-client privilege including but not limited to impending litigation matters, to wit: *North Carolina School Boards Association, et. al. v. Moore, et. al. Wake County Superior Court, NC 98CVS14158 and Hubbert v. Charlotte-Mecklenburg Board of Education, and***
- **Several personnel matters.**

The motion was made pursuant to Section 143-318.11(a) of the North Carolina General Statutes.

The Board held a Closed Session meeting from 5:35 p.m. to 6:25 p.m.

Chairperson White reconvened the Regular Board Meeting at 6:40 p.m. in Room 267 of the Government Center. CMS-TV Channel 3 televised the meeting.

Present: Joe I. White, Jr., Chairperson, Member At-Large;
Molly Griffin, Vice-Chairperson, (District 5);
Kaye McGarry, Member At-Large;

Trent Merchant, Member At-Large;
Vilma D. Leake (District 2);
George Dunlap (District 3);
Tom Tate (District 4); and
Ken Gjertsen (District 6)

Absent: Larry Gauvreau (District 1)

Also present at the request of the Board were Dr. Peter Gorman, Superintendent; Regina H. Bartholomew, General Counsel; Members of Executive and Senior Staffs; Judy Whittington, Manager of Board Services; and Nancy Daughtridge, Clerk to the Board.

I. CALL TO ORDER

Chairperson White called the meeting to order at 6:40 p.m. Chairperson White welcomed everyone to the Board's second meeting of the month which will be held in a Work Session format. He said this meeting was scheduled to begin at 6:30 p.m. rather than 6:00 p.m. because there was a room scheduling conflict with the Board of County Commissioners and they were scheduled to meet in this room until 6:00 p.m. He apologized for starting the meeting behind schedule and he noted that the Board had been conducting business in Closed Session and the room was being prepared.

A. Adoption of Agenda

Ms. Griffin moved, seconded by Mr. Dunlap, that the Board adopt the agenda as presented, and a discussion followed.

Mr. Gjertsen moved, seconded by Ms. Griffin, that the Board amend the agenda to reflect a change in the order that the Reports and Information Items IV.A. and IV.B. are presented (IV.B. to be presented prior to IV.A.), and the Board voted 8-0 in support of the motion. Mr. Gauvreau was absent.

Ms. McGarry moved, seconded by Ms. Griffin, that the Board adopt the agenda as amended, and the Board voted 8-0 in support of the motion. Mr. Gauvreau was absent.

II. CONSENT ITEMS

A. Construction Items.

1. Recommend approval of Construction Manager at Risk contract for Alexander Graham Middle School.
2. Recommend approval of construction contract for West Mecklenburg High School.
3. Recommend approval of construction contract for new elementary school #07-03 – Salome Church Road elementary school.
4. Recommend approval of Construction Manager at Risk contract for new Bailey Road high school.
5. Recommend approval of Construction Manager at Risk contract for new Mint Hill high school.
6. Recommend approval of additional construction services for Ballantyne

Elementary School.

7. Recommend approval of additional construction services for Whitewater Academy.

- B. Recommend approval of licensed employees for career status, non-career status, non-renewal of contracts and administrative contract renewals.
- C. Recommend approval of requests for release of students to other school districts.
- D. Recommend approval of appointment of administrative personnel.

Ms. McGarry moved, seconded by Mr. Tate, that the Board adopt Consent Items A. through D., and a discussion followed.

Ms. Leake pulled Consent Items A.2., A.5., B. and D.

Mr. Dunlap moved, seconded by Mr. Tate, that Board adopt Consent Item A. through D. excluding items A.2., A.5., B., and D., and the Board voted 8-0 in support of the motion. Mr. Gauvreau was absent.

The Board discussed Consent Item A.2. Ms. Leake said she wanted to ensure the community knew this item was to approve making improvements to West Mecklenburg High School which is in District 2.

Ms. Leake moved, seconded by Mr. Dunlap, that the Board adopt Consent Item A.2., and the Board voted 8-0 in support of the motion. Mr. Gauvreau was absent.

The Board discussed Consent Item A.5. Ms. Leake asked if the new Mint Hill high school would be equipped to accommodate all the physical education programs to include a gym, track field, baseball field, and football field? Guy Chamberlain, Associate Superintendent for Auxiliary Services, said yes. The new Mint Hill high school will have everything that Mallard Creek High School had last year. Ms. Leake said she did not see this information in the contract and she wants to ensure this new school has those services. She requested this information be reflected in the minutes to ensure this is not left out of the contract.

Ms. Leake moved, seconded by Mr. Dunlap, that the Board adopt Consent Item A.5., and the Board voted 8-0 in support of the motion. Mr. Gauvreau was absent.

The Board discussed Consent Item B. Ms. Leake asked clarifying questions and Maurice Ambler, Chief Human Resources Manager, responded. Ms. Leake wants to ensure CMS is fair, legal, and consistent in the process.

Ms. Leake moved, seconded by Ms. Griffin, that the Board adopt Consent Item B., and the Board voted 8-0 in support of the motion. Mr. Gauvreau was absent.

The Board discussed Consent Item D. Ms. Leake said she did not mean to pull this item.

Ms. Leake moved, seconded by Ms. Griffin, that the Board adopt Consent Item D., and the Board voted 8-0 in support of the motion. Mr. Gauvreau was absent.

Dr. Gorman's personnel appointments were as follows:

Transfer:

- Selestine Crowder named principal at Starmount Pre-K Center. Ms. Crowder previously served as principal at Sterling Elementary School and assistant principal at Oakdale Elementary School.

Appointment:

- Alison Hiltz named principal at Mallard Creek Elementary School. Ms. Hiltz has a Masters of School Administration from North Carolina State University, and a Bachelor of Science in Special Education from Appalachian State University. She previously served as Senior Partner and Principal at Partnership Elementary School in Wake County.

III. ACTION ITEMS

The Agenda did not include any Action Items.

IV. REPORTS/INFORMATION ITEMS

B. Strategic Staffing Initiative Presentation

Chairperson White called upon Dr. Gorman to introduce the report. Dr. Gorman said this agenda item announces an important initiative intended to take CMS to the next level of excellence. As a district, CMS has gained national recognition for its innovation and hard work for its students. In the last few years, CMS student achievement has not increased at the level it did in earlier years. Student achievement has been slowly moving ahead in some areas but in others it has been stationary. The district has an over-arching goal for every student in every school to grow student achievement and to close the achievement gap. To move past the plateau, we must implement significant reforms at the school level. Effective leadership at the school level is an important aspect of student achievement. Student achievement cannot be raised without strong leadership. In 2006, CMS implemented the *Strategic Plan 2010* and one of its initiatives was to raise student achievement. Goal II is entitled Effective Educators and it incorporates a coordinated comprehensive strategy that utilizes a number of initiatives that include recruit and retain effective teachers, principals, and assistant principals with strong leadership and management skills; align job assignments with student and district needs; evaluate the performance of teachers and principals; and hold principals and teachers accountable for results. Staff has developed a Strategic Staffing Initiative that provides the next steps to advance these goals. Dr. Gorman said raising student achievement is a responsibility that is shared by all the schools in CMS and all schools may be affected by this initiative. We want to improve performance at all schools and this initiative is focused on some of the more challenged and/or lower performing schools. Dr. Gorman presented the Strategic Staffing Initiative which places high-performing administrators and teachers at identified schools. This initiative will place some of our strongest principals at some of our most struggling schools. This initiative will begin with seven schools. In some of the schools, CMS is filling vacancies. In other cases, principals are being moved from current positions to the selected schools. The seven schools were selected for this initiative based upon data and school performance. Data was also used to show performance for the principals selected for the schools because this process will utilize principals with a proven record. These actions are not at random or without a great deal of thought. These actions were aligned with Board

direction and the goals established in the *Strategic Plan 2010*. The Board's Theory of Action includes moving from a Managed Instruction to Managed Performance Empowerment. It discusses freedom and flexibility with accountability; balancing accountability with empowerment; decentralizing the district; and developing an accountability system. The Board's Reform Governance Policies also include these strategies. The Board stated in Policy GC, Effective Teacher and School Administrator, that as set forth in the Board's Vision, Mission, Core Beliefs and Commitments the Board of Education is committed to placing a principal with strong leadership and management skills as the key instructional leader in every school; ensuring that an effective teacher instructs each class; building capacity of our personnel through meaningful professional development; and securing and allocating adequate resources according to the needs of the child. In addition, as set forth in Board of Education Policy ADA, Equitable Educational Opportunities, the Board of Education is committed to providing equal access to excellent educational opportunities for all students in all its schools. The Board of Education holds itself, the Superintendent, and other Central Office administrators accountable for achieving the commitments in the policy. The policy regarding recruitment and retention includes that the Superintendent must develop and implement regulations and strategies designed to attract and retain such staff. At a minimum, the strategies should include legally permissible and economically feasible financial incentives such as strong base salaries, bonuses, salary differentiation, paid for performance, and tuition assistance as well as non-financial support including positive working conditions, professional development, administrative support for student discipline, and teacher recognition ceremonies. The financial incentives should be based to the extent possible and permissible under the applicable law on student achievement results and the performance of an individual teacher and/or school administrator team and/or the school. In addition subject to the applicable law, the Superintendent must give principals substantial authority in making hiring and termination recommendations and decisions related to teachers, instructional staff, and school administrators. In support of this the system must provide a rapid and effective hiring process. In order to make certain that every school has a strong and effective principal and every class has an effective teacher, the placement of principals and teachers must be considered. To this end, the Superintendent will develop regulations and strategies designed to measure and ensure that all schools have a reasonable balance of teachers who are new and/or experienced, significant compliment of teachers with advanced degrees and certificates such as National Board Certified Teachers, and a significant number of teachers with a history of moving their students to high levels of academic achievement. The Superintendent should use both financial and non-financial staff incentives to support an equitable distribution of effective teachers and school administrators across the school system. The Superintendent retains the right to transfer or reassign a member of instructional staff or school administration any time during his/her employment as will serve the best interest of the system. Therefore, the Superintendent retains the flexibility to place teachers and school administrators as an essential management tool for maximizing student learning for all students including the authority to reconstitute a school. More over, the Superintendent is expected to exercise the placement of administrators and teachers when necessary. When the Superintendent exercises that flexibility to place teachers and/or school administrators, the Superintendent should consider placing teams of effective teachers and/or school administrators at schools so that the team members can support each other and positively impact the culture of that school. Dr. Gorman said the development of this strategy involved much discussion and key themes

included recruitment of a great leader at each school, recruitment of teams of teachers, and the importance of financial incentives. Dr. Gorman said the four key levers for change at a school site are effective leadership or great administrators; effective educators or great teachers; accountability, performance management, and utilization of good data; and supporting students and their access to resources. The principal is the key lever for change because they set the tone and manage the day-to-day operations. Strategic staffing is placing the right people in the right leadership seats to drive CMS forward. This kind of change can be unsettling but it is necessary. CMS will ultimately be judged as a district and not just how we do at an individual school. We want schools to continue to achieve on an individual level but to raise student achievement across the district we must work at this together as a district. This process includes the recruitment of principals from outside the district and the utilization of talent within CMS. This must be leveraged in order to move the district forward. Each person that was approached was willing to accept the transition and wanted to do this for the right reason which was for our students. This strategy can advance student achievement and we all have the same goal which is to help students learn. The principals and the new schools named in this initiative are as follows:

- Brenda Steadman named new principal at Briarwood Elementary School (from Bain Elementary School)
- Steve Hall named new principal at Bruns Elementary School (from Sharon Elementary School)
- Suzanne Gimenez named new principal at Devonshire Elementary School (from Nations Ford Elementary School)
- Nancy Hicks named new principal at Ranson Middle School (from Carmel Middle School)
- Mary Sturge named new principal at Reid Park Elementary School (from Winget Park Elementary School)
- Nancy Guzman named new principal at Sterling Paideia Elementary School (from Pinewood Elementary School)
- Kendra March named new principal at Westerly Hills Elementary School (from Guilford County Public Schools).

The schools were chosen based upon data and student performance. The seven schools are challenging as evidenced by demographic factors such as Free and Reduced Lunch percentages, English Language Learners, test scores and/or not enough or no progress towards Adequate Yearly Progress goals. Principals with a proven record of success have been chosen to lead these schools. CMS will be asking a lot from these principals including a three-year commitment. As a financial incentive, each principal will receive a ten percent merit pay supplement (which is factored into retirement) and a state accountability bonus in year two at high growth. The seven principals have been given the flexibility to assemble a team of instructional and administrative leaders who will also receive a bonus. The team will be comprised of an assistant principal, a behavior modification technician, and a facilitator. In addition, principals may select up to five teachers who meet specific criteria which includes successful summative evaluations, growth in student achievement (a minimum of .04 average growth in reading and math), and approval from the area superintendent and principal. CMS is asking the new principals and their teams for a three-year commitment. The incentive package for teachers will include a \$10,000 bonus paid in two installments in the first year and a \$5,000

retention bonus in the second and third years. This process will result in reassigning some teachers from the school as well as reassigning some administrative staff. These changes could ripple out to other schools that are not part of the new initiative as well. The new principals will have the flexibility of relocating teachers because we want to ensure they have the tools they need to begin improving the schools. Both teachers and the Board have discussed the importance of ensuring the school has the right leader, utilizing teams at the schools, and ensuring financial incentives. Dr. Gorman discussed the importance of change and the impact it may have on the other schools. The Area Superintendents and Human Resources are working to replace the principals that have relocated to the schools in this initiative. These changes are difficult but the steps are necessary to achieve our shared goal of raising student achievement throughout the district. In the end, how well all of our schools are doing and how well this plan worked really depends on all of us. This is a joint effort and support from the community and the Board is essential. It is important to remember, that our struggling schools belong to all of us. We are one district and we share our successes and our failures. Dr. Gorman encouraged everyone to work together to improve our schools and scores. Our joint goal is to educate every child well and to send our students out into the world with the skills to survive and prosper. These changes will help us meet that responsibility together by improving the environment and instruction at some of our lowest performing schools. Dr. Gorman also reviewed Project RISE. Project RISE or reaching to inspire student excellence is a research initiative funded by the U.S. Department of Education. It is focused on how effective are large financial incentives in encouraging high-performing teachers to transfer to low-performing schools and what effect do such teachers have on student learning at those schools? CMS was selected by the U.S. Department of Education as the only district in the country to be the pilot for testing with a few schools in the 2008-2009 school year and it may expand substantially in the 2009-2010 school year. Approximately thirteen middle and high school English and math teachers will be chosen for the pilot program. The program will look at fostering transfers and paying stipends to teachers who move to low-performing schools and then tracking whether students show growth as a result of the move. The pilot will also include reviewing what it takes to retain teachers at those schools. The teachers will receive a stipend of \$20,000 if they teach in their new school for two full years. The stipend will be paid in increments over the two years. In order to ensure that Project RISE does not have an adverse affect on low-performing schools, by encouraging extra turnover, high-performing teachers currently teaching at these low-performing schools will not be invited to apply to Project RISE but will instead be offered a retention stipend of \$10,000, payable over the next two academic years, as an incentive to remain at their current school.

Board members were invited to ask questions and make comments.

- Ms. McGarry said this is exciting. Ms. McGarry asked clarifying questions regarding not all principals will receive freedom and flexibility. Dr. Gorman said freedom and flexibility is not automatic and principals must meet criteria/qualifications in order to receive it initially and each case would be reviewed on an individual basis. Ms. McGarry said these principals are the best and the brightest and it is important that we trust them to run the schools and have the authority to make decisions to back up their teachers. Ms. McGarry discussed the importance of environment to teachers and staff because safety does make a difference. She expressed concern regarding guns in the schools and

assaults on teachers and students because this behavior can negatively impact teacher retention. Dr. Gorman said CMS is closely adhering to the discipline policies and students with weapons on school property or who assault a teacher are reviewed for recommendation for expulsion. Ms. McGarry said she does not receive those reports and would like to be copied on that information. Dr. Gorman said staff notifies the Board regarding incidents involving a gun on campus.

- Mr. Dunlap thanked staff for this initiative because people have been recommending these types of changes for long time. He likes the concept of Project RISE but expressed concern regarding funding the stipends because the CMS budget will be potentially \$18 million short. He wants to ensure this is a top priority for those funds. Dr. Gorman said this has been discussed for a long time and it is a top priority. He understood from several meetings that this was a top priority for the majority of the Board.
- Ms. Leake supports this concept and believes it is moving in the right direction. She will always support initiatives for those who need it the most. This initiative shows that we care and are concerned about the children. She encouraged the Board to support the policies that are in place in which the Superintendent can reassign teachers and staff to where they are needed the most. She expressed concern that this does not go far enough to impact all the children that need support. Ms. Leake discussed the importance of educating children versus incarceration and the impact this initiative will have on the Achievement Zone, High School Challenge, and Focus schools. Ms. Leake expressed concern regarding staffing and hiring because there are many excellent assistant principals who have not been recognized for promotion to principal. She requested a list of assistant principals and their length of service in that capacity.
- Ms. Griffin is excited about the initiative. She believes it is well thought out and includes all the elements that we have know are necessary. She expressed concern regarding the schools that were challenged schools and worked hard to become successful as a result of their principal and now the principal is being reassigned such as Pinewood Elementary School and Nations Ford Elementary School. She encouraged Dr. Gorman to move quickly to get a good principal into those schools because those schools without a good leader could easily slip back. She said the team approach is a good approach. She hopes there will be limitations on the number of staff members taken from any one school. Dr. Gorman said the process includes checks and balances as well as approval from the area superintendent.
- Mr. Merchant also wants to ensure the strategic staffing process includes limits on the number of staff members taken from any one school. Mr. Merchant asked clarifying questions regarding the number of teachers involved in Project RISE. Dr. Gorman said initially it is four teachers in the transfer process and nine teachers in the retention process. Mr. Merchant expressed concern regarding the ability to track the student achievement progress of these teachers. He expressed concern that CMS currently has several small pilots and programs and he does not believe you can adequately measure the impact of four teachers when there are so many other factors. Mr. Merchant wishes the initiative much success. Dr. Gorman said we hope it is successful, it is expanded, and it will take the place of some of the dollars we are already using. Dr. Gorman said he would provide the Board the results of the research.
- Mr. Tate thanked Dr. Gorman for the Strategic Staffing Initiative, making the commitment to support these schools with the resources, and utilizing the policies of the

Board. Mr. Tate asked clarifying questions regarding the plans for expanding the Strategic Staffing Initiative and Dr. Gorman responded. Dr. Gorman said he hopes in the future principals will continue to be willing to relocate to other schools to ensure the schools have the right leaders. He would like to see this initiative to grow yearly. Other initiatives include new leaders for new schools; grow our own leaders; partnership with Winthrop University, and filling the pipeline with quality staff. Mr. Tate is hopeful for this initiative because he wants all students to succeed. He believes this plan will help to provide every student an opportunity to receive a quality education.

- Mr. Gjertsen supports the idea of sending high performing principals and staff to lower performing schools. He expressed concern regarding the research for Project RISE because the Department of Education does not know if large financial incentives will make a difference. In our own experience with the High School Challenge it was difficult to get teachers to move with a bonus as an incentive. He also expressed concern if a school did improve was that a result of the team approach, strong principal, or staff bonus. He asked how do you control for those factors? If this is about the strong principal, do you really need to offer those bonuses? He is concerned that this may be throwing money at the problem as opposed to placing strong effective leaders in the schools and letting them run the school. Dr. Gorman said this process involved research with our teachers on incentives. The results confirmed that a strong leader is a major incentive but also important are a bonus and team approach. This package excites and incites them to participate in the program. Mr. Gjertsen expressed concern that some teachers may choose to not move to certain schools because they fear they may get stuck at that school and will not be able to transfer to another school in the future. Dr. Gorman said there are no relocation restrictions for teachers after the three-year commitment.
- Chairperson White thanked staff for developing the staffing initiative. He supports this process and is pleased that it allows the leaders to build their own “winning teams.”
- Ms. McGarry said this initiative results in seven principal vacancies in schools that have been operating well. She encouraged Dr. Gorman to make this an opportunity to place high quality leaders and not just principals in training at these schools as soon as possible. She understands this initiative includes strategies to develop strong principals in the future but it is important to have quality principals now and to ensure the seven schools do not back track their successes.

A. Management Oversight Report on Food Service

Chairperson White called upon Dr. Gorman to introduce the report. Dr. Gorman said this report is the Management Oversight Report on Food Service. He called upon Maurice Green, Deputy Superintendent/Chief Operating Officer, to present the report. Mr. Green introduced Guy Chamberlain, Associate Superintendent for Auxiliary Services, and Cindy Hobbs, Director of Child Nutrition, to present the report on Child Nutrition Services (CNS). Ms. Hobbs introduced Cathy Beam, Child Nutrition Specialist, and Amy Harkey, Assistant Director of Child Nutrition. Ms. Hobbs said the mission of the CNS is to contribute to a successful academic experience and encourage a lifetime of healthy eating for each student by providing affordable meals that are nutritious, appealing, and served by caring professionals in a pleasant environment. Child Nutrition Services has an ongoing commitment to customer service and must meet federal, state, and local Board of Education regulations and policies. Ms. Hobbs commended the Board on being one of the first districts in the nation to draft and

adopt a comprehensive Board policy on food allergies and student wellness. The Child Nutrition department has 1,378 employees, including 1,188 school cafeteria employees and 157 school cafeteria managers. The department manages United States Department of Agriculture (USDA) Meal Programs, the Free and Reduced Meal Application process, procurement, inventory control, nutrition education, menu planning, marketing and promotions, and the Summer Food Service Program. Ms. Hobbs said the *Strategic Plan 2010* required the evaluation of business operations to determine effectiveness and efficiency, whether they can be improved, and whether they should be outsourced. Ms. Hobbs provided a profile of Child Nutrition Services and confirmed that the program is a financially sound program that is recognized as a leader in making changes that have improved student nutrition on an annual basis. The report highlighted how Child Nutrition Services measures its efficiency and effectiveness and the plan of strategic actions to improve its level of service. CMS has partnered with Johnson and Wells to provide internships for students in food service management in the hopes that some of those students will seek employment with CMS after they graduate from college. Child Nutrition is an integral part of the total education program because research has proven that you cannot teach a hungry child. The department functions to meet the school day nutritional needs of students and operates as a sound business operation based upon management practices to be self supporting. The Summer Food Service Program is the largest in North Carolina, with 18,000 children fed daily at 143 sites. The USDA funds the Summer Food Service Program and it does not cost the school system to offer this program. CNS is an Enterprise Fund and must generate its own revenue through federal reimbursement and cash sales. The CNS department's financial goal is to be self-supporting and attempts to attain all the revenue needed to cover the costs of operation through its sales. This also includes a return to the general operating fund of an indirect cost allocation for services such as custodial, maintenance, and human resources. For the past six years, CNS has operated a profitable operation and posted budget surplus to the operating fund balance. The surplus balance in the 2001-2003 school year was \$764,000 and the surplus in the 2006-2007 school year was \$2,819,747. Each year CNS pays indirect costs to the school system's general fund and those costs are determined by a state formula. In the 2006-2007 school year, CNS paid in excess of \$4 million to the general fund. Currently, CNS has a retained earnings balance of \$9,983,583 but \$6 million of this is advanced Bond funding. Meal prices have not increased in seven years and there is no increase planned for the 2008-2009 school year. CMS serves 26,000 breakfasts, 74,000 lunches, and 10,500 after-school snacks per day. Ms. Hobbs reviewed the revenue sources and expenditures for CNS. Last year, 50% of the CNS' revenue came from federal reimbursement, 22% from à la carte sales; and 17% from meal payments. Expenditures include 37% of the budget costs are for food and commodities; 35% for site-based labor; and the remainder of the budget costs are for management labor, employee benefits, and food processing supplies. In 2006, CNS hired inTeam Associates to evaluate the CNS program. They recommended that CNS continue as a self-operated program and it was not in the best interests of CMS to outsource Child Nutrition Services to an outside management company. inTeam Associates also made recommendations for improvements and CNS has made progress towards those recommendations and developed a Business Improvement Plan. Ms. Hobbs reviewed the challenges and barriers to success in Child Nutrition Services. Operational challenges include rising food costs; labor costs; students without meal money; inventory control; and high school participation. Barriers to success include overcrowded schools; kitchen expansions cut from renovation projects; limited time

allotments for students to eat lunch; principals control lunch schedules and locations where meal service can occur; and training space. The CNS Improvement Plan includes decrease labor and increase productivity; increase participation; improve communication with school staff and parents; improve procurement and inventory control practices; and continue initiatives to improve nutritional value of all foods served. Ms. Hobbs was proud to note that the CMS CNS program has received national recognition as a leader in promoting healthy eating at schools and providing quality meals at an affordable price.

Board members were invited to ask questions and make comments.

- Mr. Dunlap commended the staff of CNS for providing a quality program, developing measures to save costs, and their continuing efforts to improve the program. Mr. Dunlap expressed concern that the cafeterias are staffed with part-time help and they do not qualify for benefits. He encouraged staff and the Board to consider a meal price increase to fund providing benefits for the part-time employees. Ms. Hobbs said it is unfortunate that the state made the decision several years ago to discontinue benefits for part-time employees and staff could review that option if the Board wished. Mr. Dunlap believes it would be more cost effective to purchase a warehouse site as opposed to renting storage space.
- Ms. McGarry thanked Ms. Hobbs for an informative presentation. Ms. McGarry asked clarifying questions regarding recommendations for warehouse issues and renewing warehouse leases from an Efficiency Study. Ms. Hobbs said the warehouse is not under the CNS Budget and that would not be a part of this report. She believes those warehouse storing issues were related to textbooks and janitorial supplies and did not involve CNS. One recommendation from a study was to outsource more of the food delivery. Child Nutrition has made progress regarding that recommendation and implemented a pilot program for the high schools this year and it has proven to be beneficial. Next year, the middle schools will be added. When outsourcing food we also give up some of our purchasing power and that will increase our food costs. Ms. McGarry asked clarifying questions regarding storing frozen food in warehouses and combining deliveries. Ms. Hobbs answered those questions.
- Ms. Leake thanked staff for ensuring students receive quality meals because many students do not have another meal until the next day at school. This is particularly true for our homeless students. Ms. Leake expressed concern regarding part-time employees not qualifying for benefits. She encouraged that these employees be provided the additional hours to qualify for benefits for themselves and their children because many of these employees are the parents of our students. She believes the CNS profits could be used to impact the weakest of our people in the district. She expressed concern regarding the goals of labor reduction and increasing productivity with the potential growth of CMS. She wants to ensure staff is taken care of because they are the people who make it happen. Ms. Leake expressed concern that teachers must pay \$3.50 for lunch. She believes they should be provided lunch free because many of them are the parents of our free and reduced lunch students. Ms. Leake commended the staff of the school cafeterias and the deli at the Education Center. She said the cafeteria at Nations Ford Elementary School is an excellent example of a cafeteria that is operated efficiently. She said that Dr. Gorman had provided a statement of support for CNS and she encouraged the Board to also provide a statement of support. She commended the Summer Feeding Program and

recognized its importance to the community and feeding the children. Ms. Leake meets with the custodians and the cafeteria workers when she visits schools and she believes they should have a salary increase for their hard work. She encouraged staff to review increasing the salaries for cafeteria and custodian employees.

- Mr. Merchant asked why has the net income fluctuated but the meal price has remained the same? Ms. Hobbs said new schools impact this budget item. Mr. Merchant asked what is included in indirect costs? Ms. Hobbs said this includes a portion of the utility costs for a school such as water and gas, custodial costs, human resources, payroll, employee relations, and those items that help cafeterias to operate. Mr. Merchant asked why is it a goal for CMS to have increased participation in breakfast and lunch? Ms. Hobbs said research indicates that children cannot learn hungry and we want to ensure we reach all those students who do not have something to eat at home. Mr. Merchant hopes that CMS as a system can balance providing for the students who need it while also trying to be leaders to encourage parents to provide for their children and make them a priority. Mr. Merchant asked clarifying questions regarding distributors, purchasing power, and inventory control. Ms. Hobbs responded.
- Ms. Griffin expressed concern regarding the students who cannot pay for their lunches and she appreciates the efforts that CNS makes to ensure they are fed. She would like to be provided an update in the future on the ongoing efforts and new initiatives. Ms. Hobbs said they have formed a committee that includes principals, cafeteria managers, and community leaders to study this problem and develop ideas which will helpfully be brought back to the Board for a Board approved policy.
- Mr. Tate commended CNS staff for their hard work and the various national awards they have received. He agreed with many of the comments of the Board members. He also is concerned about the salaries and benefits for staff. He hopes CMS could reach a point in which no child would miss lunch because they were unable to pay for a meal for whatever reasons, especially during End-of-Grade and End-of-Course tests. He thanked staff for the great presentation and material.
- Chairperson White thanked staff for an information presentation. He hopes the public is watching to better understand that CMS serves great food and takes cares of the students. He said there have been people who searched for reasons to privatize Child Nutrition Services but after reviewing this report there are not many reasons to pursue that method of operation.

ADJOURNMENT

Mr. Dunlap moved, and by consensus, the Board agreed to adjourn the meeting.

The Regular School Board Meeting adjourned at 8:51 p.m.

Joe I. White, Jr., Chairperson

Nancy Daughtridge, Clerk to the Board