

Charlotte-Mecklenburg Board of Education

Agenda Item

Meeting Date

November 10, 2015

Agenda Item Title

Recommend Approval of Charlotte-Mecklenburg Board of Education 2015-16 Operating Budget

Correlation to Board of Education Vision, Mission & Core Beliefs

Operating effectively and efficiently with fiscal accountability

Staff Present

Sheila W. Shirley, Chief Financial Officer

Main Points

On May 12, 2015 the Board of Education approved the 2015-16 Proposed Budget. Since that time the Board of County Commissioners (BOCC) and the state have adopted their budgets, and we have estimates for our federal budget. 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

State - \$778,903,458

County - \$404,286,016

Federal/Grants - \$143,029,293

Other/Special Revenue - \$20,511,470

Total Operating Budget - \$1,346,730,237

Capital Replacement - \$12,960,000

Child Nutrition Program - \$68,189,999

After School Enrichment Program - \$13,404,758

Total Proposed Budget - \$1,441,284,994

Agenda Item Type

Action

Motion

Recommend approval to adopt the budget resolution for the Current Expense, Capital Replacement, After School Enrichment Program, and Child Nutrition Program Budgets for FY 2015-16.

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To the Charlotte-Mecklenburg Board of Education:

At the start of the 2015-2016 budget-development process, we identified three priorities: To continue and expand literacy supports, to continue and expand support services for students and to recruit and retain top-quality employees with competitive salaries. I believe that each of these priorities is addressed in our final operating budget of \$1.3 billion, which increased \$34.8 million, or less than three percent, over last year.

Our budget continues and expands literacy supports with more than \$603,000 allocated to literacy. We have launched our North Star literacy campaigns within CMS and across our community. We are focused on literacy in all curriculum areas and our efforts are bearing fruit. One recent proof point: We continue to be among the highest-performing districts in reading and math on the National Assessment of Educational Progress in results released last month.

We also remain committed to increasing support services for students, with \$1.4 million in the 2015-2016 budget allocated to increase the number of counselors and other support staff this year.

We have made some progress on making our district more competitive in recruiting and retaining top-performing employees. The state increased beginning teacher salaries from \$33,000 to \$35,000 and provided increases to certified staff advancing to the next salary band. In addition, all employees as of Nov. 1 will receive a \$750 bonus this year. We would like to do more, however, and we will continue to advocate for our employees at the state and local levels.

As was the case last year, this budget was challenging because of uncertainties and a lengthy budget process at the state level. Despite these challenges, Charlotte-Mecklenburg Schools remains committed to providing the best education possible to every student. The 2015-2016 operating budget reflects that commitment to our students and our community.

Sincerely,



Ann Clark
Superintendent

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
 CHARLOTTE, NORTH CAROLINA
 BUDGET RESOLUTION FY 2015-16**

BUDGET RESOLUTION FY 2015-16

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, 2015 and ending June 30, 2016:

Current Expense

(A) Instructional Services

5100	Regular Instructional Services	\$ 661,579,235
5200	Special Populations Services	152,031,772
5300	Alternative Programs Services	98,665,330
5400	School Leadership Services	75,854,246
5500	Co-Curricular Services	5,133,294
5800	School-Based Support Services	<u>65,521,792</u>
	Total Instructional Programs	<u>\$ 1,058,785,669</u>

(B) System-Wide Support Services

6100	Support and Development Services	\$ 7,300,871
6200	Special Population Support and Development Services	3,320,782
6300	Alternative Programs Support and Development Services	5,077,007
6400	Technology Support Services	14,068,413
6500	Operational Support Services	170,707,828
6600	Financial and Human Resource Services	18,028,189
6700	Accountability Services	5,131,305
6800	System-wide Pupil Support Services	3,888,421
6900	Policy, Leadership, and Public Relations Services	<u>17,025,562</u>
	Total Supporting Services	<u>\$ 244,548,378</u>

(C) Ancillary Services

7100	Community Services	513,265
7200	Nutrition Services	<u>1,057,315</u>
	Total Ancillary Services	<u>\$ 1,570,580</u>

(D) Non-Programmed Charges

Payments to Other Governmental Units and Transfer of Funds	\$ 41,242,874
Debt Service	<u>582,736</u>
Total Supporting Services	<u>41,825,610</u>
Total Current Expense	<u>\$ 1,346,730,237</u>

Capital Replacement

(A) Buildings and Sites	\$ 10,932,556
(B) Furniture and Equipment	1,882,258
(C) Vehicles	<u>145,186</u>
Total Capital Replacement	<u>\$ 12,960,000</u>

Child Nutrition Program

(A) Salaries and Benefits	\$ 27,643,016
(B) Food and Operational Costs	<u>40,546,983</u>
Total Child Nutrition Program	<u>\$ 68,189,999</u>

After School Enrichment Program

(A) Salaries and Benefits	\$ 10,335,610
(B) Operational Costs	<u>3,069,148</u>
Total After School Enrichment Program	<u>\$ 13,404,758</u>

Total Expenditures	<u><u>\$ 1,441,284,994</u></u>
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Section II The following revenues are estimated to be available for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

Current Expense

County Appropriation	\$ 404,286,016
State Funds	778,903,458
Federal and Other Grant Funds	143,029,293
Other and Special Revenue Funds	20,511,470
Total Current Expense	\$ <u>1,346,730,237</u>

Capital Replacement

County Appropriation	\$ <u>12,960,000</u>
Total Capital Replacement	\$ <u>12,960,000</u>

Child Nutrition Program

Sales and Operating Transfer from General Fund	\$ 12,427,912
Federal and Other Revenues	<u>55,762,087</u>
Total Child Nutrition Program	\$ <u>68,189,999</u>

After School Enrichment Program

Participant Fees	\$ 13,387,758
Interest Income	<u>17,000</u>
Total After School Enrichment Program	\$ <u>13,404,758</u>

Total Revenues	\$ <u><u>1,441,284,994</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.

**MECKLENBURG COUNTY, NORTH CAROLINA
 CHARLOTTE-MECKLENBURG BOARD OF EDUCATION PROPOSED BUDGET
 FISCAL YEAR 2015-2016**

5000	Instructional Services	
5100	Regular Instructional	\$ 154,684,814
5200	Special Populations	10,269,781
5300	Alternative Programs	10,912,562
5400	School Leadership Services	37,368,193
5500	Co-Curricular	4,016,894
5800	School-Based Support	<u>20,411,806</u>
	Subtotal Instructional Services	\$ 237,664,050
6000	System-Wide Support Services	
6100	Support and Development	\$ 5,900,871
6200	Special Population Support and Development	2,020,602
6300	Alternative Programs Support and Developme	1,508,201
6400	Technology Support	12,831,636
6500	Operational Support	69,290,888
6600	Financial and Human Resource Services	16,137,894
6700	Accountability	4,172,677
6800	System-wide Pupil Support	3,641,694
6900	Policy, Leadership and Public Relations	<u>12,096,090</u>
	Subtotal System-Wide Support Services	\$ 127,600,553
7000	Ancillary Services	
7100	Community Services	\$ -
7200	Nutrition Services	<u>721,207</u>
	Subtotal Ancillary Services	\$ 721,207
8000	Non-Programmed Charges	
8100	Payments to Charter Schools	37,717,470
8300	Debt Service	<u>582,736</u>
	Subtotal Non-Programmed Charges	\$ 38,300,206
	TOTAL OPERATING EXPENDITURES	<u><u>\$ 404,286,016</u></u>
9000	Capital Outlay	
9100	Category I Projects	\$ 10,932,556
9200	Category II Projects	2,027,444
9300	Category III Projects	<u>-</u>
	TOTAL CAPITAL OUTLAY	<u><u>\$ 12,960,000</u></u>

Submitted for Board Approval on November 10, 2015

DETAIL OF CHANGES TO 2014-2015 COUNTY APPROPRIATION

2014-15 BASE BUDGET	388,236,594
I. REDUCTIONS/REDIRECTIONS	
A. Reductions/Redirection of Funds to Alternative Uses	<u>(7,637,585)</u>
Total Reductions/Redirections	(7,637,585)
II. SUSTAINING OPERATIONS	
A. Program Continuation	
1. Talent Management Platform	205,000
2. Transportation Fuel Costs	433,932
3. Utilities Increase	<u>1,081,278</u>
Total Sustaining Operations	1,720,210
III. INVESTING IN OUR EMPLOYEES	
A. Salaries and Benefits	
1. State Proposed Salary Increase -beginning teachers to \$35,000; others advancing to next salary band	5,011,957
2. \$750 Bonus - for all employees hired as of Nov. 1	2,083,665
3. Health Insurance Rate Increase - from \$5,378 to \$5,471	258,816
4. Retirement Rate Increase - 15.21% to 15.32%	<u>229,391</u>
Total Investing In Our Employees	7,583,829
IV. STUDENT GROWTH AND ADDITIONAL SPACE	
A. Enrollment Growth Costs	
1. Enrollment Growth Cost Increases - 777 new students	
Staffing	1,321,566
Non-Personnel	<u>168,926</u>
Total Enrollment Growth Costs	1,490,492
B. Additional Facility Space - Including New, Replacement and Reopened Schools	
1. Additional Staffing Allotments	1,690,759
2. Maintenance and Operating Costs for Additional Space	<u>1,719,514</u>
Total Additional Facility Space	3,410,273
Total Student Growth and Additional Space	4,900,765
V. PROGRAM EXPANSION AND NEW INITIATIVES	
A. Literacy Support - Summer Reading Camp	-
B. Student Support Services - Phase II	<u>1,400,000</u>
Total Program Expansion and New Initiatives	1,400,000
VI. CHARTER SCHOOLS PASS-THROUGH FUNDING	
A. Enrollment Growth Costs	
1. Charter School Enrollment Growth - over 2,000 new students and prior year adjustment	7,846,783
2. Virtual Charter School Enrollment Growth - Two Pilot Schools	<u>235,420</u>
Total Charter School Pass-through Funding	8,082,203
2015-2016 PROPOSED COUNTY APPROPRIATION	404,286,016
INCREASE IN COUNTY APPROPRIATION FOR CMS OVER PRIOR YEAR	7,967,219
INCREASE IN TOTAL COUNTY APPROPRIATION OVER PRIOR YEAR	16,049,422

**2015-2016 PROPOSED CURRENT EXPENSE BUDGET:
COMPARISON TO PRIOR YEAR**

	2015-16 Proposed Budget	2014-15 Adopted Budget	% Change
REVENUES			
State of North Carolina	\$ 778,903,458	\$ 749,327,262	3.9%
Federal and Other Grants	143,029,293	153,673,260	-6.9%
Mecklenburg County Appropriation	404,286,016	388,236,594	4.1%
Other and Special Revenue	20,511,470	20,658,033	-0.7%
TOTAL REVENUES	<u>\$ 1,346,730,237</u>	<u>\$ 1,311,895,149</u>	<u>2.7%</u>
EXPENDITURES			
Instructional			
Regular Instructional	\$ 661,579,235	\$ 639,158,617	3.5%
Special Populations	152,031,772	153,092,282	-0.7%
Alternative Programs and Services	98,665,330	101,410,690	-2.7%
Co-Curricular	5,133,294	5,560,895	-7.7%
School-Based Support	65,521,792	65,230,151	0.4%
Total Instructional	982,931,423	964,452,635	1.9%
Instructional Support			
Support and Development	7,300,871	6,476,243	12.7%
Special Population Support and Development	3,320,782	3,368,020	-1.4%
Alternative Programs Support and Development	5,077,007	4,988,002	1.8%
System-wide Pupil Support	3,888,421	3,495,407	11.2%
Total Instructional Support	19,587,081	18,327,672	6.9%
Operations			
Technology Support	14,068,413	15,258,012	-7.8%
Operational Support	170,707,828	166,384,791	2.6%
Financial and Human Resource Services	18,028,189	17,480,293	3.1%
Accountability	5,131,305	5,259,217	-2.4%
Community Services	513,265	549,284	-6.6%
Nutrition Services	1,057,315	1,057,315	-
Debt Service	582,736	582,736	-
Other	3,525,404	4,084,659	-13.7%
Total Operations	213,614,455	210,656,307	1.4%
Leadership			
Policy, Leadership and Public Relations	17,025,562	15,460,461	10.1%
School Leadership Services	75,854,246	73,362,807	3.4%
Total Leadership	92,879,808	88,823,268	4.6%
Charter School Funds	37,717,470	29,635,267	27.3%
TOTAL EXPENDITURES	<u>\$ 1,346,730,237</u>	<u>\$ 1,311,895,149</u>	<u>2.7%</u>

**2015-2016 PROPOSED CURRENT EXPENSE BUDGET:
SUMMARY OF CHANGES TO 2014-2015 BASE BUDGET**

	State	County	Federal and Other Grants	Other and Special Revenue	Total
2014-2015 ADOPTED BUDGET	\$ 749,327,262	\$ 388,236,594	\$ 153,673,260	\$ 20,658,033	\$ 1,311,895,149
REVISIONS TO 2014-2015 ADOPTED BUDGET					
A. Revisions to Base Budget*	(8,758,487)	-	(7,341,874)	(7,750,471)	(23,850,832)
Sub-Total	(8,758,487)	-	(7,341,874)	(7,750,471)	(23,850,832)
2014-2015 BASE BUDGET	740,568,775	388,236,594	146,331,386	12,907,562	1,288,044,317
I. REDUCTIONS/REDIRECTIONS					
A. Reductions/Redirection of Funds to Alternative Uses	(3,300,503)	(7,637,585)	-	-	(10,938,088)
Sub-Total	(3,300,503)	(7,637,585)	-	-	(10,938,088)
II. SUSTAINING OPERATIONS					
A. Program Continuation	12,091,884	1,720,210	(5,262,275)	7,600,000 ^A	16,149,819
Sub-Total	12,091,884	1,720,210	(5,262,275)	7,600,000	16,149,819
III. INVESTING IN OUR EMPLOYEES					
A. Salaries and Benefits	25,234,942	7,583,829	1,960,182	3,908	34,782,861
Sub-Total	25,234,942	7,583,829	1,960,182	3,908	34,782,861
IV. STUDENT GROWTH AND ADDITIONAL SPACE					
A. Enrollment Growth Costs	1,679,521	1,490,492	-	-	3,170,013
B. Additional Facility Space	2,025,196	3,410,273	-	-	5,435,469
Sub-Total	3,704,717	4,900,765	-	-	8,605,482
V. PROGRAM EXPANSION AND NEW INITIATIVES					
A. Literacy Support	603,643	-	-	-	603,643
B. Student Support Services - Phase II	-	1,400,000	-	-	1,400,000
Sub-Total	603,643	1,400,000	-	-	2,003,643
VI. CHARTER SCHOOLS PASS-THROUGH FUNDING					
A. Enrollment Growth Costs	-	8,082,203	-	-	8,082,203
Sub-Total	-	8,082,203	-	-	8,082,203
TOTAL 2015-2016 PROPOSED CURRENT EXPENSE BUDGET	\$ 778,903,458	\$ 404,286,016	\$ 143,029,293	\$ 20,511,470	\$ 1,346,730,237

* Includes state revisions, reduction for prior year one-time fund balance appropriation and anticipated revenue adjustments to 2014-15 Adopted Budget.

A Includes a one-time increase in fund balance appropriation of \$7.6 million for Atrium Project (\$4.6m) and Movement of mobile units (\$3m).

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2015-16 PROPOSED PROGRAM CHANGES

I. Reductions/Redirections

Change Reference: I.A

Explanation of Change	Description	State Cost	Local Cost
A. Reductions/Redirections of Funds to Alternative Uses			
<p>1. <u>Personalized Learning</u> The 2014-15 Adopted Budget included funding to develop and/or purchase a learning management system to monitor the personalized plan for each student's progress that is student driven and teacher facilitated with a focus on mastery learning. In addition, the budget included funds for personalized course design for students. CMS will utilize a recently launched state-wide learning management system that accomplishes both of these tasks. The initial cost budgeted for the development of this system can be eliminated.</p>	Purchased Services		<u>(\$1,200,000)</u>
<p>2. <u>Communications</u> The current budget includes funding for contracts for student email accounts, automated telecommunications to parents, and development and deployment of district surveys. After research and evaluation, it was determined that a more cost effective provider for student emails will be used, other contract pricing will be renegotiated, and the survey development can be reduced. Therefore, the cost savings associated with these changes allow for a budget reduction.</p>	Purchased Services		<u>(\$588,698)</u>
<p>3. <u>Data Dash Board</u> Earlier iterations of data dashboards required on-going external assistance to manage and maintain. These systems have become antiquated, and the service previously provided by external contractors was deemed no longer needed. The Office of Accountability has re-prioritized existing funds to build internal capacity to build and maintain data dashboards and to create and manage reports. This re-direction of existing funds to build the internal capacity of the department made this reduction possible with little to no risk.</p>	Supplies & Materials		<u>(\$76,818)</u>
<p>4. <u>Course Guides</u> In prior years, course guides were printed and sent home to parents. It has been determined that these course guides will now be made available electronically. The cost for the printing can be eliminated.</p>	Supplies & Materials		(\$31,000)

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2015-16 PROPOSED PROGRAM CHANGES

Change Reference: I.A (Continuation)

Explanation of Change	Description	State Cost	Local Cost
<p>5. <u>PSAT Report</u> PSAT report serves several purposes, one of which is to provide schools with one measure of potential readiness for advanced placement (AP) courses. After reviewing the use and features of reports prepared by the Office of Accountability and the tools the College Board makes available at no additional charge, we concluded that this vendor supplied tool was no longer needed.</p>	Supplies & Materials		<u>(\$25,000)</u>
<p>6. <u>Bright Beginnings</u> Over the past three years, the cost for transportation of Bright Beginnings students has been trending down. It is anticipated that the lower cost will be maintained, and these savings can be redirected.</p>	Purchased Services		<u>(\$193,000)</u>
<p>7. <u>Central Office Staffing</u> As a result of re-alignment of duties, the position of Associated Superintendent for Auxiliary Services can be eliminated. These duties will be covered by the Chief Operating Officer and existing facilities maintenance staff.</p>	Salaries & Benefits		<u>(\$194,358)</u>
<p>8. <u>Unemployment Insurance</u> With the recent improvement in the economy and fewer layoffs, the number of unemployment claims for the district is declining. Therefore, the budget for these unemployment insurance claims can be reduced and the cost saving can be redirected.</p>	Salaries & Benefits		<u>(\$982,758)</u>
<p>9. <u>Solid Waste</u> The cost for the disposal of solid waste for the district has been evaluated. It has been determined that this cost for the district is declining, therefore, the budget can be reduced.</p>	Purchased Services		<u>(\$150,000)</u>
<p>10. <u>Redirect Local Textbooks to State Funds</u> The state's approved budget included an increase in its allocation for textbooks and digital resources. As a result of the additional funding, local expenses for textbooks will be redirected to the state and local funding will be reduced.</p>	Supplies & Materials		<u>(\$1,315,090)</u>
<p>11. <u>Strategic Staffing</u> As a result of cohorts phasing out, the local funds allocated for strategic staffing bonuses can be reduced. The remaining budgeted funds will be adequate to cover the expected cost of this initiative.</p>	Salaries & Benefits		<u>(\$873,761)</u>

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2015-16 PROPOSED PROGRAM CHANGES

Change Reference: I.A (Continuation)

Explanation of Change	Description	State Cost	Local Cost
12. <u>At-Risk</u> As the graduation rate for CMS improves, state funds allocated for the expenses of the credit recovery program can be reduced. The reduction in the expenses for this program allows the local expense for the K-3 literacy initiative to be redirected to the state At-Risk allotment and local funding used to support this program will be reduced.	Salaries & Benefits		(\$580,000)
	Supplies & Materials		(\$366,709)
	Total		<u>(\$946,709)</u>
13. <u>Transportation</u> Funding for transportation services has been reduced. The reductions are due to the cut by the state for the drop in the projected average price of diesel fuel and efficiency gains in the operations of the department.	Salaries & Benefits		(\$1,038,669)
	Supplies & Materials	(\$3,300,503)	(\$21,724)
	Total	<u>(\$3,300,503)</u>	<u>(\$1,060,393)</u>
Total Reductions/Redirections		<u>(\$3,300,503)</u>	<u>(\$7,637,585)</u>

II. Sustaining Operations

Change Reference: II.A

Explanation of Change	Description	State Cost	Local Cost
A. <u>Program Continuation</u>			
1. <u>Talent Management Platform</u> My Talent is an online platform provided by the state for certified staff. The modules implemented for use are Performance Evaluations, Professional Development, Documentation and Reporting and Mentoring and Coaching. CMS has expanded the use of the Performance Evaluation and Professional Development modules for non-certified staff. Funds are needed for the annual software license cost to continue the use of these modules at full scale.	Purchased Services		<u>\$205,000</u>

2015-16 PROPOSED PROGRAM CHANGES

Change Reference: II.A (Continuation)

Explanation of Change	Description	State Cost	Local Cost
<p>2. <u>Transportation Fuel Costs</u> Due to the recent decline in the price of diesel fuel, the state's approved budget included a cut in the transportation fuel budget. This is based on the state-wide average decline in the cost of diesel fuel. In Mecklenburg County, the decline in the cost of fuel on average does not equal the projected state-wide average decline per gallon. Therefore funding is required to cover the difference in the state reduction and our projected actual savings per gallon.</p>	Purchased Services		<u>\$433,932</u>
<p>3. <u>Utilities Increase</u> Utility costs for the school district are expected to increase approximately three percent for power, two percent for gas and two percent for water and sewage over the prior year due to price increases. Also, as a result of rate increases, new sales taxes added this year, and increased consumption, the 2014-15 budget is not adequate. Therefore, funding is required to increase the utilities budget for 2015-16 to cover the projected increases.</p>	Purchased Services		<u>\$1,081,278</u>
<p>4. <u>Other State Adjustments</u> The budget was adjusted for state funding of the categorical allotments for textbooks, classroom teachers, non-instructional support, instructional support, CTE, exceptional children, academically gifted, after school quality improvement, IB exams, limited english proficiency, and high school learn and earn. Instructional technology and at risk student services carryover funding was also adjusted.</p>	Salaries & Benefits	\$5,988,726	
	Purchased Services	\$964,358	
	Supplies & Materials	<u>\$5,138,800</u>	
	Total	<u>\$12,091,884</u>	
Total Sustaining Operations		<u>\$12,091,884</u>	<u>\$1,720,210</u>

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2015-16 PROPOSED PROGRAM CHANGES

III. Investing In Our Employees

Change Reference: III.A

Explanation of Change	Description	State Cost	Local Cost
A. Salaries and Benefits			
1. <u>State Proposed Salary Increase</u>			
<p>The state legislature approved the Governor's proposal to increase the beginning pay for all teachers from \$33,000 to \$35,000 and will make the appropriate state budget adjustments to cover this increase. Local funds are needed to provide an equivalent increase for locally funded employees and to cover the county supplement for state and locally funded teachers.</p> <p>In addition, in the 2014-15 state approved budget, the certified salary schedules were modified into bands. Each band is divided into five years of service with the same pay for each year within the band. Certified staff receives a salary increase when they move to the first year of the next salary band. Local funds are needed to cover the county supplement for the increase in salary for the certified staff advancing to a new salary band.</p>	Salaries & Benefits	<u>\$12,623,169</u>	<u>\$5,011,957</u>
2. <u>\$750 Bonus</u>			
<p>The state legislature approved a one-time bonus payment of \$750 to all state paid employees hired as of November 1, 2015 and will cover the cost of this increase. Local funds are needed to provide the one-time bonus for locally funded employees.</p>	Salaries & Benefits	<u>\$10,827,519</u>	<u>\$2,083,665</u>
3. <u>Health Insurance Rate Increase</u>			
<p>The approved state budget increased in the health insurance rate from \$5,378 to \$5,471 beginning in January of 2016. This represents a two percent increase effective in January 2016. Funds are needed to provide the state mandated increase for all full-time positions.</p>	Salaries & Benefits	<u>\$1,206,631</u>	<u>\$258,816</u>

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2015-16 PROPOSED PROGRAM CHANGES

Change Reference: III.A (Continuation)

Explanation of Change	Description	State Cost	Local Cost
4. Retirement Rate Increase			
The approved state budget increased the employer-paid portion of the state retirement plan cost from 15.21% to 15.32% of eligible earnings annually. Funds are needed to cover the estimated increase.	Salaries & Benefits	<u>\$577,623</u>	<u>\$229,391</u>
Total Investing In Our Employees		<u>\$25,234,942</u>	<u>\$7,583,829</u>

IV. Student Growth and Additional Space

Change Reference: IV.A

Explanation of Change	Description	State Cost	Local Cost
A. Enrollment Growth Costs			
1. Enrollment – Additional Allotments			
Student enrollment increased by 777 students in 2015-16, which represents a .5% 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 the growth in enrollment. Funds are also included for the county supplement for state and locally paid positions and to provide purchased services, supplies and materials for the additional classrooms and employees.	Salaries & Benefits	\$1,642,958	\$869,461
	Local Supplement		\$452,105
	Purchased Services		\$44,741
	Supplies & Materials	<u>\$36,563</u>	<u>\$124,185</u>
		<u>\$1,679,521</u>	<u>\$1,490,492</u>

	<u>State</u>	<u>Local</u>
Teachers	28.5	7.0
Assistant Principals	5.0	2.0
Media Assistants	-	5.0
Counselor	3.6	-
AISA Assistants	-	-
Secretaries	-	7.0
	<u>37.1</u>	<u>21.0</u>

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2015-16 PROPOSED PROGRAM CHANGES

Change Reference: [IV.B](#)

Explanation of Change	Description	State Cost	Local Cost																											
B. <u>Additional Facility Space - Including New, Replacement and Reopened Schools</u>																														
1. <u>Additional Staffing Allotments for New Schools</u>																														
Two new elementary schools, two reopened schools and one replacement school opened in August 2015. The schools require staffing to provide instruction and support services. This request also includes the local supplement for state and locally paid positions. Additional positions are as follows:	Salaries & Benefits	\$2,025,196	\$1,158,694																											
	Local Supplement	<u>\$0</u>	<u>\$532,065</u>																											
<table border="1"> <thead> <tr> <th></th> <th><u>State</u></th> <th><u>Local</u></th> </tr> </thead> <tbody> <tr> <td>Principal</td> <td>4.0</td> <td>-</td> </tr> <tr> <td>Assistant Principals</td> <td>-</td> <td>3.0</td> </tr> <tr> <td>Teachers</td> <td>31.0</td> <td>4.5</td> </tr> <tr> <td>Facilitators</td> <td>-</td> <td>4.0</td> </tr> <tr> <td>Counselor</td> <td>-</td> <td>2.0</td> </tr> <tr> <td>Media Specialist</td> <td>-</td> <td>3.0</td> </tr> <tr> <td>Sr. Admin. Secretary</td> <td>-</td> <td>4.0</td> </tr> <tr> <td></td> <td><u>35.0</u></td> <td><u>20.5</u></td> </tr> </tbody> </table>			<u>State</u>	<u>Local</u>	Principal	4.0	-	Assistant Principals	-	3.0	Teachers	31.0	4.5	Facilitators	-	4.0	Counselor	-	2.0	Media Specialist	-	3.0	Sr. Admin. Secretary	-	4.0		<u>35.0</u>	<u>20.5</u>		
	<u>State</u>	<u>Local</u>																												
Principal	4.0	-																												
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Sr. Admin. Secretary	-	4.0																												
	<u>35.0</u>	<u>20.5</u>																												
Total Additional Staffing Allotments		<u>\$2,025,196</u>	<u>\$1,690,759</u>																											
2. <u>Maintenance and Operating Costs for All Additional Space</u>																														
Maintenance:																														
The opening of two new elementary schools, one replacement school and two reopened schools in August 2015, resulted in the addition of 412,090 total square feet in our facilities. In order to properly maintain this additional square footage, funds are required at \$4.02 per square foot to cover staffing, utilities, contract services and supplies.	Salaries & Benefits		\$749,799																											
	Utilities		\$519,234																											
	Purchased Services		<u>\$415,331</u>																											
	Total		<u>\$1,684,364</u>																											
<table border="1"> <thead> <tr> <th></th> <th><u>State</u></th> <th><u>Local</u></th> </tr> </thead> <tbody> <tr> <td>Head Custodian</td> <td>-</td> <td>5.0</td> </tr> <tr> <td>Custodian</td> <td>-</td> <td>13.0</td> </tr> <tr> <td>Maintenance Technician</td> <td>-</td> <td>1.0</td> </tr> <tr> <td></td> <td>-</td> <td>19.0</td> </tr> </tbody> </table>			<u>State</u>	<u>Local</u>	Head Custodian	-	5.0	Custodian	-	13.0	Maintenance Technician	-	1.0		-	19.0														
	<u>State</u>	<u>Local</u>																												
Head Custodian	-	5.0																												
Custodian	-	13.0																												
Maintenance Technician	-	1.0																												
	-	19.0																												
Non-personnel Support:																														
Funding is required 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.	Purchased Services		<u>\$35,150</u>																											
Total Maintenance and Operating Costs for Additional Space			<u>\$1,719,514</u>																											
Total Additional Facility Space		<u>\$2,025,196</u>	<u>\$3,410,273</u>																											
Total Student Growth and Additional Space		<u>\$3,704,717</u>	<u>\$4,900,765</u>																											

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2015-16 PROPOSED PROGRAM CHANGES

V. Program Expansion and New Initiatives

Change Reference: **V.**

Explanation of Change	Description	State Cost	Local Cost
<p>A. Literacy Support - Summer Reading Camp As directed by the Read to Achieve legislation, CMS shall offer a summer reading camp for students finishing 3rd grade who do not demonstrate reading proficiency. Parents or guardians of the student not demonstrating reading proficiency shall make the final decision regarding the student's summer camp attendance. The reading camps shall be six to eight weeks long, four to five days a week. It must include at least three hours of instructional time per day and must be taught by licensed teachers selected based on demonstrated student outcomes in reading proficiency. The summer reading program will include small group instruction focused on literacy linked to state and national standards, enrichment courses in science, technology, arts, health and PE, field trips, family and community engagement. Students' progress will be measured using online assessments and may include quizzes or other formative assessments, as appropriate for the program duration. The state Read to Achieve mandated test will be administered to show proficiency at the end of the program. The state will expand this program to include students completing 1st and 2nd grade. Students completing 3rd grade will receive priority placement as a result of the Read to Achieve legislation. The remaining open slots will be filled by students in earlier grades.</p>	Purchased Services	\$603,643	
<p>B. Student Support Services - Phase II Goal 1 of the Strategic Plan 2018 is to maximize academic achievement in a personalized 21st-century environment for every child to graduate college- and career-ready. A growing body of evidence shows that social and emotional well-being is the foundation for emerging cognitive abilities. In the school setting, student services staff are key personnel in the development of healthy social and emotional mindsets for children. To best prepare students for academic growth and development, CMS must have counselors, psychologists and social workers in schools to support all students. Another district priority that is impacted by student services is Goal 4 which focuses on ensuring all schools are safe places where every child feels welcome, engaged and nurtured.</p>	Salaries & Benefits		\$1,400,000

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2015-16 PROPOSED PROGRAM CHANGES

Change Reference: **V. (Continuation)**

Explanation of Change	Description	State Cost	Local Cost
<p>A. Student Support Services - Phase II (Continuation)</p> <p>The CMS staffing ratio for student services is significantly lower than recommended by professional organizations for each discipline. Currently, the school-based counselor to student ratios at district level are effectively: one counselor for every 525 elementary students, one counselor for every 380 middle school students and one counselor for every 395 high school students. The recommended counselor to student ratio and social worker to student ratio are one to 250 students. We have 41 school-wide social workers and 6 social workers dedicated to McKinney-Vento Services. The recommended ratio for school psychologists is one to 750; however, our current itinerant model for psychological services has most psychologists serving two or three schools. Such high ratios of staff to students prevent the delivery of comprehensive services to meet all students' needs for social and emotional well-being. CMS is currently in the second year of a four year plan to increase student services staffing to allow implementation of curriculum, counseling, and behavioral supports that will improve the social and emotional health of our students and the overall safety of our schools. Funding is required for 16 school counselors, two psychologists and two social workers.</p>			
<p>Total Program Expansion and New Initiatives</p>		<p><u>\$603,643</u></p>	<p><u>\$1,400,000</u></p>

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2015-16 PROPOSED PROGRAM CHANGES

VI. Charter Schools Pass-through Funding

Change Reference: VI.

Explanation of Change	Description	State Cost	Local Cost
A. Enrollment Growth Costs			
1. <u>Charter School Enrollment Growth</u> Based on the rising increase in the charter school student enrollment, additional funding is required to increase our charter school pass-through budget. Charter-school enrollment of Mecklenburg County students increased by over 2,000 students. Funds are also needed for the ongoing budget impact of the projected 2014-15 cost adjustment arising from the change in the per pupil allocation and the additional students in the current year.	Other		\$7,846,783
2. <u>Virtual Charter School Enrollment Growth</u> The state is piloting two virtual K-12 charter schools in the 2015-16 school year. Each school's enrollment is capped at 1,500 students. The General Assembly requires that for each student that resides in Mecklenburg County and enrolls in one of the virtual charter schools, \$790 of county funding must be paid to the virtual charter school. Funds are needed for the budget impact of 298 Mecklenburg county students enrolled in the virtual charter schools.	Other		\$235,420
Total Charter Schools Pass-through Funding			<u>\$8,082,203</u>

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
CAPITAL REPLACEMENT BUDGET
SCHEDULE OF REVENUES AND EXPENDITURES

	2015-16 Proposed Budget	2014-15 Adopted Budget	2013-14 Adopted Budget	2012-13 Adopted Budget
REVENUES				
County	12,960,000	4,960,000	4,960,000	4,960,000
TOTAL CAPITAL REPLACEMENT REVENUES	<u>\$ 12,960,000</u>	<u>\$ 4,960,000</u>	<u>\$ 4,960,000</u>	<u>\$ 4,960,000</u>
EXPENDITURES				
<u>Buildings and Sites</u>				
Roofs	\$ 1,215,000	\$ 215,000	\$ 215,000	\$ 200,000
Heating and Air Conditioning	3,373,493	2,084,616	2,084,616	2,665,316
Asphalt Resurfacing	25,000	58,000	58,000	30,000
Carpeting	90,000	90,000	90,000	125,500
Stage Curtains	10,000	28,000	28,000	20,000
Sites	656,063	510,000	510,000	211,000
Renovations	5,494,000	489,000	489,000	230,000
Electrical	69,000	735,000	735,000	727,800
Total Buildings and Sites	<u>\$ 10,932,556</u>	<u>\$ 4,209,616</u>	<u>\$ 4,209,616</u>	<u>\$ 4,209,616</u>
<u>Furniture and Equipment</u>				
Classroom and Office Equipment	\$ 1,682,258	\$ 550,384	\$ 550,384	\$ 550,384
Computer Equipment - Instructional	100,000	100,000	100,000	100,000
Vehicles	145,186			
Insurance Claims	100,000	100,000	100,000	100,000
Total Furniture and Equipment	<u>\$ 2,027,444</u>	<u>\$ 750,384</u>	<u>\$ 750,384</u>	<u>\$ 750,384</u>
TOTAL CAPITAL REPLACEMENT EXPENDITURES	<u>\$ 12,960,000</u>	<u>\$ 4,960,000</u>	<u>\$ 4,960,000</u>	<u>\$ 4,960,000</u>

CHILD NUTRITION PROGRAM

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

	FY 2015-16 Proposed Budget	FY 2014-15 Adopted Budget	FY 2013-14 Actual Expenditures	FY 2012-13 Actual Expenditures
OPERATING REVENUES:				
Student Meals	\$ 4,872,348	\$ 5,667,477	\$ 7,131,335	\$ 7,448,439
Supplemental Sales	<u>7,038,749</u>	<u>8,061,131</u>	<u>8,072,347</u>	<u>8,586,402</u>
Total Operating Revenues	<u>11,911,097</u>	<u>13,728,608</u>	<u>15,203,682</u>	<u>16,034,841</u>
OPERATING EXPENSES:				
Food and Commodities	27,983,984	25,223,756	26,317,574	26,263,617
Salaries	22,411,600	24,456,457	21,477,077	22,211,976
Employee Benefits	5,231,416	6,105,453	5,332,492	5,300,895
Materials and Supplies	2,290,288	2,522,376	2,333,304	2,495,342
Depreciation	1,696,971	1,751,419	1,542,199	1,708,266
Contracted Services	3,566,558	3,700,878	3,806,053	3,238,714
Other	<u>5,009,182</u>	<u>4,016,288</u>	<u>4,196,891</u>	<u>5,334,764</u>
Total Operating Expenses	<u>68,189,999</u>	<u>67,776,627</u>	<u>65,005,590</u>	<u>66,553,574</u>
OPERATING INCOME (LOSS)	(56,278,902)	(54,048,019)	(49,801,908)	(50,518,733)
U.S. Government Subsidy and Commodities	55,617,991	53,347,229	49,672,167	48,199,793
Interest Revenue and Other Misc. Revenue	<u>144,096</u>	<u>183,975</u>	<u>952,485</u>	<u>96,069</u>
Total Non-Operating Revenue	<u>55,762,087</u>	<u>53,531,204</u>	<u>50,624,652</u>	<u>48,295,862</u>
INCOME (LOSS) BEFORE OPERATING TRANSFER	(516,815)	(516,815)	822,744	(2,222,871)
OPERATING TRANSFER FROM GENERAL FUND	<u>516,815</u>	<u>516,815</u>	<u>516,815</u>	<u>516,815</u>
NET INCOME (LOSS)	-	-	1,339,559	(1,706,056)
INCREASE (DECREASE) IN RETAINED EARNINGS	-	-	1,339,559	(1,706,056)
RETAINED EARNINGS - Beginning of Year	23,777,055	23,777,055	22,437,496	25,667,838
RETAINED EARNINGS - End of Year	<u>\$ 23,777,055</u>	<u>\$ 23,777,055</u>	<u>\$ 23,777,055</u>	<u>\$ 23,961,782</u>

CHILD NUTRITION PROGRAM
COMPARISON OF MEAL PRICES

	BREAKFAST			LUNCH		
	Elementary	Secondary	Adult	Elementary	Secondary	Adult
2015-16 Proposed	No Charge	No Charge	A La Carte	\$2.25	\$2.50	A La Carte
2014-15	No Charge	No Charge	A La Carte	\$2.25	\$2.50	A La Carte
2013-14	No Charge	No Charge	A La Carte	\$2.25	\$2.25	A La Carte
2012-13	\$1.25	\$1.25	A La Carte	\$2.15	\$2.15	A La Carte
2011-12	\$1.25	\$1.25	A La Carte	\$2.05	\$2.05	A La Carte
2010-11	\$1.25	\$1.25	A La Carte	\$2.00	\$2.00	A La Carte
2009-10	\$1.25	\$1.25	A La Carte	\$2.00	\$2.00	A La Carte
2008-09	\$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

AFTER SCHOOL ENRICHMENT PROGRAM

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

	2015-16 Proposed Budget	2014-15 Adopted Budget	2013-14 Actual Expenditures	2012-13 Actual Expenditures
OPERATING REVENUES:				
Participant Fees	\$ 13,387,758	\$ 13,354,706	\$ 12,678,211	\$ 13,425,888
OPERATING EXPENSES:				
Salaries	8,431,706	8,290,700	7,771,227	8,087,001
Benefits	1,903,904	1,949,601	1,754,766	1,730,515
Food Costs	452,724	703,746	466,768	660,365
Material and Supplies	396,586	436,139	2,092,452	365,801
Contracted Services	544,689	434,431	251,756	248,552
Other	1,675,149	1,555,089	1,380,977	1,492,509
Total Operating Expenses	<u>13,404,758</u>	<u>13,369,706</u>	<u>13,717,946</u>	<u>12,584,743</u>
OPERATING INCOME (LOSS)	(17,000)	(15,000)	(1,039,735)	841,145
NON-OPERATING REVENUES:				
Interest Income	17,000	15,000	20,576	17,419
Contributions and Grants	-	-	-	-
Total Non-Operating Revenue	<u>17,000</u>	<u>15,000</u>	<u>20,576</u>	<u>17,419</u>
NET INCOME (LOSS)	-	-	(1,019,159)	858,564.00
RETAINED EARNINGS - Beginning of Year*	<u>3,135,151</u>	<u>3,135,151</u>	<u>4,154,310</u>	<u>3,295,746</u>
RETAINED EARNINGS - End of Year	<u>\$ 3,135,151</u>	<u>\$ 3,135,151</u>	<u>\$ 3,135,151</u>	<u>\$ 4,154,310</u>
Average number of participants students per week	<u>6,100</u>	<u>6,100</u>	<u>6,000</u>	<u>5,025</u>

* Based on prior year actuals

Fees will vary based on bell schedule