



Understanding the CMS Budget 2011-2012

**Presentation by executive staff member
As of 1/15/2011**

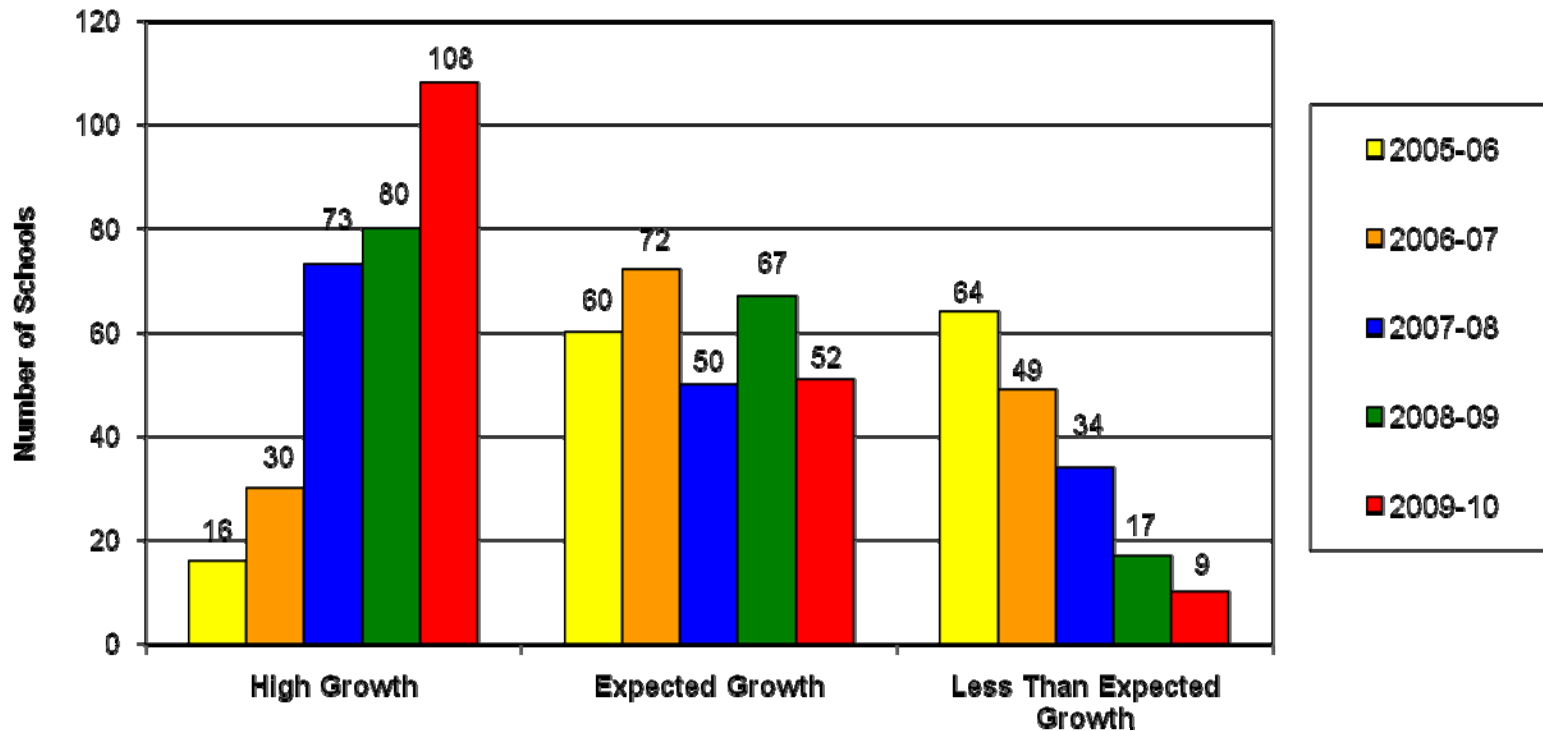
Academic Achievement

Even in the midst of difficult economic times requiring strategic budget reductions, CMS has continued to increase academic achievement.



ABC Results – All Schools

Charlotte-Mecklenburg Schools
ABC Results - All Schools
Number of Schools by Growth Status - 2005-06 through 2009-10



*Metro and Morgan are excluded from these counts because the state identifies them as schools with no ABC status

Math Proficiency (without retests)

Math Proficiency*	2005-06	2006-07	2007-08	2008-09	2009-10	Change
Grade 3	70	70	70	72	75	+5
Grade 4	67	69	71	74	76	+9
Grade 5	68	69	72	74	76	+8
Grade 6	62	62	65	68	72	+10
Grade 7	58	60	64	68	71	+13
Grade 8	62	63	65	72	78	+16
Composite	64	65	68	72	75	+11

Over the past 4 years, CMS has increased proficiency at each grade level by between 5 and 16 percentage points.

*Percentage of scores at Levels III and IV

Math Gap Trends - Grades 3-8 (without retests)

	African-American vs. White		Hispanic vs. White		Economically Disadvantaged vs. Not Economically Disadvantaged Students	
Year	Gap	Gap Trend	Gap	Gap Trend	Gap	Gap Trend
2005-06*	39	n/a	30	n/a	34	n/a
2009-10	30	-9	21	-9	25	-9

CMS gaps have narrowed consistently.

*Mathematics for 2005-06 reflects the state adjustment of minimum proficiency standards.

Reading Proficiency (without retests)

Reading Proficiency*	2007-08	2008-09	2009-10	Change
Grade 3	56	58	59	+3
Grade 4	60	62	63	+3
Grade 5	57	60	63	+6
Grade 6	58	62	66	+8
Grade 7	49	54	57	+8
Grade 8	51	57	61	+10
Composite	55	59	62	+7

Since the test standards were raised in 2007-08, CMS has increased proficiency at each grade level by between 3 and 10 percentage points.

*Percentage of scores at Levels III and IV

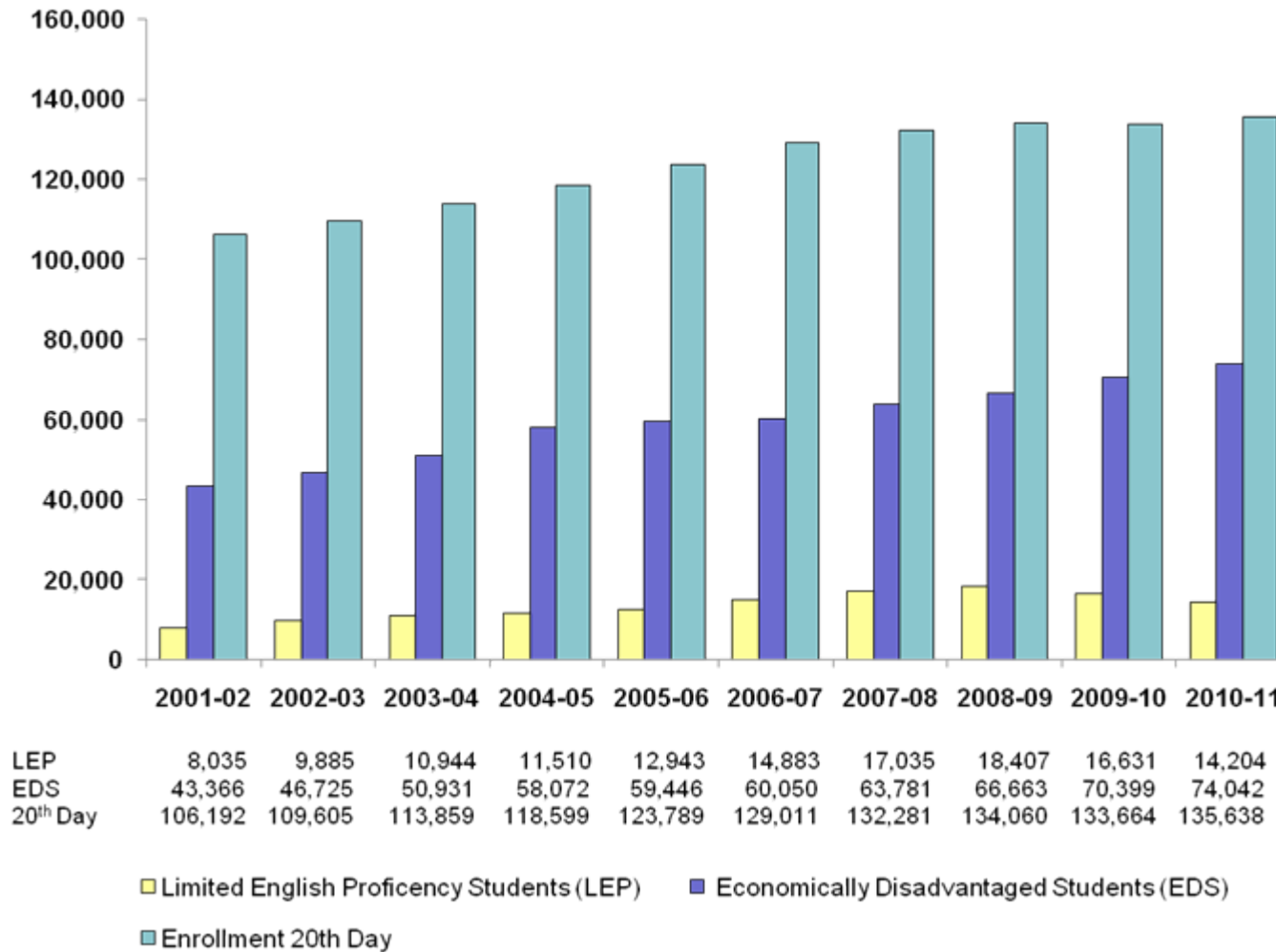
Reading Gap Trends - Grades 3-8 (without retests)

	African-American vs. White		Hispanic vs. White		Economically Disadvantaged vs. Not Economically Disadvantaged Students	
Year	Gap	Gap Trend	Gap	Gap Trend	Gap	Gap Trend
2007-08*	41	n/a	39	n/a	37	n/a
2009-10	38	-3	37	-2	35	-2

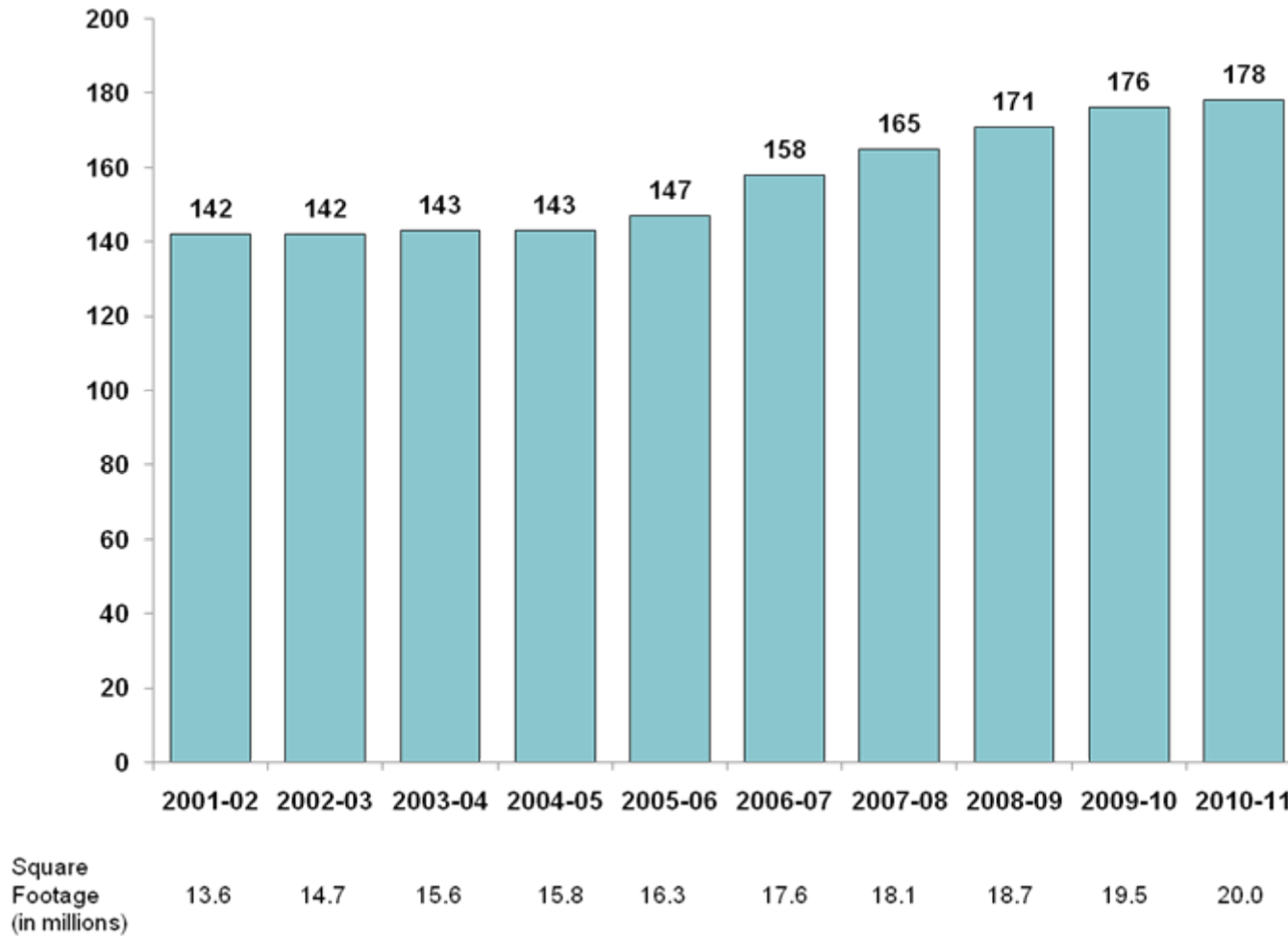
CMS gaps have narrowed consistently.

*Reading for 2007-08 reflects the state adjustment of minimum proficiency standards.

K-12 Student Enrollment



Number of Schools



Race to the Bottom

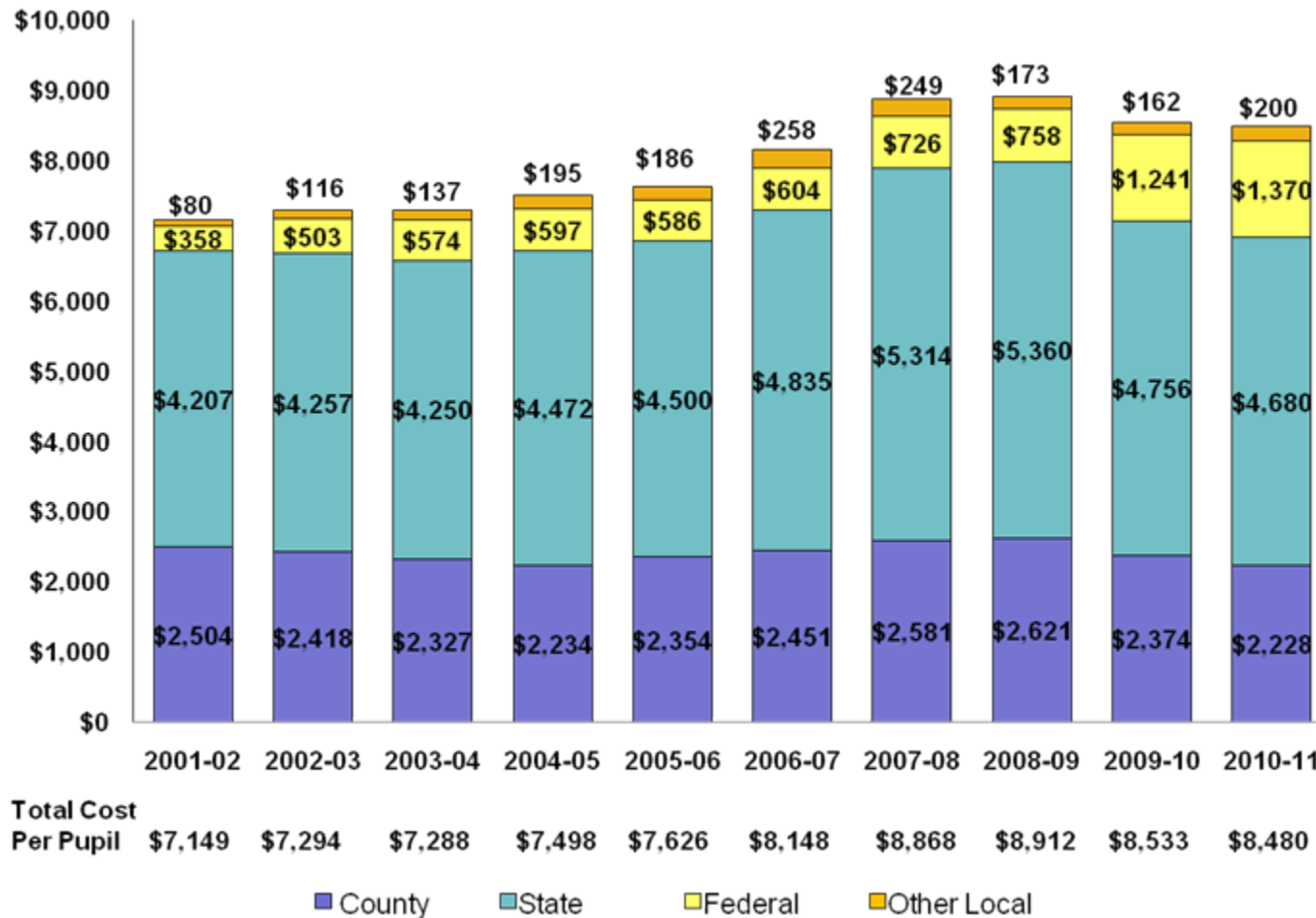
2008-09 Per Pupil Expenditures

<u>Rank</u>	<u>State</u>	<u>Per Pupil</u>	<u>Rank</u>	<u>State</u>	<u>Per Pupil</u>
1	District of Columbia	\$17,638	42	North Carolina	\$8,743
2	Rhode Island	\$17,289	43	California	\$8,322
3	New Jersey	\$16,253	44	Tennessee	\$8,261
4	New York	\$15,997	45	North Dakota	\$8,222
5	Wyoming	\$14,732	46	Oklahoma	\$8,006
6	Vermont	\$14,679	47	Idaho	\$7,730
7	Massachusetts	\$13,901	48	Nevada	\$7,615
8	Connecticut	\$13,864	49	Mississippi	\$7,484
9	Maine	\$13,309	50	Arizona	\$5,932
10	Delaware	\$13,039	51	Utah	\$5,912

National Average = \$10,190

Source: Jo Ann Norris, "Race to the Bottom"

CMS Cost Per Pupil



Adopted budget divided by actual 20th day enrollment

Where's the money?

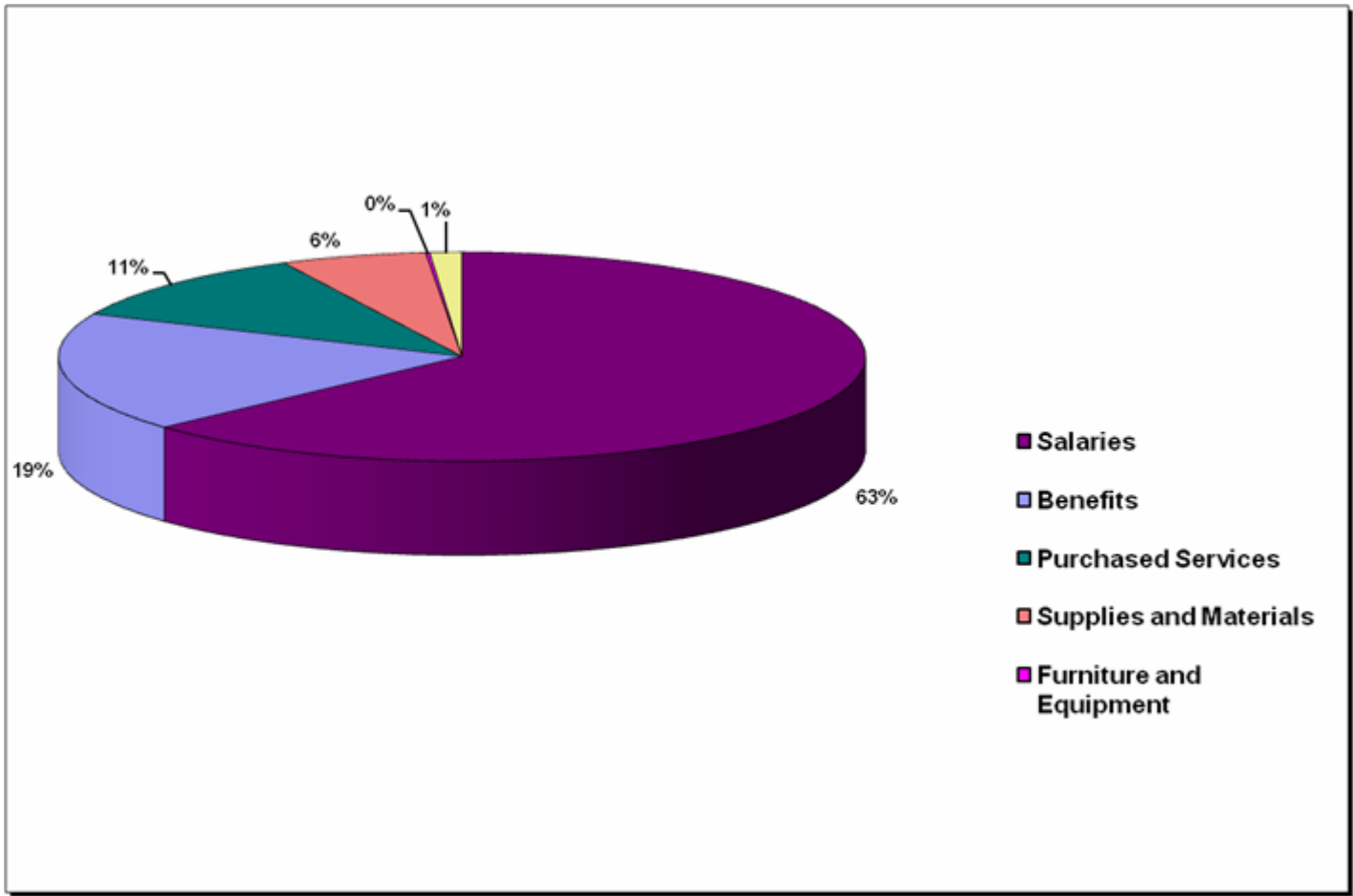


CMS' 2010-11 Adopted Budget

REVENUES

<u>Source</u>	<u>Adopted Budget</u>	<u>% of Total</u>
State of North Carolina	\$ 634,731,052	55.1%
Mecklenburg County	302,250,000	26.3%
Federal and Other Grants	185,891,151	16.2%
Other and Special Revenue	<u>27,313,842</u>	<u>2.4%</u>
TOTAL REVENUES	\$ 1,150,186,045	100.0%

Uses of Funds



National Perspective

- American Recovery and Reinvestment Act (ARRA) funding cliff finally arrived – \$37.9 billion in federal stimulus funds is almost gone
- 21 states project gaps of more than 10%, including North Carolina

This data is from a Dec. 15, 2010, report from the Fiscal Research Division, a staff agency of the NC General Assembly.

State Budget Outlook

- The cumulative affect of the national economic downturn, expiration of federal stimulus dollars and revenue challenges has left the state with a projected \$3.7 billion shortfall.*
- As a result, the NC Office of State Budget and Management requested that all state agencies submit plans to reduce their budgets by 5, 10 and 15 percent.

*This data is from a Dec. 15, 2010, report from the Fiscal Research Division, a staff agency of the NC General Assembly.

CMS Budget Outlook

- State agencies have been asked to provide budget reduction options of 5%, 10%, and 15%
- Federal funding cliff still pending
- Local funding unknown



What This Means for CMS

<u>Reduction %</u>	<u>State Reduction</u>	<u>Federal Funding Cliff</u>	<u>County Growth/ Sustaining Estimate*</u>	<u>Subtotal**</u>	<u>Reduction %</u>	<u>County Reduction</u>	<u>Total Reduction</u>
@5%	\$32M	\$15M	\$15M	\$62M	@5%	\$15M	\$77M
@10%	\$63M	\$15M	\$15M	\$93M	@10%	\$30M	\$123M
@15%	\$95M	\$15M	\$15M	\$125M	@15%	\$45M	\$170M

The 2010-11 budgeted per-pupil amount is \$8,523***. The per-pupil amount drops to \$7,263 under the worst- case scenario presented above. The \$7,263 per-pupil amount is between the 2001-02 and 2002-03 budgeted per-pupil amounts.

The estimates above do not include any additional amounts required to cover discretionary reductions from the prior year nor do they assume the non-recurring cuts will be reinstated.

*Estimate based on historical trend average which includes estimated increases for items such as benefits (health insurance and retirement) and costs due to enrollment growth (staffing and instructional materials)

**Assumes flat funding from county

***Adopted budget divided by projected enrollment

2011-12 Recommended Budget Reductions

As of Jan. 11, 2011

Central Support & Operations Division

Department	Reduction Amount
Communications/Strategic Partnerships	\$ 157,830
Human Resources	1,615,083
Technology Services	1,860,958
Finance	632,321
Legal	258,000
Athletic Department	399,500
Alternative Ed. & Safe Schools	1,146,108
School Law Enforcement	1,157,850
Office of Accountability	626,712
Auxiliary Services	115,649
Building Services	8,092,950
Storage and Distribution	286,357
Transportation	4,000,000
Inventory Management/Textbooks	390,420
All Other Central Support & Operations	355,949
Subtotal – Central Support & Operations	\$ 21,095,687
2010-11 Division Budget (State & Local)	\$ 184,834,895
Reductions as a % of Division Budget	11.4%
Total positions reduced	206

2011-12 Recommended Budget Reductions

As of Jan. 11, 2011

Academic Services Division

Department	Reduction Amount
Prof. Development & Leadership Academy	\$ 117,287
Career and Technical Education	3,233,917
ESL Student Education	113,589
Extended Year Programs	1,052,532
Arts Education	149,580
Bright Beginnings PreK Program	2,113,105
Talent Development	749,989
Literacy & Writing (PreK-12)	109,539
Media Services	165,142
Support Services	148,255
All Other Academic Services Division	270,160
Academic Services Reorganization	518,391
Subtotal – Academic Services	\$ 8,741,486
 2010-11 Division Budget (State & Local)	 \$ 165,355,679
Reductions as a % of Division Budget	5.3%
Total positions reduced	102

2011-12 Recommended Budget Reductions

As of Jan. 11, 2011

Schools Division

Description	Reduction Amount
School closures (School division reductions only)*	\$ 2,573,067
Midwood relocation (School division reductions only)**	238,500
Eliminate DSSF High School plans; no longer required	1,229,914
Eliminate one support position at each school	11,152,000
Eliminate TA's in 1st & 2nd grade; maintain a 1:22 ratio in k	9,295,201
Change weight from 1.3 to 1.25	7,937,758
Increase class size by 2 students for grades 4-12	15,105,435
Eliminate 107 teacher-level positions intended to be one time	6,338,359
Eliminate 10 positions allocated from the Achievement Zone	689,290
Eliminate 2 media specialists	138,038
Eliminate Incentive, Critical Needs & Local Signing bonuses	4,293,933
Average Salary Adjustment	2,176,485
Eliminate prior year extended employment	79,713
Reduce funds for equitable supplies and materials	125,000
Subtotal – Schools Division	\$61,372,693
2010-11 Division Budget (State & Local)	\$ 586,790,478
% of Division Budget	10.5%
Total positions reduced	1,045

•School closure reduction total is \$5,237,746; the remaining \$2,664,679 is embedded in departmental reductions on previous slides.

** Midwood relocation reduction total is \$969,617; the remaining balance is \$731,117 of which \$267,066 is embedded in departmental reductions in previous slides and \$464,051 in ARRA funding is reflected on the next slide.

2011-12 Recommended Budget Reductions

As of Jan. 11, 2011

Department	Reduction Amount	% of Division Budget (State & Local)	Positions Reduced
Central Support & Operations Division	\$ 21,095,687	11.4%	206
Academic Services Division	8,741,486	5.3%	102
Schools Division	<u>61,372,693</u>	10.5%	<u>1,045</u>
Total Recommended Reductions to State and Local Budget	\$ 91,209,866	9.7%	1,353
ARRA Funding Cliff Reduced			
Bright Beginnings Reduction*	\$ 8,448,581		154
Midwood Relocation**	<u>464,051</u>		<u>9</u>
Total Recommended Reductions	\$ 100,122,498		1,516

*Bright Beginnings reduction total is \$10,417,921; the remaining \$1,969,340, a local reduction, is embedded in departmental reductions on previous slides.

**Midwood relocation reduction total is \$969,617; the remaining \$505,566 is embedded in departmental and school reductions on previous slides.

Detail on specific areas

- Transportation
 - New school time schedules
 - Extended day for elementary schools
- CMS Law Enforcement
 - 32 positions including Campus Security Associates
- Reduction of Bright Beginnings Program
- Weighted Student Staffing Adjustments

Common Questions



Why can't CMS cut central office staff?



Central Office Staff Reductions

- We can and have made cuts to Central Office staff
 - Cut 81 positions in 2009-10
 - Cut 54 positions in 2010-11
 - These cuts represent 8% and 6% respectively of the budgeted Central Office positions
- We continue to make cuts to Central Office staff
 - Proposed cut of 62 positions in 2011-12
 - Cut represents a 7% reduction in budgeted Central Office positions
- Central Office staff only represents 6% of the total state and local budgeted positions*

* Only state and local budgeted positions are included in this calculation since these are the funds that are most likely to be cut.

Where's the lottery money?

- Money comes to us in two areas:
 - Maintain state class size (k-3) reduction
 - School construction
 - Not used for operating expenses
 - Goes to county – used to pay debt service



Why cut teachers — why not cut other things before teachers?



- The Board's Comprehensive Review identified school buildings first
- The staff recommendation includes numerous reductions other than teachers, however -
- 82 percent of the budget is salary and benefits; 87 percent of those are in schools
- Performance is a driver in teacher lay-offs



Why is CMS TV still on?

- The Board cut personnel and funding with the exception of \$50,000 to air Board meetings (contracted costs for filming meetings)
- NO NEW content except Board Meetings
- CMS does not pay for the channel
- Have to run a certain amount of programming to keep public access channel

Other Questions?



Timeline

- January 25 Board of Education Decision
- Budget Work Sessions
 - February 15 -12:30-3 p.m. room 267
 - March 15 - 12:30-3 p.m. room 267
 - April 27 - 12:30-3 p.m.
 - May 10- Board approval of recommendation
- Public Hearing
 - April 26 6 p.m. Gov't Center Chamber

What Can I Do?

- Be informed
- Ask questions
- Attend meetings
- Tune in (CMS TV) or the web site
 - www.cms.k12.nc.us

