

# *The Public School Forum's Friday Report*

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Volume 11, Issue 40

April 9 , 2009

## **Senate Budget Deepens Proposed K-12 Cuts**

The proposed Senate budget cuts to K-12 funding were considerably deeper than those proposed in Governor Perdue's cuts. The Senate's \$20.05 billion state spending plan, approved on third reading today by a vote of 30-16 , would eliminate \$615 million from next year's K-12 budget as opposed to the \$318 million reduction proposed in the Governor's budget.

The primary difference in the two budgets is the Senate proposal to increase class sizes by 2 students per class for a savings of \$322 million – savings of salary dollars that would otherwise go to more than 6,000 teachers who will face layoffs if this proposed reduction is approved.

Ironically, it may well be that budget makers are facing a decision between pain now or more pain later. By presuming that federal stimulus dollars would make it possible to delay deep cuts for the two years federal dollars will be available, the Governor was able to minimize cuts to education. Taking a different approach, the Senate's proposed class size increases mean layoffs now but it would minimize damage when stimulus dollars run out in two years.

## **Three Additional Proposed Reductions Could Mean More Layoffs**

Beyond the increase in class sizes, three other proposed cuts in the Senate budget could mean more layoffs for teachers and school administrators. The largest of the three cuts would reduce funding for improved student accountability by \$38 million. The second would direct schools to make an additional \$9.4 million in discretionary cuts, bringing the total of additional cuts to \$47.4 million. Budget makers are presuming that some, if not all, of these cuts will be made up with federal stimulus dollars; however, that remains to be seen. The third, also proposed in the Governor's budget, would cut funding for central office administration by \$6.4 million.

### ***A Technical Difficulty Apology . . .***

The Forum apologizes to readers attempting to contact the Forum this Monday. Problems with the transformer supplying power to the Forum's building left the offices without power for most of Monday, meaning phones and email were out as well. If you tried reaching us only to get busy signals on Monday we apologize.

In addition, the Public School Forum will be closed Friday, April 10th and will reopen Monday, April 13<sup>th</sup>.

## The Fate of Three Programs Hangs in the Balance

Three programs could be slated for elimination – the Principals’ Executive Program (PEP), the Support our Student (SOS) afterschool program and ABC’s performance pay for faculty in schools meeting or exceeding performance goals. Neither the Governor’s nor the Senate’s proposed budget includes funding for any of them.

PEP was once viewed as a national model for providing continuing training to practicing principals. Other states have started similar leadership institutes modeled on the PEP program. While neither budget includes any proposed funding for the next two years, both include \$200,000 to the Department of Instruction (DPI) to draw up a comprehensive plan for leadership development and training. However, in the meantime there will not be an entity responsible for providing on-going staff development to school principals and assistant principals.

Begun in the mid-nineties, ABC’s performance pay for educators annually rewarded roughly \$100 million to educators in buildings that met or exceeded ABC performance targets. North Carolina may be the first state to sustain a merit pay program for over a decade. With no money scheduled for bonuses for the next two years and with a proposal to eliminate most of the current accountability tests in high schools, it is extremely unlikely the performance pay will be restored. That will have the effect of lowering the state’s average teacher salary.

Finally, last week the *Friday Report* ran a lengthy article prepared by the North Carolina Center for Afterschool Programs outlining the impact of eliminating the SOS program. Currently, SOS provides afterschool programs for over 14,000 young people at nearly 300 sites across the State. Elimination of that program will result in roughly 1,000 full and part time jobs and will bring afterschool services to 14,000 students to an end.

## Department of Public Instruction (DPI) Slated for Heavy Cutbacks

The proposed Senate budget would cut the size of the DPI staff more drastically than it would cut any other major agency or department in State Government. The proposed budget calls for the reduction of 100 jobs in the coming year; albeit, roughly 25 of those positions would be transferred to another agency, leaving actual cuts at 75. However, in the second year, the Senate has proposed cutting the size of the department by an additional 200 staff positions. The severity of these cuts was unanticipated and with the new responsibility of administering federal stimulus dollars, few believe the department will have the capacity to keep up with demands placed on it in years ahead.

## Pre-School Programs Would be Merged & Cut

For pre-school proponents a proposed Senate cut has sparked a major debate about the pros and cons of moving the *More at Four* program out of DPI and into the Division of Health and Human Services (DHHS). The Senate budget proposes such a move and would merge *More at Four* with *Smart Start*, a program providing support to pre-school youngsters and their families. The Senate plan also calls for \$15 million in cuts to *Smart Start*, more than the \$9 million proposed in the Governor's plan. The Senate would also reduce *More at Four* funding by nearly \$40 million of state funding which is to be replaced with federal stimulus dollars, raising a question about what would happen when stimulus dollars run out. See a lengthy discussion on this proposal in press release reprinted at the end of this week's *Friday Report* (*see DPI news...*).

## Revenue Package to Follow

Using an approach that hasn't been used in recent years, the Senate acted on the proposed budget before debating a revenue package that would raise roughly \$500 million needed to pay for the proposed budget even after deep cuts in virtually every area of state government. The revenue package is to be unveiled next week.

## House Appropriations Approves State Health Plan Bill

On Wednesday, the House Appropriations Committee narrowly approved a bill aimed at bailing out the State Health Plan by a vote of 44-40. For next year, the bill would increase premiums for spouses and children of state employees by 10 percent. This increase grew after lawmakers agreed to lower co-payments for patients who see chiropractors and physical, occupational and speech therapists to the same level as primary care. In addition, lawmakers added some \$54 million in costs over two years to move the plan to a calendar year.

With the Senate passing a version of the bill late last month, it now goes to the House Floor. For the full bill text go to:

<http://www.ncleg.net/Sessions/2009/Bills/Senate/PDF/S287v5.pdf> .

## Remember . . . “It Ain’t Over Till It’s Over”

The budget process has a long way to go. Two major steps are now over – the Governor has begun the process with her budget proposals and the Senate has responded with its version of the budget. Step three will begin next week as House budget-makers craft their version of the budget and the final step will begin when the Senate and House appoint members to a Joint Conference Committee that will hammer out a final budget proposal.

## NC EPFP Goes to Washington, DC

Fellows from the 2008-09 class of the NC Education Policy Fellowship Program spent most of last week in Washington, DC with over 200 Fellows from the twelve other state programs. The Washington Policy Seminar is designed to focus on education policy at the federal level. Fellows participated in a simulation that had them portraying a member of Congress trying to get re-elected. Working in teams, Fellows had to collectively make tough choices and received instant feedback showing whether their decisions helped-or-hurt their chances for re-election. While only a three-hour simulation, Fellows experienced the high-pressure, uncompromising environment in which legislators and Congressional staff members must operate in.

Speakers at the conference included Norman Orstein, Resident Scholar, American Enterprise Institute and political commentator on CNN and other stations; Stan Collender, Contributing writer and Managing Director, Qorvis Communications; and Judy Schneider, Senior Analyst, Congressional Research Service, Library of Congress, who detailed the factors that drive “inside Congress” as policy, politics, and procedures.

One of the most profound presentations was given by Marc Tucker, President, National Center on Education and the Economy. Marc presented information on [America's Choice](#), a comprehensive school reform program designed to help schools and school districts apply the principles of standards-based reform locally.

As always, the NC EPFP class distinguished itself as a premier group of professionals who are standouts in their chosen fields. A favorite of the North Carolina EPFP delegation was the satirical political review by The Capitol Steps. In addition, North Carolina took top honors in the annual DC hosted scavenger hunt by taking first and second places in the competition.

A highlight of the trip was the luncheon with members of the North Carolina Congressional delegation and their staffs. Fellows had the opportunity to talk with Congressman Bob Etheridge, Howard Coble, Brad Miller, and Larry Kissell. They also met Jim McCleskey, Director of the North Carolina Washington Office. Mary and Susan shared information about how the office works to connect the state with the Congress. The session was followed by a tour of the Capitol. During our tour, NC Fellows had an opportunity to see the House in action as well as running into Speaker of the House Nancy Pelosi and Senators Joe Lieberman and John Kerry.

The 2008-09 class will complete its 10-month weekly seminar sessions on May 12. The class' graduation will be held on October 27, 2009 at the Cardinal Club in downtown Raleigh. Coordinators Kendall Jordan and Jo Ann Norris are now taking applications for the 2009-10 class. If you are interested, contact either coordinator by calling 781-7833, or email them at [kjordan@ncforum.org](mailto:kjordan@ncforum.org) (Kendall Jordan) or [jnorris@ncforum.org](mailto:jnorris@ncforum.org) (Jo Ann Norris). The application period will close when twenty-five Fellows have been accepted. The program will begin mid-September 2009. Meeting every Tuesday night from 5:30 to 8:30 pm, the program will end mid-May 2010.

## *News from DPI ...*

For immediate release  
April 8, 2009

### **More at Four Ranked Among Top 2 Pre-K Programs in Nation *Legislation Would Jeopardize Program Success***

North Carolina's nationally-recognized More at Four program once again ranks among the top pre-kindergarten programs in the nation, according to the National Institute for Early Education Research (NIEER). NIEER today released its annual survey of state-funded preschool programs, *State of Preschool 2008*, and for the fourth year, More at Four was one of only two programs in the nation to meet all 10 of the survey's benchmarks on early learning standards, teacher degrees, teacher specialized training, assistant teacher degrees, continuing professional development requirements, maximum class size, staff-child ratios, screening, referral and support services, meals and monitoring procedures.

"We are proud that More at Four continues to be a national model for high quality pre-k education," said State Board of Education Chairman and CEO Bill Harrison. "Yet we are cautious in celebrating this achievement today when the program faces a \$40 million cut under the Senate's budget plan. Such a drastic reduction could mean thousands of North Carolina's most vulnerable children would miss out on gaining skills they need to enter school better prepared and ready to succeed."

Education officials agree that recently proposed legislation to cut the award-winning program and a separate bill that would remove More at Four from the Department of Public Instruction and merge it with Smart Start would harm the quality of the academic pre-k experience the program currently provides to more the 32,000 at-risk four-year-olds across the state.

"Such a move would constitute a step back from the high standards that earned More at Four its top ranking in exchange for a small potential cost savings that may never materialize," said Dr. Steven Barnett, co-director of the National Institute for Early Education Research and Board of Governors Professor of Education at Rutgers University.

Barnett also cited negative consequences of legislative changes to pre-k program in Massachusetts and Florida. In both states, legislation was supposed to improve efficiency and increase the availability of preschool education by merging education and child care and shifting administration away from the Department of Education. Instead, standards and educational effectiveness were undermined. Barnett said that the administration and support provided by state departments of education and public schools help to ensure that preschool programs are effective, even when those programs are largely operated by private child care providers. Most states use this type of structure, or something similar that provides the same resources. No state currently operates its pre-kindergarten program through a nonprofit organization, which is the operational structure of Smart Start.

"The Department of Public Instruction is in the best position to coordinate and maximize opportunities for pre-k education created by the federal stimulus package and a significant new emphasis on early learning from the U.S. Department of Education," said Harrison. The NCDPI's Office of School Readiness currently coordinates all state and federal funding for all

pre-k initiatives including Title I, Preschool Exceptional Children (IDEA), Even Start and Head Start

“In an effort to create a seamless education system, the effect of these proposals would be just the opposite,” Harrison said. “We cannot afford to jeopardize the success of More at Four when we know it is the critical entry point to our public education system and has helped lay the foundation for academic success for so many at-risk children across our state.”

More at Four programs operate in all 100 counties through public schools, private child care and Head Start agencies. For more information about More at Four, visit [www.osr.nc.gov](http://www.osr.nc.gov) or contact the NCDPI's Communications division at 919.807.3450.

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