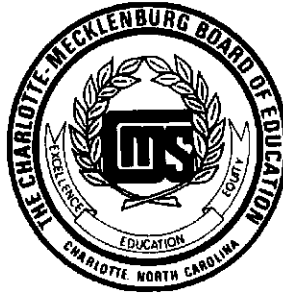


Approved by the Charlotte-  
Mecklenburg Board of Education  
February 12, 2013  
Regular Board Meeting



Charlotte, North Carolina

October 30, 2012

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

The Charlotte-Mecklenburg Board of Education held a Regular Board Meeting on October 30, 2012. The meeting began at 12:12 p.m. and was held in Room B210 at Mallard Creek High School located at 3825 Johnston Oehler Road, Charlotte, North Carolina 28269.

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;  
                  Dr. Joyce Davis Waddell, District 3;  
                  Tom Tate, District 4;  
                  Eric C. Davis, District 5; and  
                  Reverend Amelia Stinson-Wesley, District 6

Absent:        Richard Allen McElrath, Sr., District 2

Also present at the request of the Board were Dr. Heath Morrison, Superintendent; George E. Battle, III, General Counsel; 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 purpose:**

- 1. To discuss student information that is privileged, confidential and not a public record as set forth in Title 20, Section 1232g of the United States Code and Section 115C-402 of the North Carolina General Statutes;**
- 2. To consult with the Board's attorney on a workers' compensation claim against the Charlotte-Mecklenburg Board of Education filed by R. Wise;**
- 3. To consult with the Board's attorneys on a litigated matter involving StarQuartz Industries, Inc.;**
- 4. To discuss certain personnel matters; and**
- 5. To consult with the Board's attorneys on matters covered by the attorney-client privilege.**

**The motion was made pursuant to Sections 143-318.11(a)(1), (a)(3), and (a)(6) of the North Carolina General Statutes.**

The Board held a Closed Session meeting from 12:12 p.m. until 1:04 p.m.

Chairperson Ellis-Stewart reconvened the Regular Board Meeting at 1:15 p.m. in Room B210 at Mallard Creek High School. CMS-TV 3 recorded the meeting to be posted on the CMS Website

and televised at a later time.

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 Dr. Heath Morrison, Superintendent; George E. Battle, III, General Counsel; Members of Executive Staff; Judith Whittington, Manager of Board Services; and Nancy Daughtridge, Clerk to the Board.

## I. CALL TO ORDER

Chairperson Ellis-Stewart reconvened the meeting and welcomed everyone to the Regular Board meeting which was held at Mallard Creek High School. The meeting was held at this location as part of the Board's efforts to more fully engage the community in public education.

### A. Adoption of Agenda

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

**Dr. Waddell 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. Report on Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2012

Chairperson Ellis-Stewart called upon Sheila Shirley, Chief Financial Officer, to introduce the report on Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2012. Ms. Shirley noted Board members previously received copies of the 2012 Comprehensive Annual Financial Report and the Compliance Report for Fiscal Year Ended June 30, 2012. Ms. Shirley acknowledged the work of the staff in the Accounting Department because without their hard work and dedication CMS would not receive the positive results we receive year after year. Ms. Shirley introduced Aprille Belle, partner with Dixon Hughes Goodman LLP, to present the results of the financial audit results. Aprille Bell provided an overview of the results of the Financial Audit, Single Audit, and Compliance Audit.

- Letter of Transmittal: In compliance with the *Public School Laws of North Carolina*, the Comprehensive Annual Financial Report of the Charlotte-Mecklenburg Board of Education for the year ended June 30, 2012 is submitted. Responsibility for accuracy, completeness, and clarity of the report rests with CMS management. The report was prepared by the Finance Department following the requirements and guidelines prescribed by the Governmental Accounting Standards Boards. Dixon Hughes Goodman believes the financial data presented is accurate in all material respects and presented in a manner

designed to fairly reflect the financial position and results of operations of the Board of Education. All disclosures necessary to enable the reader to gain maximum understanding of the Board's financial activity was included. The Charlotte-Mecklenburg Board of Education complies with the requirements of the Single Audit Act for which separate reports were issued. CMS received an unqualified audit opinion which indicates CMS did not have any exceptions from accounting standards and the financial statements complied with the generally accepted accounting principles.

- Audit Procedures:
  - Deliverables.
  - Financial Audit.
  - Compliance Audit.
- General Fund Balance/Expenditure Review.
- Child Nutrition Program: The program has been profitable over the past several years and is profitable again this year. The federal revenues increased this year based upon free and reduced lunch applications and commodities and the food sales decreased slightly. Overall, the program posted good results and CMS maintained consistent expenditures in salaries, benefits, and food costs. This is noteworthy with the increase in the retirement rate.
- Review of Compliance Audit:
  - Major Programs:
    - Federal Programs: Teacher Quality Enhancement, School Improvement Cluster, Child Nutrition Cluster, ARRA – Race to the Top, and EduJobs Fund.
    - State Programs: State Public School Fund, Vocational Education – State Months of Employment, Vocational Education – Program Support, School Buses, More at Four Pre-Kindergarten Program, Smart Start, Driver Training, and Textbooks.
  - Findings: Overall good results. Dixon Hughes Goodman conducted the audit of compliance in accordance with auditing standards generally accepted in the United States of America and reached the opinion that the Charlotte-Mecklenburg Board of Education complied, in all material respects, with the requirements referred to that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. There was one finding related to a school fund (over-expenditure in a positional allotment in the amount of \$32,000). This is a noteworthy accomplishment given the number of programs audited.

Chairperson Ellis-Stewart thanked Ms. Belle and CMS staff for the report and invited Board members to ask questions and make comments.

- Dr. Waddell reported the Audit Committee met with Ms. Belle on October 25, 2012 and they asked the necessary questions at that time and were pleased with the responses. Dr. Waddell noted she serves a Chair of the Audit Committee and she recognized the Board members on the Audit Committee: Tim Morgan, Amelia Stinson-Wesley, and Rhonda Lennon. The minutes of the October 25<sup>th</sup> meeting have been completed and Board members will receive a copy. Dr. Waddell thanked Ms. Belle for her assistance in the financial audits.
- Mr. Morgan commended Sheila Shirley and her staff for their exceptional work and level of trust. He said in his three years as a Board member CMS has never had any significant audit issues and that is a testament to Ms. Shirley and her staff and the exceptional way they run the Financial Department.
- Mr. Davis said frequently some members of our community question the accuracy and validity of the CMS financial statements but each year CMS receives an unqualified report.

This is an example of the integrity of our school system, the Financial Department, our entire staff, and our ability to use the taxpayers' money wisely, account for every penny, and report on that spending. Mr. Davis said as a tax paying citizen, he has great faith in our school system and its ability to account for every dime it receives from State, federal, and local funds.

Dr. Morrison thanked Ms. Shirley and her department for their hard work and he congratulated the Board on their fiscal responsibility, budget leadership, and contribution to the clean audit.

C. Public Hearing on proposed Multi-Track, Year-Round Calendar for the Consolidation of University Park Creative Arts Elementary and First Ward Creative Arts Academy in the 2013-2014 school year

Chairperson Ellis-Stewart reported there were seven speakers and each will have three minutes to address the Board.

- Jane Webster, mother of 3<sup>rd</sup> grader at First Ward, thanked Dr. Morrison for reviewing the November 2010 decision and she urged the Board to approve Dr. Morrison's recommendation to not consolidate the two schools. She also thanked Tyler Ream for leading this effort and ensuring the Board had pertinent information.
- Maria Lamb, mother of a 3<sup>rd</sup> grader at First Ward, urged the Board to support Dr. Morrison's recommendation because the original decision was done amidst budget cuts. She urged the Board to not force students into another complicated calendar change and to keep both schools open and on the traditional calendar.
- Thadius Bonapart reported parents at University Park Creative Arts do not want the school closed, the school does not meet the CMS criteria for closing schools, and it would be too costly to let special interest take precedence over children's education.
- Kevia Monroe is an involved parent of students at University Park and she did not support the decision to close University Park. The Central Zone did the job before them but there are holes in the Multi-Track plan, it does not make sense, there are too many unanswered questions of what students will do when not in session, and there are busing complications. She urged the Board to not consolidate First Ward and University Park.
- Myocia Montgomery, parent of a student at University Park, commended the programs and staff at the school. Her child excelled and is now a violinist. She urged the Board to approve the Superintendent's recommendation.
- Karen Steele thanked Dr. Morrison and the Board for listening to the staff, students, and parents. She urged the Board to reverse the November 2010 Board vote and to let the two schools stand with their current programs. Both schools are great schools.
- Lauren Payne, parent of students at University Park, discussed how the school has transformed her family. Her son has special needs and he has been able to grow. She loves the school but also loves the unique opportunities of the Multi-Track schedule and partnerships with the Arts Community. She urged the Board to find a middle ground.

Chairperson Ellis-Stewart called the Public Hearing closed at 1:47 p.m.

## II. CONSENT ITEMS

- A. Recommend approval of Career Employee Terminations.
- B. Recommend approval of Career Status for Employee.

C. Construction Items:

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

*Staff recommends approval of easements, covenants, and/or right of ways to local utility departments, Charlotte and North Carolina Departments of Transportation, and local municipalities as required for construction at Myers Park High, Independence High, East Mecklenburg High, Vance High, Ranson Middle, Garinger High, and New ES (07-04) Winget/Lake Wylie Relief for the purposes of completing construction projects. Requested easements, covenants and/or right of ways follow the normal legal review and signature process for Charlotte-Mecklenburg Schools. The recommendation is made to facilitate timely processing of documents that may otherwise cause construction delays. Fiscal Implications: None.*

2. Recommend approval of Computer Lab Supplemental Cooling Project at Albemarle Road, Eastway, Francis Bradley, James Martin, J. M. Alexander, Mint Hill, Northridge, and Martin Luther King middle schools; Harding University, Olympic, North Mecklenburg, South Mecklenburg, and East Mecklenburg high schools.

*The projects provide supplemental cooling to thirteen computer labs on twelve different campuses across the district. Staff recommends the approval of this project to the lowest responsive bidder, Thermal Conditioning. The contractor agrees to provide the labor, services, equipment and materials needed to complete the projects. MWSBE Participation is 0% - Self-Performing. Fiscal Implications: \$213,146.70.*

D. Real Estate:

1. Recommend approval of resolution to lease certain property owned by Charlotte-Mecklenburg Board of Education in accordance with the specific terms set forth in Lease Agreements to be approved by the Superintendent.

*Under North Carolina General Statutes 115C-518 and 160A-272 in order for The Charlotte Mecklenburg Board of Education to lease specific properties to be approved by the Superintendent, the Board must first adopt this resolution. The property is the facility formerly known as Midwood High School. Fiscal Implications: CMS will receive \$1.00 per year for lease of the premises; however, lessee is responsible for all expenses associated with the operation of the facility. Fiscal Implications: CMS will receive \$1.00 per year for lease of the premises; however, lessee is responsible for all expenses associated with the operation of the facility.*

**RESOLUTION**

**WHEREAS**, in accordance with North Carolina General Statutes 115C-518 and 160A-272, the Charlotte-Mecklenburg Board of Education (“Board of Education”) proposes to lease the following property in accordance with the general terms outlined herein and in accordance with the specific terms set forth in lease agreements to be approved by the Superintendent.

Property	Tax Parcel Number(s)	Proposed Tenant	Annual Rental Payments	Term including options to renew). Note all leases are subject to termination rights as provided in Lease Agreement.
Midwood High School	095-078-03	Midwood International and Cultural Center, Inc.	This is a five year lease with an annual lease payment of \$1.00	5 years

**NOW THEREFORE**, it is **RESOLVED**, that the Board of Education hereby authorizes the Superintendent, with the advice of legal counsel, to approve and sign the Lease Agreements and any and all other necessary or appropriate documents in connection therewith. Adopted this the 30th day of October, 2012.

2. Recommend approval of resolution to lease certain property owned by Charlotte-Mecklenburg Board of Education to Wireless Communications Facility (cell tower) Providers for Cell Tower Construction, Operation, and Maintenance in accordance with the specific terms set forth in the Lease Agreements to be approved by the Superintendent.

*Under North Carolina General Statutes 115C-518 and 160A-272 in order for The Charlotte-Mecklenburg Board of Education (CMBE) to lease certain properties owned by CMBE to wireless communications facility (cell tower) providers certain sites for cell tower construction, operation and maintenance in accordance with the specific terms set forth in lease agreements to be approved by the Superintendent, the Board must first adopt this resolution. The property is located at 5925 Ballantyne Commons Parkway, Charlotte, North Carolina and commonly known as Jay M. Robinson Middle School, tax parcel #229-151-01. Fiscal Implications: CMBE will receive a base rate of \$111,000 for the term of the lease (\$22,200/yr x 5). "North Carolina statutes require proceeds from a transfer of property rights be allocated to defraying the cost of debt service and/or for capital improvements. A portion of the proceeds from this lease (not to exceed 30%) shall be made available for use by the subject school site. These proceeds will be made available annually, in the budget year following a year of successful payment by the lessee. Said proceeds shall be treated as a donation, subject to the CMBE Procedures and Guidelines for the Giving of Gifts. The project to be accomplished shall be selected by the school's Leadership Team, working in concert with the school's assigned Senior Portfolio Manager and Zone Superintendent.*

#### **RESOLUTION**

**WHEREAS**, in accordance with North Carolina General Statutes 115C-518 and 160A-272, The Charlotte-Mecklenburg Board of Education ("Board of Education") proposes to lease the following properties in accordance with the general terms outlined herein and in accordance with the specific terms set forth in lease agreements to be approved by the Superintendent.

- The property located at 5925 Ballantyne Commons Parkway, Charlotte, North Carolina and commonly known as Jay M. Robinson Middle School, Tax Parcel Number 229-151-01. This is a five year lease with an annual base lease payment of \$22,200.00. The Lessee is Berkley Group, LLC.

**NOW THEREFORE, it is RESOLVED**, that the Board of Education hereby authorizes the Superintendent, with the advice of legal counsel, to approve and sign the Lease Agreements and any and all other necessary or appropriate documents in connection therewith. Adopted this the 30th day of October, 2012.

- E. Recommend approval for supplementary funding request for *Race to the Top*, District Grant.

*We propose to ensure college and career readiness for students by personalizing learning in and beyond the classroom. Schools that feed to and include Harding, East Mecklenburg, and West Charlotte high schools will participate in the work, if funded. The initiative has three components: (1) supporting school-designed plans to ensure that all students receive instruction from highly effective teachers at all the participating schools; (2) piloting a common design for math instruction and learning that will include reconfigured space at four of the participating middle schools; and (3) expanding a wrap-around support system for students and families (currently at Reid Park PreK-8 only) throughout the Harding feeder schools. Fiscal Implications: Funding requested from United States Department of Education, \$30,000,000 over 4 years.*

- F. Recommend approval of administrative personnel appointment.

*Appointments:*

- *Deborah Heath named principal at Clear Creek Elementary School. Ms. Heath*

*previously served as assistant principal at Independence High school.*

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

**Dr. Waddell pulled Consent Item D. 1.**

**Mr. Davis moved that the Board adopt Consent Items A. through F. excluding D. 1., seconded by Mr. Tate, and the motion passed upon unanimous voice vote of the Board.**

Dr. Waddell said she has received calls regarding Midwood and she asked if the entire facility would be leased? Mike Raible, Executive Director of Planning and Project Management, said CMS is leasing the entire building and has the ability to approve any subleases. Some organizations have expressed interest in working with the tenant to lease space in the building. Dr. Waddell said there are groups in the community who are interested in the Midwood facility and they can contact CMS or the tenant about space availability.

Chairperson Ellis-Stewart called for a motion to adopt Consent Item D. 1.

**Dr. Waddell moved that the Board adopt Consent Item D.1., seconded by Ms. McCray, and the motion passed upon unanimous voice vote of the Board.**

Chairperson Ellis-Stewart called upon Dr. Morrison to review the personnel appointment as noted above. Dr. Morrison highlighted the career of Deborah Heath and he welcomed her as the new principal at Independence High School. Dr. Morrison recognized Ms. Heath and her family who were attending the meeting.

Dr. Morrison reported CMS completed its *Race to the Top* grant application (Consent Item E). Dr. Morrison said a lot of hard work went into the development of the grant and he thanked staff for doing an amazing job. If approved, the grant funding will be an opportunity for CMS to focus on personalized learning, 21<sup>st</sup> Century learning, and impact the quality of education at several CMS schools. This is a competitive grant opportunity for school districts throughout the country and will be pending approval by the United States Department of Public Instruction. Approximately 900 school districts will apply for the grant with an anticipation of about thirty grants being awarded. Dr. Morrison thanked Ann Clark, Deputy Superintendent, and staff for the many hours and hard work in developing the grant proposal on behalf of our students.

### III. ACTION ITEMS

- A. Superintendent's Recommendation: Do not consolidate University Park Creative Arts School and First Ward Creative Arts Academy into one Multi-Track, Year-Round School, allowing University Park Creative Arts School to remain open and resulting in both schools maintaining their respective Arts Magnet component

*Correlation to Board of Education Vision, Mission and Core Beliefs: Engaging the student's family and the community in the education process enhances learning and academic achievement; Operating effectively and efficiently with fiscal accountability.*

Chairperson Ellis-Stewart reported this Action Item regards the Superintendent's recommendation: Do not consolidate University Park Creative Arts School and First Ward Creative Arts Academy into one Multi-Track, Year-Round School, allowing University Park

Creative Arts School to remain open and resulting in both schools maintaining their respective Art Magnet components. Chairperson Ellis-Stewart called for a motion to approve the recommendation.

**Dr. Waddell moved, seconded by Ms. Lennon, that the Board approve the Superintendent's recommendation to not consolidate University Park Creative Arts School and First Ward Creative Arts Academy into one Multi-Track, Year-Round school, allowing University Park Creative Arts School to remain open and resulting in both schools maintaining their respective Arts Magnet component.**

Chairperson Ellis-Stewart called upon Dr. Morrison to provide comments regarding the recommendation. Dr. Morrison thanked the people who spoke at the Public Hearing and he noted that as a District we have been listening. When making decisions, it is important we always consider additional information, new information, and if necessary rethink a decision because we must challenge ourselves to be better. After this decision was made, the Interim Superintendent made a recommendation to delay the implementation because there were some unanswered questions. Dr. Morrison said he can better understand a Multi-Track calendar because he experienced that type of schedule in his prior school district. CMS is suggesting a Multi-Track calendar for the Project L.I.F.T. schools because it will provide a year-round schedule to add additional school days for those students. A Multi-Track schedule is utilized to allow the facility to be used more but it can create challenges for a school. The consolidation of First Ward and University Park was delayed to give staff additional time to consider new information such as an increase in CMS enrollment and the need for additional seats; changes in Title I Choice and the impact on attendance boundaries now and in the future; and the State added five days to the school calendar (185 days versus 180 days). If we are going to close a school we must ensure we will create better academic outcomes and opportunities for students as well as save dollars. Staff researched experiences of moving to a Multi-Track calendar and using that type of calendar rarely allows a school to bring its staff together for professional development and rarely allows opportunities for students to come together in order to use the collective impact of having all students together at one time to consider learning opportunities. In addition, when offering multi-track choices some parents and students get left behind. Staff looked deeply at the monetary savings of this decision and in order to make the Multi-Track schedule work at First Ward and offer all the opportunities with inter-sessions and additional abilities to serve students during the inter-sessions, staff does not believe there will be a cost savings. In fact, staff believes it will result in an operational cost to the District; however, there could be some capital budget savings with the closing of University Park and not making modifications or renovations to that facility. Staff has expressed concern that should the Board close University Park, there may be a need in the future to utilize that facility for an academic program for students which would require funding for capital improvements for a future use of the school. Dr. Morrison reported at this time he is not recommending closing University Park for two reasons. First, staff believes CMS cannot thoughtfully enhance learning opportunities for students by closing University Park and moving to a Multi-Track Calendar at First Ward. Second, staff does not believe CMS would save operational dollars by closing University Park and moving to a Multi-Track Calendar at First Ward. Dr. Morrison said he is recommending the Board not move forward with the decision to consolidate First Ward and University Park. Instead, Dr. Morrison is proposing CMS keep University Park Creative Arts open and move forward with the existing programs at University Park and First Ward. CMS will continue to



work with the many partnerships in the Arts Community to enhance the opportunities at both programs. CMS will continue to work collaboratively with staff and families at University Park to revisit its Magnet Program and consider the idea of leadership through the arts with a focus on science, technology, engineering, and math because the jobs of the future look differently than they do today. Staff will work to strengthen the programs at both schools. Dr. Morrison thanked Tyler Ream, Central Elementary Zone Superintendent, for his leadership and hard work on this recommendation.

Chairperson Ellis-Stewart invited Board members to ask questions and make comments.

- Ms. Lennon thanked Dr. Morrison for listening to the community and Hugh Hattabaugh, Interim Superintendent, for putting the project on hold to give the District time to study the Multi-Track calendar. Ms. Lennon said she is not a fan of the multi-track or year-round calendar and should CMS move to that type of schedule, CMS should allow parents to opt in and not force it on them. This was a tough decision at the time that was based on money because we were facing the need to lay teachers off to reduce the budget. We are now in a situation where we are not laying off teachers and Ms. Lennon urged the Board to support this recommendation because it is what is best for children and their academics.
- Dr. Waddell thanked Dr. Morrison for his recommendation and insight on First Ward and University Park, for listening to the community, and acknowledging the fact that CMS will continue to grow and need additional seats. She said this involves an increase in students and some of the schools closed may be utilized by CMS again. Dr. Waddell thanked the parents for staying the course and being involved, keeping the Board informed, and inviting the Board and CMS staff to attend their meetings. CMS and the Board did listen and we want to move forward to make these two schools the best possible.
- Ms. McCray thanked Dr. Morrison for being a good listener. She thanked Ms. Steele for her passion. She also thanked Tyler Ream, Central Elementary Zone Superintendent, and staff for educating her on what was going on and the pros and cons of the calendars. Ms. McCray said this is the right thing to do and she will support the recommendation.

**Chairperson Ellis-Stewart called for the Board vote on the motion and the motion passed upon unanimous voice vote of the Board.**

Chairperson Ellis-Stewart called for a five-minute recess at 2:10 p.m. in order for the meeting to transition and allow parents to leave the meeting.

Chairperson Ellis-Stewart reconvened the meeting at 2:21 p.m.

#### **IV. REPORT/INFORMATION ITEMS**

##### **A. First Reading on proposed amendments to Policy KI, *School Visitors***

*Correlation to Board of Education Vision, Mission and Core Beliefs: Providing safe and orderly learning and work environments.*

Chairperson Ellis-Stewart called upon Tom Tate, Chairperson of the Policy Committee, to present the First Reading on proposed amendments to Policy KI, *School Visitors*. Mr. Tate reported Policy KI is before the Board for First Reading of proposed amendments. The amended policy rewrites the current brief policy, which has been in place since 1969 and was last amended in 1985. The rewritten policy reflects the changing world of communication,

parent expectations, and school safety concerns while recognizing the importance of and encouraging parental involvement in a child's education. The amended policy will align the policy to the Board's Vision, Mission, Core Beliefs and Commitments. It sets forth in detail the kinds of behaviors expected of school visitors and the conduct that may lead to an individual being banned from campuses, other CMS properties, and off-campus school sponsored events. It also permits a ban to be imposed for off-campus behavior that creates or may create a substantial disruption to the educational environment or that poses a threat to safety. This provision is designed to address, among other things, threatening messages sent via voice mail, Email, and social media. In addition, the policy sets forth the minimum standards that must be included in school rules for visitors, but gives principals latitude to develop additional rules appropriate for their school. The policy delegates to the Superintendent the development of the process by which a person may be banned, such as who on staff has this authority, the ways by which notice of the ban and information about how to pursue an appeal may be given, the duration of the ban, and the terms under which the ban may be lifted. The Policy Committee unanimously approved this policy at its meeting on October 11, 2012.

The proposed amendments will be posted on the CMS Website. The Board will hold a Public Hearing on November 13 and December 11, 2012 and the Board will conduct a Board vote at the December 11, 2012 Regular Board Meeting.

#### B. Management Oversight Report on Finance Division

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

Chairperson Ellis-Stewart called upon Dr. Morrison to introduce the Management Oversight Report on Finance Division. Dr. Morrison called upon Sheila Shirley, Chief Financial Officer, to present the Financial Management Oversight report. Dr. Morrison said this is an opportune time to commend Sheila Shirley on being one of the most outstanding chief financial officers in the country. He noted that many schools districts have tried to recruit her and we are determined she will remain with CMS to continue the great work for staff, students, and the community of CMS.

Sheila Shirley thanked Dr. Morrison for his comments and commended her esteemed colleagues who are the backbone of the Financial Management Report and the District and instrumental in CMS receiving the recognition it does from throughout the country: Dennis Covington, Budget Development; Ronnie Green, Procurement Services; and Luellen Richard, Accounting and Financial Services. Ms. Shirley reported every three years the Finance Department is asked to provide the Board a Management Oversight Report on the Finance Division. Ms. Shirley provided an overview of the operations of the Finance Division, financial systems integrity, financial components and internal structure, performance results, and next steps.

Management Oversight Objective: To provide an overview of the Finance Division operation with a focus on the financial systems integrity including the internal control structure and performance results

- Overview of Finance Division:
  - The Finance Division consists of three main areas: Financial Services, Budget Development and Management Services, and Procurement Services. Each area plays an important role in the financial management of the District and ensuring the duties of the finance officer are fulfilled in compliance with State statutes, other regulatory

requirements, and authoritative guidance. Most importantly, the Finance Division is charged with maintaining the financial system integrity including the internal control structure and utilizing best practices in financial management.

- Key Business Operations include Budget Development and Management, Accounts Payable, Payroll, Procurement, Accounting and Audit, and Financial Reporting.
- 2012-2013 Organizational Chart: The Department includes fifty-seven staff members, most with day-to-day responsibilities focused on transaction processing, compliance, audit, and financial analysis work. The internal audit team conducts financial audits of every school annually and departments on a rotating basis. The team has solid experience and is committed to continuous improvement by constantly reviewing methods to conduct business better and more efficiently.

- Finance Division Budget:

Expenditures	2012-2013 Adopted	2011-2012 Adopted	2010-2011 Actual
Salaries	\$3,114,299	\$3,068,583	\$2,844,757
Benefits	1,000,112	914,913	761,205
Purchased Services	2,679,833	2,498,562	4,574,618
Materials and Supplies	35,847	36,247	26,916
Furniture and Equipment	-	-	-
Other	-	-	-
<b>Total</b>	<b>\$6,830,091</b>	<b>\$6,518,305</b>	<b>\$8,207,496</b>

- Overview of 2012-2013 District Finances:

- Operating Budget: \$1.2 billion.
- Projected Enrollment: 140,000 students.
- Budgeted Cost Per Pupil (K-12): \$8,589.00.
- Budget Sources: \$1.2 billion.
  - State: \$696.9 million or 58%.
  - County: \$337.4 million or 28%.
  - Federal and Other Grants: \$144.3 million or 12%.
  - Other and Special Revenue: \$23.9 million or 2%.
- Budget Uses: \$1.2 billion.
  - Salaries: \$739.7 million or 62%.
  - Benefits: \$250.9 million or 21%.
  - Purchased Services: \$124.3 million or 10%.
  - Supplies and Materials: \$65.9 million or 5%.
  - Other: \$20.2 million or 2%.
  - Furniture and Equipment: \$1.5 million or <1%.
  - 1.28% state, 12% federal, 28% county.
- Revenue Trends: There has been a shift or increase in federal revenues and those funds come with less flexibility, more compliance work, and monitoring. Federal funds included ARRA, Edujobs, and *Race to the Top* funding.

- District's Financial Position.

- CMS is financially solvent based upon the current ratio which measures liquidity. A financially sound target is 2:1 and CMS is 3:1.
- CMS is on target with revenue and expenditures.
- CMS has resources to meet future operating expenditures. An operations ratio target of 1.0 is considered sound and CMS is at 1.0.

- Financial Systems Integrity: CMS must meet requirements as set forth by federal, State,

local, and Authoritative Accounting Guidance. Staff adheres to compliance matters.

- Best Practices in Financial Management: Categories of best practices include Financial Management; Budget, Strategic Planning and Management; Treasury Management; Capital Asset Management; Debt Management; Risk Management; External and Internal Auditing; Procurement; and Internal Controls. Utilize a template of best practices as outlined by Council of Great City Schools. CMS Finance staff as a team evaluated themselves on thirty-one best practices within the nine categories and all except one mandatory best practice were currently in place. Six of the indicators need improvement.
- Internal Controls: The purpose of internal controls is designed to ensure reliability of financial reporting, compliance with applicable laws and regulations, and effectiveness and efficiency of operations.
  - Five Components of Internal Control: Control Environment, Risk Assessment, Control Activities, Information and Communication; and Monitoring.
  - Examples of Internal Controls: Separation of duties i.e. cash deposits, cash disbursements, and bank reconciliation; dual signatures required; pre-audit function; management approvals required i.e. payroll, invoices, contracts; three-way match prior to vendor payment; positive pay; password access and security class assignment to financial systems; assets secured and physical inventory audits; distribution of budget status reports to managers for review; supervisory reviews and spot checking transactions; variance analysis; and internal audits.
- Performance Results: Survey conducted to assess what principals and customers think of the Finance Division. Overall based upon a ten point scale, the Finance Division is a solid 'B.' The Finance Division team is committed to improving the results for next year.
  - Principal Survey Results (percent of respondents who were Satisfied or Very Satisfied): How satisfied are you with the Finance Division in relation to:
    - Responsiveness: 84%.
    - Accurate Information: 85.6%.
    - Courteous Service: 84%.
    - Promptly Providing Answers: 83.2%.
    - Assistance in Resolving Problems: 83.2%.
  - Efficiency and Effectiveness Benchmarks: Comparing CMS to other peer groups or world-class companies, CMS compared favorably.
  - Key Performance Indicators: Categories included vendor payments made timely; payroll payments made timely and accurately; procurement effectiveness; budget management; consistency in internal audits; financial accounting and reporting. Overall, staff posted positive trends.
  - CMS received an unqualified audit.
- Next Steps:
  - Customer Service: Continue to deliver world-class service, training, and follow-up.
  - Continuous Improvement Initiatives: Revisit process maps for key financial processes to identify gaps, risks, and efficiency opportunities. Expand 'green' initiatives i.e. use of electronic processing and/or storage for payments to vendors, budget transfers, digital storage of contracts, etc. Submit budget document for Distinguished Budget Award.
  - Budget Management: Develop a budgetary plan for 2013-14 that is fiscally sound and aligned with the strategic plan while ensuring a continued focus on the strategic use of resources. Outline the multi-year financial investments required for the long range strategic plan.

- Leadership and Staff Development: Continue to develop staff and increase bench strength. Create processes that recognize and reward personal accountability.

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

- Mr. Tate thanked staff for the report and the work they do every day. Mr. Tate asked questions regarding the customer service issues and Ms. Shirley provided clarification noting that in some cases the customer does not like the answer but staff strives to reach resolution and help them understand the process. Dr. Morrison noted some principals and groups have expressed concern about the budget process and the lateness of the budget approval which is prompted by the State and County not approving their budgets until mid July or later. Mr. Tate asked do the Board's actions contribute to this and is there something we can do to make it better? Dr. Morrison said the late budget adoption is not a CMS issue and he believes this can be eradicated by the way we communicate about what is happening in Raleigh and with our local funding partners. This year, we will make a better effort to communicate to our employees and the community as we go through the budget process.
- Dr. Waddell thanked staff for doing a great job. Dr. Waddell said in previous years there were concerns about individual schools and their financial reporting and she hopes this has been lessened through staff development and following best practices.
- Mr. Davis thanked the Finance Division for focusing on continuous improvement and he encouraged them to review all financial aspects in an effort to make the system more efficient. He noted even a small change could have the biggest dividend and allow staff more time to serve our students. It is imperative we make the system more efficient because in the future we will have fewer dollars for our students. Mr. Davis said this is great work but you are only as good as your last audit.
- Mr. McElrath encouraged that to save paper to print the reports on both sides of the paper.

C. Report/Work Session on proposed 2013 Legislative Session and Platform Discussion

*Correlation to Board of Education Vision, Mission, and Core Beliefs: The Board is responsible for building and maintaining high performing organizations that ensure all students will successfully acquire the knowledge, skills, and values necessary for success.*

Chairperson Ellis-Stewart called upon Mary McCray and Tim Morgan, Co-Chairs of the Intergovernmental Relationships Committee to introduce the Work Session on proposed 2013 State and Local Legislative Agenda. The draft agenda outlined the Board's priorities and requests that will require action from either the North Carolina General Assembly or the appropriate arm of local government. Mr. Morgan provided an overview of the State items, Ms. McCray reviewed the Local items, and a Board discussion followed.

Ms. McCray provided opening comments and she thanked the Intergovernmental Relationships Committee members (Tim Morgan, Dr. Joyce Waddell, Richard McElrath, and staff members George Battle, General Counsel, and Jonathan Sink, Associate General Counsel) for the hard work, many meetings, and the numerous revisions through the process. The committee members believe we conducted a thoughtful and deliberate process and have put forth a good product. Ms. McCray thanked the staff of Project L.I.F.T. for contributing to and supporting the draft Legislative Agenda.

Mr. Morgan thanked his fellow committee members and he noted this has been a three to four

month process in which the committee met weekly or every other week. Mr. Morgan also thanked Ericka Ellis-Stewart who sat in on many of the committee meetings and being a part of the major discussion items. The committee ensured all Board members were kept informed of the work and given the opportunity to provide input. The draft document is similar to last year's but includes parts that are significantly different. The preamble provides an outline of the Board's priorities and requests and invites other larger urban school districts to join with this Board. Mr. Morgan highlighted the State items.

## **THE CHARLOTTE-MECKLENBURG BOARD OF EDUCATION 2013 STATE AND LOCAL LEGISLATIVE AGENDA**

The Charlotte-Mecklenburg Board of Education (the "Board") hereby adopts as its priorities and requests that either the North Carolina General Assembly or the appropriate arm of local government take action on the items listed below. The Board emphasizes that these priorities are specific to Charlotte-Mecklenburg Schools. As such, the Board does not speak on behalf of other school districts, but does encourage other districts and their governing boards to join with this Board for the purpose of collaborating and advocating for shared priorities:

### **State Items:**

- 1. Improve public school accountability standards by implementing a sensible, multi-measure approach that balances student proficiency with student growth.**
  - Fill in the accountability gap by adding a student growth component to the proficiency standard that is already in place.
  - Maintain a smart balance between student proficiency and student growth so that schools of all socio-economic compositions are assessed more accurately and equitably.
- 2. Providing adequate funding and budget flexibility.**
  - Provide sustainable funding to Pre-K programs.
  - To the extent there are funding cuts, let local school districts decide how to implement those cuts (e.g. limit state-mandated line item cuts).
  - Grant more flexibility in allowing local school districts to determine how resources are used in PreK-12 education.
  - Provide financial incentives to local school districts to be efficient with their allotted funds, such as allowing districts to find creative efficiencies with funds, including but not limited to Transportation, so that savings can be channeled back into the classroom.
  - Find a solution to the major budget calendar challenges that districts experience every summer when they are allotted funds in late June, so that districts have more time to optimize their decision-making with regard to their allotted funds.
- 3. Elevating and enhancing the teaching profession through reforms in evaluation, compensation and career status.**
  - Review and reform tenure laws to ensure an appropriate balance between due process rights and the ability of local school districts to be flexible in making personnel decisions.
  - Find a solution to the major Human Resources calendar challenges that districts experience every summer, so that more time can be invested in making better personnel decisions.
  - Clarify definitions of teacher tenure reforms found within all proposed tenure legislation.
  - Clarify evaluation standards and give local school districts the flexibility to adopt additional evaluation standards suited to their local realities.
  - Examine and implement sustainable alternative compensation models which reward teacher performance.
  - Establish funding plan that ensures that compensation is secure throughout various economic cycles, particularly with regard to pay for performance plans.

- Provide relief to superintendents by allowing a superintendent's designee to act on his/her behalf in the personnel appeals process.
  - Implement a phased, multi-year approach to raise teacher base pay to the national average, and implement a pay-for-performance compensation structure that attracts, incentivizes, and keeps great teachers so that great teachers may earn above the national average.
  - Allow teachers who have earned and continue to maintain career status to retain such status, while providing other teachers with at-will employment contracts not to exceed four years.
- 4. Providing flexibility for Project L.I.F.T. schools so that they become a zone of innovation.**
- Modify funding from positions to dollars for Project L.I.F.T. schools.
  - Grant more flexibility in allowing CMS to determine how resources are used in PreK-12 education at Project L.I.F.T. schools.
  - Examine and implement sustainable alternative compensation models which reward teacher performance at Project L.I.F.T. schools
  - Allow teachers who have already earned and continue to maintain career status to retain such status, while providing other teachers with at-will employment contracts not to exceed four years.
  - Partner with the State to develop sustainable solutions to funding an extra twenty school days for Project L.I.F.T. schools.
- 5. Ensure a level regulatory playing field for public and charter schools.**
- Establish one set of rules for both charters and traditional public schools to follow.
  - Provide final chartering authority to local boards of education so that local boards become the chartering authorities, while allowing charter applicants who have been denied charter status to appeal to the State Board of Education.
- 6. Providing flexibility with regard to establishing school calendars best-suited for their local environments.**
- Repeal school calendar law.
  - Enable local districts to construct school calendars governed only by state constitution parameters.
  - To the extent a 185-day school calendar is implemented, provide the funding to cover the extra expenses incurred.
  - Have the state revisit burdensome regulations that do not work for large, urban school districts.
- 7. Providing taxing authority.**
- Empower local boards of education to set tax rate for the local portion of public PreK-12 education spending.
  - Allow phase-in period for LEAs to make desired electoral adjustments.

Ms. McCray reviewed the Local Items.

**Local Items:**

- 8. Establish joint effort to advocate for shared priorities in Raleigh.**
- Find and advocate for joint solutions to shared budget calendar challenges, including a solution to the State's annual May 15<sup>th</sup> deadline that requires school districts to submit their budgets to their respective county commissions without knowing their respective funding levels for the year ahead.
- 9. Funding capital requests in accordance with the priorities established and communicated to the Board.**
- To the extent the Mecklenburg County Board of Commissioners establishes that there are funds available to fund capital projects for the local school district, those resources should be allocated solely in accordance with the priorities established and communicated by the Board of Education.
  - Find a solution to the major Budget calendar challenges that CMS experiences every summer when it is allotted funds in late June to provide CMS with more time to invest in making optimal

student-centered decisions with its allotted funds.

- Improve the working relationship between the Mecklenburg County Board of Commissioners and the Charlotte-Mecklenburg Board of Education through a series of meetings and interactions to discuss shared priorities and impacts, since each elected body's decision-making impacts the other elected body and their shared constituents.
- Convene the seven local municipalities in Mecklenburg County and the Charlotte-Mecklenburg Board of Education to discuss shared priorities and impacts.

Ms. McCray said it is the committee's recommendation that the 3<sup>rd</sup> bullet be the main statement.

**10. Partnering with Mecklenburg County's seven municipalities to provide sworn law enforcement officer services at designated schools.**

- Request that the City of Charlotte revert to its 2010-2011 level of law enforcement services that it provides to CMS.
- Partner with the towns of Cornelius, Davidson, Huntersville, Matthews, Mint Hill, and Pineville, so that neither the amount charged nor the formula for calculating the amount charged increases with regard to law enforcement personnel provided to CMS by these municipalities.

**11. Encouraging Mecklenburg County's seven municipalities to work with CMS to promote and develop safe, stable neighborhoods, more job opportunities, affordable housing, and sustainable economic conditions for the benefit of CMS students, their families, and the communities in which they live.**

- Establish, support, and maintain programs that provide services to CMS students that support CMS's overarching educational goals.
- Work to identify the most effective and efficient social services agencies for CMS students and families.

Chairperson Ellis-Stewart thanked Ms. McCray and Mr. Morgan for the overview and invited Board members to ask questions and make recommendations for revising the draft 2013 Legislative Agenda.

- Ms. Lennon reported she has reviewed the information, her concerns have been addressed, and she does not have any concerns or questions about the entire document.
- Mr. Tate asked what is the accountability gap? Jonathan Sink provided clarification noting the State only measures student proficiency on tests and does not require a student growth component. CMS would like the ability to include a student growth component in order to track individual student growth at all schools. Dr. Morrison shared concerns of only using a proficiency factor and the benefits of including a student growth factor because it will reflect more accurately the adequate yearly progress of the school. This would provide an accountability system that values both growth and proficiency.
- Reverend Stinson-Wesley asked does a 'smart balance' mean an equal distribution between student proficiency and growth? Dr. Morrison provided clarification noting the waiver request involving the *No Child Left Behind* legislation and a new accountability system.
- Dr. Waddell said she was on the committee and she agrees with the changes that have been made.

Board members made the following recommendations to the Draft 2013 Legislative Agenda:

- Item 1:
  - Bullet 1: Mr. Davis suggested the bullet be revised. Strike the first part of the sentence 'Fill in the accountability gap by.' Bullet 1 would read 'Add a student growth



- component equal to the proficiency standard that is already in place.’
- Bullet 2: Mr. Davis suggested the bullet be deleted.

Rhonda Lennon left the meeting at 3:43 p.m.

- Dr. Waddell suggested the Board make the agenda more concise by just including the main statements and eliminating the bullets. This would lessen the need to add to or change the bullets and make it easier to present the agenda to the General Assembly.
- Chairperson Ellis-Stewart said including the bullets communicates exactly what we mean and lessens misinterpretations in the future. The General Assembly will benchmark what other districts are doing and the bullets will help provide clarity of what we want to do to our legislators.

Mr. Morgan reported the Intergovernmental Relationships Committee will meet on Thursday, November 1<sup>st</sup>, to review and finalize the recommended changes.

- Item 2: Dr. Waddell said she is still concerned that this only identifies Transportation as a source of funds. Ms. McCray clarified that CMS can capitalize on other areas of savings and channel those funds back into the classroom or other areas of the district but cannot channel transportation because that is a State funded item. Dr. Waddell and Mr. Tate hope this item is not designed to allow CMS to privatize transportation without informing the Board. Mr. Morgan and Ms. McCray said that is not the intent and that would need to be a separate conversation.
- Item 3: Chairperson Ellis-Stewart reported this is a big item on the North Carolina School Boards Association’s Legislative Agenda. Mr. Tate expressed concern that the agenda references ensuring a compensation is secure throughout various economic cycles but the 8<sup>th</sup> bullet references a pay-for-performance ‘bonus’ structure. Mr. Morgan reported the word ‘bonus’ should be deleted in the 8<sup>th</sup> bullet. The Board discussed implications to career status and working with other school districts.
  - Mr. Davis suggested the bullets be rearranged. Bullets 1, 3, and 9 deal with career status and tenure and they should be grouped together. Mr. Davis said Bullet 7 references designee relief to the superintendent in the appeals process and Bullet 8 references compensation. Mr. Davis suggested bullets 7 and 8 be reversed because that would keep the bullets referencing compensation together. Ms. McCray and Mr. Morgan provided clarification regarding the 8<sup>th</sup> bullet to regarding an effort to raise the teacher base pay to the national average because CMS is approximately \$10,000 below the national average. The teacher pay scale for Tennessee, Georgia, and Virginia are closer to the national average and this will make North Carolina more competitive. This sends the message to our partners at the State level that if we want to be competitive we need to recognize where the North Carolina teachers stand in comparison to the nation and we must be willing to put more resources to the education system. Dr. Morrison discussed the importance of attracting the best teachers in the country to our State and we can use the pay-for-performance to motivate and compensate people who are extraordinary in their performance. Mr. Tate supports a phased multi-year approach to raise teacher pay but he is not convinced pay-for-performance is a way to get and keep the best teachers.
- Item 4: Mr. Tate noted that CMS had a school with extended days and it came out of improvement status. Denise Watts, Project L.I.F.T. Zone Superintendent, provided clarification on the twenty day extended program noting that based upon research that

timeframe posted better results. Dr. Morrison discussed the benefits of shortening the time students are out for the summer helps to stop the summer learning lost. This is a smart use of our resources and time to accelerate learning.

- Item 5: Dr. Morrison provided clarification regarding the charter school process and CMS seeking final chartering authority. Mr. Tate addressed concerns there may be cost implications on CMS and staff's time.
- Item 6: Mr. Morgan reported the last bullet will be deleted.
- Item 7: Taxing authority is the same as last year.
- Item 10: Mr. Tate suggested 'revert back' be changed to 'revert.' Mr. Davis noted the word 'provides' should be 'provided.'
- Item 11: Change the main statement to 'Encourage Mecklenburg County and Mecklenburg County's seven municipalities to work with CMS...'

Mr. Morgan reported the recommendations will go to the Intergovernmental Relationships Committee on November 1<sup>st</sup> and the proposed 2013 Legislative Agenda will go before the Board for approval at the November 13<sup>th</sup> Regular Board meeting. Following the approval of the Legislative Agenda the committee will begin the process of sharing it with the other local elected officials. The County will schedule a Legislative Delegation Breakfast and we will work with the County to present the Board's Legislative Agenda at that meeting.

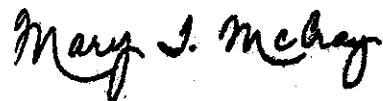
Chairperson Ellis-Stewart thanked the Board members and staff on committee for their hard work.

#### **ADJOURNMENT**

Chairperson Ellis-Stewart called for a motion to adjourn the meeting.

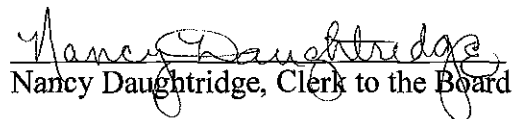
**Mr. Tate moved, seconded by Ms. McCray, that the Board adjourn the Regular Board meeting, and by consensus, the Board agreed to adjourn the meeting.**

The Regular School Board Meeting adjourned at 4:36 p.m.



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Mary T. McCray, Chairperson



Nancy Daughtride, Clerk to the Board