

MARCH 27, 2012

MINUTES OF MECKLENBURG COUNTY BOARD OF COMMISSIONERS

NORTH CAROLINA
MECKLENBURG COUNTY

The Board of Commissioners of Mecklenburg County, North Carolina, met in Special Budget/Public Policy Session in Conference Center Room 267 of the Charlotte-Mecklenburg Government Center located at 600 East Fourth Street at 3:00 p.m. on Tuesday, March 27, 2012.

ATTENDANCE

Present: Chairman Harold Cogdell, Jr. and Commissioners Karen Bentley, Dumont Clarke, George Dunlap, Bill James, Vilma Leake, Jim Pendergraph and Jennifer Roberts
County Manager Harry L. Jones, Sr.
Clerk to the Board Janice S. Paige

Absent: Commissioner Neil Cooksey

Commissioner Clarke was absent when the meeting was called to order and until noted in the minutes.

The meeting was called to order by Chairman Cogdell, after which the matters below were addressed.

(1) CMS OPERATING FUNDS HISTORICAL TRENDS AND BUDGET PROCESS

Budget Director Hyong Yi outlined the agenda for the meeting. He said the objective of the meeting was to provide context for Charlotte Mecklenburg Schools (CMS) budget request, explain how CMS develops a budget, and to provide an update on the work of the CMS Privatization Committee.

Interim School Superintendent Hugh Hattabaugh, CMS Chief Finance Officer Sheila Shirley and CMS Executive Director of Budget and Development Dennis Covington addressed the CMS Budget Development Process.

A copy of the report is on file with the Clerk to the Board.

Comments

Commissioner Leake said she'd like answers to the following questions:

- What's the population of the school district based upon race and gender?
- Which programs were successful and which weren't and would those that weren't successful be eliminated?
- Why were funds allocated to CMS for education given to other agencies by CMS to do what the District "should be doing."
- With respect to National Certified teachers and Teach for America, how much is paid to each teacher coming from Teach for America?

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Commissioner Clarke asked was there a precedent for County funding of school employee raises without any increase by the state in compensation. *Finance Officer Shirley said not in her eleven year tenure with CMS. She said CMS has used County funding for supplement and at times for market adjustments, but that in terms of an across the board salary increase, CMS has not requested that of the County. She said typically CMS follows the state's lead with respect to this and CMS would ask the County for that same increase amount to be provided for locally funded employees. Finance Officer Shirley said it was being asked this year because it's been almost four years since employees have had any increase in salary, and CMS was asking the County to make that adjustment for the total costs.*

Commissioner Clarke asked what percentage of CMS employees were totally funded by County dollars versus those that were state funded, which was addressed.

Commissioner Bentley said she would like to see the state law regarding what the County was mandated to do from a compensation perspective, relative to the state's obligation. *Finance Officer Shirley said she didn't think there was a law saying the County had to provide any salary adjustment to school employees. She said CMS has always made it clear that the state mandates what CMS provides for state employees. She said what CMS has done was come to the County and asked the County to provide that same match for locally funded employees.*

Commissioner Bentley said she would be interested in knowing the state requirement with respect to compensation.

Commissioner Roberts asked was the trend data provided adjusted for inflation. *Director Yi said no, but that staff would do so.*

Commissioner Roberts asked if charter schools were included in the total student population and was there a difference in per capita spending for a charter school student versus a regular student; and if so, what was it. *Finance Officer Shirley said when CMS talks about its projected K-12 enrollment for next year, it does not include the charter school enrollment. Finance Officer Shirley said the County provides that funding to CMS, which was why CMS has to have an estimate of what the charter school growth in enrollment was going to be.*

Commissioner Roberts asked whether charter school state funding remained with the school if a child leaves after the 20th day. *The response was yes.*

Commissioner Roberts said she would like information regarding the attrition rate for teachers who have moved to other school districts and the breakdown as it related to the subject matter taught by the teacher.

Commissioner James asked CMS why it delayed the disclosure of the "windfall" it received from the state last year. He said CMS was made aware of it on Monday prior to the Board of Commissioners vote on its budget that Tuesday, but it wasn't disclosed to the County until Wednesday, after the Board had voted on its budget. Commissioner James said that information should have been disclosed to the County, prior to the Board's vote on its budget.

Finance Officer Shirley said the House and Senate did come to an agreement the weekend leading up to that Monday, however, the Governor was suggesting a veto on her part, which she did veto it, therefore, CMS was not in a position to say what the state was going to do in terms of their funding to CMS. She said until CMS actually receives its allotment from the state, CMS doesn't know what it's going to receive.

Commissioner James said he would like to know why District 6 received the least amount when it came to per pupil spending and the breakdown of the differences in per pupil spending.

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Commissioner Leake said she would like to know the last time the County provided a supplement to CMS for teacher salaries and how much it was.

Commissioner Leake said she'd also like to know the number of National Certified teachers in the district and at what schools.

County Manager Jones asked why was the Charlotte-Mecklenburg Police Department (CMPD) Resource Officers contract increase and Project Lift included in the Superintendent's proposed budget recommendation as a program continuation and not as a program expansion. *Finance Officer Shirley said they were not asking for an expansion of CMPD Resource Officers, but rather CMS was trying to maintain what they have. She did not address Project Lift at this time.*

Chairman Cogdell said he would like to know the primary factors for the increase in the graduation rate.

Chairman Cogdell said he would like to know the factors effecting the End-of-Course Proficiency (with retests) scores.

Chairman Cogdell said he would like to know, as it related to last year's budget cycle, whether CMS was aware of the additional funding from the state prior to the Board of Commissioners meeting, where it adopted its budget and were attempts made to contact the County.

Chairman Cogdell said he would like to know if the County contributed what was necessary to maintain current funding levels for CMS, in light of what was contributed by the state last year, what would be the baseline number for this year, assuming CMS received the same thing from the state. He said in other words, what would be required on the County's part from a funding perspective.

County Manager Jones clarified Chairman Cogdell's request to mean, if the County maintained funding at the current level, what impact would that have on CMS funding, assuming CMS' level of funding from the state was the same as last year.

Commissioner Roberts said fiscal year end was a structural issue and one that CMS nor the County had control over. She said this was a state issue that needed to be addressed on the state level with legislators.

Chairman Cogdell asked CMS to provide answers to questions raised by Board members in one concise document at a later date.

Chairman Cogdell thanked CMS officials for their report.

Budget Director Hyong Yi addressed County Funding of CMS

- Historical CMS Funding
- CMS Funding as % of County Revenues
- Composition of CMS Funding
- County Per Pupil Funding
- Per Pupil Expenditure Trend
- Education Mandates
- Mandated Funding

Comments

Commissioner James referenced past conversations regarding placing funds in restricted

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contingency for CMS, which he said the County could do.

Commissioner James said if the Board was going to place CMS funding in restricted contingency, then CMS needed to know in advance, so that they could participate in that calculation of how much.

(2) CMS PRIVATIZATION ADVISORY COMMITTEE TO THE CHARLOTTE-MECKLENBURG BOARD OF EDUCATION

Budget Director Yi introduced Robert Harrington, chair of the CMS Privatization Advisory Committee to present the First Report of the CMS Privatization Advisory Committee to the Charlotte-Mecklenburg Board of Education. The report covered the following:

- Background and the Board of Education's Charge to the Committee
- Committee's Time-Line
- Criteria Applied by Committee
- Service Areas Reviewed
- Challenges
- Recommendations
- Next Steps

Comments

Commissioner Leake requested a list of the Privatization Advisory Committee members.

Commissioner Pendergraph asked if custodial services included maintenance. *The response was yes.*

Commissioner Pendergraph said he would like to receive the total budget for food services, payroll, IT services, and maintenance.

Commissioner Pendergraph said he would like to see some pilot programs with respect to CMS privatization.

Commissioner Dunlap noted that food services was an enterprise fund. Commissioner Dunlap said he would like to know the amount of funds in the food services enterprise fund.

Commissioners Clarke, Roberts, and Pendergraph left the meeting and were absent for the remainder of the meeting.

Commissioner Leake asked what was the County's responsibility with respect to CMS' privatization report.

Chairman Cogdell said the receipt of the report helps the County to make more informed decisions. Further, that questions have been raised about any possible cost savings to CMS as a result of privatization.

Commissioner Bentley said it should be a part of CMS' culture to look at opportunities to outsource and become more efficient.

Commissioner Bentley asked if the food services enterprise fund covered all of its costs. *The response was yes.*

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Commissioner Bentley asked Mr. Harrington what was his sense of the Board of Education's receptiveness of the privatization report. *Mr. Harrington said he felt the Board of Education was committed to what the committee was doing.*

This concluded the presentation. No action was taken or required at this time.

Chairman Cogdell thanked Mr. Harrington for the report.

A copy of the report is on file with the Clerk to the Board.

Note: The above is not inclusive of every comment but is a summary.

ADJOURNMENT

Motion was made by Commissioner James, seconded by Commissioner Bentley and carried 5-0 with Commissioners Bentley, Cogdell, Dunlap, James, and Leake voting yes, that there being no further business to come before the Board the meeting be adjourned at 5:35 p.m.

Janice S. Paige, Clerk

Harold Cogdell, Jr., Chairman