

Charlotte-Mecklenburg Board of Education

Agenda Item

Meeting Date

September 9, 2008

Item

Recommend approval of Charlotte-Mecklenburg Board of Education 2008-09 Operating Budget

Staff Member(s) Present

Sheila W. Shirley, Chief Financial Officer

Main Points

On April 15, 2008 the Board of Education approved the 2008-09 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 3.0% salary increase for teachers and 2.69% for school-based administrators. For licensed non-school based personnel and non-certified staff, the approved salary increase is the greater of 2.75% or \$1,100. 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.

Fiscal Implications

County Current Expense	\$ 351,366,785
State Current Expense	718,590,515
Federal Current Expense	101,630,106
Other Local Current Expense	23,122,372
Capital Replacement	5,200,000
Child Nutrition	61,952,356
After School Enrichment	<u>16,456,046</u>
TOTAL	<u>\$ 1,278,318,180</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 2008-2009.

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September 8, 2008

Dear Board Members:

The revised 2008-2009 proposed budget reflects the tough economic times that led the county to dramatically reduce our funding. We received only \$10 million of the \$28.4 million we requested, and so our revised proposed budget includes a number of reductions.

In making these reductions, we wanted to keep the cuts as far from the classroom as we could. All of these cuts will affect our students in some way, but we tried to minimize the effect in the classroom as much as possible.

So we cut \$2.9 million from central-office departmental budgets. We changed the allocation formulas for assistant principals, media specialists and media assistants, which gave us another \$5.1 million in reductions. We reduced our maintenance operations budget by \$2.5 million. We reduced our budget for salary and benefit increases when the state increases were lower than expected. We cut the High School Challenge funding by \$1.1 million.

In all, we found \$20.5 million in reductions of our county funding. Let me be clear about this: These cuts hurt. This was not \$20.5 million in easy money lying around – these were serious reductions that will affect the way CMS operates for the coming year. There were some things we wanted to do – things to benefit our students, such as opening a second Performance Learning Center, having more assistant principals in larger schools and keeping at current levels of school media specialists and student services specialists – that we could not do this year.

That's unfortunate, because it affects our students. But we have minimized these effects as much as we can to adjust to current county funding realities and still provide our students the opportunity to learn and to achieve at the highest levels. We opened six new schools this year successfully, which will help relieve the chronic overcrowding in this district.

This has been a tough budget year and a challenging budget process. But I believe the proposed operating budget we are bringing to you of \$1.19 billion reflects a district-wide commitment to live within our financial means while continuing to raise student achievement in CMS.

Sincerely,

Peter C. Gorman
Superintendent



MECKLENBURG COUNTY
Office of the County Manager

June 27, 2008

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

Dear Peter:

On June 17th, 2008, the Mecklenburg County Board of County Commissioners (BOCC) approved funding for the Charlotte-Mecklenburg Schools for FY 2008-2009 as follows:

\$347,366,785 for Current Expense
\$ 4,000,000 for Operating Expense (funded via Court Fines & Forfeitures)
\$ 5,200,000 for School Capital Replacement
\$ 106,890,704 for CMS Debt Service

The BOCC approved these funds with the following restrictions as outlined in the FY 2008-2009 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 for obtaining 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

Dr. Peter Gorman
June 27, 2008
Page 2

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 "H. Jones, Sr.", written in a cursive style.

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 2008-2009**

5000	Instructional Services	
5100	Regular Instructional	\$ 125,986,074
5200	Special Populations	19,049,943
5300	Alternative Programs	10,854,666
5400	School Leadership Services	19,507,968
5500	Co-Curricular	5,066,495
5800	School-Based Support	<u>10,590,761</u>
5800	Subtotal Instructional Services	\$ 191,055,907
6000	System-Wide Support Services	
6100	Support and Development	\$ 5,017,634
6200	Special Population Support and Development	1,497,041
6300	Alternative Programs Support and Development	1,084,111
6400	Technology Support	11,473,060
6500	Operational Support	92,392,986
6600	Financial and Human Resource Services	15,026,326
6700	Accountability	4,169,757
6800	System-wide Pupil Support	3,291,116
6900	Policy, Leadership and Public Relations	<u>12,489,253</u>
	Subtotal System-Wide Support Services	\$ 146,441,284
7000	Ancillary Services	
7100	Community Services	\$ -
7200	Nutrition Services	<u>309,621</u>
	Subtotal Ancillary Services	\$ 309,621
8000	Non-Programmed Charges	
8100	Payments to Charter Schools	12,977,237
8300	Debt Service	<u>582,736</u>
	Subtotal Non-Programmed Charges	\$ 13,559,973
	TOTAL OPERATING EXPENDITURES	<u>\$ 351,366,785</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 9, 2008

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
CHARLOTTE, NORTH CAROLINA
BUDGET RESOLUTION FY 2008-09**

BUDGET RESOLUTION FY 2008-09

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, 2008 and ending June 30, 2009:

Current Expense

(A) Instructional Services

5100	Regular Instructional Services	\$ 584,848,407
5200	Special Populations Services	137,322,765
5300	Alternative Programs Services	66,562,758
5400	School Leadership Services	70,851,872
5500	Co-Curricular Services	5,079,895
5800	School-Based Support Services	<u>59,410,640</u>
	Total Instructional Programs	<u>\$ 924,076,337</u>

(B) System-Wide Support Services

6100	Support and Development Services	\$ 6,383,759
6200	Special Population Support and Development Services	3,002,466
6300	Alternative Programs Support and Development Services	4,519,342
6400	Technology Support Services	13,842,743
6500	Operational Support Services	179,195,559
6600	Financial and Human Resource Services	17,648,257
6700	Accountability Services	8,607,641
6800	System-wide Pupil Support Services	3,371,677
6900	Policy, Leadership, and Public Relations Services	<u>15,382,081</u>
	Total Supporting Services	<u>\$ 251,953,525</u>

(C) Ancillary Services

7100	Community Services	537,540
7200	Nutrition Services	<u>856,365</u>
	Total Ancillary Services	<u>\$ 1,393,905</u>

(D) Non-Programmed Charges	
Payments to Other Governmental Units and Transfer of Funds	\$ 15,929,101
Unbudgeted Funds	774,174
Debt Service	<u>582,736</u>
Total Supporting Services	<u>17,286,011</u>
Total Current Expense	<u>\$ 1,194,709,778</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	\$ 28,955,711
(B) Food and Operational Costs	<u>32,996,645</u>
Total Child Nutrition Program	<u>\$ 61,952,356</u>
<u>After School Enrichment Program</u>	
(A) Salaries and Benefits	\$ 12,671,886
(B) Operational Costs	<u>3,784,160</u>
Total After School Enrichment Program	<u>\$ 16,456,046</u>
Total Expenditures	<u>\$ 1,278,318,180</u>

Section II The following revenues are estimated to be available for the fiscal year beginning July 1, 2008 and ending June 30, 2009:

Current Expense

County Appropriation	\$ 351,366,785
State Funds	718,590,515
Federal Funds	101,630,106
Other Funds	<u>23,122,372</u>
Total Current Expense	\$ <u>1,194,709,778</u>

Capital Replacement

County Appropriation	\$ <u>5,200,000</u>
Total Capital Replacement	\$ <u>5,200,000</u>

Child Nutrition Program

Sales and Operating Transfer from General Fund	\$ 25,082,226
Federal and Other Revenues	<u>36,870,130</u>
Total Child Nutrition Program	\$ <u>61,952,356</u>

After School Enrichment Program

Participant Fees	\$ 16,363,710
Interest Income	<u>92,336</u>
Total After School Enrichment Program	\$ <u>16,456,046</u>

Total Revenues	\$ <u><u>1,278,318,180</u></u>
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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.

**2008-2009 PROPOSED CURRENT EXPENSE BUDGET:
COMPARISON TO PRIOR YEAR**

	2008-2009 Proposed Budget	2007-2008 Adopted Budget	% Change
REVENUES			
State of North Carolina	\$ 718,590,515	\$ 702,939,862	2.2%
Federal/Special Programs	101,630,106	96,083,458	5.8%
Mecklenburg County Appropriation	351,366,785	341,366,785	2.9%
Other Local Revenue	<u>23,122,372</u>	<u>32,740,286</u>	<u>-29.4%</u>
TOTAL REVENUES	<u>\$ 1,194,709,778</u>	<u>\$ 1,173,130,391</u>	<u>1.8%</u>
EXPENDITURES			
Instructional			
Regular Instructional	\$ 584,848,407	\$ 579,560,130	0.9%
Special Populations	137,322,765	127,939,895	7.3%
Alternative Programs and Services	66,562,758	68,994,587	-3.5%
Co-Curricular	5,079,895	4,757,728	6.8%
School-Based Support	<u>59,410,640</u>	<u>65,205,010</u>	<u>-8.9%</u>
Total Instructional	853,224,465	846,457,350	0.8%
Instructional Support			
Support and Development	6,383,759	6,199,190	3.0%
Special Population Support and Development	3,002,466	3,255,284	-7.8%
Alternative Programs Support and Development	4,519,342	6,984,815	-35.3%
System-wide Pupil Support	<u>3,371,677</u>	<u>4,443,399</u>	<u>-24.1%</u>
Total Instructional Support	17,277,244	20,882,688	-17.3%
Operations			
Technology Support	13,842,743	11,718,161	18.1%
Operational Support	179,195,559	168,074,716	6.6%
Financial and Human Resource Services	17,648,257	18,098,032	-2.5%
Accountability	8,607,641	6,295,617	36.7%
Community Services	537,540	488,415	10.1%
Nutrition Services	856,365	884,942	-3.2%
Debt Service	582,736	582,736	-
Other	<u>3,726,038</u>	<u>3,803,585</u>	<u>-2.0%</u>
Total Operations	224,996,879	209,946,204	7.2%
Leadership			
Policy, Leadership and Public Relations	15,382,081	15,010,472	2.5%
School Leadership Services	<u>70,851,872</u>	<u>70,407,106</u>	<u>0.6%</u>
Total Leadership	86,233,953	85,417,578	1.0%
Charter School Funds	12,977,237	10,426,571	24.5%
TOTAL EXPENDITURES	<u>\$ 1,194,709,778</u>	<u>\$ 1,173,130,391</u>	<u>1.8%</u>

**2008-2009 PROPOSED CURRENT EXPENSE BUDGET:
SUMMARY OF CHANGES TO 2007-2008 ADOPTED BUDGET**

	State	County	Federal / Special Prog.	Other	Total
2007-2008 ADOPTED BUDGET	\$ 702,939,862	\$341,366,785	\$ 96,083,458	\$ 32,740,286	\$ 1,173,130,391
REVISIONS TO 2007-08 ADOPTED BUDGET*	(14,619,019)	-	(2,831,849)	(20,487,601)	(37,938,469)
2007-2008 BASE BUDGET	688,320,843	341,366,785	93,251,609	12,252,685	1,135,191,922
I. SUSTAINING OPERATIONS					
A. Salaries and Benefits	21,794,678	9,701,262	1,697,009	48,581	33,241,530
B. Program Continuation	(5,873,099) ^A	6,312,224	3,420,055 ^B	9,173,106 ^C	13,032,286
Sub-Total	15,921,579	16,013,486	5,117,064	9,221,687	46,273,816
II. STUDENT GROWTH AND OPENING					
NEW SCHOOLS					
A. Enrollment Increases	13,567,712	3,253,126	-	1,648,000 ^D	18,468,838
B. New Schools	2,133,966	7,047,096	-	-	9,181,062
Sub-Total	15,701,678	10,300,222	-	1,648,000	27,649,900
III. PROGRAM EXPANSION & NEW INITIATIVES					
A. Academy of Engineering - Motorsports	-	79,600	-	-	79,600
B. Achievement Zone - Project	-	295,503	478,078 ^B	-	773,581
C. Anti-bullying Initiative	-	50,000	-	-	50,000
D. Performance Management	-	445,646	2,783,355 ^B	-	3,229,001
E. FOCUS School Expansion	-	710,769	-	-	710,769
Sub-Total	-	1,581,518	3,261,433	-	4,842,951
IV. REVISIONS AND REDIRECTIONS					
	-	(2,206,773)	-	-	(2,206,773)
ADDITIONAL REVISIONS AND REDIRECTS	(1,353,585) ^E	(15,688,453) ^E	-	-	(17,042,038)
Sub-Total	(1,353,585)	(17,895,226)	-	-	(19,248,811)
TOTAL 2008-2009 PROPOSED CURRENT EXPENSE BUDGET	<u>\$ 718,590,515</u>	<u>\$351,366,785</u>	<u>\$ 101,630,106</u>	<u>\$ 23,122,372</u>	<u>\$ 1,194,709,778</u>

* Includes state revisions, reduction of one-time fund balance appropriation and anticipated revenue adjustments to 2007-08 Adopted Budget.

A Proposed budget includes funds for additional teacher assistant positions to maintain state pupil/teacher assistant ratios, additional instructional support positions, and an additional allotment for instructional supplies. Also included is funding to sustain transportation service level and an increase in fuel cost. This amount is offset by changes to state categorical allotments and state average salary adjustments. These changes are detailed on Exhibit B, page 25 .

B See Exhibit B, page 26 for details

C Increase in other local revenue for increase in waste management cost, utilities costs as well as additional staffing for human resources and community use and the federal and state compliance office staffing. Also includes an increase in appropriation of fund balance of \$7,312,642 for mobile units and technology projects as outlined on Exhibit B, page 26.

D Includes a fund balance appropriation to purchase 20 new buses

E See Exhibit A, page 24 for details

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2008-2009 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>		
<p>It is anticipated at this time that the state will provide a 5% average increase for teachers and school based administrators and a 4% increase for all non-licensed staff. Funds are needed to provide an equivalent increase for our locally funded positions.</p>	County Funds	<u>\$6,558,910</u>
	State Funds	<u>\$19,391,720</u>
	Federal/Special Program Funds	<u>\$1,500,628</u>
	Other Funds	<u>\$40,229</u>
2. <u>Compensation Study Market Adjustment – Phase 1 Completion and Phase II</u>		
<p>In 2007-2008 a comprehensive compensation study was performed on the non-instructional pay plan. As a result, a new market based pay plan for non-instructional employees was implemented in November 2007. In 2007-2008 approximately \$2.3 million was included in the budget to implement this new plan. For 2008-2009 additional funds are included to continue and move others toward market competitive rates of pay for non-instructional employees. These increases will be based on successful performance appraisals. It is the goal of CMS to pay experienced non-instructional employees at 98% of market for their designated job. By including additional funds annually, this goal will be achieved over time.</p>	County Funds	<u>\$2,277,836</u>
3. <u>Increase in Health Insurance Rate</u>		
<p>It is anticipated at this time that the employer-paid portion of the state health insurance rate will increase from \$4,097 to \$4,157 annually, which represents a 1.5% increase. Funds are needed to provide an equivalent increase for our locally funded positions.</p>	County Funds	<u>\$176,280</u>
	State Funds	<u>\$791,233</u>
	Federal/Special Program Funds	<u>\$70,327</u>
	Other Funds	<u>\$750</u>
4. <u>Increase in Retirement Rate</u>		
<p>It is anticipated at this time that the employer-paid portion of the state retirement plan will increase from 7.83% to 8.14% annually. Funds are needed to cover the rate increase for all locally funded positions.</p>	County Funds	<u>\$625,834</u>
	State Funds	<u>\$1,611,725</u>
	Federal/Special Program Funds	<u>\$126,054</u>
	Other Funds	<u>\$7,602</u>

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2008-2009 PROPOSED PROGRAM CHANGES

Change Reference: I.A (Continuation)

Explanation of Change	Description	Local Cost															
<p>5. <u>Increase in Honorariums</u> The intent of the honorarium is to recognize teachers who work directly with students outside the regular duty hours for teachers. The amount available to each school for honorarium pay has not been increased since inception of the program. The 2008-09 budget recommendation includes a 25% increase in funding available for honorarium pay. The proposed amounts available for each school level are as follows:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th></th> <th style="text-align: right;"><u>Current</u></th> <th style="text-align: right;"><u>Proposed</u></th> </tr> </thead> <tbody> <tr> <td>High School</td> <td style="text-align: right;">\$5,000</td> <td style="text-align: right;">\$6,250</td> </tr> <tr> <td>Middle School >1,000</td> <td style="text-align: right;">\$1,500</td> <td style="text-align: right;">\$1,875</td> </tr> <tr> <td>Middle School <=1,000</td> <td style="text-align: right;">\$1,000</td> <td style="text-align: right;">\$1,250</td> </tr> <tr> <td>Elementary School</td> <td style="text-align: right;">\$500</td> <td style="text-align: right;">\$625</td> </tr> </tbody> </table>		<u>Current</u>	<u>Proposed</u>	High School	\$5,000	\$6,250	Middle School >1,000	\$1,500	\$1,875	Middle School <=1,000	\$1,000	\$1,250	Elementary School	\$500	\$625	County Funds	<u>\$62,402</u>
	<u>Current</u>	<u>Proposed</u>															
High School	\$5,000	\$6,250															
Middle School >1,000	\$1,500	\$1,875															
Middle School <=1,000	\$1,000	\$1,250															
Elementary School	\$500	\$625															

Change Reference: I.B

Explanation of Change	Description	Local Cost
B. Program Continuation		
<p>1. <u>Charter Schools</u> Based on projected increases in the charter-school student enrollment, additional funding is requested to increase our charter-school budget. Charter-school enrollment is expected to increase by 954 students in Mecklenburg County based on state projections for 2008-09.</p>	County Funds	<u>\$2,550,666</u>
<p>2. <u>Transportation – Fuel Cost</u> Based on the increased cost of diesel fuel, it is anticipated that the state will provide funding for fuel at \$2.69 per gallon in 2008-09, which is the average price per gallon paid to date this year. Currently the price per gallon is just above \$3.00. Funding is designated to increase the fuel budget to a rate of \$3.00 per gallon to provide the difference of \$0.31 per gallon.</p>	County Funds	<u>\$1,226,050</u>
<p>3. <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 48.5 cents to the IRS standard mileage reimbursement rate of 50.5 cents as of January 2008. This will provide appropriate reimbursement to all of our itinerant teachers and other staff.</p>	County Funds	<u>\$44,369</u>
<p>4. <u>High School Challenge Funding Replacement</u> In 2007-08, the High School Challenge (HSC) grant funding was used to implement a merit-based supplement and for signing bonuses at four high schools. Now that the HSC grant is depleted, permanent funding must be secured in order to continue these pay incentives at the four schools. In 2008-09 the merit supplement will be available to school staff who meet certain individual and school performance criteria. Both programs are designed to increase academic achievement. Funding is requested for that merit based supplement, the signing bonuses offered to incoming teachers and a recruiter for these schools.</p>	County Funds	<u>\$2,120,780</u>

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2008-2009 PROPOSED PROGRAM CHANGES

Change Reference: I.B (Continuation)

Explanation of Change	Description	Local Cost
5. <u>Additional Funding for State Textbook Shortfall</u> Funding is requested to supplement the shortfall in the state textbook allotment. This shortfall is due to a higher than anticipated charter school adjustment and the decrease in inflationary increases from the state	County Funds	<u>\$114,206</u>
6. <u>Increase in Utilities</u> Utility costs for the school district are expected to increase 15% for water and sewage over the prior year due to price increases. Therefore, the utilities budget for 2008-09 must be adjusted to cover the projected increase.	County Funds	<u>\$256,153</u>

II. Student Growth and Opening New Schools

Change Reference: II.A

Explanation of Change	Description	Local Cost
A. <u>Enrollment Increases</u>		
1. <u>Enrollment – Additional Allotments</u> Student enrollment is projected to increase by approximately 3,573 students in 2008-09, which represents a 3% 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 software agreements, and supplies and materials.	County Funds	<u>\$3,253,126</u>
	State Funds	<u>\$13,567,712</u>
	<u>State</u>	<u>Local</u>
Teachers & Support Staff	162.0	30.0
Bilingual Education Staff	20.0	0.0
EC Teachers & Support Staff	7.0	0.0
Office Personnel	0.0	1.0
Assistants	37.0	3.0
Transportation	25.0	0.0
	<u>251.0</u>	<u>34.0</u>

Change Reference: II.B

Explanation of Change	Description	Local Cost
B. <u>New Schools</u>		
1. <u>Additional Position Allotments</u> Five elementary schools and one middle/high school are scheduled to open in August 2008. 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:	County Funds	<u>\$3,082,612</u>
	State Funds	<u>\$2,133,966</u>

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2008-2009 PROPOSED PROGRAM CHANGES

Change Reference: II.B (Continuation)

Explanation of Change	Description	Local Cost
1. <u>Additional Position Allotments(Continuation)</u>		
	<u>State</u>	<u>Local</u>
Principals	6.0	0.0
Assistant Principals	1.0	4.5
Teachers & Support Staff	12.5	45.0
CTE Teachers	5.0	0.0
Office Personnel	9.0	0.0
Assistants	1.0	3.5
Campus Security Associates	2.0	0.0
	<u>36.5</u>	<u>53.0</u>

Funding for additional weeks of employment during the summer of 2008 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 \$150,881

In addition, four new elementary schools and two new middle schools are scheduled to open in August 2009. Key positions needed for planning, teacher recruitment, master course scheduling and other issues will require funding during fiscal year 2008-2009. These positions include: County Funds \$504,046

<u>Positions</u>	Months of Employment per School	
	<u>4 Elem.</u>	<u>2 Middle</u>
Principals	4.0	4.0
Senior Admin. Secretary	4.0	4.0
Assistant Principal	1.7	1.7
Media Specialist	2.0	5.0
Guidance Counselor	0.0	4.0
Athletic Director	0.0	2.0
Custodian	2.0	2.0
Secretary	2.0	2.0
Cafeteria Manager	1.0	1.0
	<u>16.7</u>	<u>25.7</u>
Extended Employment Hours per School	100.00	100.00

2. Non-personnel support County Funds \$228,464
 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.

2008-2009 PROPOSED PROGRAM CHANGES

Change Reference: II.B (Continuation)

Explanation of Change	Description	Local Cost
<p>3. <u>Maintenance</u> The opening of seven new and/or replacement schools and major facility renovations coming on line will result in the addition of 720,421 square feet in our facilities. In order to properly maintain this additional square footage, funds are requested at \$4.26 per square foot to cover staffing, utilities and contracted services.</p> <ul style="list-style-type: none"> • Additional Staff (43 Positions) <ul style="list-style-type: none"> 30.0 Custodians <ul style="list-style-type: none"> 5.0 Head Custodian I 1.0 Head Custodian II 1.0 Area Operations Supervisor 1.0 Administrative Secretary 1.0 Grounds Crew Chief 1.0 Grounds Assistant Crew Chief 2.0 Grounds Workers 1.0 Construction Engineer • Utilities • Purchased/Contracted Services 	County Funds	<u>\$3,068,993</u>
<p>4. <u>Graduation Costs – Mallard Creek High School</u> In August 2007, Mallard Creek High School opened for grades 9 through 11. Funding is now requested for the graduation ceremony for the first graduating class in 2008-09.</p>	County Funds	<u>\$12,100</u>

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2008-2009 PROPOSED PROGRAM CHANGES

III. Program Expansion and New Initiatives

Change Reference: III

Explanation of Change	Description	Local Cost
<p>A. Academy of Engineering - Motorsports The Academy of Engineering (AoE) – Motorsports program is a partnership with the National Academy Foundation (NAF) that utilizes the Project Lead the Way (PLTW) high school pre-engineering curricula. The AoE program supports the district's Science, Technology, Engineering and Mathematics (STEM) initiative and goal to improve high school student achievement through integrated and relevant project based learning. It includes partnerships with local and regional businesses and institutions of higher education. Participating students will have an opportunity to participate in internships during their junior and senior years in the motorsports industry, and to earn college credit for their PLTW coursework. The AoE program is sponsored by the Career and Technical Education Department and will be implemented in four high schools for 2008-09: Hopewell, Mallard Creek, Vance and the Philip O. Berry Academy of Technology High Schools. The goals of the Academy of Engineering – Motorsports are to :</p> <ol style="list-style-type: none"> 1. Recruit and encourage more high school students to choose careers in engineering and engineering technology with a focus on the motorsports industry. 2. Increase the participation of women and underrepresented minorities in the study of engineering; and 3. Prepare high school students to enter postsecondary engineering and engineering technology programs fully competent in required mathematics, science and technology. 	County Funds	<u>\$79,600</u>
<p>Funding is requested for NAF administration fee and professional development.</p>		
<p>B. Achievement Zone Project This project will focus on project management and data-driven instruction at the five Achievement Zone high schools—Midwood, West Charlotte, West Mecklenburg, Waddell and Garinger. The focus of the Achievement Zone Project is twofold. First, the project is designed to build the project management capacity of the Achievement Zone through a continuing partnership with The Parthenon Group and the addition of a full-time Executive Director of Project Management. Secondly, the project is designed to enhance each high school's ability to leverage data to influence teaching and classroom management. This will include adding data-related personnel and a continued partnership with the Data Wise Institute at Harvard University. Funds are requested for a full time executive director of project management, a director of data funded at 30% and five data analysts funded at 30% of the cost which will be paid by CMS. CMS is seeking additional funding from a partner organization.</p>	County Funds	<u>\$295,503</u>
	Federal/Special Program Funds	<u>\$478,078</u>

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2008-2009 PROPOSED PROGRAM CHANGES

Change Reference: III (Continuation)

Explanation of Change	Description	Local Cost
<p>C. <u>Anti-bullying Initiative</u> Strategic Plan 2010 includes training for teachers on the best ways for handling bullying behaviors. Goal IV of the plan, Safe and Orderly Schools, states that the Board of Education is committed to safe and orderly environments conducive to learning. Currently CMS has a vast array of programs to address this goal that need to be aligned and enhanced. A review of data from multiple sources such as the 2007 Youth Risk Behavior Survey (YRBS) and CMS Student Surveys will occur as well as analyses of current CMS professional development and student curriculum. With these as a foundation, comprehensive professional development will be developed for all employees and student curriculum will be identified within the North Carolina Standard Course of Study. Funding will support these activities. The creation of safe learning environments with a strong focus on the integrity of the instructional day is a key message of the anti-bullying initiative.</p>	County Funds	<u>\$50,000</u>
<p>D. <u>Performance Management</u> Achieving the goals and objectives in Charlotte-Mecklenburg Schools Strategic Plan 2010 requires that CMS employ performance management processes and tools that use best practices. In an effort to improve student achievement we are committed to continuously improving these processes and tools. This major initiative is designed to align and build capacity within the CMS organization to measure the impact of educators' performance on students' performance through the use of the Balanced Scorecard methodology and School Quality Review (SQR). The balanced scorecards will be built at the school house level for teachers, principals and schools and will demonstrate to our instructional staff that performance management at CMS is broader than accountability. It is about using data to set targets and then using the outcomes of those targets to make decisions and adjust interventions whether that be teaching and learning strategies or teacher retention practices. SQR is not just another tool or initiative but rather a key means by which the process of continuous improvement in our schools becomes the norm rather than the exception. SQR is designed to ask and measure "are children learning and how do we know?" SQR training and actual reviews are designed to give our instructional leaders the skills and tools to use each day to drive improvement in the classroom and in our schools. Ultimately performance management will help us align, coordinate, and simplify existing work while enabling us to cut back on interventions that aren't producing results and focus our improvement efforts around increasing student achievement.</p>	County Funds	<u>\$445,646</u>
	Federal/Special Program Funds	<u>\$2,783,355</u>

For CMS, performance management is about taking a good urban school district and transforming us to a great school district. Freedom and Flexibility with Accountability has the potential to unleash innovation, creativity and achievement. But giving freedom and flexibility requires a higher level of accountability that will require schools (teachers and principals) to move the bar for kids. Because performance management is both a formative and an incentive-creating philosophy it provides us with the framework (mindset, processes and tools) that enable initiatives such as Freedom and Flexibility with Accountability to succeed. People will be able to (and expected to) hold themselves more accountable

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2008-2009 PROPOSED PROGRAM CHANGES

Change Reference: **III (Continuation)**

Explanation of Change	Description	Local Cost
<p>D. <u>Performance Management (Continuation)</u> because they will have the tools, data, and skills to be more self-reflective and understand where their strengths and weaknesses are. Funding is requested for staffing at 20% of the cost to be paid by CMS and for contracted services. CMS is seeking additional funding from partner organizations in the amount of \$4.8 million over the course of the project of which \$2.8 million is anticipated to be received in 2008-09.</p>		
<p>E. <u>FOCUS School Expansion</u> The 2007-08 FOCUS schools were identified based on FRL percentages of 68%, 51% and 42% respectively for elementary, middle and high schools. For the 2008-09 school year, we have identified elementary FOCUS schools based on a FRL threshold of 66%. As a result, five additional schools have been designated as FOCUS schools and will be entitled to the receive K-3rd positions based on an effective class size ratio of 1:16. The 2008-09 budget recommendation includes nine additional positions that are needed to support the K-3rd commitment as well as funding for signing bonuses and instructional supplies.</p>	County Funds	<u>\$710,769</u>

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2008-2009 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>		
As we continue the implementation of many of the strategies outlined in the Strategic Plan 2010, we must redirect current resources to pay for these new initiatives. The following reductions have been identified for redirection in 2008-09:		
Lead Teacher Model:		
In 2005-06, the Lead Teacher Model was implemented to provide on-going coaching and professional development for teachers to help them plan and deliver effective instruction. The lead teacher model is being discontinued and replaced with an alliance professional development model that allows all teachers in tested subjects to participate in professional development through the learning community structure rather than relying on the train the trainer model approach of the lead teacher program. Thus, the stipend provided for the lead teachers can be eliminated.	County Funds	<u>(\$136,451)</u>
Alternative Education:		
Historically, CMS had funded six teachers for the Alternative to Suspension Centers through contracted services. This contract will be eliminated and the teachers will be funded through vacant teacher positions from Derita Alternative School. The Derita teacher allotment is being reduced due to a decrease in the number of students served.	County Funds	<u>(\$299,120)</u>
2. <u>Central Office Reductions</u>		
At the request of the Superintendent, all departments were instructed to closely evaluate their total operating budget to ensure that the funds were being used in the most effective manner and that the planned expenditures were aligned with the goals and objectives of the district. Each suggested reduction was validated with a supporting action plan and impact of the cut. After careful review and consideration of all the reductions submitted, the following have been identified for reduction or redirection in 2008-09:		
Central Office staffing reductions:		
A vacant transitional support case manager and five hearing officer positions were eliminated as a result of departmental restructuring of job responsibilities and moving student hearings to the learning communities. A vacant data analyst was eliminated when five were added to the Achievement Zone (see new initiative III.B.- Achievement Zone Project).	County Funds	<u>(\$492,831)</u>
Non-personnel expense reductions:		
Other expense reductions were made at the Central Office level, including reducing the funds budgeted for maintenance vehicles and a reduction in the funds historically used for the opening of schools.	County Funds	<u>(\$190,000)</u>

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2008-2009 PROPOSED PROGRAM CHANGES

Change Reference: IV.A (Continuation)

Explanation of Change	Description	Local Cost
<p>3. <u>Staffing</u> Historically, Hawthorne High School (the former Midwood/TAPS Alternative High School) has been a teen-age parent service and mastery program. The emergence of a variety of programs in CMS, such as the Performance Learning Center, Derita Mastery Evening Program, Midwood High School, afternoon academies and better team intervention programs at the home high schools have led to students being served at other locations in addition to Hawthorne. In addition, while student enrollment can fluctuate throughout the academic year, the highest student enrollment in 2007-08 has been slightly lower than the highest enrollment in 2006-07. As a result, the staff at Hawthorne can be reduced. The reduction of staff will not prevent Hawthorne from continuing to serve students in most programs available while maintaining a low class size.</p>	County Funds	<u>(\$683,907)</u>
<p>4. <u>Redirection of Extended Employment for Opening New Schools</u> Funding was requested for 2007-08 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 can be eliminated.</p>	County Funds	<u>(\$404,464)</u>
Total Redirections	County Funds	<u>(\$2,206,773)</u>
ADDITIONAL REVISIONS AND REDIRECTS (Since April 2008 – See Exhibit A page 24)	County Funds	<u>(\$15,688,453)</u>

EXHIBIT: A
2008-2009 BUDGET REDUCTIONS AND REDIRECTIONS
SEPTEMBER 9, 2008

DESCRIPTION	STATE-WIDE REDUCTIONS	COUNTY REDUCTIONS			
SALARIES AND BENEFITS					
SALARY INCREASE ADJUSTMENT BASED ON LOWER RATE		3,126,924			
TOTAL		3,126,924			
PROGRAM CONTINUATION					
REDUCE HIGH SCHOOL CHALLENGE FUNDING REPLACEMENT		1,086,579			
TOTAL		1,086,579			
NEW INITIATIVES					
SMALL SCHOOLS-PERFORMANCE LEARNING CENTER		625,255			
TOTAL		625,255			
TOTAL ADJUSTMENTS TO NEW REQUEST		4,838,758			
REDUCTIONS AND REDIRECTIONS TO BASE BUDGET					
REDUCE INFLATIONARY INCREASE FOR STATE TEXTBOOKS	95,429				
REDUCE STATE STAFF DEVELOPMENT FUNDS	105,025				
REDUCE INFLATIONARY INCREASE FOR STATE CLASSROOM MATERIALS	36,525				
REDUCE AT RISK FUNDING FOR EXTENDED DAY/YEAR PROGRAMS	1,116,606				
REDIRECT LOCAL SUPPLY EXPENSES TO STATE		258,845			
REDIRECT LOCAL LEP TEACHERS TO STATE		223,607			
REDIRECT LOCAL PROFESSIONAL DEVELOPMENT EXPENSES TO STATE		104,045			
AP ALLOTMENT FORMULA CHANGE		1,999,166			
SSS ALLOTMENT FORMULA CHANGE		734,352			
MEDIA SPECIALIST ALLOTMENT FORMULA CHANGE		576,990			
MEDIA ASSISTANT ALLOTMENT FORMULA CHANGE		2,579,478			
ALTERNATIVE EDUCATION REDUCTION		90,266			
ALTERNATIVE TO SUSPENSION CENTER REDUCTION		43,029			
BRIGHT BEGINNINGS OPERATIONS		177,177			
CAMPUS SECURITY ASSOCIATES REDUCTION		160,596			
CAREER AND TECHNICAL EDUCATION REDUCTION		424,314			
CENTRAL OFFICE- FURNITURE AND EQUIPMENT		24,221			
CENTRAL OFFICE- PURCHASED SERVICES		926,656			
CENTRAL OFFICE- STAFFING		1,633,263			
CENTRAL OFFICE- SUPPLIES AND MATERIALS		306,651			
EC INCLUSIVE PRACTICES REDUCTION		115,000			
ESL TEACHER REDUCTION		640,367			
EXTENDED EMPLOYMENT FOR EXTENDED DAY		46,768			
JANUARY GRADUATION EXPENSE REDUCTION		15,500			
LEGAL SERVICES & POLICY AUDITS		100,000			
MAINTENANCE REDUCTIONS		2,500,000			
PBIS EXPENSE REDUCTION		528,256			
REDIRECTION OF COMMUNITY EXPENSES TO OTHER FUNDING SOURCE		178,178			
REDUCTION OF FUNDS FOR SAT/PSAT TESTING		48,245			
STORAGE AND DISTRIBUTION EXPENSE REDUCTION		120,931			
STUDY ABROAD PROGRAM REDUCTIONS		11,000			
TEACHER PROFESSIONAL DEVELOPMENT REDUCTION		268,253			
TRANSPORTATION REDUCTION		853,299			
TOTAL REDUCTIONS/REDIRECTION TO BASE BUDGET	1,353,585	15,688,453			
TOTAL REDUCTIONS	1,353,585	20,527,211			

EXHIBIT: B
SEPTEMBER 9, 2008
2008-2009 BUDGET ADJUSTMENTS

DESCRIPTION	STATE ADJUSTMENTS	COUNTY ADJUSTMENTS	FED./SPEC. PRGM. ADJUSTMENTS	OTHER LOCAL ADJUSTMENTS
II.A. SALARIES AND BENEFITS				
SALARY AND BENEFITS ADJ. BASED ON LOWER RATES	(8,201,986)		(900,262)	(23,287)
PROPOSED AT 5% VS. ACTUAL AT 3% FOR TEACHERS AND 2.69% FOR PRINCIPALS.				
PROPOSED AT 4% VS. ACTUAL AT THE GREATER OF 2.75% OR \$1,000 FOR NON-SCHOOL BASED AND NON-CERTIFIED STAFF				
RETIREMENT RATE- PROPOSED AT 7.83% VS. ACTUAL AT 8.14%	1,611,725	625,834	126,054	7,602
TOTAL SALARY AND BENEFIT ADJUSTMENTS	(6,590,261)	625,834	(774,208)	(15,685)
II.B. PROGRAM CONTINUATION				
CHANGES TO PROJECTED B42 IN PROPOSED BUDGET				
TEXTBOOKS	(18,777)			
CLASSROOM TEACHERS	(614,305)			
CENTRAL OFFICE ADMINISTRATION	20,904			
NON-INSTRUCTIONAL SUPPORT	504,114			
SCHOOL BUILDING ADMINISTRATION	(20,251)			
INSTRUCTIONAL SUPPORT	(51,829)			
DRIVERS ED	1,165			
VOC ED	(56,418)			
VOC ED SUPPORT	2,605			
SCHOOL TECHNOLOGY	235,491			
MENTOR PAY	331,770			
DSSF	366,857			
TEACHER ASSISTANTS	(339,587)			
STAFF DEVELOPMENT	209,070			
BEHAVIORAL SUPPORT	(18,387)			
EXCEPTIONAL CHILDREN	863,689			
INCENTIVE AWARDS	(1,012,155)			
TALENT DEVELOPMENT	258,845			
LEP	223,607			
CLASSROOM MATERIALS	(16,635)			
AT RISK STUDENT SERVICES	2,923,519			
IMPROVING STUDENT ACCOUNTABILITY	(996,124)			
TOTAL STATE ADJUSTMENTS TO CATEGORICAL ALLOTMENTS	2,797,168			
STATE AVERAGE SALARY ADJUSTMENT	(10,967,196)			
ADJUSTMENT TO THE LOCAL BUDGET				
INCREASE CHARTER SCHOOL FUNDS		1,142,121		
ADDITIONAL FUNDS FOR STATE TEXTBOOK SHORTFALL		114,206		
ADDITIONAL FUNDS FOR INCREASE IN UTILITIES		256,153		
LOCAL ADJUSTMENTS		1,512,480		

EXHIBIT: B
SEPTEMBER 9, 2008
2008-2009 BUDGET ADJUSTMENTS

DESCRIPTION	STATE ADJUSTMENTS	COUNTY ADJUSTMENTS	FED./SPEC. PRGM. ADJUSTMENTS	OTHER LOCAL ADJUSTMENTS
FEDERAL/SPECIAL PROGRAM ADJUSTMENTS				
VOC. ED - PROGRAM IMPROVEMENT	Decreased Allotment		(305,661)	
IDEA VI-B CAPACITY BLDG & IMPROVE	Increased Allotment/Inc. in est. carryover		14,348	
SAFE & DRUG FREE SCHOOLS	Decreased Allotment/Red. in est. carryover		(150,310)	
IDEA VI-B PRESCHOOL HANDICAPPED	Increased Allotment		6,036	
TITLE I	Increased Allotment/Red. in est. carryover		105,292	
EASA TITLE V	Decreased Allotment/Inc. in est. carryover		(210,559)	
IDEA VI-B HANDICAPPED	Reclass to New Grant/Red. in est. carryover		(3,909,422)	
CHILDREN W/ DISABILITIES TARGET ASSIST	New Grant		3,528,485	
IMPROVING TEACHER QUALITY	Decreased Allotment/Inc. in est. carryover		843,248	
LANGUAGE ACQUISITION	Increased Allotment/Inc. in est. carryover		738,584	
TITLE I -SCHOOL IMPROVEMENT	Increase in estimated carryover		758,715	
EDUCATION TECHNOLOGY	Increased Allotment/Inc. in est. carryover		19,178	
21ST CENTURY	Decreased Allotment		(131,666)	
LANGUAGE ACQUISITION - SIGNIF. INC.	Increase in estimated carryover		21,776	
ASTHMA	Decrease in estimated carryover		(31,131)	
RAISE	Increase in estimated carryover		87,584	
EARLY CHILDHOOD PROF. DEV.	Increase in estimated carryover		951,794	
MEDICAID	Increase in estimated carryover		536,615	
COALITION OF ESSENTIAL SCHOOLS	Decrease in estimated carryover		(10,905)	
TEACHER INCENTIVE FUND	Increase in estimated carryover		558,054	
ACHIEVEMENT ZONE PROJECT	Increase in grant award		92,700	
PERFORMANCE MANAGEMENT	Decrease in annual appropriation		(2,016,645)	
TOTAL FEDERAL/SPECIAL PROGRAM ADJUSTMENTS			1,496,110	
ADJUSTMENTS TO OTHER REVENUE:				
REDIRECTION OF EXPENSES FOR COMMUNITY USE OF FACILITIES				178,178
ADDITIONAL FUNDS FOR INCREASE IN UTILITIES				172,925
TOTAL OTHER LOCAL ADJUSTMENTS				351,103
ADJUSTMENTS TO FUND BALANCE APPROPRIATION DEDICATED TO:				
PURCHASE AND MOVEMENT OF MOBILE UNITS				6,166,118
TECHNOLOGY PROJECTS				1,146,524
REDUCTION OF BUSES PURCHASED FROM 25 TO 20				(241,175)
TOTAL FUND BALANCE ADJUSTMENTS				7,071,467
III. PROGRAM EXPANSION AND NEW INITIATIVES				
SMALL SCHOOLS-PERFORMANCE LEARNING CENTER		(231,815)		
TOTAL PROGRAM EXPANSION AND NEW INITIATIVES ADJ.		(231,815)		
GRAND TOTAL OF ADJUSTMENTS	(14,992,104)	2,138,314	721,902	7,406,885

2008-2009 PROPOSED CAPITAL REPLACEMENT BUDGET
SCHEDULE OF REVENUES AND EXPENDITURES

	2008-2009 Proposed Budget	2007-2008 Adopted Budget	2006-2007 Adopted Budget	2005-2006 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	5,200,000
Other	-	-	-	-
TOTAL CAPITAL REPLACEMENT REVENUES	\$ 5,200,000	\$ 5,200,000	\$ 5,200,000	\$ 5,200,000
EXPENDITURES				
<u>Buildings and Sites</u>				
Roofs	\$ 175,250	\$ 513,100	\$ 513,100	\$ 513,100
Heating and Air Conditioning	3,250,000	2,850,000	2,485,100	2,485,100
Asphalt Resurfacing	79,350	210,600	283,100	283,100
Carpeting	150,000	350,000	271,300	271,300
Intercom Consoles	-	-	-	-
Stage Curtains	20,600	21,600	95,600	95,600
Sites	574,800	350,000	29,600	29,600
Renovations	375,000	304,700	661,800	661,800
Electrical	325,000	350,000	610,400	610,400
Other	-	-	-	-
Total Buildings and Sites	\$ 4,950,000	\$ 4,950,000	\$ 4,950,000	\$ 4,950,000
<u>Furniture and Equipment</u>				
Classroom and Office Equipment	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Computer Equipment - Instructional	-	-	-	-
Insurance Claims	100,000	100,000	100,000	100,000
Total Furniture and Equipment	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
TOTAL CAPITAL REPLACEMENT EXPENDITURES	\$ 5,200,000	\$ 5,200,000	\$ 5,200,000	\$ 5,200,000

CHILD NUTRITION PROGRAM

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

	FY 2008-09 Proposed Budget	FY 2007-08 Adopted Budget	FY 2006-07 Actual Expenditures	FY 2005-06 Actual Expenditures
OPERATING REVENUES:				
Student Meals	\$ 10,255,315	\$ 9,963,872	\$ 9,670,141	\$ 7,524,555
Supplemental Sales	<u>14,310,096</u>	<u>14,458,772</u>	\$ 14,032,534	<u>15,622,104</u>
Total Operating Revenues	<u>24,565,411</u>	<u>24,422,644</u>	<u>23,702,675</u>	<u>23,146,659</u>
OPERATING EXPENSES:				
Food and Commodities	21,208,847	21,146,992	\$ 19,224,538	17,542,977
Salaries	24,121,924	22,708,430	\$ 21,835,029	21,376,847
Employee Benefits	4,833,787	4,541,686	\$ 4,174,092	4,107,577
Materials and Supplies	2,551,614	2,220,860	\$ 2,155,390	2,320,256
Depreciation	1,612,887	1,678,822	\$ 1,470,822	1,427,287
Contracted Services	1,203,682	1,000,000	\$ 929,399	834,473
Other	<u>6,419,615</u>	<u>5,922,120</u>	<u>\$ 5,422,120</u>	<u>5,073,071</u>
Total Operating Expenses	<u>61,952,356</u>	<u>59,218,910</u>	<u>55,211,390</u>	<u>52,682,488</u>
OPERATING INCOME (LOSS)	(37,386,945)	(34,796,266)	(31,508,715)	(29,535,829)
U.S. Government Subsidy and Commodities	34,148,188	32,593,622	\$ 31,147,516	27,783,818
Interest Revenue and Other Misc. Revenue	<u>2,721,942</u>	<u>1,685,829</u>	\$ 2,661,626	<u>1,380,964</u>
Total Non-Operating Revenue	<u>36,870,130</u>	<u>34,279,451</u>	<u>33,809,142</u>	<u>29,164,782</u>
INCOME (LOSS) BEFORE OPERATING TRANSFER	(516,815)	(516,815)	2,300,427	(371,047)
OPERATING TRANSFER FROM GENERAL FUND	<u>516,815</u>	<u>516,815</u>	<u>519,320</u>	<u>531,581</u>
NET INCOME (LOSS)	-	-	2,819,747	160,534
INCREASE (DECREASE) IN RETAINED EARNINGS	-	-	2,819,747	160,534
RETAINED EARNINGS - Beginning of Year*	9,891,583	9,891,583	7,071,836	6,911,302
RETAINED EARNINGS - End of Year	<u>\$ 9,891,583</u>	<u>\$ 9,891,583</u>	<u>\$ 9,891,583</u>	<u>\$ 7,071,836</u>

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION

CHILD NUTRITION PROGRAM

COMPARISON OF MEAL PRICES

	BREAKFAST			LUNCH		
	Elementary	Secondary	Adult	Elementary	Secondary	Adult
2008-09 Proposed	\$1.25	\$1.25	A La Carte	\$2.00	\$2.00	A La Carte
2007-08	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

AFTER SCHOOL ENRICHMENT PROGRAM

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

	FY 2008-09 Proposed Budget	FY 2007-08 Adopted Budget	FY 2006-07 Actual Expenditures	FY 2005-06 Actual Expenditures
OPERATING REVENUES:				
Participant Fees	\$ 16,363,710	\$ 15,132,000	14,268,430	\$ 13,300,638
OPERATING EXPENSES:				
Food Costs	947,633	879,695	797,943	705,270
Salaries	10,619,443	9,721,937	9,211,480	8,771,789
Benefits	2,052,491	1,922,759	1,646,332	1,566,269
Material and Supplies	483,894	493,595	447,325	398,567
Depreciation	-	-	-	-
Contracted Services	297,451	302,044	273,449	256,477
Other	2,055,134	1,906,970	1,749,099	1,696,126
Total Operating Expenses	<u>16,456,046</u>	<u>15,227,000</u>	<u>14,125,628</u>	<u>13,394,498</u>
OPERATING INCOME (LOSS)	(92,336)	(95,000)	142,802	(93,860)
NON-OPERATING REVENUES:				
Interest Income	92,336	95,000	94,953	62,986
Contributions and Grants	-	-	28,075	-
Total Non-Operating Revenue	<u>92,336</u>	<u>95,000</u>	<u>123,028</u>	<u>62,986</u>
OPERATING TRANSFER FROM GENERAL FUND	-	-	226,200	226,200
NET INCOME (LOSS)	-	-	492,030	195,326
RETAINED EARNINGS - Beginning of Year*	<u>711,076</u>	<u>711,076</u>	<u>219,046</u>	<u>23,720</u>
RETAINED EARNINGS - End of Year	<u>\$ 711,076</u>	<u>\$ 711,076</u>	<u>\$ 711,076</u>	<u>\$ 219,046</u>
Fee per participant per week	<u>\$ 56</u>	<u>\$ 54</u>	<u>\$ 54</u>	<u>\$ 51</u>
Average number of participants per week	<u>6,245</u>	<u>6,086</u>	<u>6,326</u>	<u>5,974</u>

* Based on prior year actuals