

Charlotte-Mecklenburg Board of Education

Agenda Item

Meeting Date

September 11, 2007

Item

Recommend approval of Charlotte-Mecklenburg Board of Education 2007-08 Operating Budget

Staff Member(s) Present

Sheila W. Shirley, Chief Financial Officer

Main Points

On April 10, 2007 the Board of Education approved the 2007-08 Proposed Operating Budget. Since that time the Board of County Commission (BOCC) and the State have adopted their budgets and we have received estimated allotments from the state for our federal budget. The state approved budget provided an average 5.0% salary increase for teachers and 4.44% for principals. For licensed non-school based personnel and non-certified staff, the approved salary increase is 4.0%. In accordance with state statute 115C-432, the Board of Education shall adopt a budget resolution making appropriations for the budget year in such sums as the board may deem sufficient and proper.

Pending final review with Board members, additional information will follow under separate cover.

Fiscal Implications

County Current Expense	\$ 341,366,785
State Current Expense	702,939,862
Federal Current Expense	96,083,458
Other Local Current Expense	32,740,286
Capital Replacement	5,200,000
Child Nutrition	59,218,910
After School Enrichment	<u>15,227,000</u>
TOTAL	<u>\$ 1,252,776,301</u>

Type of Item

Action

Motion

Motion is to adopt the budget resolution for the Current Expense, Capital Replacement, After School Enrichment, and Child Nutrition Budgets for FY 2007-2008.

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Office of the Superintendent
Post Office Box 30035
Charlotte, North Carolina 28230

September 10, 2007

Dear Board Members:

The revised 2007-2008 proposed budget represents a significant shift in the way CMS does business and it is worthy of your approval. We have shaped this budget to meet the diverse and urgent educational needs of this community's children while practicing fiscal responsibility and careful financial stewardship.

This budget is notable because we have executed a major redirection of funds to pay for the reforms we are undertaking this year, instead of asking for additional money to pay for them. In all, we have redirected \$19.8 million in county money to fund program expansions and many new initiatives.

The only new local money in this budget is to cover the costs of growth and increases in our operating costs, such as utilities and health benefits for employees, and salary increases for our locally paid employees to match those provided by the state.

New initiatives we have funded with redirected money include the program for struggling eighth-graders at Midwood High (total cost: \$2.4 million); decentralization and reorganization of CMS (total cost: \$9.8 million); expanding the small-schools programs at Garinger (total cost: \$1.2 million), and reduced class sizes in kindergarten through third grade in schools with the highest levels of poverty (total cost: \$1.9 million).

Other initiatives we have funded with redirected money are advanced studies and college prep programs, the expanded day at Billingsville Elementary and enhanced instruction in math, reading and writing.

We will also use redirected money to cover the costs of educating students whose native language is not English – our fastest-growing subgroup of students. And we've redirected funds to help us recruit and retain strong principals and teachers at all of our schools.

All of these initiatives are important to help us succeed in educating every child well. They are focused on a single, overarching goal: improving student achievement. Thus, they align with the policies articulated in the Board's Vision, Mission, Core Beliefs and Commitments, and with the *CMS Strategic Plan 2010: Educating Students to Compete Locally, Nationally and Internationally*.

I hope you will agree that this budget reflects the priorities and goals of CMS for 2007-2008, and vote to approve it.

A handwritten signature in black ink that reads 'Peter C. Gorman'.

Peter C. Gorman
Superintendent



MECKLENBURG COUNTY
Office of the County Manager

June 26, 2007

Dr. Peter C. Gorman, Superintendent
Charlotte-Mecklenburg Schools
P.O. Box 30035
Charlotte, NC 28230

Dear Dr. Gorman:

On June 5, 2007, the Mecklenburg County Board of County Commissioners (BOCC) approved funding for the Charlotte-Mecklenburg Schools for FY 2007-2008 as follows:

\$337,366,785 for Current Expense
\$ 4,000,000 for Operating Expense (funded via Court Fines & Forfeitures)
\$ 5,200,000 for School Capital Replacement
\$ 88,453,064 for CMS Debt Service

The BOCC approved these funds with the following restrictions as outlined in the FY 2007-2008 Budget Ordinance, Section XVII, "The appropriations to the Charlotte-Mecklenburg Board of Education have been allocated by purpose, function and project as defined in the uniform budget format, as shown on Schedule No. 2 (attached). The Charlotte-Mecklenburg Board of Education must obtain the approval of the Board for any amendment to the Board of Education's budget which would (a) increase or decrease expenditures from the capital outlay funds appropriated by the Board of County Commissioners for projects listed in G.S. 115C-426(f) (1) or (2), or (b) increase or decrease the amount of the County appropriation allocated to a purpose of function by more than ten (10%) percent."

The process to use to obtain the Board of County Commissioners' approval for amendment to Schedule No. 2. is a written memo from the Superintendent to the County Manager, articulating the business case for amendment and identifying the proposed changes to purpose, function, and/or project.

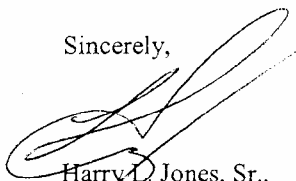
Since the BOCC did not approve the full amount requested by CMS, it is customary for CMS to revise its budget to reflect the BOCC's allocation for CMS and submit a revised budget by purpose, function and project. Please advise as to when CMS will be able to submit a revised budget.

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www.MecklenburgCountyNC.gov

Should you have any questions, please contact Hyong Yi, Management and Budget Director at 704/336-6945.

Sincerely,

A handwritten signature in black ink, appearing to read "Harry L. Jones, Sr.", written over a circular stamp or seal.

Harry L. Jones, Sr.,
County Manager

Attachment

Cc: Hyong Yi, Management and Budget Director
Dena Diorio, Mecklenburg County Finance Director
Sheila Shirley, CMS Finance Director

**MECKLENBURG COUNTY, NORTH CAROLINA
CHARLOTTE-MECKLENBURG BOARD OF EDUCATION PROPOSED BUDGET
FISCAL YEAR 2007-2008**

5000	Instructional Services	
5100	Regular Instructional	\$ 116,684,952
5200	Special Populations	18,361,008
5300	Alternative Programs	11,206,034
5400	School Leadership Services	19,288,074
5500	Co-Curricular	4,744,328
5800	School-Based Support	<u>15,160,826</u>
5800	Subtotal Instructional Services	\$ 185,445,222
6000	System-Wide Support Services	
6100	Support and Development	\$ 4,357,170
6200	Special Population Support and Development	1,590,232
6300	Alternative Programs Support and Development	1,297,650
6400	Technology Support	10,996,913
6500	Operational Support	89,830,813
6600	Financial and Human Resource Services	16,369,218
6700	Accountability	3,988,691
6800	System-wide Pupil Support	3,548,686
6900	Policy, Leadership and Public Relations	<u>12,447,316</u>
	Subtotal System-Wide Support Services	\$ 144,426,689
7000	Ancillary Services	
7100	Community Services	\$ 175,946
7200	Nutrition Services	<u>309,621</u>
	Subtotal Ancillary Services	\$ 485,567
8000	Non-Programmed Charges	
8100	Payments to Charter Schools	10,426,571
8300	Debt Service	<u>582,736</u>
	Subtotal Non-Programmed Charges	\$ 11,009,307
	TOTAL OPERATING EXPENDITURES	<u>\$ 341,366,785</u>
9000	Capital Outlay	
9100	Category I Projects	\$ 4,950,000
9200	Category II Projects	250,000
9300	Category III Projects	<u>-</u>
	TOTAL CAPITAL OUTLAY	<u>\$ 5,200,000</u>

Submitted for Board Approval on September 11, 2007

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
CHARLOTTE, NORTH CAROLINA
BUDGET RESOLUTION FY 2007-08**

BUDGET RESOLUTION FY 2007-08

BE IT RESOLVED by the Board of Education of the Charlotte-Mecklenburg School Administrative Unit:

Section I The following amounts are hereby appropriated for the operation of the school administrative unit for the fiscal year beginning July 1, 2007 and ending June 30, 2008:

Current Expense

(A) Instructional Services

5100	Regular Instructional Services	\$	579,560,130
5200	Special Populations Services		127,939,895
5300	Alternative Programs Services		68,994,587
5400	School Leadership Services		70,407,106
5500	Co-Curricular Services		4,757,728
5800	School-Based Support Services		<u>65,205,010</u>
	Total Instructional Programs	\$	<u>916,864,456</u>

(B) System-Wide Support Services

6100	Support and Development Services	\$	6,199,190
6200	Special Population Support and Development Services		3,255,284
6300	Alternative Programs Support and Development Services		6,984,815
6400	Technology Support Services		11,718,161
6500	Operational Support Services		168,074,716
6600	Financial and Human Resource Services		18,098,032
6700	Accountability Services		6,295,617
6800	System-wide Pupil Support Services		4,443,399
6900	Policy, Leadership, and Public Relations Services		<u>15,010,472</u>
	Total Supporting Services	\$	<u>240,079,686</u>

(C) Ancillary Services

7100	Community Services		488,415
7200	Nutrition Services		<u>884,942</u>
	Total Ancillary Services	\$	<u>1,373,357</u>

(D) Non-Programmed Charges	
Payments to Other Governmental Units and Transfer of Funds	\$ 13,217,820
Unbudgeted Funds	1,012,336
Debt Service	<u>582,736</u>
Total Supporting Services	<u>14,812,892</u>
Total Current Expense	<u>\$ 1,173,130,391</u>
<u>Capital Replacement</u>	
(A) Buildings and Sites	\$ 4,950,000
(B) Furniture and Equipment	250,000
(C) Vehicles	<u>-</u>
Total Capital Replacement	<u>\$ 5,200,000</u>
<u>Child Nutrition Program</u>	
(A) Salaries and Benefits	\$ 27,250,116
(B) Food and Operational Costs	<u>25,663,938</u>
Total Child Nutrition Program	<u>\$ 59,218,910</u>
<u>After School Enrichment Program</u>	
(A) Salaries and Benefits	\$ 11,644,874
(B) Operational Costs	<u>4,066,501</u>
Total After School Enrichment Program	<u>\$ 15,227,000</u>
Total Expenditures	<u>\$ 1,252,776,301</u>

Section II The following revenues are estimated to be available for the fiscal year beginning July 1, 2007 and ending June 30, 2008:

Current Expense

County Appropriation	\$ 702,939,862
State Funds	341,366,785
Federal Funds	96,083,458
Other Funds	<u>32,740,286</u>
Total Current Expense	\$ <u>1,173,130,391</u>

Capital Replacement

County Appropriation- State Public School Building Capital Fund	\$ <u>5,200,000</u>
Total Capital Replacement	\$ <u>5,200,000</u>

Child Nutrition Program

Sales and Operating Transfer from General Fund	\$ 24,939,459
Federal and Other Revenues	<u>34,279,451</u>
Total Child Nutrition Program	\$ <u>59,218,910</u>

After School Enrichment Program

Participant Fees	\$ 15,132,000
Interest Income	<u>95,000</u>
Total After School Enrichment Program	\$ <u>15,227,000</u>

Total Revenues \$ 1,252,776,301

Section III All appropriations shall be paid first from revenues restricted as to use, and second from general unrestricted revenues.

Section IV The Finance Officer, with the approval of the Superintendent, is hereby authorized to transfer appropriations within a fund as follows:

- (A) Proposed expenditures from State, Federal, or other sources of revenues, may be amended upon receipt of information altering the anticipated revenues. A report of such budget amendments shall be made to the Board of Education on a monthly basis.
- (B) Allocations may be transferred within a function with a report of such transfers made to the Board of Education on a monthly basis.
- (C) Transfers between functions or from contingency appropriations may be made with a report of such transfers made to the Board of Education.
- (D) Transfers between funds shall not be made without prior approval of the Board of Education.

Section V Copies of this Budget Resolution shall be immediately furnished to the Superintendent and School Finance Officer for direction in carrying out their duties.

**2007-2008 PROPOSED CURRENT EXPENSE BUDGET:
COMPARISON TO PRIOR YEAR**

	2007-2008 Proposed Budget	2006-2007 Adopted Budget	% Change
REVENUES			
State of North Carolina	\$ 702,939,862	\$ 623,777,628	12.7%
Federal	96,083,458	77,883,313	23.4%
Mecklenburg County Appropriation	341,366,785	316,160,298	8.0%
Other Local Revenue*	<u>32,740,286</u>	<u>33,375,917</u>	-1.9%
TOTAL REVENUES	<u>\$ 1,173,130,391</u>	<u>\$ 1,051,197,156</u>	<u>11.6%</u>
EXPENDITURES			
Instructional			
Regular Instructional	\$ 579,560,130	\$ 522,971,481	10.8%
Special Populations	127,939,895	118,750,025	7.7%
Alternative Programs and Services	68,994,587	54,450,390	26.7%
Co-Curricular	4,757,728	4,620,643	3.0%
School-Based Support	<u>65,205,010</u>	<u>54,133,063</u>	<u>20.5%</u>
Total Instructional	846,457,350	754,925,602	12.1%
Instructional Support			
Support and Development	6,199,190	3,998,317	55.0%
Special Population Support and Development	3,255,284	2,690,146	21.0%
Alternative Programs Support and Development	6,984,815	4,376,437	59.6%
System-wide Pupil Support	<u>4,443,399</u>	<u>3,620,087</u>	<u>22.7%</u>
Total Instructional Support	20,882,688	14,684,987	42.2%
Operations			
Technology Support	11,718,161	10,990,082	6.6%
Operational Support	168,074,716	157,503,844	6.7%
Financial and Human Resource Services	18,098,032	14,263,413	26.9%
Accountability	6,295,617	5,664,042	11.2%
Community Services	488,415	485,874	0.5%
Nutrition Services	884,942	924,882	-4.3%
Debt Service	582,736	582,736	-
Other	<u>3,803,585</u>	<u>3,386,182</u>	<u>12.3%</u>
Total Operations	209,946,204	193,801,055	8.3%
Leadership			
Policy, Leadership and Public Relations	15,010,472	13,503,381	11.2%
School Leadership Services	<u>70,407,106</u>	<u>66,541,104</u>	<u>5.8%</u>
Total Leadership	85,417,578	80,044,485	6.7%
Charter School Funds	10,426,571	7,741,027	34.7%
TOTAL EXPENDITURES	<u>\$ 1,173,130,391</u>	<u>\$ 1,051,197,156</u>	<u>11.6%</u>

* Includes High School Challenge grant carryover funds of \$4,478,194 and \$1,788,655 respectively.

**2007-2008 PROPOSED CURRENT EXPENSE BUDGET:
SUMMARY OF CHANGES TO 2006-2007 BASE BUDGET**

	State	County	Federal	Other	Total
2006-2007 BASE BUDGET	\$ 630,680,410 *	\$ 316,160,298 **	\$ 90,647,276 *	\$ 20,848,854 *	\$ 1,058,336,838
I. SUSTAINING OPERATIONS					
A. Salaries and Benefits	31,971,474	12,974,321	-	43,472	44,989,267
B. Program Continuation	14,671,820 ^A	5,427,181	5,436,182 ^B	9,207,960 ^C	34,743,143
Sub-Total	46,643,294	18,401,502	5,436,182	9,251,432	79,732,410
II. STUDENT GROWTH AND OPENING					
NEW SCHOOLS					
A. Enrollment Increases	19,541,202	4,798,920	-	2,640,000 ^D	26,980,122
B. New Schools	2,143,266	4,837,089	-	-	6,980,355
Sub-Total	21,684,468	9,636,009	-	2,640,000	33,960,477
III. PROGRAM EXPANSION & NEW INITIATIVES					
A. Eight-PLUS Programs	570,450	1,801,437	-	-	2,371,887
B. Advanced Studies and College Prep Programs	-	446,453	-	-	446,453
C. Exceptional Children (EC) Inclusive Practices	511,033	313,670	-	-	824,703
D. English as a Second Language (ESL)	294,511	496,451	-	-	790,962
E. District Reorganization/Decentralization					
Reorganization of Academic Services		1,654,846			1,654,846
Decentralization/Learning Communities		5,636,113			5,636,113
Achievement Zone	1,232,307	1,244,369			2,476,676
F. Expanded Day at Billingsville Elementary	-	350,000	-	-	350,000
G. Professional Development	-	267,092	-	-	267,092
H. K-12 Comprehensive Math Model	-	221,046	-	-	221,046
I. Middle College High School at CPCC	196,786	242,265	-	-	439,051
J. K-3 Intensive Reading	-	160,912	-	-	160,912
K. Student Exchange Program	-	24,000	-	-	24,000
L. Writing Plan Implementation	-	311,046	-	-	311,046
M. Accountability Initiatives	-	178,364	-	-	178,364
N. Effective Educators Recruitment & Retention	-	418,680	-	-	418,680
O. Strong Parent & Community Connections	-	548,270	-	-	548,270
P. Small Schools	718,801	432,662	-	-	1,151,463
Q. Transportation Service Improvement Initiatives	559,907	251,455	-	-	811,362
R. Four Tiered Disciplinary System	378,345	41,655	-	-	420,000
S. K-3 Class Size Reduction	-	1,949,221	-	-	1,949,221
Sub-Total	4,462,140	16,990,007	-	-	21,452,147
IV. REVISIONS AND REDIRECTIONS		(17,519,850)			(17,519,850)
ADDITIONAL REVISIONS AND REDIRECTS	(530,450)	(2,301,181) ^E			(2,831,631)
TOTAL 2007-2008 PROPOSED CURRENT EXPENSE BUDGET	<u>\$ 702,939,862</u>	<u>\$ 341,366,785</u>	<u>\$ 96,083,458</u>	<u>\$ 32,740,286</u>	<u>\$ 1,173,130,391</u>

* Includes state revisions and anticipated revenue adjustments to 2006-07 Adopted Budget.

** Does not include one time restricted contingency funding of \$4,900,000 for the High School Challenge grant and \$500,000 for assistance in developing a weighted student funding formula and studying decentralization. These funds were awarded after the 2006-2007 budget was adopted.

A Includes funds for additional teacher assistant positions to maintain state pupil/teacher assistant ratios and funding to sustain transportation service level and quality of fleet maintenance. Also included are changes to state categorical allotments and reclassing the state textbook allotment from other local revenue to state for reporting purposes. These changes are detailed on Exhibit B, pages 33-34 .

B See Exhibit B, pages 33-34 for details.

C Includes a fund balance appropriation of \$4.9 million for math training stipends, a 15% merit-based supplemental for staff at four high schools, an increase in appropriation of fund balance of \$12,885,888 and a reclass of the state textbook allotment as outlined on Exhibit B, pages 33-34.

D Includes a fund balance appropriation to purchase 33 new buses

E See Exhibit A, page 32 for details.

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2007-2008 PROPOSED PROGRAM CHANGES

I. Sustaining Operations

Change Reference: I.A

Explanation of Change	Description	Local Cost
A. <u>Salaries and Benefits</u>		
1. <u>Increase in Salaries</u> It is anticipated at this time that the state will provide a 5% average increase for teachers, 4.4% for school based administrators and a 4.0% increase for all non-certified staff. County funds are needed to provide an equivalent increase for our locally funded positions.	County Funds	<u>\$8,364,151</u>
	State Funds	<u>\$25,647,050</u>
	Other Funds	<u>\$27,352</u>
2. <u>Increase in Health Insurance Rate</u> It is anticipated at this time that the employer-paid portion of the state health insurance rate will increase from \$3,854 to \$4,394 annually, which represents a 14% increase. Funds are needed to provide an equivalent increase for our locally funded positions.	County Funds	<u>\$829,584</u>
	State Funds	<u>\$3,041,850</u>
	Other Funds	<u>\$2,796</u>
3. <u>Increase in Dental Insurance Rate</u> It is anticipated at this time that the employer-paid portion of the District's dental insurance rate will increase \$14, from \$231 to \$245 annually. Funds are needed to cover the rate increase for all state and locally funded positions.	County Funds	<u>\$214,328</u>
	Other Funds	<u>\$160</u>
4. <u>Increase in Retirement Rate</u> It is anticipated at this time that the employer-paid portion of the state retirement plan will increase from 7.14% to 7.91% annually. Funds are needed to cover the rate increase for all locally funded positions.	County Funds	<u>\$1,255,058</u>
	State Funds	<u>\$3,282,574</u>
	Other Funds	<u>\$13,164</u>
5. <u>Comprehensive Compensation Study and Market Adjustment – Phase 1</u> One strategy for recruiting and retaining effective staff in the Strategic Plan 2010 is to reward both instructional and non-instructional employees with compensation initiatives. Based on a consultant's study of the CMS pay plan, considering both internal and external equity, district salary recommendations will be made. These funds will launch the first phase of a multi-year plan.	Salaries and Benefits	<u>\$2,311,200</u>

Change Reference: I.B

Explanation of Change	Description	Local Cost
B. <u>Program Continuation</u>		
1. <u>Charter Schools</u> Based on projected increases in the charter-school enrollments as a result of growth and two new charter schools opening, additional funding is requested to increase our charter-school budget. Charter-school enrollment is expected to increase by 951 students in Mecklenburg County, based on state projections for 2007-08.	County Funds	<u>\$2,685,544</u>

2007-2008 PROPOSED PROGRAM CHANGES

Change Reference: **I.B (Continuation)**

Explanation of Change	Description	Local Cost
<p>2. <u>Utilities</u> Utility costs for the school district are expected to increase 5.5% for electricity and 6% for natural gas over the prior year due to price increases. Therefore, the utilities budget for 2006-07 must be adjusted to cover the projected increase.</p>	County Funds	<u>\$1,643,692</u>
<p>3. <u>Workstation and Network Engineers</u> The Workstation and Network Services team provides technical support and service for the computers, software applications, school networks, and wireless infrastructure that are used daily to meet instructional and business objectives. The Workstation Services Team (22 engineers to include 15 workstation engineers and 7 sr. workstation engineers) currently supports more than 39,000 computers and 340 domain and files servers in 161 schools and approximately 20 administrative locations. That is, one CMS engineer to support 1,772 computers (1:1,772). NCDPI recommends one engineer for every 400 computers. By comparison, two of the other largest school districts in the state have engineer to computer ratio ranging from 1:675 to 1:1,172. With regard to support for school network systems and the wireless infrastructure, CMS has two network engineers to support more than 170 sites. NCDPI recommends one network engineer for every 50 schools. The engineers and Help Desk respond to nearly 40,000 calls per year. These calls are increasing each year as we add more schools and complexity to our technology platform (state online testing, PLATO, textbook adoption materials, and a district emphasis on integrating technology into curriculum.) Funding is designated to add three workstation and network engineers to lower our engineer to computer ratio to 1:1,379.</p>	County Funds	<u>\$195,676</u>
<p>4. <u>Insurance Premiums</u> Citing growth in amount of property to insure and market conditions, the Division of Insurance and Risk Management has advised CMS to expect an increase for various insurance premiums in our next renewal cycle. Funding is designated to cover the projected premium rate increase of approximately 5%.</p>	County Funds	<u>\$140,020</u>
<p>5. <u>Increase in Mileage Rate to IRS Standard Rate</u> Due to the increase in costs to operate and properly maintain a vehicle, funds are designated to increase the reimbursement rate from 40.5 cents to the IRS standard mileage reimbursement rate of 48.5 cents as of January 2007. This will provide appropriate reimbursement to all of our itinerant teachers and other staff.</p>	County Funds	<u>\$177,477</u>
<p>6. <u>Graduation Costs</u> Based on an increased cost for facilities to hold graduation ceremonies and the addition of a midyear graduation ceremony, additional funding is designated to increase our graduation budget.</p>	County Funds	<u>\$50,000</u>
<p>7. <u>Magnet Program Administration</u> The Magnet Schools Assistance Program grant expires on June 30. In order to maintain the magnet department, four administrative positions currently funded by the grant are requested. These positions support magnet schools through program development, data collection and review, and marketing and recruitment.</p>	County Funds	<u>\$307,146</u>

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2007-2008 PROPOSED PROGRAM CHANGES

Change Reference: I.B (Continuation)

Explanation of Change	Description	Local Cost
<p>8. <u>Transportation Staffing</u> The Transportation Department serves an estimated 85,000 students riding to and from school daily and vehicle maintenance programs for 1,450 buses and service vehicles. In addition, the department provides supplementary transportation services for instructional programs for extended-day tutorials, Saturday Academy, instructional and non-instructional field trips and various central and administrative events. Some departmental ratios of staff to workload are inadequate to provide top-class, safe service and adequate maintenance. Funding is designated to hire five Technician II positions.</p>	County Funds	<u>\$227,626</u>

II. Student Growth and Opening New Schools

Change Reference: II.A

A. Enrollment Increases

<p>1. <u>Enrollment – Additional Allotments</u> Student enrollment is projected to increase by approximately 5,231 students in 2007-08, which represents a 4% increase in our student population. Additional positions, as outlined below, are needed in order to maintain our current staffing formulas and to staff classrooms that will be needed to accommodate this growth. Funds are also included for the local pay supplement for state and locally paid positions. Funds also are needed for maintenance of new computer equipment, maintenance of additional virus protection, maintenance contracts on equipment, supplies and materials and classroom furniture.</p>	County Funds	<u>\$4,798,920</u>
	State Funds	<u>\$19,541,202</u>

	<u>State</u>	<u>Local</u>
Teachers & Support Staff	252.5	38.0
Assistant Principals	6.0	0.5
CTE Teachers	4.0	0.0
Bilingual Education Staff	14.0	0.0
EC Teachers & Support Staff	17.0	0.0
Office Personnel	0.0	5.0
Assistants	34.0	6.0
Transportation	37.0	0.0
	<u>364.5</u>	<u>49.5</u>

Change Reference: II.B

Explanation of Change	Description	Local Cost
<p>B. <u>New Schools</u></p> <p>1. <u>Additional Position Allotments</u> One elementary and one high school are scheduled to open in August 2007. These schools require staffing to provide instruction and support services. This request also includes the local supplement for state and locally paid positions. Estimated additional positions are as follows:</p>	County Funds	<u>\$1,089,767</u>
	State Funds	<u>\$2,143,266</u>

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2007-2008 PROPOSED PROGRAM CHANGES

Change Reference: II.B (Continuation)

Explanation of Change			Description	Cost
	<u>State</u>	<u>Local</u>		
Principals	2.0	0.0		
Assistant Principals	0.0	5.0		
Teachers & Support Staff	8.0	6.0		
CTE Teachers	19.0	0.0		
Office Personnel	8.5	0.0		
Assistants	0.0	2.0		
Campus Security Associates	3.0	0.0		
	<u>40.5</u>	<u>13.0</u>		

Funding for additional weeks of employment for some 10-month staff is needed to ensure a smooth opening at each new school. The principal will use the lead time to plan for curriculum and instruction, assemble school faculty and staff, and provide necessary staff development. County Funds \$19,814

In addition, three new elementary schools are scheduled to open in August 2008. Additionally, two new elementary schools are being discussed as possibly opening in August 2008. Key positions needed for planning, teacher recruitment, master course scheduling and other issues will require funding during fiscal year 2007-2008. These positions include: County Funds \$384,650

<u>Positions</u>	Months of Employment per School	
	<u>5 Elem.</u>	
Principals	5.0	
Senior Admin. Secretary	5.0	
Assistant Principal	1.7	
Media Specialist	2.0	
Custodian	2.0	
Secretary	2.0	
Cafeteria Manager	1.0	
	<u>18.7</u>	
Extended Employment Hours per School	100.00	

2. Non-personnel support
 Funding is requested for various technology needs not covered by bond funds to open new facilities such as telephone service (lines and installation) and associated systems support, data network connectivity, hardware repair and maintenance of critical systems, data connectivity and video conferencing. County Funds \$252,589

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2007-2008 PROPOSED PROGRAM CHANGES

Change Reference: II.B (Continuation)

Explanation of Change	Description	Cost
<p>3. <u>Maintenance</u> The opening of five new and/or replacement schools and major facility renovations coming on line will result in the addition of 708,219 square feet in our facilities. In order to properly maintain this additional square footage, funds are requested at \$4.12 per square foot to cover staffing, utilities and contracted services.</p> <ul style="list-style-type: none"> • Additional Staff (47 Positions) <ul style="list-style-type: none"> 23.0 Custodians <ul style="list-style-type: none"> 1.0 Head Custodian I 1.0 Head Custodian II 1.0 Project Manager 1.0 Regional Property Manager 2.0 Locksmith 2.0 Carpenter 1.0 Roofers 1.0 Painters 2.0 Grounds Crew Chief 1.0 HVAC Mechanic II 1.0 Equipment Mechanic 2.0 Pest control Operator 2.0 Plumber II 1.0 Sheet Metal Worker II 1.0 Electronic control specialist 1.0 Area Operations Supervisor 1.0 Electronic Technician II 1.0 Payables Support Technician 1.0 Welder • Utilities • Purchased/Contracted Services • Garbage Pick-up 	County Funds	<u>\$2,920,812</u>
<p>4. <u>Athletics and Graduation at the New High School</u> In order to provide safe and competitive interscholastic athletic programs at the new high school, additional funding is needed. Funds will be used to cover expenditures including coaching stipends, contracting of game officials, police officers, ambulance service and security staffing, supplies and materials, and required football insurance. The cost for a graduation ceremony is also included.</p>	County Funds	<u>\$169,457</u>

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2007-2008 PROPOSED PROGRAM CHANGES

III. Program Expansion and New Initiatives

Change Reference: III

Explanation of Change	Description	Local Cost
A. <u>Eight-PLUS Programs</u>		
<p>A substantial number of eighth grade students are being promoted to ninth grade without having met the North Carolina Gateway requirements (scoring Level III or IV on end of grade math and reading tests). The Eight-PLUS Programs initiative will require students who do not pass the Gateway to be retained or to take intensive literacy and/or math intervention/support courses before being allowed to pursue regular high school courses. The Eight-PLUS programs will:</p> <ul style="list-style-type: none"> ▪ include a stand-alone school at Midwood (Central Avenue) for approximately 300 students who feed into the four challenge high schools – West Charlotte, West Mecklenburg, Garinger, and Waddell; ▪ require each high school to offer a pre-9th grade support program for students whose eighth grade end of grade (EOG) scores indicate a need for intensive literacy and math intervention/support courses before being allowed to pursue regular high school courses; and ▪ require some students to be retained in eighth grade. <p>Funds are designated for an assistant principal, 20 teacher positions, technology coordinator, Communities in Schools (CIS) site coordinators and the local supplement for state paid positions.</p>	County Funds	<u>\$1,801,437</u>
	State Funds	<u>\$570,450</u>
B. <u>Advance Studies and College Prep Programs</u>		
<p>Several initiatives are being developed to support the Advanced Studies programs. These initiatives include designing the early college initiative, launching the college-prep studies and strengthening the Horizons program for highly gifted students.</p> <p>Another initiative will expand the SpringBoard program to two high schools for the 2007-08 school year. Springboard is a college-prep program developed by the College Board which helps students gain the skills needed to succeed in college.</p> <p>Finally, Academic Alliances will allow teachers of the strongly gifted to collaborate and hear from leading researchers in their various content areas to plan high quality instruction.</p> <p>Funds are designated for an advanced studies specialist, high school coordinator, as well as professional development, travel, supplies and materials.</p>	County Funds	<u>\$446,453</u>
C. <u>Exceptional Children (EC) Inclusive Practices</u>		
<p>Inclusion is defined as a philosophy or set of beliefs based on the idea that students with disabilities have the right to be members of the classroom communities with non-disabled peers whether or not they can meet the traditional expectations of those classrooms. All Bright Beginnings Kindergarten and secondary schools along with 51 elementary schools now use inclusive practices. The remaining schools will be trained in the summer of 2007. Funds are designated to contract with consultants and for stipends for an inclusive practice summer institute.</p>	County Funds	<u>\$313,670</u>
	State Funds	<u>\$511,033</u>

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2007-2008 PROPOSED PROGRAM CHANGES

Change Reference: III (Continuation)

Explanation of Change	Description	Local Cost
<p>D. <u>English as a Second Language (ESL) Enhancement</u> As of October 1, 2006, 14,883 Limited English Proficient (LEP) students were enrolled in CMS. CMS will provide intensive English language and cultural orientation services to these newcomer students through SIFE (Students with Interrupted Formal Education) Centers. Three additional SIFE teachers and three assistants funded by the state will staff the centers. Also, a fourth SIFE teacher also funded by the state will serve SIFE students who are enrolled in schools that do not house a SIFE Center. Funds are designated for the local supplement for these positions.</p>	County Funds	<u>\$496,451</u>
<p>All Limited English Proficiency (LEP) students are eligible to enroll in the English as a Second Language (ESL) program. To ensure that CMS meets the linguistic and academic needs of these students, schools will offer a curriculum that is tailored to each student's level of proficiency in listening, speaking, reading, and writing. In addition, intensive professional development in Sheltered Instruction Observation Protocol (SIOP) strategies will be available for administrators and teachers. Funding is designated to hire an executive director of ESL and contract for five Communities in School (CIS) site coordinators.</p>	State Funds	<u>\$294,511</u>
<p>E. <u>District Reorganization/Decentralization</u> <u>Reorganization of Academic Services</u> The reorganization of the Education Services and School Administrative Divisions reflects the Strategic Plan 2010. Realigning these resources will facilitate the decentralization process as the district shifts to area learning communities as well as provide a better support structure for the implementation of the Strategic Plan 2010. Through this process, those responsible for academic content will now be responsible for a K-12 focus to better assist the area learning community. In addition, principals will have more authority over those who service the students in their individual schools, for example, the Family Advocates, Social Workers, Drop Out Prevention Counselors and School Psychologists will now report to principals. Funds are designated to hire positions within the newly formed Academic Services Division including an assistant superintendent of PreK-12 instructional support, directors for key areas, coordinators, curriculum specialists, and clerical support positions.</p>	County Funds	<u>\$1,654,846</u>
<p><u>Decentralization/Learning Communities</u> As outlined in the Strategic Plan 2010, the district plans to decentralize into geographically grouped learning communities. The goal is to improve services to schools and make the district more responsive to local community concerns. The recurring costs for six office facilities which include space, telecommunications, data, utilities and custodial maintenance are required to place staff offices within the learning community geographic areas. Personnel costs include staffing each office with an area superintendent, executive director(s)-area office, area administrator for student services (discipline), curriculum support coordinator, Exceptional Children resource teacher, resource teachers and clerical support. Funding for area office supplies, mileage, travel and contracted services are also included.</p>	County Funds	<u>\$5,636,113</u>

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2007-2008 PROPOSED PROGRAM CHANGES

Change Reference: **III (Continuation)**

Explanation of Change	Description	Local Cost
E. <u>District Reorganization/Decentralization (Continuation)</u> <u>Achievement Zone</u>		
<p>As outlined in the Strategic Plan 2010, an Achievement Zone has been established for under-performing schools. Approximately 11,000 students in 10 chronically under-performing schools will embark on a journey to academic excellence when Charlotte-Mecklenburg Schools' Achievement Zone officially opens its door August 2007.</p>	County Funds	<u>\$1,244,369</u>
	State Funds	<u>\$1,232,307</u>
<p>Students will receive intensive support and a special academic program that places a strong emphasis on literacy. Special programs will be developed at each school to address the individual academic and social needs for students.</p>		
<p>Funding is designated for personnel costs including an area superintendent, executive director-area office, area administrator for student services (discipline), curriculum support coordinator, Exceptional Children resource teacher, resource teachers, community relations specialist, data analyst and clerical support. Funding for area office supplies, mileage, travel and contracted services are also included. In addition, the Achievement Zone schools will receive additional school based staff such as teachers, academic facilitators, social workers and campus security associates based on the specific school need.</p>		
F. <u>Expanded Day at Billingsville Elementary</u>		
<p>An expanded day pilot will be implemented at Billingsville Elementary based on Billingsville's performance under the NC Accountability Program. Less than 50% of the students in grades 3-5 are on grade level. Billingsville is also one of the two elementary schools in the Achievement Zone. Funds are designated to pay the school based staff to work the additional hour to extend the day.</p>	County Funds	<u>\$350,000</u>

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2007-2008 PROPOSED PROGRAM CHANGES

Change Reference: **III (Continuation)**

Explanation of Change	Description	Local Cost
<p>G. <u>Professional Development</u> CMS is contracting with PEAK Learning Systems to work with all teachers for a third year. <i>Classroom Instruction that Works</i> has been distributed throughout the CMS system and further expert training on this and later texts will promote educational excellence.</p> <p>In an effort to strengthen the pipeline for school leadership, the Leadership Academy programming will be expanded to include an Aspiring Leaders Program, Novice Principal Program and a Continuing Leadership Development Program for principals with three or more years of experience. We will work with higher education partners to build a strong leadership program.</p> <p>The Yale National Initiative is an educational partnership between universities and CMS to strengthen teaching and learning in the district, and it will be modeled after the Yale National Initiative that developed from a partnership between Yale University and the New Haven Public School System.</p> <p>A number of key teacher professional development programs have been aligned with the Strategic Plan 2010. They integrate the philosophical principles and strategies of district initiatives. Teacher Seminars will be designed and implemented during the school year to extend learning acquired during the Summer Teacher Institute.</p> <p>Funding is designated to provide professional development opportunities for teachers and principals and for two new director positions – one focused on teacher and the other on principal professional development.</p>	County Funds	<u>\$267,092</u>
<p>H. <u>K-12 Comprehensive Math Model</u> Having a comprehensive math model with one basal textbook and appropriate intervention strategies will provide better support for all students. Thus, to enhance math instruction, Saxon and Algebraic Thinking will be replaced by the primary math textbooks from Scott Foresman and Holt. Funding is designated to hire a director for math and science and to provide training for teachers unfamiliar with the new textbook adoptions.</p>	County Funds	<u>\$221,046</u>

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2007-2008 PROPOSED PROGRAM CHANGES

Change Reference: III (Continuation)

Explanation of Change	Description	Local Cost
<p>I. <u>Middle College High School at CPCC</u> Located on the Cato Campus of Central Piedmont Community College (CPCC), Middle College High School (MCHS) is a partnership between the Charlotte-Mecklenburg Schools (CMS) and CPCC. Designed as a small autonomous high school, it will serve students in grades 11 and 12, with a maximum enrollment of 200 students. MCHS will offer a rigorous honors, Advanced Placement and dual enrollment credit curriculum to students who desire to accelerate their academic instruction. Every student will be required to follow the College/University Prep or the College Tech/College/University Prep course of study for high school graduation. The MCHS will expand the opportunities for academically capable high school juniors and seniors to earn a high school diploma and receive credit toward a post-secondary certificate, diploma, an associate's or applied associate's degree. Funds are designated for five teachers and the local supplement for state paid positions.</p>	<p>County Funds State Funds</p>	<p><u>\$242,265</u> <u>\$196,786</u></p>
<p>J. <u>K-3 Intensive Reading</u> This project will focus on providing a more intensive literacy curriculum for K-3 students not reading on grade level. The general curriculum for these struggling readers will be augmented with additional reading interventions and support during the school day. These interventions, guided by assessment and progress monitoring, will focus on phonics, phonemic awareness, fluency, vocabulary and comprehension. Students will continue within this intensive model until they are reading on grade level. Funds are designated for professional development for teachers using the interventions. The DIBELS pilot which allows teachers to monitor progress using a handheld device (PDA) will be expanded. Currently used in Title I elementary schools, an additional 22 schools will receive the equipment and training on this method of data collection. Funding is also designated to hire an elementary reading specialist to oversee the programs.</p>	<p>County Funds</p>	<p><u>\$160,912</u></p>
<p>K. <u>Student Exchange Program</u> The new Study Abroad Program includes specific instructional and academic goals. Agreements with foreign countries will facilitate student and faculty exchanges. Materials that explain the program options will be designed and distributed internally and externally. The Study Abroad Program enriches the high school curriculum with options for higher level courses and electives, better preparing students for SAT and NAEP tests, Advanced Placement tests as well as end of course (EOC) tests. The Study Abroad Program offers CMS students and faculty opportunities to become well-educated global competitors. Funds are designated for marketing, recruiting, materials and travel expenses.</p>	<p>County funds</p>	<p><u>\$24,000</u></p>

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2007-2008 PROPOSED PROGRAM CHANGES

Change Reference: **III (Continuation)**

Explanation of Change	Description	Local Cost
<p>L. <u>Writing Plan Implementation</u> Writing is a component of the North Carolina accountability system with student success measured at grades four, seven and ten. To prepare our students to be successful, instruction must occur in all grades as well as within content areas. Instructional programming based on Lucy Calkins' writer's workshop for elementary schools and the Write Traits for secondary schools has been developed. Funds are designated for training, stipends for participants and materials for schools for successful implementation. Funding will also be designated to hire a director for K-12 literacy and writing.</p>	County Funds	<u>\$311,046</u>
<p>M. <u>Accountability Initiatives</u> The Department of Assessment (Office of Accountability) budget for School Year 2007-08 includes resources to bolster the district's capacity to evaluate program effectiveness, implement a comprehensive accountability system and strengthen and align assessment tools. Specifically, we are adding a staff analyst to increase our capacity to evaluate the effectiveness of CMS programs and initiatives. Additional resources will support redesigning our local assessment tools to assist schools with diagnosing student learning and instructional practice. In addition, this budget contains resources to implement the district's new accountability system including the creation and use of a new school report card that will provide parents, teachers, students and the community with a complete and understandable picture of a school's performance.</p>	County Funds	<u>\$178,364</u>
<p>N. <u>Effective Educators Recruitment and Retention Plan</u> Attracting and retaining effective teachers, administrators and other employees is essential to accomplishing the academic achievement goals set forth in the Strategic Plan 2010. A variety of initiatives outlined below are designed to address recruitment and retention.</p> <p>Teach For America Expansion: Teach For America has a proven history of successfully recruiting and training non-education majors from highly competitive universities to effectively serve in schools with high poverty levels. TFA teachers are highly requested by principals based on their passion for teaching and high success rates. Funds are budgeted to secure 20 additional TFA recruits.</p> <p>Teaching Fellows Signing Bonus: A variety of methods will be implemented concurrently to increase the hiring of Teaching Fellows, who are the recipients of the State of North Carolina's most prestigious teaching scholarships. The Strategic Plan 2010 call for a \$2,500 specialized signing bonus for Teaching Fellows, as one element of the multiple recruitment strategies. Funding is designated for this bonus.</p>	County Funds	<u>\$418,680</u>

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2007-2008 PROPOSED PROGRAM CHANGES

Change Reference: **III (Continuation)**

Explanation of Change	Description	Local Cost
<p>N. <u>Effective Educators Recruitment and Retention Plan (Cont.)</u> Human Resources Division Bonus Program: The Strategic Plan includes a performance bonus incentive for Human Resources as one strategy for enhancing recruitment efforts. The program, which includes one measure for the opening of schools and one measure for maintenance of high fill rates throughout the year, involves all Human Resources staff in activities to meet these targets. Funding is designated to provide this incentive.</p> <p>Imaging system licenses: Funding is budgeted for 75 additional imaging system licenses to allow web-based access to scanned applicant and employee information and to enable a shift to an electronic system to manage evaluation documents. The new system, LiquidOffice, will increase use of the imaging system as completed observations and evaluations will be available for electronic viewing by principals and senior staff, based on security.</p>		
<p>O. <u>Strong Parent and Community Connections</u> More than 50 national research studies have shown that strong communication plays an important role in the type and quality of parent/community involvement in education, and is strongly correlated to improved student academic achievement. When parental and community communication and involvement are strong, visible and ongoing, students have better attendance and behavior (at school and at home), perform better in the classroom and on standardized tests, and they enroll in more challenging academic classes.</p> <p>Research conducted by CMS also shows that parents desire better, faster and more timely communication, and that school and district responsiveness to requests for information and other parent and community needs often falls short. Community members and groups have expressed the desire to assist CMS in meeting student needs but often do not know how to connect with individual schools or the district in a way that is meaningful for all involved. Principals have expressed the need for greater stability in the volunteer base, a greater need for student mentors, and a more strategic focus and greater support in partnership development.</p> <p>Based on CMS Goals 2010, this new initiative is designed to strengthen parent and community involvement, communications and partnerships, while improving the district's responsiveness to students, parents and community members. Major initiatives strengthening and focusing the volunteers and partnerships department more strategically, providing better training for principals and school-based personnel on developing strong parent and community connections, and increasing the timeliness of CMS communications via an improved Web site, CMS-TV3 and other tools.</p>	County Funds	<u>\$548,270</u>

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2007-2008 PROPOSED PROGRAM CHANGES

Change Reference: **III (Continuation)**

Explanation of Change	Description	Local Cost															
P. <u>Small Schools</u>																	
<p>In association with the state’s New Schools Project Office and the Bill and Melinda Gates Foundation, CMS will open three smaller high schools in 2007-08. Each school’s goal is simple: to teach students a limited number of essential skills and areas of knowledge. The program’s design is shaped by the intellectual and imaginative powers and competencies that the student needs rather than by “subjects” as conventionally defined. Curricular decisions should be guided by the aim of thorough student mastery and achievement rather than by an effort to merely cover content. Garinger High School will add three smaller comprehensive high schools. The three small comprehensive schools are named the Finance School @ Garinger High, the Leadership and Public Service School @ Garinger High and the Math and Science School @ Garinger High. Funding is designated for the following positions:</p> <table style="margin-left: 40px; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;"><u>State</u></th> <th style="text-align: center;"><u>Local</u></th> </tr> </thead> <tbody> <tr> <td>Principals</td> <td style="text-align: center;">3.0</td> <td style="text-align: center;">0.0</td> </tr> <tr> <td>Teachers & Support Staff</td> <td style="text-align: center;">3.0</td> <td style="text-align: center;">6.0</td> </tr> <tr> <td>Office Personnel</td> <td style="text-align: center;">6.0</td> <td style="text-align: center;">0.0</td> </tr> <tr> <td></td> <td style="text-align: center; border-top: 1px solid black;">12.0</td> <td style="text-align: center; border-top: 1px solid black;">6.0</td> </tr> </tbody> </table>		<u>State</u>	<u>Local</u>	Principals	3.0	0.0	Teachers & Support Staff	3.0	6.0	Office Personnel	6.0	0.0		12.0	6.0	<p>County Funds</p> <p>State Funds</p>	<p><u>\$432,662</u></p> <p><u>\$718,801</u></p>
		<u>State</u>	<u>Local</u>														
Principals	3.0	0.0															
Teachers & Support Staff	3.0	6.0															
Office Personnel	6.0	0.0															
	12.0	6.0															
Q. <u>Transportation Service Improvement Initiatives</u>																	
<p>In an effort to improve customer service to schools and parents, funding is designated to hire additional management and support staff in the transportation department – specifically two new regional operations managers and five senior technicians. The operations manager and supporting operations technician teams will provide quality service, communications, problem solving, and immediate contact for the staff in the new decentralized learning communities. This level of operations will also provide a source of contact for school administrators and parent contacts requiring a higher level of response. Additionally, the regional operations managers will provide consistent supervision, standard levels of support, team building, problem solving and training for the specialists and staff in the transportation area offices who are in turn managing the front line employees including bus drivers.</p>	<p>County Funds</p> <p>State Funds</p>	<p><u>\$251,455</u></p> <p><u>\$559,907</u></p>															

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2007-2008 PROPOSED PROGRAM CHANGES

Change Reference: **III (Continuation)**

Explanation of Change	Description	Local Cost
<p>R. <u>Four-Tiered Disciplinary Process</u> CMS will develop more placement options that will address student offenses through specific programs to meet student needs using a four-tiered system. This will include student/parent selected placements at certain schools; district selected placement at alternative programs for certain incidents; district selected placement at other alternative programs for more egregious offenses; and, if necessary, exclusion and expulsion. The structure will be a four-tiered disciplinary process as outlined below:</p>	County Funds	<u>\$41,655</u>
<ul style="list-style-type: none"> ▪ Tier One – Students on the secondary level who commit minor infractions and/or are disfranchised from a comprehensive high school program <ul style="list-style-type: none"> ○ Options include: support in anger management, conflict resolution or anti-bullying, in-school suspension, community service, and/or programs such as Performance Learning Center or Midwood Day Program (parent choice) ▪ Tier Two – Student who commit more serious infractions, for example, a fist fight <ul style="list-style-type: none"> ○ Consequence: 3-5 days attendance at an alternative to suspension site (not Derita) ▪ Tier Three – Student who commit more serious infractions and/or have repeat offenses <ul style="list-style-type: none"> ○ Consequence: Long-term attendance at Derita ▪ Tier Four – Students who commit serious crimes and cannot attend school with the general student population <ul style="list-style-type: none"> ○ Consequence: Exclusion by the Board of Education 	State Funds	<u>\$378,345</u>
<p>It is anticipated that state funding will be utilized for the staffing to operate the alternative programs, however, funds are budgeted for the local supplement pay for those positions.</p>		
<p>S. <u>K-3 Class Size Reduction</u> Funding is designated to provide 40 additional classroom teacher positions to reduce the class size in grades K-3 in some FOCUS schools. Allocation of these positions to specific schools will be based on factors such as Free and Reduced Lunch (FRL) percentage and student academic performance at the school.</p>	County Funds	<u>\$1,949,221</u>

2007-2008 PROPOSED PROGRAM CHANGES

IV. Redirections/Reductions

Change Reference: IV.A

Explanation of Change	Description	Local Cost
A. <u>Redirection of Funds</u>		
1. <u>Program and Service Evaluations</u>		
<p>“Everything we do needs to be in alignment so we can focus and leverage our resources to get better results for kids,” says the superintendent. As we embark on the implementation of many of the strategies outlined in the Strategic Plan 2010, we must redirect current resources to pay for these new strategies. The following reductions have been identified for redirection in 2007-08:</p>		
Garinger High School Accelerated Program:		
<p>In 2003-04, the Garinger High School Accelerated Program was introduced to provide rising ninth-grade students with a variety of accelerated opportunities in the summer before ninth grade. This pre-high school experience was designed to help ninth-graders prepare for high school after graduating from middle school. Funding was provided for extended employment for instructional staff. With Garinger in the state’s New School Project for smaller high schools, the use of these dollars has declined. Therefore, the budget for the extended employment hours can be reduced.</p>	County Funds	<u>(\$350,000)</u>
High School Discretionary Funds:		
<p>In 2005-06, CMS provided seven high schools not in the High School Challenge grant with discretionary funding. In 2007-08, this money will be utilized to support the initiatives in the Strategic Plan 2010.</p>	County Funds	<u>(\$914,397)</u>
Instructional Excellence:		
<p>In 2003-04 CMS established the Department of Instructional Excellence to enhance teacher retention and development using mentors and coaches. Although this program has served an important purpose in the district, this department, which included 23 positions, was eliminated in January 2007 and most of the teachers were redeployed to schools.</p>	County Funds	<u>(\$1,468,112)</u>
Lawn Maintenance:		
<p>The number of planned lawn cuts has been reduced; however, with proper monitoring, we believe that this will not result in a significant decline in the aesthetic appearance of the school grounds.</p>	County Funds	<u>(\$300,000)</u>
NCWise:		
<p>In 2006-07, CMS instituted a state mandated new student information system, NCWise, to replace the outdated Student Information Management System (SIMS) and CMS’ Integrated Student Information System (ISIS). Funding was added for one-time purchases of software licensing and computer hardware. These funds can now be redirected.</p>	County Funds	<u>(\$365,750)</u>
Local Textbooks:		
<p>With the adoption of the new K-5 language-arts textbooks (revised Open Court), the cost for textbook materials that are consumable in nature will be less next year as they are included in the cost of the adoption. Local funding for maintenance of textbooks can be reduced.</p>	County Funds	<u>(\$1,726,790)</u>

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2007-2008 PROPOSED PROGRAM CHANGES

Change Reference: **IV.A (Continuation)**

Explanation of Change	Description	Local Cost
<p>2. <u>Central Office Reductions</u> Central Office staffing reductions: A vacant assistant superintendent for building services and ten vacant custodial positions were eliminated as a result of departmental restructuring of job responsibilities.</p>	County Funds	<u>(\$5,823,933)</u>
<p>The Education Services and School Administration divisions have undergone a major reorganization creating a newly defined Academic Services Division. The reorganization is part of the Strategic Plan 2010 goal to improve services to schools and make the district more responsive to local community concerns. Realigning these division employees advances the decentralization process as the district shifts to area learning communities. As part of the shift, 143.25 central office positions are being eliminated, most in Education Services and School Administration. This reduction includes 73.25 of the total positions eliminated. Additional positions eliminated are reflected in the Instructional Excellence (23) and Exceptional Children (2) reductions. The remaining 45 positions eliminated were funded with other revenue sources and therefore are not included in the local reductions. CMS is creating 126 new positions to serve the learning communities and the new Achievement Zone as well as new central office positions. These new positions are explained in the appropriate new initiative.</p>	County Funds	<u>(\$629,934)</u>
<p>Non-personnel expense reductions: Other expense reductions were made at the Central Office level, including a change in the way the employee-assistance services are provided, reducing the funds budgeted for an anticipated rate increase in the waste removal contract, reducing office supplies and a reduction in the funds historically used for the opening of schools.</p>		

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2007-2008 PROPOSED PROGRAM CHANGES

Change Reference: IV.A (Continuation)

Explanation of Change	Description	Local Cost										
<p>3. <u>Staffing</u> Based on the state’s projection, funds allocated for teacher assistants will allow our current teacher assistant ratios of 1:25 for kindergarten and 1:38 in grades 1-3 to be maintained as well as fund 22 teacher positions. Therefore, we redirected 22 local teacher positions to state funding and reduced the local budget for the cost of these positions.</p>	County Funds	<u>(\$908,666)</u>										
<p>15 teacher positions that were previously funded with local funds can be redirected to state funding, thus the local budget for the cost of these positions can be reduced.</p>	County Funds	<u>(\$619,545)</u>										
<p>An adjustment is recommended to revise the budgeted average annual salary for state paid non-instructional support personnel based on the actual average salary paid in 2006-07. After this adjustment, we are able to redirect local non-instructional support positions to state funding and local funds previously budgeted for these positions can be reduced.</p>	County Funds	<u>(\$841,992)</u>										
<p>Two school-based Exceptional Children coordinating teachers as well as one Exceptional Children specialist and one resource teacher were eliminated. Funding for these positions is being redirected to offset the cost for the Exceptional Children inclusive- practice initiative.</p>	County Funds	<u>(\$267,356)</u>										
<p>Eight locally paid Career and Technical Education teacher positions were eliminated. Although intended to be used while licensure issues were resolved, historically these positions have not been utilized. Funding for these positions is being redirected to offset the cost of the TechConnect initiative.</p>	County Funds	<u>(\$472,019)</u>										
<p>The assistant principal formula for elementary schools was changed to the weighted student staffing model. This new formula assigns a “weight” of 1.3 to each elementary student across the district identified as a Free and Reduced Lunch (FRL) student. The assistant principal staffing allocation for elementary schools is determined by applying the new formula to the “weighted” population. This change yielded 22 local assistant principal positions that could be eliminated. The formula change is as follows:</p> <table border="0" style="width: 100%; margin-top: 10px;"> <thead> <tr> <th style="text-align: left;"><u>Current Formula (no weighting)</u></th> <th style="text-align: left;"><u>Proposed Formula (weighted)</u></th> </tr> <tr> <th style="text-align: left;"><u>Assistant Principals</u></th> <th style="text-align: left;"><u>Assistant Principals</u></th> </tr> </thead> <tbody> <tr> <td>1 per school</td> <td>1 per school</td> </tr> <tr> <td>2 per 786-1,100 students</td> <td>2 per 1,001-2,000 students</td> </tr> <tr> <td>3 per 1,101+ students</td> <td>3 per 2,001+ students</td> </tr> </tbody> </table>	<u>Current Formula (no weighting)</u>	<u>Proposed Formula (weighted)</u>	<u>Assistant Principals</u>	<u>Assistant Principals</u>	1 per school	1 per school	2 per 786-1,100 students	2 per 1,001-2,000 students	3 per 1,101+ students	3 per 2,001+ students	County Funds	<u>(\$1,732,082)</u>
<u>Current Formula (no weighting)</u>	<u>Proposed Formula (weighted)</u>											
<u>Assistant Principals</u>	<u>Assistant Principals</u>											
1 per school	1 per school											
2 per 786-1,100 students	2 per 1,001-2,000 students											
3 per 1,101+ students	3 per 2,001+ students											
<p>Fourteen administrative assistant positions were eliminated. These were clerical positions allotted to schools whose enrollment was slightly below the next threshold in the assistant principal formula and therefore, the school did not receive an additional assistant principal position.</p>	County Funds	<u>(\$465,167)</u>										

2007-2008 PROPOSED PROGRAM CHANGES

Change Reference: **IV.A (Continuation)**

Explanation of Change	Description	Local Cost
4. <u>Redirection of Extended Employment for Opening New Schools</u> Funding was requested for 2006-07 for extended employment for some 10-month staff to ensure a smooth opening at each of the new schools. This amount was a one-time expense and will be redirected to offset the cost of extended employment for 2007-08.	County Funds	<u>(\$407,907)</u>
Total Redirections	County Funds	<u>(\$17,519,850)</u>
ADDITIONAL REVISIONS AND REDIRECTS**	County Funds	<u>(\$2,301,181)</u>

EXHIBIT: A
2007-2008 BUDGET REDUCTIONS AND REDIRECTIONS
SEPTEMBER 11, 2007

DESCRIPTION	STATE-WIDE REDUCTIONS	COUNTY REDUCTIONS
SALARIES AND BENEFITS		
SALARY INCREASE ADJUSTMENT BASED ON LOWER RATE		920,581
HEALTH INSURANCE ADJUSTMENT BASED ON LOWER RATE		598,782
RETIREMENT INCREASE ADJUSTMENT BASED ON LOWER RATE		105,641
TOTAL		1,625,004
PROGRAM CONTINUATION		
ELIMINATE STATE DSSF REPLACEMENT		1,463,592
TOTAL		1,463,592
NEW INITIATIVES		
ADVANCED STUDIES AND COLLEGE PREP PROGRAMS		68,099
DECENTRALIZATION/LEARNING COMMUNITIES		196,430
MIDDLE COLLEGE HIGH SCHOOL AT CPCC		48,403
ACCOUNTABILITY INITIATIVES		96,465
TRANSPORTATION SERVICE IMPROVEMENT INITIATIVES		120,446
TOTAL		529,843
TOTAL ADJUSTMENTS TO NEW REQUEST		3,618,439
REDUCTIONS AND REDIRECTIONS TO BASE BUDGET		
ELIMINATE 20 TEACHER ASSISTANT POSITIONS	530,450	
REDIRECT LOCAL WSSF TEACHERS TO STATE-ADDITIONAL DSSF FUNDS		729,804
REDUCE HEALTH INSURANCE FOR BLENDED STATE RATE		257,657
ELIMINATE OMBUDSMAN POSITION		78,622
REDIRECT LOCAL INSTRUCTIONAL SUPPLIES EXPENSES TO STATE		287,436
REDIRECT LOCAL STAFF DEVELOPMENT EXPENSES TO STATE		80,323
REDIRECT LOCAL ACADEMICALLY GIFTED TEACHERS TO STATE		110,299
REDIRECT LOCAL CUSTODIANS TO STATE		757,040
TOTAL REDUCTIONS/REDIRECTION TO BASE BUDGET	530,450	2,301,181
TOTAL PROJECTED REDUCTIONS	530,450	5,919,620

EXHIBIT: B
SEPTEMBER 11, 2007
2007-2008 BUDGET ADJUSTMENTS

DESCRIPTION	STATE ADJUSTMENTS	COUNTY ADJUSTMENTS	FEDERAL ADJUSTMENTS	OTHER LOCAL ADJUSTMENTS
II.A. SALARIES AND BENEFITS				
SALARY AND BENEFITS ADJ. BASED ON LOWER RATES	(1,383,149)			(11,150)
PROPOSED AT 5% VS. ACTUAL AT 5% FOR TEACHERS AND 4.44% FOR PRINCIPALS.				
PROPOSED AT 2.5% PLUS 2.5% BONUS VS. ACTUAL AT 4% FOR NON-SCHOOL BASED AND NON-CERTIFIED STAFF				
HEALTH INSURANCE - PROPOSED AT 14% VS. ACTUAL AT 11.4%	(3,803,238)			(3,410)
RETIREMENT RATE- PROPOSED AT 7.94% VS. ACTUAL AT 7.83%	(380,648)			(2,062)
II.B. PROGRAM CONTINUATION				
CHANGES TO PROJECTED CATEGORICAL ALLOTMENTS IN PROPOSED BUDGET				
TEXTBOOKS	(16,205)			
CLASSROOM TEACHERS	(953,124)			
CENTRAL OFFICE ADMINISTRATION	40,704			
NON-INSTRUCTIONAL SUPPORT	757,040			
SCHOOL BUILDING ADMINISTRATION	(42,023)			
INSTRUCTIONAL SUPPORT	246,851			
DRIVERS ED	13,136			
VOC ED	(88,824)			
VOC ED SUPPORT	(1,954)			
SCHOOL TECHNOLOGY	1,686,908			
DSSF	1,955,210			
TEACHER ASSISTANTS	26,630			
STAFF DEVELOPMENT	333,261			
BEHAVIORAL SUPPORT	(3,374)			
EXCEPTIONAL CHILDREN	(90,974)			
TALENT DEVELOPMENT	110,299			
LEP	(36,536)			
TRANSPORTATION	(2,611,722)			
CLASSROOM MATERIALS	225,935			
ASSISTANT PRINCIPAL INTERNS	128,488			
ASSISTANT PRINCIPAL INTERNS -MSA	80,306			
AT RISK STUDENT SERVICES	1,152,633			
IMPROVING STUDENT ACCOUNTABILITY	272,359			
TOTAL STATE ADJUSTMENTS	3,185,024			
RECLASS STATE TEXTBOOKS TO STATE	8,990,118			(8,990,118)
OTHER STATE ADJUSTMENTS				
ADDITIONAL INSTRUCTIONAL SUPPORT POSITIONS (MIDDLE				
COLLEGE LIAISONS REDUCTION)	135,636			
INCREASE INSTRUCTIONAL SUPPLIES DUE TO ELIMINATION OF				
NATIONAL NORM TEST - REDUCTION TAKEN FROM LOCAL SUPPLI	287,436			
TOTAL OTHER STATE ADJUSTMENTS	423,072			
ADJUSTMENT TO THE LOCAL BUDGET				
INCREASE CHARTER SCHOOL FUNDS		290,197		
INCREASE FOR UTILITIES		462,000		
TOTAL LOCAL ADJUSTMENTS		752,197		

EXHIBIT: B
SEPTEMBER 11, 2007
2007-2008 BUDGET ADJUSTMENTS

DESCRIPTION	STATE ADJUSTMENTS	COUNTY ADJUSTMENTS	FEDERAL ADJUSTMENTS	OTHER LOCAL ADJUSTMENTS
FEDERAL ADJUSTMENTS				
VOC. ED - PROGRAM IMPROVEMENT	Decreased Allotment		(67,671)	
HOMELESS GRANT	Grant Expired		(42,500)	
IDEA VI-B CAPACITY BLDG & IMPROVE	Decreased Allotment/Inc. in est. carryover		(1,046)	
SAFE & DRUG FREE SCHOOLS	Increased Allotment/Red. in est. carryover		(37,875)	
IDEA VI-B PRESCHOOL HANDICAPPED	Decreased Allotment/Red. in est. carryover		(134,668)	
TITLE I	Increased Allotment/Inc. in est. carryover		3,323,047	
ABSTINENCE	Decreased Allotment/Red. in est. carryover		(108,228)	
EASA TITLE V	Increased Allotment/Inc. in est. carryover		15,524	
IDEA VI-B HANDICAPPED	Decreased Allotment/Red. in est. carryover		(1,704,494)	
LEARN & SERVE	Grant Expired		(20,000)	
EVEN START	Grant Expired		(51,395)	
IMPROVING TEACHER QUALITY	Decreased Allotment/Inc. in est. carryover		344,272	
LANGUAGE ACQUISITION	Decreased Allotment/Inc. in est. carryover		(334,616)	
TITLE I -SCHOOL IMPROVEMENT	Increase in estimated carryover		92,765	
EDUCATION TECHNOLOGY	Increased Allotment/Inc. in est. carryover		65,047	
LANGUAGE ACQUISITION - SIGNIF. INC.	Increase in estimated carryover		331,843	
SUMMER WORKSHOPS IN MATH	Increase in estimated carryover		223,254	
MORE @ FOUR	Increased Allotment/Inc. in est. carryover		433,032	
EMERGENCY RESPONSE	Increase in estimated carryover		23,870	
READ, WRITE, MATH	Decreased Allotment/Inc. in est. carryover		47,067	
PARTNERSHIPS IN CHARACTER ED	Increase in estimated carryover		112,386	
ASTHMA	Decrease in estimated carryover		(21,078)	
RAISE	Decreased Allotment/Inc. in est. carryover		84,741	
EARLY READING FIRST	Increase in estimated carryover		548,441	
EARLY CHILDHOOD PROF. DEV.	Decrease in estimated carryover		(105,131)	
MEDICAID	Increase in estimated carryover		160,413	
MAGNET SCHOOLS ASSISTANCE GRANT	Increase in estimated carryover		428,868	
COALITION OF ESSENTIAL SCHOOLS	Increased Allotment/Inc. in est. carryover		488,125	
TEACHER INCENTIVE FUND	New Grant		1,342,189	
TOTAL FEDERAL ADJUSTMENTS			5,436,182	
INCREASE IN APPROPRIATION OF FUND BALANCE DEDICATED TO:				
WEIGHTED STUDENT STAFFING/DECENTRALIZATION				259,916
LEARNING COMMUNITIES MOVE MANAGEMENT				50,000
EQUITABLE SUPPLIES AND MATERIALS (RE: BOARD POLICY ADA)				2,000,000
PURCHASE AND MOVEMENT OF MOBILE UNITS				9,705,678
ADDITIONAL HIGH SCHOOL CHALLENGE CARRYOVER				870,294
TOTAL FUND BALANCE ADJUSTMENTS				12,885,888
III. PROGRAM EXPANSION AND NEW INITIATIVES				
MIDDLE COLLEGE HIGH SCHOOL AT CPCC - ELIMINATE 2 LIAISONS	(135,636)			
ACCOUNTABILITY INITIATIVES - ELIMINATE NATIONAL NORM TEST	(287,436)			
TOTAL PROGRAM EXPANSION AND NEW INITIATIVES ADJ.	(423,072)			
GRAND TOTAL	6,608,107	752,197	5,436,182	3,879,148

2007-2008 PROPOSED CAPITAL REPLACEMENT BUDGET

SCHEDULE OF REVENUES AND EXPENDITURES

	2007-2008 Proposed Budget	2006-2007 Adopted Budget	2005-2006 Adopted Budget	2004-2005 Adopted Budget
REVENUES				
One Cent Sales Tax	\$ -	\$ -	\$ -	\$ -
Surplus Property Sales	-	-	-	-
State Public School Building Capital Fund	5,200,000	5,200,000	5,200,000	4,500,000
Other	-	-	-	-
TOTAL CAPITAL REPLACEMENT REVENUES	\$ 5,200,000	\$ 5,200,000	\$ 5,200,000	\$ 4,500,000
EXPENDITURES				
<u>Buildings and Sites</u>				
Roofs	\$ 513,100	\$ 513,100	\$ 513,100	\$ 1,000,000
Heating and Air Conditioning	2,850,000	2,485,100	2,485,100	2,250,000
Asphalt Resurfacing	210,600	283,100	283,100	250,000
Carpeting	350,000	271,300	271,300	100,000
Intercom Consoles	-	-	-	40,000
Stage Curtains	21,600	95,600	95,600	25,000
Sites	350,000	29,600	29,600	10,000
Renovations	304,700	661,800	661,800	75,000
Electrical	350,000	610,400	610,400	350,000
Other	-	-	-	200,000
Total Buildings and Sites	\$ 4,950,000	\$ 4,950,000	\$ 4,950,000	\$ 4,300,000
<u>Furniture and Equipment</u>				
Classroom and Office Equipment	\$ 150,000	\$ 150,000	\$ 150,000	\$ 200,000
Computer Equipment - Instructional	-	-	-	-
Insurance Claims	100,000	100,000	100,000	-
Total Furniture and Equipment	\$ 250,000	\$ 250,000	\$ 250,000	\$ 200,000
TOTAL CAPITAL REPLACEMENT EXPENDITURES	\$ 5,200,000	\$ 5,200,000	\$ 5,200,000	\$ 4,500,000

CHILD NUTRITION PROGRAM

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

	FY 2007-08 Proposed Budget	FY 2006-07 Adopted Budget	FY 2005-06 Actual Expenditures	FY 2004-05 Actual Expenditures
OPERATING REVENUES:				
Student Meals	\$ 9,963,872	\$ 7,681,779	\$ 7,524,555	\$ 7,190,182
Supplemental Sales	<u>14,458,772</u>	<u>15,581,084</u>	<u>15,622,104</u>	<u>14,782,091</u>
Total Operating Revenues	<u>24,422,644</u>	<u>23,262,863</u>	<u>23,146,659</u>	<u>21,972,273</u>
OPERATING EXPENSES:				
Food and Commodities	21,146,992	18,542,977	17,542,977	16,583,604
Salaries	22,708,430	20,597,460	21,376,847	18,762,862
Employee Benefits	4,541,686	3,900,546	4,107,577	3,648,186
Materials and Supplies	2,220,860	2,000,000	2,320,256	1,643,151
Depreciation	1,678,822	1,450,000	1,427,287	1,453,440
Contracted Services	1,000,000	850,000	834,473	766,296
Other	<u>5,922,120</u>	<u>5,573,071</u>	<u>5,073,071</u>	<u>4,648,860</u>
Total Operating Expenses	<u>59,218,910</u>	<u>52,914,054</u>	<u>52,682,488</u>	<u>47,506,399</u>
OPERATING INCOME (LOSS)	(34,796,266)	(29,651,191)	(29,535,829)	(25,534,126)
NON-OPERATING REVENUE:				
U.S. Government Subsidy and Commodities	32,593,622	27,984,376	27,783,818	25,212,102
Interest Revenue and Other Misc. Revenue	<u>1,685,829</u>	<u>1,150,000</u>	<u>1,380,964</u>	<u>1,050,212</u>
Total Non-Operating Revenue	<u>34,279,451</u>	<u>29,134,376</u>	<u>29,164,782</u>	<u>26,262,314</u>
INCOME (LOSS) BEFORE OPERATING TRANSFER	(516,815)	(516,815)	(371,047)	728,188
OPERATING TRANSFER FROM GENERAL FUND	<u>516,815</u>	<u>516,815</u>	<u>531,581</u>	<u>504,259</u>
NET INCOME (LOSS)	-	-	160,534	1,232,447
INCREASE (DECREASE) IN RETAINED EARNINGS	-	-	160,534	1,232,447
RETAINED EARNINGS - Beginning of Year*	7,071,836	7,071,836	6,911,302	5,678,855
RETAINED EARNINGS - End of Year	<u>\$ 7,071,836</u>	<u>\$ 7,071,836</u>	<u>\$ 7,071,836</u>	<u>\$ 6,911,302</u>

* Based on 2005-06 actuals

CHILD NUTRITION PROGRAM

COMPARISON OF MEAL PRICES

	BREAKFAST			LUNCH		
	Elementary	Secondary	Adult	Elementary	Secondary	Adult
2007-08 Proposed	\$1.25	\$1.25	A La Carte	\$2.00	\$2.00	A La Carte
2006-07	\$1.25	\$1.25	A La Carte	\$2.00	\$2.00	A La Carte
2005-06	\$1.25	\$1.25	A La Carte	\$2.00	\$2.00	A La Carte
2004-05	\$1.25	\$1.25	A La Carte	\$2.00	\$2.00	A La Carte
2003-04	\$1.25	\$1.25	A La Carte	\$2.00	\$2.00	A La Carte
2002-03	1.25	1.25	A La Carte	2.00	2.00	A La Carte
2001-02	1.25	1.25	A La Carte	2.00	2.00	A La Carte
2000-01	1.00	1.00	\$1.75	1.75	1.90	\$2.50
1999-00	1.00	1.00	1.75	1.75	1.90	2.50
1998-99	1.00	1.00	1.50	1.50	1.65	2.25
1997-98	1.00	1.00	1.50	1.50	1.65	2.25
1996-97	1.00	1.00	1.50	1.50	1.65	2.25
1995-96	0.90	1.00	1.25	1.35	1.50	2.00
1994-95	0.90	1.00	1.25	1.35	1.50	2.00

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION

AFTER SCHOOL ENRICHMENT PROGRAM

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

	FY 2007-08 Proposed Budget	FY 2006-07 Adopted Budget	FY 2005-06 Actual Expenditures	FY 2004-05 Actual Expenditures
OPERATING REVENUES:				
Participant Fees	\$ 15,132,000	\$ 14,966,443	\$ 13,300,638	\$ 13,284,324
OPERATING EXPENSES:				
Food Costs	879,695	902,409	705,270	720,325
Salaries	9,721,937	9,696,435	8,771,789	9,251,008
Benefits	1,922,759	1,818,953	1,566,269	1,524,241
Material and Supplies	493,595	573,811	398,567	444,193
Depreciation				2,558
Contracted Services	302,044	384,984	256,477	304,322
Other	1,906,970	1,876,472	1,696,126	1,709,117
Total Operating Expenses	<u>15,227,000</u>	<u>15,253,064</u>	<u>13,394,498</u>	<u>13,955,764</u>
OPERATING INCOME (LOSS)	(95,000)	(286,621)	(93,860)	(671,440)
NON-OPERATING REVENUES:				
Interest Income	95,000	60,421	62,986	40,079
Contributions and Grants	-	-	-	-
Total Non-Operating Revenue	<u>95,000</u>	<u>60,421</u>	<u>62,986</u>	<u>40,079</u>
OPERATING TRANSFER FROM GENERAL FUND	-	226,200	226,200	206,000
NET INCOME (LOSS)	-	-	195,326	(425,361)
RETAINED EARNINGS - Beginning of Year*	<u>219,046</u>	<u>219,046</u>	<u>23,720</u>	<u>449,081</u>
RETAINED EARNINGS - End of Year	<u>\$ 219,046</u>	<u>\$ 219,046</u>	<u>\$ 219,046</u>	<u>\$ 23,720</u>
Fee per participant per week	<u>\$ 54</u>	<u>\$ 54</u>	<u>\$ 54</u>	<u>\$ 51</u>
Average number of participants students per week	<u>6,086</u>	<u>5,995</u>	<u>5,974</u>	<u>6,283</u>

* Based on 2005-06 actuals