



Superintendent's 2013-14 Proposed Budget Recommendation

Advancing *The Way Forward*

April 9, 2013

Our Premise

“It is our privilege and our responsibility to prepare our children for the world of tomorrow. We cannot afford to stand still, to simply maintain the status quo with the same level of programs and services.

To provide the best education possible for our students -- *the education our students need and the community wants* – we must move forward. We believe our proposed budget for 2013-14 strikes the right balance between current economic realities at local, state and federal levels and the need for continued educational progress.”



Dr. Heath Morrison
Superintendent, Charlotte-Mecklenburg Schools

Budget Highlights

➤ **Strategically Designed**

- Strong academic focus that seeks to support every child, every day for a better tomorrow.
- Works together with our 10-year capital needs assessment so that our district's needs – now and in the future – are implemented effectively and cost efficiently.
- Aligned to the Board's Vision, Mission, Core Beliefs, Commitments and Theory of Action as well as the goals outlined in *The Way Forward*.

➤ **Collaboratively Developed**

- Reflects input from the Board, community, students, parents and staff through surveys, task forces and town hall meetings since September.
- The top priorities identified were clearly and consistently identified and are reflected in the proposed budget

➤ **Fiscal Uncertainty Remains** - even more fiscal uncertainty than in previous years across all of our primary funding sources – federal, state and local governments.

- Federal funding will be impacted by sequestration, but it's unclear how much, from which programs or what rules will be imposed
- While the governor's budget is viewed as a guide, state funding remains undecided until legislators approve a budget
- Local funding may be impacted by the uncertainty of the revaluation, but to what extent remains unknown



Budget Highlights

- **We continue to seek balance between the need for progress and economic realities.**
 - CMS has experienced five consecutive years of multimillion-dollar cuts and redirections within our budget (more than \$236 million since FY 2009).
 - The proposed budget includes an additional \$9 million in cuts and redirections of county funding to help cover rising costs and new investments as well as \$21.4 million in anticipated state and federal cuts.

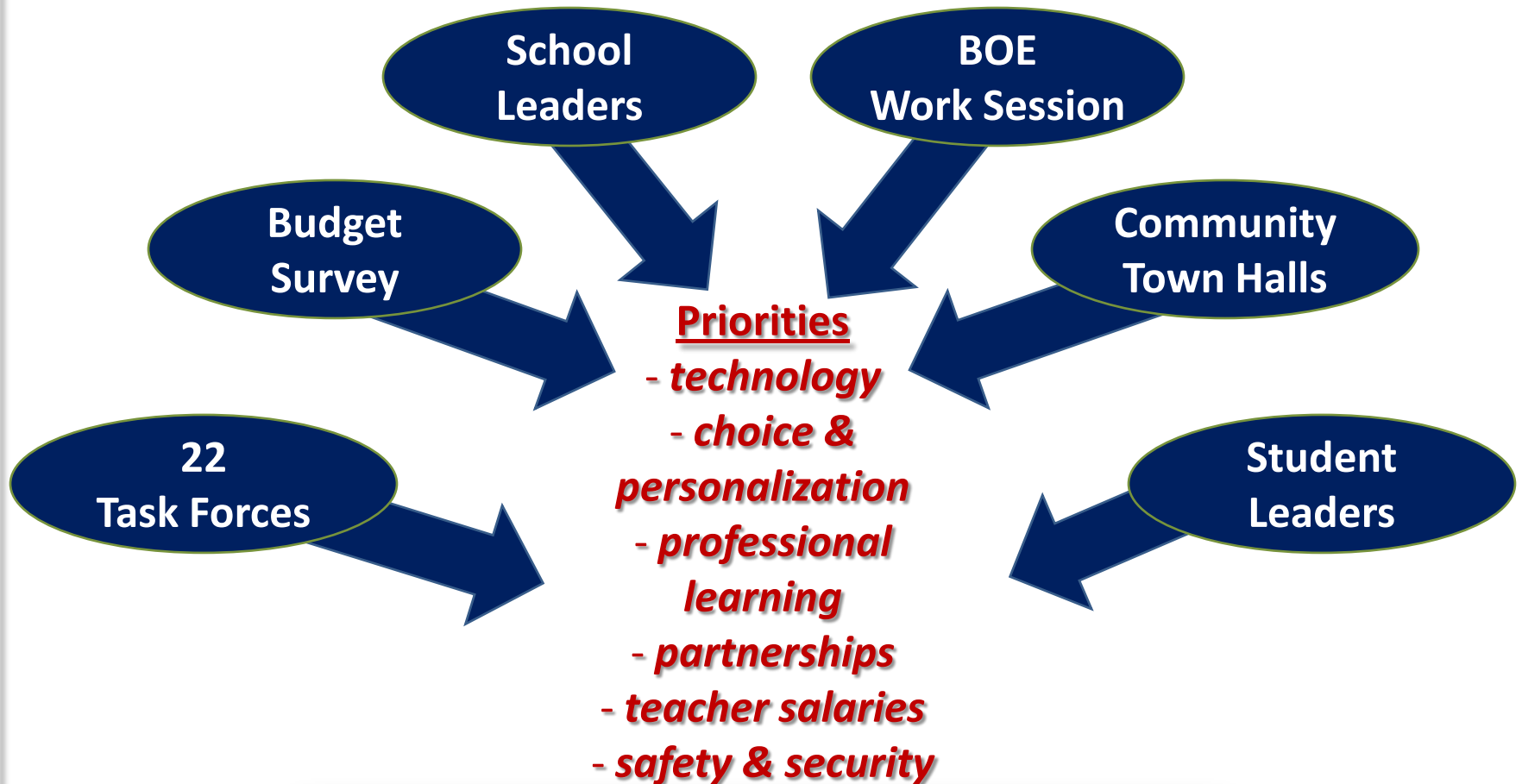
- **The total proposed budget is 2.8% higher than the prior year, however...**
 - Almost flat on a total funding per pupil basis.
 - The proposed \$8,599 budgeted per pupil is still lower than the FY 2009 per pupil amount of \$8,912.
 - The budget proposal is based on the best information we have at this time and is subject to change based on final approved funding from all sources.

- **Importance to Economic Success** - CMS believes the Mecklenburg County community recognizes the value of an outstanding school district and its importance in preparing a high quality workforce that enables continued economic success for the county.

Moving Forward:
Laying a Strong Foundation
for Academic Success
in 2013-14



Engaging Our Staff and Community in the Budget Development Conversation



Six Themes Emerged During the Collaborative Budget Development Process

Technology

Enable 21st Century Teaching & Learning in Every Classroom

Accountability

Improve Data Integrity & Research Capacity

Professional Learning

*Nurture Inspired Teaching
Common Core, Technology*

Sources of Input

- Budget Survey - Town Halls
- BOE Work Sessions
- School Leader Work Sessions
- Student Leader Meetings
- 22 Task Forces

Partnerships

Provide Sustainable System of Support for Schools/Students

Choice & Innovation

Expand Educational Options and Personalize Learning

Literacy

Promote Literacy Success by Grade 3



Technology: Tools for Teachers and Students

Alignment

Increase technology access and integration to support inspired learning and teaching

Description

- Building infrastructure to support digital teaching and learning in 21st century classrooms
 - ✓ Schools require bandwidth and wireless access
 - ✓ Technology tools for teaching
 - ✓ Technology tools for student learning while at school
 - ✓ Preparation for online testing in 2014

Investment

\$5.7 million state funding

\$3.6 million county funding



Technology: Instructional Integration and Access

Alignment

Increase technology integration to support inspired learning and teaching

Description

- Equipping classrooms (including portable classrooms) to support digital teaching and learning
 - ✓ Classrooms need projections systems (1/3 of classrooms do not have them)
 - ✓ Portable classrooms need connectivity for equitable access to digital learning (947 out of 994 do not have connectivity)

Investment

\$7.3 million



Professional Learning and Common Core Prep

Background

- Extensive professional learning needed with upgrade to Common Core state standards, technology integration for 21st century classrooms

Description

- Embed school-based professional development in elementary and middle schools, focusing on key areas of need

Impact

- Over 9,000 teachers and school leaders

Alignment

- Ensure an effective teacher in every class is led by an effective principal in every school served by quality support staff

Investment

\$0.7 million state funding

\$3.0 million county funding



PowerSchool

Background

- The North Carolina Department of Public Instruction is upgrading the state's student and staff data system from NC Wise to PowerSchool.

Rationale

- Intensive training required to enable successful implementation
- To train 18,000 staff members on a new data system requires three additional trainers

Impact

- Systematic integration of data systems

Alignment

- Increase technology access and integration to support inspired learning and teaching

Investment

\$190,157

Choice Options and Innovative Programs

Alignment

- Accelerate academic achievement for every child and close achievement gaps so every child graduates college- or career-ready
- Strengthen and expand educational choices for students to drive learning, creativity, innovation and entrepreneurship
- Increase technology access and integration to support inspired learning and teaching

Description

- Enhance educational programs at home schools
- Expand existing high demand magnet programs
- Create new magnet programs
- Expand partnership with Central Piedmont Community College
- Expand Career Technical Education pathway programs

Investment

\$1,990,792



iMeck Academy at Cochrane

Rationale

- Expand college- and career-readiness options for students, using informational technology and project-based learning in a partial magnet program

Description

- Project-based learning focus with internships built into the curriculum
- Implement *iMeck Academy* starting with 11th-graders in 2013-14
- Initially target 100 students
- Grow program by one grade per year
 - ✓ 9th grade 2014-15
 - ✓ 10th grade 2015-16



Rama Road and McClintock Programs

Rationale

- Provide relief for 927 students in wait pool for K-8 STEAM magnet program

Description

- Rama Road to be designated a Discovery School with STEAM focused professional development and programs
- McClintock Middle to implement Teach to One program
- McClintock to begin planning for STEAM partial magnet opening in 2014-15
 - ✓ Robotics theme
 - ✓ Partial magnet program beginning with 6th grade and growing a grade each year
 - ✓ STEAM program accessible to all students in McClintock
 - ✓ Students from Green transportation zone assigned to school

Hawthorne Academy of Health Sciences

Rationale

- Expand college- and career-readiness options in health sciences
- Health occupation courses are significantly oversubscribed with a total of 3,866 students enrolled district-wide
- Given proximity, strong partnerships with Novant Health and Carolinas Healthcare System will be cultivated for job shadowing and internships

Description

- Begin Health Science Academy (using limited application or transfer process for first-year admissions) with grades 9-10, partnering with CPCC Central Campus
- Grades 10-12 for Hawthorne HS and Tate Teenage Parent Services (TTAPS) programs will continue to be offered onsite for 2013-14
- Academics taught at Hawthorne; labs on CPCC Central Campus in early afternoon when our students can be accommodated
- Basic health sciences curriculum will be Project Lead The Way: Health Sciences program consisting of four courses: Principles of Biomedical Sciences, Human Body Systems, Medical Interventions, Medical Innovations
- Pathways will include medical and pharmacology sciences, biomedical and medical technologies, physical therapy and sports medicine, and/or emergency responder certifications
- Use School Improvement Grant (SIG) to design Hawthorne Academy of Health Sciences

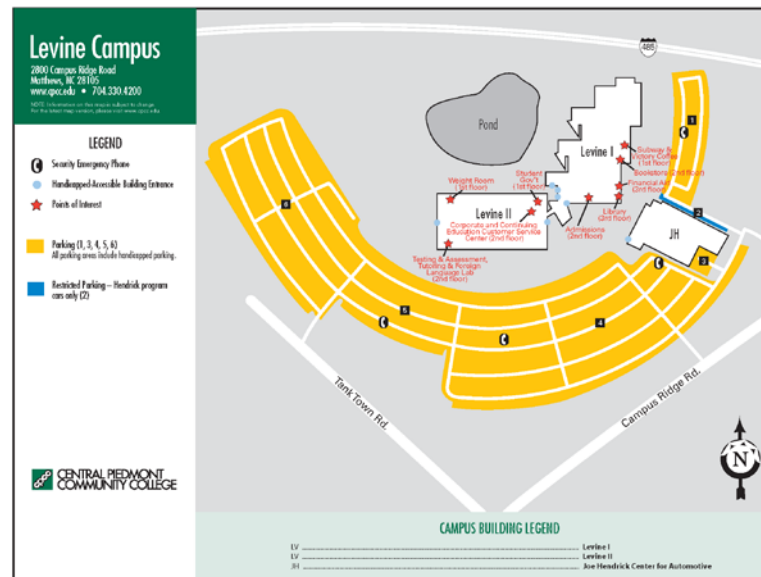
CPCC Levine Campus

Rationale

- Expand the Middle College offerings to CMS juniors and seniors

Description

- Middle college program on the CPCC Levine campus
- Serve approximately 200 students
- Place 10-classroom modular on CPCC Levine campus for 2013-14 school year



CPCC 10/04 2012/1/02

Long Creek Montessori PreK-6

Rationale

- Meet demand of 686 students in wait pool of current Montessori elementary magnets

Description

- Implement Montessori PreK-6 school starting with grades PreK-K in 2014-15 and growing a grade each year
- Provides a Montessori program in geographic area currently underserved



Derita Montessori High School

Rationale

- Expand Montessori offerings in grades 9-12

Description

- Implement Montessori 9-12 school starting with grade 9 in 2014-15, growing a grade each year
- No athletics offered



K-3 Extended Learning Literacy Initiative

Background

- The N.C. General Assembly has passed legislation requiring 3rd-grade students to be reading on grade level to be promoted to the 4th grade

Rationale

- Develop a personalized literacy plan for all K-3 students identified as reading below grade level utilizing a blended learning instructional strategy
- Supports readiness of our youngest learners for rigor of Common Core state standards

Impact

- Approximately 5,000 K-3 students

Alignment

- Accelerate academic achievement for every child and close achievement gaps so all students graduate from CMS college- or career-ready
- Increase technology access and integration to support inspired learning and teaching

Investment

\$1,200,000



AP and IB Exam and CTE Certification Fees

Advanced Placement / International Baccalaureate / Career Technology Education Industry

Background

- Budget reductions in the 2010-2011 school year led to the decision to no longer pay for students to take AP and IB exams. The total number of students testing dropped over 30% in 2012.

Rationale

- Reinstatement of district funding for AP and IB exams (for all students), as well as funding for CTE Industry Certification programs, will elevate our focus and commitment to rigorous, college-level coursework

Results

- A number of studies have shown that students who earn AP scores of 3 or better on the 1–5 AP scale generally outperform students who earn lower scores or who do not take an AP exam on various measures of college outcomes.

Impact

- 12,000 students across the district are involved in AP, IB, or CTE courses that could lead to certification

Alignment

- AP, IB, and CTE Industry Certification programs must be promoted in order to personalize and accelerate achievement for every student and allow students to reach their full potential

Investment

\$1,400,000



Accountability Staffing

Background

- The provision of information on the efficacy and impact of initiatives, programs and core instructional efforts is a key operational function of CMS.

Rationale

- The addition of two positions in the Office of Accountability will increase the district's research capacity and strengthen existing efforts to improve data integrity.

Impact

- District-wide

Alignment

- Maximize performance utilizing data-informed and evidence-based decision making

Investment

\$199,541

Partnerships

Background

- Department was created to connect community resources with student and school needs

Rationale

- Established as the central point of contact for families and partners
 - Proactively establishes partnerships with families, caregivers and community organizations
 - Develops partnerships that enrich student experiences in and out of school
- Engage the community in meeting needs of individual students/schools
 - Complete assessment of school needs (students and staff) and community resources
 - Match school/student needs with resources

Impact

- 10 positions to support (4-5) schools in engaging community, partners, businesses and family /caregivers
- Volunteer coordinator (1) to handle increased volume of engagement
- Technology tool to automate engagement strategies

Alignment

- Cultivate innovative partnerships with parents and community to provide sustainable wraparound support for all children

Investment

\$879,871



Summary of New Investments for Academic Success

	State	County
A. Technology Initiatives:		
Technology Tools for Teachers	\$ 5.7	\$ 1.6
Mobile Technology Labs for Student Use*	-	2.0
Projection Systems	-	2.0
Portable Classroom Wireless Access	-	5.3
B. Professional Learning and Common Core Prep	0.7	3.0
C. Choice Options and Innovative Programs	-	2.0
D. K-3 Extended Literacy Initiative	-	1.2
E. Teach to One	-	0.3
F. Power School Coordinators	-	0.2
G. AP/IB/CTE Certification Fees (fully funded by district)	0.2	1.2
H. Partnership Initiative	-	0.9
I. Accountability Staffing	-	0.2
Total New Initiatives	\$ 6.6	\$ 19.9

* An additional \$2.1M of federal Race to the Top funds will be used for this initiative

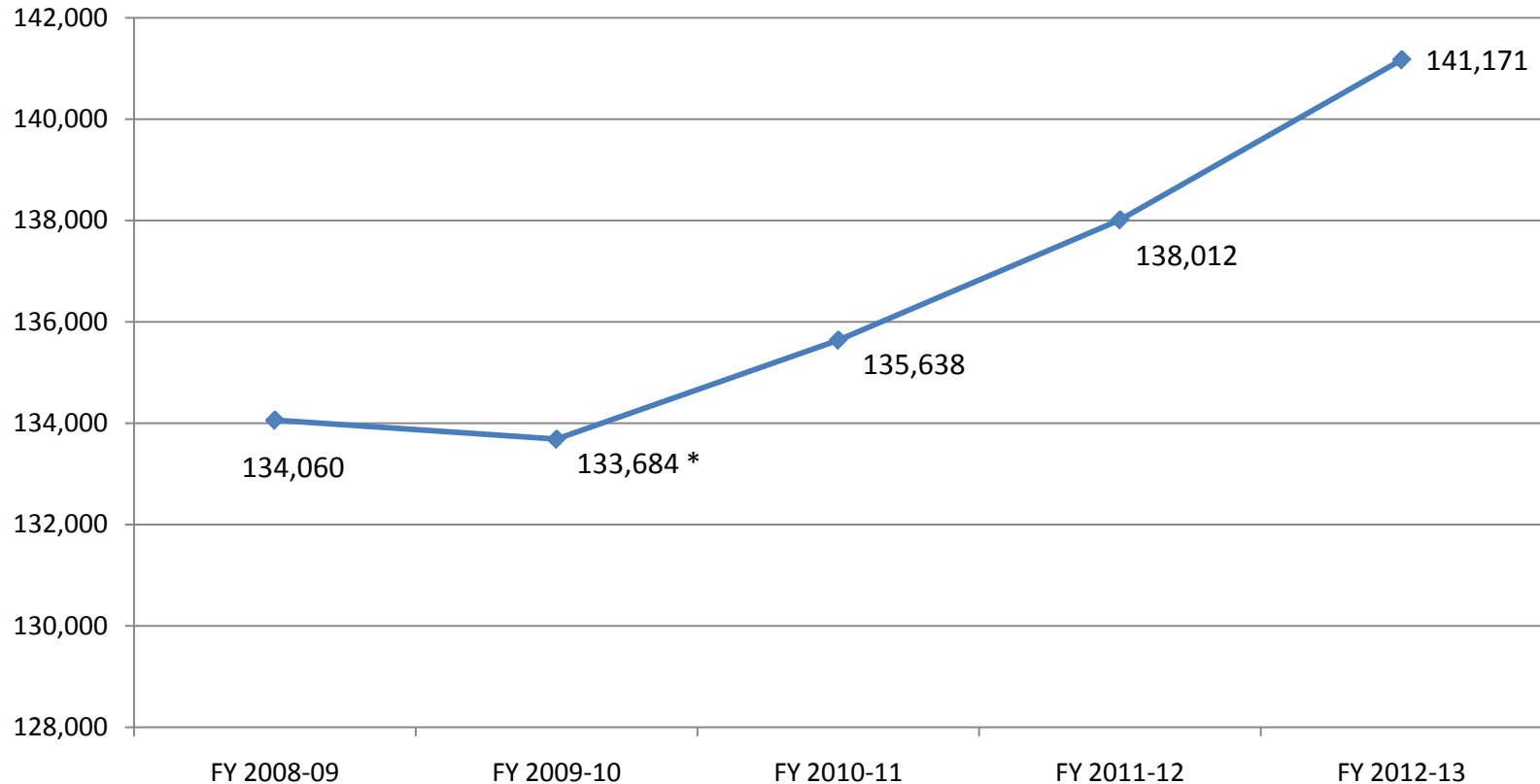
Note: All amounts are presented in millions.

Looking Back: A Historical Snapshot



Enrollment has increased 5.3% since 2009

Student Enrollment Growth (20th day)

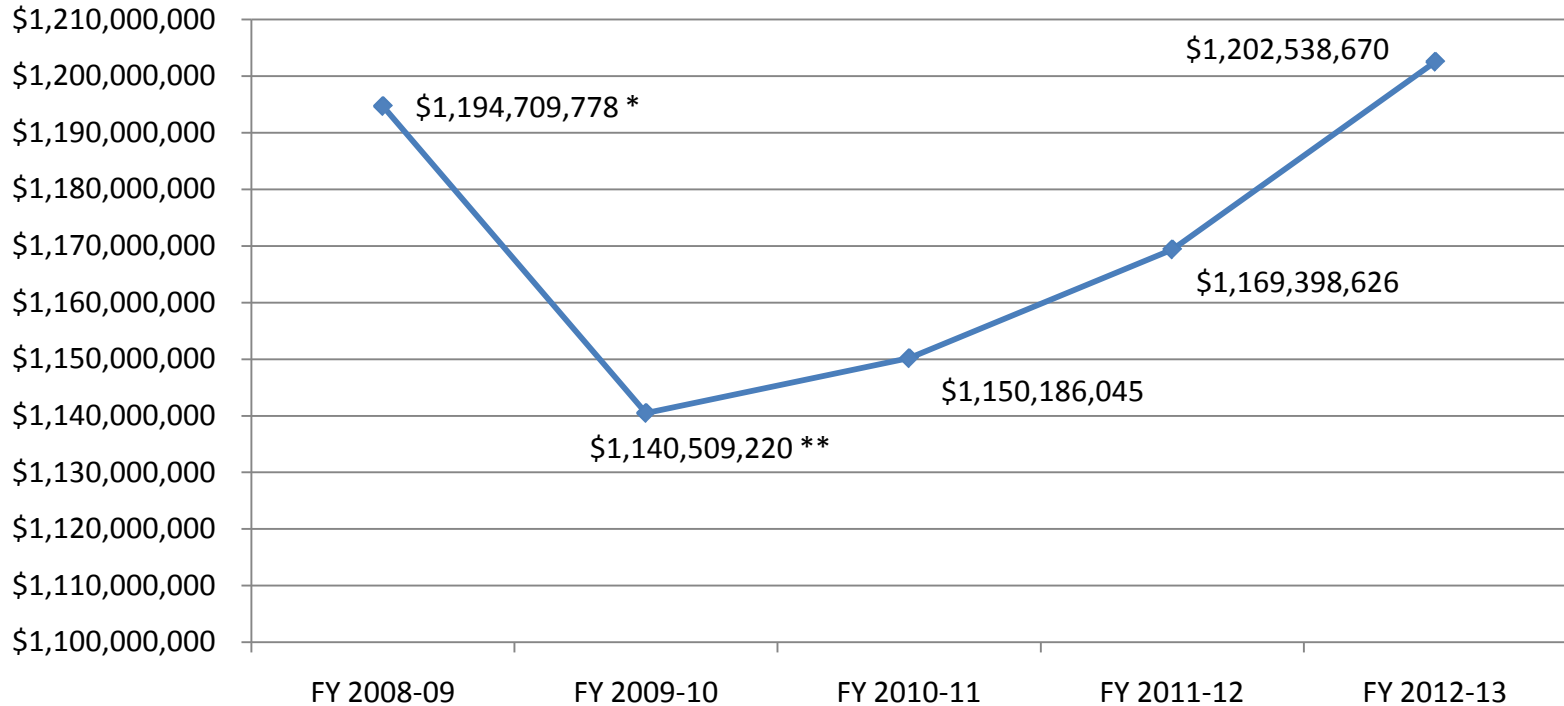


*Enrollment decline is the result of state legislation that changed the age for kindergarten entry - a projected loss of approximately 1,300 students.



Total budget has increased by less than 1% since 2009

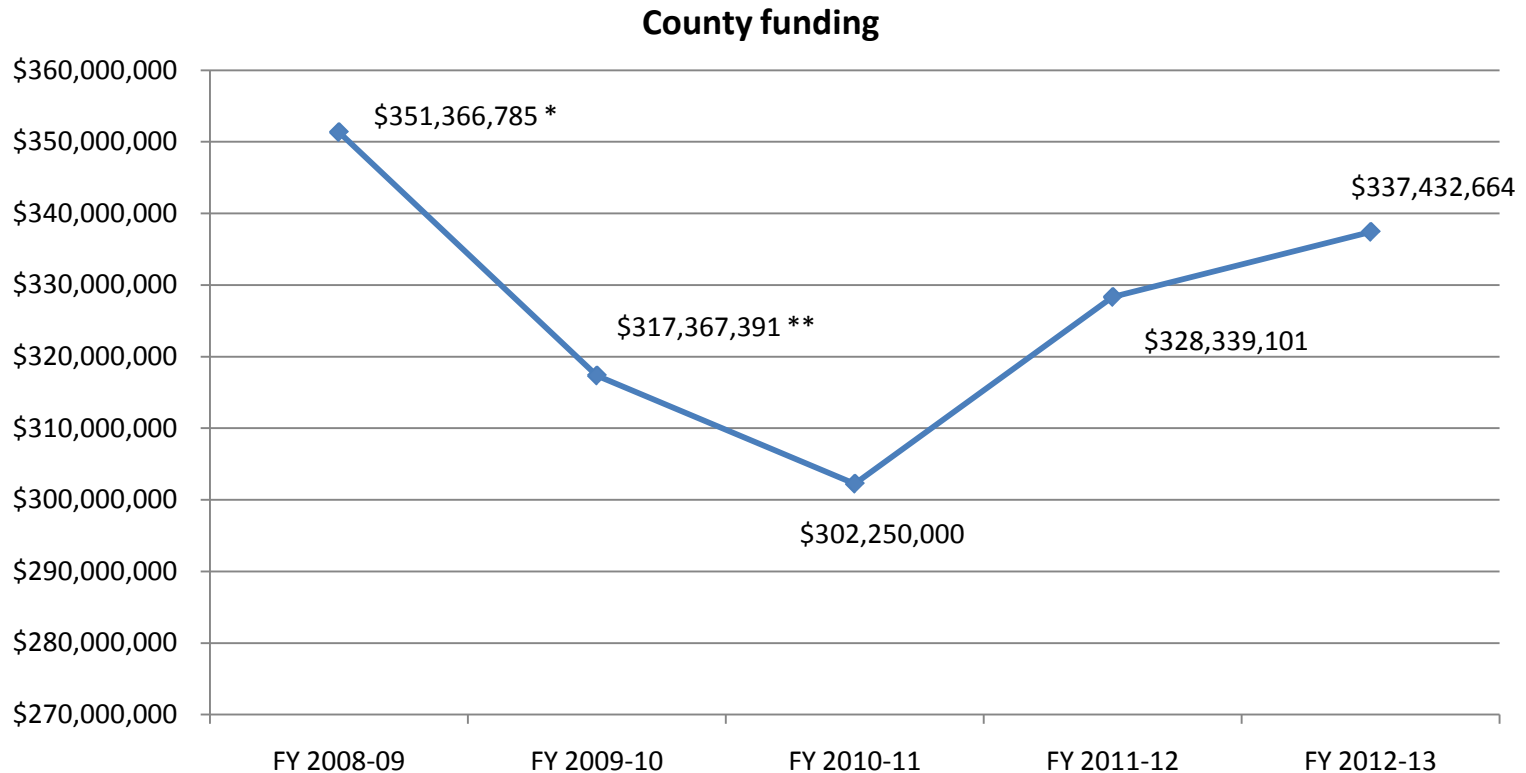
Total Adopted Budget



* Adopted budget does not reflect one-time reversion to County of \$5.0 Million

** Adopted budget does not reflect one-time reversion to County of \$6.3 Million

County funding has decreased by 4% since 2009

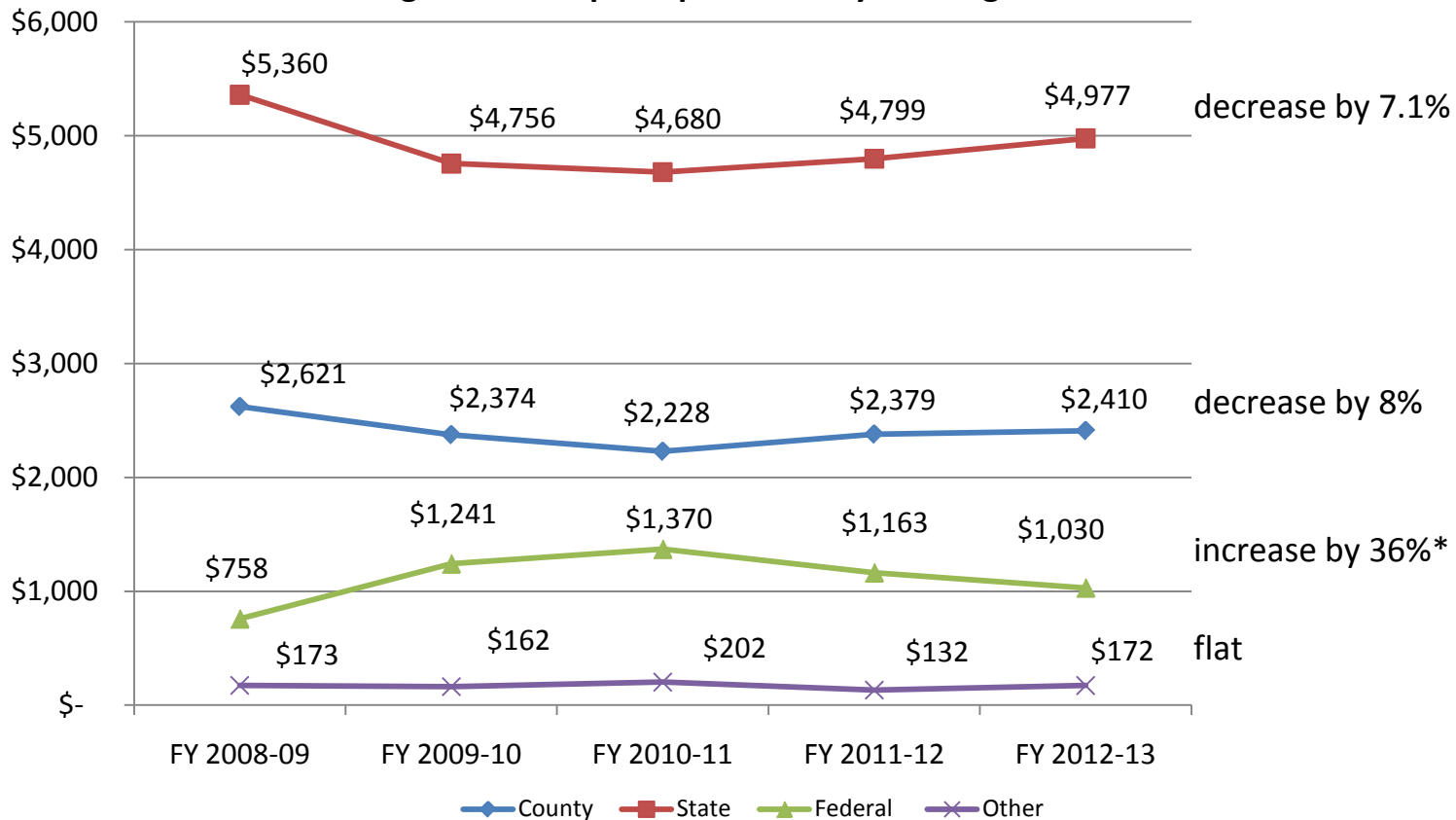


* Adopted budget does not reflect one-time reversion of \$5.0 million

** Adopted budget does not reflect one-time reversion of \$6.3 million

More specifically, on a per pupil basis ...

Budgeted Per Pupil Expenditure by Funding Source



Percentage of 2012-13 total budget 28% 58% 12% 2%

*Increases in FY2010 and FY2011 primarily due to one-time funding (i.e. EduJobs and ARRA) which has expired



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Historical Budget Reductions by Area

2012-13						
Area	State & Local Budget FY2011- 2012	Total Reductions	% of Area Budget (State & Local)	State & Local Budgeted Positions FY2011-2012	Total Positions Reduced	% of Area Budget (State & Local)
Central Office	83,250,446	(2,289,434)	(2.8%)	854	(12)	(1.4%)
Support	91,416,047	(3,118,954)	(3.4%)	1,453	-	0.0%
Schools	816,004,011	(17,886,255)	(2.2%)	13,013	(148)	(1.1%)
Total	990,670,504	(23,294,643)	(2.4%)	15,320	(160)	(1.0%)

2011-12						
Area	State & Local Budget FY2010-2011	Total Reductions	% of Area Budget (State & Local)	State & Local Budgeted Positions* FY2010-2011	Total Positions Reduced	% of Area Budget (State & Local)
Central Office	85,662,147	(6,613,642)	(7.7%)	893	(60)	(6.7%)
Support	82,232,185	(10,161,756)	(12.4%)	1,573	(235)	(14.9%)
Schools	769,086,720	(31,084,995)	(4.0%)	11,809	(212)	(1.8%)
Total	936,981,052	(47,860,393)	(5.1%)	14,275	(506)	(3.5%)

*Totals do not include Federal, Other, Child Nutrition, or ASEP positions

Historical Budget Reductions by Area

2010-11						
Area	State & Local Budget FY2009-2010	Total Reductions	% of Area Budget (State & Local)	State & Local Budgeted Positions* FY2009-2010	Total Positions Reduced	% of Area Budget (State & Local)
Central Office	97,464,429	(9,405,886)	(9.7%)	920	(61)	(6.6%)
Support	99,080,367	(9,601,118)	(9.7%)	1,631	(80)	(4.9%)
Schools	756,478,796	(39,739,730)	(5.3%)	11,957	(675)	(5.6%)
Total	953,023,592	(58,746,734)	(6.2%)	14,508	(816)	(5.6%)

2009-10						
Area	State & Local Budget FY2008-2009	Total Reductions	% of Area Budget (State & Local)	State & Local Budgeted Positions* FY2008-2009	Total Positions Reduced	% of Area Budget (State & Local)
Central Office	103,776,661	(9,380,942)	(9.0%)	999	(98)	(9.8%)
Support	128,229,321	(11,217,486)	(8.7%)	2,206	(133)	(6.0%)
Schools	837,951,318	(66,304,143)	(7.9%)	13,367	(736)	(5.5%)
Total	1,069,957,300	(86,902,571)	(8.1%)	16,572	(967)	(5.8%)

2008-09						
Area	State & Local Budget FY2007-2008	Total Reductions	% Budget (State & Local)	State & Local Budgeted Positions* FY2007-2008	Total Positions Reduced	% Budget (State & Local)
Total	1,044,306,647	(19,248,811)	(1.8%)	16,503	(277)	(1.7%)

*Totals do not include Federal, Other, Child Nutrition, or ASEP positions

Where We Are Now: The Current Fiscal Landscape

Early 2013-14 Budget Outlook and Assumptions

- State's 2013-15 Biennial Budget: consensus forecast expects modest growth in revenue during the next biennium, but projection adopts a more cautious approach given the uncertainty surrounding the pace of growth in the economy
- Anticipate state will provide funding for enrollment growth in accordance with the state defined formulas; discretionary reduction is slated to increase as a result of the state using one time funding last year
- Governor's budget restores a portion of the non recurring cuts from prior years but also includes deep cuts in certain areas
- Consistent with prior years, county officials recently ranked CMS among their top priorities for funding
- Acknowledge the uncertainty of 2013-14 funding from all sources, but use the best information we have at this time to prepare our budget for next year

Moving Forward: 2013-14 Proposed Budget



Superintendent's 2013-14 Proposed Budget

State	\$ 716,464,515
County	365,885,032
Federal/Other Grants	135,778,555
Other and Special Revenue	<u>18,677,131</u>
Total Operating Budget	\$ 1,236,805,233
Capital Replacement	\$ 4,960,000
Child Nutrition	66,706,245
After School Enrichment Program	<u>13,661,595</u>
Total Proposed Budget	\$ 1,322,133,073

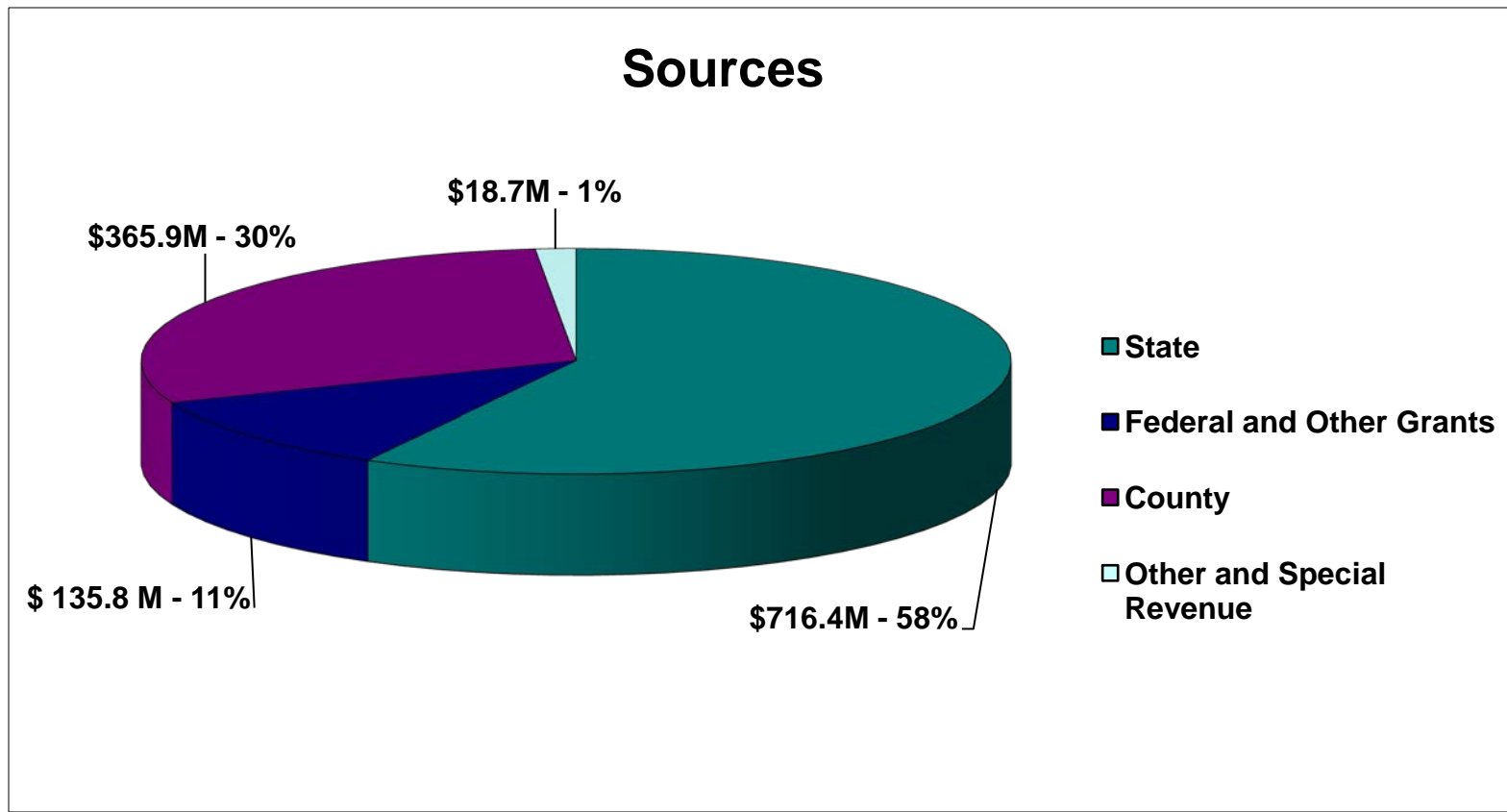
Comparison to Prior Year

2013-14 Proposed Operating Budget*	\$ 1,236,805,233	
2012-13 Adopted Operating Budget*	\$ 1,202,538,670	
Increase	\$ 34,266,563	
% Change Over The Prior Year		2.8%

* Operating Budget only – does not include Capital or Enterprise Funds

Where Does Our Funding Come From?

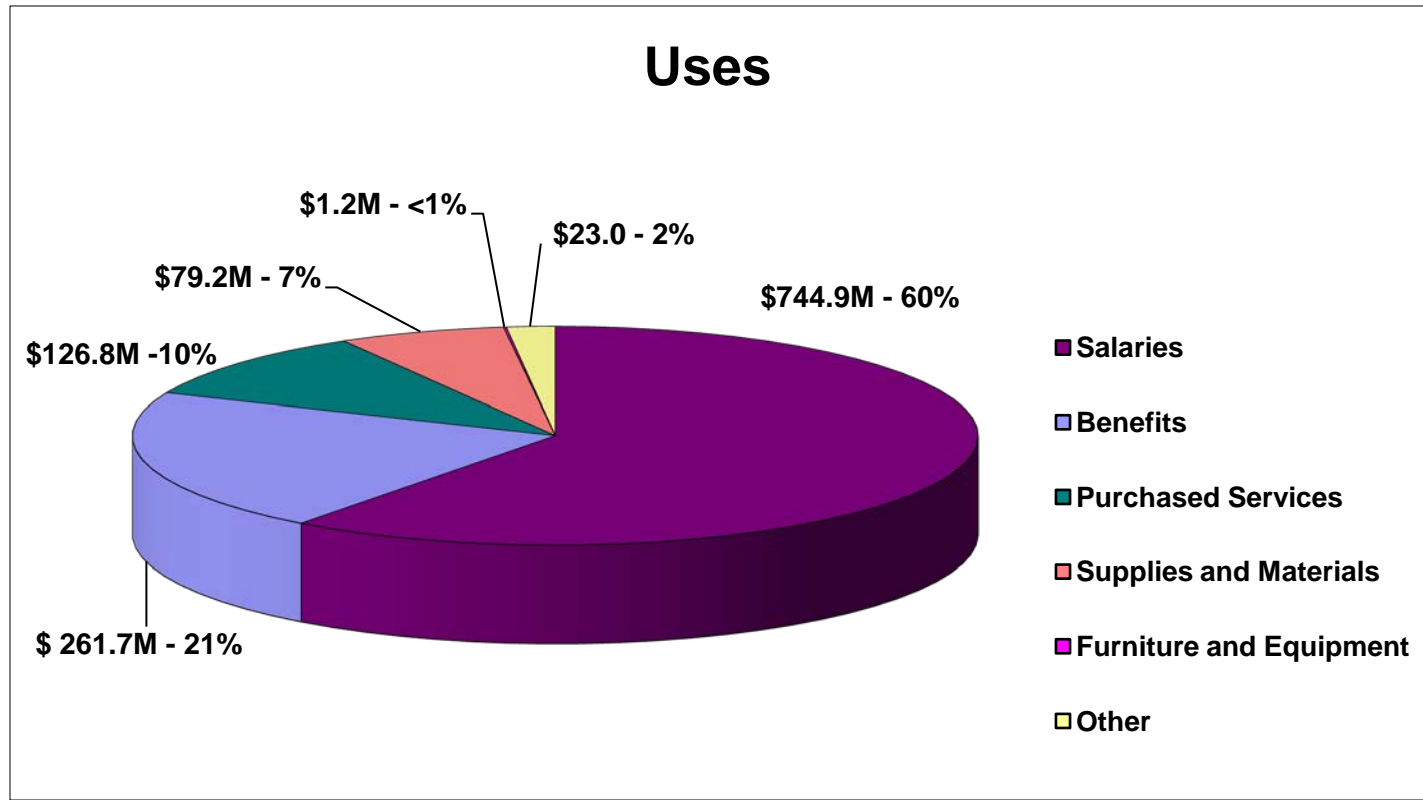
2013-14 Proposed Budget*



*Operating Budget only – does not include Capital or Enterprise Funds

How Are Those Funds Used?

2013-14 Proposed Budget*



*Operating Budget only – does not include Capital or Enterprise Funds

Proposed Budget Reductions and Redirections

State Reductions - **estimates** based on governor's budget

Increase in LEA Adjustment (discretionary reduction)	\$	2.3
Reductions in state program allotments:		
Teacher Assistants	\$	12.5
Limited English Proficiency	\$	0.5
Total State Reductions	\$	15.3

Federal Reductions - **estimates** due to sequestration

Title I - Basic and School Improvement	\$	4.2
Exceptional Children	\$	1.6
Title II - Improving Teacher Quality	\$	0.2
Title III - Language Acquisition	\$	0.1
Career and Technical Education (CTE)	\$	0.1
McKinney-Vento Homeless Assistance		<0.1
Title IV - 21st Century Community Learning Centers		<0.1
Total Federal Reductions	\$	6.2

Note: Amounts reflected in millions.

Factors Increasing the 2013-14 Proposed Budget

SUSTAINING OPERATIONS

	State	County
A. Salaries and Benefits		
1% Salary Increase (as proposed by Governor)	\$ 5.7	\$ 2.2
Estimated Health Insurance Increase - (\$5,192 to \$5,503)	4.0	0.8
Estimated Retirement Rate Increase - (14.23% to 14.59%)	1.7	0.7
B. Program Continuation		
CMPD School Resource Officer Contract Increase	-	0.7
Utilities Rate Increase	-	1.2
Fuel Cost Increase	-	0.4
Response to Instruction	-	1.2
Telecommunications - Bandwidth Increase	-	0.6
Communities In Schools Cost Model Adjustment	-	0.1
Unemployment Insurance	-	1.7
Insurance Increase	-	0.1
	\$ 11.4	\$ 9.7
Total Sustaining Operations	\$ 11.4	\$ 9.7

Note: All amounts presented in millions.

Factors Increasing the 2013-14 Proposed Budget

STUDENT GROWTH AND ADDITIONAL INSTRUCTIONAL SPACE

	State	County
A. Student Enrollment Growth		
1. Enrollment - Staffing and Non-Personnel - 2,665 students	\$ 11.6	\$ 3.9
2. Charter School Enrollment Growth - 1,653 students		2.7
Total for Student Enrollment Growth	\$ 11.6	\$ 6.6
B. Additional Instructional Space		
1. Maintenance and Operating Costs	\$ -	\$ 1.0
2. Additional Staffing Allotments	0.2	0.2
Total for Additional Instructional Space	\$ 0.2	\$ 1.2
Total Student Growth and Additional Space	\$ 11.8	\$ 7.8
Total for Sustaining Operations, Growth and New Space	\$ 23.2	\$ 17.5

Note: All amounts presented in millions.

Superintendent's Recommendation for 2013-14 County Budget Request

County Request

2012-13 Base Budget	\$ 337.4 M
Sustaining Operations, Growth and New Space	17.5 M
New Investments for Academic Success	19.9 M
Reductions and Redirections	(9.0) M
2013-14 Proposed County Request	365.9 M *
Increase Requested from County	\$ 28.5 M

*Difference due to rounding

Note: All amounts presented in millions.



2013-14 Budget Summary

	State	County	Federal and Other Grants	Other and Special Revenue	Total
2012-2013 ADOPTED BUDGET	\$ 696,857,396	\$ 337,432,664	\$ 144,248,994	\$23,999,616	\$ 1,202,538,670
REVISIONS TO 2012-2013 ADOPTED BUDGET					
A. Revisions to Base Budget*	<u>5,086,203</u>	-	<u>(3,601,665)</u>	<u>(11,442,046)</u>	<u>(9,957,508)</u>
Sub-Total	5,086,203	-	(3,601,665)	(11,442,046)	(9,957,508)
2012-2013 BASE BUDGET	701,943,599	337,432,664	140,647,329	12,557,570	1,192,581,162
I. REDUCTIONS/REDIRECTIONS					
A. Reductions/Redirection of Funds to Alternative Uses	<u>(15,284,714)</u>	<u>(8,958,514)</u>	<u>(6,154,861)</u>	-	<u>(30,398,089)</u>
Sub-Total	(15,284,714)	(8,958,514)	(6,154,861)		(30,398,089)
II. SUSTAINING OPERATIONS					
A. Salaries and Benefits	11,450,147	3,721,886	1,286,087	19,561	16,477,681
B. Program Continuation	-	<u>5,976,905</u>	-	<u>4,800,000</u>	<u>10,776,905</u>
Sub-Total	11,450,147	9,698,791	1,286,087	4,819,561	27,254,586
III. STUDENT GROWTH AND ADDITIONAL INSTRUCTIONAL SPACE					
A. Enrollment Increases	11,616,911	6,582,993	-	-	18,199,904
B. Additional Instructional Space	<u>156,234</u>	<u>1,247,503</u>	-	-	<u>1,403,737</u>
Sub-Total	11,773,145	7,830,496			19,603,641
IV. PROGRAM EXPANSION AND NEW INITIATIVES					
A. Technology Initiatives:					
Technology Tools for Teachers	5,713,751	1,583,317	-	-	7,297,068
Mobile Technology Labs for Student Use**	-	1,999,543	-	-	1,999,543
Projection Systems for Classrooms	-	2,032,383	-	-	2,032,383
Portable Classroom Wireless Access	-	5,274,350	-	-	5,274,350
B. Professional Development and Common Core Prep	679,704	3,051,774	-	-	3,731,478
C. Choice Options and Innovative Programs	-	1,990,792	-	1,300,000	3,290,792
D. K-3 Extended Learning Literacy Initiative	-	1,200,000	-	-	1,200,000
E. Teach to One	-	268,750	-	-	268,750
F. Power School Coordinators	-	190,157	-	-	190,157
G. AP/IB/CTE Testing Fees (fully funded by district)	188,883	1,211,117	-	-	1,400,000
H. Partnership Initiative	-	879,871	-	-	879,871
I. Accountability Staffing	-	<u>199,541</u>	-	-	<u>199,541</u>
Sub-Total	6,582,338	19,881,595	-	1,300,000	27,763,933
TOTAL 2013-2014 PROPOSED CURRENT EXPENSE BUDGET	<u>\$ 716,464,515</u>	<u>\$ 365,885,032</u>	<u>\$ 135,778,555</u>	<u>\$18,677,131</u>	<u>\$ 1,236,805,233</u>

*Includes state revisions, reduction for prior year one-time fund balance appropriation and anticipated revenue adjustments to 2012-13 Adopted Budget.

**An additional \$2.1 million in Federal Race to the Top funding will be used for this initiative as well.

AIncludes a one-time increase in fund balance appropriation of \$6.1 million, movement of mobile units (\$4.8m) and Pineville Elementary land improvements (\$1.3m).



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Key Budget Process Dates

- **April 9** **Superintendent presents 2013-14 Budget Recommendation**
- April 16 & 22 Community meetings on budget
- April 23 Public hearing on the Superintendent's budget recommendation
- April 30 Board of Education work session – discuss budget request
- **May 14** **Board of Education approval of 2013-14 Budget Request**
- May 15 Board of Education's 2013-14 Budget Request submitted to the county
- May 23 Board of Education/Board of County Commissioners workshop on budget
- May 30 Public hearing on county's budget
- **June 18** **County adopts 2013-14 Operating Budget**
- **June - Sept** **State funding approved for 2013-14 Operating Budget**
- **July - Sept** **2013-14 Operating Budget finalized and approved by Board of Education**

Community Town Hall Meetings



Budget Recommendation Review & Discussion

6-7:30 p.m.

April 16 – West Charlotte High School

April 22 – Rocky River High School

General Session Closing Remarks

Dr. Heath Morrison

Questions and Answers