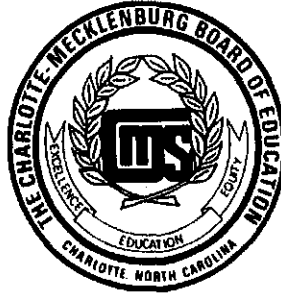


Approved by the Charlotte-
Mecklenburg Board of Education
May 8, 2012
Regular Board Meeting



Charlotte, North Carolina

March 13, 2012

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

The Charlotte-Mecklenburg Board of Education held a Regular Board Meeting on March 13, 2012. The meeting began at 4:00 p.m. and was held in Room CH-14 of the Government Center.

Present: Ericka Ellis-Stewart, Chairperson, Member At-Large;
Mary T. McCray, Vice Chairperson, Member At-Large;
Timothy S. Morgan, Member At-Large;
Rhonda Lennon, District 1;
Richard Allen McElrath, Sr., District 2;
Dr. Joyce Davis Waddell, District 3;
Tom Tate, District 4;
Eric C. Davis, District 5; and
Reverend Amelia Stinson-Wesley, District 6

Absent: There were no absences.

Also present at the request of the Board were Hugh Hattabaugh, Interim Superintendent; George E. Battle, III, General Counsel; and Nancy Daughtridge, Clerk to the Board.

Upon motion by Dr. Waddell, seconded by Ms. McCray, the Board voted unanimously for approval to go into Closed Session for the following purpose:

- **To consult with the Board's attorney on matters covered by the attorney-client privilege concerning personnel matters.**

The motion was made pursuant to Sections 143-318.11(a)(6) of the North Carolina General Statutes.

The Board held a Closed Session meeting from 4:00 p.m. until 5:55 p.m. in CH-14.

Chairperson Ellis-Stewart reconvened the Regular Board Meeting at 6:03 p.m. in the Meeting Chamber of the Government Center. CMS-TV 3 televised the meeting.

Present: Ericka Ellis-Stewart, Chairperson, Member At-Large;
Mary T. McCray, Vice Chairperson, Member At-Large;
Timothy S. Morgan, Member At-Large;
Rhonda Lennon, District 1;
Richard Allen McElrath, Sr., District 2;
Dr. Joyce Davis Waddell, District 3;

Tom Tate, District 4;
Eric C. Davis, District 5; and
Reverend Amelia Stinson-Wesley, District 6

Absent: There were no absences.

Also present at the request of the Board were Hugh Hattabaugh, Interim Superintendent; George E. Battle, III, General Counsel; Members of Executive and Senior Staffs; Judith Whittington, Manager of Board Services; and Nancy Daughtridge, Clerk to the Board.

I. CALL TO ORDER

Chairperson Ellis-Stewart called the meeting to order at 6:03 p.m. and she welcomed everyone to the Regular Board meeting.

A. Adoption of Agenda

Chairperson Ellis-Stewart called for a motion to adopt the proposed agenda.

Reverend Stinson-Wesley moved that the Board adopt the proposed agenda as presented, seconded by Ms. McCray, and the motion passed upon unanimous voice vote of the Board.

B. Pledge of Allegiance

Chairperson Ellis-Stewart called upon Eric Davis to introduce the student to lead those present and in the viewing audience in the Pledge of Allegiance and to speak on the March character trait of *courage*. Mr. Davis introduced Yeonsoo Sara Lee, who is a junior at Myers Park High School. Sara ranks first in her class of 594 students, has a GPA of 5.26, and her contributions to Myers Park are numerous. She is the Student Body Vice President of the International Baccalaureate Council; a member of the Debate team; served as Debate Head Coordinator during the 2011 Laird Lewis Invitational National Speech and Debate tournament; from 2009 to 2011 she was Myers Park High School's Speech and Debate Team Most Valuable Member; and a member of the National Honor Society and was awarded 1st place at the 2010 North Carolina High School Mathematics Team Competition. Sara has received several scholarships for her academic achievements and she is currently a North Carolina Governor School nominee. Recently Sara received top honors at the 2012 Science and Engineering Fair. She will go on to compete at the regional level in the Intel International Science and Engineering Fair in Pittsburgh in May. Sara was accepted to the North Carolina School of Science and Math; however chose to stay at Myers Park High School. Sara is an accomplished musician, playing both the piano and violin. She is a member of the Symphony Youth Orchestra of Charlotte as 1st violinist and placed 2nd in the North Carolina State Federation of Music Teacher's Composer Competition. Sara also enjoys athletics and is a member of the Myers Park High School Swim and Dive Team and Cross Country Team and participates in tennis competitions outside of school. Sara dedicates several hours volunteering with the Echo Foundation and recently published a book through the *Voices Against Indifference Initiative*. This publication will be distributed throughout Charlotte-Mecklenburg High Schools. Sara's dedication, passion and talents are endless and she exudes personality. Sara will make a difference in this world. Attending the meeting with Sara were her mother, Ms. Lee, and principal, Tom Spivey. Sara invited

everyone to stand and join her in reciting the Pledge of Allegiance. Following the pledge Sara shared information about the curriculum she worked with in helping to write the book which is focused on character traits taught to students in CMS beginning in kindergarten. Sara talked about the importance and characteristics of citizenship, courage, and democracy which is pertinent with the 2012 Democratic National Convention being held in Charlotte.

Superintendent Search Process:

Chairperson Ellis-Stewart requested an opportunity to take a *Point of Personal Privilege* to provide the community an update regarding the Superintendent Search Process. She reported at the January Board Retreat, the Board and PROACT Search worked to craft a position profile that was shared with the public and adopted by the Board at the January 28th Regular Board meeting. At the start of February, PROACT launched a six week recruitment process which ended last week on March 8th. During that time, PROACT has received applications and credentials from eighty-nine candidates. The initial breakdown of the candidates is as follows:

- Gender: 74% male and 26% female.
- Racial and Ethnic breakdown: 5% Hispanic, 45% African-American, and 45% Caucasian.
- Experience: 0-5 years 26%, 5-10 years 18%, 10-15 years 9%, 15-20 years 21%, 20-25 years 18%, 25-30 years 18%, and 18% with thirty plus years.

This is a wide range of experience represented through those who have chosen to submit an application. Of the applicants, 28% have current or former ties to Charlotte-Mecklenburg or North Carolina.

The process of selecting the new Superintendent is one of the most important activities we as a Board will undertake and perform as a body. It is a decision with power to influence education practice, policy, and outcomes for generations to come. The process requires thoughtful dialogue, diligent review, and community involvement. Over the coming weeks, the Board will continue to work with PROACT to cull the number of applicants from eighty-nine down to roughly eight to twelve candidates who will be invited to sit for interviews with the Board. At the conclusion of the interview process, the candidates deemed finalists will be invited back for a second round of interviews. That will include an opportunity and time for participation in a number of community/stakeholder events involving employees, parents, students, and leaders from the faith, business, and community partners. Our goal is to announce the finalists at the beginning of May. We want to ensure we have ample time to go through the process and really select the person who will be the best fit for Charlotte-Mecklenburg but also someone who is reflective of the traits, characteristics, and level of experience that was expressed in our position profile that the Board crafted in January. Chairperson Ellis-Stewart said she realizes there has been some criticism of the shift in our search timeline but the revision of the timeline is the result of a concerted effort to ensure all nine Board members had the opportunity to be a part of the process of crafting our position profile and allow ample time for recruitment based on that profile. The Board wants to ensure we are being sensitive to the needs of the community and the needs of the applicants as conducting a national search is a complex process. Later this week, the District and PROACT will be releasing further details regarding the community stakeholder portion of the search process. Chairperson Ellis-Stewart said she felt it was important to provide the community, staff, and others an update regarding the status of the process and to ensure the

process not only honors the community but also the applicants involved in the search.

II. REQUEST FROM THE PUBLIC

Chairperson Ellis-Stewart said the Public Request section is an opportunity to hear from the public. Each speaker will have three minutes to address the Board on any topic of their choosing but personal and individual matters should not be addressed in this forum. CMS employees and their families should not be addressed in the comments and the use of profanity or inappropriate language should not be used. The Board reserves the right to cut off any speaker who violates these rules.

John Michalski discussed the new Common Core curriculum. He asked the Board to have an active approach to ensure an equitable implementation and success of Common Core reform. CMS is more proactive than many of the other school districts in training teachers for the curriculum changes but a key to its success is to ensure proper support at the school level. The Board must promote rigor, relevance, and responsibility, and parents, teachers, and students must be held accountable.

Christine Mast, parent of a CMS student, addressed concerns regarding accountability of the Board and CMS not adequately responding to her numerous questions about the budget, per pupil spending, charter school funding, School Progress Reports, Project L.I.F.T. and transportation costs in a timely manner.

Mona Boykin is a concerned parent and addressed concerns regarding the CMS parent/student complaint and investigation process. She holds herself accountable and she asked the Board to review the student complaint process to ensure someone is held accountable to verify the accusations of fellow students are accurate, validated, and the process is followed.

Chairperson Ellis-Stewart called the Requests from the Public closed at 6:31 p.m.

III. CONSENT ITEMS

- A. Recommend approval of Closed Session meeting minutes.
 - February 14, 2012.
 - February 16, 2012.
 - February 23, 2012.
 - February 28, 2012.
 - February 28, 2012.
- B. Recommend approval of Open Session meeting minutes.
 - January 20-21, 2012 Broad Retreat.
- C. Real Estate Items:
 - 1. Recommend approval of Storm Drainage/Conservation Easement to City of Charlotte on Charlotte-Mecklenburg Board of Education property at Hawthorne High School.

The City of Charlotte requires the storm drainage/conservation easement at Hawthorne High School (Tax Parcel No. 081-163-35) for the purpose of laying, constructing, reconstructing, operating, and maintaining storm drainage facilities as well as to inspect, monitor, maintain, repair, and improve the storm drainage facilities; to obtain samples of storm water from time to time for testing purposes; to remove from the storm drainage facilities area, now or at any time in the future, trees, structures, or other obstructions that may endanger the proper maintenance; and operation of said storm drainage facilities, except for the following pre-existing items:

athletic track. There is also a Special Provisions agreement that delineates when work can be performed as well as other stipulations. Fiscal Implications: None.

2. Recommend approval to enter into agreement regarding certain improvements and termination of Development Agreement ("Agreement") entered into to be effective January 24, 2012 (the "Effective Date") by Austin's Creek NC, LLC f/k/a Baldwin Park V, LLC, a Florida Limited Liability Company ("Austin's Creek"), Charlotte Holdings V, LLC ("CHV").

Charlotte-Mecklenburg Board of Education (CMBE) is the owner of real property in Mecklenburg County, North Carolina known as Mecklenburg County Tax Parcel No. 217-013-34, 217-101-05, 217-101-04, 217-301-04, 217,013-35, 217-013-34 (collectively "CMBE Property"). Austin's Creek owns certain adjoining property and has requested that CMBE convey, and CMBE has agreed to convey to The City of Charlotte, certain right of way and temporary construction easements (the "Access Easement") over a portion of property owned by CMBE. If the right of way is not needed, Austin's Creek is not obligated to construct the right of way. The prior owner of the Austin's Creek Property was an entity known as Austin's Creek, LLC ("AC"). CMBE previously entered into a "Development Agreement Regarding School Sites and Adjoining Residential Property" dated February 1, 2008 with AC. The Development Agreement provided for certain cooperation and sharing of costs between CMBE and AC in connection with CMBE's planned development of a school site and AC's planned development of a residential development on the Austin's Creek Property adjoining said school site. CMBE has not proceeded with its planned development of the school site as originally contemplated. It is currently unknown when the CMBE will develop the planned schools. AC did not proceed with its planned development and AC conveyed said property to Suntrust Bank ("Lender"). AC also purported to assign its rights under the Development Agreement to Lender. Austin's Creek has now acquired the Austin's Creek Property from Lender and plans to proceed with a residential development on the Austin's Creek Property. Such development includes, without limitation, the improvements identified on Exhibit D attached hereto and incorporated herein by reference (the "Road and Utility Work"). In connection with its acquisition of the Austin's Creek Property from Lender, Austin's Creek received an assignment of the Development Agreement from Lender.

Moreover, CMBE and Austin's Creek both desire to not be bound by the Development Agreement as both prefer to develop their own properties without the need to coordinate with the other or seek payment/reimbursement from the other. CMBE and Baldwin Park both desire to be certain that the other will not make any claims against the other under the Development Agreement.

CMBE and CHV previously signed a Right of Way and Access Agreement which was dated June 22, 2010, and also contemporaneously entered into a separate Agreement Regarding Certain Improvements (each of which is collectively referred to herein as the "Original Access Agreement"). The Original Access Agreement contemplated that CHV would do certain work and CMBE would convey CHV certain easement rights. However, CHV never acquired the "Austin Creek Property" as defined below and the transaction contemplated by the Original Access Agreement was never consummated. Accordingly CHV is also signing this Agreement for the purpose of confirming the Original Access Agreement is terminated. Fiscal Implications: None.

D. Construction Items:

1. Recommend approval of easements related to Charlotte-Mecklenburg Schools Construction Projects.

Staff recommends approval of easements and/or right of ways to local utility departments, Charlotte and North Carolina Departments of Transportation, and local municipalities as

required for the currently funded construction projects at Bain Elementary, First Ward Elementary, McClintock Middle, Newell Elementary, New ES#07(Stumptown), Pineville Elementary and South Mecklenburg High for the purposes of completing or facilitating construction. Requested easements and/or right of ways will follow Charlotte-Mecklenburg Schools' normal legal review and signature process. This recommendation is made to facilitate timely processing of documents that may otherwise cause construction delays. Fiscal Implications: None.

2. Recommend approval of construction contract for parking lot renovation and storm water detention at South Mecklenburg High School.

The parking lot renovation and storm water detention project at South Mecklenburg High School was publicly bid on February 28, 2012. Staff recommends the approval of the contract to the lowest responsive bidder, Sorensen Gross, Inc., in the amount of \$657,700. The scope of work includes the site demolition, grading, paving, curb & gutter, storm drainage, utility relocation and landscaping. The project is scheduled to be completed August 2012. MWSBE participation for the project is 2%. Fiscal Implications: 2007 Bonds in the amount of \$657,700.

3. Recommend approval of Surveillance Camera System at Hawthorne High School.

The Surveillance Camera System contract for Hawthorne High School was bid on February 15, 2012. Staff recommends approval of this contract to the lowest responsive bidder; AFL Network Services, in the amount of \$102,067.33. The contract scope of work includes a complete new sixty-three camera surveillance system. This project is scheduled to be completed in August 2012. MWSBE participation for the project is 6.28%. Primary contractor is not, but his electrical subcontractor is a SBE. Fiscal Implications: Local Funds in the amount of \$102,067.33.

- E. Recommend approval of Licensed/Non-Licensed Hires and Promotions for February 2012.

Monthly hire report includes prior month(s) hires not processed when report was presented to the Board of Education last month.

- *Total Hires July 1, 2011 - June 30, 2012: 3,749. (Licensed Hires: 1,992/Non-Licensed Hires: 1,757).*
- *Total Promotions July 1, 2011 - June 30, 2012: 227. (Licensed Promotions: 91/Non-Licensed Promotions: 136).*

Chairperson Ellis-Stewart called for a motion to adopt the Consent Agenda as written.

Mr. Morgan moved that the Board adopt Consent Items A. through E., seconded by Mr. Tate, and a discussion followed.

Dr. Waddell pulled Consent Item D. 3.

Mr. Morgan moved that the Board adopt Consent Items A. through E. excluding D. 3., seconded by Mr. Tate, and the motion passed upon unanimous voice vote of the Board.

Dr. Waddell said D.3. is the approval of a Surveillance Camera System at Hawthorne High School which is in District 3 and she has been asked questions about the cameras, how they are used, and if the cameras are used or new. Mr. Hattabaugh said Hawthorne is now a consolidated school with Midwood and 9th graders have been shifted to that location. This required CMS to review the camera system at the school because all CMS secondary schools have surveillance cameras to ensure a safe and orderly environment. This request will add to

the existing cameras at Hawthorne and it is necessary to provide staff and students the same security provided at all CMS secondary schools.

Dr. Waddell moved that the Board adopt Consent Item D. 3., seconded by Ms. McCray, and the motion passed upon unanimous voice vote of the Board.

IV. ACTION ITEMS

Chairperson Ellis-Stewart reported the agenda did not include any Action Items.

V. REPORT/INFORMATION ITEMS

A. Report on Budget Amendments for January 2012

Correlation to Board of Education Vision, Mission & Core Beliefs: Operating effectively and efficiently with fiscal accountability.

Chairperson Ellis-Stewart called upon Mr. Hattabaugh to present the report on Budget Amendments for January 2012. Mr. Hattabaugh reported V. A. and B. are the monthly reports and as presented.

B. Report on Financial Statements for January 31, 2012

Correlation to Board of Education Vision, Mission & Core Beliefs: Operating effectively and efficiently with fiscal accountability.

V. B. was presented with V. A.

C. Report on Interim Superintendent's Proposed Recommendations for 2012-2013 Board of Education Budget

Correlation to Board of Education Vision, Mission, and Core Beliefs: Securing and allocating adequate resources according to the needs of each child.

Chairperson Ellis-Stewart called upon Mr. Hattabaugh to present the report on the Proposed 2012-2013 Board of Education Budget. Mr. Hattabaugh provided the Board with introductory comments and addressed a specific issue regarding the adopted 2011-2012 Board of Education Budget.

Mr. Hattabaugh reported CMS has \$21 million in this year's budget that is available for one-time projects. This was a budget decision approved by the Board on July 26, 2011 and there has been some misunderstanding about part of this money through misleading discussions and media coverage. Mr. Hattabaugh said he would like to take a moment to clarify the source and use of that money to set the record straight. CMS received this money via a three-way process. Last year, as we developed the 2011-2012 budget, we were able to strategically shift dollars to blunt the impact of the funding cliff caused by the end of the American Recovery and Reinvestment Act (ARRA) dollars and the Education Jobs Fund Program (EduJobs) funding. This freed up approximately \$21 million in local dollars and we decided the best use of those funds was to fund one-time projects or items that would not require funding in subsequent years. Mr. Hattabaugh reviewed how the money will be spent. \$7.3 million on deferred maintenance. CMS has \$130 million in deferred maintenance projects and this will attempt to catch up urgent projects such as roof replacements and HVAC systems throughout the District. \$3 million allocated for move management. CMS will get out of all leased space and into buildings owned by CMS which will save money in

the future. \$10.6 million allocated for work on the technology initiative and that money will be spent in several ways. To provide clarification, it will not entirely be spent on iPads. \$500,000 will be spent on professional development for teachers to help them integrate technology into the classroom. \$6.6 million to expand the wireless infrastructure of our schools and to enhance some existing wireless environments. \$3.5 million will be spent on personal learning devices and other technology resources and this is the item that could include iPads. Mr. Hattabaugh said the Board will receive a more comprehensive report on the technology progress and plans at the March 27, 2012 Board meeting. At that time, Dr. Scott Muri, Chief Information Officer, will provide an overview and rationale of how the \$10.6 million spent on technology needs will benefit our students and schools and align with the State initiatives. Mr. Hattabaugh said this report is on the 2012-2013 Board of Education Budget but it was important to clarify this item before reporting on the 2012-2013 Budget.

Mr. Hattabaugh provided opening comments regarding the proposed 2012-2013 Board of Education Budget recommendation. Our district is at a critical juncture and we have had four tough years since the economic downturn began in 2008. CMS has had reductions, budget cuts, and reductions in force to a degree not seen since the 1930s. CMS has closed eleven schools, shifted the transportation model to save millions, and asked students and families to pay fees for athletics and academic tests that CMS previously funded. It is now time to rebuild our core business areas. We have seen our scores on State tests decline or stay flat in 2011 which is the first such decline in four years. We have gained a lot of ground since 2006 in strengthening our schools and won the 2011 Broad Prize for overall academic achievement and narrowing the achievement gaps. Mr. Hattabaugh addressed three areas of the budget request. CMS is seeking an increase in local funding. The proposed budget seeks an increase of \$43.9 million in County funding to help cover costs. Of the \$43.9 million, we have identified \$16.4 million in reductions and redirections that can be applied to the \$43.9 million. This equates to a total increase of \$27.5 million from the County. We have a short list of new initiatives for next year that will cost \$4.7 million. We want to restore staffing levels at our high schools where class size has increased in recent years. The State held the line on K-3 but increased class size in all other grades and our high schools need more staffing, teachers, and assistant principals. We want to expand the successful Truancy Court Program, add instructional technology positions to our high schools, and increase multi-media support to the Communications Department. CMS also faces significant increases in our operating costs such as utilities and employee benefits. The CMS student enrollment continues to grow and our employees have not had any type of salary adjustment or increase in almost four years. We are seeking a 3% cost of living increase for our employees and we will redirect money to pay for 1% while asking the County to fund the other 2%.

Mr. Hattabaugh provided an overview of the timeline in which CMS must operate in developing the new budget which presents some challenges. CMS must operate based upon the best projections from the State, County, and Federal funding sources. Many times closure of the State and County funding sources comes after CMS has presented the total budget for the new year. Mr. Hattabaugh highlighted key areas from last year's budget cycle. On May 4, 2011, the House proposed a 9.6% net budget reduction for public schools. On May 10, 2011 the Board of Education approved its 2011-2012 Budget with \$101 million in total reductions including an 11% State cut because CMS has a May 15th deadline to present its budget request to the County. On May 24, 2011, CMS presented its budget proposal to the Board of County Commissioners. On June 15, 2011, the State finalized its

budget which included a 5.8% net budget reduction for public schools. Last year, there were uncertain times and it was difficult to project the budget. This year, we have more certainty because we are dealing with the Biennial State Budget and we know what the cut will be for the ensuing year. In addition, CMS prepared strategically for this budget year when the Board approved the use of the ARRA funds on July 26, 2011. Through the will to be prepared by the Board and staff, we are set in a better position for this budget cycle. We are not having a reduction in force or closing schools as other districts are because we leveraged State and local dollars to do what is best for our schools and students.

Mr. Hattabaugh called upon Sheila Shirley, Chief Financial Officer, to present the 2012-2013 Board of Education Budget recommendation. Ms. Shirley provided an update on the 2011-2012 Budget and an overview of the proposed 2012-2013 Budget.

- Positive Impacts of the 2011-2012 State and County funding (as approved June 2011): Final approved budgets from our two primary funding sources had a positive impact on the budget plan. The County approved an increase of \$26 million and the State cuts were less than initially anticipated resulted in the following action.
 - Reinstate Tier 4 reductions from the 2011-2012 proposed budget as well as a few items in Tier 3.
 - Reinstate Tier 5 reductions from the 2010-2011 Budget as well as some critical items in Tier 3 (primarily around teaching staff).
 - Permanently fund the ARRA cliff and use one-time funding for critical projects that were suitable for one-time funding.
 - Prepare for projected increase in the discretionary reduction in next year's budget. We are more informed than we were last year but there is opportunity for the Legislature to make changes when they are in session.
- Preparation of the EduJobs Funding Cliff: The plan to use the EduJobs funding allowed CMS to delay the remainder of the Federal ARRA cliff until the 2012-2013 year and avoid a reduction in force in the 2012-2013 school year.
- Key Highlights:
 - After four consecutive years of multimillion-dollar cuts and redirections within our budget (more than \$212 million since FY 2009), CMS is at a critical juncture. We do not want to lose ground we have worked hard to gain and we must begin rebuilding in core areas to prevent declines in our academic progress.
 - CMS continues to absorb increases in operating costs such as utilities and employee benefits, costs we do not control but must pay, which reduces the amount we can spend on each student.
 - CMS continues to optimize resources and identify efficiency savings as well as budget cuts and redirections (\$23.3 million for 2012-2013) to help cover rising costs and anticipated State cuts.
 - Strategically planning ahead for the EduJobs funding cliff coming in 2012-2013 prevented the need for a reduction in force or other unplanned cuts.
 - Recruitment and retention of highly effectively staff is critical to help move academic achievement forward, thus this budget includes a 3% cost of living increase for our staff who have continued to deliver strong results while not receiving a salary adjustment in nearly four years (seeking increased funding from the County for 2% of that cost – less any amount the State may provide).
 - CMS is also seeking money from the County to help pay for some of the costs for

sustaining operations, including a cost of living increase and enrollment growth. These increases are consistent with those areas the County is planning to fund in their 2012-2013 Budget.

- If the County fully funds the request of \$355.9 million, CMS will receive only \$4.5 million more than the highest ever County funding level reached in 2008-2009 but would be almost \$400 per pupil less than the 2008-2009 per pupil County funding level due to enrollment growth.
- The budget proposal is based on the best information available at this time and is subject to change based on final approved funding from all sources.
- CMS will continue to align resources with the Board's Theory of Action for Change, Core Beliefs, and the *Strategic Plan 2014* goals including those strategies that helped CMS increase academic achievement, close the gap, and improve the graduation rate.

• Superintendent's Proposed 2012-2013 Budget:

	\$	\$
County	355,862,561	
State	673,508,028	
Federal/Other Grants	137,121,206	
Other and Special Revenue	29,377,331	
Total Operating Budget		\$1,195,869,126
Capital Replacement	4,960,000	
Child Nutrition	64,211,098	
After School Enrichment Program	13,927,596	
Total Proposed Budget		\$1,278,967,820

• Comparison to Prior Year:

	\$	\$
2012-20123 Proposed Operating Budget	1,195,869,126	
2011-2012 Adopted Operating Budget	1,169,398,626	
Increase		\$26,470,500 / 2.3%

• Proposed 2012-2013 Budget Sources:

- State: \$673.5 million or 56%.
- County: \$355.9 million or 30%.
- Federal: \$137.1 million or 12%. Federal funding continues to decline as a result of the stimulus and EduJobs funding.
- Other and Special Revenues: \$29.4 million or 2%.

• Proposed 2012-2013 Budget Uses: 83% of the budget is dedicated to salaries and benefits.

- Salaries: \$743.4 million or 62%.
- Benefits: \$251.8 million or 21%. This is a 20% increase from last year and most of those benefits are State defined and mandated.
- Purchased Services: \$120.2 million or 10%.
- Supplies and Materials: \$58.6 million or 5%.
- Furniture and Equipment: \$1.6 million or just under 1%.
- Other: \$20.3 million or 2%.

• Proposed Budget Spending:

- Schools: 983.5 million or 82%.
- Support – Schools: \$113.9 million or 10%.

- Central Office: \$98.5 million or 8%. Down 1% from last year.
- Proposed Budget Reductions and Redirections:

County Reductions and Redirections	\$	\$
• Adjust Bell Schedules	624,150	
• Reduce utilities consumption	1,143,758	
• Reduce Central Office – salary and benefits	937,523	
• Reduce Central Office – contracted services	248,623	
• Reduce Central Office – supplies	195,735	
• Reduce contracted legal fees	163,424	
• Eliminate leased space cost	518,650	
• Eliminate contracted staff for operating schools information lines	150,650	
• Reduce transportation – adjust for efficiency rating	1,545,300	
• Adjust budgeted average salary	3,891,984	
• Reduce extended day allotment to schools	257,188	
• Eliminate DIBELS and utilize RTI Universal Screening Tool	651,321	
• Eliminate TIF-LEAP local funding match	22,896,621	
• Reduce New Leaders for New Schools Program contribution	999,335	
• Reduce funding for Magnet expansion materials – p/y needs	93,345	
• Eliminate teachers for Zones – 25 teachers	1,237,658	
• Reduce local Exceptional Children funding	862,699	
Total County		\$16,417,334
State Reductions (anticipated at this time)		
Reduction - Eliminate 115 positions allocated to zones		6,877,309
Total State and County Reductions and Redirections		\$23,294,643

- County Budget Update: Growth revenue projected at \$35 million. Areas the County is planning to fund in their 2012-203 budget include debt service fund; salary increases (2% for 2012-2013 and annualizing 2011-2012 2% increase); medical and dental increase; restoring 5% employer match for employee 401K/457b retirement accounts; utilities, fuel, and fleet maintenance cost increases; Call Center upgrade; Medicaid Utilization Management Services; Health Department start up costs; additional Human Resources staffing; and various other cost increases (economic development, ADA compliance, NACO conference costs, etc.).
- Factors increasing the 2012-2013 Proposed Budget:

Sustaining Operations	County	Total
Salaries and Benefits:		
• 1% Cost of living increase (funded from redirections)	\$7,480,112	\$8,169,884
• Additional 2% cost of living increase and Market Adjustment	18,555,613	19,935,157
• Estimated Health Insurance Increase – 5.3% (\$4,931 to \$5,192)	720,477	4,309,739
• Estimated Retirement Rate Increase (13.12% to 14.31%)	2,053,116	8,204,920
Program Continuation:		
• CMPD School Resource Officer Contract Increase	2,078,728	2,078,728
• Utilities Rate Increase	1,838,100	1,838,100
• Charter School Rate Adjustment	1,121,122	1,121,122
• Response to Intervention (RTI) – Universal Screening Tool	645,362	645,362
• Communities in Schools - Cost Model Adjustment	71,669	71,669
• Project L.I.F.T. Support	205,364	4,255,383
• Insurance Increase	108,771	108,771
• Deferred Maintenance	999,335	9,000,000
• Mobile Unit Movement	93,345	1,800,000

• Common Core support	-	3,722,104
Total Sustaining Operations	\$34,878,434	\$65,260,939
Student Growth: Enrollment Increases		
CMS Enrollment – Staffing and Non-Personnel (1,998 students)	\$2,110,291	\$10,402,200
Charter School Enrollment – per student pass-through (995 students)	2,191,39	2,191,139
Total Student Growth	4,301,430	12,593,339
Total Sustaining Operations and Growth	\$39,179,864	\$77,854,278
New Initiatives:		
• Attracting/Retaining High Performers	\$125,000	\$125,000
• Truancy Court Expansion	75,000	75,000
• High School Class Size Adjustment – 9 th Grade	3,023,430	3,023,430
• Instructional Technology Facilitator Positions for High Schools	1,322,500	1,322,500
• Multimedia Support	215,000	215,000
	\$4,760,930	\$4,760,930
Total New Initiatives		
Total Sustaining Operations, Growth and New Initiatives	\$43,940,794	\$82,615,208

• Superintendent’s Proposed 2012-2013 County Budget Request:

2011-2012 Budget		\$328,339,101
Redirections/Reductions		(16,417,334)
Sustaining Operations	34,878,434	
Student Growth	4,301,430	
Program Expansion and New Initiatives	4,760,930	
Total Needed for Sustaining, Growth, and New Initiatives		43,940,794
2012-2013 County Budget Request		\$355,862,561
Increase Requested from County		27,523,460

- Child Nutrition 2012-2013 Proposed Budget - \$64,211,098: Lunch prices this year will increase by .05 as a result of the new federal law passed last year.
- After School Enrichment Program - \$13,927,596: No fee changes anticipated this year and will operate at breakeven.
- Framework for Budget Development:
 - Align resources to support *Strategic Plan 2014*.
 - Keep strong academic focus coupled with data driven decision making.
 - Recognize and plan for the impact of the economic environment and employ sound fiscal management.
 - Acknowledge uncertainty regarding expected funding levels from all sources, but use best information available to prepare plan.
 - Identify efficiency savings as well as reductions and resource redirections to offset rising costs.
 - Request funding from County for some sustaining operations cost increases (including cost of living increase and student enrollment growth).
 - Establish flexibility in the budget to allow for various reduction levels.

Ms. Shirley provided the Board with information regarding per pupil expenditure (North Carolina is ranked 5th at \$8,572 compared to a national average of \$10,770 and the CMS budgeted per pupil expenditure over the last ten years has decreased 4.4%); student enrollment; the costs associated with economically disadvantaged students, Limited English Proficiency students, and homeless students which has risen rapidly in the last few years; employer benefit cost trends; historical data regarding salary increases; historical budget

reductions by area; and sources of revenue trends.

Mr. Hattabaugh asked what has been the return on past investments and is CMS at a critical juncture academically? Three major output measures are academic achievement, closing the achievement gap, and graduation rates and having students career or college ready. Mr. Hattabaugh reviewed Math and Reading Proficiency results from the 2008-2009 school year compared to the 2009-2010 school year in which there were significant percentage point increases. From the 2009-2010 school year compared to the 2010-2011 school year, the results are flat or showing a regression in increases with the exception of 4th grade Math and Reading in 7th and 8th grade which experienced a slight increase. The proficiency results of the subgroups are important for closing the achievement gap and CMS made headway from the 2008-2009 school year to the 2009-2010 school year but showed a regression for the 2010-2011 school year. CMS is slowing down on closing the achievement gap. The results of End of Course proficiency is very telling and CMS showed a decline in all courses except Physical Science which remained flat. Mr. Hattabaugh provided the Board with additional information regarding SAT tests taken, Advanced Placement tests, ABC results, and percentage of schools making expected or high growth which declined to 89% in 2010-2011 compared to 94.7% in 2009-2010.

Mr. Hattabaugh said after four consecutive years of multimillion dollar cuts and redirections within our budget equating to \$212 million since 2009, CMS is at a critical juncture. We do not want to continue to lose ground with academic achievement and it is necessary to rebuild in core areas to prevent continued declines and not meeting projections outlined in the *Strategic Plan 2014*. CMS will continue to align its resources with the Board's Theory of Action for Change, Core Beliefs, and *Strategic Plan 2014* including the strategies that helped CMS increase academic achievement, close the gap, and improve graduation rates. Mr. Hattabaugh said CMS hopes the citizens of Mecklenburg County will recognize the value of an outstanding school district, the importance of that on the economic development in our area, and will actively support our funding request. Mr. Hattabaugh reminded the Board there will be a Board Budget Work Session on March 19, 2012 and that will be an opportunity for the Board to discuss changes to the budget. He asked Board members to submit budget recommendations to him prior to the meeting.

Chairperson Ellis-Stewart thanked staff for the report and she invited Board members to ask questions or make comments.

- Ms. Lennon asked questions regarding charter school enrollment projections and per pupil funding. Ms. Shirley said CMS gets enrollment projections for charter schools within Mecklenburg County from the State and that enrollment is expected to rise by approximately 1,000 students next year. Ms. Shirley reviewed per pupil funding and noted that it is based on items purchased or expended in schools.
- Mr. McElrath said teachers have not had a salary increase in four years and with the rising costs of gas, groceries, and benefits teachers have actually taken a cut in salary.
- Mr. Tate said the budget request does not include everything that CMS needs to keep moving forward and it will not allow CMS to see a reversal of the academic decline. Mr. Hattabaugh said the request is moving in the right direction but it is not enough to recoup from the \$212 million in CMS budget cuts because in reality we are receiving \$24 million less from the County than we did in 2008-2009. This is a reasonable request based upon the economic picture of the County and State. CMS has made budget

reductions in schools and Central Office, and we are not able to provide the same services. All staff has been stretched but our staff has been resilient. We are at a critical juncture. In order to keep our best and recruit the best we must support our staff and teachers and this is not enough to maintain the gains that we have made over the last few years. Mr. Tate commended teachers and staff for their hard work because we are doing more with less. Mr. Tate asked staff to correct page 14 in the budget book regarding Theory of Action for Change, the second paragraph references management performance and it should be managed performance. Mr. Tate said the Board should review this because based on the performance philosophy this may be accurate. Mr. Tate asked regarding the increase in benefits, does the State fund that increase? Ms. Shirley said the State funds the State funded employees but CMS has a number of locally funded employees and we must match that increase. Mr. Tate expressed concern about the reductions for New Leaders for New Schools because that has been the pipeline for strong principals. Mr. Hattabaugh said New Leaders for New Schools is phasing out this year but we will continue to fund ten positions for principal interns and provide the Leadership facility with utilities which will equate to approximately \$900,000. We cannot continue to support that initiative at the current level because we must redirect dollars for Common Core and teacher preparation. In addition, we have programs at Winthrop and Queens which we utilize to recruit principals. We must continue to make hard budget decisions each year and this year we are cutting 115 positions across the District. We must review return on investment and last year New Leaders for New Schools Program only provided CMS six principals. It is difficult to continue to support this initiative using only local dollars because previously CMS had other supports and donors in conjunction with the initiative. Mr. Hattabaugh said if the Board wants to continue with this program we will have to redirect funding from another area.

- Mr. Morgan asked has there been any movement on the Federal EduJobs funds and what is your comfort level regarding the State Biennial Budget? Ms. Shirley said she has not heard anything new about the EduJobs funding and she believes it will not be replaced. She is comfortable with the framework of the Biennial Budget because the State revenues are on target. Mr. Morgan said the Board has heard from parents regarding the late bell schedule and this recommendation does not include changes to the bell schedule. He said if the Board wants to make changes to the bell schedule the Board would have to redirect several million dollars from another line item in order to make those changes. Mr. Hattabaugh said, yes, the Board would have to find approximately \$3.6 million from another area and in addition CMS would lose its efficiency rating of 95.42% which has allowed CMS to show an additional \$1.5 million in savings. Mr. Morgan expressed concern that the City of Charlotte is increasing the CMS contract for school resource officers because CMS also has partnerships with the surrounding towns and they are not imposing an increase for the use of school officers. Mr. Morgan commended the work of Mayor Foxx last year when he came to the defense of CMS which allowed CMS to avoid an increase last year. Mr. Morgan encouraged the Board to talk to members of the City Council about this item because it is a major cost and a bone of contention and if we are not successful he hopes the Board will consider other law enforcement options. Mr. Morgan said in the past few years the Board has had to make hard decisions regarding transportation cuts, closing or consolidating underutilized schools, and charging students for academic tests and to play sports. Mr. Morgan said these decisions have not been popular in the community and he asked why does the proposed budget not restore any of

those items? Mr. Hattabaugh said we aligned the budget priorities to the Core Beliefs to have effective leaders and effective teachers in the classroom. CMS staff has not had a salary increase in four years and that is an essential piece if we want to keep those people and recruit the best. Mr. Morgan said this budget provides us an opportunity to send the message that we value our employees.

- Dr. Waddell said the budget does not reflect the savings from the closed schools? Ms. Shirley said the costs are embedded throughout the various areas that were impacted such as non-instructional staffing and utilities and most of those savings were in last year's budget. Dr. Waddell asked what will be eliminated should we not get the funding request from the County? Ms. Shirley said we would evaluate that based upon the funding level and some of the new initiatives are small amounts but the cost of living increase for the employees is a top priority. Dr. Waddell asked question regarding the extended day program, the decline in the number of economically disadvantaged students taken tests, and Ms. Shirley responded. Dr. Waddell said the salary increase is important because she has heard from the community that they are concerned about employees not having a salary increase in four years.
- Ms. McCray thanked staff for the report and she also thanked the employees for hanging in there with CMS and persevering, and hopefully we can come through for them this upcoming year. Ms. McCray asked questions regarding purchased services and the reductions at Central Office. Ms. Shirley said purchased services are primarily contracted services for various departments. The reductions at Central Office include the elimination of twelve positions. Ms. McCray asked how many positions will be added if the 9th grade class size is adjusted? Mr. Hattabaugh said it is approximately sixty-two positions. Ms. McCray asked and how many technology facilitator positions? Mr. Hattabaugh said twenty-three.
- Reverend Stinson-Wesley asked is there a savings for eliminating Dibels and moving to RTI? Ms. Shirley said we are proposing a redirection of those funds.
- Mr. Davis expressed concern about the EduJobs funds because it appears we have an uncoordinated set of funders who do not talk to each other and the impact of their decisions are not made apparent until it lands on our schools. And, as a result the school system must rearrange funding constantly to attempt to provide a stable environment for our employees and students. In addition, the health care and retirement costs are killing us because it costs us more each year to employ fewer employees to teach our students. We need our State to face that reality and restructure the cost of our benefits because we are taking from our current students' education to fund health care and retirement. Mr. Davis expressed concern about the budget reductions the Board had to approve to remove from the budget because they are good for our students but CMS could not afford those items because we do not have funding authority. Mr. Davis said it is counterintuitive of our citizens to think why would you vote to remove something that you support? The answer would be because we do not have the ability to raise revenue. The County anticipates \$35 million more in revenue without raising taxes and they plan to use a major portion of that to provide increases and salary to their own staff like they did last year when our staff suffered through a third year of no salary increase. Mr. Davis expressed concern that after they finish funding their own needs they have less than \$1 million to provide additional funds to the students of CMS. CMS is only asking for our employees the same thing that the County is providing for their employees. Mr. Davis urged the Board, staff, and the citizens to go to Raleigh and the County to ask them to

support our teachers. Mr. Davis also expressed concern about the elimination of the New Leaders for New Schools because a core of our reform is effective principal leadership and effective teachers. Mr. Davis highlighted that all high schools will benefit from this budget because it is asking for additional 9th grade teachers to teach our students and every family will benefit if we are able to increase compensation for our teachers. Mr. Davis said this budget is based upon the best information available at this time and if the County has questions they should contact Ms. Shirley or the State officials and this will eliminate the accusations of last year. Mr. Davis said the most important item of the budget is found on page 64. The Superintendent has stated he prepared this budget in alignment with the Board's Theory of Action for Change and if there is any desire by the Board to change that we must do that now and it is incumbent upon the Board to state this now because the budget and the Superintendent Search is riding on that decision.

- Ms. Lennon said the community is interested in the County and State per pupil funding and she would like to see a comparison of the State funding per county along with the County funding. She would like a comparison of Mecklenburg County State and local funding versus other counties in the State. Ms. Shirley said this is in the Department of Public Instruction statistical profile.
- Chairperson Ellis-Stewart thanked staff for their time and effort in developing the budget. The budget is one of our greatest policy statements and one of our greatest desires is to recognize the work of our teachers through a cost of living increase. She is concerned about attrition and the number of quality staff who are retiring and a cost of living increase will positively impact the classroom. Mr. Hattabaugh discussed the importance of being able to attract quality teachers, compete with the private sector, and provide a competitive compensation package. Chairperson Ellis-Stewart said public education is a key economic driver for this region and the community and elected officials should look at the cost of educating children on the front end as opposed to correcting them in the correctional system when they do not receive the type of education that is necessary to be productive citizens. The cost to educate students in Mecklenburg County is \$8,500 on average per student versus \$33,000 annually for incarceration. To educate is a preventative measure and a great return on the investment. Chairperson Ellis-Stewart asked are we measuring high growth the same this year as previous years? Mr. Hattabaugh said, yes, these are value-add measures that are used by the State. Chairperson Ellis-Stewart said last year two focus areas of the budget were middle school sports and Bright Beginnings, and she asked what is the plan to continue middle school sports and the plan to track the success and effectiveness of Bright Beginnings? Mr. Hattabaugh said we are on solid ground for middle school sports at this point due to a sponsor who donated \$250,000 this year. In addition, the costs for middle school sports decreased because we had three fewer middle schools which saved the costs of the coaches. The participation fees have been redirected and the \$1.00 surcharge at the schools was used to offset the \$400,000 in costs for the high school athletic program. Staff believes we are okay for the ensuing year without sponsorship. Mr. Hattabaugh said he is concerned that at some point there may be a shortfall and he has asked staff to do a cost analysis of the sports program. Following that report, we may need to increase the participation fee so that we will not have to rely on sponsors in the future. He would prefer to make it a viable and sustainable program and an increase in participation fees may sustain it over a period of years. Mr. Hattabaugh will report back to the Board on middle school sports soon. Mr. Hattabaugh said regarding Bright Beginnings, through

the Accountability Department CMS submitted a Request for Proposal and we have an outside evaluating group evaluating Bright Beginnings over the next several years. We are asking Bright Beginnings to submit data points as requested to do a long term evaluation. Mr. Hattabaugh believes PreK really impacts over 3,000 students per year in preparation for kindergarten. We will get the data to track students to third grade and if they are successful in third grade that gives them an opportunity to be successful, graduate on time, and be career or college ready. Chairperson Ellis-Stewart said the last salary increase for CMS employees was in 2006-2007. Ms. Shirley said that was a State imposed salary increase and CMS had to match the increase for the employees who were locally funded. Chairperson Ellis-Stewart said this budget request does not represent everything CMS needs to move forward academically but it is a start. She said this budget information puts a snapshot on the last twelve months and she believes it would be more impactful to communicate the budget as a future statement. Communicate not just the next twelve months but what will happen over the next twelve months, twenty-four months, thirty-six months, and the life of this District. We need to review the budget globally because we are being impacted by technology and Common Core as well as State and Federal initiatives. She encouraged staff to craft that message in order to have a better understanding of what we need to push student achievement and conduct business in a different way.

D. Review of Board and Staff Relations, as requested by Rhonda Lennon, District 1 Board member

Correlation to Board of Education Theory of Action for Change: Schools will be given as much flexibility as practicable to implement effective teaching and operational methods within the standards established by the Board and Superintendent

Chairperson Ellis-Stewart called upon Rhonda Lennon to introduce the Review of Board and Staff Relations. Board members Davis, Morgan and Stinson-Wesley support having this item on the agenda, as required by Bylaw BEDB, *Agenda*.

Ms. Lennon said because of recent events involving staff members, Employee Relations, and Board members she asked that this be added to agenda so we as a Board could publically discuss our thoughts about how Board members conduct themselves and interact with staff at this dais and other settings. Ms. Lennon shared her thoughts on the topic. Effective communication is essential to any high performing organization. Board members must be aware they may be perceived as a person of authority when interacting with staff. Board members must remain mindful of this perception when talking with staff and teachers. Perception refers to the way you see others as well as the way others see you. This mental image impacts how others interpret messages that we send and how you interpret the behavior of others. Perception can completely change the message from the time it leaves the sender until it is received by the listener. Perception often becomes the reality. We, as Board members, must be held to a higher standard because of our position. When we question a teacher or staff member at this dais we need to be respectful, address them by name, allow them time to answer a question before asking another, and keep our questions appropriate to the topic being presented and the position of the presenter. Asking repeated questions and not allowing someone to finish their answer gives a perception that they are being badgered and that could be deemed as a threat. When Board members tour and visit schools we must follow the school's rules. Ms. Lennon said when she tours schools she is

usually accompanied by senior staff and the school principal but when we visit schools we distract teachers from teaching and students from learning. She said each Board member has their own style and own way of touring schools and we have a right to visit schools but when visiting schools we are a disruption to that school. Most important, when visiting schools it is important to have dialogue in a polite manner or otherwise it could shut down effective communication and cause the staff member to feel threatened. Ms. Lennon said when the Board is voting and taking action, she believes the Board owes the public the opportunity to see the Board do the work of the people in public. In her opinion, the Board has the responsibility to share their thoughts with the public from the dais. The public should hear from the Board in a public setting while they are making the decisions they are making.

Ms. Lennon said in terms of Board policies on these types of issues, she has asked Tom Tate, Chairperson of the Policy Committee, to share the policies pertinent to this discussion with the Board.

Mr. Tate thanked Ms. Lennon for bringing this to the Board and it is important to put this in a policy framework. The Board of Education over the past seven or so years has been through a variety of training experiences and has either written or revised policies in order to ensure the Board was doing what they needed to do. Mr. Tate said with the guidance of our policy administrator, Sarah Crowder, he compiled a list of policies for the Board and it would be best for the Board to review those individually in order to discuss them at a future meeting or at the Board Retreat follow up meeting scheduled for March 16, 2012. Mr. Tate said when he joined the Board, the Board was going through training with the Center for Reform of School Systems and that helped lead the Board through proper protocol. At this point, he is the only Board member who has had that training and it would be helpful for the Board to discuss the Board policies on Code Ethics, Duties of the Board, and Duties of Board Members. Mr. Tate believes the Board should review the policies to ensure we understand what they mean and he provided the Board members copies of the policies.

Chairperson Ellis-Stewart thanked Ms. Lennon and Mr. Tate for their comments. She reported the Board would have time at the March 16, 2012 Board Retreat follow up meeting to discuss this topic and redefine some of the terms discussed at the January Board Retreat that are essential to the next phase of the Superintendent Search. She believes it is important to discuss how we work with one another to ensure our time together is effective, whether at the dais or behind the scenes, because the decisions of the Board impact the lives of our students and staff. To the extent that we can have conversations that are effective and focused on constituents the more effective we will be in this work. We should focus on the needs of our students as we do our work. Chairperson Ellis-Stewart invited Board members to make comments.

- Mr. Davis said he appreciates the comments of the Chair and his colleagues but the Superintendent shared with the Board the feelings of members of our staff and whether it was a misunderstanding or lack of communication they did not feel appreciated. It is important for the Board to say thank you to our staff and make them feel appreciated. Mr. Davis said it is his job as a Board member to support our Superintendent and our staff and he will do that until his last day on this Board. Mr. Davis said from time to time the Board misunderstands each other but we must be clear when we are talking to our staff because they are working hard each day to get the job done for us. We must be

more mindful of that and do the things the Chair has suggested with each other and staff. When we send the wrong message, we should correct it individually and corporately. Mr. Davis said he spoke with the Board members involved in this situation and they have an honest recollection of the incident. In addition, they have a deep seated belief that the path that CMS has been on for the last five or six years may be wrong. It was voiced that if Project L.I.F.T. succeeds than it will mean we can education students anywhere regardless of our student assignment plan and we should go back and make student assignment our primary objective. Mr. Davis said everything hangs on the Board's commitment to the Theory of Action. If a Board member believes we are on the wrong path then they should put an item on the agenda for the next Board meeting describing the alternative path we should take and have the Board vote on it. The Board is scheduled to approve a budget and hire a Superintendent based upon the current Theory of Action and it would be unfortunate to take that action and then change the Theory of Action. The last vote the Board took was to approve the Theory of Action strategy, that is still in effect, and we owe it to ourselves and our students to back it with all our energy.

Chairperson Ellis-Stewart said the Board did have a vote on the Theory of Action for Change but we also had significant discussion saying there were many items that needed further clarification and definition. Mr. Davis said when did we vote on it? Chairperson Ellis-Stewart said we agreed that we would support it at the Board Retreat. Mr. Davis said then our actions need to back that up. Chairperson Ellis-Stewart said at the Board Retreat the Board talked about the need to further define the terms listed on the Theory of Action and what they mean to us as we implement and go about the business of educating students. Having those discussions does not mean we are changing that direction. Chairperson Ellis-Stewart said a theory is great but the devil is in the details and those are the pieces that we need to have further conversation about as a Board and as we talk with our staff. We should discuss the details of what we are doing and what the long term and short term impact will be for students. Because, at the end of the day is it about the Theory of Action or about educating students to the best of our ability and preparing them to be career and college ready? Chairperson Ellis-Stewart said she believes that should be the focus of the Board's work and where our efforts hinge.

- Mr. Tate hopes this will be discussed at the meeting on March 16, 2012. Mr. Tate provided clarification on the development of the Board's Vision, Mission, Core Beliefs and Commitments which led to the development of the Theory of Action. The Board directed the Superintendent to develop a Strategic Plan for action based upon those documents. The Board has a Theory of Action and it is not a strategic plan but a direction. The Board does not decide the strategic plan but employs a Superintendent who will develop a strategic plan to move all children forward in the best way based upon the Board's Theory of Action for Change, Vision, Mission, and Core Beliefs. The Board decides the Theory of Action for Change and the Superintendent develops the Strategic Plan and we must keep those in the right order. The Board can disagree with the Superintendent about the Strategic Plan and that is the area in which the Board can have dialogue.
- Mr. Davis asked did he hear from the Chair that the Board is committed to the Board's Theory of Action for Change and we stand behind it but we may want to make minor changes to it? Chairperson Ellis-Stewart said at the Board Retreat the Board said they

are committed but some Board members indicated they wanted to have further dialogue and we are committing ourselves to that process.

- Mr. Morgan addressed concerns regarding the Board's agreed upon commitment to the Theory of Action and Project L.I.F.T. If the Board is going to have continued dialogue about our commitment to Theory of Action, we may also need to discuss Project L.I.F.T. which also received a 9-0 approval because he continues to hear concerns about Project L.I.F.T. Do we need to discuss the Board's commitment to Project L.I.F.T. or is the fact that we had a 9-0 Board vote serve as the Board's commitment and the message we are sending to the community and our funding partners? Mr. Morgan said our staff is developing a budget which supports the Strategic Plan which was developed from the Board's Theory of Action. Chairperson Ellis-Stewart said the Board voted to support Project L.I.F.T. and that does not preclude members of this Board from asking clarifying questions about what we are doing and how we are doing it.
- Dr. Waddell said this conversation is becoming a personal attack and that is not healthy. The Chair has stated this will be discussed at the March 16th meeting with the assistance of a facilitator and she would prefer continuing this discussion at that meeting.
- Ms. Lennon said this is not personal but a discussion she felt the Board should have in public. The meeting on March 16th will not be televised and it was scheduled last minute and some of the Board members may not be able to attend the full meeting. She wanted this discussed today because she has concerns about how Board members speak to staff. Ms. Lennon expressed concern that she is now confused regarding the discussion on Theory of Action and she needs clarity. The Board's budget is built on the Theory of Action, the Board is hiring a new Superintendent and the profile is based on the Board's Vision, Mission, Core Beliefs, and Theory of Action for Change, we have candidates who have applied for the Superintendent's position which the application process closed last week, and we as a Board publically need to be reassuring everyone that we are operating under the Vision, Mission, Core Beliefs and Theory of Action for Change.

Chairperson Ellis-Stewart said she would refer to the minutes from the Board Retreat which was just approved and it is clear where people indicated their support. It is also clear that the Board indicated they wanted to have further discussion relative to the Theory of Action and how it impacts our ability to hire a Superintendent by further defining and clarifying terms such as change agent, reform, and equity. Ms. Lennon asked does that mean the Board will revise the Theory of Action for Change at the March 16th meeting? Chairperson Ellis-Stewart said we can anticipate that the Board will have a conversation facilitated by a facilitator where we will further define those items mentioned as it relates to what we do going forward. This was discussed at the January Board Retreat and the Board agreed they had an interest in doing this as we move forward. In addition, the Board discussed using the guidelines of dialogue versus debate, being open to hearing other people's points of view, and allowing people to put their perspective on the table, and to do so in a way that is beneficial for this body. Ms. McCray noted that the facilitator sent Board members a copy of the agenda for the March 16, 2012 meeting and she invited Board members to add items to the agenda for discussion. Ms. Lennon said she would like to confirm if the Board will be revising the Theory of Action for Change? Chairperson Ellis-Stewart reported the agenda for the meeting does not include revising the Theory of Action.

E. Report on Teacher Incentive Fund-Leadership for Educators' Advanced Performance (TIF-LEAP)

Correlation to Board of Education Theory of Action for Change: Support innovation through the sharing of best practices and effective allocation of resources.

Chairperson Ellis-Stewart called upon Ann Clark, Chief Academic Officer, and Susan Norwood, Executive Director TIF-LEAP, to present the report on Teacher Incentive Fund-Leadership for Educators' Advanced Performance.

Ann Clark reported CMS is close to the end of the five year journey with the Teacher Incentive Fund-Leadership for Educators' Advanced Performance (TIF-LEAP) initiative even though we have recently received notification of an additional funding opportunity on the horizon. This report will provide the Board an update on the status of the TIF-LEAP initiative and its alignment and intersection with the *Strategic Plan 2014* as well as many of our other human capital teacher effectiveness efforts that are underway in the District. Ms. Clark said the Board could find additional information regarding the TIF-LEAP initiative at the CMS Website and she called upon Susan Norwood to highlight the TIF-LEAP initiative.

Susan Norwood said we are at the end of the TIF-LEAP journey and there have been a few bumps in the road but overall we have seen progress. CMS was awarded the TIF-LEAP grant in 2007 to launch a pay for performance program within the District. The program was implemented in the 2007-2008 school year and it was funded by the Federal government. The original appropriation was \$99 million of which CMS received almost \$12 million. To support this important initiative, CMS partnered with the Community Training and Assistance Center (CTAC), a national leader in the field of performance-based compensation system development and evaluation. Since that time the initiative has been expanded and supported with the American Recovery and Reinvestment Act and up to \$600 million was federally invested on teacher innovations and compensation reform. When the program was started CMS developed four goals that were aligned with the Department of Education

- TIF-LEAP Goals:
 - Create a compensation system for teachers and principals that provide differentiated levels of pay based on student achievement gains and teacher/principal evaluations, including multiple observations.
 - Support the recruitment and retention of qualified teachers and principals in hard to staff schools and subjects.
 - Align and improve support systems to achieve these goals.
 - Increase the number of highly effective teachers and principals to levels that allow for expansion, evaluation, and sustainability of a district wide achievement focused compensation system.

The design of the initiative was to build upon other initiatives that had been implemented locally such as the High School Challenge, Master Teacher, and local pay for performance efforts implemented prior to TIF-LEAP which were reward only incentives. In the first year of the TIF-LEAP grant, CMS made the strategic decision to move the program from the Human Resources Department which focused on compensation to the Curriculum and Instruction Department. In this effort we were not only reviewing rewarding teachers but also instructional reform. In the past five years there have been a number of other efforts in which this program is only a part of the bigger picture. TIF-LEAP has partnered with other

initiatives and made adjustments in efforts to make continuous improvement. The program began with broad based support and input from across the District via a Steering Committee consisting of senior staff, teachers and principals, and members of the major departments in the District. The initiative was developed in collaboration with our teachers and principals and through the work of the Steering Committee over the first year of the program they designed the Student Learning Objective process. The first year of the initiative began with six schools (Billingsville and Shamrock Gardens elementary schools; Martin Luther King, Jr., Sedgefield, Bishop Spaugh Community Academy, and Wilson middle schools). The first year was a planning year and teachers received a bonus based purely on the ABC model. In the second year, the initiative added the Student Learning Objectives and expanded to ten schools (Druid Hills, Highland Renaissance Academy, and Reid Park elementary schools and John Taylor Williams Middle School). The second year also included the ability to offer teacher recruitment bonuses and professional development and leadership stipends. In the third year the initiative expanded to twenty schools (Berryhill and Lincoln Heights elementary school; Business and Finance at Garinger, International Studies at Garinger, Leadership and Public Service at Garinger, Math and Science at Garinger, New Technology at Garinger; and E.E. Waddell, West Charlotte, and West Mecklenburg high schools) and those schools continued in year four. The plan was to continue through year five but as a result of school closings and reconfigurations and consolidation of the Garinger high schools the fifth year only included eleven schools (Berryhill, Billingsville, Druid Hills Academy, Highland Renaissance Academy, Reid Park Academy, and Shamrock Gardens elementary schools; Martin Luther King, Jr. and Sedgefield middle schools; and Garinger, West Charlotte, and West Mecklenburg high schools). For the last three years, teachers have had the opportunity to receive compensation for Student Learning Objectives and the local Value-Added measure.

- TIF-LEAP Components: This looked at ways to look beyond paying rewards but to also review methods to help teachers improve their instruction.
 - Improving Instruction: Through extensive data analysis, teachers identify learner-centered problems and develop specific Student Learning Objectives (SLOs) to address demonstrated needs and assess progress.
 - Increasing Achievement: A District developed value-added growth measure (VAM) that seeks to isolate a teacher's contribution to raising his/her students' test scores was piloted in TIF-LEAP schools. The District value-added measure is being phased out and being replaced with the State's Education Value-Added Assessment System (EVAAS) model.
- Student Learning Objectives: The components include population or which students are targeted and why; learning content or what curricular standards are included and why; interval or when during the year will the instruction take place and why; assessment or how will growth in student learning be measured and why; growth expectations or what expectations are set for each student and why; and strategies or what instructional strategies will be implemented and why. This process is focused on helping teachers to raise their expectations of students and most of the data indicated our students do outperform when teachers are asked to set a growth expectation. Teachers have been asked to share the strategies they are using during their SLO process in an effort to share processes that have been effective with other teachers.

Ms. Norwood provided the Board with an overview of the evolution of the Student Learning

Objectives which began in the 2008-2009 school year; alignment, accountability, assessment audit, and budget of the TIF-LEAP Program; and the TIF-LEAP student achievement results, payouts, and lessons learned.

- TIF-LEAP Accountability Performance Evaluations: In addition to meeting qualifying SLO and VAM criteria, participants must also receive adequate performance evaluations to be eligible for payout.
 - Principals and assistant principals must earn proficient or above on each overall standard of the North Carolina Executive: Principal/Assistant Principal Evaluation Process.
 - Teachers must earn proficient or above on each overall standard of the North Carolina Teacher Evaluation Process.
- TIF-LEAP Budget: \$4,697,516. \$3.8 million of the total budget will go directly to teachers and administrators or 75% of the budget.
 - TIF Total: \$1,811,157.
 - CMS Total: \$2,886,359.
- TIF-LEAP Payouts: Over the past four years, CMS has paid out \$7,232,739 directly to teachers and administrators.
- TIF-LEAP Lessons Learned:
 - Principal leadership dictates quality of program implementation and results.
 - Buy-in and commitment is greater when given the opportunity to self-select participation.
 - Students often perform better than the minimum expectations set by their teachers.
 - Some of our most effective teachers work in our high needs schools.
 - Additional targeted professional development is needed (e.g. assessing student progress, creating rigorous, yet attainable expectations, differentiating tasks based on baseline data, etc.).
 - Quality assurance measures and accountability protocols are necessary for fidelity, as indicated by year four audit results.

Ms. Clark said we have worked with twenty schools over the last five years and is this something we can take to scale in the 159 schools in CMS? Ms. Clark said we have shared the results of this initiative with the Working Teacher Design Teams and a Teacher Design Team is studying the Student Learning Objective as a possible measure to be considered for measuring the effectiveness of teachers. Ms. Clark said they get at least two calls per week from school districts throughout the country who are examining Student Learning Objectives and we are sharing our lessons learned with them. Ms. Clark said, for her, this is really a best practice and whether it is tied to compensation or not it is the direction we want to go beyond the next step of Data Wise for our District.

Chairperson Ellis-Stewart thanked staff for the report and their hard work on this project over the last five years and she opened the floor to Board members comments.

- Ms. McCray said she worked with this project and it was a great opportunity for our teachers in our high need schools who were doing a lot work but their schools were not meeting the ABC goals and therefore not receiving the rewards of other teachers in other schools. This was a great opportunity for them to showcase their abilities and receive additional compensation. Ms. McCray thanked staff for their hard work on this project.

- Dr. Waddell thanked staff for their hard work and she noted she had attended some of the Work Shops. As a part of this initiative, Board members were interviewed by the evaluators of the project and she asked did they receive the results of that evaluation. Ms. Clark said that feedback was a part of the process and the Superintendent received the results of that evaluation. Dr. Waddell said she would like to see the results of those interviews. Mr. Hattabaugh said he would make that information available to the Board.
- Mr. Tate said this was a good initiative and he asked did we find that teachers were more effective and student achievement increased as a result of the payouts to teachers? Ms. Clark said it is hard to tease that out since the Student Learning Objective focus on a small unit of instruction and the End of Grade and End of Course tests evaluate the full academic year. This initiative provided teachers with a better set of tools and we would like to extrapolate that teachers are better at writing student assessments and assessing, targeting, and monitoring students' weaknesses. Mr. Tate asked did we find a sustainable mechanism to fund this in the future? Ms. Clark said we have just received a new announcement for TIF funding and we are assembling a team to review that information to assess if it would be an opportunity to complement the work being completed by the Talent Effectiveness group because we do not want to move in a direction that is not fully aligned with the tactics in the Strategic Plan. We are hopeful that could be an additional revenue source that would allow us to refine work from our Teacher Design Teams. At this point the schools in the TIF-LEAP initiative will not continue next year and there will not be additional dollars available except for the payout for this current school year. Mr. Tate asked did we use the new tests that we developed last year in this process? Ms. Norris said, no, just the State tests. Mr. Tate asked additional questions regarding payouts, the efficiency level of the students, and lessons learned, and Ms. Norris responded. Mr. Tate said the results show that some of our most effective teachers do work in our high needs schools and they are doing an excellent job in making gains in student achievement at those schools.
- Mr. Morgan said based upon the achievement results, it appears it took the full four years in many incidences to show positive results and that is indicative that reforms can take time. Most people want immediate results but some reforms involve cultural changes at the school and that takes time to impact the school. Ms. Clark said just like in golf the more you play the better you get. Each year of the initiative, by the design of TIF-LEAP, measured added different components. The TIF-LEAP process was purposeful in design to inform the CMS Talent Effectiveness work. Mr. Morgan said he is intrigued by the idea of taking this to scale and he would like to know if there is a way to put a weight on the success of this program compared to the other initiatives in those schools such as Title I, weighted student staffing, and Strategic Staffing. The Board is making budget decisions and this information may help the Board make better decisions on where to put our resources. Ms. Clark said the national conversation now is around the concept of do you compensate staff for a best practice and how do you scale that to a full year. Mr. Morgan commended staff for their work efforts in juggling the various initiatives to ensure they are inter-related.
- Chairperson Ellis-Stewart said universities and higher education organizations use Student Learning Objectives and she asked what insight have you learned from them on how to implement, track, and monitor these on an annual basis? Ms. Clark provided clarification noting that the process is electronic and that has helped ensure efficiencies and we are continuing to learn from our partnerships with colleges.

VI. REPORT FROM SUPERINTENDENT

Mr. Hattabaugh reported that on March 6th he and Chairperson Ellis-Stewart spoke to the Joint Legislative Education Oversight Committee of the North Carolina General Assembly about our District's work on effective evaluation and compensation of teachers. Mr. Hattabaugh provided an overview of his comments and he noted we are looking forward to offering our perspective on these critical issues because we hope what we have learned can help the State shape a better compensation structure.

VII. REPORTS FROM BOARD MEMBERS

Rhonda Lennon congratulated the J. M. Alexander Science Team who recently placed Second at the North Carolina Regional Competition and qualified to participate at the State Competition. This is an example of how well the consolidation of J. M. Alexander and Davidson IB middle schools is going.

Joyce Waddell enjoyed attending the Collegiate Basketball Conference which included David Cox Road and Winding Springs elementary schools. Dr. Waddell said she has participated in seminars at schools and throughout the State on the importance of students eating healthy because it makes a difference on student performance. Dr. Waddell thanked the teachers for what they are doing in the classroom and she encouraged the Board to learn to work together, be respectful of each other, and to honor differences.

Tim Morgan reported the Intergovernmental Relationships Committee will hold its first meeting on March 14, 2012 at 2:00 p.m. at the Government Center.

Chairperson Ellis-Stewart thanked the parents who have E-mailed her regarding their concern about Year-Round School, the budget, and bell schedules. She has heard their concerns and later this month she will launch "Ericka on Education" in which she will visit throughout the community to hear from families. This information can be found on her Facebook page.

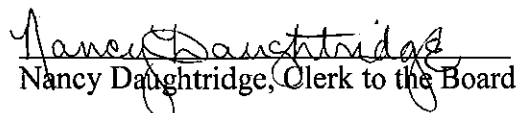
ADJOURNMENT

Dr. Waddell moved to adjourn the meeting, and by consensus, the Board agreed to adjourn the meeting.

The Regular School Board Meeting adjourned at 9:45 p.m.



Ericka Ellis-Stewart, Chairperson



Nancy Daughtridge, Clerk to the Board