

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



Charlotte, North Carolina

February 12, 2013

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

The Charlotte-Mecklenburg Board of Education held a Regular Board Meeting on February 12, 2013. The meeting began at 6:07 p.m. and was held in the meeting Chamber of the Government Center. CMS TV televised the meeting.

Present: Mary T. McCray, Chairperson, Member At-Large;
Timothy S. Morgan, Vice Chairperson, Member At-Large;
Ericka Ellis-Stewart, 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 McCray welcomed everyone to the February 12th Regular Board meeting which was held in the Meeting Chamber.

A. Adoption of Agenda

Chairperson McCray called for a motion to adopt the proposed agenda.

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

B. Pledge of Allegiance

Chairperson McCray called upon Tim Morgan to introduce students from Boy Scout Troop 395 to lead those present and in the viewing audience in the Pledge of Allegiance and to speak on the February character trait of *citizenship*. Mr. Morgan said Boy Scout Troop 395 was formed out of a strategic partnership with Quail Hollow Middle School and Forest Hill Church. Scott Whitlock is Scoutmaster. The Troop sponsors Falcon Fun Night which is a

twice-a-month evening event featuring a free meal for families, clubs for students, and continuing adult education courses for parents. Understanding that where community is strong the school learning environment improves, Boy Scout Troop 395 regularly sees family members join in their camping trips and service projects. The boys enjoy being a scout and Troop 395 holds the distinction of having the highest attendance rate of all clubs.

Mr. Morgan introduced Michael Jones, an 8th grade student at Quail Hollow Middle School, to lead everyone in the Pledge of Alliance. Michael is a 2nd Class Scout and was selected as Quail Hollow's Student of the Week in December. Michael's family is part of the CMS family as his dad is a teacher at South Mecklenburg High School. Mr. Morgan introduced Kory Oliver, a 1st Class Scout, the Troop's Senior Patrol Leader, and a 9th grade student at South Mecklenburg High School to speak to the character trait, *citizenship*. Kory plays football for South Mecklenburg and his family is also part of the CMS family as his grandmother manages the cafeteria at Quail Hollow Middle School.

Michael invited everyone to stand and join him in reciting the pledge. Kory shared the importance of being a good citizen. Following the Pledge of Allegiance and comments regarding citizenship, Mr. Morgan commended the troop for being an active Boy Scout Troop and for joining the Board at the Board meeting.

II. REQUEST FROM THE PUBLIC

Chairperson McCray 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. Twenty-eight people were signed up to speak to the Board.

Four speakers urged the Board to ensure CMS complies with the law requiring ten-month employees be given the option to be paid over twelve months and to implement it as soon as possible.

- Beronica Talton, Copresident of Charlotte-Mecklenburg Association of Educators.
- Mattie Jain, teacher at Elizabeth Lane Elementary.
- Kevin Strawn, CMS teacher at East Mecklenburg High School.
- Charles Smith, Copresident of Charlotte-Mecklenburg Association of Educators and teacher at Independence High School, noted this will be a first step to improving employee morale.

Blanche Penn represented the Wallace Pruitt Recreation Center and she highlighted events to honor Black History. Black Inventors Exhibit featuring the Underground Railroad will be held from February 18 – 23, 2013.

Nine people discussed concerns about the Late Bell Schedule (9:15 a.m. to 4:15 p.m.) and asked the Board to consider a reversion of the Late Bell Schedule. The concerns included the hardships on teachers; the additional hours teachers are spending each week and the sacrifices they are making in their personal life; lower teacher morale; creates havoc for students and teachers; students must travel during peak traffic times, are unable to participate in after school activities, and the long day contributes to a lack of focus and students are

hungry at the end of the day because they haven't eaten in over four hours; and the schedule is not helping the needs of teachers and students. Teachers lack the ability to have time for planning, participate in professional development/training, and teachers are leaving CMS. They urged the Board to reevaluate the Late Bell Schedule decision and to focus on students.

- Jeff Brockman, CMS teacher.
- Kim Palade, teacher at Southwest Middle School.
- Suzan Stroud represented the parents, teachers, and students at Southwest Middle School.
- Katie Borgman, CMS teacher and CMS parent.
- Tesh Ramey, CMS teacher.
- Theresa Connor, CMS parent, teacher at Myers Park Traditional Elementary, and wife.
- Christine Mast addressed specific concerns and budget implications.
- Susan Plaza noted the schedule negatively impacts school choice.
- Cynthia Stone noted CMS is the only district in North Carolina with a late bell schedule.

Jack Windgerter with Horizon Coach Lines said this company has provided safe and reliable school charter transportation services to CMS for over forty years and addressed concerns that they are no longer able to provide transportation to CMS.

Three people discussed the importance of substance abuse education and prevention awareness in CMS and urged the Board to make drug abuse education a priority. Mecklenburg County is a high drug trafficking area and marijuana use, underage drinking, and prescription drug abuse by teens is on the rise.

- John Emerson, CMS parent representing the Charlotte-Mecklenburg Drug Free Coalition, addressed concerns that 38% of CMS students have reported they have been offered, sold, or given drugs on CMS property; students abusing drugs and alcohol more often receive poor grades; and education and counseling services in CMS have been reduced.
- Kimberly Matone, CMS parent representing the Charlotte-Mecklenburg Drug Free Coalition, shared information regarding evidence-based prevention and education programs being offered through Charlotte-Mecklenburg Drug Free Coalition.
- Luke Matone, 5th grade student at Rama Road Elementary, urged CMS to improve drug education for CMS students because it is important for kids to know about drugs so they will not hurt themselves and others.

J.B. Spurrier, past treasurer at Harding University Booster Club, urged the Board to ensure Harding University High School has the same amenities as other schools and asked that the Board approve a field house for the school. This Booster Club has had to raise money to get the school the same amenities as other schools.

Josh Blackson, pastor at Elevation Church, discussed the Elevation Church Mentor Initiative. In the fall they were made aware of the need for mentors in CMS schools. As a team the church aspired to fill that need and as of February they have partnered with twenty-seven organizations to provide 1,024 mentors in the Charlotte area schools. Mr. Blackson thanked the teachers and administrators at the various schools for coordinating this partnership. This initiative has created excitement in the church, the City, and the schools and it is a great opportunity to help lead us into the next generation. This initiative has helped to transform the students and the mentors have a better understanding of the needs of the City.

Five people discussed concerns regarding the overcrowding issues at Albemarle Road Elementary and urged the Board to address this matter and to not increase the student population at the school. The school has a great staff and they strive to turn the school

around but the overcrowding issues create safety concerns. Please visit the school to understand the chaotic situation, the limited staff to student ratio, inadequate cafeteria space, the increase in student discipline issues, and limited playground space.

- Darlene Whitfield, CMS parent and PTA President at Albemarle Road Elementary, addressed concerns and recognized people in the audience who were attending the meeting in support of this issue.
- Phil Hill, volunteer at the school, addressed concerns regarding the cafeteria having to serve 1,100 students, the school being at 157% capacity, and the twenty-six mobiles occupying most of the playground.
- Marie Pacini, CMS teacher, addressed concerns that the Board is setting this Title I school up to fail because the school is double the size of most schools; adding more mobiles is unsafe and unreasonable; there are only three bathrooms to accommodate the huge number of students; and teachers are overworked in striving to help students.
- Emmanuel Alencaster, Student Council President, said the overcrowding issue is a big problem and asked the Board to do a better job of taking care of this school.
- Lynne Wiesecke, CMS teacher represented the foreign language families at the school who cannot speak for themselves, said the Board used logic to protect CMS Magnet Schools and she urged the Board to use the same logic to address the overcrowding issues at Albemarle Road Elementary. The school is unhealthy, unsafe, and the students need a small close environment that is not the size of a high school.

Jermaine Coles, director of Fun Arts After School, which is an organization offering summer camp programs asked the Board for consideration to distribute flyers at CMS schools.

Myra Butler, 5th grade teacher at Elizabeth Lane Elementary School, addressed concerns regarding the Early Bell and the Extended Bell schedules. Elizabeth Lane is an early start school. Staff arrives before 7:00 a.m. and students begin to arrive at 7:15 a.m. for a 7:45 a.m. school start. This schedule creates a long day and most teachers are still working at 5:00 p.m. and 6:00 p.m. and that does not include the work they take home to complete. The schedule negatively impacts the families of students and teachers. Teachers are overworked and stressed about large class sizes, limited resources, and worrying about struggling students. The early schedule is an extended day that equates to working an additional nineteen days per year with no extra pay.

Chairperson McCray called the Requests from the Public closed at 7:38 p.m.

III. CONSENT ITEMS

- A. Recommend approval of Closed Session meeting minutes.
 - January 8, 2013.
 - January 17, 2013.
 - January 22, 2013.
- B. Recommend approval of Open Session meeting minutes.
 - October 30, 2012 Regular Board Meeting.
 - January 8, 2013 Regular Board Meeting.
- C. Recommend approval of revised 2013-2014 Academic Calendar for Cato Middle College High School.

A revision to the previously adopted academic calendar for the 2013-2014 school year at Cato Middle College High School ("CMCHS") is before the Board for approval. North Carolina law requires the Board of Education to approve school calendars. On September 25, 2012, the

Board approved an academic calendar for the 2013-2014 school year for CMCHS consisting of 185 instructional days. The Superintendent is now proposing that the Board approve a revised CMCHS academic calendar that has 180 instructional days, consistent with the revised 2013-2014 traditional school year calendar adopted on January 22, 2013. As background information: CMCHS is located on the Cato CPCC campus. Students there take college classes taught by CPCC instructors as well as high school courses taught by CMS teachers. Because students are taught by CPCC instructors in a CPCC facility, the Cato academic calendar needs to be aligned with the CPCC instructional calendar, not with the CMS School Calendar; therefore, the first day for students is August 7, 2013. The State Board of Education has granted educational purpose waivers as permitted by N.C.G.S §115C-84.2 that allow the Cato High School instructional year to begin before August 25, 2013.

D. Construction Items:

1. Recommend approval of contracts for all relocation, maintenance, repair, and set up of mobile classrooms, mobile restrooms, buildings, sites, modular classroom buildings at various schools and purchase of eight mobile restrooms and furniture for unfurnished mobile classrooms.

Recommend approval of contracts for all relocation, maintenance repair, and set up of mobile classrooms, mobile restrooms, buildings, sites, modular classroom buildings at various schools and purchase of eight mobile restrooms and furniture for unfurnished mobile classrooms. The school locations will be established by March 15, 2013. Contractors: ABC House Movers LLC, Cassidy Mobile Home Moving, Allen Riggs Construction, Carolina Contractors, Lefler Electronics, Spectrum Building Systems, L&R Construction, Central Environmental Systems, Ruggles Engineering, W. R. Kisiah, Bowers Group LLC, Watson Electric, and 586 Electric. This work will be completed between March 2013 and March 2014. MWSBE participation is 3.19%. MWSBE participation is 3.19%. Fiscal implications: Local funds - \$3,881,600 (NTE).

2. Recommend approval of replacement chiller at E. E. Waddell Language Academy.

This chiller replacement is for one (1) of the two (2) existing chillers at E.E. Waddell Language Academy. Staff recommends the approval of this project to the lowest competent bidder; Thermal Conditioning. The contractor agrees to provide the labor, services, equipment, and materials needed to remove and replace existing York chiller with a Trane model RTHD water cooled chiller. All work is to be performed in accordance with the standard terms and conditions outlined in the contract. MWSBE participation is 0%.

Fiscal implications: Local Funds - \$149,608.24.

- E. Recommend approval of proposed candidates as Qualified Observers for Teachers with Mandatory Improvement Plans.**

As provided in Board of Education Policy GCOB, "Plans for Growth and Improvement of Teachers and Licensed Employees," teachers with Mandatory Improvement Plans (MIP) may, within five workdays after finalization of the MIP, request an observation by a qualified observer. North Carolina law requires that a qualified observer must be selected from a list created by the Board. Regulation GCOB-R requires that the Superintendent work collaboratively with the Executive Staff to develop a list of potential candidates for Board approval. The people recommended must meet the criteria set forth in CMS policy and regulation:

- *Have excellent reputations for fairness and competency;*
- *Meet the stringent performance ratings detailed in the regulation;*
- *Be qualified to conduct formal and informal observations for the CMS Teacher Evaluation Instrument; and*
- *Be currently employed by the District.*

At Dr. Morrison's request, Dr. Gwaltney, Chief Human Resources Officer, developed a list of thirty-six candidates for qualified observers, who were selected from the principal pool, sitting assistant principals, and curriculum coordinators. She sought comment on the list of proposed candidates from the CMS Zone Superintendents, Executive Staff and the Superintendent's Teacher Advisory Council. It is the Superintendent's recommendation that the list (attached to this Agenda item) be approved as presented. Fiscal Implications: None.

- F. Recommend approval of Licensed/Non-Licensed Hires and Promotions for January 2013.

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, 2012 - June 30, 2013: 3,185. (Licensed Hires: 1,805/Non-Licensed Hires: 1,380).*
- Total Promotions July 1, 2012 - June 30, 2013: 274. (Licensed Promotions: 168/Non-licensed Promotions: 106).*

- G. Recommend adoption of resolution to authorize the director of storage and distribution to dispose of surplus school property by way of Online Bid in auction format.

The Online auction time span will encompass the February 7-28, 2013 period. GovDeals, (www.govdeals.com), an experienced and proven Online government surplus sales service provider will facilitate the process. Recommend approval authorizing the director of storage and distribution to dispose of electronic/AV surplus school property through "secured disposal" by way of private negotiation and sale using HVE Inc., a certified recycle vender. This process will occur during the time period of February 7-28, 2013. Action necessary, pursuant to N.C.G.S. 160A-266-270, in order to dispose of surplus school property. Fiscal Implications: The auctions usually generate \$6,000 to \$15,000 in revenue.

Chairperson McCray called for a motion to adopt the Consent Agenda as written.

Mr. Davis moved that the Board adopt Consent Agenda Items A. through G. as presented, seconded by Mr. Tate, and a discussion followed.

Dr. Waddell pulled Consent Item C. regarding Cato College.

Mr. Davis moved that the Board adopt Consent Items A. through G. excluding C., seconded by Reverend Stinson-Wesley, and the motion passed upon unanimous voice vote of the Board.

Dr. Waddell said Cato College Middle College High School is in District 3 and is located on the campus of Central Piedmont Community College (CPCC). The calendar is being revised to be consistent with the CPCC school calendar.

Ms. Ellis-Stewart moved that the Board adopt Consent Item C., seconded by Mr. Davis, and the motion passed upon unanimous voice vote of the Board.

IV. ACTION ITEMS

- A. Recommend approval of resolution of the Charlotte-Mecklenburg Board of Education calling on Congress and the President to reach an agreement to avoid budget sequestration

Correlation to Board of Education Vision, Mission and Core Beliefs: We are responsible for building and maintaining high performing organizations that ensure all students will successfully acquire the knowledge,

skills and values necessary for success.

Chairperson McCray reported this item is the recommendation of approval for the Charlotte-Mecklenburg Board of Education calling on Congress and the President to reach an agreement to avoid budget sequestration and she called for a motion.

Dr. Waddell moved that the Board approve the proposed resolution. The motion did not require a second because it was presented through the Intergovernmental Relationships Committee.

Chairperson McCray called upon Ericka Ellis-Stewart to provide an overview of the recommendation. Ms. Ellis-Stewart provided introductory comments and read the resolution. Ms. Ellis-Stewart said the resolution is recommended through the Intergovernmental Relationships Committee. Sequestration is an occurrence at the federal level that would dictate across the board cuts to education and other areas funded by the federal government. Initially, the cuts were slated to be 8.9 percent across the board. As a result of some of the concessions made by recent headlines, the cuts have now been reduced to 5.1 percent across the board cuts. The cuts would significantly impact education here in our community because they involve four buckets of educational funding: Title I, Individuals with Disabilities Education Act (IDEA) Part B, Title II Part A, and Title III. These monies support children living in poverty, those with Limited English Proficiency, and professional development for teachers and instructional support staff, and Career Technical Education programming. The impact of sequestration for CMS would include for every \$1 million that CMS receives in federal funding for these items, CMS would see a \$51,000 reduction. These across the board cuts are not just cuts that would impact school districts for one year. These cuts would impact school districts for up to ten years into the future.

RESOLUTION OF THE CHARLOTTE-MECKLENBURG BOARD OF EDUCATION

WHEREAS, a world class public education is essential for the future success of our nation and today's schoolchildren; and

WHEREAS, the Budget Control Act of 2011 was amended by the American Taxpayer Relief Act, which includes provisions to impose more than \$1.1 trillion in across-the-board budget cuts to almost all federal programs, including education, that would become effective March 1, 2013; and

WHEREAS, these across-the-board budget cuts, also known as sequestration, would impact education by a reduction in funds of an estimated 5.9 percent or more and could result in larger class sizes, fewer course offerings, loss of extracurricular activities, and other outcomes harmful to students and teachers; and

WHEREAS, sequestration would impact almost every public school system in the nation and the millions of students educated through programs such as Title I grants for disadvantaged students, the Individuals With Disabilities Education Act, English Language Acquisition, Career and Technical Education, 21st Century Community Learning Centers, and more; and

WHEREAS, the Charlotte-Mecklenburg Board of Education, as well as other public school districts throughout the nation, would be impacted nationwide by an estimated \$2 billion loss from just three programs alone – Title I grants, IDEA special education state grants and Head Start – that serve a combined 30.7 million children; and

WHEREAS, federal funding for K-12 programs was already reduced by more than \$835

million in Fiscal Year 2011, and state and local funding for education continues to be impacted by budget cuts and lower local property tax revenues; and
WHEREAS, states and local governments have very limited capacity to absorb further budget cuts from sequestration, as the Charlotte-Mecklenburg Board of Education has already implemented cuts commensurate to state and local budget conditions;
NOW THEREFORE, BE IT RESOLVED, that the Charlotte-Mecklenburg Board of Education urges Congress and the Administration to amend both the Budget Control Act of 2011 and the American Taxpayer Relief Act to mitigate the drastic cuts to education that would affect our students and communities, and to protect education as an investment critical to economic stability and American competitiveness.

Ms. Ellis-Stewart said we believe it is important for this Board to approve this resolution and in doing so we are joining over 700 school boards across the country that have adopted such resolutions including fifty-eight school districts in North Carolina. This will help to send a strong message to Washington that we do not want to see these types of cuts that will impact us at a local level. The Board felt strongly in being policy makers on the local level that we should be at the forefront of educating the community regarding the impact of sequestration and the fallout for CMS.

Chairperson McCray thanked Ms. Ellis-Stewart for the report and invited Board members to ask questions.

- Dr. Waddell asked what will be done with the resolution after it is approved? Ms. Ellis-Stewart said it will be submitted to the North Carolina state and national school board associations and that information will be compiled and shared with the lawmakers in Raleigh. Ms. Ellis-Stewart reported she attended the National School Board Association conference in Washington a few weeks ago and this important issue was discussed. Dr. Waddell said there are also cuts to *No Child Left Behind* and that continues to be an issue.
- Ms. Lennon asked what other school districts in North Carolina adopted a resolution? Ms. Ellis-Stewart said there are fifty-eight districts and that includes Cabarrus, Durham Public, and Guildford counties.

Chairperson McCray called for the Board vote on the motion. **The motion to adopt a resolution of the Charlotte-Mecklenburg Board of Education calling on Congress and the President to reach an agreement to avoid budget sequestration passed upon unanimous voice vote of the Board.**

Recognition: Chairperson McCray recognized students participating in a Civics 101 class who were attending the meeting to learn about local government. Civics 101 is a six-week class sponsored by the League of Women Voters. A part of the course is to attend meetings to learn about Charlotte City Council, the Mecklenburg Board of County Commissioners, and the Charlotte-Mecklenburg Board of Education. Students also learn about local media, the courthouse, and the Mecklenburg County Board of Elections. The students were accompanied by “Coach” Joe White, former CMS Board member and Board chair, and Mike Raible, Civics 101 instructor.

V. REPORT/INFORMATION ITEMS

A. Report on Budget Amendments for December 2012

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

Chairperson McCray called upon Dr. Morrison to present the report on Budget Amendments. Dr. Morrison reported the Budget Amendments is the monthly report and as presented.

B. Report on Financial Statements for December 31, 2012

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

Chairperson McCray called upon Dr. Morrison to present the report on Financial Statements. Dr. Morrison reported the Financial Statements is the monthly report and as presented.

C. Management Oversight Report on Construction

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

Chairperson McCray called upon Dr. Morrison to introduce the report on Management Oversight on Construction. Dr. Morrison called upon Guy Chamberlain, Associate Superintendent for Auxiliary Services, to present the report. Mr. Chamberlain said this report has not been presented to the Board in a couple of years and this report on Capital Program Services will be the first for some Board members.

- Overview: Capital Program Services is the CMS department that manages all capital construction. Typically, any operational funds used in minor construction projects are administrated by Building Services.
 - Capital Program Services (CPS) is the operational arm of Auxiliary Services responsible for managing all activities associated with Bond/Certificates of Participation funded facility design and construction, including procuring the contracted resources to carry out the outsourced work. CPS is charged with ensuring CMS capital projects are designed and constructed to meet CMS quality standards, adhere to codes, delivered on time, and stay within budget.
 - To date, CPS has completed more than \$1.7 billion in construction – 132 school projects and the addition of more than 8 million square feet of educational space. These projects include 35 new schools, 15 replacement schools and 82 additions/renovations. The largest annual expenditure for CPS is \$245 million. Historically, CMS has never delivered on a project late and in most projects CMS saved millions of dollars
 - The projected expenditure for the 2012-2013 school year is approximately \$60 million including the following projects: Bain Elementary replacement, East Mecklenburg High auditorium renovation, fire alarms system replacement at various schools, Garinger High gym/administrative addition/renovation, Independence High gym/administrative addition/renovation, McClintock Middle replacement, Myers Park High language arts building/gym addition/renovation, New elementary (07-04) – relief for Winget and Lake Wylie elementary schools, New elementary (07-07) – Torrence Creek Elementary relief, Newell Elementary replacement, Pineville

Elementary replacement, Ranson Middle renovation, and Vance High classroom building addition.

- The following remaining 2007 Bond projects are projected to be funded by the County in fiscal year 2014: Garinger High track and field, Hawthorne renovation, New Elementary (07-05) – Hickory Grove Elementary relief w/Pre-K, New Elementary (07-08) – Highland Creek Elementary relief, Olympic High stadium renovation, and West Mecklenburg High stadium renovation.
- Key Business Functions: Responsible for managing all capital bond projects from design through construction completion, turnover and warranty. The work performed by CPS is divided into four primary areas: 1) design procurement and management, 2) construction procurement and management including coordinating all logistics and swing-space requirements, 3) facilitation of furniture, fixtures and equipment procurement and installation, and 4) project closeout and warranty.
- Driving Governance: As a public entity, CPS must comply with all local and state regulations related to procurement of services, construction and materials; all state and federal environmental regulations; local building, zoning and water quality ordinances for Mecklenburg County, the City of Charlotte, and the towns of Cornelius, Davidson, Huntersville, Matthews, Mint Hill and Pineville; Charlotte-Mecklenburg Board of Education policy; and Davis-Bacon (qualified school construction bond projects). This includes North Carolina procurement statutes, building and fires codes, zoning ordinances, and municipal ordinances.
- Regulatory Relationships: CMS deals with over thirty agencies. Other local, state and national governmental bodies that affect the work performed are: Township zoning (Cornelius, Davidson, Huntersville, Matthews, Mint Hill and Pineville), Land Use and Environmental Services Agency, City of Charlotte Engineering, Charlotte Department of Transportation, Charlotte Fire Department, Charlotte Mecklenburg Utilities Department, NC State Building Code, NC Department of Public Instruction, NC Department of Insurance – State Finance, NC Department of Environment and Natural Resources, NC Department of Transportation, International Building Code, National Electric Code, Disabilities Rights & Resources, US Army Corps of Engineers, Federal Emergency Management Agency, and US Environmental Protection Agency. The governmental regulations are constantly changing and CPS has a liaison that works with the agencies to ensure new regulations are incorporated in keeping with the adoption schedules.
- Budget: Capital Program Services manages the improvement, replacement and/or construction of CMS facilities. General obligation Bonds or Certificates of Participation typically fund this work. From 2001 until 2009 was a healthy period for building and renovations. In 2011 and 2012 funding stopped but CMS is back on track. CMS has approximately \$200 million left to spend in the 2007 Bond Referendum and approximately \$100 million has yet to be issued. CMS anticipates some or all of that issued in the near future. Four percent of the budget is attributed to Program Management which is managed by Lend Lease. Lend Lease has been the Program Manager for over twelve years and their current contract runs through the completion of the 2007 Bond Referendum. The majority of the funds spent are actually on bricks and mortars. Other expenses include 6% for design and 7% for furnishing the buildings. When compared to other construction programs across the nation K-12, CMS is among the leanest.

- Goals and Objectives:
 - Deliver all projects in accordance to promised occupancy.
 - Complete all projects within the Board of Education-approved budget.
 - Maintain requirements for ISO 9001 certification.
 - Successful transition into new/replacement schools.
 - Increase minority and small business participation.
 - Complete the commissioning of building systems.
 - Ensure projects are permittable at the time of bid.
 - Achieve greater than 75% recycling on projects. Currently, CMS is at 82%.
 - Incorporate Building Information Modeling (BIM).
- Major Initiatives:
 - Successful performance of building envelope.
 - Improved design review process.
 - Improved contractor performance in project commissioning.
 - Successful code adaptation of prototype building designs.
 - Accelerate the project closeout process.
 - Maintain compliance with storm water/site post construction ordinance.
 - Ensure projects are permittable at bid.
 - Expend qualified school construction bonds by fall 2014.
 - Enhance construction safety outreach/awareness.
- Next Steps:
 - Participate in the preparation of a proposed 2013 Bond Referendum.
 - Ensure successful opening of 2013 projects.
 - Continue to monitor staffing levels.
 - Complete commissioning process prior to occupancy.
 - Maintain requirements for ISO 9001 certification.

Mr. Chamberlain discussed the benefits of having a Program Manager because they provide staff support to the few construction staff of CMS. In 2007 CMS had approximately forty-two construction related employees and when the bubble slowed CMS was able to go from forty-two staff to approximately seven staff in a short period of time without dealing with the Human Resource issues had they been CMS employees. Utilizing the private sector also allows CMS to get the best construction talent available. It would be difficult to find the caliber of staff we have if we had to go through the CMS payroll process.

Chairperson McCray thanked Mr. Chamberlain for the report and invited Board members to ask questions.

- Mr. Morgan asked what does CMS do to ensure we are addressing environmental issues as we build new buildings? Mr. Chamberlain said CMS has always incorporated features into every design that would provide a payback such as high efficient mechanical systems and roof systems as well as items to receive LEED Certification points. LEED (Leadership in Energy and Environmental Design) is an internationally recognized green building program. For example, CMS estimated to make the Pineville replacement school LEED Certified it would cost an additional \$200,000, but going forward we can say we are building facilities to that same design. Mr. Morgan noted that CMS is incorporating LEED processes and construction into all new CMS buildings. Mr. Chamberlain said, yes, and our focus on energy efficiency enabled CMS to get awarded

the North Carolina Duke Energy Corporate Power Partner of the Year two years ago.

- Mr. Tate said the report indicates CMS still has \$200 million remaining in 2007 Bonds but there is more than \$200 million on the schedule of projects for 2013 through 2016. Mr. Chamberlain provided clarification on how the County has issued Bonds and doing 'Pay Go' for funding CMS projects over the past several years. CMS has approximately \$100 million in unissued bonds of the \$516 million that the voters authorized in 2007. CMS also has approximately \$100 million in ongoing projects that has not been spent. The CMS projects scheduled to be completed by this fall are the Stumptown replacement school and the Pineville, McClintock, and Bain replacements.
- Dr. Waddell asked are the projects on schedule? Mr. Chamberlain said all projects are on track to open on time.

Dr. Morrison commended Mr. Chamberlain for his leadership and the hard work of his department to ensure improvement, accountability, key performance indicators, establishing a robust process and systems, and collaboration with partnerships.

D. Report on 2013-2014 Budget Overview

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

Chairperson McCray called upon Dr. Morrison to introduce the report on 2013-2014 Budget Overview. Dr. Morrison reported Sheila Shirley, Chief Financial Officer, and Kathryn Block, Chief Communications Officer, will present the report and it will launch the 2013-2014 CMS budget process. The CMS budget is a continual process and executive staff began working on the upcoming budget since the Board passed the current year's budget last year. Staff has been meeting to determine what to present to the Board but what is most important is the budget process must be a public process that seeks and incorporates public input. This year CMS will seek public input from surveys, Town Hall meetings, meetings at schools, internal communications with staff, and public comments made at Board meetings. This input will become part of the budget process. We will listen to understand before we are understood and will communicate priorities as they are developed. We will strive to ensure people understand the decisions that we must make because we are looking at the needs of school district of 143,866 students. As we listen and consider, we will also educate citizens on the challenges that we must face. Our funding sources are federal, State, and local government and from those funds we will have to make important decisions around the priorities that will move CMS forward.

Ms. Shirley provided an overview of the budget process including funding sources, trends, outlook, development process, and timeline. She noted the information will be a budget review and a move to put everyone in the mindset of budget development.

- 2012-2013 Budget Sources:
 - State: \$696.9 million or 58%.
 - County: \$337.4 million or 28%.
 - Federal: \$144.3 million or 12%.
 - Other Local: \$23.9 million or 2%.
- 2012-2013 Budget Uses: 83% of the budget is used for salaries and benefits and of that 88% of those dollars are for school-based staffing.
 - Salaries: \$739.7 million or 62%.
 - Benefits: \$250.9 million or 21% (majority of benefits are State mandated).

- 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%.
- State Revenue Sources FY 2000-2001 to 2009-2010: Personal Income 52.5%; Sales and use 27.2%; Corporate Income 5.8%; Non-tax Transfers 5.2%; Other Taxes 3.4%; Franchise 3.2%; and Insurance 2.6%.
- County Revenue Sources FY 2012-2013: Net Property Taxes - Current 84.3%; Sales Tax – Unclassified 12.02%; Other Revenue 2.01%; Net Property Taxes - Prior 1.39%; and Investment Interest .25%.
- Budget and Data Trends
 - State Revenue: Over the past eleven years the public schools funding as a percentage of the total State budget has declined from 41.5 in 2002-2003 to 37.3 in 2012-2013 which equates to more than \$800 million. This would have equated to approximately \$80 million for CMS.
 - County Revenue: The County debt service had a slight elevation in the 2010-2011 school year at 12.2% but has dropped to 9.9% in 2012-2013.
 - Federal Revenue: There was an increase in revenue funds in 2009-2012 as a result of the ARRA stimulus funding and that tapered off in 2012-2013.
 - Per Pupil Expenditure Trend: The budgeted per pupil expenditure had a slight increase (\$116) in 2012-2013 to \$8,589 but that is down from the 2008-2009 school year at \$8,912 which is a decline of \$312. The national per pupil average is \$10,976 and CMS ranks 42nd in the country.
- Historical Budget Reductions by Area: CMS has made cuts and redirections of more than \$236 million over the past five years and there have been cuts in all areas.
- Budget Outlook:
 - State 2012-2013 Budget Outlook as of January 2013:
 - General Fund revenue through December is \$6.5 million below a \$9.8 billion revenue target.
 - Key revenue sources, sales tax collections and withholding income tax, continue to track closely to the budget forecast.
 - Economic data indicate the recovery is slowly regaining the traction lost this past spring and summer.
 - The employment picture has stabilized and is beginning to show signs of improvement
 - Global economic risks and concerns over federal fiscal policy decisions continue to threaten the recovery.
 - State Economic Outlook as of January 2013:
 - The State's economic forecast for this fiscal year has been downgraded since the revenue forecast produced in May –a further downgrade in expectations would definitely place the forecast at risk.
 - There are several risks to the revenue forecast.
 - An improving economy may reduce the level of risk.
 - Greater caution will be warranted regarding 2013-2015 biennium revenue projections because only a modest pace of growth is expected in 2013, and the economy will be more fragile with respect to economic shock.
 - Early 2013-2014 Budget Outlook and Assumptions:

- State's 2013-2015 Biennial Budget, some growth revenue is anticipated but will likely be projected with caution based on economic outlook.
- Anticipate State will provide funding for enrollment growth in accordance with the State defined formulas.
- No clear indicators yet if State reductions will be required by Local Education Agencies (LEAs).
- Federal grants are not expected to increase significantly; may incur reductions as a result of sequestration pending decisions expected in early March.
- Consistent with prior years, County officials recently ranked CMS among their top priorities for funding.
- County funding level for CMS is still uncertain at this time –greatest challenge will continue to be juggling competing needs for County, debt, and education services.
- Staff will continue to identify efficiencies and effectiveness savings.
- Framework for Budget Development Process:
 - Strategic Alignment:
 - Ensure alignment with Board's Mission, Vision, Core Beliefs and Commitments, and Theory of Action for Change.
 - Advance the eight strategic goals outlined in *The Way Forward*.
 - Maintain focus on student and staff safety.
 - Keep strong academic focus coupled with data driven decision making.
 - Operational Efficiency:
 - Identify efficiency savings as well as reductions and resource redirections to offset rising costs.
 - Planning:
 - Maximize all funding sources and flexibility to position the district for mandates effective in 2014-2015.
 - 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.
 - Request funding from the county to cover some of the cost increases related to sustaining operations, student growth, and new initiatives.
- Budget Development Process:
 - November to January 2013: Confirmed the Board was in support of the goals outlined in *The Way Forward*. Worked with department heads and executive staff to develop department budgets.
 - January – March 2013:
 - Executive staff reviews departmental budget recommendations.
 - Community Engagement begins including budget survey, launch of Twenty-Two Task Forces, and Town Hall meetings.
 - Budget staff confirms costs estimates for sustaining operations and growth.
 - Budget Work Session held with Board February 26, 2013.
 - Superintendent and executive staff finalize budget recommendation.
 - April – May 2013:
 - April 9, 2013: Superintendent presents budget recommendation to Board of Education.
 - Continue with community engagement efforts.

- April 23rd Budget Public Hearing.
- April 30th Board Work Session.
- May 14, 2013: The Board of Education approves the 2013-2014 Budget Request for submission to the County.
- Late May: 2013-2014 Board of Education Budget presented to Board of County Commissioners.
- June – September 2013:
 - Board of County Commissioners adopts County budget, including appropriation to the school district.
 - State Legislature passes budget bill.
 - Superintendent recommends final budget to the Board of Education based on approved funding from county and state and estimated federal sources.
 - Board of Education adopts a budget resolution approving the operating budget.
 - Adopted budget document is prepared with a targeted July Board adoption date.

Kathryn Block highlighted the Community Engagement Strategy which includes an intentional effort to engage the community in the conversation of the CMS budget development which will help to make CMS a stronger school district.

- Community Engagement Strategy to inform the 2013-2014 Budget Recommendation presented by Dr. Morrison on April 9, 2013:
 - Twenty-Two Task Forces: Task Forces were launched in January 2013 and will work through June 2013. They will work to develop recommendations to advance the eight strategic goals as outlined in *The Way Forward* and those recommendations will help to inform a revised strategic plan that will launch in August 2013. Each of the task forces has been encouraged to recommend ideas that could feed into the 2013-2014 Budget.
 - Budget Survey: This was an enormous effort that CMS is proud of in terms of engaging the community and CMS employees. The survey was conducted from January 23 through February 8, 2013. Over 67,000 E-mails were sent out with survey links. Efforts included access via the CMS website homepage, published Letter to the Community, ConnectEd for employees and parents, news coverage, and community partner support. 11,392 surveys were completed. The results will be available in late February and will be shared at the Town Hall Meetings, Board meetings, and posted on the CMS Website.
 - Community Town Hall Meetings: All meetings are scheduled 6:00 p.m. to 8:30 p.m. All meetings will follow the same format. A general session will include an overview of the budget development process and budget update. Task Force breakout sessions will include an opportunity to participate in task force discussions.
 - February 27th at E.E. Waddell language Academy.
 - March 4th at North Mecklenburg High School.
 - March 11th at Butler High School.
 - Two April Community Meetings: CMS employees and community members are invited. The Superintendent will provide an overview of the 2013-2014 Budget Recommendation and a discussion will follow.
 - Target dates are April 16th and April 22nd and location will be determined. Dates will be posted on the CMS Website.

Dr. Morrison said the majority of the CMS budget is derived from the State and we must get a sense of that budget in order to inform the overall CMS budget decisions and determine a potential budget request for the Board of County Commissioners. As a result of the State and County timeline, CMS must make 'best guesses' for its recommendations and this is coupled by the possible sequestration at the federal level. There are a lot of uncertainties and we must focus on what we can control and our priorities of what it will take to move every child, every day, for a better tomorrow. This process will reach out to our public to ensure we are informing them in real time and listening deeply which will be an important hallmark of our budget process as it is presented to the Board of Education.

Chairperson McCray thanked staff for the report and invited Board members to ask questions and make comments.

- Dr. Waddell thanked staff for the report. Dr. Waddell hopes the budget outlook will not be as bleak as it has been in past years. Ms. Shirley said we are optimistic it will not be as deep a reduction but we have not gotten any information from the State and we have not made any predictions at this point. Dr. Waddell asked with an anticipated increase in enrollment what is the forecast for that impact on the budget? Ms. Shirley said staff is analyzing the impact on budget and will share that information at an upcoming Budget Work Session.
- Mr. Tate thanked staff for the report and commended Ms. Shirley on being named this year's recipient of the Bill Wise Award from the Council of the Great City Schools for distinguished service to urban education. Mr. Tate said last year CMS provided raises for CMS employees and he hopes that will be continued in this year's budget planning. Ms. Shirley reported the increase from last year will be continued. Mr. Tate said Governor McCrory has stated there will be no new dollars for public education from the State and he asked is that reflective in staff's budget assumptions? Ms. Shirley said we anticipate there will be new dollars to fund growth.
- Mr. Davis thanked the Board of Education partners at the County and State level for working with CMS last year to reverse the trend around staff compensation and to finally provide a raise for our employees. It was meager at best but well deserved. He hopes CMS will be able to build on that in the coming years. Mr. Davis commended Dr. Morrison for his leadership and for reaching out to the County Manager to foster a constructive dialogue between our staffs. This partnership effort will help establish a better road going forward and lessen the challenges we have experienced in working as partners with the County during the budget process. Mr. Davis urged staff to publically share this report with the Board of County Commissioners so they are aware of the events happening at the State level and that they be kept informed on a frequent basis. Mr. Davis recognized Chairperson McCray and Vice Chairperson Morgan on their leadership on the Board's Intergovernmental Relationships Committee and their efforts to improve the budget process. One of the structural problems that create tension between CMS and the County is the fact that CMS must make a budget recommendation to the County before we know our funding from the State. The County faces some of these same challenges. The Board of Education is striving to work with our legislative representatives in Raleigh to urge the State to determine the education portion of our budget in early May so we can have a more realistic budget to present to the County. Mr. Davis said the Board has some difficult choices ahead of us because we have a system that must be rebuilt and we do not have the money needed. Mr. Davis expressed

concern that other parts of local government has the authority to raise revenue and decide how much will be spent on entertainment, parks and recreation, and transportation. But, the body that is most accountable to the students, staff, and parents do not have authority to raise revenue and he hopes that will change in the future.

- Ms. Ellis-Stewart said she agreed with the comments made by her fellow Board members. It is important to know the budget is more than dollars. It is our greatest priority and policy statement for what we believe is important for the lives of our students and teachers. We must share our information as broadly as we can because the budget items have long range implications. We must be open with the community about all the budget pieces to ensure they understand the CMS needs now and in the future. Ms. Ellis-Stewart urged the community members who want to see public education continue at a quality level for all children to be involved in the education process and to share their thoughts. This is an important time for CMS and we must engage in serious dialogue about the needs going forward because we all own public education.
- Chairperson McCray thanked staff for the budget overview. She said the Board is ready to get to work to come forth with a great budget for the upcoming school year.

VI. REPORT FROM SUPERINTENDENT

Dr. Morrison highlighted the following information:

- Schedule of Community/Task Force meetings. The meetings will be a great time to inform the community about the budget and Task Force groups, engage in dialogue, gather suggestions, and answer questions. Dr. Morrison thanked the staffs at the three schools for hosting the meetings. All meetings are scheduled from 6:00 p.m. to 8:30 p.m.
 - February 27th at E.E. Waddell language Academy.
 - March 4th at North Mecklenburg High School.
 - March 11th at Butler High School.
- *Coffee with the Superintendent*: Dr. Morrison has hosted two meetings and they have been great opportunities to listen to the public and hear suggestions. The next meeting is scheduled March 6th at South Mecklenburg High School.
- Dr. Morrison and some Board members will attend the Ballantyne Breakfast Priorities Meeting scheduled February 23rd at the Ballantyne Lodge, 9:00 to 11:00 a.m.
- Dr. Morrison visited with Community in Schools (CIS) today and he commended them for being a great CMS partner and providing an important service to CMS and our community.

VII. REPORTS FROM BOARD MEMBERS

- Rhonda Lennon invited the community to join her for *Coffee Talk with Rhonda* at the Burkedale Starbucks on February 15th at 7:30 a.m. She urged everyone to be aware that February is Heart Disease Awareness Month. She congratulated the 8th graders at J. M. Alexander IB for winning the North Carolina Future Cities Competition and she wished them luck in the national competition. She recognized Michael Salvatore, music teacher at Huntersville Elementary, for his awesome Led Zeppelin Musical. She congratulated Hough High School's Lady Huskies Swim Team on setting four records and winning the State Championship and the Men's Swim Team who finished 2nd in the State Championship.
- Joyce Waddell reported on visiting schools and attending CMS events that included visiting schools to observe students working on Common Core; Project L.I.F.T. Board

Meeting and future plans for Druid Hills Academy; recognition of CMS students receiving Martin Luther King, Jr. Essay and Art Competition Awards held at West Charlotte High School; National Nutrition Award event at First Ward Creative Arts Academy; Mid-year Graduations; excellent work at Turning Point Academy; and an event at UNC-Charlotte to recognize Dr. Morrison.

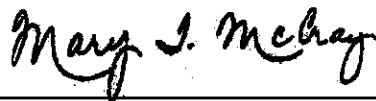
- Ericka Ellis-Stewart reported she and Reverend Stinson-Wesley attended the Federal Relations Network Conference hosted by National School Boards Association held in Washington DC a few weeks ago. Many school board leaders from across the country were in attendance and it was a great time to learn about national issues facing school boards, discuss solutions, and meet with legislators. National legislation topics included Child Nutrition Programs, Sequestration, and the need to push congress to reauthorize Elementary and Secondary Education Act (ESEA). She enjoyed attending an event hosted by America's Edge which is an organization to advocate for early quality childhood education. Ms. Ellis-Stewart thanked Bishop George Battle for hosting a local elected officials meeting to discuss a variety of issues facing our community.
- Mr. Davis recognized Northwest School of the Arts for being selected to attend the International Thespian Festival which is a very select and highly competitive event. He also recognized and thanked Wells Fargo, one of the largest employers in Charlotte, for kicking off the Northwest School of the Arts fund raising campaign by donating \$50,000.
- Mary McCray reported CMS was recognized in a ceremony at First Ward Creative Arts on January 24th to congratulate CMS schools on winning awards for participating in the Healthier U.S. School Challenge (HUSSC) initiative to serve more healthy meals to students. In CMS, fourteen schools won Gold (including First Ward Creative Arts Academy), seventy-one earned Silver, and sixty-four received Bronze.

ADJOURNMENT

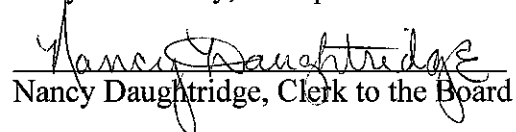
Chairperson McCray called for a motion to adjourn the meeting.

Upon motion by Dr. Waddell that the Board adjourn the meeting, seconded by Ms. Lennon, and by consensus, the Board agreed to adjourn the meeting.

The Regular School Board Meeting adjourned at 8:46 p.m.



Mary T. McCray, Chairperson



Nancy Daughtridge, Clerk to the Board