

Approved by the Charlotte-
Mecklenburg Board of Education
September 14, 2010
Regular Board Meeting



Charlotte, North Carolina

August 24, 2010

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

The Charlotte-Mecklenburg Board of Education held a Regular Board Meeting on August 24, 2010. The meeting began at 5:22 p.m. and was held in Room 267, 2nd Floor, of the Government Center.

Present: Eric C. Davis, Chairperson, (District 5);
Tom Tate, Vice-Chairperson, (District 4);
Kaye Bernard McGarry, Member At-Large;
Trent Merchant, Member At-Large;
Joe I. White, Jr., Member At-Large;
Rhonda Lennon (District 1);
Richard Allen McElrath, Sr. (District 2);
Dr. Joyce Davis Waddell (District 3); and
Timothy S. Morgan (District 6)

Absent: There were no absences.

Also present at the request of the Board were Dr. Peter Gorman, Superintendent; George E. Battle, III, General Counsel; Hugh Hattabaugh, Chief Operating Officer; and Nancy Daughtridge, Clerk to the Board.

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

- **To consider student assignment matters that are privileged, confidential, and not a Public record;**
- **To consider 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 5:22 p.m. until 6:05 p.m. in Room 267, 2nd Floor, of the Government Center.

Chairperson Davis reconvened the Regular Board Meeting at 6:13 p.m. in Room 267, 2nd Floor, of the Government Center. CMS-TV Channel 3 televised the meeting.

Present: Eric C. Davis, Chairperson, (District 5);
Tom Tate, Vice-Chairperson, (District 4);
Trent Merchant, Member At-Large;

Kaye Bernard McGarry, Member At-Large;
Joe I. White, Jr., Member At-Large;
Rhonda Lennon (District 1);
Richard Allen McElrath, Sr. (District 2);
Dr. Joyce Davis Waddell (District 3); and
Timothy S. Morgan (District 6)

Absent: There were no absences.

Also present at the request of the Board were Dr. Peter Gorman, Superintendent; George E. Battle, III, 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 Davis called the meeting to order at 6:13 p.m. Chairperson Davis welcomed everyone to the Board's second meeting of the month which was held in a Work Session format.

A. Adoption of Agenda

Chairperson Davis called for a motion to adopt the agenda.

Mr. White moved, seconded by Dr. Waddell, that the Board adopt the agenda as presented, and the motion passed upon unanimous Board vote.

II. CONSENT ITEMS

A. Recommend approval for supplementary funding request for CMS Energy Savings Initiatives: Lighting Retrofits.

The CMS Energy Savings Initiative: Lighting Retrofits Project will complete T12 to T8 lighting retrofits at eleven elementary and middle schools by December 2011. District engineers estimate that the project will reduce CMS electrical consumption by over 1.1 million KWH annually, and that the project will pay for itself in utility savings in 4.2 years or less. Fiscal implications: Local funds in the amount of \$108,331.77.

B. Recommend approval of additional storm drainage easement to the City of Charlotte on Charlotte-Mecklenburg Board of Education property located at Lincoln Heights Elementary School at 1900 Newcastle Street for the purpose of completing the Lincoln Wilson Heights Neighborhood Improvement Program (NIP).

Recommend approval of additional storm drainage easement to the City of Charlotte on CMBE property located at Lincoln Heights Elementary School at 1900 Newcastle St. for the purpose of completing the Lincoln Wilson Heights NIP. Fiscal Implications: Bond Funded in the amount of \$279,700.

C. Recommend approval of administrative appointments.

Appointments

- *Carolyn Rodd named principal at Business and Finance at Garinger High School. Ms. Rodd previously served as Title I, McKinney-Vento Specialist with CMS.*
- *Regina Boyd named interim principal at Winterfield Elementary School. Ms. Boyd previously served as a specialist in the Student Education Department, English as a Second Language with CMS.*

Transfers:

- *Maria Petrea named Executive Director of the East Zone. Ms. Petrea previously served as principal at*

Collinswood Language Academy.

- *Robert Folk named principal at Alexander Graham Middle School. Mr. Folk previously served as principal at Coulwood Middle School.*

D. Recommend approval of construction contract for Ranson Middle School.

The chiller replacement project for Ranson Middle School was bid on August 10, 2010. Staff recommends the approval of this contract to the lowest bidder; Carolina Air Solutions. The contractor agrees to provide the labor, services, equipment, and materials needed to demolish and remove the existing chiller and install a new 30 XA 200 Carrier Air cooled screw chiller at Ranson Middle School. All work is to be performed in accordance with the standard terms and conditions outlined in the contract.

Chairperson Davis called for a motion to adopt the Consent Agenda.

Mr. White moved, seconded by Mr. Morgan, that the Board adopt Consent Items A. through D., and the motion passed upon unanimous Board vote.

Dr. Gorman reviewed the personnel appointments and transfers as noted above. He also reported that Dr. Monique Gardner-Witherspoon, Zone Superintendent for the Southwest Zone had turned in her resignation effective the end of the month and he would be replacing that position at a later time.

III. ACTION ITEMS

The Agenda did not include any Action Items.

IV. REPORT/INFORMATION ITEMS

A. Report/Update on Pre-Opening of Schools

Chairperson Davis called upon Dr. Gorman to introduce the report. Dr. Gorman called upon LaToya Walker, Executive Director of the Central Elementary Zone, to present the report on Pre-Opening of Schools. Dr. Gorman said CMS is ready and excited to open school tomorrow.

Ms. Walker provided the Board with a brief update regarding the district's progress towards opening of school on August 25th. The report included student enrollment, staffing, transportation, and notable areas pertinent to the first day and week of school for the 2010-2011 school year. Ms. Walker said CMS is coming off one of the most successful and challenging years and this year expects to be no different. When the school doors open on August 25th our expectation will be at an all time high and even with the budget shortfall our responsibility is to make certain that all our students are learning at the highest level possible. The team to ensure a successful school opening includes a forty member team representing thirty departments. This is a six month process that includes over four hundred major deliverables that require completion in a timely manner in order to ensure an effective and successful school opening. Ms. Walker commended the team for doing more with less and doing a job well done. Ms. Walker provided an overview of the Pre-Opening of Schools.

- CMS Big Rocks: Enrollment, Facilities, Staffing, and Transportation.
- Projected Enrollment: 134,951 projected for grades K-12 (an increase of 1,287 students over last year) and an additional 3,400 expected students in Pre-Kindergarten (including Montessori and Exceptional Children PreK).

- Projected enrollment becomes “assigned” on the first day of school.
- Assigned student number expected to be several thousand students under projection at opening. An enrolled student cannot be considered assigned until they actually report to school.
- The enrollment number typically rises steadily over the first ten days of the school year. While the first day count is an indicator of enrollment decisions regarding staff assignments, resources, and other enrollment dependent factors are usually not made until after the 10th or 20th day of school.
- 5,200 transfers requested (as of August 20, 2010).
- School Facilities: 178 schools (including two new high schools and the creation of new programs at Dilworth Elementary School and First Ward Creative Arts).
 - 21,177,855 square feet.
 - 670 permanent structures.
 - 5,040 acres of school/district grounds.
 - Major renovation work (over \$200,000).
 - ✓ Completed projects at Harding University High School (auditorium, new lockers, and parking lot), South Mecklenburg High School, Providence Spring Elementary School, and Montclair Elementary School.
 - ✓ Completed demolition projects at old Long Creek and Matthews elementary schools.
 - ✓ Additional renovation and relocations were completed at the Government Building and are ongoing at the Education Center and Walton Plaza.
 - Completed more than 100 school improvement projects.
 - New Schools:
 - ✓ Rocky River High School: 100 classrooms, 1,305 students, 7:15 a.m. start, Mark Nixon, principal.
 - ✓ W. A. Hough High School: 100 classrooms, 1,342 students, 7:15 a.m. start, Dr. Teresa Cockerham, principal.
 - Mobile Classrooms:
 - ✓ 1,241 mobile classroom and restroom units in the district.
 - ✓ Approximately 50% (approximately 600) will be in use for the 2010-2011 school year with the remaining being mothballed.
 - ✓ 38 mobile classrooms and two restrooms were installed ahead of schedule.
 - Academic Program related renovation projects: Nine projects were recompleted and included Montessori classrooms, Science labs, and a dance room at First Ward Creative Arts Academy.
- Staffing:
 - 17,688 employees (18,077 in 2009).
 - 9,528 Teachers/Instructional staff (9,492 in 2009).
 - 7,716 Non-Instructional/Support staff (8,117 in 2009).
 - Administrative:
 - 387 Principals and Assistant Principals (411 in 2009).
 - 14 New Leaders for New Schools (8 in 2009).
 - 43 Executive Directors and above (49 in 2009).
 - Human Resources:
 - 162 Classroom teacher vacancies (55 candidates in process and 14 positions on hold).
 - 93 teaching positions left to fill (approximately 40 positions in the critical subjects of math, science, and exceptional children).

- The number of vacancies continues to decrease and staff is working hard to place a highly effective teacher in every classroom.
- Transportation: Several significant changes in the 2010-2011 school year.
 - Implementation of bus shuttle stops at twenty-seven CMS schools to serve students attending eleven full Magnet schools.
 - Networking of students riding on the same bus from Lincoln Heights and University Park elementary schools.
 - Adjusted bell schedules at several CMS schools.
 - ✓ Collinswood Language Academy, Morehead STEM Academy, and Oaklawn Language Academy shifted times due to becoming K-8 schools.
 - ✓ Hawk Ridge shifted for operational efficiency.
 - ✓ W. A. Hough High School, Rocky River High School, and First Ward Creative Arts Academy, and Dilworth Elementary School are considered new school openings.
 - Transportation services yearly comparison:

	2008-2009	2009-2010	2010-2011	Variance
Number of students assigned	112,000	111,000	115,000	+4,000
Number of total bus stops	37,000	26,000	24,000	-2,000
Number of total bus runs	5,975	5,643	6,001	+ 358
Number of total routes/buses	1,255	1,155	1,096	-59
Average daily miles	140,000	122,000	115,000	-7,000

- Increase in students assigned but a decrease in stops and average daily miles.
- Bus schedules were delivered to schools. In the absence of assistant principals, the transportation department offered assistance with mailings.
- Bus schedules were also made available through Parent Assist.
- Schools have distributed bus stop information to parents through mailings and/or at Open Houses.
- Dry runs were scheduled the week of August 16.
- Areas of Special Note:
 - Areas that are typically monitored during the first few weeks of school include scheduling, bus efficiency, and textbook delivery.
 - Call Center and Information Hotline: Telephone number 980.343.6192.
 - Process over 12,000 calls last week.

Ms. Walker welcomed all staff and students back to CMS and wished everyone a successful 2010-2011 school year.

Board members were invited to ask questions and make comments.

- Dr. Waddell thanked staff for a thorough report. Dr. Waddell asked did enrollment increase over last year? Dr. Gorman said enrollment increased by 1,287 students. Dr. Waddell said parents have expressed concern about the long lines at the student application center and she asked if staff is considering improvements to reduce the long lines? Dr. Gorman said it would be better if parents enrolled their children throughout the summer as opposed to enrolling them the week before school. Scott McCully, Executive Director of Student Placement Services, said the CMS website includes an online Transfer Application which has made the process much more efficient than the prior paper system. This has helped to reduce the crowds at the Family Application Center. This year, staff sent out letters to those who were currently on Hardship Care Giver Agreements to come to the Family Application

Center to complete that paperwork as soon possible, preferable in June and July, and as a result the office was very busy during those months. This year, the crowds have been much smaller than in the past up until the past two days which were very busy. Yesterday, the Student Placement Center helped approximately 300 families and today 400 to 500 families visited the office. Dr. Waddell asked are there challenges with language barriers for parents enrolling their children. Mr. McCully said three staff members in Student Placement Services are bilingual in Spanish and that has been helpful.

- Mr. Tate thanked staff for a good report. Mr. Tate asked clarifying questions regarding teacher vacancies, the types of positions, how quickly they will be filled, positions on hold, and who will be in those classrooms tomorrow? Dr. Gorman said CMS staff members (Ann Clark's team, district office staff, and school-site staff) will be filling those classrooms in the interim. This is one of the challenges that we face due to the late release of the State budget because we are not able to release positions in a timely manner. Kimberly Brazzell, Executive Director of Human Resources Planning and Workforce, said there are seventy-one vacancies in the critical needs areas of math, science, foreign language, Exceptional Children, English as a Second Language, and Media and of those we have thirty-one people being screened for employment. Hugh Hattabaugh, Chief Operating Officer, said there will be substitute teachers in those classrooms until those positions are filled and he explained the screening process and timeline for employment. Mr. Hattabaugh said regarding the positions on hold, some principals are concerned about the projected enrollments for their schools and they are holding those positions if they believe their enrollment may not meet projection. This is a wise decision by the principals and those positions are being held so they will not have to displace a teacher.
- Mr. Morgan asked what were the contributing factors to the increase in student population by almost 1,300 students? Is this a result of private school children coming into the system, the change in the kindergarten requirements, or families moving into the Charlotte area? Mr. McCully said for this year we projected a larger kindergarten class as a result of the economy and State legislature changing the entry age for kindergarten to August 31st. This year, we are expecting over 12,000 kindergarten students which is the largest class in recent memory. Staff has been conservative and modest in our approach to enrollment projections because we are aware of the economy and the lingering recession while acknowledging there has been a warming of the economy and new jobs in Charlotte. In the past, the district has grown from 4,000 to 5,000 students per year but more recently has shrunk to 1,000 to 2,000 students per year. Mr. Morgan asked was there more growth in any particular area of the County? Mr. Scott said that will unfold over the next ten days but anecdotally there has been more growth in the northern part of the County. Mr. Morgan asked why are the approximately 600 mobile units being mothballed on school sites versus moving them to another location? Mr. Morgan said the public has asked questions regarding this matter. Guy Chamberlain, Associate Superintendent for Auxiliary Services, said the cost to relocate a mobile unit and reset it is approximately \$25,000 and to move them to another site is cost prohibitive. It is important to note that at some point and in the absence of construction funding we will not be adding permanent seats. It is reasonable to expect within the next two or three years the population will grow and there will be the need for mobile classrooms again. He anticipates the overcrowding will occur in the same growth areas and those are the areas in which the mobiles are currently located.
- Ms. Lennon said she was told that principals have been encouraged to get as many students as possible out of mobiles and into classrooms to reduce the costs because mobiles are less

efficient to heat and cool? Mr. Chamberlain said it is cheaper to occupy permanent construction because the mobiles are not energy efficient. We have lost teachers and as a result we have a need for fewer classrooms.

Chairperson Davis said on behalf of the parents, we are also excited to start school and look forward to another successful year.

B. Report/Update on Minority, Women, and Small Business Enterprise (M/W/SBE) Program

Chairperson Davis called upon Dr. Gorman to introduce the report. Dr. Gorman called upon Chiquitha Lloyd, Minority, Women, and Small Business Enterprise Administrator; Guy Chamberlain, Associate Superintendent for Auxiliary Services; and Sarah Crowder, General Counsel and Policy Administrator, to present the report on Minority, Women, and Small Business Enterprise (M/W/SBE) Program. Ms. Lloyd presented the results of the MWSBE Program for the 2009-2010 school year.

- History:
 - In 2004, CMS in conjunction with the City of Charlotte and Mecklenburg County entered into a Disparity Study with MGT of America. The primary reason for completing the study was CMS had a M/W/SBE Policy but had not gone through the scrutiny of a disparity study to determine the level of disparity. The study resulted in a new Board policy and attendant regulations on how CMS would operate the new M/W/SBE Program. Part of that policy requires that, at the end of each fiscal year, the Superintendent provide a report to the Board summarizing the results of participation and how the participation stands against the goals. The MGT of American Disparity Study presented their findings and substantial disparities existed in Construction; Architecture, Engineering, and Surveying; Contracted Services other than construction; and Goods.
 - Recommendations: The study presented twenty-three specific recommendations regarding Small Business Enterprise Program, New Aspirational Goals, Procurement Cards, and Vendor Sourcing.
- Governance: CMS Policy DJA, several North Carolina General Statutes, Senate Bill 914, and North Carolina Administrative Code.
- Budget: 2009-2010 expenditures compared to 2008-2009 expenditures.

Expenditures	2009-2010 Actual Expenditures	2008-2009 Actual Expenditures
Salaries	\$150,363	\$193,169
Benefits	\$ 33,994	\$ 43,748
Purchased Services	\$ 8,632	\$ 6,711
Total Expenditures	\$192,989	\$243,628

- Challenges:
 - Full integration into strategic sourcing process.
 - Notification system of expiration dates for existing contracts.
 - Perceived preferred bidders list.
 - Reduction in bond funded construction projects.
 - Reduction in force.

- Aspirational Goals Compared to Actual for FY 2009-2010:

Category	MBE		WBE		SBE		M/W/SBE	
	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual
Construction	10%	2.58%	6%	44.19%	5%	2.54%	21%	41.9%
Architecture and Engineering	4%	4.7%	7%	5.46%	5%	2.50%	16%	13.3%
Contracted Services (other than construction)	5%	6.3%	4%	11.01%	5%	6.41%	14%	25.38%
Goods	3%	2.63%	3%	3.18%	5%	7.64%	11%	14.71%

- Total Eligible Expenditures for FY 2009-2010:

Category	Analyzed	M/W/SBE Firms
Total eligible expenditures	\$252.5M	\$64.7M (\$9M-MBE \$42M-WBE \$14M-SBE)
Construction	\$80M	\$33M
Architecture and Engineering	\$5.5M	\$745M
Contracted Services (other than construction)	\$64M	\$16M
Goods	\$103M	\$15M

- Overall MWSBE Utilization Comparison:

Category	M/W/SBE Goal	2009-2010 M/W/SBE Actual	2008-2009 M/W/SBE Actual	2007-2008 M/W/SBE Actual	2006-2007 M/W/SBE Actual
Construction	21%	41.19%	31.29%	28.40%	22.91%
Architecture and Engineering	16%	13.3%	25.38%	18.21%	17.74%
Contracted Services (other than construction)	14%	25.38%	27.10%	24.71%	21.90%
Goods	11%	14.71%	14.16%	11.82%	10.66%

- Accomplishments:

- Achieved target of spending 26% of eligible expenditures with M/W/SBE firms.
- Exceeded the overall aspirational goals in three of the four categories ranging from 3% to 20%.
- Exceeded the MBE goal in architecture and engineering and contracted services, and increased goods by almost 1.6% over fiscal year 2008-2009.
- Exceeded WBE goals in construction, contracted services, and goods.
- Exceeded SBE goals in contracted services and goods and increased construction and

architecture and engineering by 1% over fiscal year 2008-2009.

- Exceeded target of 65% of schools and 52% of departments purchasing goods and/or services from M/W/SBE vendors three out of four quarters.
- Exceeded target of strengthening communication regarding upcoming procurement opportunities by 10%, more than 17,706 notifications sent via e-mail to the CMS M/W/SBE data base.
- Participated in twenty conferences, workshops, seminars, training sessions, and presentations promoting M/W/SBE Program and How-To-Do Business with Charlotte-Mecklenburg Schools.
- Supplier diversity efforts recognized by the *Charlotte Business Journal* at its annual Women in Business Achievement Awards luncheon. Ms. Lloyd was selected by the *Charlotte Business Journal* as one of the Top Twenty-five Business Women in Charlotte.
- Major Initiatives:
 - Expand partnership with North Carolina Institute of Minority Economic Development.
 - Establish advisory council/committee composed of key business units.
 - Expand debriefing process for unsuccessful suppliers/contractors to improve competitiveness.
 - Conduct annual lessons-learned reviews with other entities and share information regarding diverse supplier utilization.
 - Create district-wide Environmentally Sustainable Purchasing Program.
- Next Steps:
 - Conduct analysis of the relative availability of M/W/SBE firms.
 - Continue to expand Second Tier Sourcing Program.
 - Track M/W/SBE cost-savings/cost-reduction contribution.
 - Support technical assistance training at regional levels.

Board members were invited to ask questions and make comments.

- Mr. McElrath expressed concern that he had been told that no minority vendor had been contacted for the Pinewood School demolition project and he asked staff to explain why. Mr. Chamberlain said this was an urgent project and he explained the process for securing a vendor and discussed the measures in place to ensure the M/W/SBE office is notified of projects. For that particular project, policy was followed but Ms. Lloyd's department was not notified of the project. Dr. Gorman said steps are in place and we must do a better job of ensuring the M/W/SBE people and contacts are involved. Mr. McElrath asked clarifying questions regarding the process and classifications of the M/W/SBE Program, and Ms. Lloyd provided clarification regarding the criteria for the M/W/SBE classifications, requirements of the process, securing competitive bids that includes a contact from the overall M/W/SBE list, and the selection process.
- Ms. McGarry thanked staff for the report and she noted that CMS continues to do well in facilitating the M/W/SBE Program. Ms. McGarry asked clarifying questions regarding the M/W/SBE requirements for the State, CMS, and the Board of County Commissioners. Ms. Lloyd said the Disparity Study was completed in a partnership between the City, County and CMS and the goals were established based upon availability. The goals for CMS and the County mirror one another and are based upon participation. The construction goal for CMS and the County is set at 14% based upon the availability of the marketplace in Charlotte but the goal for the state of North Carolina is a flat 10% of participation across the state. Ms.

McGarry said in the past there were concerns that the M/W/SBE process included duplication of services and she asked is this practice continuing? Ms. Lloyd said there is no duplication of services and she explained the procedures of vendors doing business with CMS, putting bid packages together, and how to do negotiations.

- Dr. Waddell said she also got calls regarding the demolition project at Pinewood School and she has pulled the policy and regulations for the demolition of schools. Dr. Waddell asked clarifying questions regarding formal and informal bidding, Board approval of the project, and whether staff was aware of the inequities of the project at the time of the Board vote. Dr. Gorman said the difference between a formal and informal bid is outlined in regulations. CMS was in compliance with policy and did not violate any procedures for that project. Dr. Waddell asked are there any other contracts being considered that could result in a similar situation? Ms. Lloyd reviewed the process for providing a list of vendors for projects, reviewing the vendor list, and the selection committee procedures. Mr. Chamberlain said in the past, staff has not missed contacting the M/W/SBE office regarding projects. Ms. Lloyd said a check list has been established to ensure there are no missed steps in this process. Dr. Waddell suggested that this information be included in Frequently Asked Questions on the CMS Website of how to get on the vendor list as well as how to be contracted for providing services for mowing grass. Ms. Lloyd said the services for mowing the grass is also through the M/W/SBE bid process and CMS has been contacted by over 130 vendors to be on the list for being notified about mowing the grass. Notifications for mowing the grass were sent to all 130 vendors and 65 of those bid on those contracts. Due to the CMS budget restraints, the number of contracts available has been reduced. Of the twelve vendors CMS has for cutting the grass, six of those are M/W/SBE vendors. Dr. Gorman said the grass at the schools is long because we have gone from thirty-seven cuts per year to twenty-two cuts to reduce the budget. Dr. Waddell asked regarding outsourcing, does CMS outsource the custodian services? Mr. Chamberlain said, no, however we are preparing a specification to outsource all of our administrative space.

C. Report/Update on Education Jobs Fund Program Funding

Chairperson Davis called upon Dr. Gorman to introduce the report. Dr. Gorman said it was reported today that the state of North Carolina received *Race to The Top* funding which will total \$400 million over the next several years. This is great news and it will be interesting to hear the details of this funding and how the money will be distributed. Dr. Gorman said he would keep the Board informed as the details become available. Dr. Gorman called upon Sheila Shirley, Chief Financial Officer, to present the report on Education Jobs Fund Program Funding. He said at the end of this presentation he would like get feedback from the Board for guidance and direction as we continue the budget process. Ms. Shirley provided an overview of the Educations Jobs Fund Program, also known as the Jobs Bill.

- Application:
 - Governor must submit an application for the Education Jobs Fund Program funding.
 - Application includes various assurances related to compliance, use, maintenance of effort (MOE) requirements, fiscal control, compliance with the administrative limit, timeliness, and method of allocation to the Local Education Agencies (LEA), monitoring, and reporting.
 - State Fiscal Stabilization Funding (SFSF) Program education reform assurances apply to the Education Jobs Funds Program. If the state has an approved SFSF Phase Two

Application, it is considered to be in compliance with those assurances.

- **Funding Allocation:**
 - Total Education Jobs Fund Program (Ed Jobs) allocation to North Carolina is \$298.5 million.
 - Ed Jobs Bill allows the governor to hold back up to 2% for administration purposes at the state level.
 - Minimum allocation to be distributed to LEAs and charter schools is expected to be \$292.5 million.
 - North Carolina will allocate the funds through the State's primary K-12 formula which is the same as the SFSF method.
 - CMS' allotment is projected to be \$25.7 million.
- **Timeline:**
 - August 10, 2010: Education Jobs Bill enacted.
 - August 12, 2010: Federal Government sends application to Governor.
 - September 9, 2010: Date by which the state application must be submitted to the Federal Government.
 - September 24, 2010: Date by which Department of Education will award funds.
 - Date TBD, Funding distribution to LEAs by Department of Public Instruction (DPI). Anticipate late September or early October.
 - Date TBD, CMS hires staff
 - September 30, 2012, Date by which funds must be expended
- **Purpose and Use of Funding:**
 - May be used only for compensation and benefits and other expenses necessary to retain existing employees, rehire former employees, and hire new employees to provide early childhood, elementary, or secondary educational and related services
 - School-based personnel may be charged to this grant, i.e., principals, assistant principals, teachers, instructional support staff, teacher assistants, cafeteria workers, bus drivers, custodians, secretaries, security officers, maintenance workers, etc.
 - May use funds to restore reductions in salaries and benefits or to provide salary increases for 2010-2011.
 - May NOT be used to pay for contractual school-level services by individuals who are not employees of an LEA (i.e. janitors employed by an outside firm).
 - May NOT be used for central office, general administrative, or other support services expenses.
 - Funds are non-recurring and LEA's should not expect additional funds in 2011-2012.
- **Reporting Requirements:**
 - Reporting requirements are the same as the requirements for the previous ARRA funding.
 - States and LEA's must maintain records that separately track and account for funds.
 - May NOT draw down Ed Jobs funds unless the state or LEA intends to spend the funds to meet immediate expenditure needs (i.e. needs within 3-5 days).
 - Must have an effective system for ensuring funds are only drawn as needed to pay program costs and must remit promptly to the DOE any interest earned on advances.
 - DPI will include the data on the Education Jobs Fund Program with the quarterly reporting for American Recovery and Reinvestment Act funds.

Dr. Gorman said staff is in the position of seeking guidance from the Board for the use of these

funds and he reviewed staff's recommendation. Dr. Gorman said staff would like to continue with the practice of being conservative with the financial recommendations to the Board. CMS is facing a cliff next year that is approximately \$50 million. This \$25.7 million is one time funds and could be used for next year to retain the effective teachers that we already have employed. Other options are to use the dollars to add more teachers this year. Staff would like to do both, add more jobs and keep them for next year. But, the fact remains that staff does not believe those federal dollars will be here next year as this legislation included language that it would not be renewed. To add this to next year would create a funding cliff of \$75 million which is a huge dollar amount. If these funds are carried forward, it will reduce the funding cliff for next year by \$25 million. Staff believes for the best impact in the classroom, it would be more beneficial to keep \$25 million worth of great employees another year is the best use of those dollars. Dr. Gorman said adding teachers this late in the year could create some challenges because this could cause massive changes to the already established classrooms throughout the district. Staff's recommendation will allow CMS to keep staff longer in the face of future dramatic cuts. For the final budget adoption by the Board which is scheduled next month, staff is recommending that these dollars be carried forward to next year. Dr. Gorman said he has spoken with the County Manager and he understands the rationale behind the recommendation and believes a conservative planning with the challenges we are facing is a good recommendation but he cannot make a final call at this time. Dr. Gorman said he called an emergency meeting on Friday with the Superintendent's Teacher Advisory Council and they unanimously supported carrying those dollars forward. Dr. Gorman said staff has spoken with individual groups of teachers, faculty at schools, and aspiring leaders and they have given similar advice. Dr. Gorman said it is staff's strong recommendation to the Board that this funding be carried forward to the 2011-2012 school year.

Chairperson Davis said the Board has previously been advised of this information and has had time to consider the best options for the use of these funds. Chairperson Davis invited Board members make a recommendation for the use of these funds.

- Mr. Merchant said he would support staff's recommendation. He said CMS currently has approximately 107 positions open and during the course of the year many teachers retire, move or leave the system. Dr. Gorman said \$25 million would equate to approximately 470 teacher positions. Mr. Merchant said we are currently having a hard time filling the vacant positions with effective teachers and these additional teachers could not be hired until late October or November. Mr. Merchant said staff's recommendation is a sound, conservative management strategy and effectively that money could be doubled if it is used next year. He believes hiring these teachers late in the season could be a disruption to students and the teachers may not be as effective because the Harvard research provided evidence that supported the performance of hiring teachers late in the school year was below standard on average in CMS. Mr. Merchant believes reserving these funds for next year could be a morale booster for staff that this money can be used to retain their positions for the coming year.
- Ms. Lennon supports the plan recommended by staff. She said she has quoted the Harvard data regarding the effectiveness of teacher late hires and it also states that an effective teacher in the classroom is much better than a smaller classroom. Ms. Lennon agreed with Mr. Merchant's comments and she noted that this is a good way of informing staff that we are focused on their future and giving them stability to plan for their families. This also

gives parents and students that same opportunity to know that their great teachers will be in place for next year.

- Mr. McElrath said he supports staff's recommendation.
- Dr. Waddell said she was concerned that the teachers may have wanted teachers to be rehired and returned to classrooms as soon as possible. She is pleased that staff and Dr. Gorman have contacted teachers, the Superintendent's Advisory Council, and other groups to get their support of staff's recommendation. She expressed concern that next year the Board of County Commissioners (BOCC) may consider this extra money and may opt to provide CMS less funding. Dr. Gorman said he would encourage the Board members to reach out to the BOCC regarding the funding and the strategy for the recommendation. He will provide the Board members talking points for those discussions. Dr. Waddell said based upon the information that has been provided, she strongly supports staff's recommendation.
- Mr. Tate said he supports staff's recommendation. Mr. Tate asked was there any consideration to using part of the money this year and part of the money next year, and the logic for not doing that if there were particular areas of need could be addressed? Dr. Gorman said staff did review that option and they believe there may be a good use for approximately \$3 million to address some of the challenges related to giving positions to a school to prevent breaking up classes. But, those positions would be needed now before dollars were available. Mr. Tate asked if the final plan would be a part of the final budget adoption. Dr. Gorman said, yes. Mr. Tate said he supports staff's rationale for the funding as well as using \$3 million for this year for particular areas. Dr. Gorman said staff would also like to use about seventy-five positions for the Zone Superintendents to use at the schools with particular challenges.
- Ms. McGarry said she was perplexed because three months ago CMS was in a crisis because of budget reductions. At a Board meeting in May, staff referenced that should CMS receive more funding than anticipated, those funds would first be used to hire back teachers at the high school level and then teachers at the middle school level. She believes this funding is an opportunity to keep that promise. She has also talked to teachers and parents and she sees a sense of urgency to reduce the classes that have grown in size due to the budget reductions and to offer some of the courses that have been eliminated. She encouraged the Board to use the funds to help teachers by rehiring teachers and teacher assistants to help in the classrooms. She does not believe the students in this school year should have to wait a year to have an adequate number of teachers and teacher assistants in the classroom and security at the schools. This was a priority three months ago and it should be the priority today. Ms. McGarry will not support putting this toward the funding cliff because those dollars had to be spent in a specific manner and the Board was aware that those funds would be gone in two years. She does not support the research regarding the late hires because we are in a different economy and the Human Resources department needs to work harder to hire effective teachers. She would support dividing the funding in a 60/40 split (using 60% for this year and holding 40% for next year). She encouraged CMS to support their commitment in May to rehire teachers should funds become available. She would prefer having teachers in the classroom and students having smaller classes.
- Mr. Morgan said he supports staff's recommendation. He said if this money was not available, CMS would be facing a \$47 million funding cliff going into next year. This funding will lessen the future funding cliffs and help CMS to keep some of the teachers in place for next year.
- Mr. White said he has just returned from a four-day conference with the president and

president-elect from each of the state associations throughout the country. This was a big topic of discussion and the majority of them agreed that the funding cliff is real and that Dr. Gorman's recommendation will make the landing from falling off that cliff a little softer. Mr. White he strongly supports staff's recommendation.

Board members Davis, Merchant, White, Lennon McElrath, Waddell, Tate, and Morgan supported staff's recommendation. Board member McGarry did not support staff's recommendation and suggested a 60/40 split.

Chairperson Davis asked Dr. Gorman to share an overview of the plans that have been put in place as a result of the improved financial picture from the State and how staff has followed the budget plan that CMS assured the County and State we would follow. Dr. Gorman said staff has followed that plan verbatim and rehired 141 positions, and those positions were rehired according to the formula that the Board approved. CMS began with the first tier of high school positions to be rehired followed by middle school and elementary school. Staff has followed the plan as laid out by the Board. Dr. Gorman said the 141 positions have permanently gone back to the schools, pending a different change, and they are ongoing positions. Chairperson Davis commended staff for adhering to the plan that the Board outlined and approved. Chairperson Davis clarified that this funding is different and it provides the Board the option to consider using the funds for the next school year. Chairperson Davis said this is one more example of the sound management practices that Dr. Gorman is using to lead CMS. This has a balanced approach between our short-term needs and our long-term health of our system. This is fiscally responsible and conservative. It is refreshing that a governmental body would consider saving money and provide an opportunity to do so in a way that ensures stability for our students and staff. Chairperson Davis said he has spoken with some Board of County Commissioners and he has asked that they not hold this funding against CMS next year during the budget considerations and to recognize that CMS has been prudent and fiscally responsible with the dollars understanding funding challenges that we all are facing.

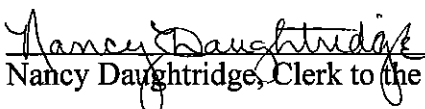
ADJOURNMENT

Chairperson Davis called for a motion to adjourn the meeting.

Mr. White moved, seconded by Mr. Merchant, that the Board adjourn the Regular Board meeting, and by consensus, the Board agreed to adjourn the meeting.

The Regular School Board Meeting adjourned at 7:53 p.m.


Eric Davis, Chairperson


Nancy Daughtridg, Clerk to the Board