



Every Child. Every Day. For a Better Tomorrow.

Board of Education 2017-2018 Operating Budget and Bond Funding Request

*Presented to:
Mecklenburg Board of County Commissioners
May 23, 2017*



Agenda Overview

2017-2018 Operating Budget Request

- *Our focus and progress*
- *Current fiscal landscape*
- *2017-2018 Operating Budget Request*

CMS 2017 bond funding request

*Charlotte-Mecklenburg Schools has a clear
and unwavering mission*

*To maximize academic achievement
by every child in every school*



Strategic Plan 2018: For a Better Tomorrow is our roadmap and commitment to our community

Goal 1: Maximize academic achievement in a personalized 21st century learning environment

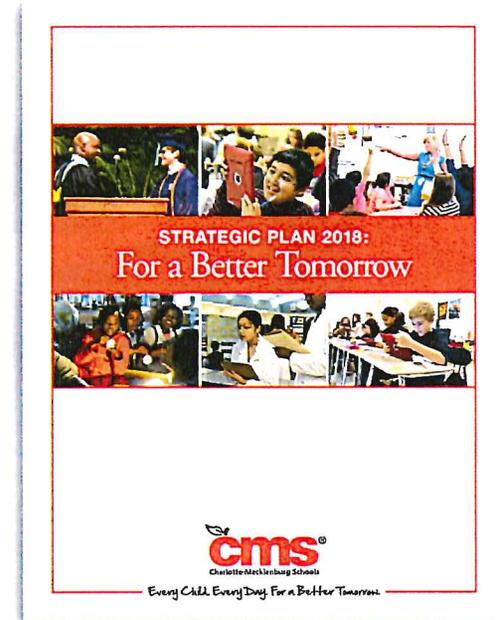
Goal 2: Recruit, develop, retain and reward a **premier workforce**

Goal 3: Cultivate partnerships to provide a sustainable system of support and care for each child

Goal 4: Promote a system-wide culture of safety, high engagement, cultural competency and customer service

Goal 5: Optimize district performance and accountability by strengthening data use, processes and systems

Goal 6: Inspire and nurture learning, creativity, innovation and entrepreneurship through **technology and strategic school redesign**



Achieving our mission and goals will take the continued support of our county commissioners, community members and partners

Support from the County has helped to provide greater academic choice and personalization

New schools and academic options since 2014

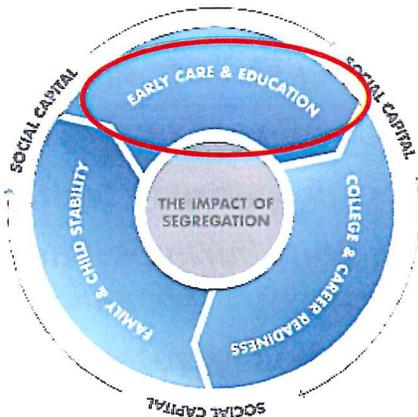
- *iMeck Academy*
- *Hawthorne Academy of Health Sciences*
- *Technology, Entrepreneurship & Advanced Manufacturing High School*
- *Middle College High School expansion with CCCC*
- *Early College High School on UNCC campus*
- *Trillium Springs PreK-6 Montessori*
- *Newell, Parkside and Lawrence Orr elementaries*
- *Oakhurst STEAM Academy*
- *Starmount Academy of Excellence*
- *E-Learning Academy*
- *Expanded Science, Technology, Engineering, Arts and Math schools/programs*
- *Three high school academies*
- ***New in 2017-2018: expansion of Secondary Montessori, coding magnet school, Early Educators Early College at UNCC, Middle College HS at Merancas campus and Renaissance West school***



Expanded services and literacy supports for students and early grades

THE CHARLOTTE-MECKLENBURG OPPORTUNITY TASK FORCE REPORT

OPPORTUNITY "SYSTEM" STRATEGY



Since 2014, supports have included:

60 new school counselors, psychologists and social workers

6 student assistance program counselors*

6 new Pre-K classes

4 mental health providers serving 90 schools*

4 CMS-dedicated Department of Social Services liaisons supporting foster children and families*

Nurses are being hired for every CMS school*

Intensive literacy PD for teachers

More literacy materials for students

Other literacy supports via investments in Read Charlotte and Charlotte Mecklenburg Public Library*

*County supports not funded through CMS

Compensation support for CMS employees

*Local salary supplements
for teachers*

*Raises and benefits for
locally-funded employees
to match state raises,
bonuses and benefits*



Increased technology supports to enhance teaching and learning

*All CMS classrooms have Wi-Fi
to connect to the global classroom*

*All teachers have laptops to
enhance instruction*

*All third- through 12th-graders
have 1:1 access to digital
devices at school*

*Digital techbooks support science,
social studies, math and
other subjects*

*Grants and partnerships
support improved home connectivity
for high-need students*



Together, we are improving academic outcomes for students



2015-2016 achievements:

- *86% of schools met or exceeded student growth expectations, outperforming the state.*
- *52% of schools exceeded student growth expectations, outperforming the state and all other large NC school districts.*
- *CMS is a statewide leader in EVAAS growth*
 - *exceeding expected growth in 12 of 16 tested areas*
 - *exceeding growth in fifth-grade science, biology, Math I and English II for three consecutive years*
 - *meeting or exceeding growth in grades four through eight*

More 2015-2016 achievements

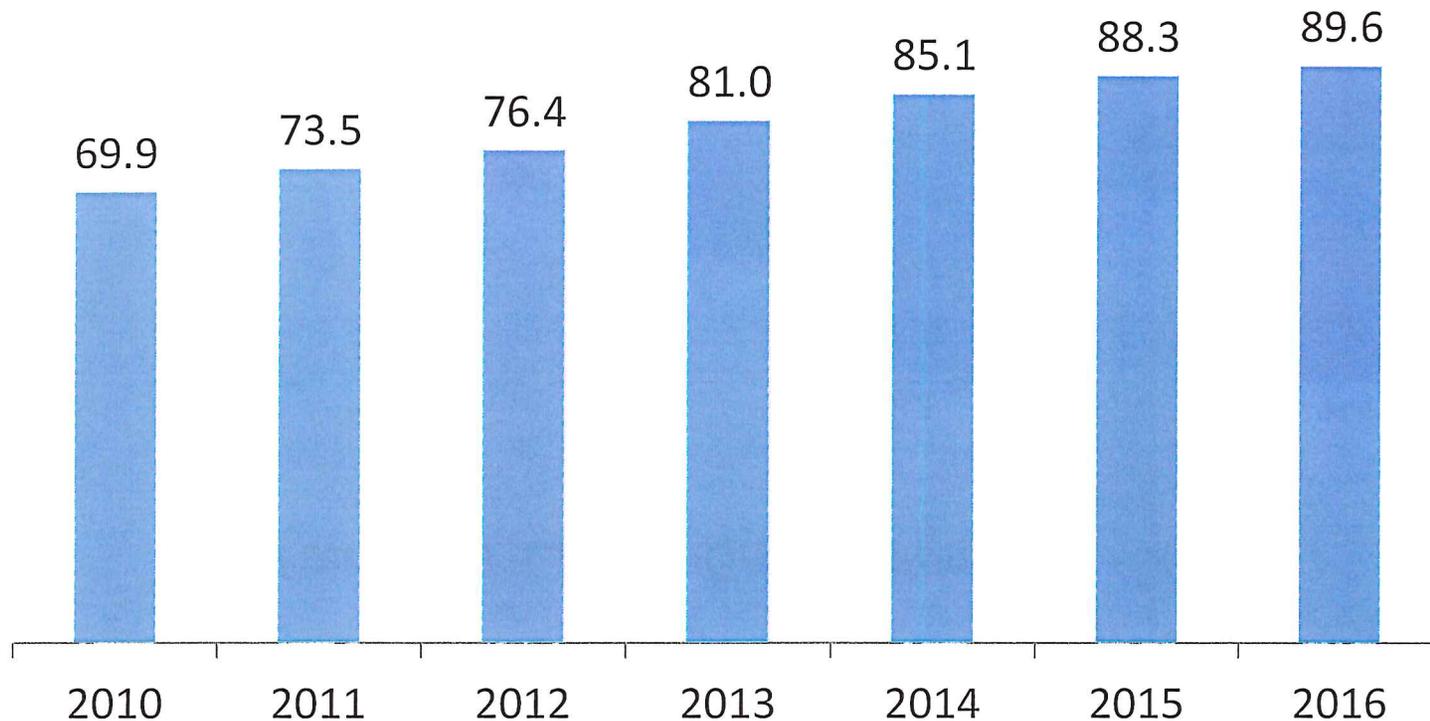
- CMS is the **only large district in NC** to make the College Board's 7th Annual **AP District Honor Roll**
 - the number of students taking AP courses and scoring a three (passing) or higher on AP exams increased
- Students testing at **college- and career-ready levels increased** in all subjects except English II
- CMS **college- and career-ready levels outperformed the state** in every subject and grade tested
- The number of schools rated **A and A+ is rising** and those rated **D and F are declining**.



CMS' graduation rate rose for seventh consecutive year to 89.6 percent

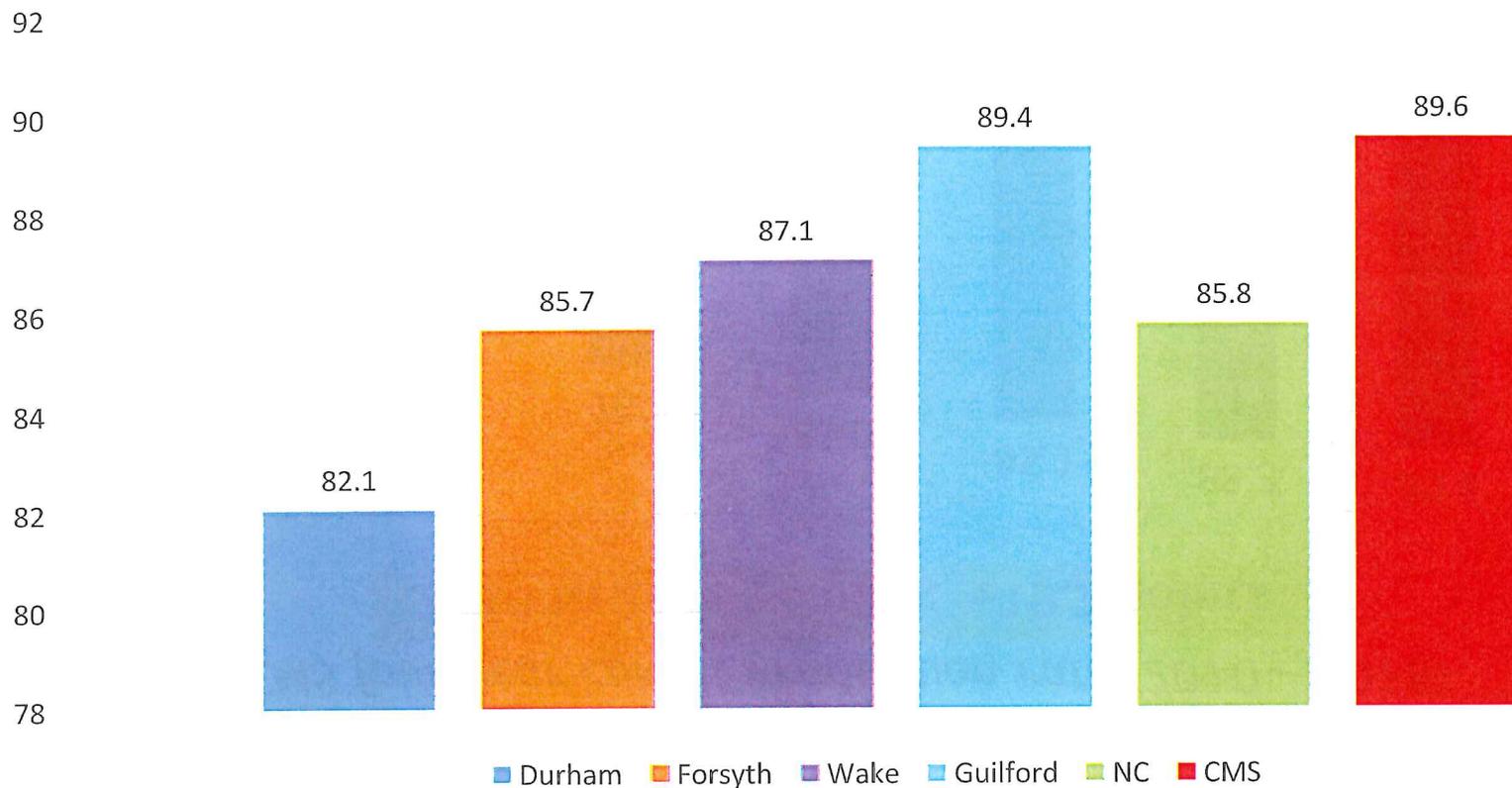
CMS four-year cohort graduation rate (2010 - 2016)

2010 to 2016 change: +19.7 points



CMS' graduation rate exceeds the state average and rates in other large districts in North Carolina

Four-Year Cohort Graduation Rate - 2016



Despite our gains, there is still more work to do

Achievement gaps persist between groups of students.

Not enough students are performing at college- and career-ready levels

Our proficiency levels on state tests indicate many students remain below grade level.



*We must continue our efforts to move **all** students forward.*

We continue to face challenging fiscal realities



- *Operating costs are increasing
i.e. utilities, health insurance and retirement*
- *Benefit cost increases are more than
52% of overall budget growth
Since FY09, total budget +\$183 million (+15.3%)
while benefit costs +\$95 million (+70%)*
- *Charter pass-through costs are rising*
- *At \$2,518, per-pupil county funding
retained for CMS students is \$6 lower
today than in FY09*

In 2016, North Carolina ranked 12th out of 13 states in the Southeast for per-pupil spending

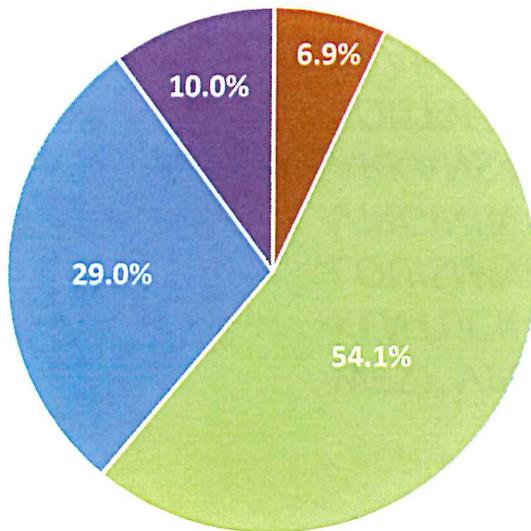
<u>State</u>	<u>Per Pupil Expenditure</u>
WEST VIRGINIA	\$13,293
KENTUCKY	\$11,796
LOUISIANA	\$11,262
VIRGINIA	\$11,042
ARKANSAS	\$9,715
SOUTH CAROLINA	\$9,708
ALABAMA	\$9,206
FLORIDA	\$9,206
GEORGIA	\$9,085
TENNESSEE	\$9,058
NORTH CAROLINA	\$8,898
MISSISSIPPI	\$8,842
SOUTHEAST REGION	\$10,093

Source: National Education Association Research, Estimated Expenditures for Public Schools 2015-2016

CMS has proactively managed its budget to help address rising costs and critical needs

Uses of Total Operating Budget Increase Since FY09

Budgeted increases by category since FY09



	<u>Total</u>	<u>Remaining</u>
Total budget increase since FY09	\$183.2M	
Charter School Pass-through <i>\$ Not retained for CMS students</i>	-\$29.9M	\$153.3M
Salary & Benefit Increases	-\$234.5M	-\$81.2M
Sustaining, Growth and New Space <i>Day-to-day operating expenses</i>	-\$125.5M	-\$206.7M
Reductions and Redirections <i>Realignment of existing resources</i>	+\$250.1M	\$43.4M
What's Left <i>New initiatives to support Strategic Plan 2018</i>	-\$43.4M	\$0

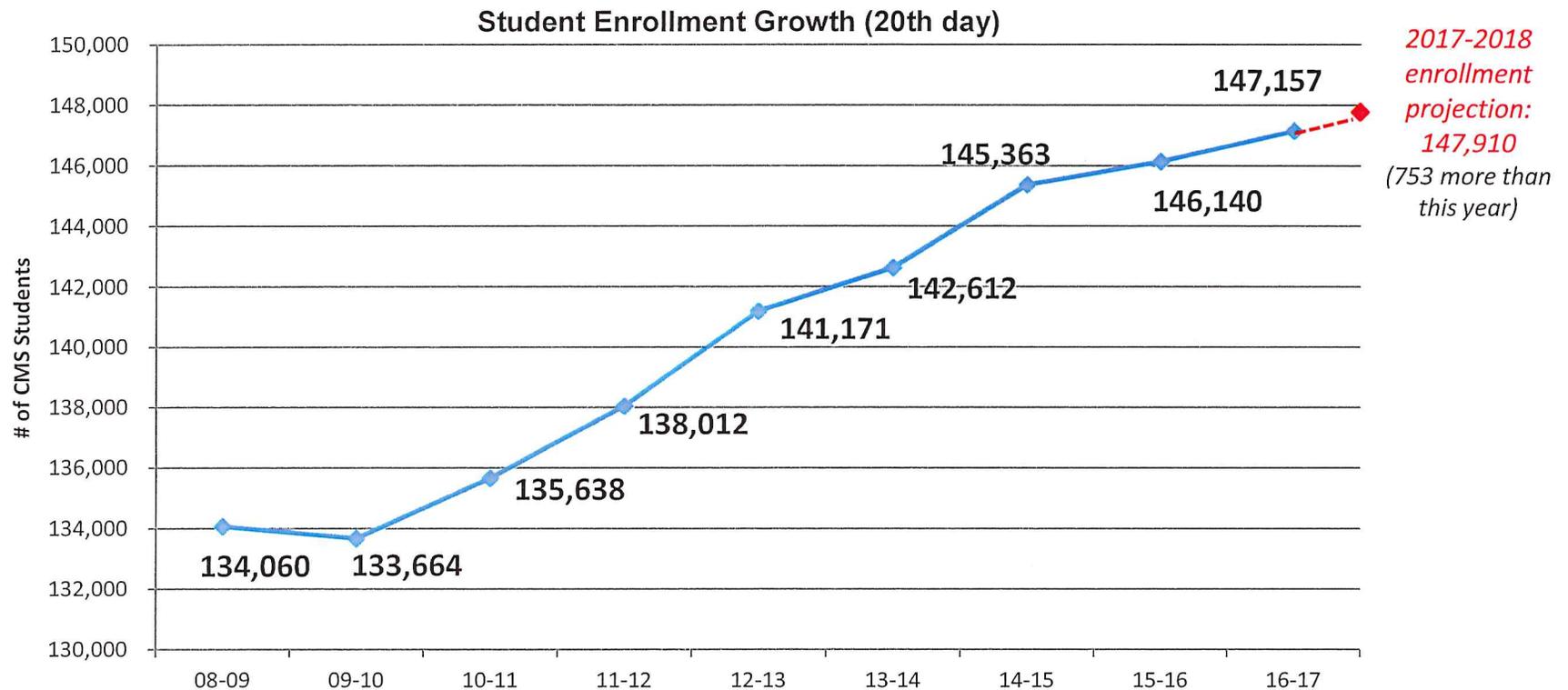
The 2017-2018 Operating Budget Request

*Our budget
request
represents
four
critical needs*



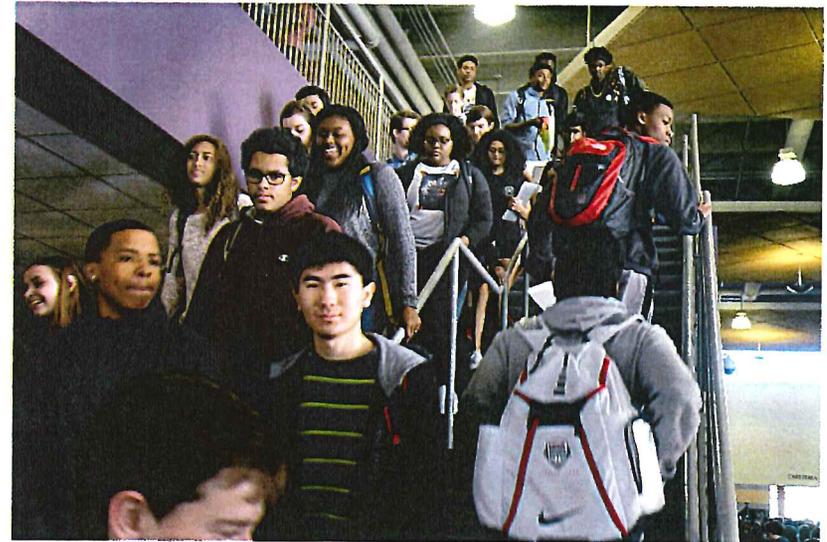
Critical Need #1: Funding for continued student enrollment growth and sustaining operations

Currently 147,157 students, up 1,017 students over last year and 13,097 students since 2009



*Critical Need #1:
Funding to support student enrollment growth
and sustaining operations*

***\$5.4 million** in county funds to cover enrollment growth, new space and sustaining operations costs such as facility leases, insurance premiums, athletic stipends, solid waste removal, school resource officer contracts and utilities*



Critical Need #2:

*Consistent pay increases for all employees
by matching proposed state salary increases
for locally paid employees*

*\$10.3 million in county funding
to cover the impact of proposed
state salary and benefit increases
for locally paid employees and the
county supplement for certified staff*

- An average 7% raise for
school-based administrators*
- An average 3% for certified
and non-certified staff*



- Benefit costs continue to rise for both
employer and employee - negatively
affecting employee net income*

An example: How benefits costs have affected non-certified employee salaries since 2008

Not adjusted for inflation or increases in deductibles, coinsurance, housing, food, gas and other living expenses

July-2008	<i>Sample employee annual salary</i>	\$35,000
July-2009	2009-10 Increase in health benefit cost	(\$523)
July-2010	2010-11 Increase in health benefit cost	(\$569)
July-2011	2011-12 Increase in health benefit cost	(\$628)
July-2012	2012-13 Salary increase – 3% state/local	\$1,050
July-2012	2012-13 Increase in health benefit cost	(\$401)
Jan.-2014	2013-14 Increase in health benefit cost	(\$765)
July-2014	2014-15 Salary Increase - state/local	\$500
Jan.-2016	2015-16 Increase in health benefit cost	(\$714)
July-2016	2016-17 Salary Increase – 3% state/local	\$1,097
Jan.-2017	2016-17 Increase in health benefit cost	<u>(\$292)</u>
	<i>Sample employee net salary</i>	\$33,755
	<i>Net decrease in salary since 2008</i>	(\$1,245)
	<i>% decrease in salary since 2008</i>	(3.56%)

Note: Assumes non-certified staff with 80/20 family coverage.

*Critical Need #3:
More school and student support services*

***Every child can learn
at high levels***



*Many of our students, regardless
of socio-economic circumstance,
come to school with challenges
that can impede learning*

*To unlock every child's full
potential, we must address
social and emotional needs as
well as academic ones*

The importance of school counselors, psychologists and social workers

Social Workers

- Assess **school-based & community resource needs** for struggling families
- Provide **mental health and behavioral supports** for students
- Conduct **home visits** to maintain school and family connections
- Work with families to **reduce attendance barriers**

Psychologists

- Provide **psychological evaluations, cognitive-behavioral therapy, group counseling, crisis response** and other services to support student learning
- Work with school staff to problem-solve, analyze data and **make recommendations for evidence-based academic and behavioral interventions**
- Provide **consultation and training** to parents

Counselors

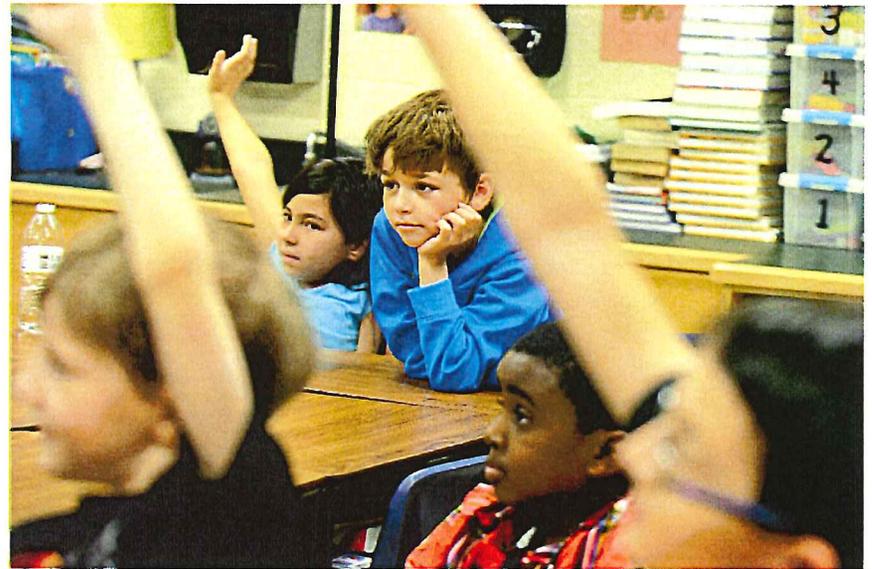
- Provide counseling and classroom guidance activities to **support mental health and behavioral challenges** for students and families
- Review academic information and **place students in appropriate courses**
- Conduct **high school credit checks and transcript reviews** based upon Graduation Success Initiative procedures
- Provide **information sessions** on scholarships and financial aid, postsecondary planning, and college admission test preparation
- Consult and support **student crisis and support plans**

Critical Need #3: More school and student support services

In 2014-2015, we launched a four-phase *plan to improve the social and emotional health of our students* and the overall safety of our schools.

To date, *phases 1 and 2a have been funded*, adding 49 school counselors, six psychologists and five social workers. We have also added school-based mental health supports in 101 schools.

Community members, staff and students *consistently* raise this as *a top priority*.

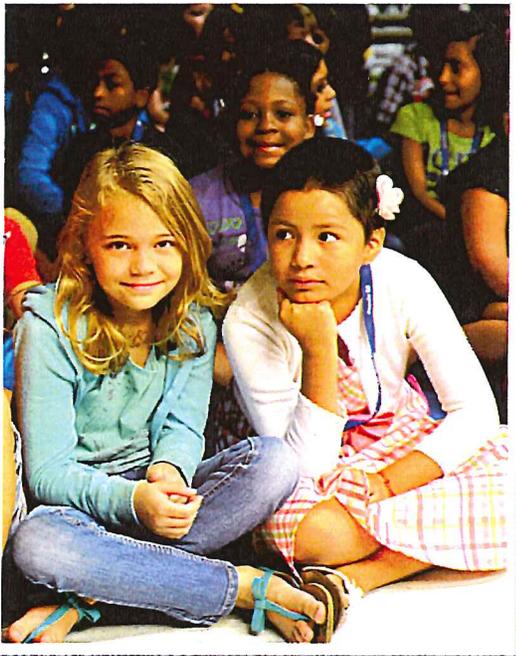


Critical Need #3: More school and student support services

*\$4.5 million in county funding to complete phases 2b and 3 of the four-phase plan, providing an additional **42 counselors, six psychologists and 12 social workers** for our schools and students*

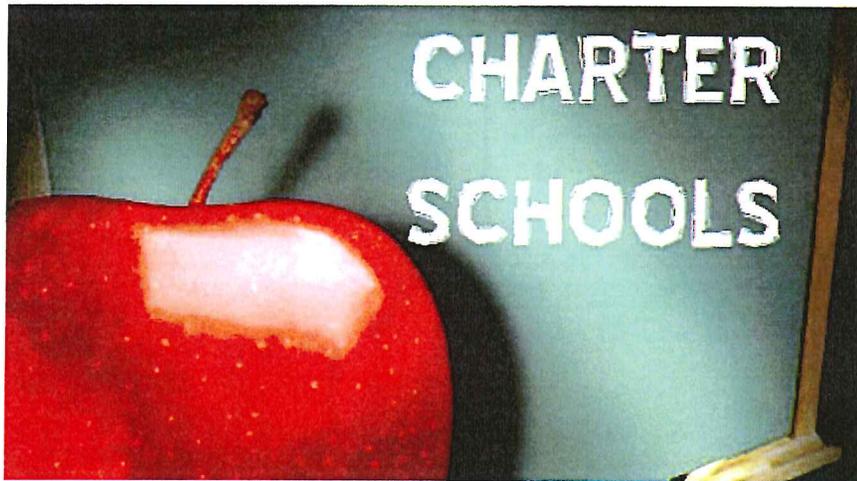


We are close to achieving our targeted social-emotional support levels for students



	Current student support levels	Student support goals	Impact of 60 new positions in 2017-2018	Projected impact of add'l Phase 4 positions
Counselors	1-725 students 1 counselor	1-500 students 1 counselor	Goal met for all elementary schools ✓ * Middle and high schools currently meet these targets	Maintain
	726+ students 2 counselors	501-1,000 students 2 counselors		
		1,000+ students 3 counselors		
Psychologists	One for every three to four schools	One for every two schools	Progress Reduces # of needed positions from 16 to 10	Goal met ✓
Social workers	One each for 39 Title 1 schools	One for every Title 1 school	Progress Reduces # of needed positions from 37 to 25	Goal met ✓

Critical Need #4: Additional charter pass-through funding



*We request an additional
\$6.7 million in county funding
on behalf of local charter
schools for charter school
students*

*We project 2,587 new students
will enroll in local charter
schools next year*

*Not fully funding this request
will require CMS to reallocate
dollars that currently serve
CMS students*

2017-2018 requested operating budget increase from the county

<i>Student growth and sustaining operations</i>	<i>\$ 5.4 million</i>
<i>Matching proposed state salary increases for locally paid employees</i>	<i>\$ 10.3 million</i>
<i>More school and student support services</i>	<i>\$ 4.5 million</i>
+	<i>Requested increase for CMS: \$ 20.2 million</i>
<i>Charter pass-through funding</i>	<i>\$ 6.7 million</i>
	<i>Total requested increase: \$ 26.9 million</i>

2017-2018 Total Proposed Budget

REVENUES

	<u>Proposed Budget</u>	<u>% of Total</u>
<i>State of North Carolina</i>	\$828,757,458	58.6%
<i>Mecklenburg County</i>	\$440,479,845	31.2%
<i>Federal and other grants</i>	\$129,595,537	9.2%
<i>Other and special revenue</i>	<u>\$14,032,500</u>	<u>1.0%</u>
TOTAL OPERATING BUDGET	\$1,412,865,340	100%
<i>Capital Replacement</i>	\$5,000,000	
<i>Deferred Maintenance Capital Funding</i>	\$18,000,000	
<i>Enterprise Funds:</i>		
<i>Child Nutrition Program</i>	\$70,337,763	
<i>After School Enrichment Program</i>	<u>\$13,715,870</u>	
TOTAL PROPOSED BUDGET	\$1,519,918,973	

2017-2018 Proposed Operating Budget vs. 2016-2017 Adopted Operating Budget

<i>2017-2018 Proposed Budget</i>	<i>\$1,412,865,340</i>
<i>2016-2017 Adopted Budget</i>	<i>\$1,377,873,795</i>
<i>Increase</i>	<i>\$34,991,545</i>
<i>Change Over Prior Year</i>	<i>2.5%</i>

* Operating budget only – does not include capital or enterprise funds

State Budget Landscape

Estimated Impact of State Proposals on CMS Proposed Budget (County Funding)

Category	Governor's Budget	Estimated Impact on CMS Proposed Budget	Preliminary Senate Budget	Estimated Impact on CMS Proposed Budget
Salary Increase				
Certified staff and Non-certified staff	5.0% average for certified; Greater of 2.0% or \$800 and \$500 one time bonus for non-certified	\$3.8M	3.7% average for certified; Greater of 1.5% or \$750 for non-certified	\$518,426
Principals/AP	Average 6.5%	(\$183,928)	Revised schedules	TBD
Teacher/Principal Bonuses	N/A		Teachers: continue AP/IB/CTE/3 rd grade	TBD
Benefit Increase				
Retirement	17.33%	\$1.0M	16.69%	(\$314,497)
Health	\$5,880	\$352,974	\$5,869	\$247,891
State Allotments				
Central Office	N/A		(\$10.0M)	TBD (\$360,000 state cut)
Textbook and Digital Materials	\$3.0M (R); \$10.0M (NR)		\$10.0M (R) \$1.1M (NR)	
Instructional Supplies Stipend (\$150 per teacher)	\$14.0M	\$265,200 (locally funded teachers)	N/A	
Driver Safety Incentive Program (reimbursement via state process)	N/A		(\$25.8M)	
Digital Learning Professional Dev.	\$5.0M		N/A	
School Based Personnel	\$20.0M		N/A	

Strong public schools promote a prosperous community for all Charlotteans



They promote workforce development

by preparing students to successfully pursue multiple college and career pathways

They attract and retain businesses that boost economic and population growth

They foster economic prosperity

Because high school graduates earn more and spend more

They help break cycles of poverty in our communities

as highlighted in the Charlotte-Mecklenburg Opportunity Task Force Report

The time is now
to build on our positive trends and prepare
Every Child. Every Day. For a Better Tomorrow.



Agenda Overview

2017-2018 Operating Budget Request

- Our focus and progress*
- Current fiscal landscape*
- 2017-2018 Operating Budget Request*

CMS 2017 bond funding request

The need for capital funding that supports student achievement is real and urgent

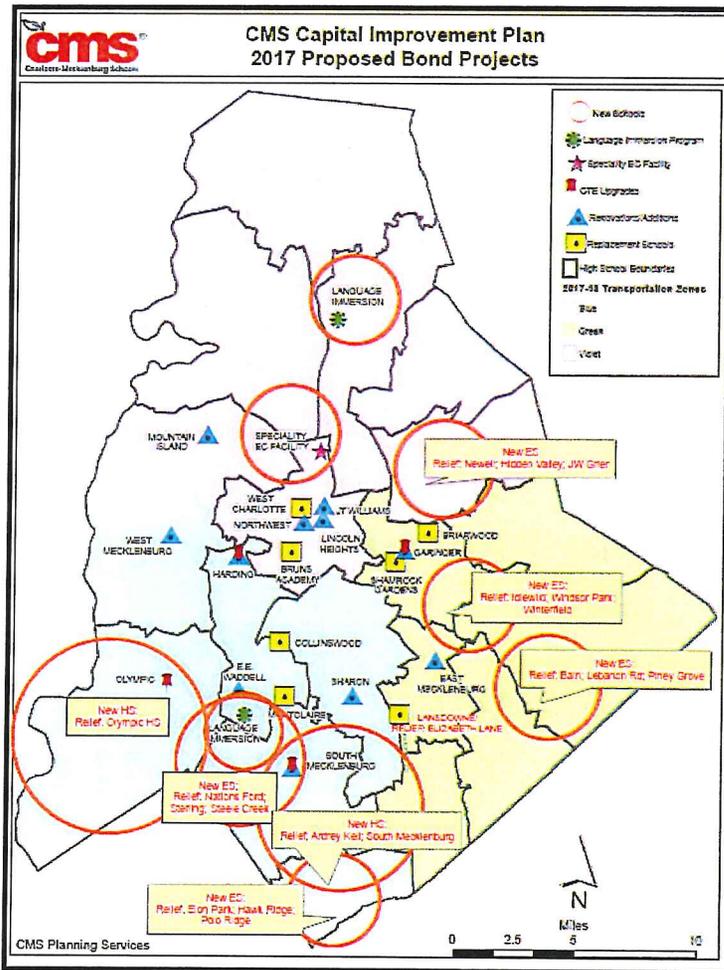
- **More new schools** to accommodate our large and growing student population
 - 78% of schools are at or over capacity
- **Replacement schools** to address our aging ones
 - 78 schools were built more than 50 years ago
- **Renovations and additions** to provide much-needed upgrades and meet today's educational standards

How overcrowding affects our students and schools

- *Lunch as early as 10 a.m. with overflow beyond cafeterias*
- *Crowded hallways, media centers, cafeterias and gyms*
- *Twenty thousand students in 1,100 mobile classrooms*
- *Accelerated wear and tear on buildings*



Capital funding for 10 new schools would reduce overcrowding at 20 others



Elementary

- Bain
- Elizabeth Lane
- Elon Park
- J. W. Grier Academy
- Hawk Ridge
- Hidden Valley
- Idlewild
- Lebanon Road
- Nations Ford
- Newell
- Piney Grove
- Polo Ridge
- Steele Creek
- Sterling
- Windsor Park
- Winterfield

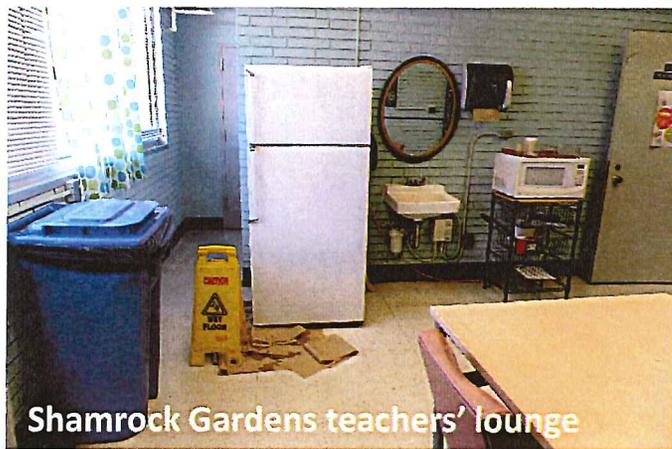
High

- Ardrey Kell
- Myers Park
- Olympic
- South Mecklenburg

Capital funding would provide replacement schools for seven of our schools



Fully staffed front office

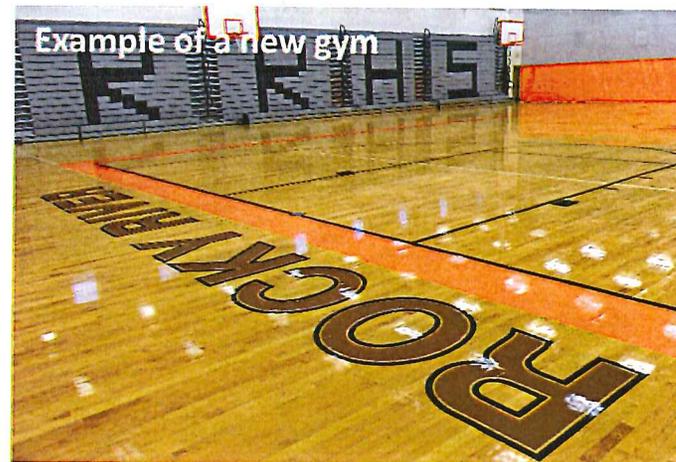
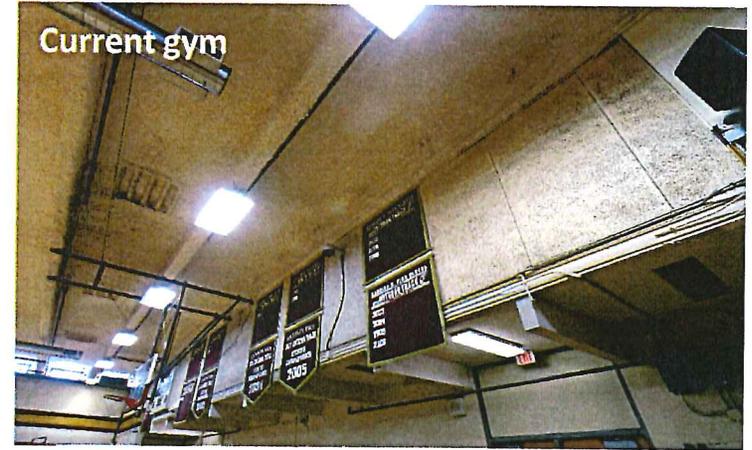


Shamrock Gardens teachers' lounge

- *Briarwood Elementary*
 - **Built: 1956 with 28 classrooms**
 - **57% over capacity**
 - New 45-classroom school
- *Bruns Academy*
 - **Built: 1969 with 39 classrooms**
 - **29% over capacity**
 - New 63-classroom school
- *Collinswood Language Academy*
 - **Built: 1959 with 23 classrooms**
 - **87% over capacity**
 - New 63-classroom school
- *Lansdowne Elementary*
 - **Built: 1959 with 32 classrooms**
 - **9% over capacity**
 - New 45-classroom school
- *Montclair Elementary*
 - **Built: 1958 with 24 classrooms**
 - **33% over capacity**
 - New 45-classroom school
- *Shamrock Gardens Elementary*
 - **Built: 1954 with 30 classrooms**
 - New 45-classroom school
- *West Charlotte High*
 - **Built: 1954 with 96 classrooms**
 - New 125-classroom school

Harding University High

- *Proposed plan:*
 - **Renovate or replace gymnasium and kitchen** built in 1961 and **cafeteria** built in 1969
- *Cost estimate:*
\$19.1 million



West Mecklenburg High



- *Proposed plan:*
 - **Renovate or replace gymnasium** built in 1954
- *Cost estimate:*
\$11.3 million

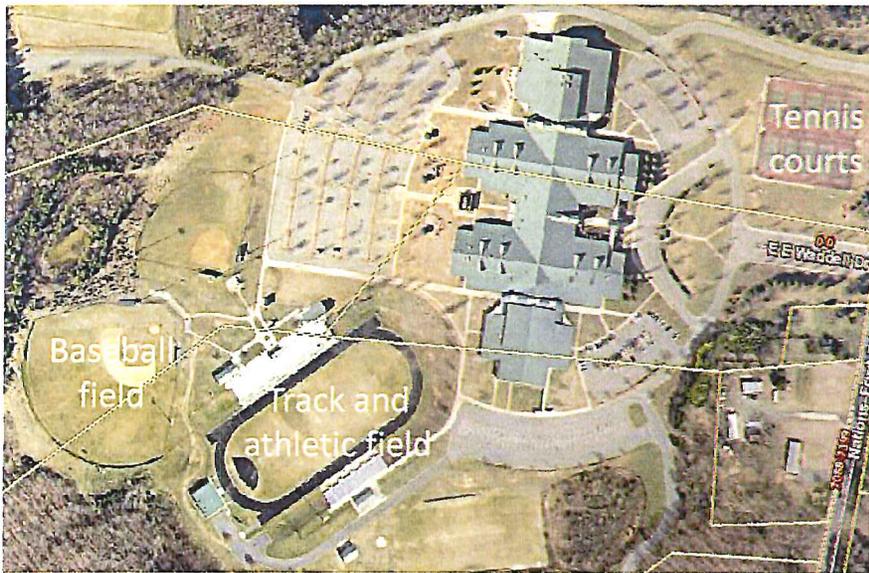


Sharon Elementary

- *Proposed plan:*
 - **Add 15-20 classrooms**
 - **Eliminate all mobile classrooms**
 - **Expand enrollment capacity**
- *Cost estimate: \$7.9 million*

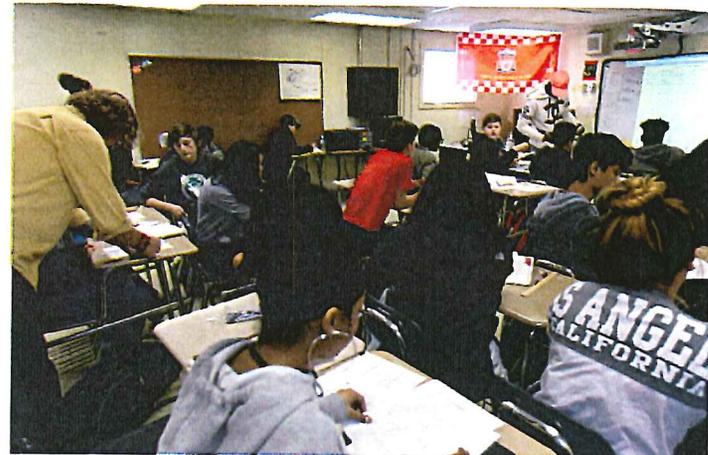


E.E. Waddell Language Academy



- *Proposed plan:*
 - *Relocate language immersion magnet program to north and south areas of county to expand access*
 - ***Renovate and reopen E.E. Waddell as a 71-classroom magnet high school***
- *Cost estimate: \$4.5 million*

South Mecklenburg High



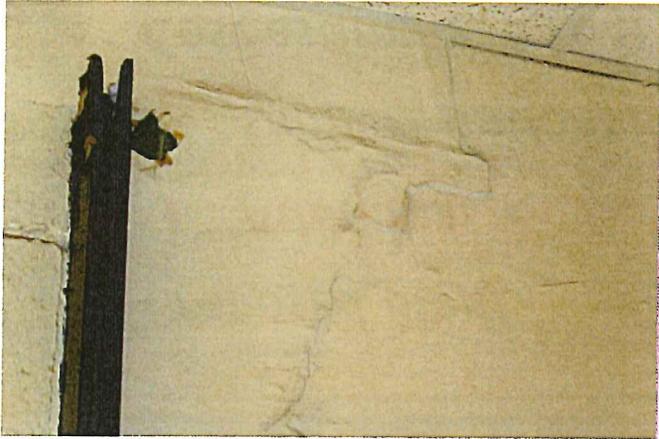
- *Proposed plan:*
 - **Replace two buildings with a 30-classroom building** to support:
 - *Exceptional Children, Career and Technical Education, ROTC, arts and social studies (building C)*
 - *World languages (building D)*
- *Cost estimate: \$12.8 million*

Northwest School of the Arts



- *Proposed plan:*
 - **Add classrooms and replace visual arts building (B)** to support nationally recognized arts program
- *Cost estimate: \$16.9 million*

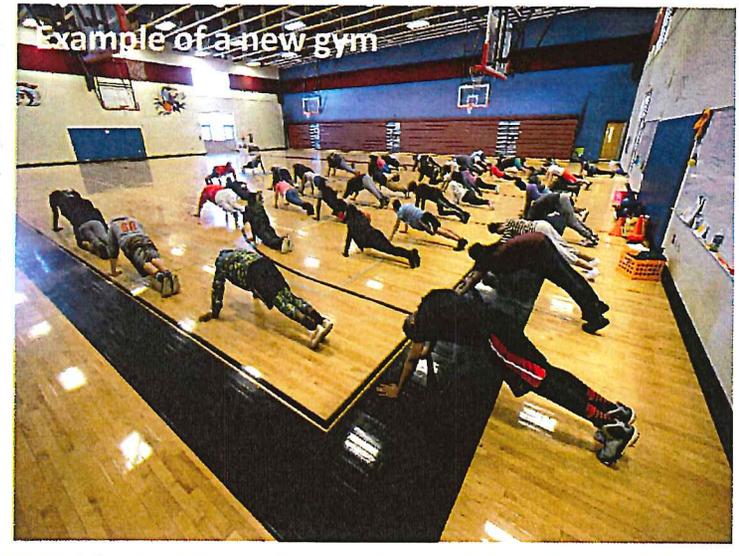
East Mecklenburg High



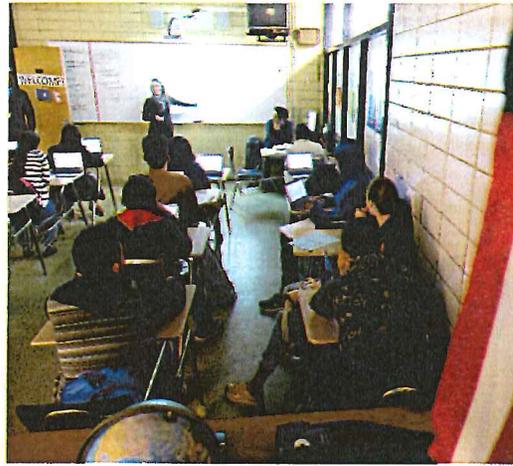
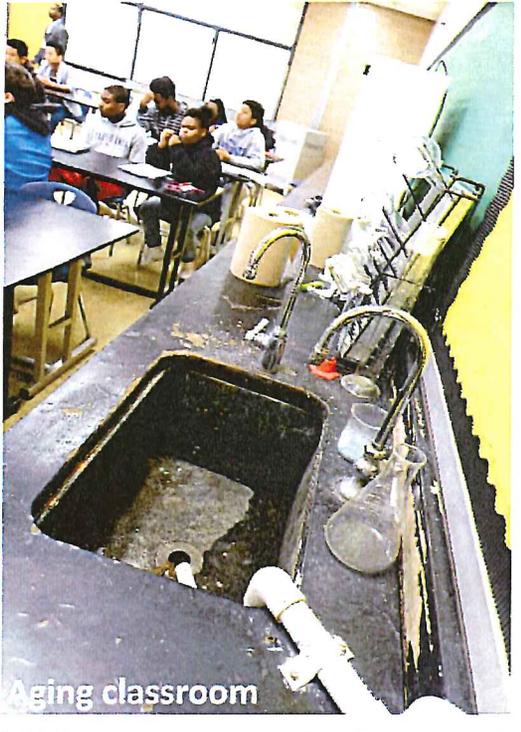
- *Proposed plan:*
 - **Renovate or replace three buildings**, originally constructed between 1949 and 1956, to support Exceptional Children, world languages, arts and English
- *Cost estimate: \$12.8 million*

Mountain Island Lake Academy

- *Proposed plan:*
 - *Second phase of work to **complete the conversion of the former elementary school to a K-8 facility, including:***
 - *Gymnasium*
 - *Specialty classrooms*
(i.e. music, art and Career and Technical Education)
- *Cost estimate: \$9 million*



Garinger High



- *Proposed plan:*
 - **Renovate 20-30 classrooms** and **improve kitchen and cafeteria**, which were originally constructed in 1959
- *Cost estimate:*
\$13.8 million

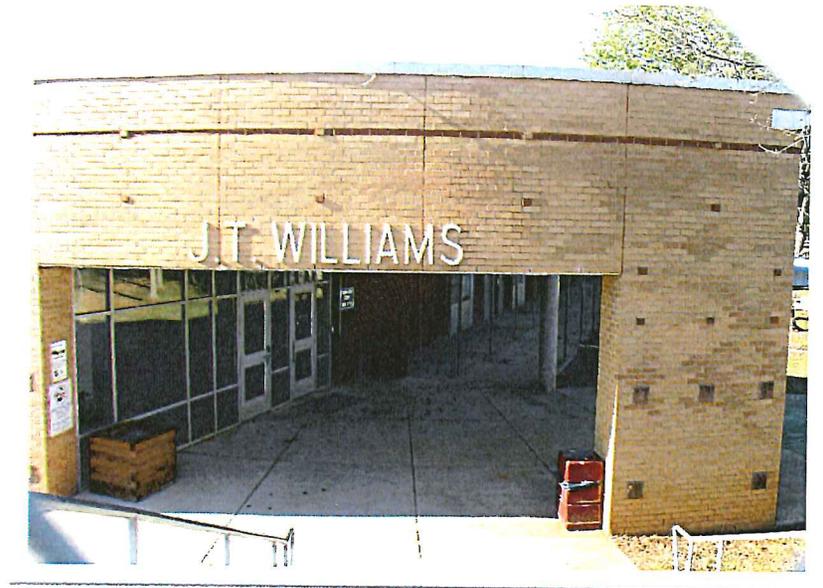
Lincoln Heights Academy

- *Proposed plan:*
 - *Renovate 39-classroom facility to **reopen as an elementary school and increase student capacity in a magnet program***
- *Cost estimate: \$3.9 million*

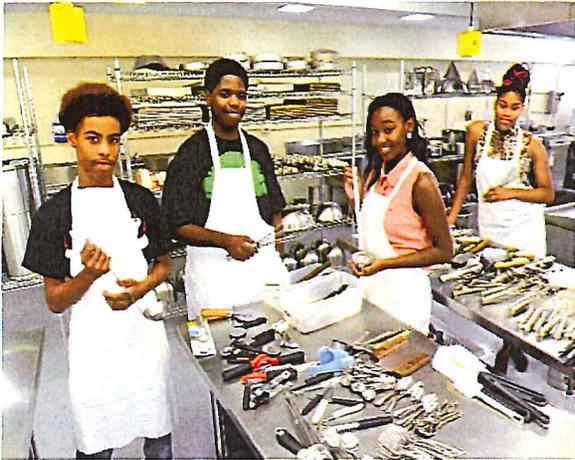


John Taylor Williams

- *Proposed plan:*
 - ***Continue renovation of 39-classroom multi-building campus for new secondary Montessori program***
- *Cost estimate:*
\$13.5 million



Olympic, Harding, Garinger and South Mecklenburg high schools



- *Proposed plan:*
 - ***Expand access to Career and Technical Education offerings***
 - *May include culinary, automotive and cosmetology*
- *Cost estimate:*
\$10.1 million

CMS is seeking \$944 million in funding to address its 29 highest-need capital projects

✓ **10 new schools**

1,250

*new, replaced or renovated classrooms
delivering about*

✓ **Seven replacement schools**

20,000

*newly constructed and renovated seats.
Of those,*

✓ **12 renovations and additions**

4,000

*seats would expand access to magnet
programs or school options in*

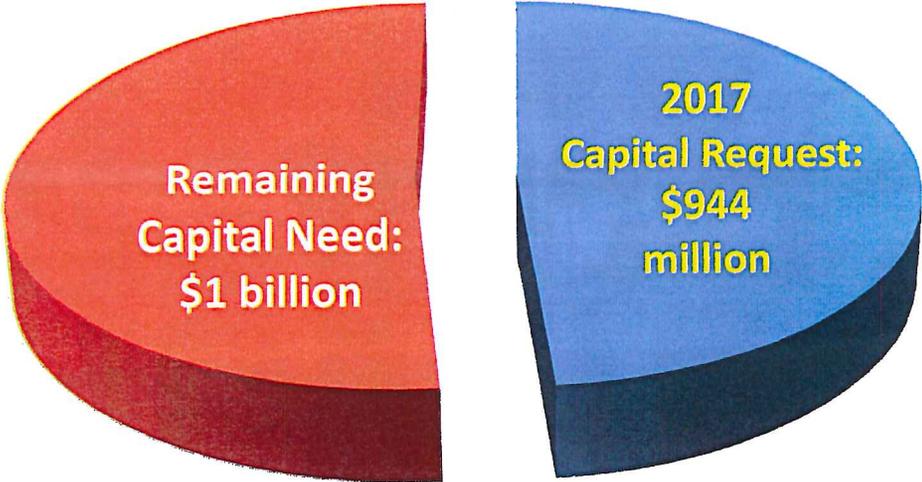
✓ **More academic choices for students**

7

magnet schools or programs.

CMS is seeking \$944 million in capital funding now to help meet a \$2 billion 10-year need

The 2017 capital funding request is **less than half** of the district's **\$2 billion 10-year capital need**



Questions?



*The need for our students is real.
The time for our students is now.*