



2019 - 2020 Superintendent's Proposed Budget Recommendation

EXECUTIVE SUMMARY

Dr. Clayton M. Wilcox, Superintendent • March 26, 2019



Our Kids Need Us

Charlotte-Mecklenburg Board of Education

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Overview



OUR KIDS NEED EQUITY, PEOPLE AND SUPPORT

An open letter from the superintendent

To the Charlotte-Mecklenburg Board of Education:

Our proposed budget this year continues our call to action, pushing forward the goals of the 2024 Strategic Plan. Our 2019-2020 budget proposal identifies three key areas of need for our kids: equity, people and support.

We are asking Mecklenburg County to address these areas of need by increasing the county's CMS appropriation by \$69.9 million, a 15.2 percent increase over last year's funding. This request is part of our total proposed operating budget of \$1.6 billion.

How will we use this money? We will allocate it to continue addressing the issue of economic mobility in our community. Robust public education is the most important lever for change. If we prepare our kids to succeed after high school, the whole community benefits. Educating all of our kids well, not just some of them, will directly improve economic mobility and opportunity. We have identified three areas of investment that will move us closer to this goal.

Our kids need investments in **equity**. We must guarantee a viable curriculum across the district, focus on consistent instruction and high expectations, and prepare educators to maximize the resources they have. We are requesting \$9.4 million for this: \$4.3 million to guarantee a viable curriculum and access to fine arts experiences for every student, \$3.7 million for cultural-proficiency training for students and staff; \$826,218 for professional development for teacher assistants; \$300,000 to establish a Standards and Equity Institute; and \$346,417 to provide one-click access to the array of online resources we offer students and staff.

Our kids need investments in **people**. We must offer salaries to our educators that are not only adequate but are competitive, and we must provide a living wage to the cafeteria workers, assistants, custodians and others who serve our kids. We are asking \$32.5 million to cover local-supplement increases, state-driven salary increases, market-driven adjustments for non-certified staff, expanded time for teacher assistants and employee recognition, as well as covering increases in health insurance and retirement rates.

Our kids need investments in **support**. We must provide a safe, welcoming environment to every student and monitor their social and emotional health in and out of school. To do this, we must add counselors, psychologists and social workers; enhance security to keep schools safe; and ensure schools are clean and healthy. So we are asking for \$21.8 million: \$5.8 million to strengthen the support provided by counselors, psychologists and social workers; \$4.2 million to enhance school security and safety; \$7.1 million for preventive maintenance and custodial staffing at schools; \$1.1 million to cover increases in transportation costs for homeless and pre-kindergarten students; \$3 million to modernize our information systems; and \$650,038 for maintenance and operating costs for additional facility space.

Our budget proposal also seeks county assistance with the impact of charter-school growth. We project 1,552 new students in charter schools at a cost of \$6.2 million.

OUR KIDS NEED EQUITY, PEOPLE AND SUPPORT

An open letter from the superintendent

These are substantial investments to meet substantial needs and challenges. We believe that the citizens and officials of Mecklenburg County want to invest in public education. They want to see a more equitable community, one that offers a ladder out of poverty to financial stability. Excellent public education is the key lever in building that ladder. Our budget proposal will help us build that ladder, as well as a stronger, more economically viable future for our kids by ensuring that all of them receive a guaranteed viable curriculum and the support they need to thrive in school and after high school.

Our kids deserve this substantial investment. I hope the members of the Charlotte-Mecklenburg Board of Education will support this budget proposal.

Respectfully,

A handwritten signature in blue ink that reads "Clayton M. Wilcox". The signature is written in a cursive style.

Dr. Clayton M. Wilcox

Superintendent, Charlotte-Mecklenburg Schools



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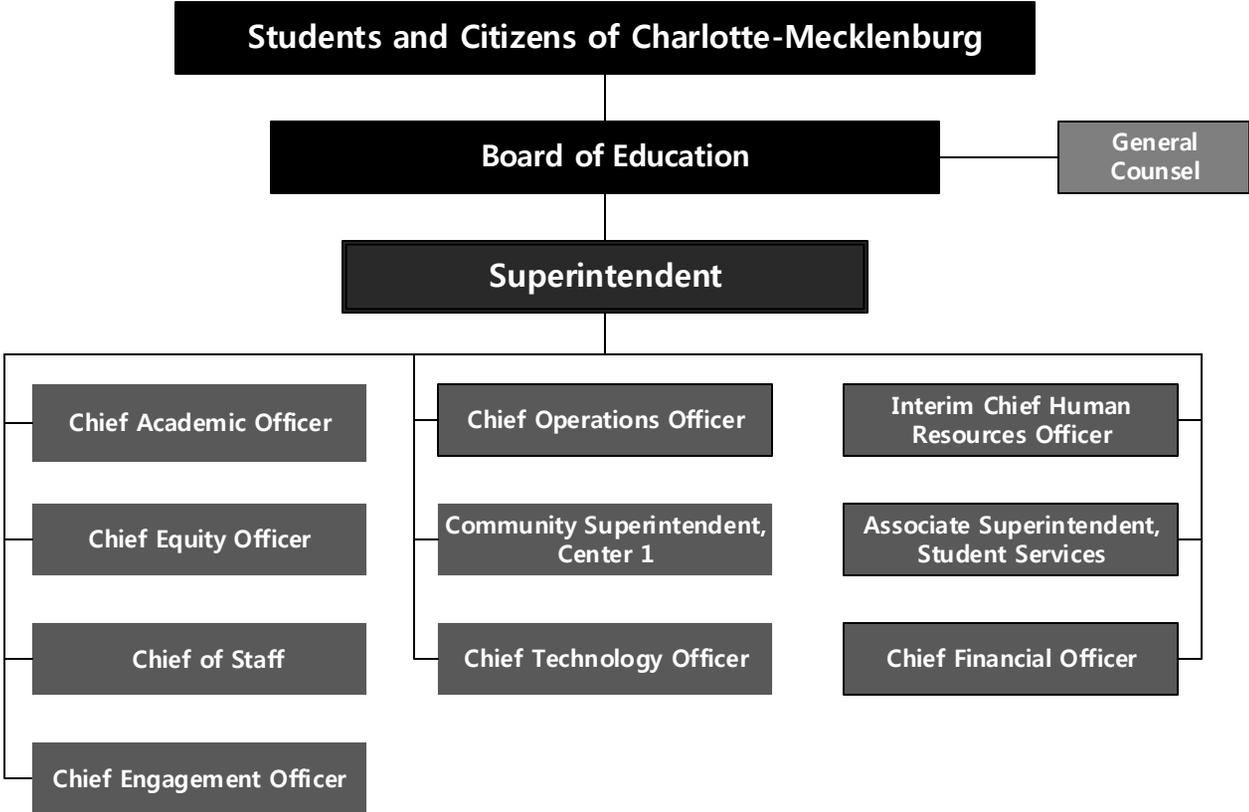
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Charlotte-Mecklenburg Schools

District Organization Chart

2018 – 2019





Mary T. McCray, Chairperson, At-Large
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VISION

The vision of Charlotte-Mecklenburg Schools is to lead the community in educational excellence, inspiring intellectual curiosity, creativity, and achievement so that all students reach their full potential.

MISSION

The mission of Charlotte-Mecklenburg Schools is to create an innovative, inclusive, student-centered environment that supports the development of independent learners.

CORE BELIEFS

WE BELIEVE THAT:

- Public education is essential to democracy and necessary for economic opportunity, mobility and the broader public good.
- We are responsible for building and maintaining a high performing school district.
- Each student is uniquely capable and deserves an engaging, relevant, and challenging educational experience.
- Our principals and teachers make the critical difference in student achievement and building a positive school community.
- The school system, families and communities are necessary partners in ensuring the academic, social, emotional and behavioral success of our students.

BASED ON THESE CORE BELIEFS, WE ARE COMMITTED TO:

- Providing a clear Theory of Action and an effective Superintendent to lead its implementation.
- Ensuring that all students achieve their full potential.
- Ensuring that each student has an effective teacher.
- Ensuring that an effective principal leads every school.
- Giving all students access to a well-rounded, rigorous curriculum that is evidence-based and data-informed.
- Preparing all students to be successful in institutions of higher learning or the workforce.
- Creating safe and orderly working and learning environments.
- Securing and allocating the necessary resources to pursue our vision and mission.
- Operating effectively and efficiently with fiscal accountability.
- Embracing our community's diversity and using it to enhance the educational environment.
- Providing and encouraging engagement opportunities for all students' families.
- Partnering with community members to maximize student learning.



HISTORY OF CMS

The public school district known today as Charlotte-Mecklenburg Schools began in Charlotte in 1882 when T.J. Mitchell was chosen as the first superintendent of the segregated city school district. The system's first school, known as the South School, was located on the corner of East Morehead Street and South Boulevard in the barracks of the Carolina Military Institute. The first school for African-American children was organized in 1882 and was known as Myers Street School.

The district expanded in 1907, pulling several county schools into the city district. Some of the schools included Dilworth School, Seversville School, Elizabeth Mill School, Belmont School, and Biddleville School.

During the Depression, the school district experienced great difficulty with a budget cut of 61 percent and elimination of the 12th grade in 1934, as well as the elimination of teaching and other positions. A number of positions were also cut during this time. In 1935, 12th grade was reinstated.

The county school system, which had previously been led primarily by committees which gave schools a lot of autonomy, began to change. In the mid-1800s, there were more than 80 schools in the county enrolling more than 3,500 students. After the turn of the century, one-room and two-room schools were consolidated.

From 1944 to 1960, more schools in the county system were consolidated also during which time the East, West, North and South high schools were established.

In 1949, the Institute of Government at the University of North Carolina at Chapel Hill recommended the consolidation of the Charlotte City Schools and Mecklenburg County. The institute said that consolidation would result in several advantages, most notably equal educational opportunities for all children. Later, the Charlotte Chamber of Commerce recommended a study committee examine extending the city limits and consolidating the two school systems.

On Jan. 13, 1958, the Chamber committee's final report requested that the city and county boards of education pursue enactment of appropriate legislation by the 1959 General Assembly that would make consolidation possible.

On June 30, 1959, residents of Charlotte and Mecklenburg Counties voted by a 2-1 margin in favor of consolidating the two school systems. The voters also approved levying a 50-cent school tax in order to serve the children of Charlotte-Mecklenburg. On July 1, 1960, the Charlotte City Schools and Mecklenburg County Schools were merged, joining the two largest school districts in the state to form a new city-county school district.

EXECUTIVE SUMMARY

INVESTING IN OUR KIDS

Our 2019-2020 proposed operating budget continues along the course we established in the 2018-2019 budget: Recognizing that our kids matter most and we must provide them with the resources and investment they need.

The budget proposal we bring forward for 2019-2020 identifies three key areas of investment: equity, people and support.

Our kids need investments in equity. They need a guaranteed viable curriculum, one that is in place in every school. They need consistency and high expectations, and they need educators who are prepared to make the most of the available resources.

We are asking for \$9.4 million to invest in equity. Here is how it would be spent: \$4.3 million to guarantee a viable curriculum and access to fine-arts experiences for all students; \$3.7 million to extend the cultural proficiency of staff and students; \$826,218 to provide professional development days for teacher assistants; \$300,000 to establish a Standards and Equity Institute; and \$346,417 to provide one-click sign-on access to an array of online resources for students and staff.

Our kids need investments in people so that we can find and keep the best personnel. They need educators who have adequate and competitive pay. They need cafeteria workers, assistants and custodians who earn a living wage.

We are asking for a total of \$32.5 million to invest in people. This money would be used to provide \$8 million for local-supplement increases for teacher and certified staff. Another \$7.4 million would provide state-driven salary increases. An additional \$9.9 million would pay for market-driven adjustments for non-certified staff. Health insurance rate increase will require \$716,471 and a retirement rate increase will require \$3.6 million. Expanded time for teacher assistants is \$1.8 million, employee recognition would cost \$185,000 and the local supplement for state-provided enhancement teachers is \$876,020.

Our kids need investments in support. They need more counselors, psychologists and social workers, as well as additional mental health supports. They need enhanced safety and security, increased access to information and clean, healthy spaces at school.

To accomplish these goals, we are asking for \$21.8 million in all. Here is how that breaks down: \$5.8 million to continue strengthening the ranks of counselors, psychologists and social workers; \$4.2 million to enhance school safety and security; and \$7.1 million for preventive maintenance. We are also seeking to use \$1.1 million to cover increases in the costs of transportation for pre-kindergarten and homeless students; \$3 million to modernize our information systems and \$650,038 for maintenance and operating costs for additional facility space.

Our proposed budget also includes a projected growth in charter-school enrollment of 1,552 students. The impact on our budget – the money we will have to pass through to charter schools – will be \$6.2 million.

EXECUTIVE SUMMARY

As we look ahead to the 2019-2020 school year, we see significant challenges. But we also see significant opportunities and we are optimistic about the 2019-2020 year. We have a strategic plan in place that sets three goals for the district:

- Every student graduates with meaningful employment or higher education opportunities
- Every student has access to a rich, diverse and rigorous curriculum
- Every student has access to more social and emotional support

We believe that the people of Mecklenburg County care very much about their public schools. Our public schools are the best opportunity to build a ladder of economic mobility for our kids – a ladder that they can climb out of poverty into prosperity and financial stability. Strong public schools offer our kids the possibility of a bright future, the opportunity to follow their dreams.

Our kids are our future. This budget proposal represents an expression of hope and optimism. We have the ability to give our kids what they need to learn and grow, to have safe and welcoming schools, to have rigorous and engaging curriculum and to have the social and emotional supports they need.

We believe in our kids and we believe we can give them the opportunity for a bright future. This budget proposal represents our priorities. Our kids matter most. The proposed 2019-2020 budget will bring us closer to achieving our strategic goals – and to giving our kids what they need and deserve.

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What Matters Most

GOALS



1. Every student graduates with meaningful employment or higher education opportunities.



2. Every student has access to a rich, diverse and rigorous curriculum.



3. Every student has access to more social and emotional support.

COMMITMENTS

EQUITY

Each student's needs may be different, but those needs should be met at every school in CMS.

CULTURE

Students, teachers, parents, families, staff, leaders and partners work together to achieve.



STRATEGY 1

FOCUS ON THE CORE



Students
How students participate in their education



Teachers
Knowledge and skill of the teachers



Content
Level and complexity of content students are asked to learn

ACTIONS



Guarantee a viable curriculum for every student.

A consistent K-12 curriculum supports clear expectations and outcomes.



Challenge students with rigorous tasks and work.

High expectations boost student achievement regardless of student background.



Teach students in ways that reflect their cultures, identities and experiences.

Students learn best when we meet them where they are in life through the work they do.



Increase social, emotional and mental health resources and access.

Students face enormous pressures today that can distract them from learning.

STRATEGY 2

MANAGE OUR PERFORMANCE



Build on strengths



Adapt new ways of working



Measure our progress

ACTIONS



Develop a performance management system.

We will improve overall performance when we are clear about what success looks like, how we work and measure progress.



Implement a continuous improvement program.

We can improve each year if we can adapt to improve based on shared plans, measurable outcomes and clear communications.

CMS 2024 Strategic Plan



Personalize learning for students.

Students learn in different ways and succeed when we build on their strengths.



Use interventions proven to work.

Opportunities for growth are lost when time is taken away from learning.



Put grade-level text at the center of teaching in every classroom.

Grade-level texts boost student achievement.



Support teachers with development equal to performance expectations.

Teachers must be equipped to meet students' varied needs to succeed.



Build a CMS culture of shared focus.

The work of every CMS team member affects teaching and learning.

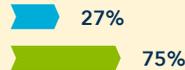
TARGETS ■ 2018 CURRENT ■ 2024 TARGET



Graduate 100% of students.



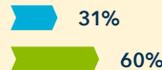
% of students graduate with their 4-year cohort



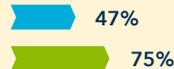
% of students graduate with at least one DPI endorsement



Increase access to rigorous coursework.



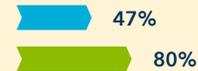
% of students completing Math 1 by the end of 8th grade



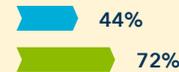
% of students completing at least one college level course



Cut achievement gaps of college and career readiness by at least half (50%) overall and for each sub-group.



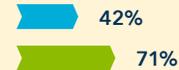
3rd Grade English/Language Arts



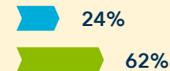
5th Grade English/Language Arts



5th Grade Math



8th Grade English/Language Arts



8th Grade Math

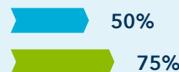


Create aligned work plans in every school and department.

We can drive collaboration with clear expectations, accountability and shared focus.



% of employees report highest job satisfaction

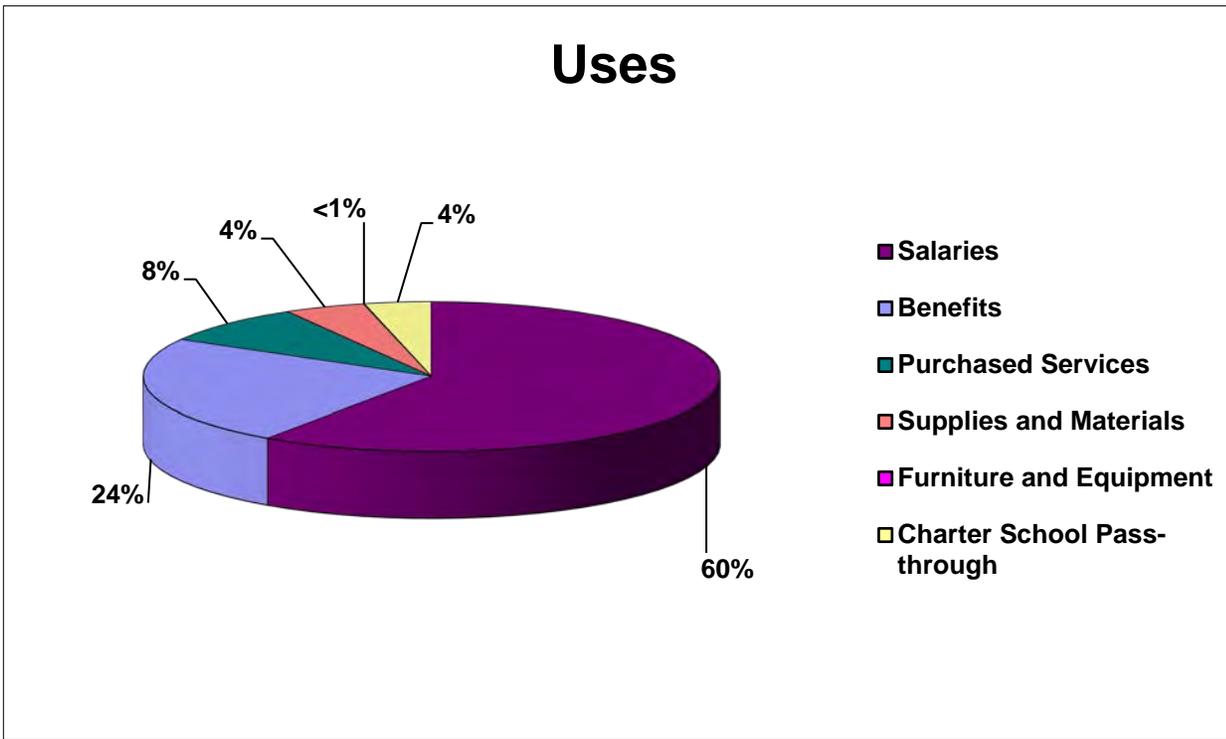
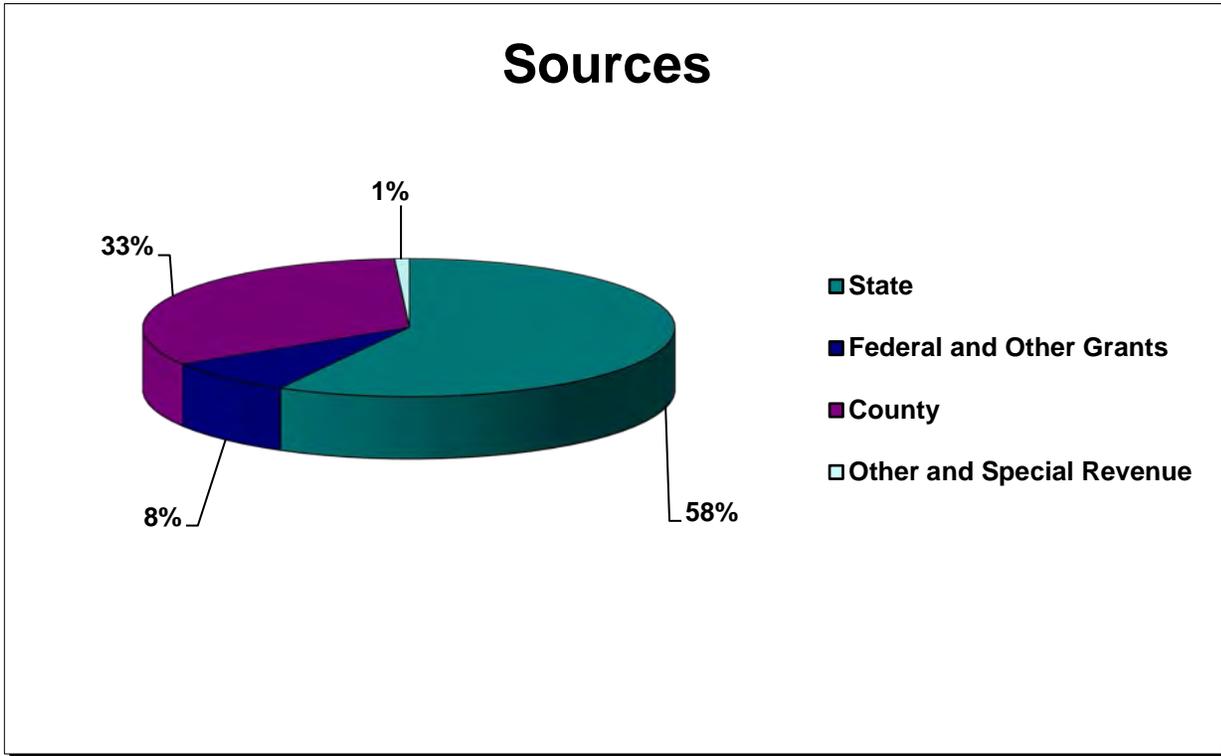


% of employees refer others to work at CMS



% of school-age children in Mecklenburg attend a CMS school

2019-2020 PROPOSED BUDGET: SOURCES AND USES



**2019-20 PROPOSED CURRENT EXPENSE BUDGET:
COMPARISON TO PRIOR YEAR**

	2019-20 Proposed Budget	2018-19 Adopted Budget	% Change
REVENUES			
State of North Carolina	\$ 930,966,071	\$ 884,018,417	5.3%
Federal and Other Grants	130,063,117	129,294,152	0.6%
Mecklenburg County Appropriation	529,779,896	459,864,612	15.2%
Other and Special Revenue	<u>14,350,353</u>	<u>18,295,000</u>	<u>-21.6%</u>
TOTAL REVENUES	<u>\$ 1,605,159,437</u>	<u>\$ 1,491,472,181</u>	<u>7.6%</u>
EXPENDITURES			
Instructional			
Regular Instructional	\$ 775,286,682	\$ 726,941,691	6.7%
Special Populations	177,529,076	159,318,837	11.4%
Alternative Programs and Services	109,505,767	105,162,943	4.1%
Co-Curricular	6,722,474	6,735,214	-0.2%
School-Based Support	<u>90,435,304</u>	<u>80,927,499</u>	<u>11.7%</u>
Total Instructional	1,159,479,303	1,079,086,184	7.5%
Instructional Support			
Support and Development	12,311,542	11,799,874	4.3%
Special Population Support and Development	4,067,419	3,837,933	6.0%
Alternative Programs Support and Development	5,840,473	5,449,589	7.2%
System-wide Pupil Support	<u>4,058,332</u>	<u>3,942,470</u>	<u>2.9%</u>
Total Instructional Support	26,277,766	25,029,866	5.0%
Operations			
Technology Support	16,748,535	13,398,985	25.0%
Operational Support	206,684,502	193,689,799	6.7%
Financial and Human Resource Services	25,630,775	22,931,934	11.8%
Accountability	5,427,124	5,189,707	4.6%
Community Services	553,136	555,671	-0.5%
Nutrition Services	350,000	300,000	16.7%
Other	<u>2,862,352</u>	<u>2,660,598</u>	<u>7.6%</u>
Total Operations	258,256,424	238,726,694	8.2%
Leadership			
Policy, Leadership and Public Relations	18,017,353	17,179,377	4.9%
School Leadership Services	<u>82,941,627</u>	<u>77,470,945</u>	<u>7.1%</u>
Total Leadership	100,958,980	94,650,322	6.7%
Charter School Pass-through	60,186,964	53,979,115	11.5%
TOTAL EXPENDITURES	<u>\$ 1,605,159,437</u>	<u>\$ 1,491,472,181</u>	<u>7.6%</u>

2019-20 Budget Process Calendar

Nov 13-16	Budget Kick Off Meetings with Fund Owners
Jan 10,11,18, 22, 23	Cabinet Strategy Work Sessions
Jan 22	Board of Education Work Session - <i>Budget update</i> (6:00 p.m. Regular BOE Meeting)
Jan 24, 31	Cabinet Budget Work Sessions
Jan 25-Feb 14	CFO and budget staff budget review with executive staff
Feb 4, 5,12, 22 ,25, 27	Cabinet Budget Work Sessions
Feb 18	Professional Organizations – <i>Budget Engagement</i>
Feb 19	Char-Meck Youth Council- <i>Budget Engagement</i> (CMGC)
Feb 21 3:00pm-5:00pm	Board of County Commissioners/Board of Education Joint Meeting (CMGC Room 267)
Feb 26	Board of Education Work Session - <i>Budget update</i> (CMGC)
Feb 28 6:00pm-8:00pm	Community Engagement Workshop – <i>gather feedback</i> (Renaissance West STEAM Academy)
Mar 5	Leadership Team Meeting – <i>Budget update</i>
Mar 7 6:00pm-8:00pm	Community Engagement Workshop – <i>gather feedback</i> (Quail Hollow Middle School of Leadership)
Mar 14	Superintendent’s Teacher Advisory Council (STAC) – <i>Budget Update</i> (Spaugh)
March 26	Superintendent presents 2019-20 Budget Recommendation (6:00 p.m. Regular BOE Meeting)
April 3 6:30pm-8:30pm	Community Engagement – <i>Sharing Superintendent’s Budget Recommendation</i> (Mallard Creek High School)
April 9	Public hearing on Superintendent’s budget recommendation / tentative budget work session (6:00 p.m. Regular BOE Meeting)

2019-20 Budget Process Calendar

April 11
6:30pm-8:30pm

Community Engagement – *Sharing Superintendent's Budget Recommendation*
(Crown Point Elementary School)

April 23

Board of Education approval of 2019-20 Budget Request
(6:00 p.m., Regular BOE Meeting)

May 1

Board of Education's 2019-20 Budget Request submitted to the county

May 2

County Manager's Recommended Operating and Capital Budgets presented to BOCC
(CMGC TBD)

May 9

Board of County Commissioners/Board of Education workshop on budget
(CMGC TBD)

May 9

Public hearing on county's budget
(6:00 p.m., CMGC Meeting Chamber)

June 4

County adopts 2019-20 Operating Budget
(6:00 p.m., CMGC Meeting Chamber)

July-Sept

2019-20 Operating Budget finalized and approved by BOE

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Proposed Operating Budget

Proposed
Operating Budget



**2019-2020 PROPOSED CURRENT EXPENSE BUDGET:
SUMMARY OF CHANGES TO 2018-2019 BASE BUDGET**

	State	County	Federal and Other Grants	Other and Special Revenue	Total
2018-2019 ADOPTED BUDGET	\$ 884,018,417	\$ 459,864,612	\$ 129,294,152	\$ 18,295,000	\$ 1,491,472,181
REVISIONS TO 2018-2019 ADOPTED BUDGET					
Revisions to Base Budget*	(7,007,481)	-	(4,146,380)	(4,000,000)	(15,153,861)
Sub-Total	(7,007,481)	-	(4,146,380)	(4,000,000)	(15,153,861)
2018-2019 BASE BUDGET	877,010,936	459,864,612	125,147,772	14,295,000	1,476,318,320
I. SUSTAINING OPERATIONS					
A. Program Continuation	5,770,706	5,338,985	-	-	11,109,691
Sub-Total	5,770,706	5,338,985	-	-	11,109,691
II. INVESTING IN OUR EMPLOYEES					
A. Salaries and Benefits	47,955,720	32,405,544	4,915,345	55,353	85,331,962
Sub-Total	47,955,720	32,405,544	4,915,345	55,353	85,331,962
III. STUDENT GROWTH AND ADDITIONAL SPACE					
A. Enrollment Growth	228,709	6,277,581	-	-	6,506,290
B. Additional Facility Space	-	650,038	-	-	650,038
Sub-Total	228,709	6,927,619	-	-	7,156,328
IV. PROGRAM EXPANSION					
A. Student Support Staffing/Social & Emotional Learning		5,767,205	-	-	5,767,205
B. Guaranteed Viable Curriculum/Fine Arts Experiences		4,250,000	-	-	4,250,000
C. Standards and Equity Institute		300,000	-	-	300,000
D. Safety and Security		3,786,105			3,786,105
E. Building Services Staffing and Preventive Maintenance		7,125,064			7,125,064
F. Cultural Proficiency Training for Staff and Students		3,668,345			3,668,345
G. Single Sign-on Access for Students and Staff	-	346,417	-	-	346,417
Sub-Total	-	25,243,136	-	-	25,243,136
TOTAL 2019-2020 PROPOSED CURRENT EXPENSE BUDGET	\$ 930,966,071	\$ 529,779,896	\$ 130,063,117	\$ 14,350,353	\$ 1,605,159,437

* Includes state revisions, reduction for prior year one-time fund balance appropriation and anticipated revenue adjustments to 2018-19 Adopted Budget.

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2019-20 PROPOSED PROGRAM CHANGES

I. Sustaining Operations

Change Reference: I.A

Explanation of Change	Description	State Cost	Local Cost
A. Program Continuation			
<p>1. <u>House Bill 90 Enhancement Teachers' Local Supplement</u> House Bill 90 provides additional positions to schools to address the phase in of class size requirements over four years. Specifically, the bill creates an allotment for program enhancement teachers (i.e. art disciplines including dance, music, theater and the visual arts, as well as physical education, health programs, and world languages). This legislation phases in funding for the newly created enhancement teacher allotment and started in the 2018-19 school year. CMS is estimated to receive approximately 90 positions in 2019-20, therefore, funding is requested to provide the local salary supplement for 90 teacher positions.</p>	Salaries & Benefits	<u>\$5,770,706</u>	<u>\$876,020</u>
<p>2. <u>School Resource Officer Contract/Off-duty Officer Increases</u> CMS contracts with The City of Charlotte and surrounding towns to provide School Resource Officers at middle and high schools and to provide off-duty police officers to direct traffic around schools in high volume areas. Due to the increases in the hourly rates for officers and other cost increases, our contract rates are increasing accordingly. Therefore, funding is requested to cover the projected rate increases.</p>	Purchased Services		<u>\$384,875</u>
<p>3. <u>Special Populations Transportation Costs</u> Transportation costs for the Bright Beginnings Pre-K program have increased due increased fuel prices and an increase in ridership. In addition, contracted transportation is provided to homeless students as mandated by the McKinney-Vento Homeless Assistance Act. Due to an increase in the number of identified homeless students and rising fuel cost, our contracted transportation cost have increased as well. Funding is requested to cover the cost for both of these increases.</p>	Purchased Services		<u>\$1,078,090</u>
<p>4. <u>Enterprise Resource Planning (ERP) Systems Modernization</u> Recognizing our dated technology is rapidly becoming unsustainable, the State Board of Education has commenced a multiyear project to modernize core systems (finance, payroll, human resources, capital planning) used by DPI and local school administrative units.</p> <p>The modernization program will improve process and data integration (e.g. state/local licensure) while increasing operational efficiency, data management, and compliance monitoring. The integrated platform will provide common state and local reporting with advanced analytics to enable more informed decisions and actionable insights. The contemporary technology (Software-as-a-Service – Cloud) will constantly evolve with new capabilities and enhancements delivered annually to improve process automation, reduce errors and deliver a better employee experience allowing CMS to reinvest efficiency gains into our core mission. Funding is requested for ERP selection, licensing and implementation support..</p>	Purchased Services		<u>\$3,000,000</u>
Total Sustaining Operations		<u>\$5,770,706</u>	<u>\$5,338,985</u>

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2019-20 PROPOSED PROGRAM CHANGES

II. Investing In Our Employees

Change Reference: II.A

Explanation of Change	Description	State Cost	Local Cost
A. Salaries and Benefits			
1. Local Supplement Increase - competitive with highest in the state			
Recruiting and retaining highly qualified teachers continues to be a key priority for the district. Currently, CMS ranks third in the state in the average local supplement paid to teachers and certified staff. In order to remain competitive in recruiting and retaining top talent, CMS is requesting funds to increase the county supplement for certified staff to match Wake County's supplement (currently ranked first in average local supplement) plus a one percent increase. This increase would position CMS to be competitive with the highest local supplement rates in the state.	Salaries & Benefits	<u>\$0</u>	<u>\$7,999,212</u>
2. Salary Increase			
It is anticipated that the state legislature will approve salary increases of 6% for school administration, 5% for certified staff and a 3% increase for non-certified staff. If approved, the state will make the appropriate state budget adjustments to cover this increase for state paid employees. Local funds are needed to provide an equivalent increase for locally funded staff	Salaries & Benefits	<u>\$35,300,665</u>	<u>\$7,417,773</u>
3. Phase I Market Rate Adjustments			
CMS has completed a compensation market study for its non-certified staff. This work was undertaken as the district had not updated the market pay plan since 2007. Completion of this study will provide the district with the ability to create a competitive compensation pay plan for all positions. CMS will use a phased approach to evaluate employees that are below market in an effort to bring them into line with the new market pay plan, utilizing any potential increases from state fund as well as requests from local funds. This updated market pay plan will enable CMS to be more competitive in hiring and retaining our workforce.			
Phase I market adjustments for hourly staff - increase to \$13.22 minimum hourly rate / compression:			
In an effort to align ourselves with the national, state and local trend toward increasing the minimum wage, and establish a minimum pay comparable to the Charlotte living wage, we will set the CMS minimum pay rate \$13.22 per hour. All employees who currently earn under \$13.22 will be moved to the new minimum. To address compression and equity within the district, employees will be placed at or above the minimum to a maximum of \$15.00 per hour based on experience. Employees at the maximum or higher will also be placed appropriately according to the market study. Funding is requested to implement Phase I as described above for hourly staff. It should be noted this cost estimate assumes the state provides a 3% increase which would be applied before implementing these market adjustments.	Salaries & Benefits	<u>\$0</u>	<u>\$7,270,647</u>
Phase I market adjustments for exempt staff			
As part of the market study evaluation, district positions were ranked according to their percentage deviation against the current market rate from the 2018 study for comparable positions and categorized into high, medium and low priority. Funding is requested to implement a Phase I market adjustment for exempt staff who are deemed to be the furthest from market pay and thus driving further disparity in the district's ability to hire and retain talent.	Salaries & Benefits	<u>\$0</u>	<u>\$2,561,600</u>

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2019-20 PROPOSED PROGRAM CHANGES

II. Investing In Our Employees
Change Reference: II.A (Continuation)

Explanation of Change	Description	State Cost	Local Cost
<p><u>4. Health Insurance Rate Increase</u> Based on the Governor's budget proposal recently released, the proposed budget includes an estimated increase in the employer paid health insurance rate from \$6,104 to \$6,349 annually which represents a 4% percent increase. It is anticipated that the state will make the appropriate state budget adjustments to cover this increase for state paid staff, however, funds are needed to provide the state mandated increase for all full-time positions.</p>	Salaries & Benefits	<u>\$3,280,007</u>	<u>\$716,471</u>
<p><u>5. Retirement Rate Increase</u> Based on the Governor's budget proposal recently released, it is anticipated that the state will increase the employer-paid portion of the state retirement plan cost from 18.86% to 20.43% of eligible earnings annually. It is anticipated that the state will make the appropriate state budget adjustments to cover this increase for state paid staff, however, local funding is needed to cover the estimated increase for locally paid staff.</p>	Salaries & Benefits	<u>\$9,375,048</u>	<u>\$3,631,874</u>
<u>B. Expanding Time for Teachers Assistants - Professional Development and Support</u>			
<p><u>1. Increase work schedule to 40 hours per week</u> Due to budget reductions in FY 2010-11, teacher assistant work schedules were reduced from 40 hours to 37.5 hours per week. Funding is requested to move teacher assistants back to 40 hours per week. This will provide teacher assistants with time to attend school based professional development with other school based instructional staff and provide additional support for teachers daily.</p>	Salaries & Benefits	<u>\$0</u>	<u>\$1,796,749</u>
<p><u>2. Add four professional development days</u> Teacher assistants are currently nine month employees which means they only work on student attendance days. In order to provide training for teacher assistants on teacher workdays, funds are being requested to add four professional development days to their work schedule.</p>	Salaries & Benefits	<u>\$0</u>	<u>\$826,218</u>
<u>C. Employee Recognition Program</u>			
<p>The Human Resources Department will launch a program to recognize our employees and value their years of contribution through service milestones. This program will provide managers with the principles and procedures to help them appropriately recognize their employees and increase employee engagement. Extensive Gallup research has found that engaged employees are more likely to stay with their current organization, feel a stronger bond to their organization's mission and purpose, and build stronger relationships with those they serve. Funding is requested to purchase the subscription and software to facilitate implementation of an employee recognition program.</p>	Purchased Services		<u>\$185,000</u>
Total Investing In Our Employees		<u>\$47,955,720</u>	<u>\$32,405,544</u>

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2019-20 PROPOSED PROGRAM CHANGES

III. Student Growth and Additional Space

Change Reference: III. A

Explanation of Change	Description	State Cost	Local Cost
A. Student Enrollment Growth Costs			
1. Student Enrollment Growth			
Student enrollment is expected to increase by 250 students in 2019-20 for a total student enrollment of 147,602. Additional positions, as outlined below, are needed in order to maintain our current staffing formulas and to staff classrooms that will be needed to accommodate the growth in enrollment. Funds are also included for the county supplement for state paid positions and to provide purchased services, supplies and materials for the additional classrooms.	Salaries & Benefits	\$201,956	\$0
	Local Supplement	\$0	\$31,216
	Purchased Services	<u>\$0</u>	<u>\$23,167</u>
	Supplies & Materials	<u>\$26,753</u>	<u>\$15,349</u>
		<u>\$228,709</u>	<u>\$69,732</u>
2. Charter School Enrollment Growth			
Based on the projected increase in charter school student enrollment and additional county funding, funding is needed to increase our charter school pass-through budget so we can meet our statutory obligation to charter schools. Charter-school enrollment of Mecklenburg County students is expected to increase by 1,552 students.	Other		<u>\$6,207,849</u>
		<u>\$228,709</u>	<u>\$6,277,581</u>

	<u>State</u>	<u>Local</u>
Teachers	2.0	-
Counselors	<u>1.0</u>	<u>-</u>
	3.0	-

Change Reference: III. B

Explanation of Change	Description	State Cost	Local Cost
B. Additional Facility Space - including new and renovated square footage			
1. Maintenance and Operating Costs for All Additional Space			
The opening of one replacement school and major facility renovations coming on line will result in the addition of 146,579 total square feet in our facilities. In order to properly maintain this additional square footage, funds are required at a minimum of \$4.65 per square foot to cover staffing, utilities, and purchased services.	Salaries & Benefits		\$282,336
	Purchased Services		<u>\$367,702</u>
			<u>\$650,038</u>
Total Maintenance and Operating Costs			<u>\$650,038</u>
Total Additional Facility Space Costs		<u>\$0</u>	<u>\$650,038</u>
Total Student Growth and Additional Space Costs		<u>\$228,709</u>	<u>\$6,927,619</u>

	<u>State</u>	<u>Local</u>
Head Custodian I	-	1.0
Custodian	<u>-</u>	<u>6.0</u>
Total	-	7.0

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2019-20 PROPOSED PROGRAM CHANGES

IV. Program Expansion and New Initiatives

Change Reference: IV.

<u>Explanation of Change</u>	<u>Description</u>	<u>State Cost</u>	<u>Local Cost</u>
A. Student Support Staffing/Social and Emotional Learning Support			
<p>CMS is committed to maximizing academic achievement and ensuring that all schools are safe places where every child feels welcome, engaged and nurtured. A growing body of evidence shows that social and emotional well-being is the foundation for emerging cognitive abilities. In the school setting, student services staff are key personnel in the development of healthy social and emotional mindsets for children. To best prepare students for academic growth and development, CMS must have counselors, psychologists and social workers in schools to support all students.</p> <p>In alignment with the district goal to increase social and emotional supports for students, we continue to seek to reduce ratios for all student services positions. In addition, in the 2019-2020 budget year, we also seek to enable counselors to have greater focus on their core work and to improve the frequency and quality of professional supervision for school-based counselors, social workers, and psychologists. Combined, these three efforts work in concert to improve the quality and quantity of social, emotional, and academic supports that students and families can expect to receive in CMS.</p>	Salaries & Benefits		\$4,752,279
	Purchased Services		\$1,000,926
	Supplies & Materials		<u>\$14,000</u>
	Totals		

In the 2018-2019 budget year, a total of 60 student services positions were added- 33 elementary counselors, 17 school social workers, and 10 school psychologists. The 2018-2019 ratios below reflect staff to student ratios after the addition of these positions. Funding is requested to add 10 school counselors, 27 social workers, and 10 school psychologists in order to reach the ratios reflected below for 2019-2020 school year.

Job Title [^]	National Recommended Ratios	2018-2019 Ratios [*]	2019-2020 Requested Ratios ^{**}
School Counselors	1:250	1:363	1:354
School Social Worker	1:250	1:2302	1:1622
School Psychologist	1:700	1:1797	1:1604

[^]Excludes staff in these positions with alternate funding sources

^{*} 2018-2019 20th day enrollment: 147,352

^{**}2019-2020 projected enrollment: 147,602

As we increase the number of social and emotional staff positions, it is critical that we take measures to ensure that supervision and support is sufficient to ensure that staff are able to provide high quality services, maintain best practice standards, and have opportunities to grow their skill sets. As a result, we are seeking to both add staff and to deepen the supervision and support responsibilities of central office staff for these student support positions. Funding is requested for the addition of six 11-month school counseling coordinators, one 11-month school social work coordinator, and one 11-month school psychology coordinator.

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2019-20 PROPOSED PROGRAM CHANGES

Change Reference: IV. (Continuation)

Explanation of Change	Description	State Cost	Local Cost
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A. Student Support Staffing/Social and Emotional Learning Support (Continued)

In 2017-18, Out-of-School Suspensions (OSSs) were down for the third consecutive year. However, African-American students continued to receive Out-of-School Suspensions at a far greater rate than their peers of other races. This disproportionality increases exponentially in the middle grades.

Despite such disproportionality, research indicates that black students don't "generally misbehave or endorse deviant behaviors" more than their white peers (Huang, 2016). However, there are ongoing concerns that some students are disproportionately impacted by adverse childhood experiences, which could be impacting their behavior at school. Research on programs focused on social and emotional learning (SEL) shows that a systematic process for promoting students' social and emotional development is the common element among schools that report an increase in academic success, improved quality of relationships between teachers and students, and a decrease in problem behavior (Durlak, Weissberg, Dymnicki, Taylor, & Schellinger, 2011). In acknowledgement of these research findings, we seek to invest in increasing the SEL capacity (emotional intelligence) of students, teachers and staff in the middle grades to decrease disproportionality in out-of-school suspensions.

Funding is also requested to increase the current contract with Communities In Schools (CIS) of Charlotte-Mecklenburg to provide additional social worker staffing support. CIS will coordinate and provide tiers of support to surround students with a community of support, empowering them to stay in school and achieve in life. The goal of CIS is to contribute to the school's progress as identified by the school improvement plan in addition to addressing the needs that were identified in the CIS Annual Needs Assessment. Each support in this plan is intended to meet objectives specific to individual student and school-wide outcomes, which may include the following: Improvement in academic performance, Improvement in behavior, Improvement in attendance, Improvement in school climate. Through the work of CIS, partnerships are built that bring comprehensive resources and supports into the school to meet the needs of at-risk students and address risk factors related to drop-out.

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2019-20 PROPOSED PROGRAM CHANGES

Change Reference: IV. (Continuation)

<u>Explanation of Change</u>	<u>Description</u>	<u>State Cost</u>	<u>Local Cost</u>
<u>B. Guaranteed Viable Curriculum and Fine Arts Experiences</u>			
<p>CMS is dedicated to ensuring equitable access to high-quality, standards-aligned instruction, materials and resources for all students and educators. Initial and continued funding in the area of curriculum provides CMS the opportunity to acquire researched, respected, well-developed curricula that is thoughtfully and intentionally aligned to state, national, college and career standards of excellence.</p>	Purchased Services		\$250,000
	Supplies & Materials		<u>\$4,000,000</u>
	Totals		<u>\$4,250,000</u>

CMS must leverage high-impact, high-quality curriculum in the areas of English Language Arts (ELA) and Mathematics to provide a model of learning and teaching for the district. The curriculum adoption in 2019-2020 will align: ELA Grades K-3 and 6 with intentional focus on complex, grade-level texts that require students to build knowledge and cite textual evidence and Math Grade 8 and NC Math 1 with intentional focus on procedural and conceptual fluency that require students apply mathematical practices to real world scenarios. All acquired curricula in both areas will enhance a student’s ability to think critically and creatively, intentionally building a student’s ability to perform with greater independence. A multi-phase focus on aligned curriculum will bring comprehensive transformation to K-8 ELA and 6-12 Math in upcoming years. A systematic approach to resources through district-wide curriculum procurement safeguards success for students and educators by aligning support and expected learning outcomes. Aligned expectations among grade levels and contents means teachers can spend more time planning for the needs of individual learners and providing personalized feedback rather than searching, compiling and aligning resources.

Additional arts experiences are also provided through CMS’ Exposure, Experience, and Education (E3) fine arts initiative. The arts are the most effective way to create awareness of diverse cultures at a deep level and provide fertile ground to cultivate relationships across cultures. Exposure to the arts provides students with the ability to discover, build, and communicate knowledge based on students’ specific learning capital. Exposure to the arts builds student awareness of the rich and diverse arts offered in Charlotte while providing real world practice in 21st Century skill such as: critical thinking, communication, collaboration, and creativity.

Funding is being requested to provide curriculum resources and arts exposure and experiences for our students.

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2019-20 PROPOSED PROGRAM CHANGES

Change Reference: **IV. (Continuation)**

Explanation of Change	Description	State Cost	Local Cost
C. <u>Standards and Equity Institute</u>			
<p>The 2012 statewide adoption of Common Core State Standards resulted in higher (and different) standards for what students should know and be able to do. These shifts were sustained as North Carolina departed from the Common Core in deference to our own North Carolina Standard Course of Study. The shifts required in this transition were substantial. However, research shows that across the country the required shifts in instruction brought about by new (higher) standards never occurred in schools and school districts at scale (Opfer, Kaufman, & Thompson, 2017; TNTP, 2018; Blazer et al., 2019). What can be seen nationally can be seen here in CMS. To help teachers make the necessary instructional shifts to meet higher standards requires a multifaceted approach. A key facet of that strategy is the acquisition and development of a written curriculum reflective of and aligned with the North Carolina Standard Course of Study. Such a step is necessary, but not sufficient to deliver on a guarantee of a viable rigorous curriculum. An equally important facet of the strategy is the development of system-wide capacity to support the needed instructional shifts to ensure that any new written curriculum is then reflected in the "taught curriculum" (Blazer et al., 2019). The intentional and systematic training of all instructional coaches, facilitators and multi-classroom leaders is essential to best position CMS for success. Funding is being requested to provide that training.</p>	Salaries & Benefits		\$214,956
	Purchased Services		\$77,169
	Supplies & Materials		<u>\$7,875</u>
D. <u>Safety and Security</u>			
<p>Safety and security of our students and staff in all of our campuses is the highest priority. An additional investment is needed for security staffing in our schools including 15 security associate positions as well as funds for supplies and materials for training and daily operations in support of these positions. Funding is also requested to increase the current school resource officer contract with the City of Charlotte by adding 25 additional school resource officers and a sergeant to deploy to elementary schools. This is a phase I approach to adding a school resource office to all elementary schools.</p> <p>Funding is also being requested to enhance filtering of online content, email, and social media. The district will continue to monitor social media accounts. With web filtering, cyberbullying monitoring, and self-harm alerts, the district will have visibility needed to maintain safety across all schools and devices. A CMS Response team is alerted and responds with appropriate action as situations arise.</p>	Salaries & Benefits		\$810,154
	Purchased Services		\$2,905,951
	Supplies & Materials		<u>\$70,000</u>
	Totals		

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2019-20 PROPOSED PROGRAM CHANGES

Change Reference: IV. (Continuation)

Explanation of Change	Description	State Cost	Local Cost
E. <u>Building Services Staffing & Preventative Maintenance</u>			
Preventive Maintenance (PM) and minor repairs consist of scheduled tasks that sustain a component's level of service during a prescribed lifetime. Studies indicate that every \$1 of PM that is deferred will result in \$4 future expenditures to ultimately repair or replace building systems. CMS Facilities has developed a comprehensive facilities sustainment plan in alignment with facilities sustainment planning models. This Phase I PM initiative would fund the 30% of the annual PM need that is most closely aligned to best practices for Health Inspection criteria, risk management, and regulatory/statutory requirement. Funding is requested to cover the expenses associated with maintaining HVAC, ceilings tiles, roof cleaning, plumbing and fire ant treatment.	Salaries & Benefits		\$1,995,664
	Purchased Services		<u>\$5,129,400</u>

As part of the district's goal to improve the quality of service delivery and responsiveness to customer requests while supporting health inspections, environmental safety, and energy management strategies in our schools, additional maintenance and custodial positions are needed. Staffing standards require that each custodian clean less than 26,500 square feet of space. Funding is requested for 37 additional custodians as our first phase to address meeting this standard.

Additionally, one of CMS' tactical strategies to improve Health Inspection grades is the planned ongoing inspection and replacement of drinking fountains and restroom plumbing fixtures during the evening. This has resulted in unacceptable amounts of overtime which we propose to decrease by requesting funding for an evening plumbing crew including one Plumbing Specialist and two Plumber II positions.

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
2019-20 PROPOSED PROGRAM CHANGES

Change Reference: IV. (Continuation)

Explanation of Change	Description	State Cost	Local Cost
F. Cultural Proficiency Training for Staff and Students			
<p>As part of the district's mission to maximize academic achievement by every student in every school, the Office of Diversity & Inclusion is expanding cultural proficiency to better serve all students and improve student outcomes. CMS recognizes the student's voice is needed as we move to further expand our cultural lens. The development of student cross-cultural communication skills, multicultural attitudes, social justice practice through dialogue and the arts, and skills on how to build an inclusive environment in harmony without discord is needed. Our approach is to raise student awareness about race, poverty, and privilege by examining how "isms" impact their lives personally and systemically. Students will learn how to share their experiences in safe spaces where all voices are valued. Through common dialogue, our students will be able to discuss and identify tangible solutions to address opportunity gaps, student discipline, and college/career pathways.</p> <p>Our approach reflects intentional work on self (to understand who they are culturally, our relationships with others (to effectively explore how the relationship between media and popular culture impact decision-making) and the educational systems in which we operate (how to be a voice of change through problem-solving amongst difference). CMS' commitment to cultural competence 1) supports student's in expanding their capacity to work successfully within and across various cultures; 2) supports each of our diverse learners to reach their full academic potential, graduate college- and career-ready and thrive in an increasingly-diverse global workplace; and 3) engages and embraces the diverse population that is served by CMS. This cultural work is being expanded to middle and high school students to ensure the ongoing progress that has been made and further integrate the work within the district's strategic plan. Race Matters for Juvenile Justice and Community Building Initiative will serve as thought partners and/or facilitators in the development and delivery of this cultural opportunity. Funding is requested to add a project manager and to provide training for approximately 1,000 staff and 77,000 middle and high school students across the district.</p>	Salaries & Benefits		\$373,240
	Purchased Services		\$3,288,481
	Supplies & Materials		<u>\$6,624</u>
	Totals		<u>\$3,668,345</u>
G. Single Sign-on Access for Students and Staff			
<p>CMS would like to streamline student access to online resources and applications through single sign-on. Although the number of logins have been reduced tremendously over the last 5 years, we must make it easier for students to access the increased number of digital tools now available. One-click, single sign-on into web and Windows applications allows instant access to files at schools or in the cloud as well as from any computer, tablet or smartphone. Streamlining student access to digital tools will enhance the learning process. Students will no longer have to remember multiple logins and passwords. One-click access also further supports CMS' 1:1 initiative to provide a technology device to every student. Funds are being requested to purchase and implement use of this product across the district.</p>	Purchased Services		<u>\$346,417</u>
Total Program Expansion and New Initiatives			<u>\$25,243,136</u>

**2019-20 PROPOSED CURRENT EXPENSE BUDGET:
DEPARTMENTAL BUDGETS BY FUNDING SOURCE**

DIVISION	STATE	COUNTY	FEDERAL/ SPECIAL REVENUE/ OTHER	TOTAL
ADMINISTRATIVE & OTHER SERVICES				
Office of the Superintendent of Schools	194,077	521,670	-	715,747
Board of Education/Board Services	-	532,887	-	532,887
Legal	-	1,992,395	158,794	2,151,189
Financial Services	293,276	10,368,316	1,189,785	11,851,377
Student Services	2,222,961	6,109,960	4,099,514	12,432,435
Chief of Staff	-	1,614,326	384,491	1,998,817
Communications Services	-	2,546,763	104,672	2,651,435
Graphic Production Center	-	960,460	-	960,460
Community Relations & Engagement, Ombudsman	577,712	6,123,065	375,089	7,075,866
Human Resources Services	297,604	18,411,786	177,583	18,886,973
Technology Services	2,242,708	17,758,021	498,337	20,499,066
Learning & Leadership Development	2,099,905	4,080,705	7,718,389	13,898,999
Accountability Services	303,775	4,989,674	269,877	5,563,326
Equity Services	439,914	1,016,060	-	1,455,974
Magnets, Student Assignment & Advanced Programs	332,414	1,051,182	-	1,383,596
Planning Services	-	1,587,066	15,676	1,602,742
Subtotal	9,004,346	79,664,336	14,992,207	103,660,889
OPERATIONAL SERVICES				
Chief Operations Officer	146,638	182,898	-	329,536
Building Services	21,266,664	70,983,232	9,383,251	101,633,147
Inventory Management	6,041,156	4,709,350	123,072	10,873,578
Safety, Environmental Health & Risk Management	528,388	841,998	-	1,370,386
Transportation	65,774,686	12,975,423	-	78,750,109
Athletics	-	4,884,386	1,581,583	6,465,969
CMS Police Department	11,420,328	6,140,730	5,748	17,566,806
Community Use of Facilities	-	-	553,136	553,136
Enterprise Funds Program Support	2,861	43,077	304,062	350,000
Subtotal	105,180,721	100,761,094	11,950,852	217,892,667
LEARNING SERVICES				
Chief Academic Officer	-	649,454	-	649,454
Learning and Teaching PreK-5	-	446,316	-	446,316
Elementary Curriculum	-	1,047,116	-	1,047,116
K-12 Literacy	12,630,863	1,061,897	-	13,692,760
North Carolina Pre-K Program	-	-	12,988,195	12,988,195
Bright Beginnings Pre-K Program	-	11,471,737	14,996,571	26,468,308
Learning and Teaching 6-12	-	867,277	456,304	1,323,581
Secondary Curriculum	20,000	1,473,241	1,106,673	2,599,914
Advanced Studies	7,994,270	3,120,590	-	11,114,860

**2019-20 PROPOSED CURRENT EXPENSE BUDGET:
DEPARTMENTAL BUDGETS BY FUNDING SOURCE**

DIVISION	STATE	COUNTY	FEDERAL/ SPECIAL REVENUE/ OTHER	TOTAL
LEARNING SERVICES (continued)				
Virtual Learning and Media Services	195,335	1,028,923	-	1,224,258
International Baccalaureate Program	521,438	160,839	-	682,277
ROTC Program	-	3,904,857	1,861,587	5,766,444
Drivers Education	2,941,349	6,055	-	2,947,404
Fine Arts	-	1,578,182	2,000	1,580,182
Learning Communities	1,023,735	3,589,844	697,364	5,310,943
ESEA Title I	-	-	38,737,448	38,737,448
Exceptional Children Services	87,685,072	10,482,465	37,688,919	135,856,456
English Learner Services	18,297,429	9,948,123	3,557,151	31,802,703
Student Discipline & Behavior Support	1,395,562	814,691	241,796	2,452,049
Career and Technical Education	48,276,172	12,508,869	2,250,958	63,035,999
Subtotal	180,981,225	64,160,476	114,584,966	359,726,667
SCHOOL PERFORMANCE SERVICES				
SCHOOLS DIVISION				
School Admin. Support Services	78,393,756	64,516,299	2,885,445	145,795,500
Classroom Teachers	480,004,033	132,838,891	-	612,842,924
Support Positions	45,790,744	23,149,069	-	68,939,813
Assistants	31,611,246	4,502,767	-	36,114,013
Charter Schools	-	60,186,964	-	60,186,964
Subtotal	635,799,779	285,193,990	2,885,445	923,879,214
TOTAL	\$ 930,966,071	\$ 529,779,896	\$ 144,413,470	\$ 1,605,159,437

**2019-20 PROPOSED REVENUE BUDGET:
REVENUE CATEGORIES BY FUNDING SOURCE**

REVENUE CATEGORY	STATE	COUNTY	FEDERAL/ SPECIAL REVENUE/ OTHER	TOTAL
Classroom Teachers	\$ 478,776,943	\$ -	\$ -	\$ 478,776,943
Central Office Administration	3,277,037	-	-	3,277,037
Non-Instructional Support Personnel	44,466,222	-	-	44,466,222 *
School Building Administration	32,681,299	-	-	32,681,299
Instructional Support Personnel	53,898,461	-	-	53,898,461
Non-Contributory Employee Benefits	7,390,923	-	-	7,390,923
Driver Training	2,941,349	-	-	2,941,349
Voc. Ed. - Months of Employment	46,346,449	-	-	46,346,449
Voc. Ed.- Program Support	1,929,723	-	-	1,929,723
School Technology Fund	3,401,443	-	-	3,401,443
Coding and Mobile Application Grant	80,000	-	-	80,000
Summer Reading Camps	4,891,909	-	-	4,891,909
Advanced Teaching Roles	1,784,833	-	-	1,784,833
Disadv. Student Supplemental Funding	5,695,639	-	-	5,695,639
Teacher Assistants	40,976,774	-	-	40,976,774
Behavioral Support	297,647	-	-	297,647
Children with Disabilities	68,191,321	-	-	68,191,321
Children with Disabilities - Special	1,640,341	-	-	1,640,341
Academically/Intellectually Gifted	8,326,684	-	-	8,326,684
Limited English Proficiency	17,398,691	-	-	17,398,691
High School Learn and Earn	900,000	-	-	900,000
Transportation of Pupils	63,841,668	-	-	63,841,668
Classroom Materials/Supplies	677,513	-	-	677,513 *
Assistant Principal Intern - MSA Student	17,934	-	-	17,934
At-Risk/Alternative Schools	30,649,615	-	-	30,649,615
School Connectivity	634,710	-	-	634,710
Special Position Allotment	121,868	-	-	121,868
State Textbook Allotment	6,041,156	-	-	6,041,156 *
Textbook and Digital Resources	3,687,919	-	-	3,687,919 *
Mecklenburg County	-	529,779,896	-	529,779,896
Voc. Ed. - Program Improvement	-	-	2,250,958	2,250,958
McKinney-Vento Homeless	-	-	107,725	107,725
IDEA VI-B - Preschool Handicapped	-	-	479,071	479,071
ESEA Title I - Basic	-	-	48,771,389	48,771,389
North Carolina Pre-K	-	-	12,988,195	12,988,195
IDEA Title VI-B	-	-	33,172,969	33,172,969
IDEA VI B - Special Education State Improvement	-	-	10,000	10,000
IDEA VI B – Children with Disabilities	-	-	486,003	486,003
IDEA VI-B Special Needs	-	-	322,768	322,768
IDEA Preschool Targeted Assistance	-	-	60,249	60,249
Title II - Improving Teacher Quality	-	-	7,146,895	7,146,895
Title III - Language Acquisition	-	-	3,214,184	3,214,184
Title III - Language Acquisition Sign. Inc.	-	-	272,215	272,215
Title I - School Improvement	-	-	3,588,549	3,588,549
Title I - School Improvement - 1003G	-	-	2,071,445	2,071,445
Title VII – Indian Education Grant	-	-	16,500	16,500
ESEA Title IV - Student Supp. & Acad. Enrichment	-	-	3,902,936	3,902,936

**2019-20 PROPOSED REVENUE BUDGET:
REVENUE CATEGORIES BY FUNDING SOURCE**

REVENUE CATEGORY	STATE	COUNTY	FEDERAL/ SPECIAL REVENUE/ OTHER	TOTAL
21st Century Grant	-	-	240,367	240,367
National Institute of Justice - Safety & Mental Health	-	-	493,099	493,099
National Institute of Justice - Discipline Disparities	-	-	626,658	626,658
Teacher in Residence	-	-	22,754	22,754
DSS Reimbursement	-	-	651,771	651,771
National Board Services	-	-	3,339	3,339
ROTC Reimbursement	-	-	1,874,878	1,874,878
Admin Outreach/Direct Svcs - Medicaid	-	-	5,401,720	5,401,720
Regional Alternative Licensing Center	-	-	219,188	219,188
County Sheriff Reimbursement	-	-	593,872	593,872
County Bond Reimbursement	-	-	279,601	279,601
CMS Foundation	-	-	278,116	278,116
Broad Residency in Urban Eduaction	-	-	59,400	59,400
Teaching Residency	-	-	456,303	456,303
Athletics	-	-	1,575,000	1,575,000
Rental of School Property	-	-	1,850,000	1,850,000
Indirect Costs	-	-	7,100,000	7,100,000
Tuition & Fees	-	-	535,000	535,000
Interest Earned on Investment	-	-	1,625,353	1,625,353
Restitution	-	-	30,000	30,000
Police Sales	-	-	35,000	35,000
Fund Balance	-	-	1,600,000	1,600,000
TOTAL	\$ 930,966,071	\$ 529,779,896	\$ 144,413,470	\$ 1,605,159,437

* Includes impact of planned ABC transfers.

Green Position Allotment - Funds are used to pay the amount required to hire a specific number of certified teachers and other educator positions based on the state salary schedule, without being limited to a specific dollar amount.

Pink Dollar Allotment - Funds are used to hire employees or purchase goods for a specific purpose, but must stay within the allotted dollar amount.

Blue Categorical Allotment - Funds are used to purchase all services necessary to address the needs of a specific population or service. The local school system must operate within the allotted funds. These funds may be used to hire personnel, to provide a service, or to purchase supplies and materials for the specific population or service only.

PROPOSED BUDGET BY REVENUE CATEGORY

001	<u>Classroom Teachers</u> Provides funding for salaries and associated benefits for classroom teachers allotted in a specific number of positions. To qualify as a classroom teacher and to be charged against this allotment, an individual must spend a major portion of the school day providing classroom instruction and shall not be assigned to administrative duties in either the central or school offices.	\$478,776,943
002	<u>Central Office Administration</u> Provides funding for salaries and associated benefits for central office administration. These funds may be used for personnel including: Superintendent, Directors/Supervisors/Coordinators, Associate and assistant Superintendents, Finance Officers, Child Nutrition Supervisors/Managers, Community Schools Coordinators/Directors, Athletic Trainers, Health Education Coordinators, Maintenance Supervisors and Transportation Directors.	\$3,277,037
003	<u>Non-Instructional Support Personnel</u> Provides funding for non-instructional support personnel, associated benefits and liability insurance. These funds may be used at the central office or at individual schools for personnel including: Clerical Assistants, Custodians, Duty Free Period and Substitute Teachers.	\$44,466,222
005	<u>School Building Administration</u> Provides funding for salaries and associated benefits for principals and assistant principals.	\$32,681,299
007	<u>Instructional Support Personnel – Certified</u> Provides funding for salaries and associated benefits for certified instructional support personnel who provide service to students who are at risk of school failure and their families. The funds may be used for personnel including: Media Specialist, Counselor, Psychologist, Social Worker, Student Services Specialist, Hearing Officer and Media Assistant.	\$53,898,461
009	<u>Non-Contributory Employee Benefits</u> Provides funding for salaries and associated benefits to provide for annual leave, disability and longevity.	\$7,390,923
012	<u>Driver Training</u> Provides funding for the expenses associated with training and instructing eligible persons in the operation of motor vehicles.	\$2,941,349
013	<u>Vocational Education - Months of Employment</u> Provides funding for salaries and associated benefits for classroom teachers of secondary students who elect to enroll in vocational and technical education programs.	\$46,346,449
014	<u>Vocational Education - Program Support Funds</u> Provides funding to assist in expanding, improving, modernizing, and developing quality vocational education programs.	\$1,929,723
015	<u>School Technology Fund</u> Provides funding for the development and implementation of a local school technology plan.	\$3,401,443
065	<u>Coding and Mobile Application Grant</u> The purpose of the program is to provide opportunities for North Carolina students to learn computer science, coding and mobile app development to help them gain the skills needed to: (1) create and contribute, not just use and consume, in the digital economy; and (2) actively engage as informed citizens in our complex, technology-driven world.	\$80,000
016	<u>Summer Reading Camps</u> Provides funding to allow any student to attend a Summer Reading Camp if s/he does not demonstrate reading proficiency.	\$4,891,909

PROPOSED BUDGET BY REVENUE CATEGORY

022	<u>Advanced Teaching Roles</u> Provides funding to develop and support highly effective teachers, to increase the access to effective and highly-effective teachers for students in low-achieving and high-poverty schools relative to their higher-achieving and lower-poverty peers.	\$1,784,833
024	<u>Disadvantaged Student Supplemental Funding</u> Provides funding to support disadvantaged students.	\$5,695,639
027	<u>Teacher Assistants</u> Provides funding for salaries and associated benefits for teacher assistants in regular and self-contained classrooms.	\$40,976,774
029	<u>Behavioral Support</u> Provides funding for Assaultive and Violent Children programs that provide appropriate educational programs to students under the age of 18 who suffer from emotional, mental, or neurological handicaps accompanied by violent or assaultive behavior.	\$297,647
032	<u>Children with Disabilities</u> Provides funding for the special educational needs and related services of children with disabilities. These funds are to be used for children with disabilities, preschool handicapped, group homes, foster homes or similar facilities.	\$68,191,321
063	<u>Children with Disabilities – Special Funds</u> Provides funding for the special educational needs and related services of children with disabilities. These funds are to be used for community residential centers and developmental day care facilities.	\$1,640,341
034	<u>Academically or Intellectually Gifted</u> Provides funding for academically or intellectually gifted students and may be used only (i) for academically or intellectually gifted students, (ii) to implement the plan developed under G.S. 15C-150.7; (iii) for children with special needs; or (iv) in accordance with an accepted school improvement plan, for any purpose so long as that school demonstrates it is providing appropriate services to academically or intellectually gifted students assigned to that school in accordance with the local plan developed under G.S. 115C-150.7 . Funds cannot be used for Children with Special Needs unless moved with an ABC transfer.	\$8,326,684
054	<u>Limited English Proficiency</u> Provides funding to support students who have limited proficiency in English. The funds shall be used to supplement local current expense funds and shall not supplant local current expense funds.	\$17,398,691
055	<u>High School Learn and Earn</u> Provides funding to create rigorous and relevant high school options that provide students with the opportunity and assistance to earn an associate degree or two year of college credit by the conclusion of the year after their senior year in high school.	\$900,000
056	<u>Transportation of Pupils</u> Provides funding for all “yellow bus” transportation related expenses for eligible school age (K-12) students for travel to and from school and between schools. Examples of these expenses are contract transportation, transportation personnel (other than Director, Supervisor, and Coordinator), bus drivers' salaries, benefits, fuel, and other costs as defined in the Uniform Chart of Accounts.	\$63,841,668
061	<u>Classroom Materials/Instructional Supplies/Equipment</u> Provides funding for instructional materials and supplies, instructional equipment, and testing support.	\$677,513

PROPOSED BUDGET BY REVENUE CATEGORY

067	<u>Assistant Principal Intern - MSA Student</u> Provides funding for stipends to full-time students working on a master's degree in school administration programs who are serving in an approved intern program.	\$17,934
069	<u>At-Risk Student Services/Alternative Schools</u> Provides funding for identifying students likely to drop out and to provide special alternative instructional programs for these at-risk students. Also provides funding for summer school instruction and transportation, remediation, alcohol and drug prevention, early intervention, safe schools, and preschool screening. These funds may not be used to supplant dropout prevention programs funded from other state or federal sources.	\$30,649,615
073	<u>School Connectivity</u> Provides funding to support the enhancement of the technology infrastructure for public schools.	\$634,710
096	<u>Special Position Allotment</u> Provides funding for salary and associated benefits for local teacher on loan to the state.	\$121,868
130	<u>State Textbook Allotment</u> Provides funding for purchase of prescribed textbooks purchased for pupils or group of pupils, and furnished free to them. Funding is reflected in the Other Local Category. Note: this is reflected under other local revenue as required by statute.	\$6,041,156
131	<u>State Textbook Allotment</u> Used to transfer funds for textbooks and digital resources not purchased through the Textbook Warehouse.	\$3,687,919
	<u>Mecklenburg County</u> Provides funding to support the education of all children throughout Mecklenburg County in the amount approved by the Board of County Commissioners.	\$529,779,896
017	<u>Vocational Education – Program Improvement</u> Provides funding to assist in developing the academic, vocational and technical skills of students who elect to enroll in vocational and technical education programs that will prepare them for occupations requiring other than a baccalaureate or advanced degree.	\$2,250,958
026	<u>McKinney-Vento Homeless</u> Provides funds to develop services to meet the educational and related needs of homeless students (e.g. tutoring, counseling, enrollment, attendance, staff development, parent training, etc.).	\$107,725
049	<u>IDEA VI-B – Preschool Handicapped</u> Provides funds to initiate and expand preschool special education programs for children with disabilities ages 3-5.	\$479,071
050	<u>ESEA Title I – Basic</u> Provides funding to supplement and provide special help to educationally deprived children from low income families.	\$48,771,389
413	<u>North Carolina Pre-K</u> Provides funding for high quality educational experiences in order to enhance Kindergarten readiness for four-year-olds who are at risk of school failure.	\$12,988,195
060	<u>IDEA Title VI-B</u> Provides funding to initiate, expand, and continue special education to handicapped children ages 3 through 21.	\$33,172,969

PROPOSED BUDGET BY REVENUE CATEGORY

082	<u>IDEA VI B – Special Education State Improvement Grant</u>	\$10,000
	The Special Education State Improvement Grant (State Personnel Development Grant) provides personnel development and program support services to significantly improve the performance and success of students with disabilities in local education agencies (LEA), charter schools and state-operated programs in North Carolina. Funds support the implementation of researched based practices in reading/writing and/or mathematics using sites and centers established by grant recipients.	
114	<u>IDEA VI B – Children with Disabilities – Risk Pool</u>	\$486,003
	Provides IDEA, Title VI, Part B funds to “high need” students with disabilities served in local education agencies (LEAs). These funds are to be used for the student’s special education and related service needs.	
118	<u>IDEA VI-B Special Needs</u>	\$322,768
	The Individuals with Disabilities Education Act 2004 provides funds to local education agencies, charter schools and state-operated programs for specific areas of need for students with disabilities. These targeted areas include the establishment and coordination of reading/writing coordinators and training, math coordinators and training, early literacy activities, Positive Behavior Interventions and Support coordinators and training, Responsiveness to Instruction coordinators and training, related services support, autism and low incidence support and training.	
119	<u>IDEA Preschool Targeted Assistance</u>	\$60,249
	The Individuals with Disabilities Education Act 2004 provides funds to local education agencies specific areas of need for students with disabilities. These targeted areas include the establishment and coordination of preschool demonstration classes and preschool assessment centers, preschool program network consultants and training, improving preschool LRE opportunities for handicapped preschoolers, and improving LEA family involvement activities.	
103	<u>Title II – Improving Teacher Quality</u>	\$7,146,895
	Provides funding to help increase the academic achievement of all students by ensuring that all teachers are highly qualified to teach.	
104	<u>Title III – Language Acquisition</u>	\$3,214,184
	Provides funding to assist children who are Limited English Proficient (LEP), including immigrant children and youth, develop high levels of academic attainment in English and meet the same state academic content and student achievement standards as all children. Also, provide assistance to LEAs/Charter Schools in building their capacity to establish, implement, and sustain language instructional educational programs and programs of English language development for LEP children.	
111	<u>Title III – Language Acquisition Significant Increase</u>	\$272,215
	Provides funding for enhanced instructional opportunities for immigrant children and youth designed to assist them in achieving in elementary and secondary schools, including activities designed to assist parents in becoming active participants in the education of their children and activities designed to support personnel to provide services specifically to immigrant children and youth. Also provides funds for additional basic instructional services that are directly attributable to the presence of eligible immigrant children and youth.	
105	<u>Title I – School Improvement</u>	\$3,588,549
	Provides assistance for schools, which have been identified for School Improvement, Corrective Action, and Restructuring.	
117	<u>Title I – School Improvement -1003G</u>	\$2,071,445
	Provides assistance for schools, which have been identified for Corrective Action, and Restructuring and have shown progress in improving student performance.	
310	<u>Title VII – Indian Education Grant</u>	\$16,500
	Funding to meet the unique cultural, language, and educational needs of Indian students and ensure that all students meet the challenging State academic standard. Funds support such activities as culturally-responsive after-school programs, Native language classes, early childhood education, tutoring, and dropout prevention.	

PROPOSED BUDGET BY REVENUE CATEGORY

108	<u>ESEA Title IV - Student Support & Academic Enrichment</u>	\$3,902,936
	Funding to promote equitable access to educational opportunity, including holding all students to high academic standards, ensuring meaningful action is taken to improve the lowest-performing schools and schools with underperforming student groups, and providing more children with access to high-quality preschool.	
110	<u>21st Century Grant</u>	\$240,367
	The purpose is to establish 21st Century Community Learning Center (21st CCLC) programs that provide students with afterschool academic and enrichment opportunities, along with activities designed to complement the regular school day. An emphasis must be on providing literacy and math strategies, as well as a broad array of additional services that may include the following: youth development activities, drug and violence prevention, counseling and mentoring, art, music and character education.	
373	<u>School Safety and School-Based Mental Health Services</u>	\$493,099
	This National Institute of Justice (NIJ) research grant seeks to develop information about how enhanced mental health services and increased staffing impact school climate and school violence. This 4 year grant provides funding for additional staff, training in evidence-based interventions, and allows middle school students in need of mental health therapy to receive treatment for free if they lack a funding source.	
374	<u>Discipline Disparities - (NIJ)</u>	\$626,658
	Provides funding to improve the outcomes for African American males in CMS high schools by reducing out of school suspensions and increase academic achievement.	
083	<u>Teacher in Residence</u>	\$22,754
	Provides funding for operating expenses reimbursed by DPI for coordination of regional projects for instructional personnel.	
812/813	<u>DSS Reimbursement</u>	\$651,771
	Provides funding to allow local school districts to be reimbursed under the federal Medicaid program for a portion on the administrative cost associated with providing school based health services.	
880	<u>National Board Services</u>	\$3,339
	Provides funding to support teachers in attaining their national board for professional teaching standards certification. The National Board for Professional Teaching Standards improves teaching and student learning.	
301	<u>ROTC Reimbursement</u>	\$1,874,878
	Provides funding for salaries and associated benefits for ROTC classroom teachers.	
305/306	<u>Administrative Outreach Claiming for Education Program</u>	\$5,401,720
	Provides funding to allow local school districts to be reimbursed under the federal Medicaid program for a portion on the administrative cost associated with providing school based health services.	
499	<u>Regional Alternative Licensing Center</u>	\$219,188
	Provides funding to assist lateral entry teachers in NC to achieve a full professional educator's license.	
069	<u>County Sheriff Reimbursement</u>	\$593,872
	Provides funding for salaries and associated benefits for positions supporting the jail education program in the Alternative Education department.	
980	<u>County Bond Reimbursement</u>	\$279,601
	Provides funding for salaries and associated benefits for positions supporting the capital program.	
889	<u>CMS Foundation</u>	\$278,116
	The CMS Foundation works to generate financial investment to support Charlotte-Mecklenburg Schools and develop a community-wide culture of schoolanthropy—the support of public education.	

PROPOSED BUDGET BY REVENUE CATEGORY

	<u>Broad Residency in Urban Education</u>	\$59,400
	Provides funding for 33% of the salary for a resident for a two year period.	
	<u>Teaching Residency</u>	\$456,303
	CMS Teaching Residency is a state-approved district owned high quality, research-based, accelerated training and licensure program for aspiring teachers in the areas of K-6, secondary math, secondary English Language Arts and secondary science.	
815	<u>Athletics</u>	\$1,575,000
	Provides funding for the support and operations of the district's middle schools athletics program.	
	<u>Rental of School Property</u>	\$1,850,000
	Provides funding for the operational costs of using school facilities after school hours and on the weekend.	
	<u>Indirect Costs</u>	\$7,100,000
	Provides funding for the cost necessary for the functioning of the District as a whole, but which cannot be directly assigned to one service.	
	<u>Tuition & Fees</u>	\$535,000
	Provides funding for the education of students residing outside of Mecklenburg County but enrolled in the school district.	
	<u>Interest Earned on Investments</u>	\$1,625,353
	Provides funding for the cost necessary for the functioning of the District as a whole, but which cannot be directly assigned to one service.	
	<u>Restitution</u>	\$30,000
	Provides funding for the repair or replacement of District property destroyed due to the negligence of an individual.	
	<u>Police Sales</u>	\$35,000
	Provides funding for the cost necessary for the functioning of the District as a whole, but which cannot be directly assigned to one service.	
	<u>Fund Balance</u>	\$1,600,000
	Provides funding from the excess of the assets of a fund over its liabilities and reserves at the beginning or ending of a fiscal year for the one-time purchases of services or equipment.	

FUND DESCRIPTIONS AND STRUCTURE

Governmental Funds

General Fund: The General Fund is the general operating fund of the Board. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. This fund is the “Local Current Expense Fund,” which is mandated by State law [G.S. 115C-426].

State Public School Fund: The State Public School Fund includes appropriations from the Department of Public Instruction for the current operating expenditures of the public school system.

Federal Grants Administered Through the State Fund: The Federal Grants Administered Through the State Fund is used to account for grant monies from the US Department of Education that pass through the state and allotted to the LEAs.

Direct Federal Grants Fund: The Direct Federal Grants Fund is used to account for grant monies administered through the US Department of Education, US Department of Health and Human Services and other federal grants from various government agencies.

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes including local, state, and federal government grants and private donations received from individual and corporate donors.

Individual Schools Fund: The Individual Schools Fund includes revenues and expenditures of the activity funds of the individual schools. The primary revenue sources include funds held on the behalf of various clubs and organizations, receipts from athletic events, and proceeds from various fund raising activities. The primary expenditures are for athletic teams, club programs, activity buses, and instructional needs.

Capital Projects Fund: The Capital Projects Fund accounts for financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by proprietary funds and trust funds). It is mandated by State law [G.S. 115C-426]. Capital projects are funded by Mecklenburg County appropriations and proceeds of Mecklenburg County bonds issued for public school construction.

Enterprise Funds

After School Enrichment Program: The After School Enrichment Program fund is used to account for instructional services provided to students beyond the regular school day.

Child Nutrition Program: The Child Nutrition Program fund is used to account for the food service program within the school system.

Fund Balance

The Board of Education recognizes its fiduciary responsibility to adopt a balanced budget and will seek to do so by considering all cost savings and efficiency options as well as maximizing the use of all funding sources. If projected expenditures exceed projected revenue, budget redirections or reductions may become necessary. One-time solutions, including the use of fund balance reserves, will be considered with caution and appropriately factored in to mitigate the impact of budget shortfalls. The board’s use of fund balance reserves is consistent with district priorities.

**2019-20 PROPOSED CURRENT EXPENSE BUDGET:
EXPENDITURES BY FUNDING SOURCE**

	2019-20 Proposed State Funds	2019-20 Proposed County Appropriation	2019-20 Proposed Federal/Special Revenue/Other	2019-20 Proposed Total Budget
EXPENDITURES				
Instructional				
Regular Instructional	\$ 582,866,594	\$ 185,370,181	\$ 7,049,907	\$ 775,286,682
Special Populations	114,742,270	28,285,123	34,501,683	177,529,076
Alternative Programs	27,240,644	17,267,884	64,997,239	109,505,767
Co-Curricular	-	5,327,648	1,394,826	6,722,474
School-Based Support	<u>54,576,016</u>	<u>25,402,293</u>	<u>10,456,995</u>	<u>90,435,304</u>
Total Instructional	779,425,524	261,653,129	118,400,650	1,159,479,303
Instructional Support				
Support and Development	1,067,519	9,762,557	1,481,466	12,311,542
Special Pop. Support and Development	145,742	2,848,338	1,073,339	4,067,419
Alternative Prog Support and Development	394,186	2,244,020	3,202,267	5,840,473
System-wide Pupil Support	<u>131,543</u>	<u>3,919,722</u>	<u>7,067</u>	<u>4,058,332</u>
Total Instructional Support	1,738,990	18,774,637	5,764,139	26,277,766
Operations				
Technology Support	991,128	15,623,059	134,348	16,748,535
Operational Support	90,138,521	103,708,708	12,837,273	206,684,502
Financial and Human Resource Services	590,880	23,435,575	1,604,320	25,630,775
Accountability	303,775	4,891,802	231,547	5,427,124
Community Services	-	-	553,136	553,136
Nutrition Services	2,861	43,077	304,062	350,000
Other	<u>-</u>	<u>-</u>	<u>2,862,352</u>	<u>2,862,352</u>
Total Operations	92,027,165	147,702,221	18,527,038	258,256,424
Leadership				
Policy, Leadership and Public Relations	2,097,640	14,275,036	1,644,677	18,017,353
School Leadership Services	<u>55,676,752</u>	<u>27,187,909</u>	<u>76,966</u>	<u>82,941,627</u>
Total Leadership	57,774,392	41,462,945	1,721,643	100,958,980
Charter School Pass-through	-	60,186,964	-	60,186,964
TOTAL EXPENDITURES	<u>\$ 930,966,071</u>	<u>\$ 529,779,896</u>	<u>\$ 144,413,470</u>	<u>\$ 1,605,159,437</u>

**2019-2020 PROPOSED CURRENT EXPENSE BUDGET:
DETAIL EXPENDITURES BY FUNDING SOURCE**

Description	State	County	Federal/Special Revenue/Other	Grand Total
Salaries				
Board Member Salary/Exp. Allowance	\$ -	\$ 254,937	\$ -	\$ 254,937
Superintendent	146,571	178,849	-	325,420
Assoc. Supt./Chief Officer	1,200,616	1,108,630	174,099	2,483,345
Director/Supervisor	1,171,634	9,388,977	1,408,610	11,969,221
Principal	14,408,756	4,956,780	52,343	19,417,879
Assistant Principal	9,612,644	11,077,406	-	20,690,050
Area/Assistant Superintendent	109,531	774,952	-	884,483
<i>Administration</i>	<u>\$ 26,649,752</u>	<u>\$ 27,740,531</u>	<u>\$ 1,635,052</u>	<u>\$ 56,025,335</u>
	2.86%	5.24%	1.13%	3.49%
Teacher	420,072,041	36,877,256	14,841,182	471,790,479
ROTC Instructor	-	1,884,788	1,453,456	3,338,244
Extended Contracts	-	204,955	-	204,955
Social Worker/Counselor/ Media Spec.	32,319,548	8,440,535	2,562,372	43,322,455
Speech Pathologist/Audiologist	10,223,306	-	-	10,223,306
Psychologist	4,382,352	1,274,374	325,060	5,981,786
Deans/Facilitators	13,212,638	9,572,344	7,968,163	30,753,145
Supplementary Pay	-	91,067,574	6,595,782	97,663,356
Substitute - Certified	865,449	7,233,521	1,428,881	9,527,851
Bonus	-	60,000	152,175	212,175
Additional Responsibility Stipend	38,316	2,848,386	829,616	3,716,318
Staff Development Pay	379,810	593,322	2,852,784	3,825,916
<i>Professional Educator</i>	<u>\$ 481,493,460</u>	<u>\$ 160,057,055</u>	<u>\$ 39,009,471</u>	<u>\$ 680,559,986</u>
	51.72%	30.21%	27.01%	42.40%
Teacher/Media Assistant	28,071,939	5,014,791	12,034,821	45,121,551
Tutor	2,162,626	-	3,104,824	5,267,450
Interpreter/Translator	101,503	163,122	1,610,646	1,875,271
Physical/ Occupational Therapist	4,686,526	-	-	4,686,526
School-based Non-certified Support	2,197,229	254,785	4,961,358	7,413,372
Monitors	304,573	570,654	1,701,088	2,576,315
Non-Cert. Instructor - Driver/Alt Ed	290,490	-	-	290,490
Resource Officer/Campus Sec.	3,656,756	669,496	-	4,326,252
Market Adjustment	-	2,102,093	-	2,102,093
<i>Instructional Support Non-certified</i>	<u>\$ 41,471,642</u>	<u>\$ 8,774,941</u>	<u>\$ 23,412,737</u>	<u>\$ 73,659,320</u>
	4.45%	1.66%	16.21%	4.59%
Office Support	15,855,749	8,293,735	677,930	24,827,414
Technician- Technology	-	5,748,589	-	5,748,589
Administrative Specialist	573,834	20,919,341	2,279,405	23,772,580
Staff Development Pay	-	66,113	-	66,113
Market Adjustment	-	3,241,024	-	3,241,024
<i>Technical and Administrative Support</i>	<u>\$ 16,429,583</u>	<u>\$ 38,268,802</u>	<u>\$ 2,957,335</u>	<u>\$ 57,655,720</u>
	1.76%	7.22%	2.05%	3.59%

**2019-2020 PROPOSED CURRENT EXPENSE BUDGET:
DETAIL EXPENDITURES BY FUNDING SOURCE**

Description	State	County	Federal/Special Revenue/Other	Grand Total
Driver	30,021,132	96,607	-	30,117,739
Driver Overtime/Additional Pay	61,800	1,372	104,500	167,672
Custodian	14,032,815	9,764,623	-	23,797,438
Skilled Trades	9,964,835	12,439,661	92,293	22,496,789
Operational Support Manager	-	362,903	-	362,903
One-time Bonus	-	364,640	-	364,640
Longevity Pay	3,800,991	611,845	284,850	4,697,686
Overtime Pay	406,997	872,108	208,031	1,487,136
Annual Leave	1,246,378	748,786	-	1,995,164
Disability Pay	722,434	94,183	-	816,617
Staff Development Pay	-	571	-	571
Market Adjustment	-	2,333,529	-	2,333,529
<i>Operational Support and Other</i>	\$ 60,257,382	\$ 27,690,828	\$ 689,674	\$ 88,637,884
	6.47%	5.23%	0.48%	5.52%
Total Salaries	\$ 626,301,819	\$ 262,532,157	\$ 67,704,269	\$ 956,538,245
	67.27%	49.55%	46.88%	59.59%
Employee Benefits				
Employer's Social Security	47,862,229	20,144,611	5,249,165	73,256,005
Employer's Retirement	127,625,229	51,706,121	13,737,189	193,068,539
Employer's Hospitalization Ins.	84,998,942	18,582,774	8,316,270	111,897,986
Employer's Workers' Comp. Ins.	-	-	216,652	216,652
Employer's Unemployment Ins.	-	306,000	-	306,000
Employer's Life Insurance	20	164,584	13,146	177,750
Total Employee Benefits	\$ 260,486,420	\$ 90,904,090	\$ 27,532,422	\$ 378,922,932
	27.98%	17.16%	19.06%	23.61%
Total Salaries/Employee Benefits	\$ 886,788,239	\$ 353,436,247	\$ 95,236,691	\$ 1,335,461,177
	95.25%	66.71%	65.95%	83.20%
Non-personnel Costs				
Contracted Services	15,629,426	31,447,145	21,312,019	68,388,590
Workshop Expenses	723,976	2,173,682	1,818,070	4,715,728
Advertising Cost	-	59,910	34,400	94,310
Printing and Binding Fees	36,260	60,494	298,293	395,047
Reproduction Costs	49,000	160,200	80,332	289,532
Other Prof & Tech Services	2,250	-	96,000	98,250
Public Utilities - Electric Services	-	11,958,634	8,360,934	20,319,568
Public Utilities - Natural Gas	-	2,940,759	-	2,940,759
Public Utilities - Water and Sewer	-	5,130,326	749,542	5,879,868
Waste Management	-	1,024,609	-	1,024,609
Contracted Repairs & Maintenance	24,500	8,311,913	68,057	8,404,470
Rentals/Leases	-	579,628	145,584	725,212
Pupil Transportation - Contracted	4,330,427	2,719,318	83,085	7,132,830

**2019-2020 PROPOSED CURRENT EXPENSE BUDGET:
DETAIL EXPENDITURES BY FUNDING SOURCE**

Description	State	County	Federal/Special Revenue/Other	Grand Total
Travel Reimbursement	483,798	1,164,957	232,035	1,880,790
Field Trips	165,000	284,638	142,442	592,080
Telephone/Telecommunication	1,486,856	1,691,468	430,327	3,608,651
Postage	41,800	50,820	127,272	219,892
Employee Education Reimbursement	86,000	2,000	50,000	138,000
Membership Dues and Fees	230,000	464,882	350,800	1,045,682
Liability Insurance	-	3,944,104	495,951	4,440,055
Vehicle Liability Insurance	128,000	1,521	-	129,521
Property Insurance	-	886,760	421,738	1,308,498
Fidelity Bond Premium	-	14,530	-	14,530
Other Insurance and Judgments	-	66,500	7,000	73,500
Indirect Cost	-	-	2,862,352	2,862,352
Total Purchased Services	\$ 23,417,293	\$ 75,138,798	\$ 38,166,233	\$ 136,722,324
	2.52%	14.18%	26.43%	8.52%
Supplies and Materials	3,715,714	13,938,198	8,187,749	25,841,661
State Textbooks	6,041,156	-	-	6,041,156
Other Textbooks	-	6,700,592	-	6,700,592
Library Books	115,335	396,124	-	511,459
Computer Software and Supplies	4,648,154	2,946,685	683,812	8,278,651
Repair Parts, Grease, and Anti-Freeze	196,772	4,909,811	-	5,106,583
Gas/Diesel Fuel	3,315,627	5,643,580	-	8,959,207
Oil	101,484	39,303	-	140,787
Tires and Tubes	157,844	647,050	-	804,894
Food Purchases -PreK/Extend. Day	97,500	348,325	166,825	612,650
Furniture & Equipment - Inventoried	55,365	2,308,718	795,849	3,159,932
Computer Equipment - Inventoried	1,985,048	2,920,825	1,003,620	5,909,493
Total Supplies and Materials	\$ 20,429,999	\$ 40,799,211	\$ 10,837,855	\$ 72,067,065
	2.19%	7.70%	7.50%	4.49%
Equipment - Capitalized	300,000	106,959	61,240	468,199
Computer Hardware - Capitalized	-	111,717	111,451	223,168
License and Title Fees	30,540	-	-	30,540
Total Equipment and Vehicles	\$ 330,540	\$ 218,676	\$ 172,691	\$ 721,907
	0.04%	0.04%	0.12%	0.04%
Transfers to Charter Schools	-	60,186,964	-	60,186,964
Total Fund Transfers	\$ -	\$ 60,186,964	\$ -	\$ 60,186,964
	0.00%	11.36%	0.00%	3.75%
	-	-	-	-
	-	-	-	-
Grand Total	\$ 930,966,071	\$ 529,779,896	\$ 144,413,470	\$ 1,605,159,437
	100.00%	100.00%	100.00%	100.00%

**2019-2020 PROPOSED CURRENT EXPENSE BUDGET:
ALIGNMENT WITH THE DISTRICT'S PRIORITY INVESTMENT AREAS
BY FUNDING SOURCE DETAIL**

	2019-20 Proposed State Funds	2019-20 Proposed County Approp.	2019-20 Proposed Federal and Other	2019-20 Proposed Total Budget
FOCUS ON CORE: STUDENTS, TEACHERS AND CONTENT				
> Delivering on a Guarantee of a Rigorous and Viable Curriculum	22.15%	7.68%	1.67%	31.49%
> Improving teaching through a focus on the knowledge and skills of teachers	2.97%	1.82%	1.63%	6.42%
> Engaging students as independent learners	4.07%	1.58%	0.39%	6.04%
> Increasing Access to Advanced/Rigorous Courses or Coursework	5.11%	1.00%	0.43%	6.54%
> Reducing Chronic Absenteeism	6.45%	1.72%	1.67%	9.84%
> Reducing Out-of-School Suspension Disproportionality	1.10%	0.50%	0.15%	1.75%
> Increasing the Percentage of High School Students Graduating in 4 Years	2.67%	0.92%	0.08%	3.67%
> Increasing the Percentage of Students Graduating in 4 Years with at Least One (1) DPI Diploma Endorsement	1.09%	0.40%	0.00%	1.49%
> Increasing Student Access to Mental Health Supports	2.46%	1.47%	0.31%	4.25%
> Increasing District-wide Cultural Competence	0.61%	0.63%	0.13%	1.37%
> Expanding School Options in the High School Grades	<u>0.01%</u>	<u>0.02%</u>	<u>0.01%</u>	<u>0.03%</u>
Subtotal	48.70%	17.73%	6.47%	72.90%
MANAGING OUR PERFORMANCE				
> Managing our performance	1.18%	1.28%	0.59%	3.04%
> Increasing Overall Employee Job Satisfaction	0.42%	0.63%	0.04%	1.09%
> Increasing the Percentage of School-age Children in Mecklenburg County Attending a CMS School	0.13%	0.17%	0.02%	0.31%
> Increasing the (actual and perceived) Level of Safety in Our Schools	2.40%	1.18%	0.11%	3.69%
> Strengthening our Technology Infrastructure	0.14%	0.58%	0.14%	0.86%
> Operational improvements and innovation in non-instructional areas (i.e.; transportation, child nutrition, finance, HR, maintenance and facilities)	4.45%	6.41%	1.27%	12.12%
> Other Investments	<u>0.59%</u>	<u>5.04%</u>	<u>0.37%</u>	<u>6.00%</u>
Subtotal	9.30%	15.27%	2.53%	27.10%
Grand Total	58.00%	33.00%	9.00%	100.00%

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Proposed County Appropriation

Proposed
County Appropriation



DETAIL OF CHANGES TO 2018-2019 COUNTY APPROPRIATION

2018-19 BASE BUDGET	\$ 459,864,612
I. SUSTAINING OPERATIONS	
A. Program Continuation	
1. House Bill 90 Enhancement Teachers' Local Supplement (K-3 Class size reduction)	\$ 876,020
2. School Resource Officer Contract/Off-duty Officer Increases	384,875
3. Special Populations Transportation Costs	1,078,090
4. Enterprise Resource Planning (ERP) Systems Modernization	<u>3,000,000</u>
Total Sustaining Operations	\$ 5,338,985
II. INVESTING IN OUR EMPLOYEES	
A. Salaries and Benefits	
1. Local Supplement Increase - competitive with highest in the state	\$ 7,999,212
2. Salary Increases - local impact of state estimated increases - 6% increase for school admin staff, 5% increase for 5% average increase for certified staff and 3% increase for non-certified staff	7,417,773
3. Phase I Market Rate Adjustments	
Phase I market adjustments for hourly staff -increase to \$13.22 minimum hourly rate / compression	7,270,647
Phase I market adjustments for exempt staff	2,561,600
4. Health Insurance Rate Increase - from \$6,104 to \$6,349 annually per eligible employee	716,471
5. Retirement Rate Increase - from 18.86% to 20.43% of eligible earnings	<u>3,631,874</u>
B. Expanding Time for Teachers Assistants - Professional Development and Support	
1. Increase work schedule to 40 hours per week	1,796,749
2. Add four professional development days	826,218
C. Employee Recognition Program	<u>185,000</u>
Total Investing In Our Employees	\$ 32,405,544
III. STUDENT GROWTH AND ADDITIONAL SPACE	
A. Student Enrollment Growth Costs	
1. Enrollment Growth - 250 new students	
Additional Staffing Allotments	\$ 31,216
Non-Personnel	<u>38,516</u>
Total CMS Enrollment Growth Costs	69,732
2. Charter School Enrollment Growth - 1,552 new students	<u>\$ 6,207,849</u>
Total Student Enrollment Growth Costs	\$ 6,277,581
B. Additional Facility Space - including new and renovated square footage	
1. Maintenance and Operating Costs for All Additional Space	<u>650,038</u>
Total Additional Facility Space Costs	\$ 650,038
Total Student Growth and Additional Space Costs	\$ 6,927,619
IV. PROGRAM EXPANSION AND NEW INITIATIVES	
A. Student Support Staffing/Social and Emotional Learning Support	\$ 5,767,205
B. Guaranteed Viable Curriculum and Fine Arts Experiences	4,250,000
C. Standards and Equity Institute	300,000
D. Safety and Security	3,786,105
E. Building Services Staffing and Preventive Maintenance	7,125,064
F. Cultural Proficiency Training for Staff and Students	3,668,345
G. Single Sign-on Access for Students and Staff	<u>346,417</u>
Total Program Expansion and New Initiatives	\$ 25,243,136
2019-2020 PROPOSED COUNTY APPROPRIATION	\$ 529,779,896
INCREASE IN TOTAL COUNTY APPROPRIATION OVER PRIOR YEAR	\$ 69,915,284

**2019-20 PROPOSED CURRENT EXPENSE BUDGET:
PROPOSED COUNTY APPROPRIATION**

	Salaries and Benefits	Purchased Services	Supplies and Materials
EXPENDITURES			
Regular Instructional	\$ 152,532,079	\$ 10,802,809	\$ 21,906,554
Special Populations	26,018,779	857,356	1,408,988
Alternative Programs	15,127,793	1,562,714	577,377
School Leadership Services	26,678,400	-	509,509
Co-Curricular	3,103,970	2,002,661	206,790
School-Based Support	21,188,279	3,640,181	573,833
Support and Development	8,999,290	439,983	322,136
Special Population Support and Development	2,579,351	258,627	10,360
Alternative Programs Support and Development	2,075,309	110,691	57,663
Technology Support	9,335,781	4,936,229	1,351,049
Operational Support	49,883,842	41,221,777	12,538,217
Financial and Human Resource Services	16,154,331	6,692,463	585,427
Accountability	4,450,439	317,117	118,267
System-wide Pupil Support	3,578,096	106,792	234,834
Policy, Leadership and Public Relations	11,687,431	2,189,398	398,207
Nutrition Services	43,077	-	-
Charter School Pass-through	-	-	-
TOTAL EXPENDITURES	<u>\$ 353,436,247</u>	<u>\$ 75,138,798</u>	<u>\$ 40,799,211</u>
PERCENTAGE OF TOTAL	66.71%	14.18%	7.70%

Note: The description for each category is on the following pages 48-55

**2019-20 PROPOSED CURRENT EXPENSE BUDGET:
PROPOSED COUNTY APPROPRIATION**

Furniture and Equipment	Charter School Pass-through	Total	% of Total Budget
128,739	-	\$ 185,370,181	34.99%
-	-	28,285,123	5.34%
-	-	17,267,884	3.26%
-	-	27,187,909	5.13%
14,227	-	5,327,648	1.01%
-	-	25,402,293	4.79%
1,148	-	9,762,557	1.84%
-	-	2,848,338	0.54%
357	-	2,244,020	0.42%
-	-	15,623,059	2.95%
64,872	-	103,708,708	19.58%
3,354	-	23,435,575	4.42%
5,979	-	4,891,802	0.92%
-	-	3,919,722	0.74%
-	-	14,275,036	2.69%
-	-	43,077	0.01%
-	<u>60,186,964</u>	<u>60,186,964</u>	<u>11.36%</u>
<u>\$ 218,676</u>	<u>\$ 60,186,964</u>	<u>\$ 529,779,896</u>	<u>100.00%</u>
0.04%	11.36%	100.00%	

PROPOSED COUNTY APPROPRIATION BY MAJOR FUNCTION

Instructional Services

Instructional services include the costs of activities dealing directly with the interaction between teachers and students. Teaching may be provided for students in a school classroom, in another location such as a home or hospital, and in other learning situations such as those involving co-curricular activities. It may also be provided through some other approved medium. Included here are the costs of salaries and benefits for teachers, instructional assistants, instructional leadership and support staff, as well as contracted instructional services, instructional supplies, materials, and equipment, professional development, and any other cost related to direct instruction of students.

Costs of activities involved in evaluating, selecting, and implementing textbooks and other instructional tools and strategies, curriculum development, demonstration teaching, and delivering staff development are also included here. Any site-based instructional supervisor or coordinator coded to this function should spend at least 75% of his/her time on these duties.

5100 Regular Instructional Services \$185,370,181

Cost of activities that provide students in grades K-12 with learning experiences to prepare them for activities as workers, citizens, and family members. They include costs of those individuals responsible for providing school curriculum development and coordination as well as lead teachers for regular instructional services. (Not included are those programs designed to improve or overcome physical, mental, social and/or emotional impediments to learning.)

Regular Curricular Services

Costs of activities which are organized into programs of instruction to provide students with learning opportunities to prepare for and achieve personal, health, and career objectives.

CTE Curricular Services

Costs of activities that provide students with the opportunity to develop the knowledge, skills and attitudes needed for training in a specialized field of employment (or occupational field), and are not on the college preparatory track.

5200 Special Populations Services \$28,285,123

Costs of activities for identifying and serving students (in accordance with state and federal regulations) having special physical, emotional, or mental impediments to learning. Also included are those students identified as needing specialized services such as limited English proficiency and gifted education. They include costs of those individuals responsible for providing school curriculum development and coordination as well as lead teachers for special populations services. (Certain categories of funds require that expenditures coded here must be in addition to regular allotments such as classroom teachers, textbooks, etc.) These programs include pre-kindergarten, elementary, and secondary services for the following groups of students.

Children With Disabilities Curricular Services

Costs of activities for students identified as being mentally impaired, physically handicapped, emotionally disturbed, those with learning disabilities, physical therapy, or other special programs for student with disabilities.

Children With Disabilities CTE Curricular Services

Costs of activities for students identified as being mentally impaired, physically handicapped, emotionally disturbed, or those with learning disabilities, requiring specialized CTE programs, as well as for occupational therapy.

Pre-K Children With Disabilities Curricular Services

Costs of activities provided for Pre-K-aged children (under the age of five) who have been identified as being mentally impaired, physically handicapped, emotionally disturbed, or those with learning disabilities.

PROPOSED COUNTY APPROPRIATION BY MAJOR FUNCTION

Speech and Language Pathology Services

Costs of activities that identify students with speech and language disorders, diagnose and appraise specific speech and language disorders, refer problems for medical or other professional attention necessary to treat speech and language disorders, provide required speech treatment services, and counsel and guide students, parents, and teachers, as appropriate.

Audiology Services

Costs of activities that identify students with hearing loss; determine the range, nature, and degree of hearing function; refer problems for medical or other professional attention appropriate to treat impaired hearing; treat language impairment; involve auditory training, speech reading (lip-reading), and speech conversation; create and administer programs of hearing conversation; and counsel guidance of students, parents, and teachers, as appropriate.

Academically/Intellectually Gifted Curricular Services

Costs of activities to provide programs for students identified as being academically gifted and talented.

Limited English Proficiency Services

Costs of activities to assist students from homes where the English language is not the primary language spoken to succeed in their educational programs.

5300 Alternative Programs and Services

\$17,267,884

Costs of activities designed to identify students likely to be unsuccessful in traditional classrooms and/or to drop out and to provide special alternative and/or additional learning opportunities for these at-risk students. They include costs of those individuals responsible for providing school curriculum development and coordination as well as lead teachers for alternative programs and services. Programs include summer school instruction, remediation, alcohol and drug prevention, extended day, services to help keep students in school, as well as alternative educational settings, instructional delivery models, and supporting services for identified students.

Alternative Instructional Services K-12

Costs of activities designed to provide alternative learning environments (programs or schools) during the regular school year for students likely to be unsuccessful in traditional classrooms.

Attendance and Social Work Services

Costs of activities designed to improve student attendance at school and which attempt to prevent or solve student problems involving the home, the school, and the community.

Remedial and Supplemental K-12 Services

Costs of activities designed to improve student performance by providing remedial support and supplemental assistance during the regular school day in grades K-12 to students enabling them to succeed in their learning experiences. Title I activities provided during the school day would be coded here.

Pre-K Readiness/Remedial and Supplemental Services

Costs of activities designed to provide additional assistance to Pre-K-aged students to strengthen their abilities to be successful in the K-12 course of studies. Smart Start, More-At-Four, and Head Start would be coded here.

Extended Day/Year Instructional Services

Costs of activities designed to provide additional learning experiences for students outside of the regular required school calendar. These activities include remedial instructional programs conducted before and after school hours, on Saturdays, during the summer, or during intersession breaks.

PROPOSED COUNTY APPROPRIATION BY MAJOR FUNCTION

5400 School Leadership Services

\$27,187,909

Costs of activities concerned with directing and managing the learning opportunities for students within a particular school. They include costs of the activities performed by the principal and assistant principals while they supervise and evaluate the staff members of the school, assign duties to staff members, supervise and maintain the records of the school, communicate the instructional needs and successes of the students to the various school stakeholders and community, and coordinate school instructional activities with those of the LEA. These activities also include the work of clerical staff, in support of the teaching and leadership functions.

5500 Co-Curricular Services

\$5,327,648

Costs of school-sponsored activities, under the guidance and supervision of LEA staff, designed to motivate students, provide enjoyable experiences, and assist in skill development. Co-curricular activities normally supplement the regular instructional program and include such activities as band, chorus, choir, speech and debate. Also included are student-financed and managed activities such as clubs and proms.

5800 School-Based Support Services

\$25,402,293

Costs of school-based student and teacher support activities to facilitate and enhance learning opportunities for students. These include the areas of educational media services, student accounting, guidance services, health, safety and security support services, instructional technology services, and unallocated staff development.

Educational Media Services

Costs of activities supporting the use of all teaching and learning resources, including media specialists and support staff, hardware, software, books, periodicals, reference books, internet-based services, and content materials.

Student Accounting

Costs of activities of acquiring and maintaining records of school attendance, location of home, family characteristics, census data, and the results of student performance assessments. Portions of these records become a part of the cumulative record which is sorted and stored for teacher and guidance information. Pertinent statistical reports are prepared under this function as well. Include SIMS/NCWise clerical support and school-based testing coordinator activities here.

Guidance Services

Costs of activities involving counseling with students and parents, consulting with other staff members on learning problems, evaluating the abilities of students, assisting students in personal and social development, providing referral assistance, and working with other staff members in planning and conducting guidance programs for students. Include career development coordination services in this area.

Health Support Services

Costs of activities concerned with the health of the students. Included in this area are activities that provide students with appropriate medical, dental, and nursing services.

Safety and Security Support Services

Costs of activities concerned with the security and safety of the students, staff, buildings and grounds. Included in this area are expenses related to school resource officers, traffic directors, crossing guards, security at athletic events, security officials, and security systems.

Instructional Technology Services

Cost of activities to support the technological platform for instructional staff and students. This will include technology curriculum development, training, software, and other learning tools. Examples would include help desk services and programmers for instruction.

PROPOSED COUNTY APPROPRIATION BY MAJOR FUNCTION

Staff Development Unallocated

Cost of activities to provide staff development for all instructional areas when the training provided is not for a purpose code-specific area, or when staff development funds are appropriated to a school for direct payments.

Parent Involvement Services

Costs of activities which encourage and support parent involvement in the schools. Include activities which train parents to provide better learning opportunities for their children.

Volunteer Services

Costs of activities which encourage and support volunteerism in the schools.

System-Wide Support Services

System-wide support services include the costs of activities providing system-wide support for school-based programs, regardless of where these supporting services are based or housed. These services provide administrative, technical, personal, and logistical support to facilitate, sustain, and enhance instruction. Included here are the costs of salaries and benefits for program leadership, support and development and associated support staff, contracted support services, supplies, materials and equipment, professional development, and any other cost related to the system-wide support for the school-based programs of the school system. Costs of activities involved in developing/administering budgets, authorizing expenditures of funds, evaluating the performance of subordinates, developing policies and/or regulations for the district as a whole are included here.

6100 Support and Development Services

\$9,762,557

Cost of activities that provide program leadership, support, and development services for programs providing students in grades K-12 with learning experiences to prepare them for activities as workers, citizens, and family members (Not included are program leadership, support and development services for programs designed to improve or overcome physical, mental, social and/or emotional impediments to learning.)

Regular Curricular Support and Development Services

Costs of activities to provide program leadership, support, and development services for regular curricular programs of instruction to provide students with learning opportunities to prepare for and achieve personal, health, and career objectives.

CTE Curricular Support and Development Services

Costs of activities to provide program leadership, support, and development services for programs of instruction to provide students with the opportunity to develop the knowledge, skills and attitudes needed for training in a specialized field of employment (or occupational field), and are not on the college preparatory track.

6200 Special Population Support and Development Services

\$2,848,338

Costs of activities to provide program leadership, support, and development services primarily for identifying and serving students (in accordance with state and federal regulations) having special physical, emotional, or mental impediments to learning. Also included are support and development services for those students needing specialized services such as limited English proficiency and gifted education. These programs include pre-kindergarten, elementary, and secondary services for the special populations.

PROPOSED COUNTY APPROPRIATION BY MAJOR FUNCTION

6300 Alternative Programs and Services Support and Development Services \$ 2,244,020

Costs of activities to provide program leadership, support, and development services for programs designed to identify students likely to be unsuccessful in traditional classrooms and/or to drop out and to provide special alternative and/or additional learning opportunities for these at-risk students. Costs related to state Assistance Teams are also included here. Programs include summer school instruction, remediation, alcohol and drug prevention, extended day, services to help keep students in school, as well as alternative educational settings, instructional delivery models, and supporting services for identified students.

6400 Technology Support Services \$15,623,059

Costs of central based activities associated with implementing, supporting and maintaining the computer hardware, software, peripherals, technical infrastructure which provide technology system services to the LEA as a whole. Also included is the development and implementation of technological systems; and technology user support services for the LEA.

6500 Operational Support Services \$103,708,708

Costs of activities for the operational support of the school system such as printing and copying services, communication services, utility services, transportation of students, facilities, planning and construction, custodial and housekeeping services, maintenance services, and warehouse and delivery services. (Do not include any costs which may be coded to one or more specific purpose functions.)

Communication Services

Costs of general telephone and telecommunication services for the LEA. Include in this area general line charges, communication devices, LEA-wide postage purchases, and general telecommunication system support. Does not include any costs which may be coded to one or more specific purpose functions.

Printing and Copying Services

Costs of activities of printing and publishing publications such as annual reports, school directories, and manuals. Also included are the lease/purchase of copier equipment for the school system, as well as centralized services for printing and publishing school materials and instruments such as school bulletins, newsletters, notices, teaching materials, and other items used by the LEA and their individual schools.

Public Utility and Energy Services

Costs of activities concerned with public utility and energy product consumption.

Custodial/Housekeeping Services

Costs of activities concerned with housekeeping duties necessary for the clean and healthy environment of the building structures of a school or other buildings of the LEA.

Transportation Services

Costs of activities concerned with the conveying of students to and from school, as provided by state and federal law. Included are trips between home and school and trips to school activities.

Warehouse and Delivery Services

Costs of activities concerned with the receiving, storing, and distributing of supplies, furniture, equipment, materials, and mail.

Facilities Planning, Acquisition and Construction Services

Costs of activities concerned with acquiring land and buildings, remodeling buildings, constructing buildings and additions to buildings, improving sites, and up-dating service systems. This would include the costs of contracted construction management as well as architectural and engineering, educational specifications development and other services as well as those contracted services generally associated with the primary construction costs.

PROPOSED COUNTY APPROPRIATION BY MAJOR FUNCTION

Maintenance Services

Costs of activities concerned with the repair and upkeep of the building structures, mechanical equipment, underground utility lines and equipment, and surrounding grounds of a school or other buildings of the LEA.

6600 Financial and Human Resource Services

\$23,435,575

Costs of activities concerned with acquisition, management, reporting and protection of financial resources; and with recruitment, retention, placement, and development of human resources for the LEA.

Financial Services

Costs of activities concerned with the financial operations of the LEA. These operations include budgeting, receiving and disbursing of funds, financial and property accounting, payroll, purchasing, risk management, inventory control, and managing funds as required in the School Budget and Fiscal Control Act.

Human Resource Services

Costs of activities concerned with maintaining an efficient, effective staff for the LEA including such activities as recruitment, retention, placement, and development of human resources for the LEA.

6700 Accountability Services

\$4,891,802

Cost of activities concerned with the development, administration, reporting and analysis of student progress. This area includes the testing and reporting for student accountability, such as end of grade and end of course testing, disaggregation, analysis, and reporting of school and student performance. This area also includes the planning, research development and program evaluation costs of the school system.

Student Testing Services

Costs of activities to provide the development, administration, reporting and analysis of student progress, and results of student performance assessments, including the testing and reporting for student accountability.

Planning, Research Development and Program Evaluation

Costs of activities to provide the planning, research development and program evaluation costs of the school system.

6800 System-wide Pupil Support Services

\$3,919,722

Costs of activities that provide program leadership, support, and development services for system-wide pupil support activities for students in grades K-12. These areas include educational media support, student accounting support, guidance support, health support, safety and security support, and instructional technology support system-wide services.

Educational Media Support Services

Costs of activities to provide leadership, support, and development services for system-wide pupil support activities involving the use of all teaching and learning resources.

Student Accounting Support Services

Costs of activities to provide leadership, support, and development services for system-wide pupil support activities of acquiring and maintaining records of school attendance, location of home, family characteristics, and census data.

Guidance Support Services

Costs of activities to provide leadership, support, and development services for system-wide pupil support activities involving counseling with students and parents, consulting with other staff members on learning problems, evaluating the abilities of students, and other guidance services, in addition to career development coordination support services.

PROPOSED COUNTY APPROPRIATION BY MAJOR FUNCTION

Health Support Services

Costs of activities to provide leadership, support, and development services for system-wide pupil support activities concerned with the health of the students.

Safety and Security Support Services

Costs of activities to provide leadership, support, and development services for system-wide pupil support activities concerned with the security and safety of the students, staff, buildings and grounds.

Instructional Technology Support Services

Costs of activities to provide leadership, support, and development services for system-wide pupil support activities to provide learning opportunities in technology for staff and students, to include technology curriculum development, training, software, and other learning tools.

6900 Policy, Leadership and Public Relations Services

\$14,275,036

Costs of activities concerned with the overall general administration of and executive responsibility for the entire LEA.

Board of Education

Costs of activities of the elected body which has been created according to state law and vested with responsibilities for educational planning, policy, and activities in a given LEA.

Legal Services

Cost of activities concerned with providing legal advice and counsel to the Board of Education and/or school system.

Audit Services

Cost of activities concerned with the annual independent financial audit as well as the internal audit functions in a school system.

Leadership Services

Costs of activities performed by the superintendent and such assistants as deputy, associate, assistant superintendents, and other system-wide leadership positions generally directing and managing all affairs of the LEA. These include all personnel and materials in the office of the chief executive officer.

Public Relations and Marketing Services

Costs of activities concerned with writing, editing, and other preparation necessary to disseminate educational and administrative information to the public through various news media or personal contact. This area includes marketing and public information services associated with promoting the school system as a positive entity.

Ancillary Services

Activities that are not directly related to the provision of education for pupils in a local school administrative unit. These include community services and nutrition services provided by the school system.

7200 Nutrition Services

\$43,077

Costs of activities concerned with providing food service to students and staff in a school or LEA including the preparation and serving of regular and incidental meals, or snacks in connection with school activities.

PROPOSED COUNTY APPROPRIATION BY MAJOR FUNCTION

Non-Programmed Charges

Non-Programmed charges are conduit-type (outgoing transfers) payments to other LEAs or other administrative units in the state or in another state, transfers from one fund to another fund in the LEA, appropriated but unbudgeted funds, debt service payments, scholarship payments, payments on behalf of educational foundations, contingency funds, and other payments that are not attributable to a program.

8100 Payments to Other Governmental Units

\$60,186,964

Include payments to other LEAs (including charter schools) or governmental units, which are generally for tuition and transportation for services rendered to pupils residing in the paying LEA. It is also used for indirect cost when used in conjunction with object code 392.

Capital Outlay

Expenditures for acquiring fixed assets, including land or existing buildings, improvements of grounds, initial equipment, additional equipment, and replacement of equipment. Does not include any costs which may be coded to one or more specific purpose functions. (i.e., purchase of transportation equipment would be coded to 6550, maintenance equipment would be coded to 6580, etc.)

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Capital Outlay/Leases

CAPITAL OUTLAY DESCRIPTION

The 1987 Session of the General Assembly passed legislation (House Bill 1155 and 1142) establishing two funds to assist county governments in meeting their public school building capital needs. One was the Critical School Facility Needs Fund administered by the State Board of Education; the other is the Public School Capital Building Fund (which was administered by the Office of State Budget and Management from 1987 through June 30, 2003). The General Assembly of North Carolina included in the budget for the 2003-04 fiscal year (HB397) a provision that transfers the Public School Building Capital Fund from the Office of State Budget and Management to the Department of Public Instruction.

Public School Capital Building Fund is funded from corporate income taxes collected by the state and from interest income earned from cash balances in the fund. These funds are deposited quarterly into the Public School Capital Building Fund and allocated to individual counties based on their public school enrollment. These funds may be used to fund public school building capital and technology equipment needs. In the event a county finds that it does not need all or part of the funds allocated to it for capital outlay projects, the unneeded funds allocated to that county may be used to retire any indebtedness incurred by the county for public school facilities. Historically, the County withdrew funds from the Public Schools Capital Building Fund to fund Charlotte Mecklenburg Schools' Capital Outlay Budget. However, since 2006-07 these funds have been used for debt service on school related debt and the Capital Outlay Budget has been funded with County revenues.

The Capital Outlay Budget is designed to provide pay-as-you-go funding for systematic and scheduled repair and replacement of the school system's major assets such as roofs, heating and air conditioning units, paved areas, furniture, and equipment.

The Building Services Department of Charlotte-Mecklenburg Schools is responsible for developing a five-year plan for major maintenance items such as re-roofing, replacement of heating and air conditioning units, re-paving of parking lots and drives, etc. Requests from the schools and departments are evaluated, and a set of prioritized projects is established.

The following four-year comparison schedule summarizes the budget for the capital replacement expenditures.

CAPITAL OUTLAY BUDGET
SCHEDULE OF REVENUES AND EXPENDITURES

	2019-20 Proposed Budget	2018-19 Adopted Budget	2017-18 Adopted Budget	2016-17 Adopted Budget
REVENUES				
County	36,060,000	27,560,000	22,960,000	22,960,000
TOTAL CAPITAL OUTLAY REVENUES	\$ 36,060,000	\$ 27,560,000	\$ 22,960,000	\$ 22,960,000
EXPENDITURES				
<u>Buildings and Sites</u>				
Roofs	\$ 4,845,293	\$ 4,845,293	\$ 5,451,889	\$ 6,607,518
Heating and Air Conditioning	5,485,939	5,485,939	3,899,014	3,076,748
Asphalt Resurfacing & Paving	3,313,384	3,313,384	3,294,577	4,990,050
Plumbing	1,070,000	1,070,000	-	-
Carpeting	-	-	391,372	150,000
Stage Curtains	-	-	25,000	25,000
Sites	4,125,000	4,125,000	4,560,970	4,880,300
Renovations	907,000	907,000	3,341,539	2,345,000
Electrical	2,263,000	2,263,000	1,085,255	135,000
Total Buildings and Sites	\$ 22,009,616	\$ 22,009,616	\$ 22,049,616	\$ 22,209,616
<u>Furniture and Equipment</u>				
Classroom and Office Equipment	\$ 550,384	\$ 550,384	\$ 550,384	\$ 550,384
Computer Equipment - Instructional	100,000	100,000	100,000	100,000
Vehicles	200,000	200,000	160,000	-
Insurance Claims	100,000	100,000	100,000	100,000
Total Furniture and Equipment	\$ 950,384	\$ 950,384	\$ 910,384	\$ 750,384
<u>Additional Capital Projects</u>				
Bus garages and washing stations	8,500,000	-	-	-
School security enhancement	4,600,000	4,600,000	-	-
Total Additional Capital Projects	\$ 13,100,000	\$ 4,600,000	\$ -	\$ -
TOTAL CAPITAL OUTLAY EXPENDITURES	\$ 36,060,000	\$ 27,560,000	\$ 22,960,000	\$ 22,960,000

LEASE, INSTALLMENT CONTRACTS & DEBT MANAGEMENT

The Charlotte-Mecklenburg Board of Education is limited by North Carolina General Statutes with regards to the types of debt it can issue and for what purpose that debt can be used. Local Boards of Education in North Carolina have no direct tax levying and limited borrowing authority. The Board's long-term debt obligations include installment purchases for school buses, compensated employee absences, energy performance contracts for the purpose of furnishing certain professional services designed to reduce energy consumption and operational costs, capital leases and various annual leases principally for office equipment. Mecklenburg County holds all debt issued for school capital construction.

As required by General Statute §115C-528(g), the Board of Education is submitting information concerning lease purchase contracts and installment purchase contracts as part of the annual budget. The following information is submitted in order to comply with the Statute's requirement.

a. Operating Leases

The Board has various annual lease agreements principally for office equipment, which are classified as operating leases. Operating lease expense for the year ended June 30, 2018 totaled \$1.0 million.

b. Installment Purchases

The Board is authorized to finance the purchase of school buses under G.S. 115C-528(a). Session law 2003-284, section 7.25 authorized the State Board of Education to allot monies for the payments on financing contracts entered into pursuant to G.S. 115C-528. The State has accepted the bid to purchase Thomas Built Buses through a special third party financing arrangement by Banc of America Public Capital Corp at total payments less than the purchase price.

The future minimum payment of the installment purchases as of June 30, 2018, are as follows (expressed in thousands):

<u>Year Ending June 30</u>	<u>Government Activities</u>
2019	\$ 3,568
2020	3,632
2021	<u>2,439</u>
Total Payments	<u>\$ 9,639</u>

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Enterprise Programs



SCHOOL NUTRITION SERVICES DESCRIPTION

The mission of School Nutrition Services is to have caring professionals offer students nutritious, appealing, and affordable meals in support of academic success.

The Healthy, Hunger-Free Kids Act of 2010 (Public Law 111-296) authorized establishment of nutrition standards for all foods served in schools and it provided for an alternative to household applications for free and reduced meals in high poverty schools under the Community Eligibility Provision (CEP). The overall purpose of CEP is to improve access to nutritious meals in high poverty schools by providing meals to all students at no cost. Students in 83 Charlotte-Mecklenburg Schools are participating in CEP and are receiving all meals at no cost. In addition, School Nutrition Services provides a Universal Breakfast program that makes breakfast available to students in non-CEP schools at no cost.

School Nutrition Services serves more than 41,000 breakfasts and 80,000 lunches each day. Another 12,000 customers are reached each day through adult meals and supplemental food sales. Charlotte-Mecklenburg Schools' Before School, After School and Extended Year tutoring programs consume 10,500 snacks and supper meals per day. There are 166 full service cafeteria operations. Meals are transported to five satellite locations that house small specialty education programs, six short term suspension sites, and five alternative and academy programs. In 2018-19, economically disadvantaged students were 47.56% of the total CMS population.

SCHOOL NUTRITION SERVICES

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

	FY 2019-20 Proposed Budget	FY 2018-19 Adopted Budget	FY 2017-18 Actual Expenditures	FY 2016-17 Actual Expenditures
OPERATING REVENUES:				
Student Meals	\$ 6,889,468	\$ 5,189,621	\$ 5,065,275	\$ 5,294,915
Supplemental Sales	6,259,538	6,380,302	6,243,471	6,590,577
Total Operating Revenues	13,149,006	11,569,923	11,308,746	11,885,492
OPERATING EXPENSES:				
Food and Commodities	27,775,000	27,774,216	27,944,304	27,065,269
Salaries	27,650,111	24,849,450	22,773,053	22,386,892
Employee Benefits	6,260,839	6,859,352	7,128,492	5,908,497
Materials and Supplies	2,000,000	1,989,712	1,943,894	1,896,072
Depreciation	1,500,000	1,701,572	1,687,126	1,732,002
Contracted Services	4,150,000	3,683,848	4,035,486	3,484,400
Other	4,560,024	4,676,227	4,300,182	4,233,214
Total Operating Expenses	73,895,974	71,534,377	69,812,537	66,706,346
OPERATING INCOME (LOSS)	(60,746,968)	(59,964,454)	(58,503,791)	(54,820,854)
U.S. Government Subsidy and Commodities	59,396,968	58,467,840	58,691,135	57,184,671
Interest Revenue and Other Misc. Revenue	1,000,000	1,196,614	487,714	748,972
Total Non-Operating Revenue	60,396,968	59,664,454	59,178,849	57,933,643
INCOME (LOSS) BEFORE OPERATING TRANSFER	(350,000)	(300,000)	675,058	3,112,789
OPERATING TRANSFER FROM GENERAL FUND	350,000	300,000	234,237	260,549
Change in Net Position	-	-	909,295	3,373,338
Total Net Position - Beginning of Year*	44,255,631	44,255,631	43,346,336	39,972,998
Total Net Position - End of Year**	\$ 44,255,631	\$ 44,255,631	\$ 44,255,631	\$ 43,346,336

* Based on prior year actuals

** Includes fund balance invested in fixed assets

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
SCHOOL NUTRITION SERVICES
COMPARISON OF MEAL PRICES

		BREAKFAST			LUNCH		
		Elementary	Secondary	Adult	Elementary	Secondary	Adult
2019-20	Proposed	No Charge	No Charge	A La Carte	\$ 2.75	\$ 3.00	A La Carte
2018-19	Adopted	No Charge	No Charge	A La Carte	\$ 2.25	\$ 2.50	A La Carte
2017-18		No Charge	No Charge	A La Carte	\$ 2.25	\$ 2.50	A La Carte
2016-17		No Charge	No Charge	A La Carte	\$ 2.25	\$ 2.50	A La Carte
2015-16		No Charge	No Charge	A La Carte	\$ 2.25	\$ 2.50	A La Carte
2014-15		No Charge	No Charge	A La Carte	\$ 2.25	\$ 2.50	A La Carte
2013-14		No Charge	No Charge	A La Carte	\$ 2.25	\$ 2.25	A La Carte
2012-13		\$ 1.25	\$ 1.25	A La Carte	\$ 2.15	\$ 2.15	A La Carte
2011-12		\$ 1.25	\$ 1.25	A La Carte	\$ 2.05	\$ 2.05	A La Carte
2010-11		\$ 1.25	\$ 1.25	A La Carte	\$ 2.00	\$ 2.00	A La Carte
2009-10		\$ 1.25	\$ 1.25	A La Carte	\$ 2.00	\$ 2.00	A La Carte
2008-09		\$ 1.25	\$ 1.25	A La Carte	\$ 2.00	\$ 2.00	A La Carte
2007-08		\$ 1.25	\$ 1.25	A La Carte	\$ 2.00	\$ 2.00	A La Carte

AFTER SCHOOL ENRICHMENT PROGRAM DESCRIPTION

The mission of the After School Enrichment Program is to provide families with: (1) affordable licensed after-school care, (2) a safe environment beyond school hours, (3) experiences linking education, enrichment and exploration and (4) people who are committed to competitively preparing students for the 21st Century. ASEP offers exciting activities which stimulate children to be healthier and happier; including sports, art activities and computer exploration. The After School Enrichment Programs operate in the CMS schools, utilizing age appropriate materials and equipment for students. From the media center to the playground, students spend out-of-school hours in safe and stimulating environments. ASEP provides academic tutoring by certified teachers on extended pay to work with children in small groups who perform below grade level. Currently the ASEP curriculum is correlated with the NC Common Core and Essential Standards. ASEP Site Coordinators, school administrators and teachers work together to ensure that the programs supplement the learning taking place during the school day.

Besides academic support, ASEP focuses on the development of children's social skills. Program leaders are respectful and positive toward students, mindful of the importance of appropriate role models. Students are encouraged to develop friendships with schoolmates that for some will last many years.

For 2019 students will continue to have access to an online Foreign Language Program. Students will be able to progress at their own pace and become familiar with a new Foreign Language Program.

The After School Enrichment Program is currently offered at 85 elementary schools, 14 middle schools, and six Pre-K centers throughout the district. ASEP operates 58 Before School programs and serve 1,987 students per week in Before School and 5,339 students in the After School Programs. ASEP operates on an Enterprise Budget.

The 2019-20 proposed budget includes a \$7 program price increase for the Before School and After School programs. The price for each program varies depending on the end of day bell schedule:

	<u>Before School</u>	<u>After School</u>
2:45 bell schedule	\$27	\$72
3:00 bell schedule	\$32	\$67
3:15 bell schedule	\$37	\$62
3:30 bell schedule	\$42	\$57
3:45 bell schedule	\$47	\$52
4:15 bell schedule	\$57	\$42

AFTER SCHOOL ENRICHMENT PROGRAM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

	2019-20 Proposed Budget	2018-19 Adopted Budget	2017-18 Actual Expenditures	2016-17 Actual Expenditures
OPERATING REVENUES:				
Participant Fees	\$ 15,790,948	\$ 13,973,335	\$ 13,854,387	\$ 13,972,208
OPERATING EXPENSES:				
Salaries	10,248,153	8,890,640	9,002,598	8,835,408
Benefits	2,837,530	2,271,607	2,561,813	2,003,513
Food Costs	435,780	407,541	418,369	462,796
Material and Supplies	429,968	233,831	1,043,825	243,476
Contracted Services	514,102	634,339	397,878	280,493
Other	1,411,443	1,610,377	1,568,216	1,651,462
Total Operating Expenses	<u>15,876,976</u>	<u>14,048,335</u>	<u>14,992,699</u>	<u>13,477,148</u>
OPERATING INCOME (LOSS)	(86,028)	(75,000)	(1,138,312)	495,060
NON-OPERATING REVENUES:				
Interest Income	86,028	75,000	86,788	59,939
Contributions and Grants	-	-	-	-
Total Non-Operating Revenue	<u>86,028</u>	<u>75,000</u>	<u>86,788</u>	<u>59,939</u>
Change in Net Position	-	-	(1,051,524)	554,999
Total Net Position - Beginning of Year*	4,393,871	4,393,871	4,393,871	3,838,872
RETAINED EARNINGS - End of Year	<u>\$ 4,393,871</u>	<u>\$ 4,393,871</u>	<u>\$ 3,342,347</u>	<u>\$ 4,393,871</u>
Average number of participants students per week	6,200	6,200	6,100	6,100

* Based on prior year actuals

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Results and Accountability



ACADEMIC ACHIEVEMENT

End-of-Grade Exam Overall Performance

In 2017-18, 44.9% of CMS students in grades 3-8 scored Level IV (College and Career Ready) or higher in reading on the state’s annual End-of-Grade assessment, a difference of -1.1 points compared to the state overall. In math, 53.3% of CMS students in grades 3-8 scored Level IV (College and Career Ready) or higher on the state’s annual End-of-Grade assessment, a difference of +5.2 points compared to the state. In science, 65.0% of CMS students in grades 5 and 8 scored Level IV (College and Career Ready) or higher in 2017-18, a difference of +2.0 points compared to the state.

The 2012-13 EOG and EOC tests were the first to reflect the new Common Core State Standards for English/Language Arts and Math and North Carolina Essential Standards for other subject areas. These standards set a new benchmark for what students are expected to know in order to graduate college- and career-ready. In 2013-14, the State Board of Education adopted a new methodology for determining achievement levels of students. Achievement Levels allow for two different categories of proficiency. Levels 3, 4, and 5 indicate Grade Level Proficiency. Levels 4 and 5 indicate College and Career Readiness.

2017-18 Reading
Percent of Students Scoring Level IV (College and Career Ready) or Higher

Test	CMS 2017-18 Percent C & C Ready	NC 2017-18 Percent C & C Ready	Difference between CMS and NC
Reading 3	45.9%	45.0%	-0.9 points
Reading 4	45.7%	45.6%	+0.1 points
Reading 5	38.7%	41.5%	-2.8 points
Reading 6	49.3%	50.5%	-1.2 points
Reading 7	49.0%	50.6%	-1.6 points
Reading 8	40.9%	42.5%	-1.6 points
Reading 3-8	44.9%	46.0%	-1.1 points

Source: North Carolina Department of Public Instruction <http://www.ncpublicschools.org/accountability/reporting/>

2017-18 Mathematics
Percent of Students Scoring Level IV (College and Career Ready) or Higher

Test	CMS 2017-18 Percent C & C Ready	NC 2017-18 Percent C & C Ready	Difference between CMS and NC
Math 3	59.4%	52.7%	+6.7 points
Math 4	54.7%	50.6%	+4.1 points
Math 5	57.8%	53.3%	+4.5 points
Math 6	44.8%	44.9%	-0.1 points
Math 7	50.5%	44.6%	+5.9 points
Math 8	46.3%	41.5%	+4.8 points
Math 3-8	53.3%	48.1%	+5.2 points

Source: North Carolina Department of Public Instruction <http://www.ncpublicschools.org/accountability/reporting/>

ACADEMIC ACHIEVEMENT

2017-18 Science
Percent of Students Scoring Level IV (College and Career Ready) or Higher

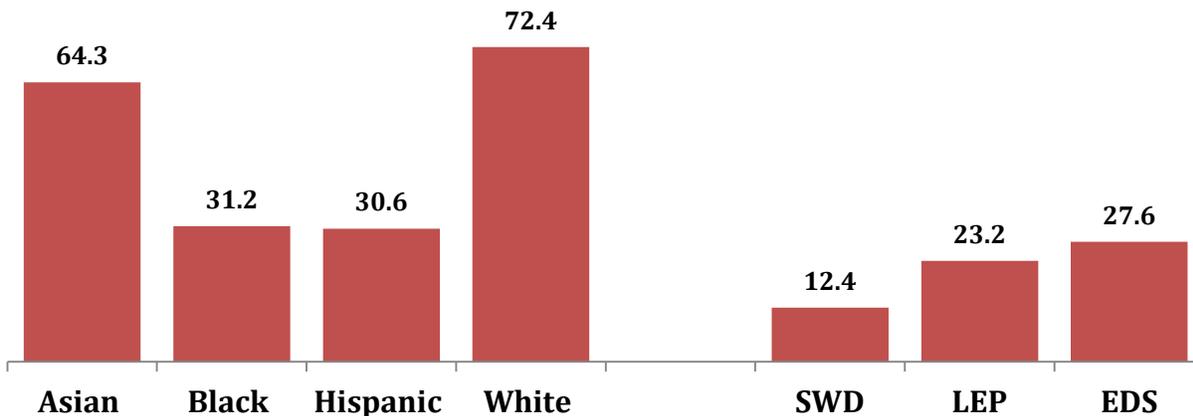
Test	CMS 2017-18 Percent C & C Ready	NC 2017-18 Percent C & C Ready	Difference between CMS and NC
Science 5	63.4%	58.9%	+4.5 points
Science 8	66.9%	67.6%	-0.7 points
Science 5 & 8	65.0%	63.0%	+2.0 points

Source: North Carolina Department of Public Instruction <http://www.ncpublicschools.org/accountability/reporting/>

End-of-Grade Exam Subgroup Performance

Differences in college and career ready rates exist by subgroup in reading, math, and science. For example, in 2017-18, 64.3% of Asian students, 31.2% of Black, 30.6% of Hispanic, and 72.4% of White students were College and Career Ready in reading. Differences also exist by racial/ethnic subgroup in math and science. In math, 78.7% of Asian students, 36.0% of Black, 44.8% of Hispanic, and 79.2% of White students were College and Career Ready. In science, 81.9% of Asian, 52.1% of Black, 55.5% of Hispanic, and 87.2% of White students were College and Career Ready in 2017-18.

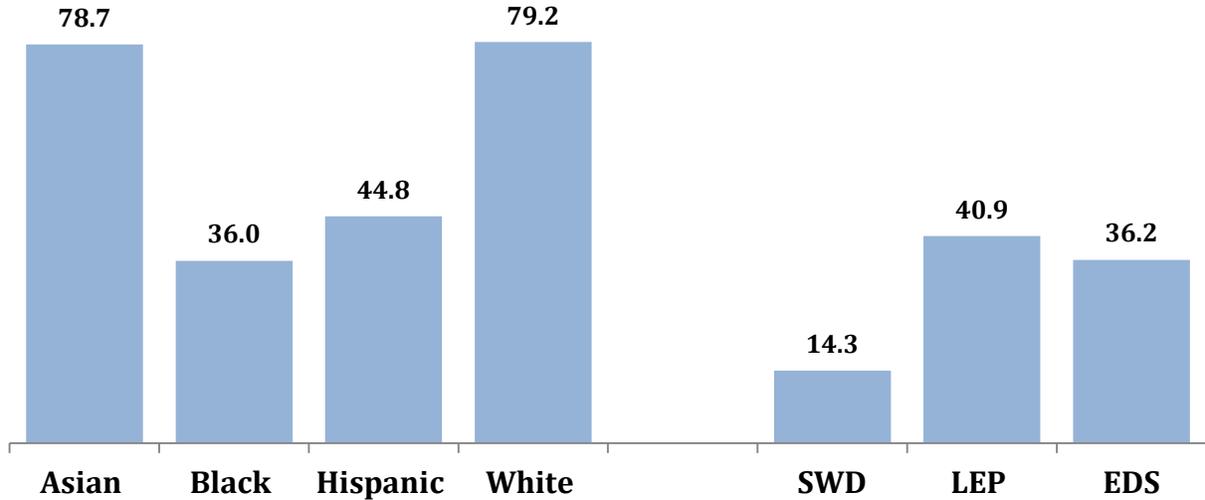
2017-18 Reading Results by Subgroup
Grades 3-8
Percent of Students Scoring Level IV (College and Career Ready) or Higher



Source: North Carolina Department of Public Instruction <http://www.ncpublicschools.org/accountability/reporting/> 2016-17 State, District, and School Level Drilldown Performance Data

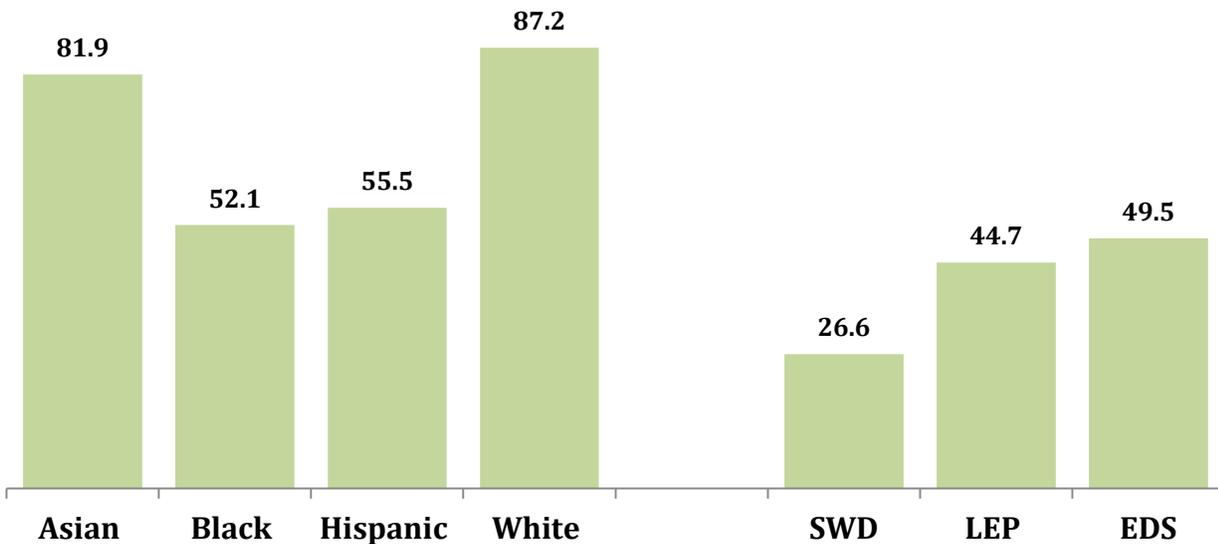
ACADEMIC ACHIEVEMENT

2017-18 Math Results by Subgroup
Grades 3-8
Percent of Students Scoring Level IV (College and Career Ready) or Higher



Source: North Carolina Department of Public Instruction <http://www.ncpublicschools.org/accountability/reporting/> 2016-17 State, District, and School Level Drilldown Performance Data

2017-18 Science Results by Subgroup
Grades 5 and 8
Percent of Students Scoring Level IV (College and Career Ready) or Higher



Source: North Carolina Department of Public Instruction <http://www.ncpublicschools.org/accountability/reporting/> 2016-17 State, District, and School Level Drilldown Performance Data

ACADEMIC ACHIEVEMENT

End-of-Course Exam Overall Performance

In 2017-18, 50.6% of CMS students scored Level IV (College and Career Ready) or higher on the English II End-of-Course exam, a difference of +1.8 points compared to the state overall. In Math 9-12, 50.6% of CMS students scored Level IV (College and Career Ready) or higher on the state's annual End-of-Course assessment, a difference of +3.9 points compared to the state. In Biology, 53.5% of CMS students scored Level IV (College and Career Ready) or higher on the state's annual End-of-Course exam, a difference of +2.1 points compared to the state.

2017-18 End of Course Exams
Percent of Students Scoring Level IV (College and Career Ready) or Higher

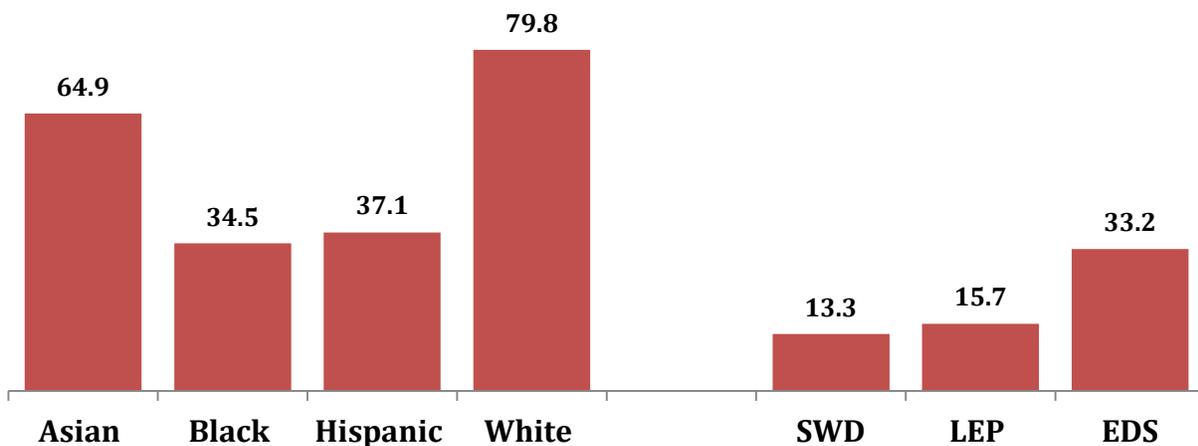
Test	CMS 2017-18 Percent C & C Ready	NC 2017-18 Percent C & C Ready	Difference between CMS and NC
Math 9-12	50.4%	46.5%	+3.9 points
English II	50.6%	48.8%	+1.8 points
Biology	53.5%	51.4%	+2.1 points
Grade 9-12 Composite	51.5%	48.9%	+2.6 points

Source: North Carolina Department of Public Instruction <http://www.ncpublicschools.org/accountability/reporting/>

End-of-Course Exam Subgroup Performance

Differences in college and career ready rates exist by subgroup in English II, Math I, and Biology End-of-Course exams. For example, in 2017-18, 64.9% of Asian students, 34.5% of Black, 37.1% of Hispanic, and 79.8% of White students were College and Career Ready on the English II exam. In Math 9-12, 75.8% of Asian students, 32.9% of Black, 38.6% of Hispanic, and 79.5% of White students were College and Career Ready. In Biology, 72.1% of Asian, 37.5% of Black, 39.9% of Hispanic, and 80.9% of White students were College and Career Ready in 2017-8.

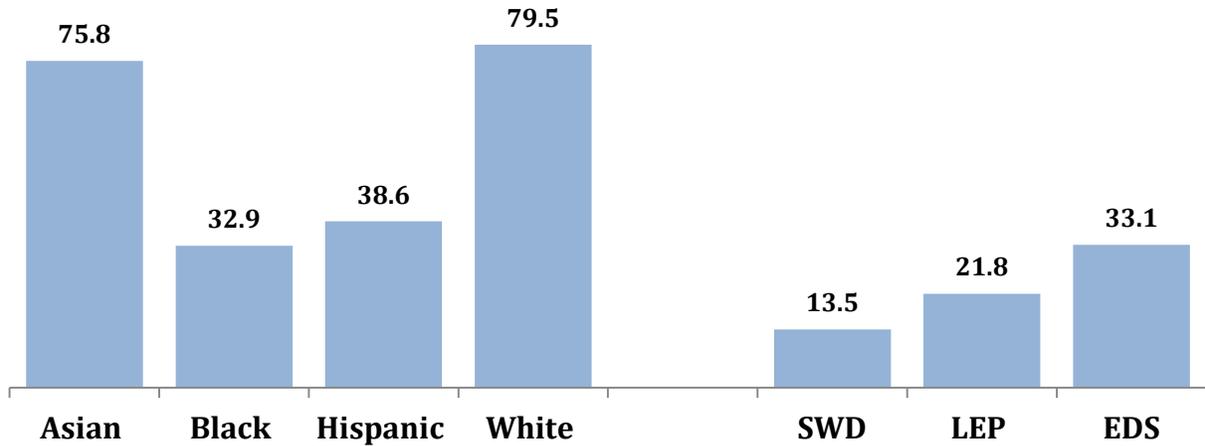
2017-18 English II Results by Subgroup
Percent of Students Scoring Level IV (College and Career Ready) or Higher



Source: North Carolina Department of Public Instruction <http://www.ncpublicschools.org/accountability/reporting/> 2016-17 State, District, and School Level Drilldown Performance Data

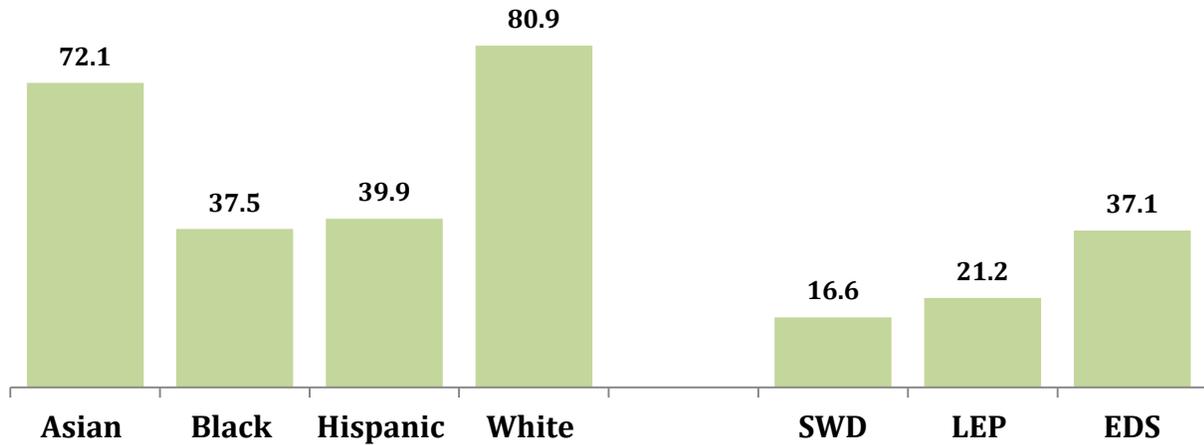
ACADEMIC ACHIEVEMENT

2017-18 Math 9-12 Results by Subgroup
Percent of Students Scoring Level IV (College and Career Ready) or Higher



Source: North Carolina Department of Public Instruction <http://www.ncpublicschools.org/accountability/reporting/> 2016-17 State, District, and School Level Drilldown Performance Data

2017-18 Biology Results by Subgroup
Percent of Students Scoring Level IV (College and Career Ready) or Higher



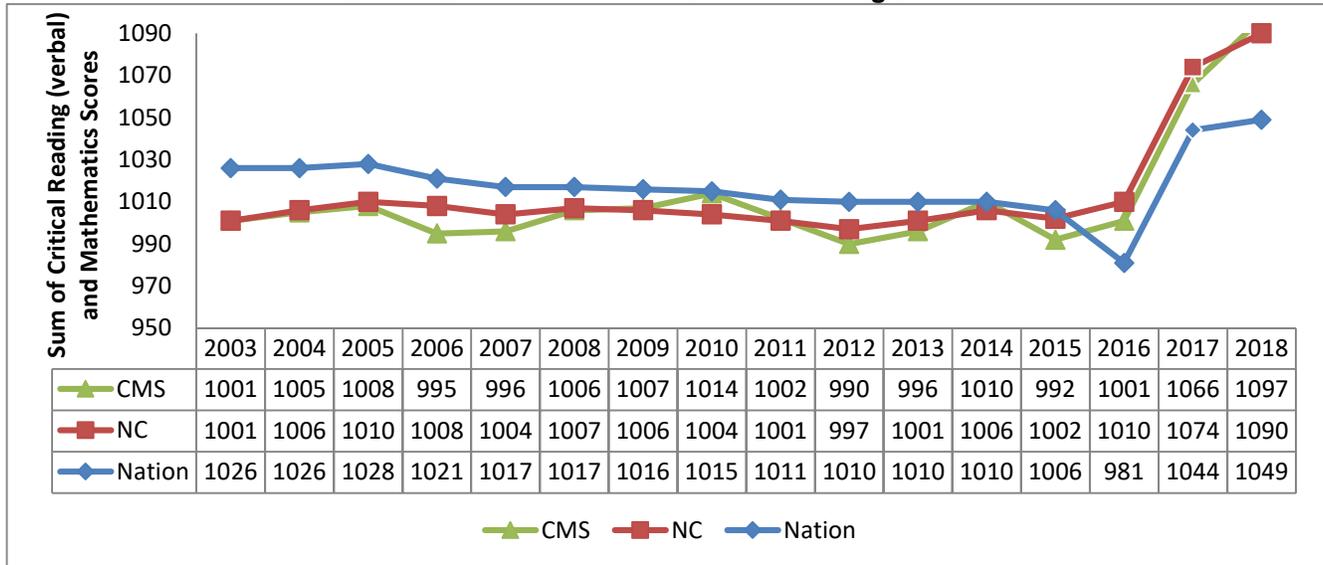
Source: North Carolina Department of Public Instruction <http://www.ncpublicschools.org/accountability/reporting/> 2016-17 State, District, and School Level Drilldown Performance Data

SAT Results

In 2017, The SAT underwent a major change. The new SAT debuted in March 2016 and impacts students in the class of 2017. The content on the new SAT includes Evidence-Based Reading and Writing (EBRW), Math, and an optional essay. The number of questions and the scores in the 25th, 50th, and 75th percentiles nationally have changed substantially and it is not recommended to compare the old SAT scores to the new SAT scores. In 2018, the average score for CMS (1097) is seven points above the average score for NC (1090) and forty-eight points above the national average (1049).

ACADEMIC ACHIEVEMENT

**2003-2018 SAT Results
Public School Students Math and Critical Reading Score Totals****



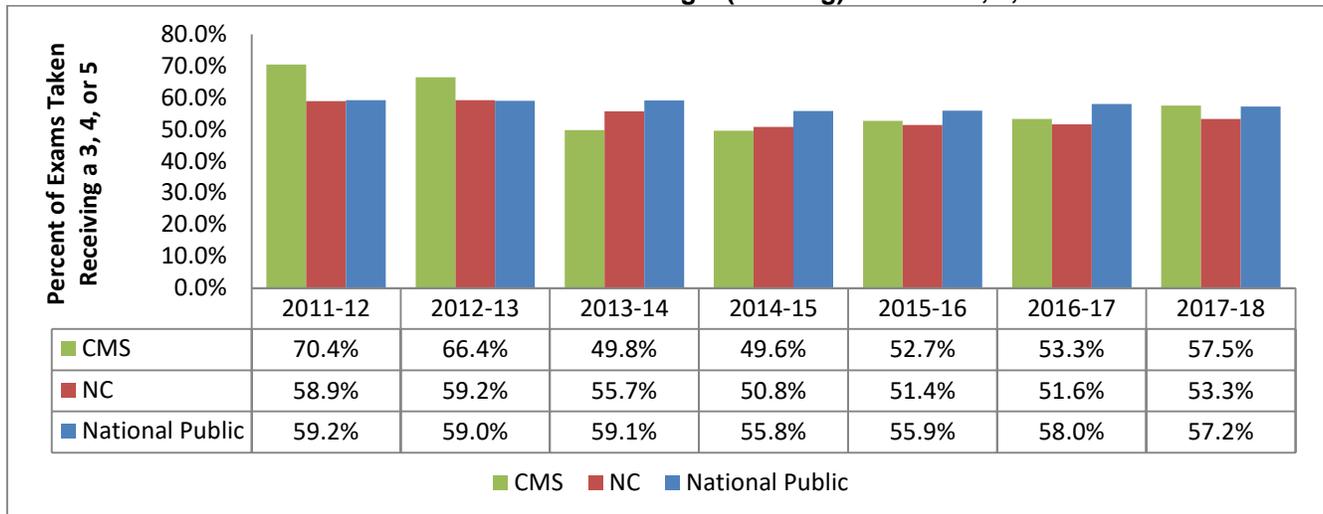
Source: North Carolina Department of Public Instruction <http://www.dpi.state.nc.us/accountability/reporting/sat/>

**In 2006, the College Board included a writing component to the SAT. However, we have chosen to provide only mathematics and critical reading (verbal) scores to allow for state, national, and district SAT score comparisons over time. In 2017, The SAT underwent a major change. The new SAT debuted in March 2016

Advanced Placement (AP) Exam Performance

Advanced Placement (AP) courses are college-level classes offered in a wide variety of subjects that can be taken while in high school. AP exams, a type of national final exam, are offered in each subject annually across the country. They are scored on a scale from 1 to 5, with 1 being the lowest possible score, and 5 being the highest possible score. Scores of a 3, 4, or 5 are considered passing marks. Students' performance on AP exams is a measure of their preparedness for coursework in college. In 2018, 57.5% of AP exams taken by CMS students received a 3, 4, or 5, which is 4.2 percentage points higher than the state of North Carolina and 0.3 points higher than national public schools.

**2012 – 2018 Advanced Placement (AP) Exam Performance
Percent of Exams Taken Receiving a (Passing) Score of 3, 4, or 5**



Source: College Board 2018 State and District Integrated Report

UNDERSTANDING THE BUDGET

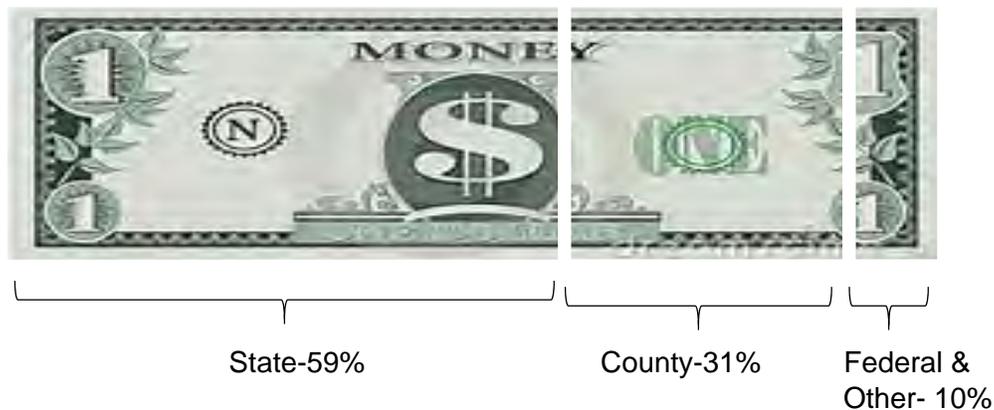
Charlotte Mecklenburg Schools (CMS) is the second-largest school district in North Carolina and the 17th-largest in the U.S. It is also one of the largest employers in Mecklenburg County, with more than 18,000 full-and part-time employees. Like most school districts in the state, CMS does not have taxing authority and relies primarily on funding from these sources:

County - County funding is a major source of operating revenue for CMS. Therefore, the County's economic outlook directly affects that of the school district. County revenues come from several different sources, including property taxes on homes and businesses, county sales taxes and fees.

State - Each year, the North Carolina General Assembly approves the state budget. Money for education is allocated to North Carolina's Department of Public Instruction, which divides funds among the 115 school districts in the state and charter schools. Individual district allocations are based on the number of students and their special needs, family-income levels and other factors. Most state funding must be used for specific purposes or programs determined by the state.

Federal - Most federal funds are categorical for specific educational programs. Most federal entitlement funds, such as Title I (based on Census poverty data), are formula based allotments with the state as the pass through entity. In other cases, the school district must submit competitive grant applications either to the State or U.S. Department of Education.

The total budget for the district is actually two separate budgets – an operating budget and a capital budget. The two budgets are equally important but they are separately funded. The district's operating budget pays for the day-to-day expenses of operating schools and administrative offices. It includes expenses such as utilities, supplies, transportation and salaries and benefits. For the 2018-19 school year, the operating budget was funded as follows:



Salaries and benefits account for 83 percent of the total operating budget. Of that amount, 88 percent of the total staff is based in schools. Of the school-based employees, about 72 percent are teachers. Principals, guidance counselors, media specialists, teacher assistants, cafeteria workers and other support staff make up the rest of school-based employees.

The capital budget is similar to the structural costs of a home, such as necessary renovations or improvements. It pays for the design and construction of new schools, expansion of existing schools and major renovation and replacement of older facilities to meet education and safety standards. The capital budget is primarily funded through bonds approved by voters and issued by the county.

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
FACTORS AFFECTING THE BUDGET

The CMS budget is affected by several key factors including the economy, district and charter school enrollment and sustaining operations.

Economy

Although Charlotte is widely known as a banking town, the economy of the city and Mecklenburg County has a broad and diverse base. Construction, educational services, finance and insurance, information, manufacturing, real estate, retail, transportation, and warehousing are well represented. The County's economic outlook is positive and growth continues to expand. Additionally, the state provides the majority of the Board's funding and remains in a relatively better financial position than some states.

MECKLENBURG COUNTY, NORTH CAROLINA TOP 10 EMPLOYERS CURRENT YEAR AND NINE YEARS AGO						
Employer	2018 (1)			2009 (2)		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Carolinas HealthCare System	35,700	1	6.01%	26,283	1	6.01%
Wells Fargo Bank	23,500	2	3.96%	20,000	2	4.57%
CMS	18,495	3	3.11%	19,845	3	4.46%
Bank of America Corp.	15,000	4	2.53%	13,960	4	3.19%
Novant Health	11,698	5	1.97%	9,000	6	2.06%
American Airlines	11,000	6	1.85%	5,955	10	1.36%
Harris Teeter	8,239	7	1.39%	-	-	-
Duke Energy	7,800	8	1.31%	7,757	8	1.77%
State of North Carolina	7,600	9	1.28%	7,479	9	1.71%
City of Charlotte	6,800	10	1.14%	-	-	-

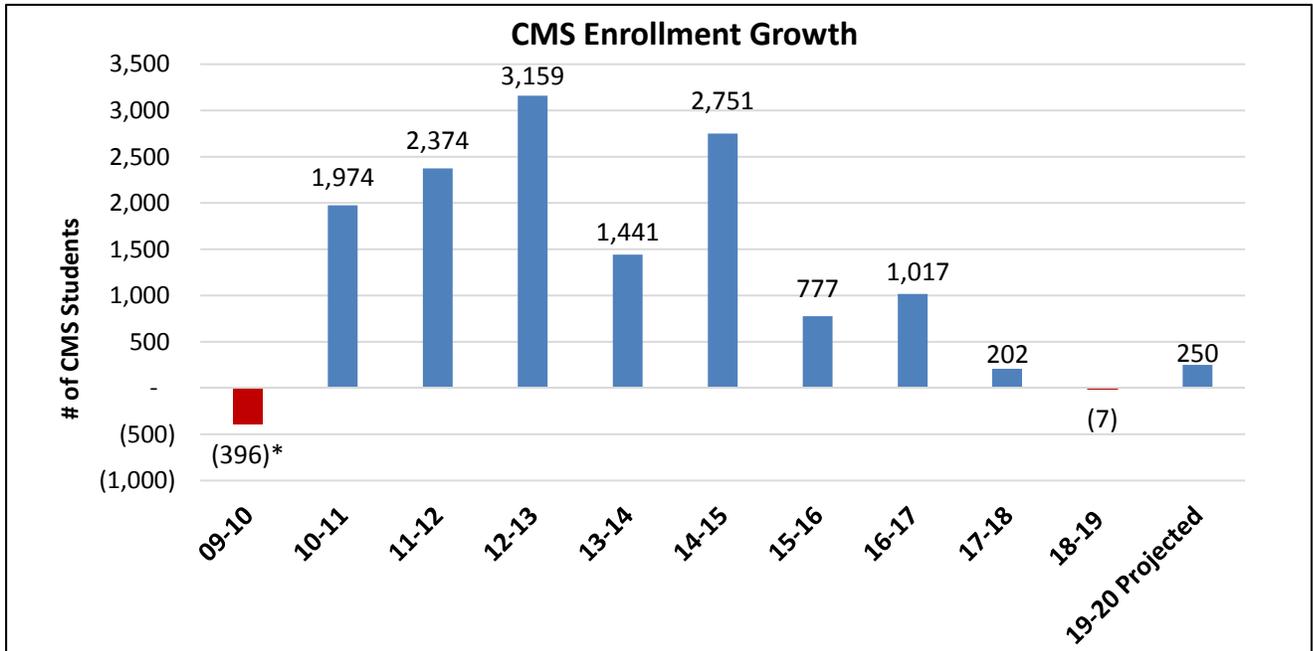
NOTES: (1) Mecklenburg County, North Carolina Comprehensive Financial Annual Report for the year ended June 30, 2018 and the Charlotte Chamber of Commerce
(2) Data per Charlotte Chamber of Commerce publication, Charlotte's Largest Employers, dated 2009.

MECKLENBURG COUNTY, NORTH CAROLINA DEMOGRAPHIC STATISTICS LAST TEN YEARS						
Year	Population	Total Personal Income	Per Capita Income	Median Age	School Enrollment	Unempl Rate
2018	1,099,382	N/A	N/A	N/A	147,359	4.2%
2017	1,077,874	N/A	N/A	N/A	147,157	4.0%
2016	1,085,353	\$ 27,738,165,000	\$ 25,557	N/A	146,140	4.8%
2015	1,055,791	26,268,690,000	24,881	35.4	145,363	5.7%
2014	1,027,034	23,708,977,500	23,085	34.4	142,612	6.8%
2013	999,060	22,270,607,500	22,292	34.0	141,171	9.4%
2012	966,160	22,605,735,000	23,398	33.9	138,012	9.9%
2011	938,020	23,109,445,000	24,636	35.2	135,638	11.1%
2010	919,628	23,046,007,500	25,060	35.2	133,664	11.2%
2009	893,892	22,365,015,000	25,020	35.1	134,060	11.5%

NOTES: N/A = Data not available
Data provided by the Mecklenburg County, North Carolina Comprehensive Annual Financial Report for the Year Ended June 30, 2018 (most current).

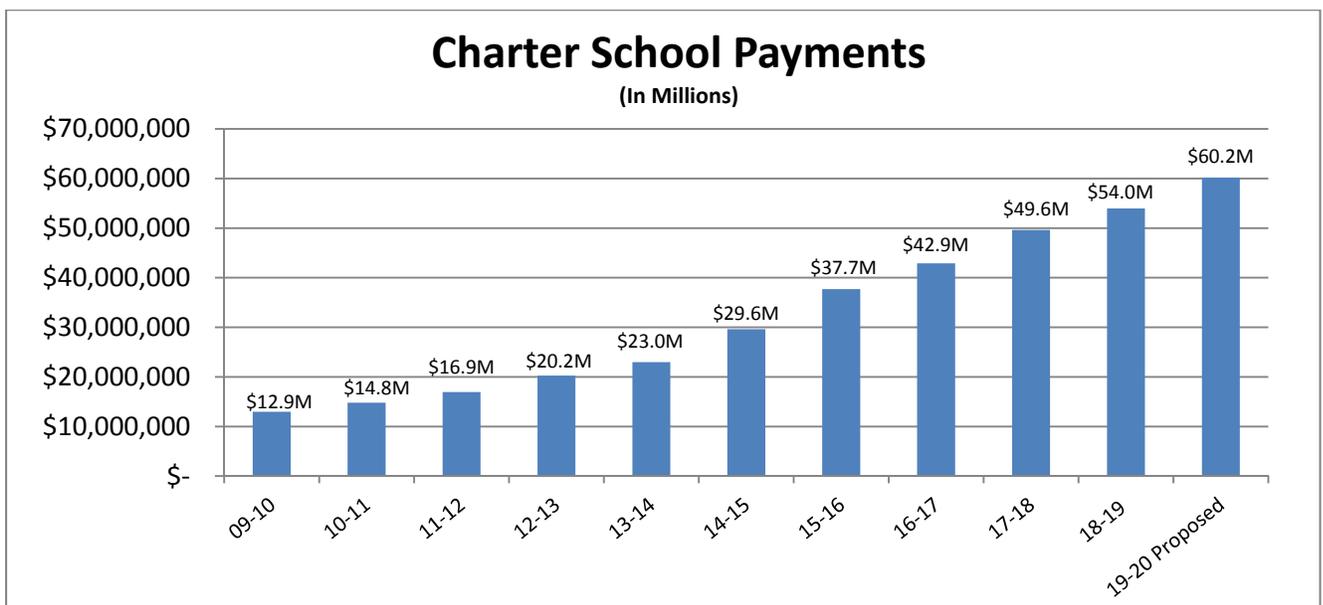
CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
FACTORS AFFECTING THE BUDGET

Enrollment - More students require more resources, including teachers and school-based staff. 20th day student enrollment for 2018-19 was 147,352, down 7 or 0.01 percent over last school year. Overall student enrollment has grown by over 13,000 or 10.2 percent since the 2009-10 school year.



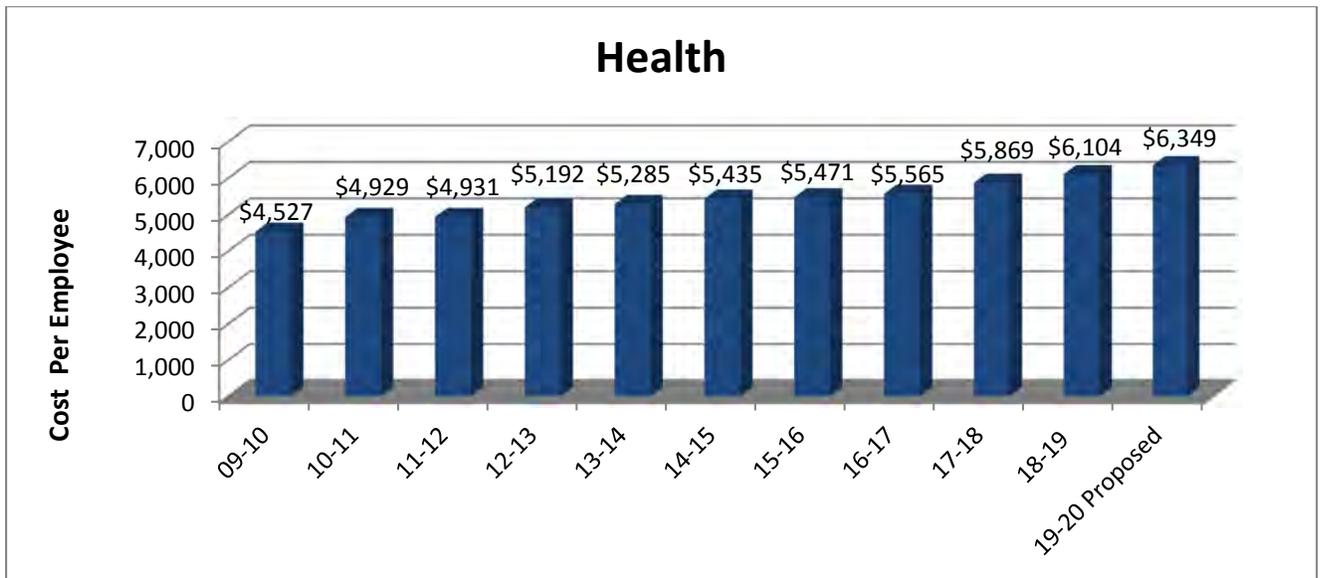
*Enrollment decline is a result of state legislation that changed the age for entrance into kindergarten

Charter schools - CMS is statutorily obligated to provide funding for all Mecklenburg County students in charter schools. Funding for charter schools is included in the CMS budget but is not retained by CMS. The chart below shows the adopted budget for charter school payments each year in addition to the proposed budget for 2019-20.



CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
FACTORS AFFECTING THE BUDGET

Sustaining Operations – Funding is required to maintain current service levels and to meet state mandated salary and benefit increases. As of 2018-19, the retirement rate has increased 10.11 percentage points (116%) and the annual health insurance contribution by \$1,577 per eligible employee (40%) since 2009-10. The estimated increase for 2019-20 in the retirement rate is 8% and the health insurance contribution is estimated to increase by 4%.



SCHOOL BUDGET AND FISCAL CONTROL

The Charlotte Mecklenburg Board of Education budget is adopted in compliance with the statutory requirements of the North Carolina School Budget and Fiscal Control Act. This act contains the following statutes related to the budget process:

115C-425. Annual balanced budget resolution.

(a) Each local school administrative unit shall operate under an annual balanced budget resolution adopted and administered in accordance with this Article. A budget resolution is NC General Statutes - Chapter 115C Article 31 2 balanced when the sum of estimated net revenues and appropriated fund balances is equal to appropriations. Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget year. The budget resolution shall cover one fiscal year.

(b) It is the intent of this Article that all moneys received and expended by a local school administrative unit should be included in the school budget resolution. Therefore, notwithstanding any other provisions of law, after July 1, 1976, no local school administrative unit may expend any moneys, regardless of their source (including moneys derived from federal, State, or private sources), except in accordance with a budget resolution adopted pursuant to this Article.

(c) Subsection (b) of this section does not apply to funds of individual schools, as defined in G.S. 115C-448. (1975, c. 437, s. 1; 1981, c. 423, s. 1; 1993, c. 179, s. 1.)

115C-426. Uniform budget format.

(a) The State Board of Education, in cooperation with the Local Government Commission, shall cause to be prepared and promulgated a standard budget format for use by local school administrative units throughout the State.

(b) The uniform budget format shall be organized so as to facilitate accomplishment of the following objectives: (i) to enable the board of education and the board of county commissioners to make the local educational and local fiscal policies embodied therein; (ii) to control and facilitate the fiscal management of the local school administrative unit during the fiscal year; and (iii) to facilitate the gathering of accurate and reliable fiscal data on the operation of the public school system throughout the State.

(c) The uniform budget format shall require the following funds:

- (1) The State Public School Fund.
- (2) The local current expense fund.
- (3) The capital outlay fund.

In addition, other funds may be used to account for reimbursements, including indirect costs, fees for actual costs, tuition, sales tax revenues distributed using the ad valorem method pursuant to G.S. 105-472(b)(2), sales tax refunds, gifts and grants restricted as to use, trust funds, federal appropriations made directly to local school administrative units, municipal appropriations made directly to local school administrative units under G.S. 160A-700, and funds received for prekindergarten programs. In addition, the appropriation or use of fund balance or interest income by a local school administrative unit shall not be construed as a local current expense appropriation included as a part of the local current expense fund.

SCHOOL BUDGET AND FISCAL CONTROL

Each local school administrative unit shall maintain those funds shown in the uniform budget format that are applicable to its operations.

(d) The State Public School Fund shall include appropriations for the current operating expenses of the public school system from moneys made available to the local school administrative unit by the State Board of Education.

(e) The local current expense fund shall include appropriations sufficient, when added to appropriations from the State Public School Fund, for the current operating expense of the public school system in conformity with the educational goals and policies of the State and the local board of education, within the financial resources and consistent with the fiscal policies of the board of county commissioners. These appropriations shall be funded by revenues accruing to the local school administrative unit by virtue of Article IX, Sec. 7 of the Constitution, moneys made available to the local school administrative unit by the board of county commissioners, supplemental taxes levied by or on behalf of the local school administrative unit pursuant to a local act or G.S. 115C-501 to 115C-511, State money disbursed directly to the local school administrative unit, and other moneys made available or accruing to the local school administrative unit for the current operating expenses of the public school system.

(f) The capital outlay fund shall include appropriations for:

- (1) The acquisition of real property for school purposes, including but not limited to school sites, playgrounds, athletic fields, administrative headquarters, and garages.
- (2) The acquisition, construction, reconstruction, enlargement, renovation, or replacement of buildings and other structures, including but not limited to buildings for classrooms and laboratories, physical and career and technical educational purposes, libraries, auditoriums, gymnasiums, administrative offices, storage, and vehicle maintenance.
- (3) The acquisition or replacement of furniture and furnishings, instructional apparatus, data-processing equipment, business machines, and similar items of furnishings and equipment.
- (4) The acquisition of school buses as additions to the fleet.
- (5) The acquisition of activity buses and other motor vehicles.
- (6) Such other objects of expenditure as may be assigned to the capital outlay fund by the uniform budget format.

The cost of acquiring or constructing a new building, or reconstructing, enlarging, or renovating an existing building, shall include the cost of all real property and interests in real property, and all plants, works, appurtenances, structures, facilities, furnishings, machinery, and equipment necessary or useful in connection therewith; financing charges; the cost of plans, specifications, studies, reports, and surveys; legal expenses; and all other costs necessary or incidental to the construction, reconstruction, enlargement, or renovation.

No contract for the purchase of a site shall be executed nor any funds expended therefor without the approval of the board of county commissioners as to the amount to be spent for the site; and in case of a disagreement between a board of education and a board of county commissioners as to the amount to be spent for the site, the procedure provided in G.S. 115C-431 shall, insofar as the same may be applicable, be used to settle the disagreement.

Appropriations in the capital outlay fund shall be funded by revenues made available for capital outlay purposes by the State Board of Education and the board of county commissioners, supplemental taxes levied by or on behalf of the local school administrative unit pursuant to a

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
SCHOOL BUDGET AND FISCAL CONTROL

local act or G.S. 115C-501 to 115C-511, the proceeds of the sale of capital assets, the proceeds of claims against fire and casualty insurance policies, and other sources.

(g) Other funds shall include appropriations for such purposes funded from such sources as may be prescribed by the uniform budget format. (1975, c. 437, s. 1; 1981, c. 423, s. 1; 2010-31, s. 7.17(a); 2013-355, s. 2(a); 2017-57, s. 7.23H(h); 2018-5, s. 38.8(f).)

115C-426.1. Vending facilities.

Moneys received by a local school administrative unit on account of operation of vending facilities shall be deposited, budgeted, appropriated, and expended in accordance with the provisions of this Article. (1983 (Reg. Sess., 1984), c. 1034, s. 168.)

115C-426.2. Joint planning.

In order to promote greater mutual understanding of immediate and long-term budgetary issues and constraints affecting public schools and county governments, local boards of education and boards of county commissioners are strongly encouraged to conduct periodic joint meetings during each fiscal year. In particular, the boards are encouraged to assess the school capital outlay needs, to develop and update a joint five-year plan for meeting those needs, and to consider this plan in the preparation and approval of each year's budget under this Article. (1995 (Reg. Sess., 1996), c. 666, s. 2.)

115C-427. Preparation and submission of budget and budget message.

(a) Before the close of each fiscal year, the superintendent shall prepare a budget for the ensuing year for consideration by the board of education. The budget shall comply in all respects with the limitations imposed by G.S. 115C-432.

(b) The budget, together with a budget message, shall be submitted to the board of education not later than May 1. The budget and budget message should, but need not, be submitted at a formal meeting of the board. The budget message should contain a concise explanation of the educational goals fixed by the budget for the budget year, should set forth the reasons for stated changes from the previous year in program goals, programs, and appropriation levels, and should explain any major changes in educational or fiscal policy. (1975, c. 437, s. 1; 1981, c. 423, s. 1.)

115C-428. Filing and publication of the budget; budget hearing.

(a) On the same day that he submits the budget to the board of education, the superintendent shall file a copy of it in his office where it shall remain available for public inspection until the budget resolution is adopted. He may also publish a statement in a newspaper qualified under G.S. 1-597 to publish legal advertisements in the county that the budget has been submitted to the board of education, and is available for public inspection in the office of the superintendent of schools. The statement should also give notice of the time and place of the budget hearing authorized by subsection (b) of this section.

(b) Before submitting the budget to the board of county commissioners, the board of education may hold a public hearing at which time any persons who wish to be heard on the school budget may appear. (1975, c. 437, s. 1; 1981, c. 423, s. 1.)

SCHOOL BUDGET AND FISCAL CONTROL

115C-429. Approval of budget; submission to county commissioners; commissioners' action on budget.

(a) Upon receiving the budget from the superintendent and following the public hearing authorized by G.S. 115C-428(b), if one is held, the board of education shall consider the budget, make such changes therein as it deems advisable, and submit the entire budget as approved by the board of education to the board of county commissioners not later than May 15, or such later date as may be fixed by the board of county commissioners.

(b) The board of county commissioners shall complete its action on the school budget on or before July 1, or such later date as may be agreeable to the board of education. The commissioners shall determine the amount of county revenues to be appropriated in the county budget ordinance to the local school administrative unit for the budget year. The board of county commissioners may, in its discretion, allocate part or all of its appropriation by purpose, function, or project as defined in the uniform budget format.

(c) The board of county commissioners shall have full authority to call for, and the board of education shall have the duty to make available to the board of county commissioners, upon request, all books, records, audit reports, and other information bearing on the financial operation of the local school administrative unit.

(d) Nothing in this Article shall be construed to place a duty on the board of commissioners to fund a deficit incurred by a local school administrative unit through failure of the unit to comply with the provisions of this Article or rules and regulations issued pursuant hereto, or to provide moneys lost through misapplication of moneys by a bonded officer, employee or agent of the local school administrative unit when the amount of the fidelity bond required by the board of education was manifestly insufficient.

(e) A local board of education may request appropriations directly from a city, as authorized by G.S. 160A-700. (1975, c. 437, s. 1; 1981, c. 423, s. 1; 2018-5, s. 38.8(g).)

115C-430. Apportionment of county appropriations among local school administrative units.

If there is more than one local school administrative unit in a county, all appropriations by the county to the local current expense funds of the units, except appropriations funded by supplemental taxes levied less than countywide pursuant to a local act of G.S. 115C-501 to 115C-511, must be apportioned according to the membership of each unit. County appropriations are properly apportioned when the dollar amount obtained by dividing the amount so appropriated to each unit by the total membership of the unit is the same for each unit. The total membership of the local school administrative unit is the unit's average daily membership for the budget year to be determined by and certified to the unit and the board of county commissioners by the State Board of Education. (1975, c. 437, s. 1; 1981, c. 423, s. 1; 1985 (Reg. Sess., 1986), c. 1014, s. 78.)

115C-431. Procedure for resolution of dispute between board of education and board of county commissioners.

SCHOOL BUDGET AND FISCAL CONTROL

(a) If the board of education determines that the amount of money appropriated to the local current expense fund, or the capital outlay fund, or both, by the board of county commissioners is not sufficient to support a system of free public schools, the chairman of the board of education and the chairman of the board of county commissioners shall arrange a joint meeting of the two boards to be held within seven days after the day of the county commissioners' decision on the school appropriations.

Prior to the joint meeting, the Senior Resident Superior Court Judge shall appoint a mediator unless the boards agree to jointly select a mediator. The mediator shall preside at the joint meeting and shall act as a neutral facilitator of disclosures of factual information, statements of positions and contentions, and efforts to negotiate an agreement settling the boards' differences.

At the joint meeting, the entire school budget shall be considered carefully and judiciously, and the two boards shall make a good-faith attempt to resolve the differences that have arisen between them.

(b) If no agreement is reached at the joint meeting of the two boards, the mediator shall, at the request of either board, commence a mediation immediately or within a reasonable period of time. The mediation shall be held in accordance with rules and standards of conduct adopted under Chapter 7A of the General Statutes governing mediated settlement conferences but modified as appropriate and suitable to the resolution of the particular issues in disagreement.

Unless otherwise agreed upon by both boards, the following individuals shall constitute the two working groups empowered to represent their respective boards during the mediation:

- (1) The chair of each board or the chair's designee;
- (2) The superintendent of the local school administrative unit and the county manager or either's designee;
- (3) The finance officer of each board; and
- (4) The attorney for each board.

Members of both boards, their chairs, and representatives shall cooperate with and respond to all reasonable requests of the mediator to participate in the mediation. Notwithstanding Article 33C of Chapter 143 of the General Statutes, the mediation proceedings involving the two working groups shall be conducted in private. Evidence of statements made and conduct occurring in a mediation are not subject to discovery and are inadmissible in any court action. However, no evidence otherwise discoverable is inadmissible merely because it is presented or discussed in a mediation. The mediator shall not be compelled to testify or produce evidence concerning statements made and conduct occurring in a mediation in any civil proceeding for any purpose, except disciplinary hearings before the State Bar or any agency established to enforce standards of conduct for mediators. Reports by members of either working group to their respective boards shall be made in compliance with Article 33C of Chapter 143 of the General Statutes.

Unless both boards agree otherwise, or unless the boards have already resolved their dispute, the mediation shall end no later than August 1. The mediator shall have the authority to determine that an impasse exists and to discontinue the mediation. The mediation may continue beyond August 1 provided both boards agree. If both boards agree to continue the mediation

SCHOOL BUDGET AND FISCAL CONTROL

beyond August 1, the board of county commissioners shall appropriate to the local school administrative unit for deposit in the local current expense fund a sum of money sufficient to equal the local contribution to this fund for the previous year.

If the working groups reach a proposed agreement, the terms and conditions must be approved by each board. If no agreement is reached, the mediator shall announce that fact to the chairs of both boards, the Senior Resident Superior Court Judge, and the public. The mediator shall not disclose any other information about the mediation. The mediator shall not make any recommendations or public statement of findings or conclusions.

The local board of education and the board of county commissioners shall share equally the mediator's compensation and expenses. The mediator's compensation shall be determined according to rules adopted under Chapter 7A of the General Statutes.

(b1) If agreement is not reached in mediation on the amount of money appropriated to the local current expense fund, and the amount to be appropriated has not been calculated pursuant to this subsection for longer than the prior year, the sum to be appropriated for the budget year in dispute shall be calculated as follows:

(1) The amount of moneys appropriated to the local current expense fund by the board of county commissioners in the prior fiscal year that are expended in that year by the local school administrative unit or transferred as required by G.S. 115C-75.10, 115C-218.105, 115C-238.70, and 116-239.11 shall be divided by the sum of the following: the average daily membership of the local school administrative unit plus the share of the average daily membership of any innovative, charter, regional, or laboratory school whose students reside in the local school administrative unit for the prior school year.

(2) The amount from subdivision (1) of this subsection, rounded to the nearest penny, shall then be multiplied by the sum of one plus the twelve month percent change in the second quarter Employment Cost Index for elementary and secondary school workers as reported by the Federal Bureau of Labor Statistics.

(3) The amount from subdivision (2) of this subsection, rounded to the nearest penny, shall then be multiplied by the sum of the following: the allotted average daily membership for the school year plus the share of the average daily membership of any innovative, charter, regional, or laboratory school whose students reside in the local school administrative unit for the budget year in dispute.

The board of county commissioners shall appropriate to the local current expense fund the sum from subdivision (3) of this subsection, rounded to the nearest penny, to the local board of education for the budget year in dispute.

(b2) If agreement is not reached in mediation, and the amount to be appropriated has been calculated pursuant to subsection (b1) of this section to the local current expense fund for the prior two years, the sum to be appropriated for the budget year in dispute shall be calculated as follows:

(1) The amount of moneys appropriated to the local current expense fund by the board of county commissioners in the prior fiscal year that are expended in the prior fiscal year by the local school administrative unit and transferred as required by G.S. 115C-75.10, 115C-218.105, 115C-238.70, and 116-239.11 shall be divided by the sum of the following: the average daily membership plus the share of the average daily membership of any innovative, charter, regional, or

SCHOOL BUDGET AND FISCAL CONTROL

- laboratory school whose students reside in the local school administrative unit for the prior school year.
- (2) The twelve month percent change in the second quarter Employment Cost Index for elementary and secondary school workers as reported by the Federal Bureau of Labor Statistics shall be increased by three percent (3%).
 - (3) The amount from subdivision (1) of this subsection, rounded to the nearest penny, shall then be multiplied by the sum of one plus the sum from subdivision (2) of this subsection, rounded to the nearest penny.
 - (4) The amount from subdivision (3) of this subsection shall then be multiplied by the sum of the following: the allotted average daily membership for the school year plus the share of the average daily membership of any innovative, charter, regional, or laboratory school whose students reside in the local school administrative unit for the budget year in dispute.

The board of county commissioners shall appropriate to the local current expense fund the sum from subdivision (4) of this subsection, rounded to the nearest penny, to the local board of education for the budget year in dispute.

(b3) Neither the local board of education nor the board of county commissioners shall file any legal action challenging the determination as to the funds to be appropriated by the board of county commissioners to the local current expense fund in accordance with the formulas found in subsections (b1) and (b2) of this section.

(c) Within five days after an announcement of no agreement on the amount of money to be appropriated to the capital outlay fund by the mediator, the local board of education may file an action in the superior court division of the General Court of Justice. Either board has the right to have the issues of fact tried by a jury. When a jury trial is demanded, the cause shall be set for the first succeeding term of the superior court in the county, and shall take precedence over all other business of the court. However, if the judge presiding certifies to the Chief Justice of the Supreme Court, either before or during the term, that because of the accumulation of other business, the public interest will be best served by not trying the cause at the term next succeeding the filing of the action, the Chief Justice shall immediately call a special term of the superior court for the county, to convene as soon as possible, and assign a judge of the superior court or an emergency judge to hold the court, and the cause shall be tried at this special term. The judge shall find, or if the issue is submitted to the jury, the jury shall find the amount of money legally necessary from the board of county commissioners to provide the local school administrative units with buildings suitably equipped, as required by G.S. 115C-521, in order to maintain a system of free public schools as defined by State law and State Board of Education policy. In making the finding, the judge or the jury shall consider the educational goals and policies of the State and the local board of education, the budgetary request of the local board of education, the financial resources of the county and the local board of education, and the fiscal policies of the board of county commissioners and the local board of education.

All findings of fact in the superior court, whether found by the judge or a jury, shall be conclusive. When the facts have been found, the court shall give judgment ordering the board of county commissioners to appropriate a sum certain to the local school administrative unit for the amount of money to be appropriated to the capital outlay fund and to levy such taxes on property as may be necessary to make up this sum when added to other revenues available for the purpose.

SCHOOL BUDGET AND FISCAL CONTROL

(d) An appeal from the judgment entered as provided in subsection (c) of this section may be taken to the appellate division of the General Court of Justice, and notice of appeal shall be given in writing within 10 days after entry of the judgment. All papers and records relating to the case shall be considered a part of the record on appeal. The conclusion of the school or fiscal year shall not be deemed to resolve the question in controversy between the parties while an appeal is still pending. Any final judgment shall be legally binding on the parties at the conclusion of the appellate process. The payment of any final judgment by the county in favor of the local school administrative unit shall not be considered, or used in any manner, to deny or reduce appropriations to the local school administrative unit by the county in fiscal years subsequent to the one at issue to offset such payment of a final judgment.

(e) If, in an action filed under subsection (c) of this section, the final judgment of the General Court of Justice is rendered after the due date prescribed by law for property taxes, the board of county commissioners is authorized to levy such supplementary taxes as may be required by the judgment, notwithstanding any other provisions of law with respect to the time for doing acts necessary to a property tax levy. Upon making a supplementary levy under this subsection, the board of county commissioners shall designate the person who is to compute and prepare the supplementary tax receipts and records for all such taxes. Upon delivering the supplementary tax receipts to the tax collector, the board of county commissioners shall proceed as provided in G.S. 105-321.

The due date of supplementary taxes levied under this subsection is the date of the levy, and the taxes may be paid at par or face amount at any time before the one hundred and twentieth day after the due date. On or after the one hundred and twentieth day and before the one hundred and fiftieth day from the due date there shall be added to the taxes interest at the rate of two percent (2%). On or after the one hundred and fiftieth day from the due date, there shall be added to the taxes, in addition to the two percent (2%) provided above, interest at the rate of three-fourths of one percent ($\frac{3}{4}$ of 1%) per 30 days or fraction thereof until the taxes plus interest have been paid. No discounts for prepayment of supplementary taxes levied under this subsection shall be allowed. (1975, c. 437, s. 1; 1981, c. 423, s. 1; 1989, c. 493, s. 2; 1995 (Reg. Sess., 1996), c. 666, s. 3; 1997-222, s. 1; 2007-92, s. 1; 2013-141, s. 1; 2018-83, s. 1.)

115C-432. The budget resolution; adoption; limitations; tax levy; filing.

- (a) After the board of county commissioners has made its appropriations to the local school administrative unit, or after the appeal procedure set out in G.S. 115C-431 has been concluded, the board of education shall adopt a budget resolution making appropriations for the budget year in such sums as the board may deem sufficient and proper. The budget resolution shall conform to the uniform budget format established by the State Board of Education.
- (b) The following directions and limitations shall bind the board of education in adopting the budget resolution:
 - (1) If the county budget ordinance allocates appropriations to the local school administrative unit pursuant to G.S. 115C-429(b), the school budget resolution shall conform to that allocation. The budget resolution may be amended to change allocated appropriations only in accordance with G.S. 115C-433.
 - (2) Subject to the provisions of G.S. 115C-429(d), the full amount of any lawful deficit from the prior fiscal year shall be appropriated.

SCHOOL BUDGET AND FISCAL CONTROL

- (3) Contingency appropriations in a fund may not exceed five percent (5%) of the total of all other appropriations in that fund. Each expenditure to be charged against a contingency appropriation shall be authorized by resolution of the board of education, which resolution shall be deemed an amendment to the budget resolution, not subject to G.S. 115C-429(b) and 115C-433(b), setting up or increasing an appropriation for the object of expenditure authorized. The board of education may authorize the superintendent to authorize expenditures from contingency appropriations subject to such limitations and procedures as it may prescribe. Any such expenditure shall be reported to the board of education at its next regular meeting and recorded in the minutes.
- (4) Sufficient funds to meet the amounts to be paid during the fiscal year under continuing contracts previously entered into shall be appropriated.
- (5) The sum of estimated net revenues and appropriated fund balances in each fund shall be equal to appropriations in that fund.
- (6) No appropriation may be made that would require the levy of supplemental taxes pursuant to a local act or G.S. 115C-501 to 115C-511 in excess of the rate of tax approved by the voters, or the expenditure of revenues for purposes not permitted by law.
- (7) In estimating revenues to be realized from the levy of school supplemental taxes pursuant to a local act or G.S. 115C-501 to 115C-511, the estimated percentage of collection may not exceed the percentage of that tax actually realized in cash during the preceding fiscal year, or if the tax was not levied in the preceding fiscal year, the percentage of the general county tax levy actually realized in cash during the preceding fiscal year.
- (8) Amounts to be realized from collection of supplemental taxes levied in prior fiscal years shall be included in estimated revenues.
- (9) No appropriation may be made to or from the capital outlay fund to or from any other fund, except as permitted by G.S. 115C-433(d).

(c) If the local school administrative unit levies its own supplemental taxes pursuant to a local act, the budget resolution shall make the appropriate tax levy in accordance with the local act, and the board of education shall notify the county or city that collects the levy in accordance with G.S. 159-14.

(d) The budget resolution shall be entered in the minutes of the board of education, and within five days after adoption, copies thereof shall be filed with the superintendent, the school finance officer and the county finance officer. (1975, c. 437, s. 1; 1981, c. 423, s. 1; 1987 (Reg. Sess., 1988), c. 1025, s. 13; 1993, c. 57, s. 1; 2018-83, s. 2.)

115C-433. Amendments to the budget resolution; budget transfers.

(a) Subject to the provisions of subsection (b) of this section, the board of education may amend the budget resolution at any time after its adoption, in any manner, so long as the resolution as amended continues to satisfy the requirements of G.S. 115C-425 and 115C-432.

(b) If the board of county commissioners allocates part or all of its appropriations pursuant to G.S. 115C-429(b), the board of education must obtain the approval of the board of county commissioners for an amendment to the budget that (i) increases or decreases expenditures from the capital outlay fund for projects listed in G.S. 115C-426(f)(1) or (2), or (ii) increases or

SCHOOL BUDGET AND FISCAL CONTROL

decreases the amount of county appropriation allocated to a purpose or function by twenty-five percent (25%) or more from the amount contained in the budget ordinance adopted by the board of county commissioners: Provided, that at its discretion, the board may in its budget ordinance specify a lesser percentage, so long as such percentage is not less than ten percent (10%).

(c) The board of education may by appropriate resolution authorize the superintendent to transfer moneys from one appropriation to another within the same fund, subject to such limitations and procedures as may be prescribed by the board of education or State or federal law or regulations. Any such transfers shall be reported to the board of education at its next regular meeting and shall be entered in the minutes.

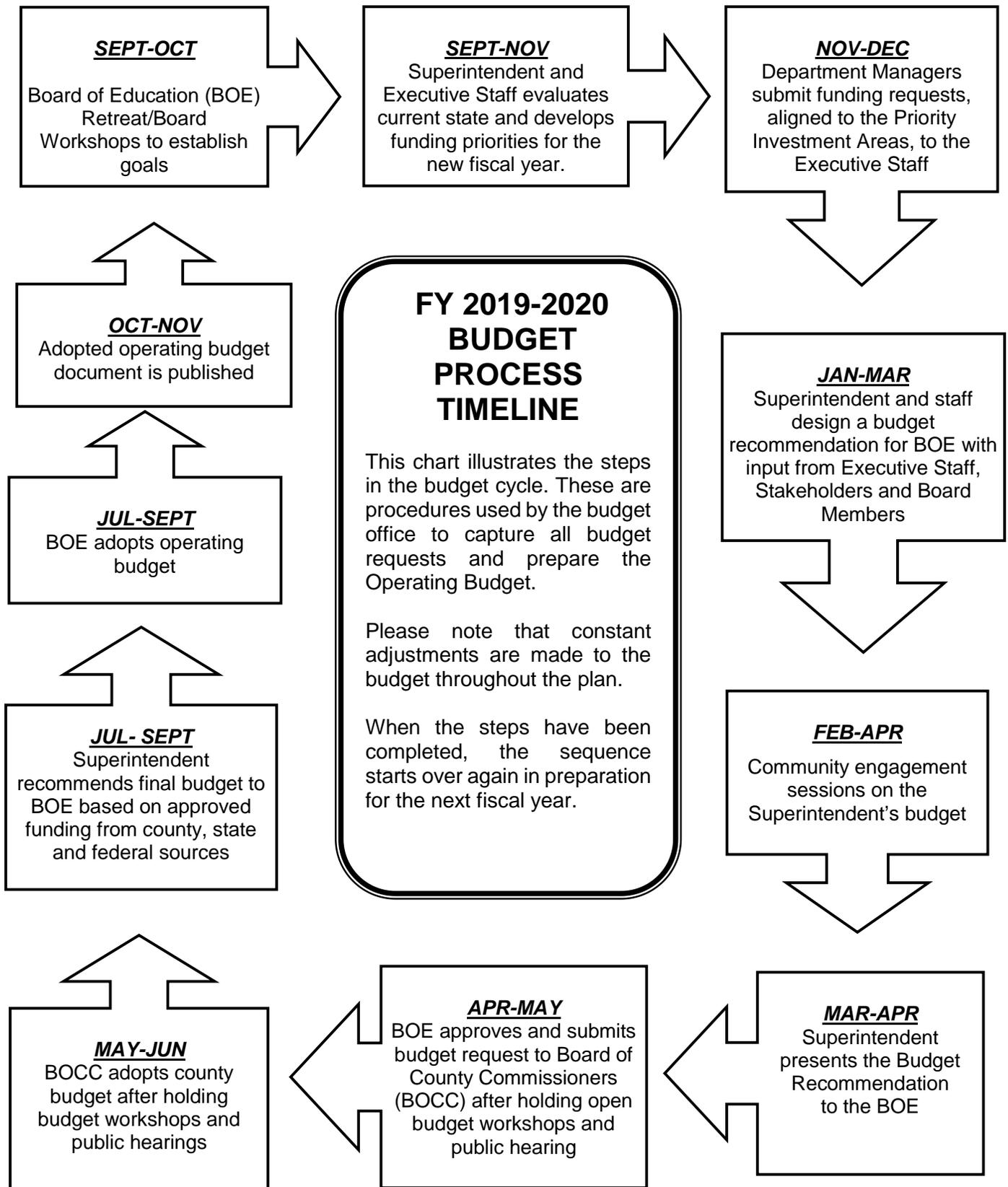
(d) The board of education may amend the budget to transfer money to or from the capital outlay fund to or from any other fund, with the approval of the board of county commissioners, to meet emergencies unforeseen and unforeseeable at the time the budget resolution was adopted. When such an emergency arises, the board of education may adopt a resolution requesting approval from the board of commissioners for the transfer of a specified amount of money to or from the capital outlay fund to or from some other fund. The resolution shall state the nature of the emergency, why the emergency was not foreseen and was not foreseeable when the budget resolution was adopted, what specific objects of expenditure will be added or increased as a result of the transfer, and what objects of expenditure will be eliminated or reduced as a result of the transfer. A certified copy of this resolution shall be transmitted to the board of county commissioners for (its) approval and to the boards of education of all other local school administrative units in the county for their information. The board of commissioners shall act upon the request within 30 days after it is received by the clerk to the board of commissioners or the chairman of the board of commissioners, after having afforded the boards of education of all other local school administrative units in the county an opportunity to comment on the request. The board of commissioners may either approve or disapprove the request as presented. Upon either approving or disapproving the request, the board of commissioners shall forthwith so notify the board of education making the request and any other board of education that exercised its right to comment thereon. Upon receiving such notification, the board of education may proceed to amend the budget resolution in the manner indicated in the request. Failure of the board of county commissioners to act within the time allowed for approval or disapproval shall be deemed approval of the request. The time limit for action by the board of county commissioners may be extended by mutual agreement of the board of county commissioners and the board of education making the request. A budget resolution amended in accordance with this subsection need not comply with G.S. 115C-430. (1975, c. 437, s. 1; 1981, c. 423, s. 1.)

115C-434. Interim budget.

In case the adoption of the budget resolution is delayed until after July 1, the board of education shall make interim appropriations for the purpose of paying salaries and the usual ordinary expenses of the local school administrative unit for the interval between the beginning of the fiscal year and the adoption of the budget resolution. Interim appropriations so made and expended shall be charged to the proper appropriations in the budget resolution. (1975, c. 437, s. 1; 1981, c. 423, s. 1.)

BUDGET PROCESS, ADMINISTRATION AND MANAGEMENT

The budget process timeline is as follows:



BUDGET PROCESS, ADMINISTRATION AND MANAGEMENT

CMS operates under an annual balanced budget adopted and administered in accordance with Section 115C-425(a) of the North Carolina School Budget and Fiscal Control Act (Article 31). A budget resolution is balanced when the sum of estimated net revenues and appropriated fund balances is equal to appropriations (i.e. current expenditures are supported by current revenues). The budget resolution shall cover one fiscal year, from July 1st through June 30th. Article 31 further requires that all monies received and expended by each local school administrative units be included in the budget resolution.

The State law promulgates a standard budget format, which defines budgetary control at the fund, purpose/function or project level. Annual budgets are adopted for all funds, except the individual schools fund, as required by the North Carolina General Statutes. All budgets are prepared using the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Board considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. These could include federal, state, and county grants, and some charges for services. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. The primary sources of revenues for the General Fund are budgeted allocations and appropriations from the State of North Carolina, Mecklenburg County and the Federal Government.

The Board discusses, reviews and may amend the superintendent's budget proposal before approving a final recommendation, which is then submitted to the Mecklenburg Board of County Commissioners. The commissioners review the CMS budget request along with those from other county service providers such as parks and recreation and public libraries. The commission makes adjustments and ultimately approves a county budget that includes funding for CMS. If the allocated and requested amounts differ, CMS will adjust its budget plans.

Per state statute, the Board may amend the budget in any manner, so long as the amended budget remains balanced and still conforms to the uniform budget format established by the State Board of Education. The BOE must obtain approval from the BOCC for any amendment to the budget that increases or decreases expenditures from the capital outlay plan fund or that increases or decreases the amount of county appropriation allocated to a purpose or function by twenty-five percent (25%) or more from the amount contained in the budget ordinance adopted by the BOCC. At its discretion, the BOCC may specify a lesser percentage but not less than ten percent (10%).

Throughout the budget development process, this document serves as the vehicle for sharing our resource allocation decisions, plans for programmatic changes, and the alignment of our resources to the goals established by the district. Once the Board of Education (BOE) adopts a budget, that budget becomes the fiscal management tool for administering and controlling expenditures throughout the organization.

The superintendent works with department heads, managers, school leaders, Board of Education members and the Charlotte-Mecklenburg community to develop an operating budget recommendation to be presented to the Board of Education. The recommendation reflects the fiscal realities facing the district and the most pressing needs to help CMS prepare every student to graduate college and career ready.

Budget management is the process of establishing and maintaining the necessary budgetary controls to ensure that expenditures do not exceed the authorized amounts and that the expenditures are for intended, proper and legal purposes. The budget department is responsible for establishing the system of control and monitoring for control compliance.

BUDGET PROCESS, ADMINISTRATION AND MANAGEMENT

All departments and schools must adhere to the budgetary controls established for the district. For management control purposes, the budget is divided into cost centers that exist for each school and department. Each cost center is assigned a budget manager (fund owner). The adopted budget is allocated to the cost center in accordance with the plan submitted by the fund owner or in accordance with predetermined formulas. However, decisions on how to allocate these funds are ultimately made at the school site or department level. Effective budgetary control requires that budget managers (fund owners) be held accountable for the funds allocated to their respective cost center. Within CMS, department managers and principals are designated as fund owners, and they are responsible for assuring the accuracy of account coding, spending funds appropriately and in alignment with district objectives, and adhering to timelines for recording and expending funds. For centrally budgeted items such as salaries and benefits, insurance, and utilities, the Chief Financial Officer is the designated fund owner.

The overall management of the budget is accomplished in a variety of ways. The key components of our budget management system are as follows:

- **Training on budget management and financial controls** – Financial training is provided to new principals, financial secretaries and assistant principals who are participating in a program for building leadership capacity. This training includes cash management, requisition procedures, accurate account coding, fund flexibility, budget status and management, procurement, etc. Training is also provided to department heads and fund owners on developing their budget requests.
- **Reconciling budget transactions on an ongoing basis** - A budget analyst verifies daily that the budget is still in balance using a quick online report. On a monthly basis, changes by purpose are reviewed to ensure we have not exceeded a 10% variance at which point the Board of County Commission must approve a budget amendment.
- **Controlling and monitoring expenditures to ensure appropriateness of expenditure and availability of funds** - (Pre-audit function as required by North Carolina state statute under 115C-441) - The budget office reviews all requisitions for expenditures and payments to ensure that the expenditure is an appropriate expenditure for school funds and that it is charged to a valid account code as defined by the state chart of accounts. In addition, they are responsible for the “preaudit” function. The preaudit function requires a certification that there is a budget resolution that includes an appropriation for this expenditure and that an unencumbered balance remains in the appropriation sufficient to pay the obligation. The Finance Officer’s signature is required attesting to this fact prior to an obligation being made.
- **Verifying appropriate approvals on requisitions for expenditures and requests for payments in accordance with district policy** – With the Lawson financial system, requisitions are processed online. This control is designed into the workflow pathway within the Lawson system that is defined by the budget department.
- **Budgetary controls over payroll transactions** - Personnel Action Forms (PAF’s) are required to make any changes to the payroll system including adding or deleting an employee, changes in pay rates, job code or status, etc. Since position control is centrally managed, position exchanges and requests for additional positions are submitted to Human Resources (HR), if not initiated by HR, and then forwarded to budget for preaudit. In this case, the preaudit function requires verification that the position exists in the budget and funds are available for the change requested prior to being processed by payroll.
- **Encumbrance controls** - An encumbrance is an obligation in the form of purchase orders, contracts or salary commitments chargeable to an appropriation and for which part of the appropriation is reserved. The purpose for the encumbrance of funds is to insure that obligations are recognized as soon as commitments are made. Our current financial

BUDGET PROCESS, ADMINISTRATION AND MANAGEMENT

system allows for the pre commitment of funds, thus reserving a part of an appropriation when the requisition is entered online. After the preaudit function is completed and the purchase order is released, an encumbrance is created and reflected on budget status reports. This prevents the inadvertent overspending of the budget.

- **Budget transfer controls** - A Budget Transfer Form requesting a transfer of funds is submitted to the budget department by the fund owner, and if approved, is entered into the financial system. This must be processed prior to an obligation being made if there are no other funds available in the account.
- **Reporting of budget amendments to the BOE** - All budget amendments to increase/decrease revenue, transfers within and between function codes for all funds are reported to the BOE on a monthly basis.
- **Control and tracking of cash receipts and recording of revenue** - Financial controls on the receipt of cash are maintained including the separation of duties, and cash receipts are recorded as revenue and appropriated upon receipt as appropriate.
- **Monitoring financial status on a regular basis** - The budget department and Chief Financial Officer regularly review the budget status reviewing budget vs. actual status, reasonableness of percent of budget expended to date, exception reports reflecting any account where actuals exceed budget, and projections of centrally controlled expenditures. Formal financial statements prepared by the accounting department are also reviewed in detail after each month end to insure financial status is as expected and budget to actual comparisons appear reasonable.
- **Summary and detail budget status reporting to department managers and principals on a monthly basis** Fund owners are instructed to review the budget status reports and contact the budget department if there are any questions. Budget status for each activity code is available online in Lawson for easy reference real time. Most fund owners keep some type of tally to reconcile against the activity reflected on the reports.
- **Financial reporting to the Board of Education on a monthly basis** – Formal financial statements for all funds are provided to the Board of Education monthly which reflects budget vs. actual, the annual budget and remaining balance by function.
- **External audit of the financial records and issuance of the Comprehensive Annual Financial Report** - An annual audit is conducted by an external audit firm in accordance with generally accepted auditing standards and *Government Auditing Standards*. The purpose of the audit is to obtain an independent opinion on the financial statements and internal controls of the organization. During the audit, testing of compliance with certain provisions of laws, regulations, contracts and grants is also performed.

Trends and Statistics

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
KEY STATISTICS (FY2010-2020)

SELECTED TRENDS

FISCAL YEAR	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
ENROLLMENT											
Total K-12 Enrollment - 20th Day	133,664	135,638	138,012	141,171	142,612	145,363	146,140	147,157	147,359	147,352	147,602*
EL Students	16,631	16,220	15,505	14,830	15,176	17,146	16,938	17,210	19,794	21,145	
Economically Disadvantaged Students	51.6%	53.4%	54.4%	54.3%	57.3%	58.5%***	56.5%***	60.2%***	51.7%***	47.6%***	
COST PER PUPIL											
Budgeted Total Cost	\$8,533	\$8,480	\$8,473	\$8,518	\$8,714	\$9,025	\$9,215	\$9,363	\$9,568	\$10,122	\$10,875
Budgeted Local Cost	\$2,374	\$2,228	\$2,379	\$2,390	\$2,500	\$2,671	\$2,766	\$2,810	\$2,910	\$3,121	\$3,589
Budgeted Local Cost w/o Charter Sch Passthrough	\$2,277	\$2,119	\$2,256	\$2,247	\$2,339	\$2,467	\$2,508	\$2,518	\$2,573	\$2,755	\$3,181
NUMBER OF SCHOOLS											
Elementary	108	108	88	88	89	91	95	95	94	95	95
Middle	33	33	39	39	39	39	39	39	44	46	46
High	31	33	28	28	28	31	31	33	35	31 ^Δ	31
Alternative	4	4	4	4	4	3	3	3	3	3	3
Total Schools Operating	176	178	159	159	160	164	168	170	176	175	175
New Schools Opened	6	2	0	0	1	4	4	2	6	3	0
% OF TOTAL OPERATING BUDGET											
% County	27.83%	26.28%	28.08%	28.06%	28.69%	29.59%	30.02%	30.01%	30.41%	30.83%	33.00%
% State	55.73%	55.19%	56.64%	57.95%	57.58%	57.13%	57.84%	58.53%	59.42%	59.27%	58.00%
% Federal & Other Grants	14.54%	16.16%	13.72%	12.00%	12.20%	11.71%	10.55%	10.00%	8.83%	8.67%	8.1%
% Other /Special Revenue	1.12%	1.03%	.01%	0.95%	0.91%	0.88%	1.03%	.86%	.99%	0.96%	0.80%
% Fund Balance	.78%	1.35%	0.55%	1.04%	0.62%	0.69%	0.56%	.60%	.34%	0.27%	0.10%
PERSONNEL CHANGES											
Principals/Assistant Principals	396	405	382	373	380	385	410	415	436	414	413
Teachers**	10,343	10,050	10,471	10,611	10,798	9,513	9,811	9,904	9,736	9,633	9,810
Support Staff**						1,344	1,412	1,390	1,496	1,499	1,587
Assistants/Tutors	2,258	2,117	2,434	2,488	2,322	2,257	2,342	2,303	2,326	2,330	2,314
Admin./Office Personnel	1,221	1,174	1,128	1,143	1,161	1,192	1,230	1,245	1,238	1,237	1,252
Transportation	1,506	1,453	1,323	1,354	1,381	1,388	1,386	1,435	1,444	1,444	1,363
Building Services/Other	1,221	1,197	1,054	1,063	1,080	1,078	1,127	1,139	1,153	1,178	1,260
Total Personnel	16,945	16,396	16,792	17,032	17,122	17,157	17,718	17,831	17,829	17,735	17,999
TRANSPORTATION											
# of Yellow Buses	1,329	1,075	919	971	1,001	1,011	1,017	1,048	1,079	1,109	1,100

* Projected enrollment

**For years prior to fiscal year 2015, Teachers and Support Staff were combined.

*** Due to the 2014-15 implementation of the USDA Community Eligibility Provision, the district is using a formula designed by USDA for calculating the district poverty rate. The new formula uses the percentage of enrolled students that have been identified by the state agency as qualifying for free meals based on eligibility for poverty based programs. The percentage of identified students is then multiplied by a factor as determined by USDA to get the official EDS as determined by the USDA. The current factor is 1.6.

^Δ Five Olympic High School academies, each with its own school number, were merged into one location, now having one designated school number.

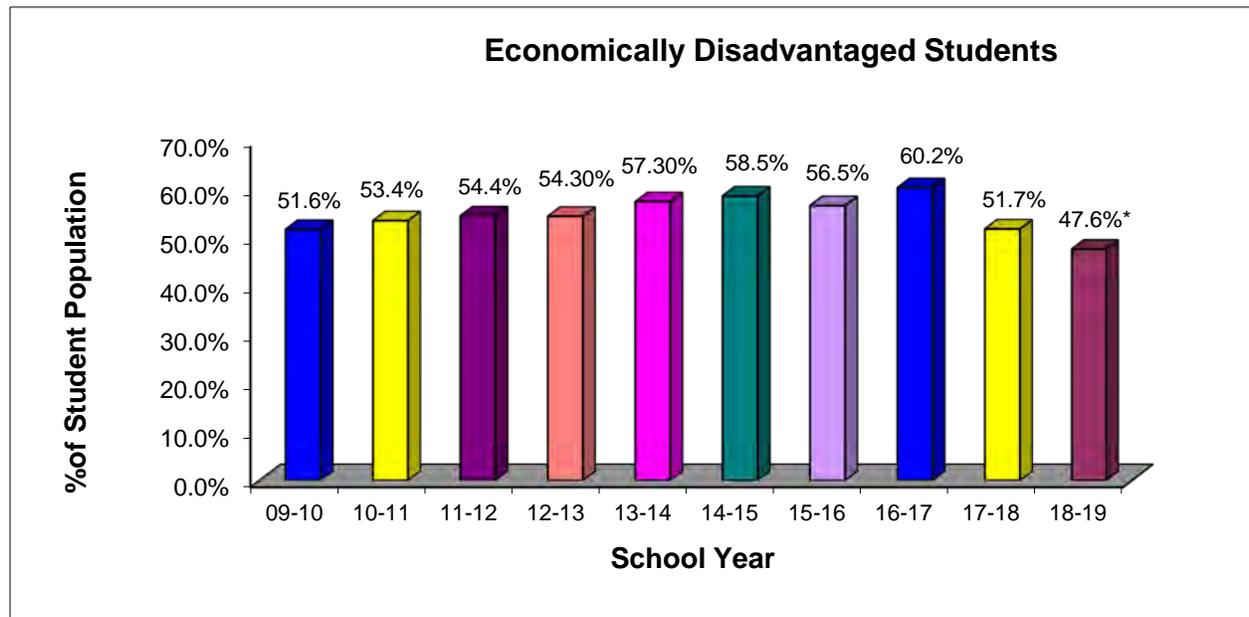
STUDENT POPULATION TRENDS IN CHARLOTTE-MECKLENBURG SCHOOLS

Diversity and complex learning needs

As our community continues to become increasingly diverse, Charlotte-Mecklenburg Schools (CMS) also serves numbers of students who come to school with complex learning needs that require additional support and specialized services.

CMS data and national research indicate that all students can learn and achieve at high levels when challenged with high expectations, and given the guidance, support and attention they need to succeed. Effective early childhood programs, smaller class sizes, guidance and health and social services, English as a Second Language instruction and an intense focus on literacy and math are all designed to help CMS narrow the achievement gap between poor and minority students and their more affluent peers.

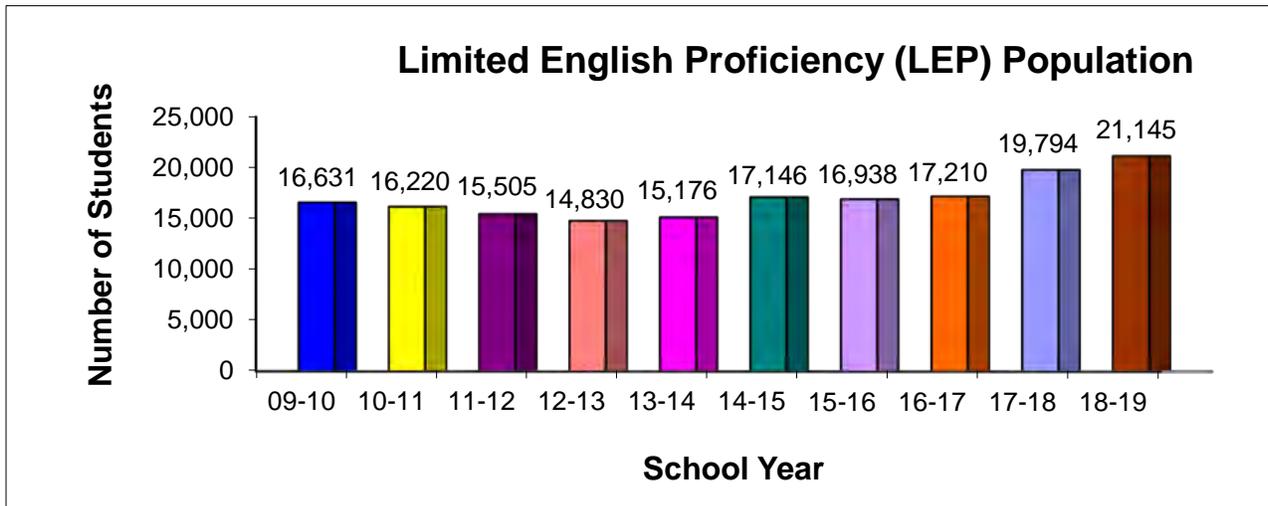
CMS serves a large number of economically disadvantaged students (EDS) who qualify for the federal assistance lunch program. The number of CMS students who qualify for federal assistance decreased to 47.56% in 2018-19 as calculated by the new formula noted below.



* Due to the 2014-15 implementation of the USDA Community Eligibility Provision, the district is using a formula designed by USDA for calculating the district poverty rate. The new formula uses the percentage of enrolled students that have been identified by the state agency as qualifying for free meals based on eligibility for poverty based programs. The percentage of identified students is then multiplied by a factor as determined by USDA to get the official EDS as determined by the USDA. The current factor is 1.6. This percentage is calculated as of April 1st of each year.

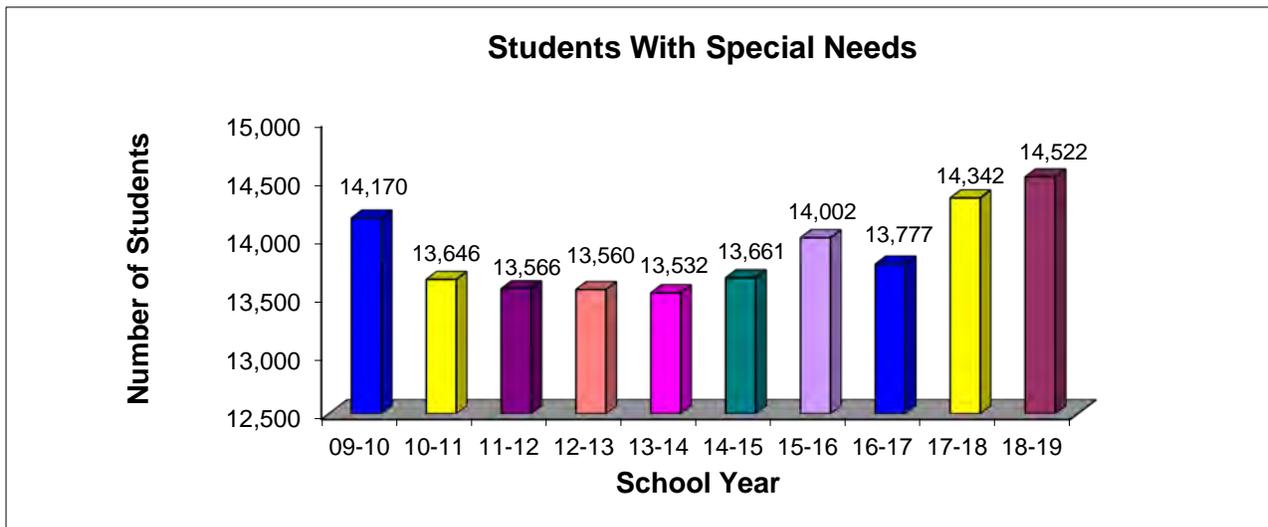
STUDENT POPULATION TRENDS IN CHARLOTTE-MECKLENBURG SCHOOLS

The number of English Learner (EL) students increased in 2018-19. This year's PreK-12 EL count is 21,145 - an increase from last year's count (19,794) by 1,351. Within CMS, more than 44,237 K-12 students speak a language other than English at home. CMS students speak 205 different languages and come from 187 countries. The top five home languages are Spanish, Vietnamese, Arabic, French and Telugu. That represents a 27% growth rate since the 2009-2010 school year. The following chart shows the trend in this population of students.



CMS is known throughout the Carolinas for its strong programs for exceptional children. These programs include services for students with special needs that range from mild speech delays to significant physical and cognitive disabilities. CMS also provides highly acclaimed programs and services for gifted and talented students.

According to the December 1, 2018 child count, 14,522 CMS students – 9.9% of our enrollment - have diagnosed disabilities that affect learning and qualify the student for special education and supplementary services as defined by the U.S. Department of Education.



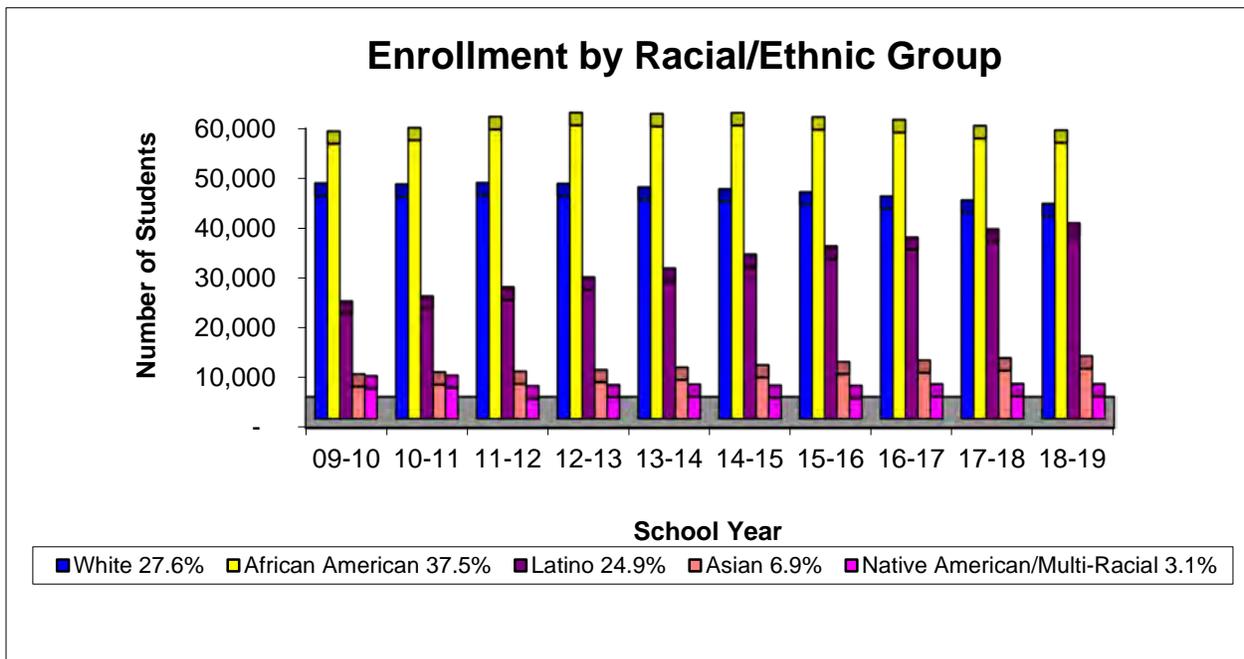
CMS also serves approximately 16,020 identified gifted and talented students.

STUDENT POPULATION TRENDS IN CHARLOTTE-MECKLENBURG SCHOOLS

CMS is committed to providing a high quality education for every student. The district's goal is to ensure that programs and resources are in place to support the individual needs of each student. However, funding must be available to make this goal a reality.

CMS Student Population At A Glance 2018-19*

American Indian/Multiracial/Pacific Islander	3%
Asian	7%
African-American	37%
Hispanic/Latino	25%
White	28%
Economically Disadvantaged Students	47.6%
Native languages	205
Countries represented	187
English Learners	21,145
Students with Special Needs	14,522

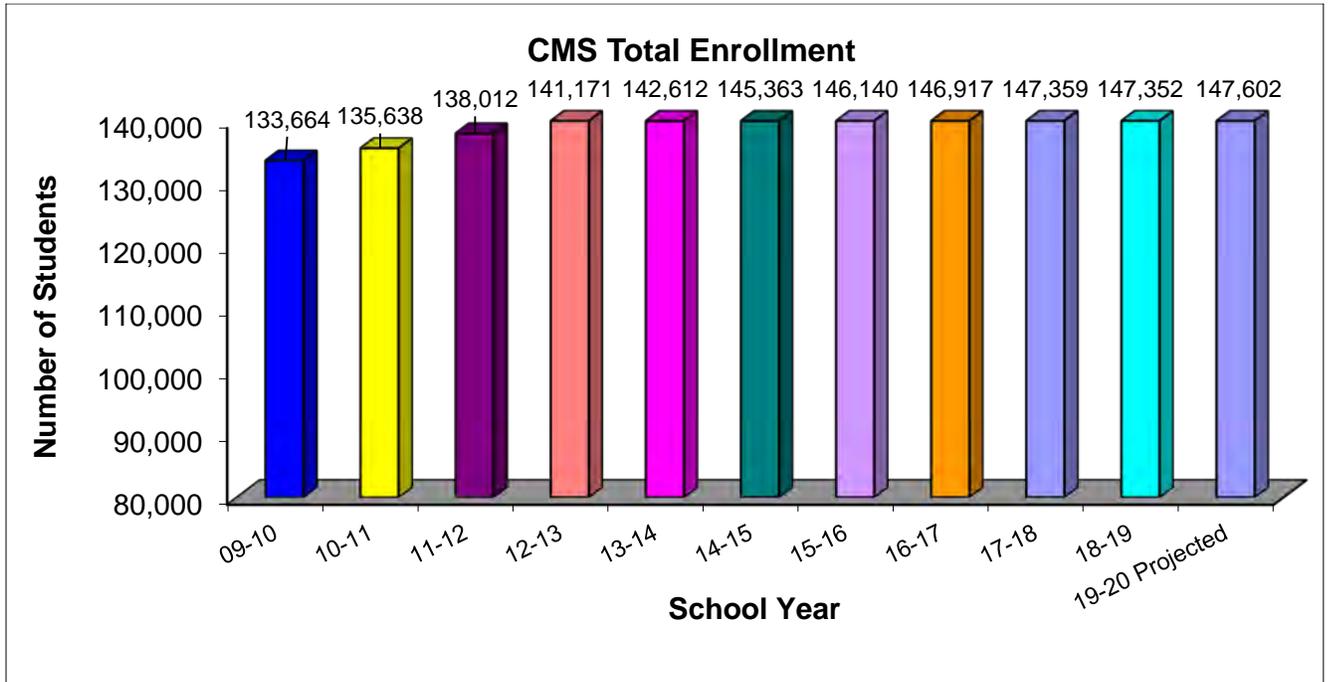


*CMS 20th day count

STUDENT POPULATION TRENDS IN CHARLOTTE-MECKLENBURG SCHOOLS

Enrollment

Enrollment in 2019-20 is projected to grow by 250 students. Since 2009-10, CMS has grown from over 133,000 students to an enrollment of 147,352* students.

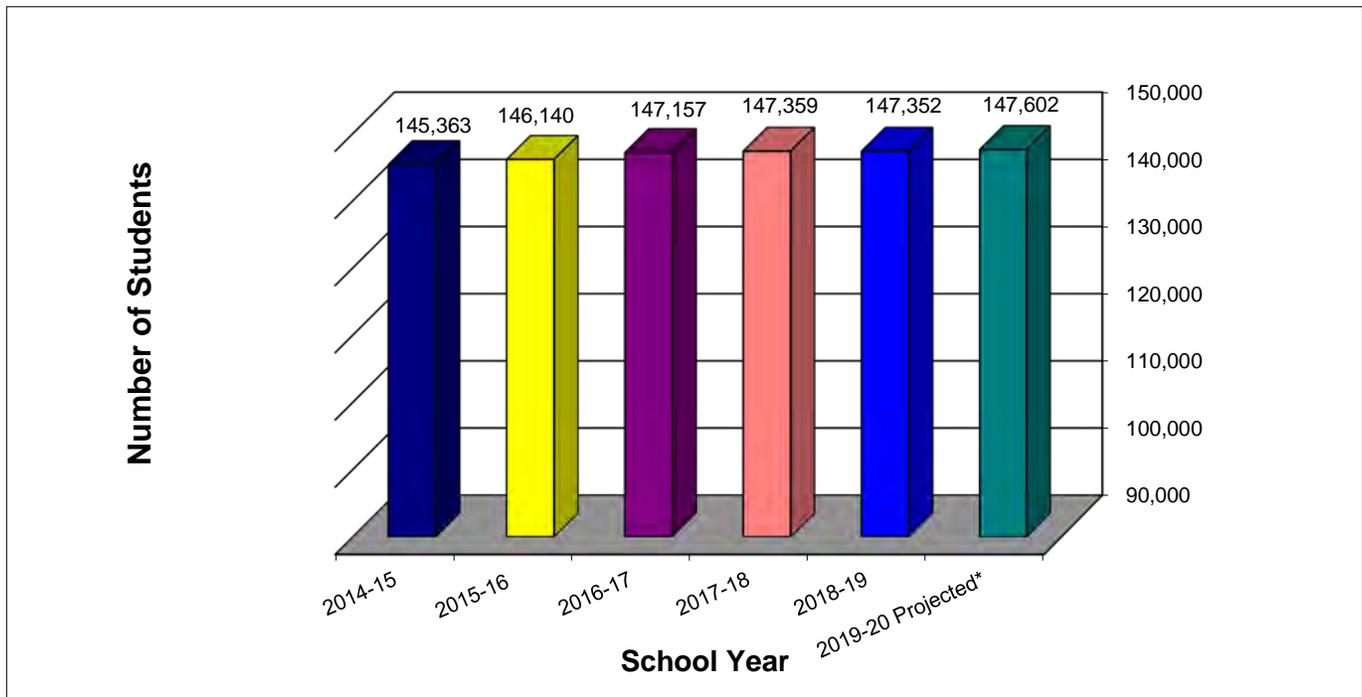


*CMS 20th day count

SIX YEAR ENROLLMENT COMPARISON BY GRADE LEVEL

Grades	2019-20 Projected	2018-19 Actual*	2017-18 Actual*	2016-17 Actual*	2015-16 Actual*	2014-15 Actual*
K	11,743	10,824	11,067	11,263	11,734	11,968
1	10,904	11,260	11,214	11,743	12,107	12,286
2	11,137	11,153	11,433	12,029	12,160	12,114
3	11,121	11,409	11,949	12,204	12,027	11,852
4	11,245	11,850	12,039	11,867	11,562	11,343
5	11,635	11,788	11,611	11,386	11,126	10,437
6	11,427	11,365	11,018	10,768	9,994	10,735
7	11,448	11,075	10,861	10,156	10,781	10,712
8	11,164	11,012	10,229	10,925	10,617	11,000
9	12,944	11,978	12,702	12,488	12,962	12,513
10	10,887	11,553	11,506	11,648	11,259	10,788
11	10,063	10,028	10,170	9,851	9,234	9,303
12	9,933	10,097	9,702	8,997	8,830	8,646
Special	1,951	1,960	1,858	1,832	1,747	1,666
TOTAL ENROLLMENT	<u>147,602</u>	<u>147,352</u>	<u>147,359</u>	<u>147,157</u>	<u>146,140</u>	<u>145,363</u>

* End of First Month (20th Day)

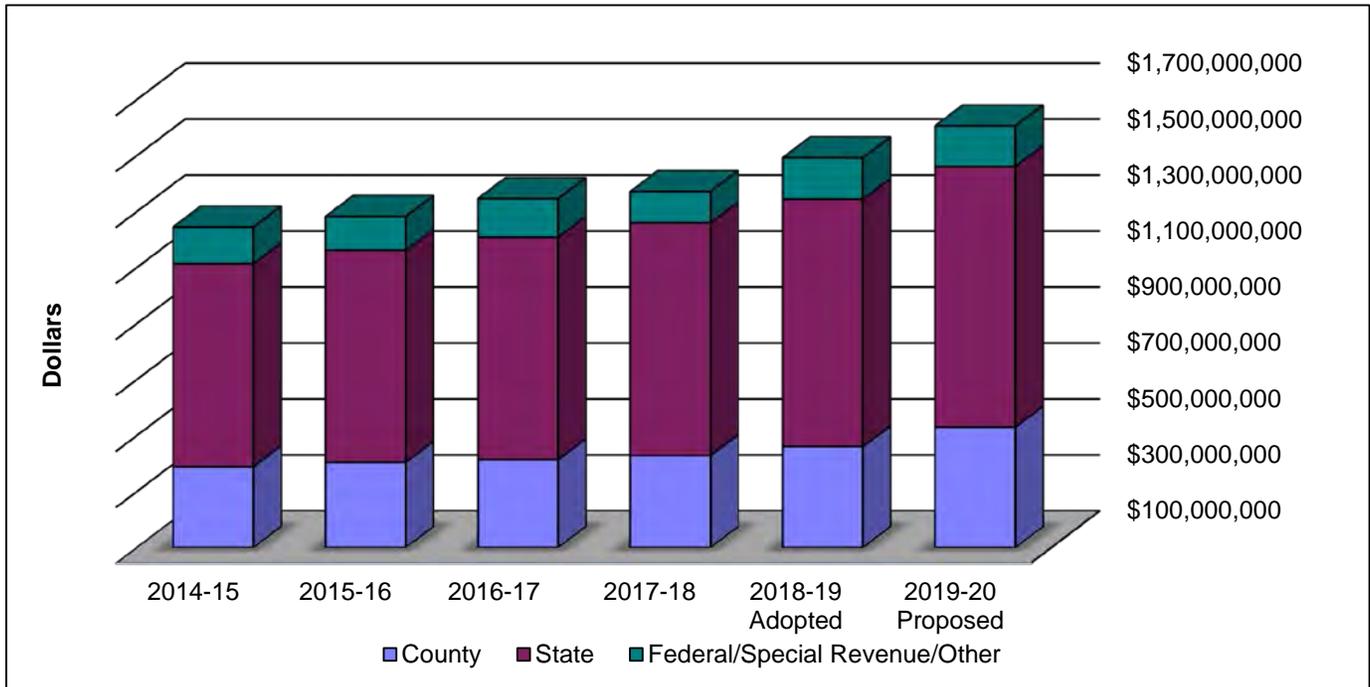


CURRENT EXPENSE SIX YEAR EXPENDITURE COMPARISON

County		State		Federal/Special Revenue/Other		Total	
Dollars	% Incr.	Dollars	% Incr.	Dollars	% Incr.	Dollars	% Incr.

2019-20 Proposed Budget	\$ 529,779,896	15.2%	\$ 930,966,071	5.3%	\$ 144,413,470	-2.2%	\$ 1,605,159,437	7.6%
2018-19 Adopted Budget	\$ 459,864,612	7.4%	\$ 884,018,417	6.3%	\$ 147,589,152	32.5%	\$ 1,491,472,181	8.8%
2017-18	\$ 428,136,763	3.5%	\$ 831,244,689	4.7%	\$ 111,374,919	-19.2%	\$ 1,370,756,371	1.9%
2016-17	\$ 413,493,792	2.3%	\$ 794,257,003	4.9%	\$ 137,826,349	14.2%	\$ 1,345,577,144	5.0%
2015-16	\$ 404,286,016	4.1%	\$ 756,804,591	4.3%	\$ 120,650,904	-7.5%	\$ 1,281,741,511	3.0%
2014-15	\$ 388,236,594	8.9%	\$ 725,305,633	4.0%	\$ 130,439,798	10.8%	\$ 1,243,982,025	6.1%

Note: % Increase represents the percentage increase over the prior year.

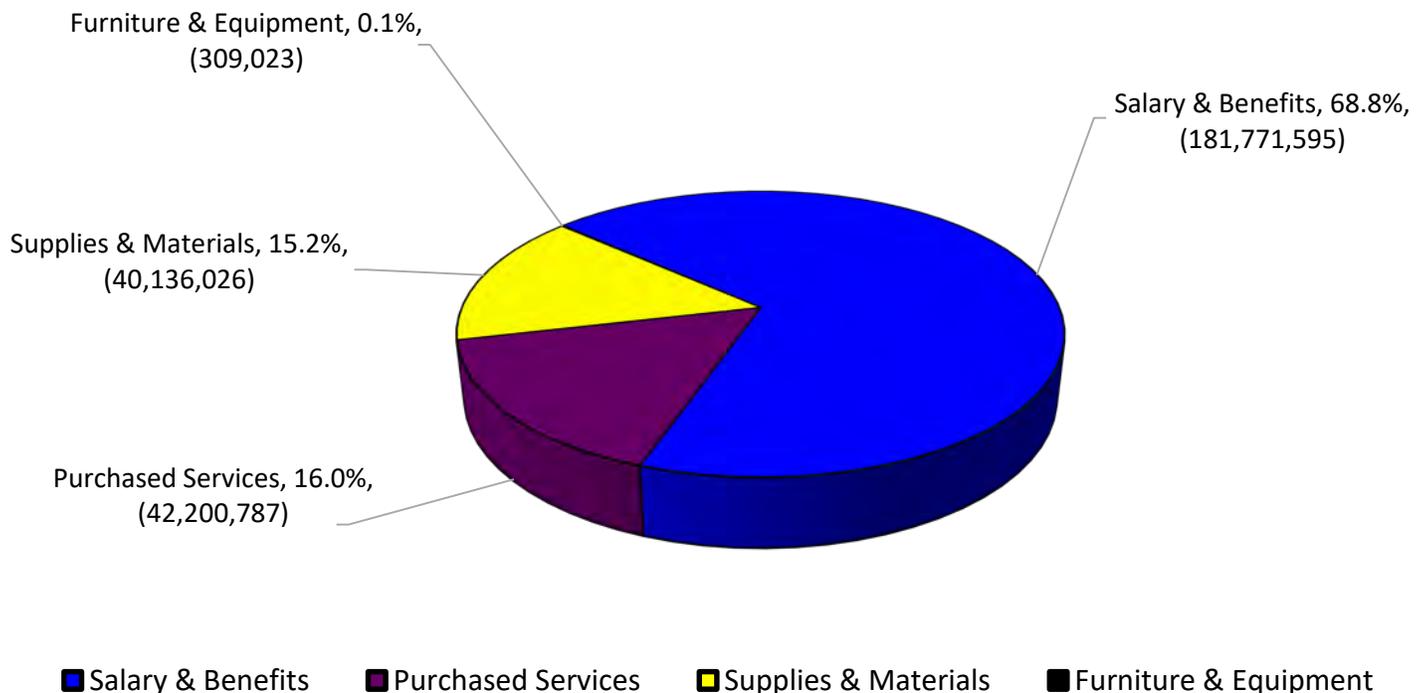


REDIRECTION OF RESOURCES

As a continued part of Charlotte-Mecklenburg Schools budget development process to remain fiscally responsible and cost effective, each area is reviewed and evaluated and recommendations regarding the future of programs or services are made. Recommendations can include reduction, expansion, elimination or maintaining status quo depending on the effectiveness of the program or service. In addition, each year all areas have been asked to drill down to the expenditure level to see how they could use their resources more effectively to accomplish the goals of their department. The alignment of resources to the goals outlined in the priority focus areas assists in scrutinizing each item in the budget based on its relevance to the overall plan and goals of the district. These processes and other continuous improvement efforts result in a more efficient operation.

The following charts reflect the net reductions and redirections over the last nine years from state, federal and county sources for a total of \$264.4 million. From 2009-10 to 2018-19, nearly \$192.5 million has been redirected within the county funded portion of the budget to offset the budget increases needed for growth, new schools and sustaining operations at current service levels. Although all redirections ultimately impact the school level, there has been a focused effort to try to minimize the impact on the classroom and, most importantly, our students.

**Total Budget Reductions and Redirections from
FY 2010-2019 = \$264,417,431**

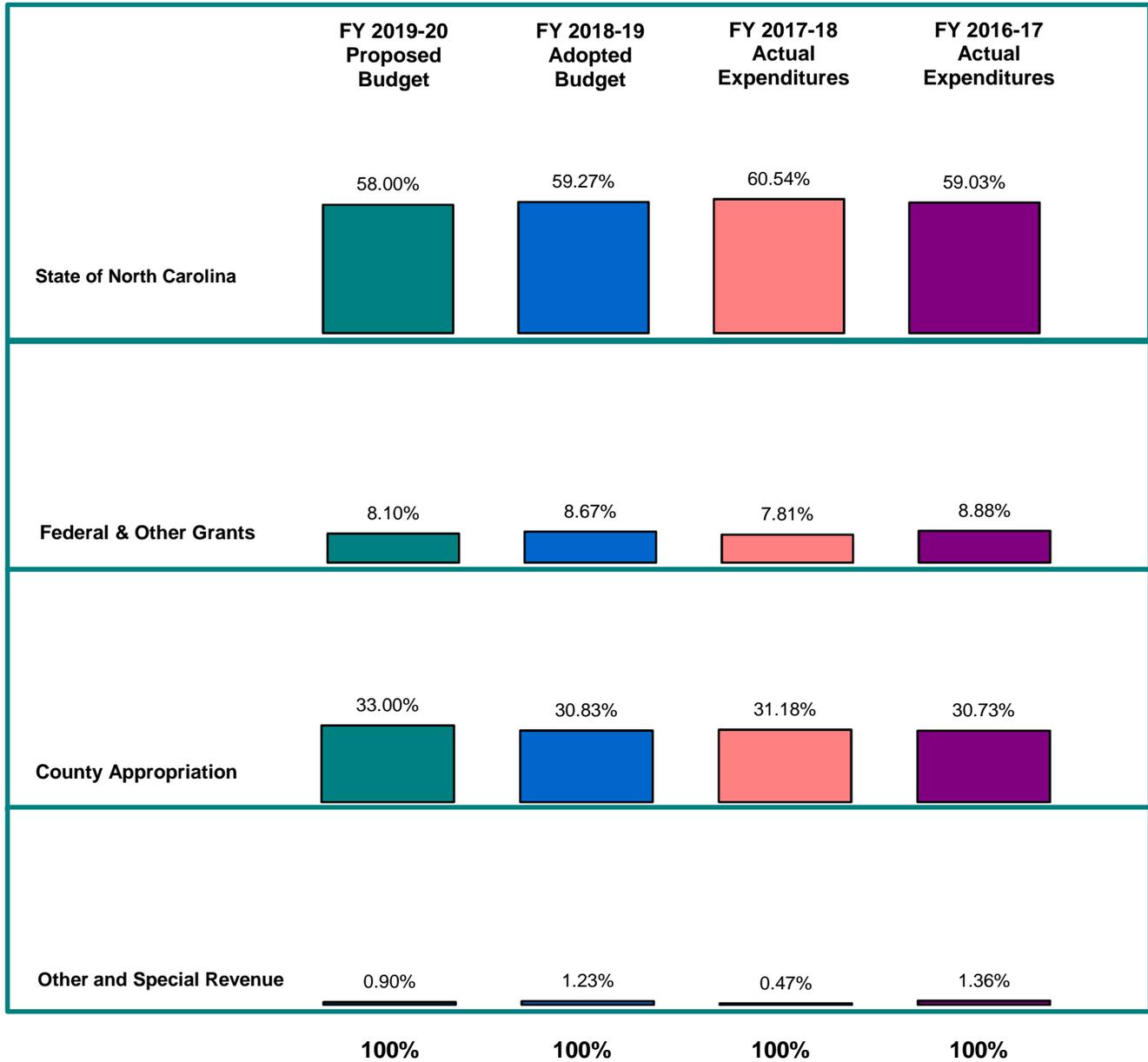


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COMPARATIVE EXPENDITURES BY FUNDING SOURCE

	FY 2019-20 Proposed Budget	FY 2018-19 Adopted Budget	FY 2017-18 Actual Expenditures	FY 2016-17 Actual Expenditures
State of North Carolina	\$ 930,966,071	\$ 884,018,417	\$ 831,244,689	\$ 794,257,003
Federal and Other Grants	130,063,117	129,294,152	107,202,456	119,537,681
County Appropriation	529,779,896	459,864,612	428,136,763	413,493,792
Other and Special Revenue	<u>14,350,353</u>	<u>18,295,000</u>	<u>6,562,463</u>	<u>18,288,668</u>
Total	<u>\$ 1,605,159,437</u>	<u>\$ 1,491,472,181</u>	<u>\$ 1,373,146,371</u>	<u>\$ 1,345,577,144</u>

COMPARATIVE EXPENDITURES PERCENTAGE BY SOURCE

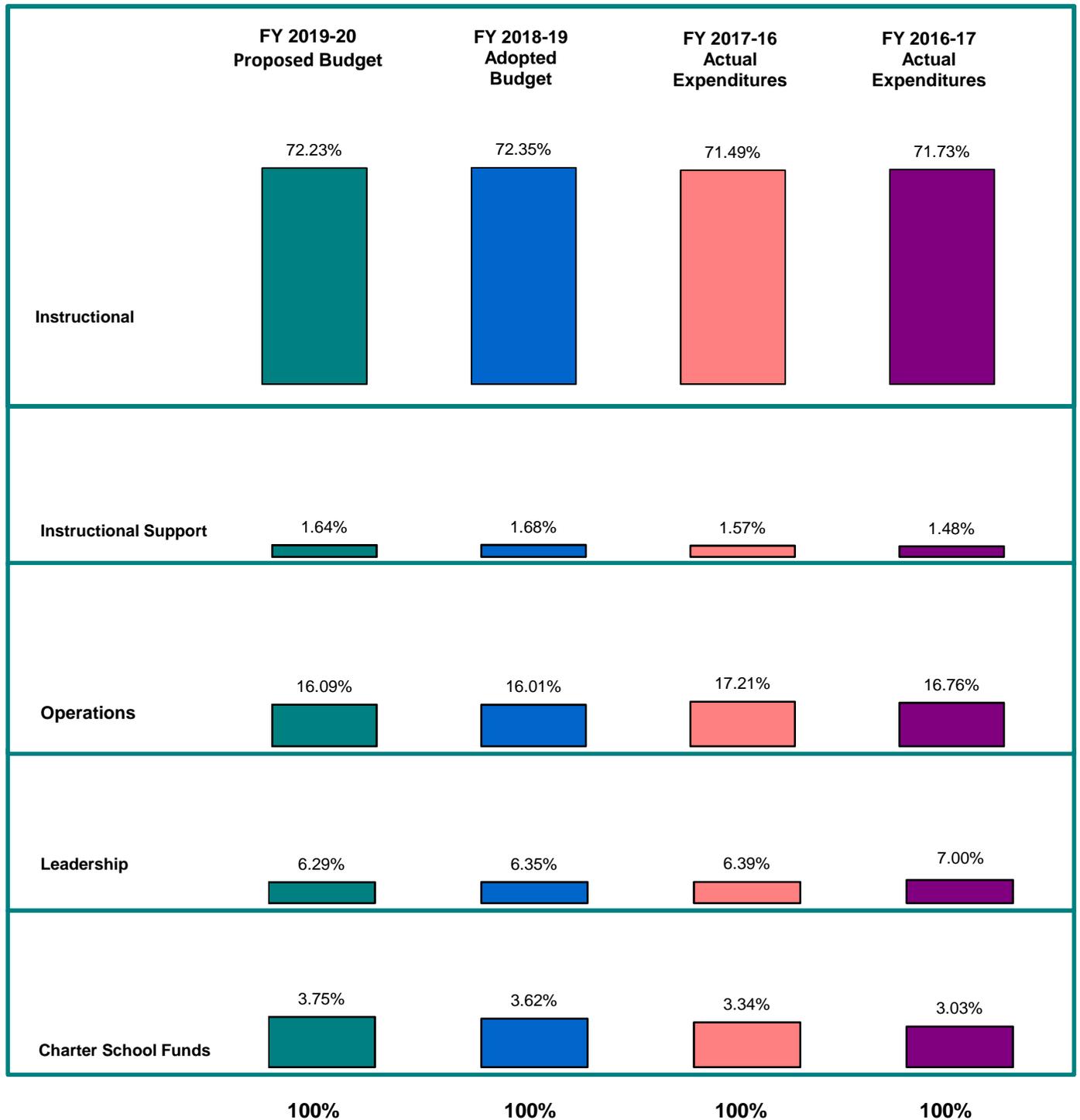


Note: Vertical bar graphs are not intended to be proportional across categories.

COMPARATIVE EXPENDITURES BY MAJOR FUNCTION

	2019-20 Proposed Budget	2018-19 Adopted Budget	2017-18 Actual Expenditures	2016-17 Actual Expenditures
Instructional				
Regular Instructional	\$ 775,286,682	\$ 726,941,691	\$ 662,810,566	\$ 654,405,682
Special Populations	177,529,076	159,318,837	151,401,221	146,296,104
Alternative Programs	109,505,767	105,162,943	90,770,863	91,657,995
Co-Curricular	6,722,474	6,735,214	6,576,596	5,893,058
School-Based Support	<u>90,435,304</u>	<u>80,927,499</u>	<u>70,111,676</u>	<u>66,988,586</u>
Total Instructional	1,159,479,303	1,079,086,184	981,670,922	965,241,425
Instructional Support				
Support and Development	12,311,542	11,799,874	10,016,145	8,395,556
Special Population Support and Development	4,067,419	3,837,933	3,505,552	3,715,946
Alternative Programs Support and Development	5,840,473	5,449,589	3,982,363	3,956,592
System-wide Pupil Support	<u>4,058,332</u>	<u>3,942,470</u>	<u>4,067,313</u>	<u>3,854,988</u>
Total Instructional Support	26,277,766	25,029,866	21,571,373	19,923,082
Operations				
Technology Support	16,748,535	13,398,985	14,711,882	15,093,916
Operational Support	206,684,502	193,689,799	192,780,856	178,594,006
Financial and Human Resource Services	25,630,775	22,931,934	21,393,345	23,493,231
Accountability	5,427,124	5,189,707	3,912,882	3,857,937
Community Services	553,136	555,671	772,792	810,640
Nutrition Services	350,000	300,000	249,487	527,736
Debt Service	-	-	581,648	582,737
Other	<u>2,862,352</u>	<u>2,660,598</u>	<u>1,911,113</u>	<u>2,521,456</u>
Total Operations	258,256,424	238,726,694	236,314,005	225,481,659
Leadership				
Policy, Leadership and Public Relations	18,017,353	17,179,377	16,825,609	16,771,026
School Leadership Services	<u>82,941,627</u>	<u>77,470,945</u>	<u>70,853,991</u>	<u>77,356,484</u>
Total Leadership	100,958,980	94,650,322	87,679,600	94,127,510
Charter School Funds	60,186,964	53,979,115	45,910,471	40,803,468
Total	<u>\$ 1,605,159,437</u>	<u>\$ 1,491,472,181</u>	<u>\$ 1,373,146,371</u>	<u>\$ 1,345,577,144</u>

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
INSTRUCTION TAKES TOP PRIORITY



Note: Vertical bar graphs are not intended to be proportional across categories.

COMPARATIVE EXPENDITURES BY OBJECT CODE

	2019-20 Proposed Budget	FY 2018-19 Adopted Budget	FY 2017-18 Actual Expenditures	FY 2016-17 Actual Expenditures
Salaries	\$ 956,538,245	\$ 893,445,893	\$ 823,950,347	\$ 800,048,138
Benefits	378,922,932	342,383,126	285,240,099	269,338,385
Purchased Services	136,722,324	130,143,282	133,531,606	139,921,239
Materials and Supplies	72,067,065	70,683,858	78,053,965	89,085,615
Furniture and Equipment	721,907	836,907	6,459,883	6,380,299
Other	<u>60,186,964</u>	<u>53,979,115</u>	<u>45,910,471</u>	<u>40,803,468</u>
Total	<u>\$ 1,605,159,437</u>	<u>\$ 1,491,472,181</u>	<u>\$ 1,373,146,371</u>	<u>\$ 1,345,577,144</u>

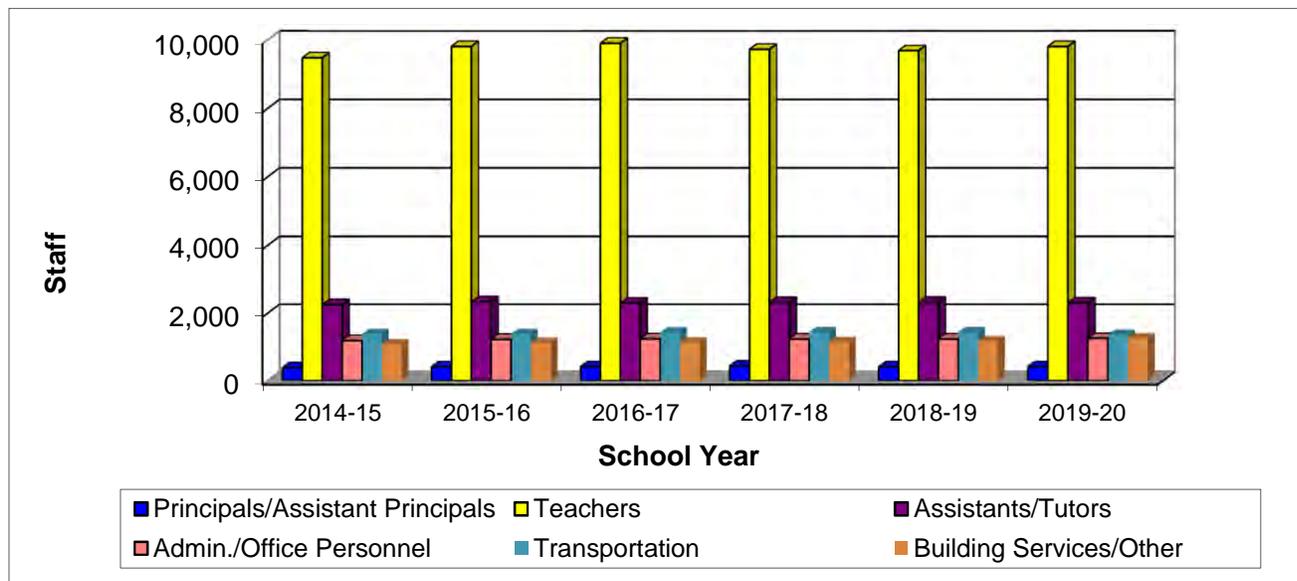
PRIMARY INVESTMENT IS IN OUR PEOPLE



Note: Vertical bar graphs are not intended to be proportional across categories.

SUMMARY OF STAFFING

	State	County	Federal/ Special Revenue/ Other	2019-20 Proposed Budget	2018-19 Amended Budget	Inc./ (Dec.) for 2019-20	2017-18 Adopted Budget
Principals and Assistant Principals	309.64	101.91	1.00	412.55	412.55	-	436.24
Teachers	8,386.96	1,108.94	314.50	9,810.40	9,718.40	92.00	9,736.51
Support Staff	1,120.10	284.50	183.00	1,587.60	1,531.60	56.00	1,495.62
Assistants, Tutors and Support	1,332.80	136.00	845.00	2,313.80	2,313.80	-	2,325.55
Administration and Office Personnel	510.50	674.00	67.75	1,252.25	1,250.25	2.00	1,238.00
Transportation	1,350.50	12.38	-	1,362.88	1,362.88	-	1,443.88
Building Services and Other	624.00	628.00	8.00	1,260.00	1,193.00	67.00	1,153.00
Total	13,634.50	2,945.73	1,419.25	17,999.48	17,782.48	217.00	17,828.80



CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
SUMMARY OF STAFFING DETAILS

	Program Reference	Program Change Description	State	County	Federal/Other	Total
Teachers						
Regular Education Teachers	I.A.1	HB90 Enhancement Teachers	90.00			90.00
Regular Education Teachers	III.A.1	Enrollment Growth	2.00			2.00
		Subtotal Teachers	92.00	0.00	0.00	92.00
Support Staff						
Counselors	III.A.1	Enrollment Growth	1.00			1.00
Psychologists	IV.A.	Student Support Services		10.00		10.00
Counselors	IV.A.	Student Support Services		27.00		27.00
Social Workers	IV.A.	Student Support Services		10.00		10.00
School Psychology Coordinator	IV.A.	Student Support Services		1.00		1.00
School Counseling Coordinator	IV.A.	Student Support Services		6.00		6.00
School Social Work Coordinator	IV.A.	Student Support Services		1.00		1.00
		Subtotal Support Staff	1.00	55.00	0.00	56.00
Administrative and Office Personnel						
Digital Outreach Specialist	IV.D.	Safety and Security		1.00		1.00
Project Manager	IV.F.	Cultural Proficiency Training		1.00		1.00
		Subtotal Admin and Office Personnel	0.00	2.00	0.00	2.00
Building Services and Others						
Head Custodian I	III.B.1	Additional Facility Space-Maintenance		1.00		1.00
Custodian	III.B.1	Additional Facility Space-Maintenance		6.00		6.00
Security Associate	IV.D.	Safety and Security		15.00		15.00
Senior Site Coordinators	IV.E.	Building Services Staffing & PM		5.00		5.00
Plumber Specialist	IV.E.	Building Services Staffing & PM		1.00		1.00
Plumber II	IV.E.	Building Services Staffing & PM		2.00		2.00
Custodian	IV.E.	Building Services Staffing & PM		37.00		37.00
		Subtotal - Building Services & Other	0.00	67.00	0.00	67.00
Program Continuation						
		GRAND TOTAL	93.00	124.00	0.00	217.00

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In compliance with federal law, Charlotte-Mecklenburg Schools administers all education programs, employment activities and admissions without discrimination against any person on the basis of gender, race, color, religion, national origin, age or disability.