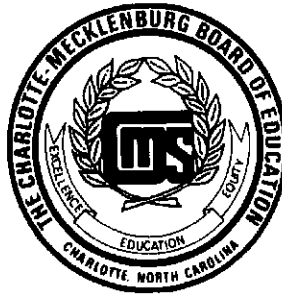


Approved by the Charlotte-
Mecklenburg Board of Education
September 10, 2013
Regular Board Meeting



Charlotte, North Carolina

June 25, 2013

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

The Charlotte-Mecklenburg Board of Education held a Regular Board Meeting on June 25, 2013. The meeting began at 4:36 p.m. and was held in Room 267 of the Government Center.

Present: Mary T. McCray, 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: Timothy S. Morgan, Vice Chairperson, Member At-Large

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. Joyce Waddell, seconded by Ericka Ellis-Stewart, the Board voted unanimously of those present for approval to go into Closed Session for the following purpose:

- 1. To consult with the Board's attorneys on a workers' compensation claim against the Charlotte-Mecklenburg Board of Education filed by B. Chisholm;**
- 2. To consider certain personnel matters; and**
- 3. To consult with the Boards 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 4:36 p.m. until 6:08 p.m. in Room 267 of the Government Center.

Chairperson McCray reconvened the Regular Board Meeting at 6:14 p.m. in Room 267 of the Government Center. CMS TV televised the meeting.

Present: Mary T. McCray, 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: Timothy S. Morgan, Vice Chairperson, Member At-Large

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 June 25th Regular Board meeting which was held in a Work Session Format.

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 Ms. Ellis-Stewart, and the motion passed upon an 8-0 voice vote of the Board. Timothy Morgan was absent.

B. Public Hearing on Proposed New Human Resources Policies and Proposed Amendments to Current Human Resources

Chairperson McCray reported this item is the Public Hearing on proposed new Human Resources policies and proposed amendments to current Human Resources polices. Chairperson McCray reviewed the guidelines for public speakers which included each speaker would be given three minutes to address the Board. Chairperson McCray reported there were no speakers scheduled to speak before the Board and she called the Public Hearing closed at 6:17 p.m.

II. CONSENT ITEMS

A. Recommend approval of Career and Technical Education 2013-2014 Application for State/Federal Funding.

This is an annual entitlement/formula grant application for Federal (Carl D. Perkins IV Act) and State Career-Technical Education funding. Application is submitted to North Carolina Department of Public Instruction in electronic format. A printed copy will be retained and on file by the director of Career and Technical Education. Fiscal Implications: The application request totals \$36,830,269.00 from PRCs 13, 14, and 17.

B. Recommend Approval of the 2016 Plan for Gifted Education.

Recommend adoption of 2016 Plan for Gifted Education. North Carolina legislation for gifted students is dictated by Article 9B. According to this legislation, every Local Education Agency (LEA) must develop a plan of action for the education of gifted students. The plan is reviewed by the State every three years and requires approval by the local Board of Education. The plan summarizes the identification, professional development, evaluation, and comprehensive programming of gifted education in CMS. Fiscal Implications: Use of State and local funds allocated to gifted education.

- C. Recommend approval of gravel parking lot lease across from First Ward Creative Arts Academy.

The gravel parking lot across from First Ward is no longer used by CMS staff or visitors. There is a signed agreement to convey this property to Mecklenburg County at a later date. Mecklenburg County, the adjacent property owner, recently entered into an agreement with this tenant for their portion of the lot. The tenant will upgrade the Charlotte-Mecklenburg Board of Education (CMBE) lot and perform maintenance during the twenty-four month lease which will provide parking for contractors working on the approved County park and other infrastructure improvements nearby. Fiscal Implications: The tenant will remit monthly 50% of the net proceeds received from the parking lot operations. The Charlotte-Mecklenburg Board of Education will be relieved of operation and maintenance expenses during the lease period.

- D. Recommend approval of the following: Recommendation for the Non-Renewal of Contracts for Certified Probationary Employees and Recommend to Renew Contracts on the List in the Board Record of Certified Probationary Employees Recommended for Contract Renewal.

According to North Carolina General Statutes Section 115C-325(m), any probationary teacher whose contract is not going to be renewed for the next school year who requested information or a hearing, must be given notice of such non-renewal by July 1 of the preceding school year, unless that date is extended upon the written consent of the Superintendent and teacher. The law directs that the Superintendent make the recommendation for non-renewal to the Board of Education. The Board of Education will be asked to vote on this item. Motion 1: Recommend approval of Superintendent's recommendations, based on the substantial evidence in the Board Record, to non-renew the contracts of those employees shown on the lists and for the following reasons in the Board Record: (1) Performance; (2) Licensure deficiencies unrelated to performance; and (3) Licensure deficiencies due to performance. MOTION 2: Recommend approval of Superintendent's recommendation to renew contracts. Fiscal Implications: None.

- E. Recommend approval of administrative personnel appointments.

Appointments:

- Dr. Teresa Cockerham named Chief Human Resources Officer, replacing Dr. Kelly Gwaltney who will head the new School Performance Services Department. Dr. Cockerham joined CMS in 1983 and previously served as principal at William Amos Hough High and Providence High schools. Dr. Cockerham has also served on many district committees and advisory councils, as well as in local and state associations. Dr. Cockerham has a Bachelor of Arts in History from Wake Forest University; Master of School Administration from University of North Carolina-Chapel Hill; and Certificate of Advanced Study in Educational Administration and a Doctorate in Education from the University of North Carolina-Charlotte.*
- Kevin A. Hobbs named South Learning Community Superintendent. Mr. Hobbs has a Bachelor of Science in English from Charleston Southern University and Master of Science in Administration and Supervision from Bowie State University. Mr. Hobbs previously served as Deputy Superintendent at Baltimore County Public Schools in Baltimore, Maryland and Center Area Superintendent at Wake County Public Schools in Raleigh, North Carolina.*
- Jeanette Reber named principal at Ashley Park PreK-8 School. Ms. Reber previously served as assistant principal and Dean of Students at Ashley Park PreK-8 School.*
- Mary Weston named principal at Bruns Academy. Ms. Weston previously served as principal at John Burroughs Education Campus, District of Columbia Public*

Schools, Washington, D.C. Ms. Weston has a Bachelor of Arts in Psychology from Winston Salem State University; Master of Arts in Special Education from Trinity College; and a Master of Science in School Administration from University of Scranton.

- *Janet Moss named principal at Coulwood Middle School. Ms. Moss previously served as assistant principal at Martin Luther King, Jr. Middle School.*
- *Brian Slattery named principal at Endhaven Elementary School. Mr. Slattery previously served as assistant principal at Elizabeth Traditional Elementary School.*

Transfers:

- *Kondra Rattley named Executive Director at one of the Learning Communities which will be identified at a later time. Ms. Rattley joined CMS in 1996 and previously served as principal at Garinger High.*
- *Dr. Laura Rosenbach named principal at William A. Hough High School. Dr. Rosenbach previously served as principal at Bradley Middle School and assistant principal at Mallard Creek High School.*
- *Sandy Michael Drye named principal at Garinger High School. Mr. Drye previously served as principal at Nathaniel Alexander Elementary School and Bain Elementary School.*

Chairperson McCray asked if Board members wanted to pull any Consent Items.

Ms. Ellis-Stewart pulled Consent Item B. and Dr. Waddell pulled C.

Mr. Davis moved that the Board approve Consent Items A., D., and E., seconded by Ms. Lennon, and the motion passed upon an 8-0 voice vote of the Board. Tim Morgan was absent. A Board discussion followed.

Chairperson McCray called upon Ms. Ellis-Stewart to address Consent Item B. Ms. Ellis-Stewart reported she pulled this item in an effort to ensure the public is aware of some of the initiatives CMS is doing to benefit students who are gifted or academically involved. Ms. Ellis-Stewart asked questions regarding the emphasis on 21st Century skills and the need to increase the definition of rigor; the extinct of missed opportunities after 2nd grade to identify students as gifted; honors alliance for older students; and the concept of vertical articulation and credit by demonstrated mastery (CDM). Ann Clerk, Deputy Superintendent, and Kathleen Koch, Director of Advanced Studies, provided clarification. Ms. Ellis-Stewart also asked did the Board of Education need to develop policies or clarity around CDM? Ms. Koch said CDM is a new concept provided by the State which speaks to the future of learning across the nation. The North Carolina State Board of Education adopted a CDM policy which affords students 6th through 12th to sidestep seat time by proving mastery before taking a standard level course (a course in which the grade will not be factored into the Grade Point Average but equate to a pass or fail grade). The State is still developing guidance around this brief policy and as that evolves CMS staff will determine any action needed by the Board. Dr. Waddell asked questions regarding steps to ensure parental involvement, children of all ethnicities are enrolled in the program, and methods for teachers to work on licensure requirements. Ms. Koch provided clarification noting there are required Differentiated Education Plan (DEP) meetings with parents to ensure they are aware of how their student is being served and the Gifted Plan is posted on the CMS Website; CMS targets students who do not have English as their primary language and seeks methods to evaluate them fairly and

we have made progress in this area; and the State changed the requirements for licensure and teachers must take university level courses and CMS supports two cohorts at Queens University as well as through Online courses. Chairperson McCray asked what is in place for students who are dual certification such as gifted in one area and learning disability in another? Ms. Koch said these students are called Twice Exceptional and it is an important part of the program. Often students who have a learning disability in one area, that masks their giftedness in another area. Teachers are trained to look for this and strive to use interventions to unearth the capabilities of the student.

Chairperson McCray called upon Dr. Waddell to speak to Consent Item C. Dr. Waddell asked will leasing this parking lot impact parking availability for people to attend events at First Ward Creative Arts Academy? Guy Chamberlain, Associate Superintendent of Auxiliary Services, said, no, as it was primarily a staff parking lot. This initiative will generate revenue for CMS. The tenant will turn this into a parking lot and CMS could receive approximately several hundred dollars per day as a result of their enterprise. There should be sufficient parking on the First Ward campus to accommodate staff, parents, and events.

Chairperson McCray called for a motion to adopt Consent Items B. and C.

Dr. Waddell moved that the Board adopt Consent Items B. and C., seconded by Ms. Ellis-Stewart, and the motion passed upon 8-0 voice vote of the Board. Tim Morgan was absent.

Chairperson McCray called upon Dr. Morrison to present the personnel appointments as noted above under Consent Item E. Dr. Morrison provided an overview of the personnel appointments and transfers and invited those attending the meeting to stand and be recognized. Dr. Morrison also recognized Alan Smith, recently appointed community superintendent, who was attending the meeting.

III. ACTION ITEMS

A. Recommend adoption of proposed new Human Resources Policies and Proposed Amendments to Current Human Resources Policies

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 called upon Tom Tate, Chairperson of the Policy Committee, to present the recommendation on adoption of proposed new Human Resources policies and proposed amendments to current Human Resources policies. Mr. Tate reported before the Board for approval is seven policies and the motion will be presented in two parts: approval of amendments to current Human Resources policies and approval of new Human Resources policies.

Amendments to the following current Human Resources policies are proposed for approval:

- Policy GBK, *Grievances by Employees*:
 - Most of the proposed amendments simply move policy provisions, with slight or no changes, to a new regulation written to accompany this policy. The changes are

indicated in the comments provided in the policy document. The Superintendent will review and approve the regulation after the Board has acted on the policy.

- Other substantive revisions to the policy clarify that allegations of harassment or discrimination are decisions that may be grieved and provide examples of kinds of issues that may and may not be grieved under this policy.
- Policy GCCAA, *Sick Leave*:
 - The only change in this policy is to move to the regulation the text (on page 2) regarding when employees must report anticipated leaves of three or more work weeks to the Benefits Department. This change will give the Superintendent the flexibility to change this provision as necessary, rather than seeking Board approval.
- Policy GCCAE, *Professional Leave*:
 - Proposed changes include new provisions stating:
 - If leave is for more than thirty consecutive days, the employee shall be returned to the same or equivalent job, but the position may be located at a different work site;
 - The Superintendent may determine when the leave will begin or end based on a consideration of the welfare of the students and employees and the need for continuity of service; and
 - Employees are prohibited from using leave for the primary purpose of obtaining or engaging in outside employment.
 - In addition, provisions are added to clarify that temporary employees are not eligible for professional leave and that the Board reserves the right to determine if the requested leave qualifies as leave under this policy.
- Policy GCCAG, *Civil Responsibility Leave*:
 - Proposed changes include new provisions stating:
 - If leave is for more than thirty consecutive days, the employee shall be returned to the same or equivalent job, but the position may be located at a different work site;
 - The Superintendent may determine when the leave will begin or end based on a consideration of the welfare of the students and employees and the need for continuity of service; and
 - Employees are prohibited from using leave for the primary purpose of obtaining or engaging in outside employment.
 - In addition, footnotes are added giving examples of what types of court appearances qualify for civil responsibility leave and when leave to engage in secondary employment is permissible under this policy.
- Policy GCCAJ, *Educational Leave*:
 - Proposed changes include new provisions stating:
 - If leave is for more than thirty consecutive days, the employee shall be returned to the same or equivalent job, but the position may be located at a different work site;
 - The Superintendent may determine when the leave will begin or end based on a consideration of the welfare of the students and employees and the need for continuity of service; and
 - Employees are prohibited from using leave for the primary purpose of obtaining or engaging in outside employment.

The following policies are new and proposed for adoption:

Policy GCCAF, *Unpaid Leave of Absence*.

- This new policy establishes rules for when employees are entitled to unpaid leaves of absence. Provisions include:

- Appropriate uses for an unpaid leave;
- Timelines for the District to provide notice to the employee about when an unpaid leave expires and the required return-to-work date and for the employee to notify the district of the intent to request an unpaid leave; and
- Notice that the District may deny unpaid leave benefits to an employee who engages in self-employment or employment for any employer while on continuous leave if the employee fraudulently obtained unpaid leave.
- Policy GCQG, *Separation/Termination Due to Unavailability*:
 - This new policy establishes when an employee may be terminated or separated because the employee becomes or remains unavailable for work after all leave credits have been exhausted.
 - It also includes a definition of what constitutes “unavailable.”

The Policy Committee unanimously approved the policies on May 9, 2013, after discussing the proposed changes and proposed new policies with staff from the Human Resources and Legal departments. The information was posted on the CMS website and the Board held a public hearing on June 11th and June 25th.

Mr. Tate moved approval of adoption of proposed amendments to current policies for Policy GBK, *Grievances by Employees*; Policy GCCAA, *Sick Leave*; Policy GCCAE, *Professional Leave*; Policy GCCAG, *Civil Responsibility Leave*; and Policy GCCAJ, *Educational Leave*. The motion was presented through the Policy Committee and did not require a second. A Board discussion followed.

Mr. Davis said to add context to the recommendation, all the proposed policies were generated as a result of the CMS audits launched by Dr. Morrison during his initial entry to CMS. The audit conducted in the Human Resources Department led to the appointment of a new Human Resources Officer, Dr. Kelly Gwaltney, which led to changes to policies. Mr. Davis commended Dr. Morrison on launching the CMS audits and aggressively pursuing change in a critically important department in CMS, picking a talented leader who implemented reorganization and policy review, and bringing this to the attention of the Board.

Chairperson McCray called for the Board vote on the motion. **The motion to adopt proposed amendments to Policy GBK; Policy GCCAA; Policy GCCAE; Policy GCCAG; and Policy GCCAJ passed upon 8-0 voice vote of the Board. Tim Morgan was absent.**

Mr. Tate moved approval of adoption of proposed new Human Resources polices for Policy GCCAF, *Unpaid Leave of Absence*, and Policy GCQG, *Separation/Termination Due to Unavailability*, and the motion passed upon 8-0 voice vote of the Board. Tim Morgan was absent.

IV. REPORTS / INFORMATION ITEMS

A.. Report on Budget Amendments for May 2013 and June 2013

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

As required by the FY 2012-2013 Budget Resolution, Section IV, adopted July 24, 2012, a

report of budget amendments shall be made to the Board of Education on a monthly basis.

Fiscal Implications

Fiscal Year 2012-13 State Operating Revenue decreased \$9,477,835.

Fiscal Year 2012-13 Federal Operating Revenue increased by \$79,470.

Fiscal Year 2012-13 Other Local Operating Revenue decreased by \$280,169.

Fiscal Year 2012-13 Other Operating Revenue increased by \$59,314.

Fiscal Year 2012-13 State Operating Expenditures decreased by \$9,477,835.

Fiscal Year 2012-13 Federal Operating Expenditures increased by \$79,470.

Fiscal Year 2012-13 Other Local Operating Expenditures decreased by \$280,169.

Fiscal Year 2012-13 Other Operating Expenditures increased by \$59,314.

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

B. Report on Research and Evaluation Projects

Correlation to Board of Education Theory of Action for Change: Continue to administer and strengthen the District's accountability system to monitor overall trends and measure individual school performance.

Chairperson McCray called upon Dr. Morrison to introduce the report on Research and Evaluation Projects. Dr. Morrison reported it is an extraordinary time in accountability. The CMS Strategic Plan includes a goal around accountability and we are striving to redesign the accountability process to ensure accountability on how to define success and hold ourselves accountable. This is challenging because there are accountability metrics mandated by the federal government that change quite often, accountability frameworks imposed by the Department of Public Instruction with multiple tests that change from year to year which makes it difficult to compare year to year performance, and accountability frameworks that happen with the State legislature. Accountability has many moving parts and staff is working to develop CMS accountability targets to ensure we hold all schools accountable in an effort to be about every child, every day, for a better tomorrow.

Dr. Morrison called upon Frank Barnes, Chief Accountability Officer to present the report. Mr. Barnes provided an overview of the CMS Research and Evaluation Department.

- Research and Evaluation Overview: Research and evaluation includes concepts of discovery, innovation, and a small group of individuals study specific areas to develop findings.
 - The Office of Accountability began to emphasize research and evaluation in the 2007-2008 school year.
 - Function: To provide valid findings that informs the continuation, modification, or termination of CMS programs or initiatives.
 - Policy Connection: The work is aligned with existing Board Policy IL, *Research and Evaluation*.
 - Ultimate Goal: To raise academic achievement for every child, every day, for a better tomorrow.
- Research and Evaluation Function: The department functions revolve around four spears of work in order to provide data to make informed decisions. The components include program evaluations, data analysis, quality control, and surveys.

- Research Strategy: Partnerships, Facility and Coordination of Research Proposals, and Data Analysis.
- Research Proposals – Institutions: American Institute of Research, Brookings Institute, Harvard Graduate School of Education, Larry King Center, Rand Corporation, Research for Action, and North Carolina State.
- CMS Annual Surveys: Principal Survey, Teacher Survey, Parent Survey, and Student Survey.
- Research Commitments and Priorities: Evaluation initiatives include PreK-8 Implementation, Bright Beginnings, Risk Factor Analysis – Early Warning Indicators (Entering 6th Grade, Entering 9th Grade), Instructional Culture, and Survey Redesign.
- Improvements Moving Forward:
 - Alignment of Research Projects: Strategic Plan, Emerging District Priorities, and Study Design and Objectives aligned to what we want to know.
 - Coordination of Knowledge Sharing: What We Know or What we have Found, What We Don't Know, and What We Want to Know?
 - Data Accessibility: Making more publicly available data easily accessible.

Mr. Barnes said we are focused on counting what matters and making what matters count. These small bits may be small but when they are combined it represents a set of knowledge and learning, what may have worked, and what may have not worked or what we do not want to do or repeat. The results are important and we want to bring that knowledge to this Board and the community as we improve and build on the success of this work.

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

- Ms. Ellis-Stewart asked Mr. Barnes what was his greatest ‘aha’ moment about the district since joining CMS and the big rocks in his department going forward over the next twelve to eighteen months? Mr. Barnes said he is excited about the growth in CMS although some gaps closed while others remained but we have opportunity to take the next step in our work. CMS has a strong foundation and some successes but there is another step to take in our journey as a school district. CMS will be systemically looking at key metric data as a school district which will represent a pathway for students to experience and obtain from PreK through graduation. The big rocks include the capacity, focus, and discipline to deliver and the tenacity to monitor the metrics throughout the year. This involves high quality accurate data, the ability to receive data in a timely manner so it can be acted upon immediately (actionable), and working with staff to provide the data swiftly in order to improve student achievement gaps in a timely manner. Ms. Ellis-Stewart believes this is admirable and expressed concern regarding the potential challenges CMS may experience with the PowerSchool conversion and the delays in State testing data. Mr. Barnes said regarding State testing, CMS is taking steps to ensure once the data is received from the State it will be moved out quickly and used as a baseline in order to project five years out. Regarding PowerSchool, we are working closely with the Technology Department under the leadership of Dr. Valerie Truesdale, Chief Information Officer, who has a team working closely with the State and the PowerSchool vendor to ensure we are PowerSchool ready when school opens in August. In addition, we are striving to ensure we have the ability to support the Project L.I.F.T. schools that are opening early. CMS has an aggressive schedule for the PowerSchool

transition and we hope there will not be any delays from the State. Ms. Ellis-Stewart asked when will the draft of the Bright Beginnings evaluation be ready? Mr. Barnes said we are working with an outside evaluator and we hope to have that information combined with our archival data ready by mid-December. Ms. Ellis-Stewart noted the importance of ensuring data presented to the public is accurate to ensure the level of trust with the community. Mr. Barnes said the Accountability Department has a professional team who are committed to CMS and Charlotte-Mecklenburg community. There are systems and processes in place and we will work hard to ensure the data is clear and transparent in effort to avoid mistakes. We will strive to ensure metrics are simple but not simplistic so the data will be understood. We will present data that is publically verifiable and ensure the systems are adhered to and followed.

- Mr. Tate looks forward to receiving the Bright Beginnings information because it was originally requested two years ago. Mr. Tate said Policy IL references program evaluation and he asked what programs have been evaluated recently. Mr. Barnes said one of the biggest initiatives is the PreK Program to ensure it is working and we are working with the University of South Carolina to complete the analysis. We are working on the Bright Beginnings report and completed an initial archival data analysis but that information was inconclusive. We are investing in an effort to review the Bright Beginnings Program more deeply. In addition we are reviewing our use of Advanced Placement (AP) potential data to ensure it is being used in a robust manner to assure more and more students are getting access to AP courses. Other initiatives include capital programs and the development of new leaders and teachers for our schools. Mr. Tate asked are we currently using the Data Dashboard? Mr. Barnes said the Data Dashboard needs to be redesigned to represent metrics that will be included in the upcoming Strategic Plan. CMS will be developing a system to monitor the key metrics in the Strategic Plan. Mr. Tate hopes it will be usable by all computers.
- Dr. Waddell thanked staff for the report. Dr. Waddell said the evaluation process includes the recommendation to terminate programs and she asked has CMS terminated any programs other than the ones that ran out of money? Mr. Barnes said since he has been with CMS no programs have been terminated as a result of program evaluation. CMS has disinvested in some programs because they were not in alignment with what we were doing as an organization. The results of the evaluation process include data to help make decisions to invest more deeply in the program, modify the program, or terminate the program. Dr. Waddell asked do you charge CMS employees who are working on their advanced degrees a fee for the use of the research data? Mr. Barnes said there is a charge to both those working in CMS and outside agencies.
- Chairperson McCray urged that CMS include 3rd grade Reading in the risk factors analysis because that is a crucial age for reading. Mr. Barnes said the initial focus was to prevent high school dropouts and the focus was on 6th grade as an early warning area but we could add 3rd grade Reading. Ms. McCray would like to have 3rd grade Reading included if possible. Chairperson McCray reported the Board was told we would receive information on how well the PreK-8s are doing on an annual basis and she asked when do you anticipate the Board getting that information? Mr. Barnes reported we may have some preliminary data by November but we are also working on cohort analysis which will take more time.

C. Report/Update on Proposed 2013-2014 Operating Budget

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

Chairperson McCray called upon Dr. Morrison to introduce the report on Proposed 2013-2014 Operating Budget. Dr. Morrison reported this is an opportunity to inform the public on the status of our budget process. The Board has been engaged in the budget process since the first of the year and there is no new information for the Board. The CMS budget process is quite involved and includes uncertainties at the federal, State, and local levels. This year with Sequestration at the federal level, Mecklenburg County Revaluation at the local level, and not knowing what will happen at the State capital has added more uncertainty. We must await the final budgets from the State and local before finalizing the CMS budget. The Board of Education approved a County request of \$28.5 million over last year's appropriation and that was submitted to the Board of County Commissioners. The Board of County Commissioners approved a \$19.1 million increase to CMS and we will need to determine areas to cut but we will wait to see what happens at the State level. Dr. Morrison said we appreciate the BOCC's consideration to the CMS funding. An initiative in the proposed CMS budget was to expand testing for Advanced Placement, International Baccalaureate, and Career and Technical Education. There may be some monies in the State budget to accommodate this initiative and if those monies get approved that may be an area we choose to reduce locally. If that does not happen we will need to decide whether to move forward with that initiative. We have discussed our concerns regarding the potential cuts to teacher assistants in the State budget. The proposed Governor's budget cuts teacher assistants about \$117 million and for CMS that equates to about \$12.5 million or 400 teacher assistant positions. The proposed Senate budget cuts teacher assistants about \$142 million and for CMS that translates to about \$15 million in teacher assistant cuts. The proposed House budget cuts approximately \$24 million in teacher assistant positions and that equates to about \$2.6 million for CMS. These are all moving parts and we are actively involved in Raleigh speaking on behalf of our teachers, teacher assistants, and the needs of Charlotte-Mecklenburg Schools. We anticipate a resolution to the State budget within the next two weeks and following that we will quickly bring forward a budget recommendation to the Board for final adoption. Dr. Morrison called upon Sheila Shirley, Chief Financial Officer, to provide an update on the proposed 2013-2014 Operating Budget.

Sheila Shirley reported Dr. Morrison highlighted all the pertinent aspects of the budget process and where we are in this journey. Ms. Shirley highlighted potential funding from the County, State, and federal.

- The Board of County Commissioners (BOCC) approved the County's 2013-2014 Operating Budget which included an appropriation of \$356.5 million for CMS. This represents \$19.1 million over the prior year or a 5.7% increase. The original CMS budget request was for an increase of \$28.5 million.
- The CMS budget request of the County included \$17.5 million for growth and sustaining operations to cover rising costs due to:
 - 2,665 new students expected next year.
 - Increase in costs such as utilities, fuel, security, health and unemployment insurance, and retirement contributions.
 - One-percent raise for locally paid employees based on the Governor's budget

providing the same increase for State paid employees.

- The Interim County Manager's budget proposed an additional \$21.3 million for CMS or \$7.2 million less than the \$28.5 million CMS request. From there, the BOCC reduced the Interim County Manager's proposed budget by \$2.2 million by eliminating the funding for the one percent raise which resulted in the \$19.1 million additional funding for CMS. This was removed because it was not in the proposed House or Senate budgets and they felt it was unlikely to be approved by the State. CMS is still advocating for the one percent salary increase.
- The CMS Operating Budget request seeks to provide greater choice for students, increased capacity for technology, and other new initiatives which were consistent with the priorities identified by our employees, parents, and community during the budget development process.
- Since the County funding request was not fully funded (\$9.4 million less than requested), CMS will have to make some adjustments to the budget plan. Preliminary strategies being considered for reduction include the following:
 - Eliminate the one-percent increase for all employees as it appears unlikely the State budget will include an increase for State paid employees.
 - Phase in some of the technology initiatives such as projection systems and mobile unit wireless access.
 - Reduce other new initiatives such as the professional development coaches and training, K-3 literacy initiative, and testing fees.
- No final decisions about the budget adjustments will be made until the State funding is finalized which will hopefully be completed within the next month.
- Federal Funding Update: The indications regarding Sequestration reflect approximately a 5% cut which was the amount planned in the CMS proposed budget. The federal funding is complex and at this time it is difficult to determine the exact impact of the Sequestration on the allotments for next year. Staff believes CMS is well-positioned to deal with those cuts. Based on the federal planning allotments provided by the State, it appears the CMS budgeted estimates for federal categorical funding for 2013-2014 are comparable to the amounts CMS will receive. Final adjustments by category will be made when the CMS budget is adopted.
- State Budget Process Update: The CMS budget proposal was based on the Governor's budget but since that time the Senate and House have submitted their respective budgets. The budgets are similar but the differences will need to be reconciled to the extent a final budget can be approved by both.

Ms. Shirley reported the budget process is still in process and at this time we do not anticipate a salary increase. We will need to get firm final budgets before attempting to make final decisions.

Rhonda Lennon left the Closed Session at 7:33 p.m.

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

- Mr. Davis commended the Superintendent and staff in leading the Board and CMS through the budget process and advocating for our employees in Raleigh. He thanked the Board Chair and Vice Chair for their leadership to the Board of Education and

advocating to our funders for the District. He also thanked the Board of County Commissioners (particularly Commissioners Dunlap, Clarke, Ratliff, Fuller, and Leake) for their support of the CMS budget request. Mr. Davis said he is often given the advice that we should run CMS like a successful business and less like a government. If that is true we should focus relentlessly on the relationship between the teacher and their student. A successful business like CMS will depend on the talented staff we put in front of the student every day. Tonight, the Superintendent appointed effective talented leaders to lead our schools. The CMS budget request included capital funding to improve the operating environment of our schools; reforming the Human Resources Department to improve the environment our teachers perform in; technology investments (tools) to help our teachers perform; and compensation for our hard working employees. These are important budget items to run CMS like a successful business. The one thing that is no longer included in the budget is additional compensation for our teachers and employees. The Governor's lead was to provide an element of compensation increase for our State employees but the House and Senate budgets eliminated that salary increase. Since the House and Senate budgets failed to follow the Governor's lead, CMS will not be able to provide a salary increase for our State employees nor will we be able to provide a salary increase for County employees although County employees who do not work for CMS may get an increase this year which will be funded by the County. This is not the way to run a successful business and it is not good for our students. An important factor for Charlotte-Mecklenburg and the State is education but education is one of the main areas being cut in the budget. Mr. Davis addressed concerns that the lack of State and County funding provided to CMS makes it difficult to reform the education system and challenging to lead a successful school system. CMS and its employees is an organization to be proud of and worthy of investments.

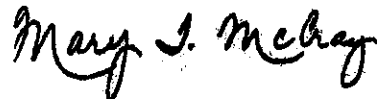
Chairperson McCray thanked staff for the budget update and Mr. Davis for his eloquent comments which express the sentiments of the Board of Education.

ADJOURNMENT

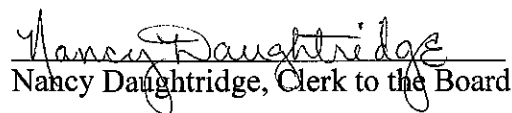
Chairperson McCray called for a motion to adjourn the meeting.

Upon motion by Dr. Waddell that the Board adjourn the Regular Board meeting, seconded by Ms. Ellis-Stewart, and by consensus, the Board agreed to adjourn the meeting.

The Regular School Board Meeting adjourned at 7:39 p.m.



Mary T. McCray, Chairperson



Nancy Daughtridge, Clerk to the Board