

MAY 9, 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, May 9, 2012.

ATTENDANCE

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

Absent: Commissioner Bill James

Commissioner Dunlap 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 matter below was addressed.

(1) CMS FY2013 BUDGET REQUEST

Charlotte-Mecklenburg Board of Education Chairman Ericka Ellis-Stewart addressed the presentation of the Board of Education (BOE) 2012-13 Proposed Budget Request. She then called on Interim School Superintendent Hugh Hattabaugh to make the presentation. The following was covered:

- BOE 2012-13 Proposed Budget - \$1,278,967,820 with includes the following
 - \$355,862,561 County Funding
 - \$673,508,028 State Funding
 - \$137,121,206 Federal/Other Grants
 - \$ 29,377,331 Other and Special Revenue
 - Capital Replacement \$4,960,000
 - Child Nutrition \$64,211,098
 - After School Enrichment Program \$13,927,596
 - The proposed budget includes a 3% cost of living increase for staff, who has not received a salary adjustment in nearly four years. CMS is seeking increased funding from the county for 2% of that cost-less any amount the state may provide)
- Capital Replacement 2012-13 Proposed Budget
- Comparison to Prior Year
- Sources of Funding
- Uses of Funding
- Proposed Budget Reductions and Redirections

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- Factors Increasing the 2012-13 Proposed Budget
- Framework for Budget Development
- Per Pupil Expenditure Ranking
- Public Schools Funding - % of State Budget
- Public Schools Funding - % of County Revenues
- Budgeted Per Pupil Expenditure
- Total Student Enrollment
- Employer Benefits Cost Trends
- Historical Salary Increases
- Historical Budget Reductions by Area
- State Budget Outlook
- Sources of Revenue Trend
- Per Pupil Expenditure Trend
- Math Proficiency (with retests)
- Math Trends Between Subgroups – Grades 3-8 (with retests)
- Reading Proficiency (with retests)
- Reading Trends Between Subgroups – Grades 3-8 (with retests)
- End-of-Course Proficiency (with retests)
- Trends Between Subgroups (with retests)
- SAT Tests Taken
- AP Pass Rates (%)
- AP Tests Taken
- Strategic Plan 2014: High Academic Achievement
- ABC Results – All Schools

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

Comments

Commissioner Roberts asked for and received clarification regarding Proposed Budget Reductions and Redirections, specifically on, adjustment to bell schedules, utilities consumption, Central Office salary and benefits, eliminate teachers for Zones, and Exceptional Children funding.

Commissioner Roberts also asked about Cost of Living increases, which was addressed.

Commissioner Cooksey asked for clarification on how CMS decides what's to be funded by the County, state, and federal governments, which was addressed.

Commissioner Dunlap entered the meeting.

Commissioner Cooksey asked about historical funding, which was addressed.

Commissioner Cooksey asked about CMS' prioritization process and how CMS decides what the County was going to be asked for and which items would CMS take care of themselves or through some other means.

Interim Superintendent Hattabaugh addressed the prioritization process used by CMS. He said compensation was a number one priority for CMS.

Commissioner Cooksey asked why wasn't compensation in CMS' base budget, if it was the number one priority. *Interim Superintendent Hattabaugh said it was not in the base budget because if CMS doesn't receive the increased funding from the state or the County, it won't come to fruition.*

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Commissioner Cooksey said he understood that, but asked why wouldn't that need just bump out some other programs in the base budget. *Interim Superintendent Hattabaugh said there wasn't much to cut, in light of previous cuts over the last several years.*

Commissioner Cooksey said it appeared that the County was being "put on the spot" to fund things like teacher salaries. Commissioner Cooksey said if these things were important, then they should be protected by being in CMS' based budget.

Commissioner Pendergraph questioned why salaries and benefits were not in CMS' base budget.

Commissioner Pendergraph addressed the benefits of privatizing certain services. He encouraged CMS to pursue savings through privatizing.

Interim Superintendent Hattabaugh said CMS currently outsources \$36 million in services.

Commissioner Bentley said constituents in her district were already frustrated because of increases in property tax bills and with the idea of another possible increase because of CMS' request for more funding. She asked what could she say to her constituents to get them to support CMS' request for more funding.

Interim Superintendent Hattabaugh said it was about "investing in children." He said the investment made in children and their ability to be career and college ready in the future is by far better to do on the front end, then it is later on when they're a "drag" on social services; and they're unable to get the job and to make us globally competitive. He said investing in education was a number one priority. He said education, business and commerce and the culture were all intertwined. He said "education was the foundation that continues to give anybody, no matter what their ethnicity was, what their level in life happens to be, or whether they're born into poverty, that's the one area that can get them out to be successful and that's why we need to invest in public education."

Commissioner Dunlap asked wasn't it correct that CMS' base budget first deals with a continuation budget, the dollars needed to maintain the same services next year that they're doing today and anything beyond that would be a part of CMS' request. He said this was the same process the County goes through. *The response was yes.*

Commissioner Dunlap asked about programming and whether anything had been done to "strip away" all the programs and put in place the programs that work. Commissioner Dunlap preferenced his question by saying, he heard at a conference once that when new superintendents arrive, they don't strip away programs, but rather they just add programs on top of other programs; thus you don't know which programs work. *Interim Superintendent Hattabaugh said programs were evaluated and some have been discontinued over the years.*

Commissioner Dunlap said part of the frustration that some feel was that they're not aware of things that CMS has done to reduce its budget. He said he's aware of things that CMS has done but those things aren't conveyed to the Board of County Commissioners. He encouraged CMS to share that information.

Commissioner Dunlap asked about CMS' replacement policy as it related to furniture, which was addressed. *It was noted that furniture was replaced as needed, usually when something breaks.*

Commissioner Dunlap asked about changes in bus stops and bell schedules. *Interim Superintendent Hattabaugh said CMS was not adding bus stops. He said the only changes CMS would make would be if routes were changed or if there's a new student, for example a rising kindergartener, where there's not an existing stop. He said there was no intention to*

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make any modifications in shuttle stops or common stops. He said CMS reduced its buses from about 1,200 down to about 975.

Commissioner Clarke asked about the usefulness of the per pupil cost as a measuring stick for the County's contribution to CMS' budget, which was addressed.

Commissioner Clarke said he would like to know what the per pupil funding gap between the true County funding and what it would be next year if the County maintained a flat budget.

Commissioner Clarke asked if CMS was still funding Middle School sports. *The response was no. It was explained how it's currently being funding through participation fees.*

Commissioner Leake said she would like to know how many programs did CMS have, those that work and don't work and the costs of those programs.

Commissioner Leake asked about charter schools rate adjustments. Commissioner Leake said she hoped CMS included as part of its legislative agenda, a request that charter school funds follow the student and not remain at the charter school if the student leaves.

Commissioner Leake suggested CMS eliminate the Leadership Training program. Commissioner Leake said per persons in the School District, there's discrimination in the process based upon gender and race. Commissioner Leake said she would like to know the cost of the program.

Commissioner Leake asked about Title I funds and what happens when a principal doesn't follow the process to obtain those funds, which she said negatively impacts the children.

Commissioner Leake said her other concerns dealt with reading and math and closing the gap in the graduation rate.

Commissioner Leake said she was concerned about the eight schools that were closed and would like to know how much was saved as a result of those closings. *The response was \$5.3 million in operational savings annually.*

Commissioner Leake asked if those savings could be used for teacher salaries. *The response was the savings had already been utilized in CMS' budget to sustain operations and for continuation of positions and supplies and resources.*

Commissioner Leake asked about Project Lift, which was addressed.

Commissioner Leake encouraged the Board of Education to find program cuts that would allow those savings to be used for teacher raises.

Commissioner Leake encouraged the Board of Commissioners to support funding an increase in teacher salaries, if the Board of Education was willing to help by cutting out programs.

Chairman Cogdell acknowledged the fact that CMS is recognized nationally and was well respected. He acknowledged that CMS had committed individuals throughout its organization.

Chairman Cogdell said he felt everyone wanted to see improved outcomes in the community, but the question was "how do we get there" and what was the direct correlation between resources and outcomes.

Chairman Cogdell asked how was giving a 2% raise for teachers going to equate to seeing some kind of different outcome, such that future Board of County Commissioners would say significant gains were made in closing the achievement gap and the drop out

rate.

Commissioner Cogdell asked what assurances did the Board have that this would be the case.

Interim Superintendent Hattabaugh said when you look at the total picture of what teachers do every day, “they’re not in the business just for a paycheck.” Further, that when you look at 2%, by the time various deductions are taken out, teachers would still find themselves “lucky to hold even” in the cost of living, etc.

Interim Superintendent Hattabaugh said the 2% demonstrates to teachers and other employees that they are “valued.”

Commissioner Dunlap commented on per pupil funding by districts. Commissioner Dunlap said when CMS receives federal and other dollars, the funds are for a particular student, which impacts the per pupil costs.

Commissioner Dunlap said to be a “fair comparison,” those dollars need to be pulled out because students in District 1 and District 6 may not qualify.

Commissioner Dunlap said in his opinion it would be unfair to say less is spent per pupil in Districts 1 and 6, when they wouldn’t be eligible for the dollars reflected in some of the per pupil cost as in other districts.

Commissioner Bentley asked for a breakdown in the per pupil cost by districts and by categories.

It was noted by CMS that a study was done where it was shown that contributing to the per pupil cost were discrepancies in Title 1 dollars, state funds that have to be spent on certain populations, varying administrative cost, and Exceptional Children programs.

Board of Education member Richard McElrath said he would like to know what it would cost the school district if certain programs were eliminated.

Commissioner Pendergraph left the meeting and was absent for the remainder of the meeting.

Chairman Cogdell thanked CMS for its presentation.

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

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

ADJOURNMENT

There being no further business to come before the Board the meeting was declared adjourned at 5:33 p.m.

Janice S. Paige, Clerk

Harold Cogdell, Jr., Chairman