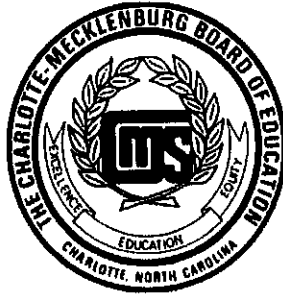


Approved by the Charlotte-
Mecklenburg Board of Education
September 13, 2011
Regular Board Meeting



Charlotte, North Carolina

May 24, 2011

REGULAR MEETING
of the
CHARLOTTE-MECKLENBURG BOARD OF EDUCATION

The Charlotte-Mecklenburg Board of Education held a Regular Board Meeting on May 24, 2011. The meeting began at 5:35 p.m. and was held in Room CH-14 of the Government Center.

Present: Eric C. Davis, Chairperson, District 5;
Tom Tate, Vice-Chairperson, District 4;
Trent Merchant, Member At-Large;
Joe I. White, Jr., Member At-Large;
Rhonda Lennon, District 1;
Richard Allen McElrath, Sr., District 2;
Dr. Joyce Davis Waddell, District 3; and
Timothy S. Morgan, District 6

Absent: Kaye Bernard McGarry, Member At-Large

Also present at the request of the Board were Dr. Peter Gorman, Superintendent; George E. Battle, III, General Counsel; Hugh Hattabaugh, Chief Operating Officer; Dan Habrat Chief Human Resources Officer; and Nancy Daughtridge, Clerk to the Board.

Upon motion by Dr. Waddell, seconded by Mr. Morgan, the Board voted unanimously of those present for approval to go into Closed Session for the following purposes:

- **To consider student assignment matters that are privileged, confidential, and not a public record;**
- **To consult with the Board's attorneys on matters covered by the attorney-client privilege concerning potential litigation relating to Berewick Elementary School; and**
- **To consider a personnel matter.**

The motion was made pursuant to Section 143-318.11(a) of the North Carolina General Statutes.

The Board held a Closed Session meeting from 5:35 p.m. until 5:48 p.m. in CH-14.

Chairperson Davis reconvened the Regular Board Meeting at 6:09 p.m. in Room 267, 2nd Floor, of the Government Center. CMS-TV 3 televised the meeting.

Present: Eric C. Davis, Chairperson, District 5;
Tom Tate, Vice-Chairperson, District 4;
Kaye Bernard McGarry, Member At-Large;

Trent Merchant, Member At-Large;
Joe I. White, Jr., Member At-Large;
Rhonda Lennon, District 1;
Richard Allen McElrath, Sr., District 2;
Dr. Joyce Davis Waddell, District 3; and
Timothy S. Morgan, District 6

Absent: There were no absences.

Also present at the request of the Board were Dr. Peter Gorman, Superintendent; George E. Battle, III, General Counsel; Members of Executive and Senior Staffs; Judy Whittington, Manager of Board Services; and Nancy Daughtridge, Clerk to the Board.

I. CALL TO ORDER

Chairperson Davis called the meeting to order at 6:09 p.m. and he welcomed everyone to the Board's second meeting of the month which was held in a Work Session format.

A. Adoption of Agenda

Chairperson Davis called for a motion to adopt the agenda as presented.

Dr. Waddell moved that the Board adopt the agenda as presented, seconded by Mr. Morgan, and the motion passed upon an 8-0 board vote. Richard McElrath was absent at the time of the vote.

II. CONSENT ITEMS

A. Real Estate Items:

1. Recommend approval of granting a fifteen foot wide permanent easement and a ten foot wide temporary construction easement to the City of Charlotte at Ballantyne Elementary related to the City's Capstone Commons Project.

A fifteen foot wide permanent easement and a ten foot wide temporary construction easement on both side of the permanent easement are needed by the City of Charlotte for the purpose of laying, constructing, locating, inspecting operating, and maintaining the sanitary sewer line(s), water line(s), or meter for which the easement is granted at Ballantyne Elementary School (Parcel No. 223-091-03). The temporary easement will terminate upon completion of the initial contraction/installation of the sewer main. This easement will have no impact on the school operations. Fiscal Implications: The City of Charlotte will pay Charlotte-Mecklenburg Schools \$1.00 for the permanent easement area.

2. Recommend approval of Third Amendment to "Seller Possession After Closing Agreement" between Allain C. Andry, IV and Wife, Mary Catherine Andry ("The Andrys").

The original "Seller Possession After Closing Agreement" was entered into on January 15, 2008 between The Charlotte-Mecklenburg Board of Education ("CMBE") and the Andrys. The Andrys' desire to remain in temporary possession of the approximately 9.93 acres of real property located at 16912 Davidson-Concord Road in Mecklenburg County, North Carolina (Tax Parcel No. 007-191-04), including a residence and other improvements ("The Property") and CMBE does not contemplate using the Property in the near future. This Third Amendment to the original agreement is effective until May 31, 2012. Fiscal

Implications: The Andrys' will pay a license fee of \$1,300 per month, payable in quarterly installments of \$3,900.

3. Recommend approval of a lease agreement between Charlotte-Mecklenburg Board of Education and Park Property Management LLC for parking at 2011 Graduation ceremonies held at Bojangles' Coliseum.

Charlotte-Mecklenburg Schools' graduation schedule includes the use of Bojangles' Coliseum for which parking must be secured. This lease agreement covers the use of the parking lot at The Park on May 24, June 3, June 10, June 11, June 12, June 13, and June 14, 2011. This is an escalating four year contract. Fiscal implications:

- Charlotte-Mecklenburg Schools will pay \$3.00 per car for 2011 plus a nonrefundable \$1,000 deposit.*
- Charlotte-Mecklenburg Schools will pay \$4.00 per car for 2012 plus a nonrefundable \$1,000 deposit.*
- Charlotte-Mecklenburg Schools will pay \$5.00 per car for 2013 plus a nonrefundable \$1,000 deposit.*
- Charlotte-Mecklenburg Schools will pay \$6.00 per car for 2014 plus a nonrefundable \$1,000 deposit.*

4. Recommend approval of a temporary construction easement and two permanent easements on Charlotte-Mecklenburg Board of Education property Tax Parcel No. 149-081-20 (Sedgefield Elementary School) to the City of Charlotte.

The City of Charlotte requires a temporary construction easement and two permanent easements to use as part of its Sedgefield Elementary Area Safe Routes to School Project. The temporary construction easement is along the southwestern boundary at Sedgefield Elementary School. The two permanent easements are needed between the school entrance and the boundary close to Auburn Avenue. A permanent sidewalk and utility easement located two feet beyond the proposed sidewalk is needed because the new alignment is outside of the existing right of way. A permanent storm drainage easement is needed along the northwestern portion of the property to construct and preserve maintenance for drainage improvements to the existing channel and new inlet. The existing wall will be removed, a slab top inlet will be installed, the area will be graded and a handrail will be installed between the proposed sidewalk and channel. There is also a special provision stating that they will work outside of school hours. Fiscal Implications: None.

- B. Recommend approval of supplementary funding request for the *LIFESPAN* Project: Learning Is For Every School Student With Physical Activity and Nutrition Grant Proposal.

The LIFESPAN Project will increase physical education and nutrition programming in the West Charlotte High School feeder pattern. This plan will implement additional time in physical education through fitness learning labs in two elementary schools, four Pre-K-8 schools, one middle school, and one high school. The elementary and middle school models have been initiated with success at John Motley Morehead STEM Academy during the 2010-2011 school year. Fiscal Implications: Funding requested from U. S. Department of Education, Office of Safe and Drug-Free Schools, Carol M. White Physical Education Program - \$973,931 over three years

- C. Recommend adoption of a resolution authorizing the Director of Storage and Distribution to dispose of surplus school property by way of On-line bid in auction format.

The On-line auction time span will encompass the June 1-16, 2011 period. GovDeals,

(www.govdeals.com) an experienced and proven on-line government surplus sales service provider will facilitate the process. These auctions usually generate \$6,000 to \$15,000 in revenue.

Chairperson Davis called for a motion to adopt the Consent Agenda as presented.

Mr. White moved that the Board adopt Consent Items A. through C. as presented, seconded by Mr. Morgan, and the motion passed upon a unanimous voice vote of the Board.

III. ACTION ITEMS

- A. Recommend approval of motion to request North Carolina General Assembly to take no further action regarding House Bill 546, as request by Board member Tom Tate, District 4. As required by revised Bylaw BEDB, Agenda, Board members Waddell and McElrath support placing this item on the proposed agenda

Chairperson Davis called upon Tom Tate to present the recommendation regarding House Bill 546.

Mr. Tate moved that the Board of the Education adopt a motion authorizing the Charlotte-Mecklenburg Board of Education requests the General Assembly of North Carolina to take no further action on House Bill 546, "An Act Authorizing the Charlotte-Mecklenburg Schools to Develop and Implement Alternative Salary Plans for Instructional Person and School Administrators." This request shall be communicated to the President Pro Tempore of the North Carolina Senate, the Chair of the Committee on Rules and Operations of the Senate, the Speaker of the House of Representatives, and to Representatives Ruth Samuelson, Ric Killian, and Martha Alexander, sponsors of the bill. The motion was seconded by Dr. Waddell, and a Board discussion followed.

- Mr. Tate thanked Board members McElrath and Waddell for supporting this item to be placed on the agenda. He expressed concern regarding House Bill 546 and the manner in which the Board was informed about the bill. He believes the Board should have endorsed or rejected the process at a public meeting in order for the public to understand what the Board was considering. Mr. Tate regrets he did not push more strongly in late March for the Board to discuss and vote on this issue. He understands some people believe House Bill 546 is a natural outgrowth of the Board's Legislative Agenda but he does not. He did not envision the Board's Legislative Agenda would be turned into a CMS specific bill. This particular Legislative Agenda item calls for elevating and enhancing the teaching profession through reforms in evaluation, compensation, and career status. It asks the State Legislature to review and reform tenure laws to ensure an appropriate balance between due process rights and the ability of local schools districts to be flexible in making human capital decisions; to clarify evaluation standards and give local schools districts the flexibility to adopt additional evaluation standards suited to their local realities; and to examine and implement effective alternative compensation models which reward teacher performance. Mr. Tate expressed concern about the impact the proposed bill has had on the CMS teachers as well as the impact for not communicating and consulting with teachers and seeking input from teachers. The Board recognizes teachers are key for maximizing student achievement by every student

in every school. The Board said the work of compensation reform would be done with teachers and not to teachers. Mr. Tate expressed concern that the Board did meet to discuss proposed House Bill 546 to ensure it was what the Board of Education intended by its Legislative Agenda; the document was crafted without input from the teachers; and the Board, teachers, and parents were not informed in a timely manner that it would be submitted. Mr. Tate believes this process was handled incorrectly and has led to an erosion of trust. In addition, Mr. Tate addressed concerns regarding the additional testing and the tests being used as a value-added measure for teacher evaluations because he is not convinced that will work. Mr. Tate encouraged the Board to support formally requesting that no further action be taken on House Bill 546 and to focus on the real purpose of the Board's Legislative Agenda which is to work for changes that will affect public education throughout North Carolina.

Board members Waddell, McElrath, and McGarry discussed why they would support Mr. Tate's motion and Board members Davis, Merchant, White, Lennon, and Morgan discussed why they would not support the motion. Board member comments included the following:

- Dr. Waddell will support the motion because House Bill 546 is asking the General Assembly to do something for CMS and not for any other school district in North Carolina; the proposed initiative involves extensive testing as a method to evaluate teachers for pay for performance; and the process has created distrust with teachers, parents, and the community. She asked the Board to take time to review what the Board said they would do and review other pay for performance methods that will be fair, equitable, and teachers support. The Board must move forward and have a method to evaluate teachers but this bill is not the best approach.
- Mr. McElrath expressed concern regarding the method House Bill 546 was presented because when he voted to support the Board's Legislative Agenda it said review, clarify, and examine and he understood the Board would have the last word. State Legislators have expressed concern to him that the bill did not go through the usual process. Mr. McElrath is not sure who supports this initiative. CMS does many things that are good and this may be a good idea but it may not be the right time. He expressed concern that this did not follow the proper process, the timing is bad, there were missed steps, and the process has angered people. This does not have the backing of the teachers or the community and he will support the motion to stop the House Bill.
- Mr. Merchant will not support the motion but he is happy it is on the agenda because it needs to be discussed publically. When the Board adopted the Legislative Agenda and this item (Item 2) was discussed, Mr. Battle specifically said this is a call for the Legislators to review aspects of the teaching profession with a focus toward enacting statutory reforms. Mr. Merchant believes Dr. Gorman and legal counsel did what the Board authorized them to do. He said the communication could have been better and the Board should have had real discussion ahead of time but the Board did not recommend that to Dr. Gorman. He said some Board members encouraged Dr. Gorman to move forward with this initiative. In order for the Board to achieve the types of reform we want, we must work along parallel tracks at the same time. The Board has said we have made mistakes but this is ground breaking territory and it is customary to miss steps. CMS is in front of most districts and we are the leaders. Any type of change and innovation includes risks and mistakes. Representative Ruth Samuelson

heard her constituents and said we will park this for one year in order for those who disagree to have dialogue. Mr. Merchant said he is not in favor of the high level of attention related to this and the high level of distrust but it is incumbent upon all of us (Board, teachers, and the community) to have a discussion to strive to make this work. To stop this is not the answer. Mr. Merchant supports the recommendation of Ruth Samuelson to park this initiative to allow for discussion and that should be the next step because sustainable reform requires a team effort. To stop this initiative would lead us back to status quo and that is not in the best interest of teachers and students.

- Ms. Lennon said she previously stated she would not support pulling the pay for performance initiative because when you get lost on vacation you do not cancel the trip and go home. You stop and discuss what direction you need to go. Ms. Lennon supports Representative Samuelson's recommendation to park this initiative for discussion. This issue includes three parts (summative testing, pay for performance, and House Bill 546). They are three separate issues and should not be lumped together. Ms. Lennon believes we must communicate better as a school system to the teachers and to the public. CMS made some mistakes, we have learned from those mistakes and know how to do it better, and the overall effort is valid. We are learning by interacting with our teachers how to do it better. Ms. Lennon said a performance pay method is moving forward at the State level because today the House Budget Subcommittee included it in their proposed budget. CMS is being a leader in this initiative. Ms. Lennon supports the recommendation by Representative Samuelson because CMS is on the right path and she will not support this motion.
- Mr. White said Representative Samuelson may have put her bill on hold but the State Senate is moving forward because the proposed budget includes a \$1 million pay for performance initiative. Mr. White said the press calls it a merit pay but he will never support anything called merit pay. He does support a new compensation plan that includes student achievement as a part of that plan. He will not support this motion. He said some people have mentioned it is not the right time but there will never be the right time for issues of this nature. There would never have been a first if everyone waited around for a plan. There must be a first step and this is a first step. This bill can only be implemented if this Board implements it.
- Ms. McGarry has been a Board member for eight years and at the last meeting she proposed a motion to reallocate pay for performance money out of this current budget but that failed. This involves three issues (House Bill 546, the budget, and stop the testing today) and the Board should rethink the process. She is not aligning herself with the groups leading the fight against CMS pay for performance because she supports pay for performance and flexibility of State funding. She expressed concern regarding the millions of dollars being spent on testing and the use of the current evaluation system to implement a reduction in force over the past three years. She is not opposed to House Bill 546 but should that bill pass she is opposed to the method it will be implemented in CMS and using students as widgets. She supports teachers and students and she is not sure CMS will develop other methods of measures. She supports parking the pay for performance initiative until 2012 or 2013 and discussing options to make it successful which include communication, buy in, fairness, and comprehensiveness. She encouraged the Board to pause and rethink to see if there is a better method such as empowering principals to evaluate teachers. The bill is good but because of the timing

and economy this is a bad time. Ms. McGarry will support the motion.

- Mr. Morgan said because the State Senate's proposed budget includes a pay for performance initiative is a good reason for the Board to act. The State Senate proposal dictates class size at the K-3 level. The Board's Legislative Agenda discussed the importance of flexibility in three of the five items. Mr. Morgan is concerned that if the Board does not get in front of the Senate's proposal and waits for them to take action they will do it to us instead of CMS doing it with them. He encouraged the Board to be a driver and be a part of the group that develops this and helps implement it to ensure it works for CMS.
- Chairperson Davis reminded everyone to focus on the Board's Theory of Action which directs the Superintendent to revise the compensation structure to reflect an emphasis on performance. For many, this issue hinges on the right to vote on compensation. For many, that right rings of organized labor and very few employees in our County have that right today. Combine that with the fact that the legislature did not provide a method for teachers to vote on their current compensation plan which is in effect today and has been for years. Chairperson Davis discussed the ill logic of allowing teachers to vote on a plan approved by nine elected officials who serve the county in which they live but it is not appropriate for teachers to vote on a compensation plan approved by 120 Legislators who serve 150 miles away. Chairperson Davis believes these points are compelling for him to support the proposed legislation and to not support this motion. Chairperson Davis said he understands our teachers are tired, frustrated, and angry and for justifiable reasons that include a decrease in compensation; an increase in class size; more students to teach; more expected for less pay; and the loss of financial stability and teacher lay-offs. Teachers' are justified for their concerns but they are not alone because people in other industries are also facing loss of income, financial stability, and colleagues through lay-offs. Our teachers work in a State education system filled with elements that make a teachers' job harder such as the school day or summer vacation which cause our students to regress. An overall one-size fits all system that stretches across North Carolina fails to recognize the variety needs of our students as well as compensation for our teachers in all matters of recruiting, retaining, developing, and evaluating teachers that connects to how well students are doing. Chairperson Davis said he regrets the manner in which this was implemented because it has alienated our teachers and strained the relationship between our teachers and district leadership. Chairperson Davis said this must change and he looks to our Superintendent to take the first step in restoring that relationship along with the Board; to slow the schedule to allow for meaningful dialogue with teachers; to create ways for our teachers to participate given their high workloads and demands beyond what is currently available; and to incorporate their constructive input into the process. Chairperson Davis asked the teachers to realize the deficiencies of the current system and to team with the Board in creating one that is better for our students first and better for our teachers.

Chairperson Davis called for the Board vote to approve the motion.

The Board vote 4-5 and the motion failed.

Ayes: Board members McGarry, McElrath, Waddell, and Tate.

Nays: Board members Davis, Merchant, White, Lennon, and Morgan.

- B. Recommend approval of motion regarding Pre-Kindergarten Services, as requested by Board member Rhonda Lennon, District 1. As required by revised Bylaw BEDB, Agenda, Board members White and Morgan support placing this item on the proposed agenda

Chairperson Davis called upon Rhonda Lennon to present the recommendation. Ms. Lennon said over the past year the Board has discussed the importance of delivering Pre-K services in increasing constrained budget times. Ms. Lennon said she presents the following motion with the understanding that while she recognizes and supports the importance of a comprehensive Pre-K Program, she continues to have questions about administrative and operational costs, especially when compared to comparable early education programs provided by non-profit and for-profit entities.

Ms. Lennon moved that the Charlotte-Mecklenburg Board of Education Board direct the Superintendent during the 2011-2012 fiscal year to comprehensively review, research, and report to the Board alternative models for delivering high-quality Pre-Kindergarten services, with a goal of finding potential administrative and operational savings that can be implemented as part of the 2012-2013 Budget. In the event that the Bright Beginnings Program is funded in the 2011-2012 Budget, then the Superintendent will begin an immediate review to determine cost saving measures that can be implemented in the 2011-2012 school year. The motion was seconded by Mr. Morgan, and a Board discussion followed.

- Ms. Lennon said when Dr. Gorman began with CMS the Pre-K/Bright Beginnings Program had been in place for about eight years and CMS is now in its fourteenth year. Dr. Gorman inherited this program and a part of this motion is to have Dr. Gorman review the program with a clean slate to understand the optimal way to deliver high-quality Pre-K services for our students that are most at-risk for failing academically because the Board's goal is academic success for all students. She encouraged the Board to start with a clean slate to figure out the best method to deliver the best program for the dollars instead of tweaking the existing program. In addition, Ms. Lennon brings this motion forward because over the past two budget cycles the Bright Beginnings Program was insulated from budget cuts while the high school teachers took huge increases in class size and that is now trickling down to the elementary schools. The Bright Beginnings' classes remained steady and the support staff and Central Office staff did not see the same cuts as other departments. Ms. Lennon said it is important to take a deeper dive into this program to ensure CMS is providing the best services for the high-risk students while maximizing efficiencies because the most dollars need to be directed towards K-12 education.

Board members Davis, Merchant, White, and Morgan discussed why they would support Ms. Lennon's motion and Board members McGarry, McElrath, Waddell, and Tate discussed why they would not support the motion.

- Mr. Merchant said Dr. Gorman is already doing this and he asked Dr. Gorman to provide an update. Dr. Gorman said staff has reviewed options for a more efficient method to offer the program as it relates to the Pre-K centers. CMS staff has discussed this with both the State and federal Title I offices to ensure we are not in violation of the supplement versus supplant law and could CMS place Bright Beginnings classes at

Non-Title I schools. Placing them at those schools could help to eliminate the overhead for a principal, assistant principal, and support staff and staff is reviewing options for that model. Staff is reviewing options for the location of those classes should CMS get the additional dollars for the eighty or more classes. Dr. Gorman said at this point we do not have funding and staff is reviewing other options to be more cost efficient. Mr. Merchant said he supports the idea and he will support the motion but the Board should be careful about dictating from the dais and being too specific. Staff is already working on this and it will be reported out in a more formal manner.

- Dr. Waddell said it is interesting that Dr. Gorman is already working on cost saving measures for Bright Beginnings and the centers. Dr. Gorman said, yes, we have been reviewing options including a less costly way to offer a high-quality program since we began the budget process. The options have included a half-day or four-day program, located at centers and other places, and licensed teachers. Dr. Waddell said staff is already doing the items that are addressed in the motion and she does not see the need for the motion. She encouraged the Board to focus on the purpose of the Bright Beginnings Program which is designed to ensure students enter kindergarten with the skills necessary for them to succeed. Dr. Waddell wants to ensure the program does not get diluted and changed into a typical “babysitting service” and it maintains certified teachers to provide a high quality program that is necessary for growth and development for preparing students. She looks forward to Dr. Gorman’s recommendations.
- Mr. McElrath said the Superintendent is already doing this and he asked Ms. Lennon to withdraw her motion. Ms. Lennon said this is great but she wants a deeper dive, a comprehensive review starting from scratch, and a formal report to the Board. Ms. Lennon said should the County give CMS the \$10.4 million for Bright Beginnings she wants to understand options to provide those services cheaper because the private sector is doing it cheaper. Ms. Lennon wants everything on the table and her motion stands as written.
- Mr. White said he is a strong supporter of Pre-K services and he wished it could be universal. Pre-K is different because as mandated by the State, school systems are responsible for K-12 education. CMS has been able to have Pre-K Programs because it was funded by federal and local money. Mr. White supports CMS continuing the Pre-K Program and reviewing methods to be more effective and efficient, and he will support the motion.
- Ms. McGarry said previously the Bright Beginnings Program was funded by money from the Board of County Commissioners and last year it was partly funded by ARRA funding which the Board knew was temporary funding. Ms. McGarry said because of the funding situation, most of the Board knew that we would have to consider phasing this program out and the Board should have voted on this issue in January. She supports State statutes that mandate K-12 education and until CMS is doing K-12 education extremely well in this economy she will not support spending more money on Pre-K services. Ms. McGarry supports Dr. Gorman’s initial Bright Beginnings recommendation in which the Bright Beginnings classes in Title I schools would remain and the others would be eliminated. She will not support this motion because it implies that should CMS not receive money for the Bright Beginnings Program staff will still research a Bright Beginnings Program. Ms. McGarry would not be in favor of that because she believes the private sector and non-profit organizations can provide Pre-K

services. She would support continuing the Pre-K Program in Title I schools.

- Mr. Morgan said he would support the motion for the same reason of Ms. McGarry's concern as to whether the private sector can support Pre-K services. He supports the Pre-K Program and believes there is a need for it in this community. He wants to ensure CMS is the appropriate group to offer Pre-K. A comprehensive review would determine if Pre-K services should be offered by CMS or would it be better and cheaper to offer Pre-K services through the non-profit sector in a partnership with CMS.
- Mr. Tate is saddened that CMS will have to make cuts to the Bright Beginnings Program because these students will not be able to start school as well as they could have with the program. These are students that really need this program. He agrees that Pre-Kindergarten should be universal so that everyone gets off to a great start. We are already doing what is in the motion and it is unnecessary so he will not support the motion. Mr. Tate wants to increase the number of students being offered Bright Beginnings so that all students can start Kindergarten on an even keel.
- Chairperson Davis said we are already doing this and he is not interested in cutting services but whenever you cut finances there will be trade-offs and those trade-offs will be detrimental to our students. Recognizing that our chances of getting the funding needed to preserve all eighty classrooms that are at-risk in Bright Beginnings is highly questionable and we must do what we can to preserve those classrooms. Chairperson Davis said while he believes the Superintendent is already doing this the vote will make it visible and dedicate the Board's commitment. Chairperson Davis will vote to dedicate his commitment to the program, the classrooms of the program, the students who need the program, and the students who do not have the program today because there is not enough money to fund the classroom.

Chairperson Davis called for the Board vote to approve the motion.

The Board voted 5-4 and the motion passed.

Ayes: Board members Davis, Lennon, White, Morgan, Merchant

Nays: Board members McGarry, McElrath, Waddell, Tate

IV. REPORT/INFORMATION ITEMS

A. Report on Teacher Professional Development

Chairperson Davis called upon Dr. Gorman to introduce the Report on Teacher Professional Development. Dr. Gorman called upon Dr. Barbara Temple, Director of Teacher Professional Development, to present the report. Dr. Gorman said CMS offers professional development through a number of methods and this report is a part of staff's regular update to the Board. Dr. Temple provided the Board with an overview of the Teachers Professional Development Department. The department was formed in July 2007 to serve as a vehicle to address the specific professional needs of teachers in CMS and today it consists of a sixteen member team.

- **Teacher Professional Development Mission:** The mission of the Teacher Professional Development Department is to provide leadership, resources, consultative services, and technical assistance with the goal of improving teaching and learning through comprehensive, research-based professional development.
- Four domains categorize the work of the department and each domain completely

supports *Strategic Plan 2014*, the North Carolina Teacher Evaluation process, the North Carolina Standard Course of Study, and the New Common Core Standards:

Teaching and Learning	Teacher Leadership	New Teacher Support (Supports teachers in 1-3 years of teaching)	21 st Century Technology
<ul style="list-style-type: none"> • Differentiation Academy • Professional Development on Rigorous Instruction • National Board Institutes • Take One! Cadre • School Quality Review Process Modules • Summer Teacher Conference • Instructional Assistant Institute 	<ul style="list-style-type: none"> • Instructional Coaching Academy • Leadership Academy • Professional Development Master Teacher Initiative • Charlotte Teachers Institute • Teaching Fellows Institute 	<ul style="list-style-type: none"> • New Teacher Induction Program • New Teacher Academies • Lateral Entry Advancement Program • Mentoring Program • 795 new teachers have enrolled in the program with a 89% retention rate. 	<ul style="list-style-type: none"> • Implementation of Virtual Learning • Technology Integration Courses • Professional Development Wiki Support Site

- Budget - \$1,090,144: Salary and Benefits \$855,908; Supplies and Materials \$42,862; National Board Salary and Benefits \$170,302; Substitute Funds (National Board teachers attending institutes \$1,077; and National Board Materials, Supplies, and Expenses \$20,000.
- *Strategic Plan 2014* serves as the tactic plan framework: All Teacher Professional Development and work is focused on methods to improve teaching and learning throughout the District. Professional Development utilizes six tactics.
 - Differentiation Academy: Opened to all teachers in the District. Training focused on teaching teachers how to differentiate their content, products, process, and learning environment. Focused on increasing the rigor and relevance of curriculum and teaching practice.
 - Instructional Coaching: Academic and literacy facilitators and Title I coaches work with teachers to analyze the student work and how to improve instruction.
 - Virtual Learning: By 2014 all personnel will have On-line Virtual Learning experience and this year the platform Moodle (computer program) was launched. This will increase the instructional capacity of CMS.
 - School Quality Review.
 - Teacher Effectiveness.
 - Rigor.
- 2010-2011 Highlights: All staff in the department is teaching courses throughout the District.
 - Professional Development Offerings:
 - ✓ Designed and delivered by Teacher Professional staff.
 - ✓ Provided strategies to use data to inform practice.
 - ✓ Incorporated differentiation strategies.

- ✓ Taught nearly 1,200 teachers in math and/or literacy courses.
- ✓ Served more than 2,000 teachers in Summer Teacher Conference. Offered ninety-nine courses last summer.
- ✓ Instructed 440 teachers in Differentiated Academy I and II.
- ✓ Served more than 250 instructional assistants in 2011 Instructional Assistant Institute.
- ✓ Increased instructional leadership capacity through Learning Management System launch and instruction.
- National Board Certified Teachers (NBCTs): This is the 13th year that CMS has had a NBCT support program in CMS. 1,738 teachers have been certified and CMS has retained over 1,500 or 86%. 1,412 are actively in the classroom and 88 are in leadership positions.
 - ✓ CMS Top 5 school district in the nation for the 12th year. North Carolina is ranked Number 1.
 - ✓ Most NBCTs overall in the nation for the 12th year.
 - ✓ Record number of new NBCTs (288) and renewals (49).
- Professional Development Master Teachers (PDMTs): Over three years over, 3,000 teachers have participated in the learning labs.
 - ✓ 86% retention rate.
 - ✓ More than 500 teachers enrolled in PDMT Professional Development courses.
 - ✓ More than 1,300 classroom teachers experienced a laboratory-based learning experience within the PDMT Initiative.
 - ✓ 94% PDMT learning lab visitors rated experience as a good use of their time.
 - ✓ 99% PDMT learning lab visitors would recommend lab to a colleague.
- Next Steps:
 - Effective Teaching and Leadership:
 - ✓ Customize and differentiate teacher support across teaching continuum.
 - ✓ Coordinate professional development services.
 - ✓ Create circular professional development experience for teachers.
 - ✓ Offer 680 seats in Differentiation Academy I and II.
 - ✓ Implement and facilitate Coaching Academy I to district-wide support personnel and administrators.
 - ✓ Ensure that the twelve identified professional development opportunities align to the identified measures of teacher effectiveness.
 - ✓ Plan and implement Summer Conference for teachers addressing district goals and develop year-long follow up professional development.
 - ✓ Increase Graduation Rate.
 - ✓ Support curriculum specialists in the design of professional development to address instructional gaps identified in the summative assessments.
 - Teaching and Learning Through Technology:
 - ✓ Create On-line opportunities and support course developers.
 - ✓ Develop digital library of effective teachers demonstrating best practices to support continuous improvement efforts for teachers.

Board members were invited to ask questions and provide comments.

- Ms. McGarry thanked staff for the report. Ms. McGarry asked are PDMTs provided an

extra salary or stipend? Dr. Temple responded yes, and provided clarification that with Title II funding which supports the majority of the professional development programs teachers can earn either a \$2,000 or \$2,500 stipend. Dr. Gorman noted that Title II is federal professional development dollars.

- Dr. Waddell thanked Dr. Temple for the report. Dr. Waddell noted that she completed the Differentiated model, it was a wonderful experience, and the teachers are doing a great job. Dr. Waddell discussed the professional development program for teacher assistants and she hopes they will have opportunities to get a degree. Dr. Temple said CMS strives to support teacher assistants but they are members of a professional organization and have a licensing process that is outside CMS. Our goal is to get more teacher assistants to become classroom teachers. Dr. Waddell asked clarifying questions regarding the CMS partnerships with college programs; professional development for cafeteria and custodians; professional development for teachers who have received poor evaluations. Dr. Temple provided clarification that CMS has partnerships with UNC-Charlotte, Queens University, and Davidson College; this department is focused on teachers and teacher assistants but CMS provides professional development for all types of personnel in CMS; and professional development can be customized to meet the needs of the school and a struggling teacher. Dr. Waddell commended the Professional Development Department's support to teachers and she hopes its funding will continue so that they can do more.
- Mr. Merchant said this is focused on pedagogical support and how to teach better. This is a \$1.2 million budget out of a \$1.1 billion budget and that is relatively small. Mr. Merchant asked do teachers seek professional development out or are they nudged by their principal? Dr. Temple said teachers can be tracked through the learning labs via a self-identify process and the majority of the teachers indicate they want professional development because they are interested in it or they need it. Professional Development staff review trends to develop programs based upon the needs and the interests of the teachers. Mr. Merchant said it would be important to know who is seeking professional development and that the top teachers who want to succeed are seeking how to get better. He would like to know how to get the average performer to become an above average performer because that is a part of the teacher value-added measure. Mr. Merchant expressed concern that this is only a \$1.2 million budget because it is core of everything else and the guts of what we are trying to do with summative testing, compensation reform, and improving recruitment and professional development. Professional development is important for keeping teachers past year 3 or 4 years and to keep master teachers in the classroom. Dr. Gorman provided clarification that this is important for keeping those teachers in the classroom and CMS was able to move out of District Improvement because we moved a group of people who were doing good work to doing even better work. Over time, we will need to ramp this up because when we focused on not cutting the classroom we essential drove the bulk of the dollars in this department away. The only dollars left in this department are the Title II dollars. Mr. Merchant said he would like to see how this will be touched by Human Resources, technology, accountability, and how it will be embedded with all the other pieces being discussed. Mr. Merchant encouraged the Board to spend more time on professional development because it is the heart of any good organization and this department has a 99% positive referral rate.

- Mr. Tate asked what will it take to reach more teachers? Dr. Temple said the department is extremely strategic and more staff would help but we are working with what we have. We are limited in budget, we want to retain our teachers, and we have teachers who want to be in leadership positions and to answer those needs the PDMT Initiative was developed. Dr. Temple said she has some new ideas that she would like to share because without Title II funding we would not be here. Dr. Gorman said within five years CMS dismantled a first class, premier system of delivering support for teachers because of budget reductions. Mr. Tate agrees there needs to be a focus on professional development because that will help teachers to be better and students to do better.
- Ms. Lennon expressed concern that the State funding for professional development is being cut and that is leading to a “race to the bottom.” It is important that we ensure our teachers do a better job and are more effective in their classrooms. Ms. Lennon commended the department for offering more opportunities for professional development during budget reductions from the State, federal, and County. Ms. Lennon said the funds are limited and perhaps it would be best to focus the funding on the teachers who are in the middle range because they have a better opportunity to become really successful effective teachers. Ms. Lennon said this effort shows CMS is taking care of our teachers to get better and she would like to hear more about the additional ideas. Dr. Temple invited the Board to visit the department, attend the meetings, and visit a learning lab. The goal of the department is to support and nurture our teachers.
- Ms. McGarry asked how much money does the department receive in Title II funding? Dr. Temple said she would provide the exact funding at a later time.
- Mr. McElrath asked clarifying questions regarding subject specific degrees because he believes they do make a difference. Dr. Temple said thirty-one out of forty teachers have a Masters Degree that is directly aligned with their teaching assignment in the PDMT cadre.
- Chairperson Davis commended the circular notion of professional development as one of the best methods of education because it reinforces learning built upon experiences. Chairperson Davis also agreed with Mr. Merchant that we should dedicate a workshop on how to grow professional development and how to connect the teacher evaluation to a developmental supportive coaching process that correlates the effectiveness of our teachers to how well our students are learning. Chairperson Davis commended Dr. Temple on the report and her spirit on professional development.

B. Report on Successful Expressions of Interest in Leasing Closed Schools

Chairperson Davis called upon Dr. Gorman to introduce the Report on Successful Expressions of Interest in Leasing Closed Schools. Dr. Gorman called upon Michael Raible, Executive Director of Planning and Project Management, and Dennis LaCaria, Director of Facilities Planning and Real Estate, to present the report. Dr. Gorman reported as we went through the process for the Case for Continuous Improvement we reviewed the CMS facilities and the best way to utilize those buildings. This report will be an introduction to a process for consideration of how to best use the CMS facilities.

Mr. Raible said as a result of the Board’s decisions on November 9, 2010 regarding the Case for Continuous Improvement staff was directed to review ways to maximize the savings regarding available real estate. The report will provide an overview of the available

facilities in which CMS has received Expressions of Interest. Some of the facilities that will be vacant this summer are not on the list because staff believes CMS may need those for administrative purposes or alternative programs.

- Available Facilities:
 - Amay James Pre-Kindergarten Center.
 - Double Oaks Pre-Kindergarten Center.
 - Plaza Road Pre-Kindergarten Center.
 - Tryon Hills Pre-Kindergarten Center.
 - Pawtucket Elementary School.
 - Davidson IB Middle School.
 - Smith Language Academy.
 - Wilson Middle School.
 - Midwood High School.
 - Former Sedgefield Elementary School/Family Application Center.
 - Former Wilmore Elementary School/Professional Development Center.
- CMS Process:
 - March 1st: Community Meetings were held.
 - April 18th – 21st: Site Visits were conducted through all available facilities.
 - May 13th: Deadline for submission of Expressions of Interest.
- Board Input: Staff is seeking Board input on the following categories to define a priority list.
 - Weighting of each category:
 - ✓ Legal (must): CMS must follow all the legalities of for the use of the properties.
 - ✓ Tenant Quality: The facilities will be leased and CMS will continue to own the properties.
 - ✓ CMS Liability: This effort will help relieve CMS liability.
 - ✓ Maximize Net Revenue: The amount of revenue that can be generated for available facilities has not been determined but based upon the range from each of the proposers it is anticipated to be in the range of \$200,000 per year. Many of the proposals are for \$1.00 per year which is similar to a governmental lease.
 - ✓ Educational Use: Focus on educational use for the student or the community.
 - ✓ Ease of Management: The agencies proposing the lease would assume the costs and this would lessen the CMS costs of utilities, maintenance, and lawn care.
 - ✓ Benefit to CMS Students.
 - ✓ Benefit to Community.
 - ✓ Benefit to Neighborhood Improvements.
 - ✓ Nonprofit/Municipality/Local Government: CMS has received expressions of interest from government agencies and for profit businesses.
- Expressions of Interest:
 - Relieve CMS of operating, maintaining, and securing facilities:
 - ✓ Non-operating facilities have expenses.
 - Provide Benefit to the Community:
 - ✓ Macro or Micro.
 - Offer Potential Revenue Generation:
 - ✓ Market set by potential tenants.

- Received Sixty Expressions of Interest:
 - ✓ Each site obtained at least two.
 - ✓ Midwood obtained the highest level at ten.
- Considered by a Variety of Organizations:
 - ✓ Expressions of Interest as varied as the applicant pool.
 - ✓ Several applied for more than one facility.
- Expressions of Interest by School:
 - ✓ Amay James Pre-Kindergarten Center:
 - Brookstone Schools.
 - City Dive.
 - Greater Good for Children and Families.
 - The Guardian Alliance.
 - In time of Need Ministries.
 - Zechariah Alexander Senior Lodge.
 - ✓ Double Oaks Pre-Kindergarten Center:
 - The Guardian Alliance.
 - Zechariah Alexander Senior Lodge.
 - ✓ Plaza Road Pre-Kindergarten Center:
 - Children Come 1st.
 - Greater Good for Children and Families.
 - The Guardian Alliance.
 - Kids University.
 - McColl Center for Visual Arts.
 - Zechariah Alexander Senior Lodge.
 - ✓ Tryon Hills Pre-Kindergarten Center:
 - Bethlehem Center.
 - Greater Good for Children and Families.
 - The Guardian Alliance.
 - National Child Care institute.
 - Zechariah Alexander Senior Lodge.
 - ✓ Pawtucket Elementary School.
 - Access Family Services.
 - Beverly Smith Ministries.
 - Children Come 1st.
 - The Guardian Alliance.
 - Q Foundation.
 - ✓ Davidson IB Middle School:
 - The Guardian Alliance.
 - Lake Norman Christian School.
 - Town of Davidson.
 - ✓ Smith Language Academy:
 - Access Family Services.
 - Charlotte United Futbol.
 - Children Come 1st.
 - The Guardian Alliance.
 - Have Life Ministries.

- In Time of Need Ministries.
- Mount Tabor Ministries.
- Q Foundation.
- ✓ Wilson Middle School.
 - Access Family Services.
 - The Guardian Alliance.
 - Parents and Youth Teaching Together (PYTT).
 - Q Foundation.
 - Queen City Preparatory Academy.
 - Student First Academy.
- ✓ Midwood High School.
 - Charlotte Islamic Academy.
 - Children Come 1st.
 - Eagle House.
 - theGathering.
 - The Guardian Alliance.
 - International House of Charlotte.
 - Latin American Coalition.
 - McColl Center for Visual Arts.
 - Q Foundation.
 - Zion Center for Worship and the Arts.
- ✓ Former Sedgefield Elementary School/Family Application Center:
 - Children Come 1st.
 - The Guardian Alliance.
 - Q Foundation.
- ✓ Former Wilmore Elementary School/Professional Development Center:
 - Barwick & Associates.
 - The Guardian Alliance.
 - In Time of Need Ministries.
 - Q Foundation.
- Next Steps:
 - Immediately: Continue due diligence on applicants.
 - June 28th: Conduct exercise with Charlotte-Mecklenburg Board of Education to weigh categories identified to establish prioritization. Board to consider a forced ranking or weighting ranking to establish highest priorities for lease selection process.
 - July:
 - Apply Charlotte-Mecklenburg Board of Education weighting to a rubric.
 - Recommend organizations to begin lease negotiations.
 - Notify selected organizations and begin lease negotiations.
 - Bring negotiated leases to Charlotte-Mecklenburg Board of Education.
 - If for some reasons the organization selected will not provide the best interest to CMS, staff will go to the next applicant/organization.

Dr. Gorman encouraged the Board to think about the end result for this initiative and what is important to drive this project. The Board will need to coalesce in advance of the June 28th meeting and staff is available to meet with the Board in advance of the meeting.

Board members were invited to ask questions and provide comments.

- Chairperson Davis would like staff's definition of the terminology that is being used. Dr. Gorman said staff will provide that information as soon as possible.
- Ms. McGarry would like the cost of the all the current CMS leases for the locations of the 8,000 employees who are not in the classroom. She believes using some of the facilities being considered for leasing would be less expensive. She also suggested that CMS consider selling some of the land. Mr. Raible said there are some pieces of property that were part of the original City School District and those properties have a reversion clause. If they are no longer used by the Board of Education for educational purposes and those properties are sold, the reversion clause would be enforced and the property would go back to the City. CMS could continue to use those properties as long as the deed is not transferred and they are used for purposes that are appropriate. Ms. McGarry would like a list of those locations. Mr. Raible will provide that at a later time. Mr. Raible said in addition, many of the proposed leased sites are in locations that ultimately staff believes will need to be used as schools, for other uses, or alternative schools. Mr. Raible discussed the challenges of the current economy and the changes that have taken place for the high growth areas that were scheduled for a replacement school but those areas are not currently considered a high growth area.
- Mr. Morgan said it would be helpful to know which of these facilities have the reversion clause because those properties may need to be treated differently if the educational function is required. Mr. Morgan said regarding future needs, it would be helpful to have an estimated timeline for when staff believes these properties may be needed for CMS purposes again (the properties needed within the next five years versus twenty-five years). Mr. Raible reported that we anticipate growing by 2,500 students next year but it will be slow growth for a few years. Our current estimate is about 35,000 students over the next ten years compared to our previous estimate during our growth period of approximately 50,000 students. Mr. Morgan asked regarding legalities, what happens if the property needs to be rezoned? Mr. LaCaria said under the terms of the rubric that is a "must" and it would be a go or no go. If it does not clear the bar, it would no longer be considered as a potential use. If it is on the edge, CMS staff will seek input from City planners and other staff to determine opportunities for rezoning. CMS would not pursue the rezoning and it would be a part of the conversation with the potential tenant. Mr. Morgan hopes staff will consider the option for rezoning because otherwise it could eliminate some potential uses. Mr. Morgan said he has talked with the Urban Land Institute (ULI), which is a non-profit group that is supportive of new urbanism type projects and field development, have expressed an interest to work with CMS, the County, and the City to review our properties for "what if" and "what could happen" with these properties. Mr. Morgan believes it would be worthwhile to participate in these discussions and bring the results back to the Board. The communities in which schools have closed have a valid concern for what happens to those properties. Mr. Morgan as a Board member wants to ensure the use of those properties will be appropriate and benefits those communities.
- Dr. Waddell expressed concern that she received several calls that the walk-throughs during school hours created anxiety for teachers and students. Dr. Waddell said there are three Pre-K schools (Plaza Road, Tryon Hills, and Double Oaks) on the list and what would happen if we get additional funding from the County to maintain these

programs? Mr. Raible said we are trying to balance that we did not have any indication regarding funding versus what we heard from the communities that they did not want these facilities to remain vacant for very long. Should the funding and decision indicate that the Pre-K Centers remain open, those facilities will be taken off the list. Dr. Waddell expressed concern that some of the leases are for only \$1.00 per year. Mr. LaCaria said the \$1.00 per year is above beyond the cost to maintain the facilities which is estimated at \$50,000. Dr. Waddell hopes the community leaders will be involved in the process because the communities that serve these schools are concerned about what happens in their communities. Dr. Gorman said staff would need further direction from the Board if this is a priority. Dr. Waddell said this is the first phase and she asked will there be other schools. Mr. Raible said, yes, some of the other schools not currently on the list may be used for administrative purposes or alternative programs and after those decisions are made there may be additional schools on the list. Dr. Waddell wants the Board to keep the potential growth and the overcrowding in mind because these facilities may be used as schools again. Dr. Waddell said the staff and families of these schools are passionate and several of these schools are having a farewell in June.

- Ms. Lennon asked what schools are not considered in the first phase? Mr. Raible said some of the schools not on the list are J. T. Williams, Spaugh, Villa Heights, Oakhurst, and Lincoln Heights. Ms. Lennon asked are there administrative staff currently in leased facilities? Mr. Raible reported there are two departments at the Airport Center (Transportation and Information Technology); two zone offices (East and Southwest) and this is the final year on those leases; and Marshall Center which is a short-term lease. Ms. Lennon thanked staff for their work and she noted that not all the schools are in Charlotte and other areas in the County are being impacted by this decision.
- Mr. White said should the State adopt a budget that mandates 1:15 teacher-student ratio we will need to be careful about putting these schools on the market. Mr. White said regarding the categories the first three are his priorities and they are a must. We must be legal, he will be concerned about the quality of the people that are in our buildings, and he does not want any liability for their use of the building. Mr. White said for the rest of the items, staff will need to come back to the Board on a per site basis.
- Mr. McElrath believes it is important to have community input but instead of holding community meetings he recommended the buildings be leased with a thirty-day notice to the community to give them opportunity to provide input or voice their concerns.
- Ms. McGarry said these buildings and land are CMS assets and we must be good stewards of the taxpayers' dollars. She is not keen on being in the leasing business because that type of business is a distraction. This is a part of the process to make decisions and she hopes it will include reviewing options for selling the sites that we do not need. Mr. Raible said currently we only have two leases and they do not take a lot of staff time or management. Ms. McGarry said regarding the future growth estimates, does that take into consideration the potential changes to the charter school cap? Mr. Raible said it would be difficult to take that into consideration for forecasting purposes at this time but it is being discussed
- Chairperson Davis said the first decision point should be do we retain or dispose? Chairperson Davis agrees with the retain strategy because we do not precisely know our long term needs. We know our community will grow, we know these are community assets in important neighborhoods, and we need to retain these facilities. The question

is how to make the best use of them in the interim until we put them back in service for our students? Chairperson Davis encouraged the Board to focus on the criteria for Board input and how to make the best use of the facilities instead of who is interested in the facilities. Chairperson Davis reported he and Dr. Gorman met with members of the communities affected by the school closings and it was important for us to meet with them to hear their perspective. It is the Board's responsibility to understand what the members of those communities want.

Dr. Gorman said staff will provide the definitions to the terminology and he encouraged the Board to discuss this individually prior to the June 28th meeting.

C. Report on Management Oversight for Child Nutrition Services

Chairperson Davis called upon Dr. Gorman to introduce the Report on Management Oversight for Child Nutrition Services. Dr. Gorman called upon Guy Chamberlain, Associate Superintendent for Auxiliary Services; Cindy Hobbs, Director of Child Nutrition; and Amy Harkey, Assistant Director of Child Nutrition. Ms. Hobbs provided an overview of Child Nutrition Services.

- Mission of Child Nutrition Services: Contribute to a successful academic experience and encourage a lifetime of healthy eating for each student by providing affordable meals that are nutritious, appealing, and served by caring professionals in a pleasant environment.
- Who is Child Nutrition Services? A Team of dedicated CMS employees who:
 - Care about the health and well-being of our students.
 - Focus on nutrition, in spite of cost, to help assure the academic success of our students.
 - Provide leadership in working with children with allergies.
 - Support professional growth for employees and encourage longevity with the District.
 - Have a management philosophy that supports continuous improvement in all areas of operations.
 - Believe in doing the right thing by ensuring compliance with regulations.
 - Are proud to have an award-winning program that is recognized nationally.
- School Meals - The First step to learning:
 - School Breakfast Program.
 - National School Lunch Program.
 - After School Snack Program.
 - Summer Food Service.
 - 1,273 permanent employees (1,239 school-based and 34 Central Office).
 - 5,350,263 breakfasts served in 2009-2010 school year.
 - 14,248,085 lunches served in 2009-2010 school year.
- Governance: Follows Federal and State statutes. Child Nutrition is a complex department due to the large number of statutes and regulations that govern the operation.
 - Verification of meal applications is regulated by Public Law 108-265, which dictates the sample size that can be verified and the procedures to be used.
 - For 2010-2011, the CMS sample size was approximately 1.5%.

- Sample is focused on the most error-prone applications.
- An error-prone application is within \$100 of the qualifying threshold.
- Parent/guardian must provide proof of income or an award letter that the family receives food stamps or Temporary Aid for Needy Families (TANF).
- Non-responses or non-qualifying income results in loss or reduction of entitlement.
- Verification Process Results for 2010-2011 School Year:
 - 69,716 economically disadvantaged students.
 - 35,322 students not subject to verification as they matched DSS records.
 - 34,394 students subject to verification.
 - 16,950 applications eligible for verification.
 - 236 applications sampled (1.5%).
 - 36 non-response resulted in 53 students losing meal benefits.
 - 66 documents did not match income reported on application.
 - 46 students lost meal benefits.
 - 53 students had free benefits changed to reduced-price.
- Budget: Child Nutrition Services (CNS) is an enterprise fund that is not included in the CMS Operating Budget. The only transfer from the general fund is the CNS share of a block grant from State funds. Any profit stays in the program. The department has a \$63.7 million budget which is funded by money from the federal and state governments, meal fees, and ala carte sales to students and adults. CNS generates enough revenue to cover all direct cost of operations including food, supplies, salaries, benefits, and contracted services from maintenance and repairs. In addition, the CNS budget returns to the District's general fund the maximum amount permitted by a State formula for such indirect cost as custodial services, payroll, human resources, maintenance, and utilities.
 - 2009-2010 Total Income: \$63,256,144.
 - 2009-2010 United States Department of Agriculture (USDA) Meal Subsidies: \$40,542,022. The remaining \$23 million comes from cash payments from students.
 - 2009-2010 Expenditures:
 - 37% Site-based labor.
 - 35% Food and Commodities.
 - 13% Other Expenses (includes depreciation, utilities, payments, contracted services, and indirect costs paid to the school system for essential services).
 - 8% Employee Benefits (\$4.9 million).
 - 4% Food Processing Supplies.
 - 3% Management Labor.
- Goals and Objectives:
 - Compliance with nutrition standards and federal regulations. North Carolina Legislature approved nutrition standards but there was no funding to enact them.
 - CNS adopted the nutrition standards in 2007.
 - CNS has exceeded nutrition standards by removing fryers from all schools; replace sugar sweet beverages with 100% juice and water; changed to all whole grain buns and rolls; serve only skim and 1% white milk and fat-free chocolate milk; offer seven to eight fruit and vegetable choices each day; eliminated added salt to most recipes and use herbs and spices for seasoning; and offer servings of

orange and green leafy vegetables every week.

- Financial Goals:
 - To be self-supporting.
 - To return 100% of allowable indirect costs to the general fund.
 - To operate at breakeven or better.
 - To keep meal prices as low as possible.
- Support district goals and contribute to academic success of our students by serving healthy meals.
- Results:
 - Returned 100% allowable indirect costs to the CMS general fund.
 - Paid \$3,553,005 to the CMS general fund for indirect cost in the 2009-2010 school year.
 - Indirect cost rate is determined by a State formula. The Indirect cost rate for 2010-2011 is 14.292%. Indirect cost rate is applied to operating expenses excluding food and supplies.

- Five-Year Income History:

School Year	Net Income
2005-2006	\$160,534
2006-2007	\$2,819,747
2007-2008	\$2,709,336
2008-2009	\$2,495,716
2009-2010	\$4,361,154
Fund Balance June 2010	\$19,389,319

- As of April 30, 2011, CNS has a net income of \$3,334,598.
- Results: CNS actively seeks ways to support the District's budget cuts by transferring allowable direct costs to the CMS budget and help to reduce the budgets of other Auxiliary Services departments.
 - \$800,000 spent in equipment maintenance contracts in support of maintenance budget cuts.
 - \$40,000 in salary and benefits transferred from maintenance budget to CNS.
 - \$950,000 in equipment purchases removed from capital improvement budget over past five years and funded by CNS budget.
 - Nearly \$200,000 in warehouse salaries eliminated or moved to CNS budget due to outsourcing food delivery.
 - Contributed almost \$500,000 in support of CMS Kronos Time-keeping Project.
- Next Steps:
 - Continuous Improvement:
 - Six Sigma Certification: Seeking Sigma Certification for four team members. This is a business management strategy to help define the causes of deficiencies and to develop strategies for improvement. A Certification project will be to review options to increase high school meal participation which is the lowest area in CMS.
 - ISO 9001 Certification.
 - Employee Training Program.
 - *Healthy, Hunger-Free Kids Act 2010*: The New law was signed by President Obama in January and will shape the future of child nutrition.

- Involve students in menu selection.
- Equity in meal pricing and this is why CMS will have a 5% increase in the lunch price for next year. CMS is not in favor of this increase but it is part of the federal law for what CMS receives in the free meal reimbursement.
- Promote fresh fruits and vegetable.
- Chef's Move to Schools: Seventy schools have signed up to be paired with chefs to develop nutrition programs for students.
- Reduce dependence on process foods.
- Lessons Learned/Next Steps:
 - Commitment to employee training is needed to assure continuous compliance with regulations and increased productivity.
 - Additional technology is needed to provide real-time data for supervisory personnel. Plans are under way to install a data dashboard to make data more accessible and user-friendly.
 - Meal application process needs to be more accessible and user-friendly for parents. In 2011-2012, an On-line meal application will be added.

Ms. Hobbs said Child Nutrition Services will face new challenges in the coming year due to the new regulations but with the continuous improvement plan we geared to meet the challenges and will remain financial sound. We are excited about the upcoming changes and we are embracing the new guidelines.

Board members were invited to ask questions and provide comments.

- Chairperson Davis expressed concern that CNS has a \$21 million fund balance but we are going to raise our prices. Dr. Gorman said this is not what we want to do but the dollars we receive from the federal government for a federally funded meal must have parity to the price we charge for students. As the dollars for the federally funded meals have increased we have kept ours flat but now we must increase our price to match the federal costs. Ms. Hobbs said CMS has not increased its meal prices in ten years and we have strived for the lowest amount of increase.
- Ms. Lennon expressed concern about the increase in lunch prices because her son eats lunch at school. She commended the CNS for running a great program. Ms. Lennon expressed concern regarding the verification process because CMS uses those same applications for several purposes including how we fund schools, the weighted-student staffing formula, how we place teachers in schools, and now who pays for Advanced Placement exams and sports. Ms. Lennon does not question the need of many of students but she is concerned about the reduced price lunch criteria. Ms. Lennon said this will be a focus area for her in the future.
- Mr. McElrath is pleased about the Fresh Fruit and Vegetable Grant at Bruns Avenue Elementary School in which all students get a snack. He said the meals are paid for and allocated and CMS should feed these students to ensure they are not hungry.
- Mr. Morgan asked are we required to provide a Child Nutrition Program or can we require students to bring their own food to school. Dr. Gorman said it is required. Mr. Morgan asked regarding the *Hungry Kids Act*, does it include anything about doing a better audit? Ms. Hobbs it does not include anything about a better audit and she personally wrote letters to Washington to ask them to allow CMS to audit more applications but she has not received a response. Mr. Morgan expressed concern

regarding the errors in the application process for Economically Disadvantaged Students because CMS provides services based upon those figures for weighted student-staffing, weighted fees for athletics, and weighted fees for Advanced Placement exams. Mr. Morgan said this could equate to 11,000 students and he would like staff to estimate what that is costing CMS as a system in extra services that are being provided such as the cost of Advanced Placement exams, waiving sports fees, and the cost of weighted student-staffing. Dr. Gorman said the correlation coefficient for the free and reduced priced lunch tied to academic performance is closely linked and for that purpose it is the tool that gives CMS accurate information for providing extra support. This is a flawed number but it provides CMS information regarding weighted student-staffing because it correlates to the students who are failing. Mr. Morgan would like the costs to the system because those dollars could be redirected to the classroom. Mr. Morgan wants it noted that CMS must provide a lunch to students.

- Mr. Merchant said a couple of years ago he challenged the verification process but the federal guidelines are clear. He reviewed research from Education Resource Strategies regarding the correlation of academic performance and economically disadvantaged students. CMS could develop another way to determine weighted student-staffing that would be more pure but based upon the analysis it resulted in the same group of students and it would be more costly. In the interest of being righteous, we must be careful to not make ourselves less efficient and less successful. Mr. Merchant thanked Ms. Hobbs for the report and responding to the questions he previously submitted. Mr. Merchant asked clarifying questions regarding the budget; indirect costs; outsourcing food delivery; the increase in costs for new regulations regarding fruit and vegetable servings per day estimated at .55 per day per student; the increase in meal costs from \$2.00 to \$2.05; and how to pay for labor and reimbursement rate. Ms. Hobbs provided clarification. Mr. Merchant asked based upon the participation rate do any sites lose money? Ms. Hobbs said, yes, some of the high schools are losing money but the schools with the high participation make up the deficient. Mr. Merchant asked why would we want to be in the food service business at the schools we are losing money and can we outsource select sites? Ms. Hobbs said, yes, the law says we must provide a nutrition program and we want to feed the economically disadvantaged students. We can outsource to select sites but it is difficult to do. Chicago did it for a number of years but has since stopped. The department is able to absorb any losses and providing services to all the school provides consistency among the schools. Mr. Merchant said it is great the department can transfer \$3.5 million into the CMS operating budget and he asked does that amount cover all the indirect costs? Mr. Merchant asked why would we run a cash balance in the enterprise account? Ms. Hobbs said the State recommends we have a three month cushion for efficiencies. This year the government could have shut down and we would not have had any reimbursements for a couple of months to continue operations.
- Ms. McGarry asked are the capital expenses for building new kitchens a Child Nutrition expense? Ms. Hobbs said if it is new construction the State requires the construction of the new kitchen as part of the new construction in the Bond package. CMS takes the amount in the bond package for the kitchen and transfers it to the Child Nutrition fund and it is paid back in depreciation over twelve years. CMS kitchen renovations that are not part of a bond package can be funded by Child Nutrition and in the past five years

Child Nutrition has spent over \$950,000 for renovations and these include North Mecklenburg, Dilworth, and Cochrane this summer. Ms. McGarry asked why did the verification sample change from 3% to 1.5%? Ms. Hobbs said the law was written so that in a year that you have an 80% success rate in getting parents to respond to the verification attempt than the verification sample percentage drops to 1.5%. CMS has been successful in the last two years to get 80% of the parents to respond. Ms. McGarry also expressed concern about using the economically disadvantaged student figures to distribute millions of dollars to the schools and that is a federal government requirement but it is using taxpayers' dollars.

- Dr. Waddell thanked staff for an interesting report. She talked about the importance of child nutrition and expressed concern that in high school there is low participation because many students leave campus to eat hamburgers at fast food restaurants. Ms. Hobbs said the cafeterias serve hamburgers but they are low in fat and sodium. The department strives to buy foods that are popular but we substitute nutritious versions. Dr. Waddell discussed research indicates schools could almost feed every child in the elementary schools for the costs associated with the paperwork for processing verification for economically disadvantage students. Dr. Waddell asked why are lunches brought in for the alternative schools? Ms. Hobbs said CMS has a transport program to some of the smaller schools and alternative schools because we follow the guidelines that indicate to not have a kitchen operating for less than 300 students but we are doing that at a few locations. Some schools do not have a kitchen and others are very small and it would be costly to hire staff for those locations. The Transport Program school sites receive the same quality food as schools with operating cafeterias. Dr. Waddell said as the Board discusses privatization, what impact would that have on cafeterias in that we are funded by the government and is it feasible? Ms. Hobbs said she is not sure what the total impact would be but she has heard that other districts that outsourced food service were not pleased with the service. Both Guilford and Columbus counties tried outsourcing and moved back to in-house service. A vendor would be the middle man and they are in the business to make a profit but the federal law says the food service operations should operate not at a profit and all profits should go into the meals. This might be the reason New York just settled a \$20 million lawsuit with their food management provider. Ms. Hobbs said Child Nutrition Services is ready for the competition of the privatization initiative and she believes they can do the best job for the students as any food management company. Dr. Waddell expressed concern that students arrive at school and have breakfast and two hours later eat lunch. Dr. Gorman said this will lessen next year with the longer school day in elementary school.
- Mr. White said he hopes he can address this issue without alienating other Board members. It is our legal and moral responsibility to serve all students whether they are hungry or thirsty for knowledge. He is pleased CNS has a strong focus on the new nutrition guidelines and providing healthy meals for our students. He would have a greater heartburn if there was one child that could not function because he/she were hungry because in some cases that meal will be the only meal that child has for the day. Not all children have the advantages of having food in the fridge or a parent to prepare the food. He would rather see one child fed than worry about ten students who were cheating and eating. He expressed concern about the costs to audit 17,000 applications because it will not help to save much money. He believes we should serve each and

- every child and it is unacceptable to have a child in school that is hungry.
- Mr. Tate thanked staff for the report and helping the schools with kitchen renovations. Mr. Tate asked what will happen to the equipment in the schools scheduled to be closed? Ms. Hobbs said some of the proposals for leasing include leasing the kitchen equipment and staff is reviewing options to recycle some equipment, moving it to other schools, and older equipment may be auctioned off. Mr. Tate asked how many schools are transport sites? Ms. Hobbs said approximately five or six. Mr. Tate asked with the longer school day is there a need for an afternoon snack? Ms. Hobbs said CMS has two snack programs. The schools with over 50% economically disadvantaged students qualify for a free snack for every child that is enrolled in the Afterschool Enrichment Program. The schools with less than 50% economically disadvantaged students, the Afterschool Enrichment Program works with CNS to provide a snack and the school reimburses CNS for the snack. Mr. Tate believes it is important that CMS feed as many students as are hungry.

ADJOURNMENT

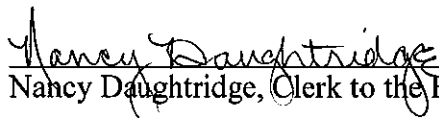
Chairperson Davis called for a motion to adjourn the meeting.

Mr. Merchant moved that the Board adjourn the Regular Board meeting, and by consensus, the Board agreed to adjourn the meeting.

The Regular School Board Meeting adjourned at 10:08 p.m.



Eric C. Davis, Chairperson



Nancy Daughtride, Clerk to the Board