

# *The Public School Forum's Friday Report*

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## **State Budget Adopted; Conflicting Views on Teacher Layoffs**

Both the House and the Senate gave final approval to the proposed state budget on Wednesday and Governor Perdue has, with some reservations, signed the budget bill into law. However, conflicting claims about the impact of the budget on class size and possible teacher and teacher assistant layoffs are creating confusion in some quarters.

NCAE, even before the budget was signed into law, was claiming victory contending that its lobbying efforts had saved thousands of teacher and teacher assistant jobs and praising Governor Perdue for her efforts to protect the classroom.

The Governor, in a Raleigh news conference, made it clear that in her view there should not be cutbacks when she said, "We have had a pot, a very large pot of federal recovery dollars coming in to North Carolina and that money coming to counties and to school systems across the state is supposed, according to the federal legislation, to be used to prevent cuts to teachers in the school systems across North Carolina. I have asked the state board to require that a monthly report be sent to them from every LEA (i.e. school system) in the state. I absolutely am going to compare the cuts to the money that they have in this budget and that they have received from the federal recovery money. In my mind it's going to be really hard for somebody to explain to me why they've had to cut teaching positions."

However, before the ink had dried on the new state budget, local school administrators and school board members were publically saying that it would be impossible for schools to absorb the education cuts in the budget and find \$225 million more in mandatory, albeit flexible, reductions without increasing class sizes and laying off employees. On Wednesday a formal statement to that effect was issued by the NC Association of School Administrators.

Based on House and Senate proposals to increase class sizes, therefore reducing the number of teachers, school districts across the State have already laid off school employees and made classroom assignments for the new school year. With children already back in session in Western North Carolina and due to begin in the next two weeks elsewhere, it is highly unlikely those decisions will be reversed at this late date.

## Children and Education Have Taken Enormous Cuts

While it will be weeks before the impact on school employment numbers can be measured, this budget was not kind to education or to young people. Cuts not only in the education budget but in the Division of Health and Human Services and in Juvenile Justice have dramatically cut services to young people and to schools. Looking at some of the major impact areas effecting young people and their families include:

- The SOS and One-on-One Mentoring programs that provided afterschool programs for nearly 15,000 young people are eliminated.
- Smart Start, the program providing support services to pre-schoolers and their families is cut by \$16 million.
- More at Four, the early education program for four-year-olds is cut \$5 million
- Student Accountability funding designed to help low-performing students was eliminated altogether for a savings of \$38,339,798.
- Funding for school-based child and family support teams was cut \$1.2 million.

Cutbacks that directly impact education and educators include:

- \$379 million reduction in non-instructional support personnel.
- Performance bonuses for teachers in buildings with improving student scores are not being paid; they have averaged \$90 million plus per year.
- PEP, the Principals' Executive Program, lost all funding.
- \$14 million reduction in funding for central office personnel.
- \$9.6 million reduction in technology funding.
- \$47 million reduction in textbook funding.
- The Center for the Advancement of Teaching (NCCAT) was cut \$6.9 million.
- The Schools Attuned program was eliminated.
- Complete elimination of staff development funding for a savings of \$12.5 million.
- Elimination of 200 literacy coaches (including \$1.5 million in training provided by the Teacher Academy) in low performing schools for a \$12+ million saving.
- 15% reduction in Teacher Academy.
- Elimination of a program aimed at attracting and keeping qualified math and science teachers for a savings of \$1/2 million.
- \$2 million reduction in spending on non-English speaking students.
- \$2 million reduction in supplemental small school funding.
- \$15 million reduction in transportation funding.
- \$6.6 million in staff and program reductions at the Department of Instruction.

In the final week of budget negotiations plans to increase class sizes in grades 4-12 were taken out of the budget. In their place the final budget includes a "flexible adjustment" of \$225 million. In plain language, school funding will be reduced by a quarter of a billion dollars; however, with the exception of a prohibition on increasing class sizes in grades K-3, school officials can determine where the cuts will be made.

## Children and Education (cont'd)

The only bright spot in the budget comes from federal stimulus dollars, roughly \$600 million of which were earmarked to help offset some, if not all, of the reductions in education funding. Those funds will greatly soften the impact of education cuts in this fiscal year and next. However, when the stimulus dollars end in two years, the General Assembly will be faced with a very large funding gap.

## Retesting Plays Important Role in This Year's Test Results

This being the first year that the state board required elementary and middle schools to use retest result, North Carolina schools meeting AYP jumped from 31 percent from last year to nearly 71 percent. In addition, 78 percent of Title I schools met AYP, a better showing than the state as a whole.

Following the State Board meeting yesterday, Dr. Fabrizio, director of accountability policy and communications shared that this dramatic improvement in individual student and school results is probably a one-time deal and is not likely to be repeated next year.

Yesterday's report also includes information on the state's ABCs results and high school graduation rate. According to yesterday's results, 80.8 percent of schools showed student academic growth that was at the expected level or greater. In addition, the 2009 four-year cohort graduation rate increased to 71.7 percent. The rate has improved each year since 2006 when North Carolina reported its first measurement of a cohort graduation rate (68.3 percent), and is up from 2008 when it was 70.3 percent.

## Superintendent Reports on Physical Activity Standards

During her monthly report to the State Board of Education this week, Superintendent June Atkinson praised NC CAP and its partners for their work in developing physical activity standards for the state's afterschool programs. The *Move More North Carolina: Recommended Standards for After-School Physical Activity* provides guidelines for creating practices, policies and environments that support physical activity in afterschool programs.

North Carolina is the first state to release recommended standards for physical activity in afterschool programs. The voluntary guidelines offer ways for afterschool programs to incorporate more physical activity - a growing concern for the state that ranks fifth nationally in childhood obesity. The standards were released at NC CAP's statewide conference in May.

For a copy of the standards, visit:

[www.eatsmartmovemorenc.com/AfterSchoolStandards/AfterSchoolStandards.html](http://www.eatsmartmovemorenc.com/AfterSchoolStandards/AfterSchoolStandards.html)

## A Step in the Wrong Direction??

A last minute provision added to the budget enables the Wilkes County Schools to cut 18 days from its 180 day school year as a money saving measure. The result will be a 162 day school year. School officials contend that by adding 45 minutes to the 162 instructional days, no time will be lost. They further contend that they will save roughly \$900,000 as a result of savings in salaries, heating costs and gas for school buses. While the economics of the change will be positive it remains to be seen whether the impact on young people will be equally positive. North Carolina's 180 day school calendar is already the shortest in the industrial world. In other industrial countries students typically attend school more than 200 days per year.

## Recession's Impact Being Felt in Rural North Carolina

The NC Rural Economic Development Center's electronic newsletter, "Rural Partners Update," published a "State of the Economy" article containing sobering data about the impact of the recession on rural North Carolina. Among the highlights of their findings are:

- Nearly 260,000 rural workers are unemployed in North Carolina. This is more than double the rate of January 2008. Three rural counties have the highest unemployment rates in the state: Scotland at 17.2 percent, Edgecombe at 16.6 percent and McDowell at 16.1 percent.
- More than 27,000 North Carolinians exhausted the basic 26 week's worth of unemployment compensation in May. Though many workers are eligible for extended benefits, nearly 8,000 workers had exhausted all benefits in May and June and the number can be expected to climb.
- The recession is taking a higher toll on middle-aged North Carolinians than on any other age group. More than 43,000 rural workers between the ages of 40 and 49 filed unemployment claims between January and May.

Additional highlights can be found on the Rural Center's website which contains a wealth of data on rural North Carolina as well as a special section called "Economic Stimulus" which is tracking the impact of the American Recovery and Reinvestment Act.

## National News...

### Tax Receipts to Drop 18 Percent This Year

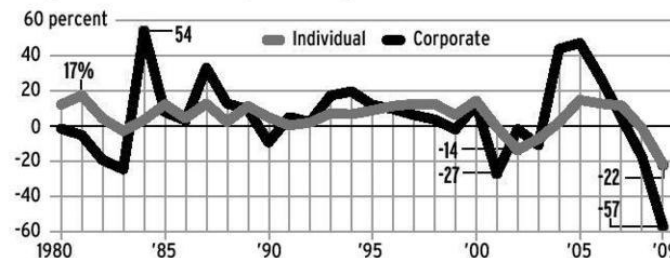
According to an Associated Press analysis, while the federal deficit balloons to a record \$1.8 trillion, tax receipts are on pace to drop 18 percent this year, the largest single-year decline since the Great Depression. For this report, the AP analyzed annual tax receipts dating back to the inception of the federal income tax in 1913; with tax receipts for the 2009 budget year available through June.

Compared to a year ago, individual income tax receipts are down 22 percent and corporate income taxes are down 57 percent. In addition, social security tax receipts are likely to drop for only the second time since 1940 and Medicare taxes are on pace to drop for only the third time in their history. The last time the government's revenues were this bleak, it was 1932, in the midst of the Depression.

#### FEDERAL TAX REVENUES TAKE MAJOR HIT

Tax receipts, driven by big drops in individual income and corporate taxes, are on pace to post their biggest single-year decline since the Great Depression.

Change in federal tax receipts, fiscal years



NOTE: Data from 2009 are through June; the fiscal year ends in September.

Sources: Office of Management and Budget; Treasury Department

The Associated Press

## Did You Know...

### Home-schooling on the Rise in NC

All 100 North Carolina counties had home schoolers in the 2008-09 school year, with just over 77,000 children participating. That is up from nearly 71,600 the previous year. Wake County leads the state, with about 3,700 registered home schools teaching an estimated 7,500 students, with Mecklenburg following close behind with just under 3,000 schools and about 6,300 students.

*Forum News...*

## Call for EPFP Applications – Only a Few Spots Remain~

Applications are now being accepted for the Forum's Education Policy Fellowship Program (EPFP). The ten month seminar program meets weekly on Tuesday night from 5:30 to 8:30 pm from September 15, 2009, to May 11, 2010. The program addresses issues related to policy and leadership development.

Confirmed speakers/presenters for this fall's program include: Dr. Jim Johnson, Urban Investment Strategies Center, Kenan Flagler Business School; Rob Christensen, author of *The Paradox of Tar Heel Politics: The Personalities, Elections, and Events that Shaped North Carolina Politics*; and Wake County Superior Court Judge Howard Manning Jr.

The program seeks high energy individuals committed to enhancing their professional career through networking and exploring leadership and policy in the "real" world. An application may be obtained at the Forum's website. Go to [www.ncforum.org](http://www.ncforum.org) and click on EPFP. Apply today!

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