

# *The Public School Forum's Friday Report*

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## **Bills Introduced Could Change NC's School Governance**

This week, lawmakers in both the House and Senate introduced bills that, if enacted, would give voters the opportunity to clarify and streamline North Carolina's school governance system. Both bills draw heavily from the recommendations of the Forum Study Group calling for a constitutional amendment proposition that would eliminate the position of elected State Superintendent of Public Instruction, alter the composition of the State Board of Education and create an appointed Commissioner of Education.

Senate Bill 773 was sponsored by Senators Stevens, Boseman, Brunsetter and Clodfelter. House Bill 779's primary sponsors included Representatives Carney, Yongue, Johnson and Lucas; co-sponsors include Representatives England, Glazier, Rapp, Sutton, Tarleton, Tolson and Tucker.

The introduction of the bills is the latest chapter in a much-publicized debate over the leadership of the public schools. Since 1994, the elected State Superintendent's position has been invested with less and less authority while the State Board of Education assumed the primary responsibility for setting school policy and exercising day-to-day authority over the State Department of Public Instruction.

When Governor Perdue assumed power she immediately moved to further clarify accountability and leadership by creating a CEO position for K-12 schools. She also called for the educational CEO to Chair the State Board of Education. In doing so, she described the State Superintendent's role as being "an ambassador" for public schools. That move has prompted the elected Superintendent to consider initiating legal action contending that the constitution gives the State Superintendent the day-to-day responsibility of administering education.

The continuing ambiguity around the question of "who is in charge and accountable for K-12 education" has prompted legislators in both parties to look for ways to bring clarity to school governance. The bills filed this week give the General Assembly an opportunity to present a clear alternative to today's situation to the voters of North Carolina.

## Guest Editorial...Reprinted with Permission of Chris Fitzsimon

Published: March 26, 2009

by Chris Fitzsimon

### Finally a Plan That Makes Sense

Furloughs and layoffs of state employees dominated most of the budget talk at the General Assembly this week. Governor Beverly Perdue says furloughs would hurt the state's reputation with business leaders. Treasurer Janet Cowell told legislators that they could threaten the state's AAA bond rating.

House Speaker Joe Hackney refused to rule out furloughs and UNC President Erskine Bowles repeated his request for the power to furlough university employees, disagreeing forcefully with Perdue.

The buzz about furloughs illustrates the nature of the legislative budget debate this year. It's all about slashing the budgets of state agencies regardless of what it means for essential services and the people who rely on them.

The simplistic no new taxes talking points from the market fundamentalist think tanks and the legislators that cater to them is one edge of the debate, the far right edge. The other edge is a little fuzzier, largely defined by the Democratic legislative leadership who feels uneasy about even talking about raising new revenue.

Senate President Pro Tem Marc Basnight is a notable exception with his early public support of higher taxes on cigarettes and alcohol, though it's unlikely he'll support the size of the increases recommended by Governor Perdue.

But overall there's not much distance between the anti-government hard right and the fuzzy center when it comes to solving the biggest budget problem in the state's history. That's why talk of furloughs and layoffs is in the air as rank and file lawmakers wait for Senate leaders to finish putting their budget together in a back corner room of the Legislative Office Building.

There's barely any mention of a balanced solution to the budget crisis, a combination of thoughtful spending cuts with a fair revenue package that raises enough money to protect important services.

The revenue side in particular has been missing. But not anymore, thanks to [a plan released by the North Carolina Budget and Tax Center Thursday](#). It's based on a simple principle, that North Carolina needs to revenue in a way that improves the stability, fairness and adequacy of the tax system.

It also provides reminders of how off base many of the claims by the Right are in the rhetoric about taxes and spending. North Carolina ranks 33<sup>rd</sup> in total state and local taxes per capita and would need to raise taxes by \$5.5 billion to reach the national average.

While North Carolina's population has grown by 17 percent in the last nine years, state spending per capita has decreased over the same period when adjusted for inflation. Spending is hardly the problem.

## Plan That Makes Sense (cont'd.)

The obsolete revenue system is the problem, or at least a lot of it. The current tax system is far too narrow, applying to an increasingly smaller portion of the state's economic activity.

It is also regressive, a fact you don't hear nearly enough in the legislative halls. Poor people pay a higher percentage of their income in state and local taxes than wealthy people. That is what the numbers show.

The BTC wants lawmakers to pass a revenue package that addresses both of those problems and raises money for public investments at the same time.

The plan would broaden the sales tax base to include 43 services most often taxed by other states, landscaping, tanning parlors, pest control, etc.

That would allow lawmakers to lower the overall sales tax rate for everybody and still raise new revenue.

The plan would also close corporate tax loopholes and make the personal income tax more progressive by adding more brackets, including a new one at the top. For married couples the new rate of 8 percent would kick in when they earn more than \$350,000 a year.

In case your wondering about the inevitable claims that the higher rate on the top earners will drive wealthy taxpayers to leave the state, the BTC includes a graph showing that just the opposite happened after the last increase in the top bracket.

Overall, the revenue package from the Budget and Tax Center raises \$1.01 billion, closing almost a third of the budget gap. It lowers taxes on the bottom 60 percent of taxpayers and asks the richest one percent to pay 0.5 percent more in taxes.

It's fair and progressive and moves the state closer to a tax system that makes sense. And it means fewer cuts to child care, affordable housing, substance abuse treatment programs, and other services that people need, especially during an economic downturn.

It also means that lawmakers are wrong when they claim they don't want to slash budgets and fire workers, but they have no other choice.

They do now.

### **Op-Ed Reprinted with Permission of Dr. Charles L. Thompson**

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*News and Observer*

## The ABCs, Student Learning, and State Spending

North Carolina's test-based educational accountability system is like the aerodynamically unfeasible bumblebee that nevertheless manages to fly.

## The ABCs, Student Learning, and State Spending (cont'd.)

Perhaps apocryphally, it is said that physicists have proved that the bumblebee cannot possibly fly. Its body is just too big, heavy, and awkward, and its wings, too small. Yet fly it does.

Similarly, many say that design flaws make the ABCs accountability system unworkable. Yet work it has, so well that during the decade of the 90s, NC made more progress in education than any other state in the nation. By the end of the decade, in mathematics our fourth graders were scoring in the top five states on the National Assessment of Educational Progress.

The momentum of the 90s spilled over into the new century. But in recent years, progress has slowed. In response, the State Board of Education has ordered changes in reading, mathematics, and other tests and in the scores required for students to be considered “proficient” in these subjects. Unfortunately, some of these changes have occasioned major glitches in the system. Last year’s reading scores were delivered late, and earlier there were difficulties in setting appropriate standards for the mathematics tests.

Critics have also noted that a couple of years ago, about 80% of NC schools made or exceeded “expected growth,” thus earning bonuses for their teachers. If so many schools meet the standards, they argued, the standards are not meaningful. With the present economic crisis and shortfall in state revenues come calls to cut or eliminate the whole system of bonuses.

Yet it would be easy to forget how much of our extraordinary progress we owe to the system and to underestimate the difficulties of designing and operating such a huge, technically complex, and far-flung program. It has brought us a long way. Nor is it surprising that the bumblebee sometimes smacks into a window and lies stunned momentarily before getting airborne again. What is truly surprising is that DPI officials have been able to design, continuously revise, and operate the program for so long.

Neither are the criticisms of the system’s specific features unquestionably correct. Consider the charge that teachers should not receive bonuses for producing a year’s worth of learning for a year’s worth of teaching because that’s just their job. Yet many private firms pay employees bonuses for making productivity quotas. If bonuses are legitimate spurs to productivity in private firms, why not pay teachers bonuses for making their learning quotas?

Or consider the arguments against paying all the teachers in a given school for how much its students learn in tested subjects. After all, only a minority of the teachers in a school teach subjects with EOC or EOG exams. Aren’t teachers of such subjects as art, physical education, or music just “free riders” on the bus powered by teachers of tested subjects?

The argument for paying teachers of non-tested courses is that school faculties operate as teams. Many people play a role in keeping kids in school, setting expectations for behavior and schoolwork, dealing with kids’ varied health and psychological problems, and giving them a chance to find things that they can do well even if they are struggling with academics. By performing these functions, teachers of untested subjects can enable teachers of tested subjects to succeed.

Finally, consider the charge that high rates of ABCs success render bonuses “meaningless.” When the system was instituted, only half of our schools made expected growth, and 80% success seemed unattainable. Yet our teachers and students attained it. Recent changes have

## The ABCs, Student Learning, and State Spending (cont'd.)

dropped the success rate back to about 50%. Once again, 80% would be a basis for celebration rather than for reproach.

None of this is to say that the ABCs system cannot be improved. Indeed, the State Board and DPI have been working steadily to improve it, and recently a Blue Ribbon Commission on Standards and Accountability has prompted a major refocusing of the curriculum and assessments.

There is room for debate over particular features of the system, but research from the Carolina Institute for Public Policy (<http://publicpolicy.unc.edu/>) suggests that the ABCs have yoked school spending to student learning – spending \$1,000 more per high school student on instruction buys a gain of 1 point on average EOC scores. This may not sound dramatic, but the difference between the lowest and highest-scoring quarters of NC high schools is only 5 points. Before accountability systems were instituted, nowhere across the nation had research discerned any clear link between school spending and student learning. It now appears that the ABCs have made the link. Without the ABCs, we might well spend more with little return on the investment.

*\*\*Charles L. Thompson, LW King Professor in Education at East Carolina University, owes the bumblebee metaphor to the late Matthew B. Miles.*

## Virginia Business & Educational Leaders Focus on the Forum

This week the Forum's Executive Director, John Dornan, met with Virginia's P-16 Council, a twenty-five person council composed of education, child services and business leaders to describe the work of the Forum. The Council is charged with creating a seamless approach to education and includes the leaders of Virginia's K-12, Community College and higher education systems as well as the leaders of the state's child services programs and business representatives focused on workforce development and economic development.

Other states have recently created Forum-like groups. Last year, a delegation from Louisiana spent two days in North Carolina examining how the Forum was created, studying its impact over time and looking at its programs. They returned to Louisiana and created a new organization that closely resembles the Forum. This winter, foundation leaders and policymakers created a Forum in Tennessee after a two-year process of considering the impact not only of the Forum but of Forum-like groups in Georgia and Alabama. The Tennessee Forum is now in the process of hiring an Executive Director and will begin its work soon.

## Raleigh Rated Number One for Business

For the second time in two weeks, North Carolina and its cities were ranked high as places to do business. Last week, *Chief Executive* magazine rated North Carolina second in the nation, behind Texas, for business. This week Forbes.com ranked Raleigh the number one metropolitan area for business; the Durham area wasn't far behind, at number three.

Forbes cited strong job growth, low business costs and a highly educated work force in giving Raleigh the highest rating.

## Raleigh Rated Number One (cont'd.)

In light of the economy, Forbes added a caveat pointing out that the recession "is too deep and widespread for even our best-rated cities to escape damage." However, the report predicted that areas rated at or near the top would lead the way as the economy turns around.

### *National News...*

## Virtual Education Cost Savings Debated

In this time of creative budgeting, education experts from around the country are debating the cost savings of virtual education. Superintendents and teachers met recently in Massachusetts to discuss ways in which online courses could help offset budget cuts. Other states are claiming virtual schools are a cost-efficient way to provide high-quality courses to a larger number of students when compared with traditional brick-and-mortar schools. But without a standardized way to calculate per-pupil costs, it is hard to determine how much it actually costs to educate students online.

The answer to virtual education's cost-effectiveness depends on many factors, including curriculum, the type of program, program location, and the number of students served. Preserving current offerings and taking advantage of existing research and opportunities is less expensive than starting a program from scratch, though there are areas where starting a program makes financial sense.

According to a Sloan Consortium report released in January, *K-12 Online Learning: A 2008 Follow-up of the Survey of U.S. School District Administrators*, online learning provides rural areas with a "cost beneficial method of providing courses for students who otherwise would be taught by under-qualified teachers or would require the hiring of teachers who would not have enough students to justify their salaries"

Bryan Setser, executive director of the North Carolina Virtual Public School, believes online learning could lead to cost savings for schools. "Most superintendents will tell you they just need more space," Setser said. Setser feels that when comparing the costs of virtual and traditional schools, especially in personnel, professional development, and operating costs, virtual schools are a more cost-effective option. School districts could save money by investing in online courses, which allow schools to provide instruction before, during, and after school instruction without spending millions of dollars in construction costs.

To read view the Sloan Consortium report, go to [http://www.sloan-c.org/publications/survey/pdf/k-12\\_online\\_learning\\_2008.pdf](http://www.sloan-c.org/publications/survey/pdf/k-12_online_learning_2008.pdf).

## Concerns Rise over Michigan School Year

While shorter school calendars may save districts money, concerns are growing in Michigan over the impact the shorter years are having on students' learning. Since the state law requiring a minimum of 180 instructional days per year was eliminated six years ago, only one out of four school districts in the state have maintained that number.

In the 2003-04 school year, Michigan removed the 180-day requirement in order to allow each individual school district to decide how to best meet the mandated 1,099 instructional hours. Many cash-strapped districts have shortened the school year in order to save money. According to Mike Flanagan, state superintendent of public instruction, this may have short-term economic benefits for the districts, but it may be hurting education. "For Michigan to be an economic leader, first it must be an education leader. This cannot happen if our schools are reducing, rather than adding, important quality learning time," Flanagan said.

In order to make American children more globally competitive, U.S. Education Secretary Arne Duncan is advocating for an increase in time students spend in the classroom. Michigan, whose school calendar years range from 142 to 185 days, is one of seven states without a minimum-day requirement for public schools. Thirty states in the country mandate at least 180 days.

## More Program Cuts in California

Even popular programs aren't being spared as California continues to find ways to solve its budget deficit.

In Los Angeles, the \$10 million Diploma Project has fallen victim to budget cuts, though school officials insist a more effective program will be provided in its place. Since taking office in January, Superintendent Ramon Cortines has worked to reshape the school system so that it saves money and is more effective. Some feel, though, that Cortines is making more cuts than necessary, given the impending federal stimulus funds.

Diploma Project counselors advise students in 49 high schools and 31 middle schools throughout the district. While the success of the project is difficult to determine given inconclusive dropout statistics, the district has seen a slight increase in its graduation rate since the program began three years ago. Earlier this week, program supporters appealed to the school board, who will ultimately approve Cortine's budget plan.

In San Jose, the Mount Pleasant School District Superintendent George Perez cites the budget crisis for the phasing out of a popular dual-immersion program, Proyecto Alegría. Last month the school board voted 4-1 to begin phasing out the program starting in June, and to close the host school, Ida Jew Elementary. While Perez acknowledged the effectiveness of the program, he stated it was not the district's purpose. The program costs \$80,000 annually. Phasing it out and closing the elementary school will help the school district close the gap on \$2.8 million in cuts it needs to make over the next two years.

## More Program Cuts in California (cont'd.)

The announcement has made parents and teachers furious. The program has been highly successful, and has drawn many students from other school districts. Out-of-district parents are angry that the board voted so late in the school year to end the program, and are now scrambling for alternatives. A budget committee will investigate alternatives to phasing out the program and closing the school.

## District Cooperation Bill Proposed in Maine

Members of the Legislature's Education Committee are preparing for debate on the bill L.D. 1049, a proposal that would encourage school districts to form cooperatives to share the costs of a range of services. In the past year, Maine voters in more than 120 school districts have turned down proposals to merge school systems. Under the new bill, interested school districts could apply to the Department of Education to form regional education cooperatives.

The education cooperatives bill is not connected with school district consolidation debate, and if passed, would be voluntary, not mandated. The legislation would let school districts design their own partnerships without requiring changes in administrative structure or school district funding mechanisms.

"It's an encouragement to work even more together. We know they've been doing it in a lot of areas," said Rep. Patricia Sutherland, D-Chapman, who is sponsoring the bill. "Superintendents have recognized for years that they have better efficiencies when they collaborate, particularly in purchasing, professional development for employees," Sutherland continued. "This (bill) really, more or less, formalizes a process to recognize collaboratives."

Though it could be a cost-saving option for school districts who resisted the state-mandated school district mergers, it would not achieve the same impact as consolidating school districts. Rather, it would provide another option to areas where consolidation has not worked well. According to Douglas Rooks, education project director at the Maine Children's Alliance, a group supporting the legislation, the proposed cooperatives bill is "about having more tools in the toolbox. You need to have something that works."

### *Forum News...*

## Teaching Fellows Commission Selects 2009 Recipients

The Teaching Fellows Commission met earlier this month and selected 534 of the 898 regional finalists as recipients of the 2009 Teaching Fellows Scholarship. The work done by Director of Recruitment Danny Bland and the Teaching Fellows staff yielded 2,252 applications, a new record. Of this number, 509 were minority and 522 were male, the largest number for each category in the program's history.

## Teaching Fellows 2009 Recipients (cont'd.)

Of the 534 recipients, 25%, or 136, are minority and 34%, or 181, are male. Recipients averaged 1186 on their SAT scores; they had, on average, grade point averages of 4.3 on a weighted scale. John Denning, Commission Chair, said, "The Commission members are delighted that more of North Carolina's talented high school seniors are selecting teaching as a career choice. We know that these seniors will join their Teaching Fellows peers on Teaching Fellows' campuses across North Carolina in the fall and become contributing members as the 2009 class of freshmen. We look forward to having them join the Teaching Fellows family of teachers in our public schools four years from now."

## Last Weeks to Register for SYNERGY!

Only four weeks remain to register for SYNERGY, NC CAP's annual statewide afterschool conference, scheduled for April 29 – May 1, at the Koury Center in Greensboro. The conference will feature over 30 workshops that will address current challenges in the field and connect those working in, partnering with, or advocating for afterschool programs with the most recent research and tools.

The keynote speakers will include:

- Heba Salama and Ed Brantley, NBC's *The Biggest Loser* Contestants
- Dr. Robert Schwartz, NC Pediatric Association
- Wendy Miller, 2005-06 NC Teacher of the Year
- Levelle Moton, NC Central University Men's Basketball Assistant Coach and Boys and Girls Club Alumnus
- Jermaine Walker, NC CAP Afterschool Alumni Award Winner

SYNERGY is held in collaboration with the NC Department of Public Instruction, NC Department of Health and Human Services, NC Department of Juvenile Justice & Delinquency Prevention, Boys & Girls Clubs, Communities in Schools of NC, NCSU 4-H Youth Development, and the Charles Stewart Mott Foundation.

Visit <http://www.nccap.net/about/conference.cfm> for more information and to register, or contact Katie Biggerstaff at 919-781-6833 x132 or [kbiggerstaff@ncforum.org](mailto:kbiggerstaff@ncforum.org).

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