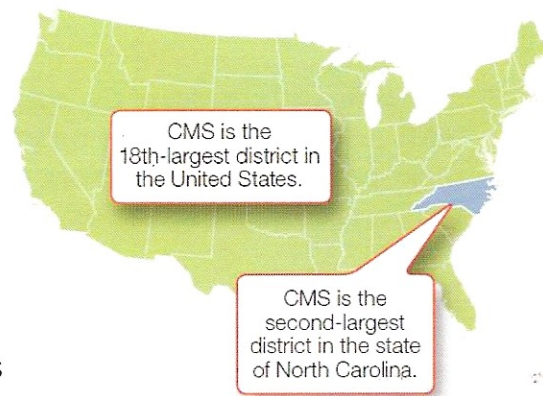


A guide to understanding the CMS budget

Charlotte-Mecklenburg Schools is the second-largest school district in North Carolina and the 18th-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.

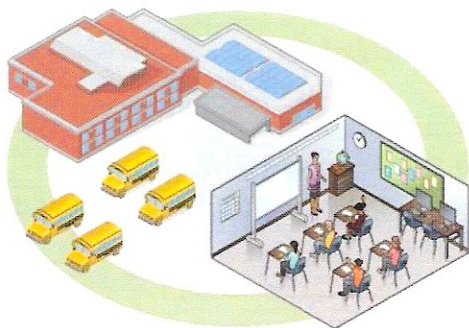
Like all school districts in the state, CMS is dependently funded, meaning CMS relies exclusively on funding from these sources:

- **County** - 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.
- **Federal** - Almost all federal funds are directed to specific programs. Some federal funds, such as Title I, are allocated based on the CMS student population. In other cases, the school district must submit competitive grant applications.

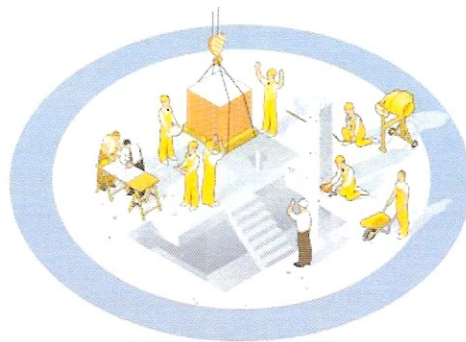


It's important to remember the total budget for the district is actually two separate budgets – an operating budget and a capital budget. The two budgets are equally important but they are separately funded.

Operating budget



Capital budget



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 2014-2015 school year, 57% of the funding for the operating budget was provided by the state, with the county contributing about 30% and the remaining 13% from federal and other sources.



More than 80 percent of the operating budget is used for salaries and benefits. About 80 percent of CMS employees work in schools. Of the school-based employees, about 55 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.

How is the operating budget created?

The CMS operating budget is developed each year starting in the fall. 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 Charlotte-Mecklenburg Board of Education. The recommendation reflects the fiscal realities facing the district and the most pressing needs to help CMS deliver on its promise of preparing every student to graduate college and career ready.

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.



The CMS budget is affected by several factors, including:

- **The economy.** Difficult financial times can reduce funding available from local, state and federal sources.
- **Enrollment.** More students require more resources, including school staff.
- **New initiatives.** These support the goals and objectives of *Strategic Plan 2018*.
- **Charter schools.** Funding for these schools is included in the CMS budget but is not retained by CMS.

For more information about the CMS operating budget, go to www.cms.k12.nc.us and click on the **2015-2016 Budget/Capital Plan Information** tab in the Spotlight section.