

**I. EXECUTIVE SESSION
4:00 p.m.**

A regular meeting of the Board of Trustees of the Charleston County School District was held on Monday, December 10, 2012, in the Board Room at 75 Calhoun Street with the following members of the Board present: Mrs. Cindy Bohn Coats – Chair, Mr. Craig Ascue - Vice Chair, Mr. John Barter, Rev. Chris Collins, Mr. Tom Ducker, Mr. Chris Fraser, Mr. Todd Garrett, Mr. Michael Miller, Mrs. Elizabeth Moffly, and Dr. Nancy J. McGinley, Superintendent and Executive Secretary. Staff members Mr. Michael Bobby, Mr. John Emerson, Dr. Lisa Herring, Mr. Bill Lewis, Dr. Brenda Nelson, and Mrs. Erica Taylor were also in attendance.

At 4:00 p.m., Mrs. Coats Called the meeting to order. Mr. Fraser moved, seconded by Rev. Collins, to go in Executive Session to discuss the following agenda items. The vote was unanimous.

- 1.1: Contractual Matters
 - A. Superintendent's Contract Renewal
 - B. Superintendent's Contract Extension
- 1.2: Village Charter School
- 1.3: Architectural Design Contract for Sullivan's Island Elementary School
- 1.4: Home Instruction Applications
- 1.5: Charleston Charter School of Math and Science

**OPEN SESSION RECONVENED
5:15 p.m.**

II. CALL TO ORDER, INVOCATION/MOMENT OF SILENCE, PLEDGE OF ALLEGIANCE

The Board reconvened in Open Session at 5:19pm. Mrs. Coats called the meeting to order. Then she called for a Moment of Silence followed by the Pledge of Allegiance.

III. ADOPTION OF AGENDA

Mr. Fraser moved, seconded by Rev. Collins, to adopt the December 10, 2012 agenda with the following modifications. The vote was 9-0.

- Agenda item 1.5: Charleston Charter School of Math and Science was pulled from the agenda.
- The word "motions" was changed to "items" in agenda item 7.2 - Motions of Executive Session of December 10, 2012

IV. SPECIAL RECOGNITIONS – Mrs. Erica Taylor – Executive Director of Strategy & Communications

- 4.1:**
- A.** The Department of Exceptional Children recognized Mr. Nick Gavalas, Dr. Ron Kolanko and Mr. Joe Riley III of the Gavalas/Kolanko Foundation for their continued efforts to support CCSD students with physical disabilities.
 - B.** Mr. Lou Mello and the Mount Pleasant Rotary were recognized for their ongoing work in the Mount Pleasant community to provide free shoes for students through the "Happy Feet" program Mt. Pleasant.
 - C.** Ms. Ashley Peters and Ralph Hayes, Co-Chairs of the Lowcountry Literacy Roundtable were recognized for their work on the Reading on the Circle event where they distributed 8,000 books.
 - D.** The board recognized Mr. Edward Strack, CCSD Capital Projects Senior Project Manager, for his ongoing professionalism and commitment to excellence. Mr. Strack has been with the district since 2002 is retiring this year.

V. SUPERINTENDENT'S REPORT

Dr. McGinley shared the following:

- CCSD Superintendent Dr. Maria Goodloe-Johnson passed away last Wednesday after a battle with lung cancer. Dr. Goodloe-Johnson served as superintendent from fall 2003 to June 2007. Her contributions to the district includes--bringing in a national spotlight on Charleston and starting its reform with the Charleston Plan for Excellence, introducing MAP testing, encouraging schools to use

data to differentiate instruction creating opportunities for under-served youth. She also spurred the development of coherent curriculum and many other initiatives that are paying dividends today. Dr. McGinley called for a moment of silence in honor of Dr. Goodloe Johnson after announcing the community tribute scheduled at Mt. Moriah Missionary Baptist Church on Friday, December 14th at 6:30p.m.

- Last week the Ashley River Creative Arts Drummers and the Pepperhill Chorus helped the district launch its new public-private partnership, *Engaging Creative Minds*. *Engaging Creative Minds*, which is structured to increase student access to learning through the arts, culture, creativity and imagination. Year one funds will provide arts-infused curriculum training and opportunities for eight pilot elementary schools and will be funded by Target and Boeing.
- On Tuesday, ETV interviewed parents with the Abrazo Program at Midland Park. Hispanic mothers at the program were interviewed on health and nutrition. The ETV program, "The Big Picture", will be shown on Thursday December 13 at 7:30 p.m. and noon on Sunday the 16th.
- On Thursday, the district participated in the 9th Annual Principal for a Day event in partnership with the Charleston Metro Chamber of Commerce. The program has expanded and is now tri-county wide and brings business partners directly into the schools. This is an opportunity to showcase the importance of quality, equitable public education.
- During the Charleston Achieving Excellence update, Mrs. Melissa Matarrazzo, Executive Director of Achievement and Accountability will provide an update on the Teacher Incentive Fund Grant. This grant could provide the district up to \$23 million for 5 years. These funds will enable CCSD to fulfill a promise made to Charleston teachers two years ago to create a balanced and fair value-added compensation system. Teacher and principal feedback will be incorporated as well as feedback from national experts on this important topic to avoid the missteps that other districts have experienced while constructing plans that alienate good teachers and principals.
- The district will hire 12 to 14 Associate Math teachers that will begin working in Title I schools across the district beginning January 2013. These are .5 positions funded by carryover funds from last school year. The individuals hired will work directly with at-risk Kindergarten students to help improve basic math skills and lay the foundation for continued learning.
 - In response to Mr. Ascue's questions about the math teachers, Dr. McGinley said each associate teacher would serve two schools to address district concerns related to elevating math scores, targeting the Vision 2016 goals. While the position only calls for a two year degree, most of these individuals are college graduates. However, they will be paid associate teacher salaries; not teacher salaries.
 - Rev. Collins expressed support for hiring associate teachers and suggested district consider hiring Associate Teachers permanently to address issues in math and English. Mrs. English-Watson said full time hiring could not be considered at this time because carry over funds were limited. Dr. McGinley added that funds would have to be built into a future General Operating or Title I budget for the next school year. She mentioned the fifty associate teachers hired last school year and said some of them were hired in permanent positions.
 - Mr. Barter requested data to show impact of associate teachers suggesting it would be helpful for future budget-making decisions. Ms. Betsy Reidenbach said she would provide the data.

VI. VISITORS, PUBLIC COMMUNICATIONS

Mr. Ascue read Board Policy BEDH – Public Participation at meetings. Then the following individuals addressed the board.

1. Mr. Roderick Samuels addressed the board in support of the Village Charter School, a career-focused school that would have a great impact on the community.
2. Dr. Helen Fraser addressed the board in support of the Village Charter School and expressed interest in partnering with CCSD.
3. Ms. Angie Meekins, the Program Director of I-Tech Services, addressed the board in support of Village Charter School.
4. Mr. Howie Comen addressed the board in support of the Village Charter School and continuation of a dual program at Hursey ES.
5. Ms. Jennie Provost, a Charleston Charter School of Math and Science parent, urged the board to show support for the Charleston Charter School of Math & Science by allowing the charter school full use of the Rivers

facility.

6. Ms. Debra Mattheus addressed the board in support of having a dual program at Hursey ES.
7. Mr. James Lewis, Jr. addressed the board in support of a dual program at Hursey ES.
8. Ms. Susan Klugman, a Montessori parent, addressed the board in support of a full Montessori program at Hursey. She said a dual program is costly and not sustainable.
9. Mr. Charles Monteith, a Hursey parent, urged the board to fully transition it to a full Montessori program.
10. Mr. Todd Olds, Council Member for the City of North Charleston, addressed the board in support of the Montessori program at Hursey. He urged the board to fully transition it to a full Montessori program since it has proven success. He said the closest school is only one mile away.
11. Ms. Tiffany Midkiff, a Montessori teacher at Hursey, addressed the board in support of the Montessori program.
12. Ms. Debbie Clem, a Montessori teacher at Hursey, addressed the board in support of the Montessori program. She shared details about the Montessori program and its inclusion of all students.
13. Ms. Kathleen Hamerick, a Montessori parent at Hursey, addressed the board in support of having a full Montessori program at Hursey ES. She shared concerns related to continuing a dual program at Hursey to include space and cost.

VII. APPROVAL OF MINUTES/EXECUTIVE SESSION AGENDA ITEMS

7.1: Open Session Minutes of November 26, 2012

Mr. Garrett moved, seconded by Mr. Ducker, approval of the Open Session Minutes of November 26, 2012 with the following modifications. The vote was 8-1-0 (Moffly abstained).

7.2: Motions of Executive Session of December 10, 2012

The Board voted on Executive Session items of December 10, 2012 shown below:

1.1: Contractual Matters – Dr. Nancy McGinley

The Board discussed two Contractual Matters in Executive Session:

A. Superintendent's Contract Renewal

B. Superintendent's Contract Extension

Mr. Garrett moved, seconded by Rev. Collins, to approve the superintendent's contract extension until Dec. 31st, 2016 and strike the automatic renewal clause in agenda item 1.1B. The vote was 8-1 (Moffly opposed).

1.2: Village Charter School – Mr. John Emerson, General Counsel

Mr. Fraser moved, seconded by Mr. Ducker, to delay the vote on the Village Charter School application until January 9, 2013 and hold a special called board meeting to address this topic. The vote was 9-0.

Rev. Collins requested the Village Charter presentation and recommendation come to the board on January 9th since limited information was provided.

1.3: Architectural Design Contract for Sullivan's Island Elementary School – Mr. William Lewis, Chief Operations Officer

Mr. Fraser moved, seconded by Rev. Collins, approval of the recommendation authorizing staff to enter into a contract with Cummings and McCrady, Inc. to provide Architectural Services for Sullivan's Island Elementary in the amount of \$1,350,000.00. The funding source is Savings from the 2005-2009 Capital Building Program reallocation approved August 27, 2012. The vote was 8-1 (Moffly opposed).

1.4: Home School Applications

Rev. Collins moved, seconded by Mr. Fraser, approval of two Home School Applications. The vote was 9-0.

1.5: Charleston Charter School of Math and Science – Mr. John Emerson, General Counsel

Since this item was pulled from the agenda, no action was taken.

7.3: Financial Minutes of November 26, 2012

Mr. Fraser moved, seconded by Rev. Collins, approval of the November 26, 2012 Financial Minutes. The vote was 9-0.

7.4: Financial Minutes – Updates

The Board received updates to the financial minutes of August 13, 2012 and September 24,

2012 as information.

Mrs. Moffly asked why no action was required for this agenda item. Mrs. Coats said staff was asked to bring updates, when available, to show the total amount spent when items that had "not to exceed" amounts.

VIII. CAE UPDATE

8.1: **Teacher Incentive Fund (TIF) Grant – Mrs. Melissa Matarazzo- Executive Director of Achievement and Accountability**

Mrs. Melissa Matarazzo, the Executive Director of Achievement and Accountability, highlighted the following topics from the Teacher Incentive Fund Grant document and answers to questions asked at the last meeting were provided earlier in the December 7th Board Update.

The TIF grant focuses on:

- Coherent and Comprehensive Human Capital Management System
 - Personal Achievement Learning Management
- Involvement of Stakeholders
- Schools Targeted First
 - Rural Feeder Pattern: Jane Edwards, Blaney, Minnie Hughes, Ellington, Baptist Hill Middle/High
 - Urban Feeder Pattern: Dunston, Burns, Midland Park, Pinehurst, Hursey, North Charleston Elementary, Morningside, and North Charleston High
 - Additional School: Military Magnet
- Development of Performance based evaluation system
 - Student Achievement at Multiple Levels
- Rigorous, Valid, and Reliable Educator Evaluation System
- Professional Development to Support Principal and Teachers
- TIF Budget Allocation for Years 1 and 2
 - Teacher and Principal Compensation
 - School Based Personnel onsite development
 - Contracts for National Expertise
 - Effective Communications with Educators
- Implementation Update on TIF Grant
 - Sharing with State
 - Hiring a Project Director
 - Steering Committee meeting in January
 - Mr. Garrett asked about compensation for principals. Mrs. Matarazzo, said principals, assistant principals and teachers were included. However, compensation for others, if considered, would have to come from the General Operating Funds.
 - Mr. Barter asked about levels of compensation and suggested graduating amounts.
 - Mr. Fraser urged staff to continue updating the board on the process, feedback and development.
 - Mr. Ascue inquired about the amount spent on contracts and communications and continuous plan to transition staff to continue implementation. Mrs. Matarazzo said salaries for two composition analysts and the start up cost for PALMS. She also said contracts may be extended beyond the second year.
 - Mrs. Moffly expressed concerns about pay for performance of graduated incentives for teachers. She questioned how equitable it would be for exemplary teachers working at magnet schools and teachers working at low performing schools. Mrs. Matarazzo said SAS EVAAS for K-12, the firm the state uses, has a value added assessment system. They have the ability to measure growth exclusive of the impact of a student's social or economic background. Someone who is able to explain it to the general public would also be considered.

- Mr. Miller also asked about performance-based pay for teachers that work in situations beyond their control. He suggested an equitable measurement for performance-based pay for teachers and support, where needed.
- Mr. Ducker asked if the district was using Dr. Zais' evaluation or develop its own evaluation system. Dr. McGinley said CCSD would work parallel with the state since no one has seen his evaluation program. Dr. Zais' evaluation was met with resistance because of his assignment of letter grades for teachers, which she does not support. The district's evaluation program is in the developmental stage, at this time. Mr. Ducker said it would be beneficial for CCSD to partner with the state to develop a good evaluation program for the state. The district's input would be very valuable to the process. Dr. McGinley said staff briefed Dr. Zais during his visit and there is ongoing dialogue.
- Mr. Ascue said some of the toughest in the district schools targeted. He looks forward to rewarding teachers properly.

IX. MANAGEMENT REPORT(S)

X. COMMITTEE REPORT(S)

10.1: Audit & Finance Committee

10.2: Policy Committee – Mr. Chris Fraser

A. Policy Committee Minutes of October 4, 2012

The Board received the October 4, 2012 Policy Committee Minutes as information.

- Mr. Garrett asked staff to study the voluntary transfer policy further.
- Mr. Fraser said he is the new Chair and Mr. Ducker is Vice Chair of the Policy Committee. Policy Committee meetings will be held on the second and fourth Wednesdays, starting in January. The policy committee endorsed the implementation of the Voluntary Transfer Policy going forward in 2014-15. Policy Committee endorsed the Minority Business agenda item. An evaluation system is also being considered for MBE contractors.
- Mrs. Moffly announced the Audit and Finance meeting on Dec. 19th at 2:30pm - Bridgeview Drive.

B. Policy Committee Minutes of November 29, 2012

The Board received the unofficial Policy Committee minutes of November 29, 2012 as information.

XI. POTENTIAL CONSENT AGENDA ITEMS

11.1: Recommendation to Continue to Offer Montessori as an Option, but End Phasing Children Out of Their Neighborhood Schools - Collins, Ducker, Miller and Ascue

Board members discussed the option to offer Montessori as an option, but put an end to phasing children out of neighborhood schools.

During discussion, Rev. Collins said Montessori should continue as an option. However, traditional programs should not phase out of any school. Mrs. Coats said the Board approved a recommendation to phase out the traditional program at James Simons in 2011.

After a lengthy discussion, Mr. Ascue called for the question suggesting that the motion be limited to Hursey, and not other Montessori schools. Mrs. Coats agreed stating it was an hour long discussion.

Mrs. Moffly requested a special called meeting to further discuss this item. Mrs. Coats asked about the timeline. Mr. Fraser asked the superintendent how soon the board needed to make a decision. Dr. McGinley asked staff if there was room to do both programs and how many were on the waiting list.

Mrs. Fraser requested the district bring a recommendation at the first meeting in January on

what should be done at Hursey. He said, as the recommendation is written, the board could not make a decision tonight.

Mrs. Moffly moved, seconded by Mr. Fraser, to revisit the agenda item and focus specifically on the Montessori option at Hursey Elementary School at the January 9, 2013 Board workshop and then take action specifically on Hursey Elementary at the January 14, 2013 Board meeting. The vote was 9-0.

11.2: Minority Business Enterprise Utilization Plan – Mr. Michael Bobby, Chief of Finance and Operations

Mr. Fraser moved, seconded by Mr. Barter, approval of a recommendation to approve the Minority Business Enterprise Utilization Plan with its combined verifiable goal of 20%, a combination of 10% certified MBEs/SWMBEs and 10% non certified MBEs/SWMBEs. The vote was 9-0.

11.3: Reallocation of Fiscal Year 2013 FCO from Classroom Modernization Contingency for Teacher Observation Equipment – Mr. Michael Bobby, Chief of Finance and Operations

Mr. Fraser moved, seconded by Mr. Barter, approval of the recommendation to reallocate of funds from FY 2013 FCO Classroom Modernization Contingency to provide up to \$100,000 of equipment, installation and service requirements for Mary Ford ES, Chicora ES, Sanders Clyde ES/MS, and James Simons ES. The funding source (from FY13 FCO budget) would be reallocated from contingency funds from the Classroom Modernization FCO budget. The vote was 9-0.

11.4: Career & Technology Academy - Bid Award – Mr. William Lewis, Chief Contracts Officer

Mr. Fraser moved, seconded by Mr. Ducker, approval of the recommendation authorizing staff to award a contract for the Career & Technology Academy (Solicitation #12-SMG-B-013) to Contract Construction, Inc., for the Base Bid in the amount of \$24,998,000.00 and Alternates No. 1-3, in the amount of \$1,891,900.00 totaling \$26,889,900.00. The funding source is one (1) cent sales tax revenues. The vote was 8-1 (Moffly opposed).

During discussion, Mrs. Moffly said a second high school was needed in the Mt. Pleasant area because Wando is overcrowded. Mrs. Moffly said during community meetings, a second high school was requested for Mt. Pleasant.

11.5: St. Andrews School of Math & Science - Demolition & Early Site Package - Bid Award – Mr. William Lewis, Chief Contracts Officer

Mr. Fraser moved, seconded by Mr. Barter, approval of the recommendation authorizing staff to enter into a contract with the lowest responsive, responsible bidder, for the St. Andrews Math & Science Demolition & Early Site Package (Solicitation No 12-SMG-B-014), if the base bid is within the construction budget estimate of \$2,800,000.00. The vote was 9-0.

11.6: FY2012 External Audit Report – Mr. Michael Bobby, Chief of Finance and Operations

Mr. Larry Finney of Greene, Finney, and Horton, presented the financial audit for the year ending June 30, 2012 for the year ending June 2012 as information. The district received an "unqualified opinion," and this is the highest mark you can receive on this type of audit.

- This year the district built a healthier fund balance, as of June 30, 2012
- The district received an "unqualified" opinion. That is the best it could receive.
- Total Fund Balance as of June 30, 2012 - \$55.4 million.
- GCA recommends 17% funds balance (2 months expense)
- The importance of a Healthy Fund Balance
 - Provides the necessary cash flow through the end of the calendar year until tax revenues are received
 - Important given the current economy-the possibility of additional cuts from the State and an expected slow recovery
 - Potential for better bond ratings and therefore lower interest rates on debt

- issuances
 - Provides contingency for emergencies and unanticipated events, which is especially important for coastal area
- **District-wide (GASB 34)**
 - Assets - \$1.382 billion
 - \$980.0 million - capital assets
 - \$288.4 million - cash and investments
 - Liabilities - \$997.6 million
 - \$928.9 million - long-term (primarily District and CEEF bonds)
- **Other Items Noted**
 - Outstanding District debt at 6/30/12:
 - General Obligation, BAN, QZAB Bonds, and SC Energy Obligation -\$249.8M
 - CEEF bonds - \$643.9M
 - The District's short-term borrowings for fiscal 2012 totaled \$174.8 million
 - \$69.0 million Tax Anticipation Note
 - \$58.4 General Obligation Bonds (2011B)
 - \$37.3 million in a Bond Anticipation Note (2012A)
 - \$10.0 million in a Bond Anticipation Note (2012B)
- **Accounting/Auditing Update**
 - GASB Statement No. 68 *"Accounting and Financial Reporting for Pensions"* (to be implemented for year ended June 30, 2015)
 - The school district will be required to report a net pension liability for its participation in the South Carolina Retirement System on the government-wide GASB34 statements. The effect of implementation has not been determined, but it is anticipated that it will materially decrease the School District's unrestricted net assets.
- **Financial Statement Findings:**
 - No financial statement findings
- **Single Audit:**
 - Five programs were reviewed: State Fiscal Stabilization Fund, IDEA, School Improvement Grants, USDA, and Head Start
 - Findings: (1) IDEA eligibility files, (2) School Improvement Grant documentation of time and effort
 - No questioned costs; see pages 13 and 14 of the Single Audit Report
- **Management Letter Comments:**
 - Pupil Activities and Food Services--Schools not consistently following School District policies and procedures related to cash receipts and disbursements
 - Flow of information to Human Resources regarding terminations
 - Segregation of duties
 - Payroll
 - Incorrect payments to employees
 - Timely posting of payrolls to the general ledger
 - Segregation of duties
 - Preparation and filing of quarterly 941 tax forms
 - Please note the District has hired an outside firm to review the payroll function in the 2013 fiscal year
 - Procedures to help the district improve what they do will be identified.
- **Two findings** – IDEA and School Improvement Grant—nothing serious. However, it has been addressed by the district.
 - Mr. Ducker asked about the district's liability with the Retirement System. Mr. Finney said it would be millions of dollars for a district this size. However, the employer/employee rate has already been increased.
 - Mr. Ascue asked the appropriate amount to increase the district's fund balance

policy, suggesting 20%. Mr. Finney said most district reserve 10-15%. Mr. Ascue requested asked about Payroll issues. Mr. Finney said it was probably due to staff turnover. However, the new person there now should be able to reduce the number of Payroll issues.

XII. NEW BUSINESS

1. Mr. Ducker – A board report from the superintendent on the plan to measure success of Lowcountry Technical Academy identifying the measurement tool.
2. Rev. Collins - Montessori program and its effectiveness on students that were low performing students.
3. Rev. Collins requested information on the impact a Montessori school would have on middle school students.

Since there was no further business to come before the board at 8:08 p.m. Mr. Fraser moved, seconded by Mrs. Moffly to adjourn the meeting. The motion was approved by consensus.