

The Public School Forum's Friday Report

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Nationally Recognized Economist Predicts More Pain Ahead

This Tuesday NC Policy Watch and the NC Justice Center hosted a “Crucial Conversation Luncheon” with Dr. Dean Baker, co-director of the Washington, DC-based Center for Economic and Policy Research. Dr. Baker is one of the nation’s most visible, prolific and coherent voices for progressive economic policy change. He has authored and co-authored dozens of books and articles, including *The United States Since 1980* (Cambridge University Press, 2007) and *The Conservative Nanny State: How the Wealthy Use the Government to Stay Rich and Get Richer* (Center for Economic and Policy Research, 2006).

With the current financial crisis, Dr. Baker’s presentation, entitled “America after Bush; What the next president must do to build an economy that works for all” sent shockwaves through the NCAE auditorium. His main speaking points included:

2009 Recession (we have a long way to go):

- The housing bubble will continue to deflate
- Commercial market has peaked
- Financial Sector experiencing big losses (mortgage & other debt)
- Consumption will fall
- State and local government spending will contract
- Unemployment will rise above 7%

Housing Market:

- Currently 10 month supply of new homes on the market
- More than 11 months for existing homes
- Rentals are at record high vacancy rates

Mortgages / Lending:

- Less subprimes (at one time made up 25% of loans)
- Tight down payments (higher rates and no more second mortgages)
- Loss of equity (20% of babyboomer homeowners will have zero equity in home in 2008)
- Less trading up in the housing industry

Economy / Job Market:

- Since January 2008 more than 100,000 jobs a month have been lost
- Banks – no new loans
- Savings rate since 2004 has been less than 1%. Expected to rise (meaning GDP will fall)

Nationally Recognized Economist (cont'd)

“Good News” – Reform:

- This will punish Wall Street
- Get the dollar down; more toward balanced trade
- Fix healthcare

NC Learn and Earn Receives National Award

North Carolina's Learn and Earn initiative is in the spotlight receiving a national award for innovation from Harvard University's Kennedy School of Government. Learn and Earn is one of six government programs across the county that Harvard named last week as winners in its annual competition for the Innovations in American Government Award. Held since 1986, the contest is designed to draw attention to promising government initiatives with the greatest potential to improve the lives of citizens.

The North Carolina initiative was selected from a field of nearly 100,000 contenders. Harvard singled out Learn and Earn as “a praiseworthy example of public-private cooperation for improving educational opportunity across North Carolina”. The award include a \$100,000 prize for replication and dissemination of the program around the country.

Gubernatorial Forum on Education Available Online

The Public School Forum would like to extend a special thanks to those who sponsored last Friday's Gubernatorial forum on education. Held on the SAS campus, the event gave the two major party candidates for governor the opportunity to share their views on education.

Sponsors included the North Carolina Cable Telecommunications Association, Time Warner Cable and the Everybody's Business Coalition including: the NC Association of School Administrators, NC Chamber, NC School Boards Association, NC Council of Local Chambers and Public School Forum. The debate can be viewed in its entirety on the News 14 Carolina website by going to <http://news14.com/Default.aspx?ArID=599515> .

NC Justice Center to Hold Annual Retreat

The North Carolina Community Advocates for Revitalizing Education coalition will hold its annual retreat on November 8th in Durham. The event provides an opportunity for Justice Center staff, parents and education advocates from all around the state to network, brainstorm and plan the coalition's 2009 legislative agenda. If you are working to improve education for North Carolina's children and are interested in attending the retreat, contact Beth Jacobs at 919.861.2064 or beth@ncjustice.org .

National News...

Florida Schools Consider Larger Class Sizes

Florida Legislators are considering adjusting a 2002 constitutional amendment meant to limit class sizes, in order to save money. The amendment calls for pre-K to 3rd grade classes to be no more than 18 students, 3rd to 8th grades to be no more than 22, and high school no more than 25. School districts were allowed to comply in phases. This year they were supposed to start getting to actual head counts.

The new plan being proposed would eliminate the restrictions for high schools. According to Senator Stephen Wise, “this isn’t about getting rid of class size. It is to give us more flexibility on class size.”

Faced with a \$3.5 billion deficit next year and expected deeper budget cuts, it is difficult for schools to meet these class size limits. According to the Department of Education’s figures, implementing the class size restrictions will cost the state \$22.4 billion by 2010.

It's not clear yet how the idea to relax standards in high schools would be pushed through. Senator Wise hopes to negotiate with unions and others to come up with a deal that would require a simple legislative change. Otherwise, voters would have to approve it.

Bonuses for NYC Teachers

In an effort to boost pay-for-performance programs in high poverty areas, a total of \$14.2 million in bonuses will go to teachers in 89 elementary and middle school in New York City. The bonuses are based on the progress the teachers’ schools made on report cards released this week.

The school-wide performance bonus program offered teachers and other union staff members at approximately 240 schools, selected randomly from the City’s highest-needs schools, the opportunity to earn bonuses. Schools received bonuses for their teachers and union staff if the schools met student performance targets set at the beginning of the 2007-2008 school year or if schools maintained an “A” Progress Report grade.

Of the recipients, 12 principals receive \$25,000 bonuses for placing in the top 1% of the school receiving grades. Schools that met targets set by the Department of Education last year received amounts equal to \$3,000 for each union member; schools that reached 75 percent of their targets received \$1,500 per union member; schools that fell below 75 percent but still maintained an A on the report card were awarded \$1,500 for each member. Bonuses for teachers, principals and other educators working in high schools will be determined when high school Progress Reports are released later this fall.

Funding Florida Community Colleges

Currently, community colleges in Florida are funded by the state, as well as student tuition and fees. A proposal for the November ballot calls for a constitutional amendment that would give counties authority to levy sales taxes to supplement state funding.

This plan is dividing many community colleges throughout the state. While it will help relieve strain on the state budget, some believe it will create inequities among the institutions due to the economic differences between rural and more urban counties. If passed, the amendment will require voter approval in order to levy the sale taxes. Supports of the plan argue it only provides the language, no mandate for tax possibilities, thus allowing voters to decide how their own community colleges should be funded.

Not all community colleges serve one county only. In less-populous areas, community college districts serve multiple counties. Should the amendment pass, a levy would require approval from all counties served by a district. This could prove difficult due to economic disparities that may exist between counties within a community college district.

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