



PUBLIC SCHOOLS OF NORTH CAROLINA

STATE BOARD OF EDUCATION William C. Harrison, Ed.D., *Chairman*

DEPARTMENT OF PUBLIC INSTRUCTION June St. Clair Atkinson, Ed.D., *State Superintendent*

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March 1, 2012

The Honorable Beverly Perdue
Governor, State of North Carolina
Office of the Governor
116 West Jones Street
Raleigh, North Carolina 27603-8001

Dear Governor Perdue:

The State Board of Education would like to thank you for your efforts to support our public schools and initiate solutions that will bring needed resources to all of our public education institutions. The State Board will work closely with you as you work tirelessly to institute a sales tax to support education. Thank you for your leadership.

Attached are the Supplemental Budget needs for our public schools that have been reviewed and approved by the State Board. At your request, we have capped the list of expansion items to 2%. Before reviewing the key initiatives outlined in the attachment, we would like to emphasize several items that are of extreme importance but not included in the document.

LEA Adjustment

The LEA Adjustment (negative reserve) is scheduled to increase \$74,076,032 in FY 2012-13 to a total of \$503,067,940. The level of this negative reserve requires the LEAs and charter schools to identify and return 6.8% of the funds appropriated to them before they can establish an operating budget. As you know, last year's LEA Adjustment of \$428,991,908 removed 4,200 teachers from our schools, over 4,300 teacher assistants from our K-3 classrooms, and millions of dollars from support programs. These reductions removed needed adults from our classrooms and necessary support for our teachers. Until we eliminate this hole in the Budget, our public schools will not be able to provide the level of services required to ensure that our students obtain the proficiencies to be successful. Please work to eliminate the LEA Adjustment.

Salary Increases

We know you are aware of the need for our teachers and school employees to receive a pay increase. They have taken on expanded roles and more students as they have had to manage the major budget reductions placed on our public schools. We look forward to supporting your efforts to obtain a pay increase for these valuable employees. A 3% pay increase for all public school employees is approximately \$210 million (a 1% for teachers is \$54 million).

OFFICE OF THE STATE SUPERINTENDENT

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AN EQUAL OPPORTUNITY/AFFIRMATIVE ACTION EMPLOYER

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The attached document outlines the Expansion items the State Board would like to include in the Supplemental Budget. They represent funds for assessments to align with current statutes and policies, important funding to fully support currently underfunded initiatives, restoring important funding necessary to support our teachers, and additional funding to establish innovative schools. While the information is not listed in priority order and the list is limited to next year's supplemental funding needs only, we believe that it is important to include each item in any Expansion Budget. We would like to emphasize a few of the items.

- The multiple years of cuts to textbooks have made it difficult for our public schools to transition to digital material and obtain instructional support materials in our classrooms. To successfully implement the classroom applications and prepare students to be successful with our new standards, we must have funding for these materials.
- Funding for K-3 diagnostic assessments and the ACT, Plan, Explore, and WorkKeys that are in place this year but are not currently funded for FY 2012-13.

We would also request that you look at repealing the Liability Insurance for Public School Personnel (\$3.7 million) that was placed in our Budget in the last session. We believe that this service is best delivered by organizations or agencies where such a program is more in line with their core missions.

Thank you for considering our supplemental budget items. If you need any additional information, please let us know.

Sincerely,

William C. Harrison

June St. Clair Atkinson

WCH/JSA/pwp

Attachment

Supplemental Budget Requests to Consider for 2012-2013

2012-13	Description
1 \$ 7,500,000	<p><u>ACT (Ready, Set, Go!)</u> - Funding for all 8th graders to take EXPLORE, all 10th graders to take PLAN, and all 11th graders to take the ACT. ACT (\$4.67 m): All public and charter school students who are enrolled in grade 11 (according to NCWISE) are required to take the ACT. Students who have a significant cognitive disability and receive instruction in the Extended Content Standards, students deemed medically fragile because of a significant medical emergency and/or condition and unable to participate in testing and, students who took the SAT or ACT prior to March 6, 2011 with scores that meet the ACT benchmark are not required to take the ACT. PLAN (\$918 k): All public and charter school students in grade 10 (according to NC WISE) will participate in PLAN. The same exceptions for ACT apply to PLAN. EXPLORE (\$1 m): All public and charter school students in grade 8 (according to NC WISE) will participate in EXPLORE. The same exceptions for ACT apply to EXPLORE. WORKKEYS (900k): All public school students who are enrolled in Grade 12 (according to NC WISE) and are identified in NC WISE as Career and Technical Education (CTE) concentrators are required to complete WorkKeys assessments. The same exceptions apply; but, with the addition of</p>
2 \$ 1,130,000	<p><u>Governor's School</u> - Restore to 100% State funded for 800 participants on two campuses. If we discontinue the \$500 tuition, the Budget would need to be \$1,530,000.</p>
3 \$ 2,650,000	<p><u>Additional Testing Needs:</u> \$1.5 million for scoring of student's constructed responses on the new English II End-of-Course Test which is aligned with the Common Core State Standards. The English II assessment is required by No Child Left Behind. \$900k for Development of cut scores and achievement level descriptors for accountability reporting and to meet federal requirements for assessments. \$175k to develop a vertical scale for score reporting for mathematics and English language arts in grades 3-8. \$75k for replacement of computers to be used by LEA and staff.</p>
4 \$ 1,005,993	<p><u>NCVPS:</u> Currently all NCVPS administration costs, \$2.9 million and are covered via a dollar reduction to LEAs and charter schools (based on grades 7-12 ADM). Rather than continue to increase the impact on schools, it is recommended that we obtain additional State funding to appropriately cover the needed instructional support and quality assurance created by an increased NCVPS student population. This request would cover 7 additional staff members and the supporting costs associated with them (1 admin, 1 personnel analyst, and 5 ed consultants).</p>
5 \$ 1,600,000	<p><u>Reserve for Children with Disabilities:</u> Currently \$3.4 million is budgeted to cover the costs for increased identified students moving into a LEA or to help cover high cost services for identified students. We request that the reserve also be utilized to cover the costs of the successful blended learning module that allows NCVPS teachers to team with face to face professionals to enhance the education delivery and success of students with disabilities. The amount of participation varies from year to year which makes it difficult to fund outside of an established reserve or direct funding stream.</p>

Supplemental Budget Requests to Consider for 2012-2013

2012-13	Description
6 \$ 20,000,000	<p><u>Healthy Students Initiative</u> - Provide support to individual schools' lunch programs which are partially funded from meal charges to students, federal funds for eligible students and local supplements. Meal programs insure that students perform better in school, have fewer absences, and are healthier overall thus contributing to higher graduation rates and reduced healthcare costs for NC. Current burden on local budgets and meal prices is excessive due to a lack of State funding support.</p>
7 \$ 105,000	<p><u>EVAAS</u> - The current EVVAS contract is in two parts. The Teacher Level Evaluation modules (\$750,000) and the analyses of student achievement data (\$1,095,000). The agreed to funding level for the analyses of student achievement data is \$1.2 million. Current appropriations are short \$105,000 .</p>
8 \$ 430,000	<p><u>EVAAS - Enhanced Reporting Capabilities.</u> EVAAS has developed two enhancements to facilitate exporting of data and web-enabled teacher reports. The export function (\$180k) will allow LEAs and charters to download data files with value-added information from EVAAS. They can then merge the dataset with other pieces of information (for example, teacher evaluation results) in order to conduct analysis on the growth of students in the districts. Currently, the data can only be printed in a series of set reports. The teacher reports (\$250k) will provide every teacher with EOG/EOC data with an EVAAS user name and password. Each educator can then access the information to view value-added data, select various visual ways of presenting the information, and run a series of reports on their data. Currently, teachers receive a PDF file from a site administrator with their value-added data. They don't have access to the actual online system.</p>
9 \$ 3,564,956	<p><u>Diagnostic Assessment (Math and Reading) in Grades K-3 - Continue Reading 3D,</u> which is a complete formative assessment system for elementary students. Teachers assess students using quick universal screening indicators of early skill development and use deeper observations with authentic text to diagnose student concerns. The handheld devices create a paperless and efficient way to assess students and help teachers analyze data to guide daily instruction. Teachers and administrators have immediate access to student, class, school, and district level data and reports. The assessments will be in 480 schools (all K-3 students in those schools and 20% of 4th and 5th grade students in those schools). The service will touch approximately 156,561 students and 6,662 teachers. The costs are for three requirements. Subscription services @ \$18 per student (\$2.8 million); Training for teachers (\$391k); an DIBELS next assessment kits @ \$53.35 per teacher (\$355k).</p>
10 \$ 14,619,149	<p><u>Additional funding for the 5 instructional days-</u> Legislation required 5 additional instructional days, however did not provide any additional funds for the school districts for these days. Additional costs include transportation, substitute and teacher assistant costs. Transportation costs are estimated at \$10.1m. Substitute costs at \$1.2m. An estimated 30% of the LEAs currently employ the TAs for instructional days only, so the 5 additional days is estimated to increase the costs for these employees by \$3.3m.</p>

Supplemental Budget Requests to Consider for 2012-2013

2012-13	Description
11 \$ 2,561,326	<p><u>Funding for cooperative innovative high schools (CIH)</u>- Legislation states that cooperative innovative high schools may not be approved without legislated funding. Wake County has requested to open 2 CIH Early Colleges at William Peace University in August 2012, and Guilford requested 1 CIH Early College at NC A&T. Funding request is for 3 principals and \$307,650 in recurring funds for each school for professional development and other support costs. Wake County Schools and Guilford County Schools included a schedule for college estimated tuition reimbursement at the three requested schools. Students will begin taking college courses in 2013-14, therefore, programs costs will increase each year. Costs for the three schools in the first year are approximately \$1.2m increasing to an estimated \$7.2m in year 5. Guilford County Schools also submitted a request for tuition reimbursement for 5 existing CIH schools of \$1,362,698.</p>
12 \$ 158,750	<p><u>MS Information Technology Academy Certiport Testing Site Licenses</u> - NCDPI is the first state educational agency in the country to pilot a statewide implementation of MS Information Technology Academy (ITA), which provides students with real-world technology skills needed to be successful in college and a career and to earn industry certifications. North Carolina is the largest ITA in the world with our high school students and faculty earning 8,944 certifications during the 2010-2011 SY and 19,934 certifications through 1/25/2012. Much of the MS ITA courseware has been integrated into the Career & Technical Education Course of Study and consists of web-based modules and instruction, which allows students to learn Microsoft computer programs, such as MS Word, Excel, PowerPoint, Access, SharePoint and other Network applications at their own pace within the classroom and at home. To facilitate testing and earning MS Certifications, NCDPI contracted with Certiport to provide 100 testing centers across the state the first two years of the MS IT Academy. Funding these Certiport sites will allow students to continue to gain valuable MS certifications and save the LEAs' funds through economies of scale. The statewide Certiport agreement is</p>
13 \$ 76,500,000	<p><u>Textbooks</u> - Reinstate the \$76.5 million non-recurring cut to textbooks, which will make the total appropriation \$103.7 million. Per G.S. 115C-85, "... "textbook" means systematically organized material comprehensive enough to cover the primary objectives outlined in the standard course of study for a grade or course. Formats for textbooks may be print or nonprint, including hardbound books, softbound books, activity-oriented programs, classroom kits, and technology-based programs that require the use of electronic equipment in order to be used in the learning process."</p>

Supplemental Budget Requests to Consider for 2012-2013

2012-13	Description
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14	\$	200,000	<p><u>Charter Schools</u> - Senate Bill 8 short titled " No Cap on Number of Charter Schools" provides an opportunity for an indefinite number of additional charter schools to be established in an academic year. To ensure that the Department of Public Instruction can continue to effectively provide guidance and technical assistance to the existing Charter Schools as well as newly established charter schools (G.S. 115C-238.29J), two additional staff positions will be needed. Additional staff needs are based upon the anticipated number of schools established each year. Nine (9) new schools have been approved with a possible 30 to be reviewed and evaluated.</p>
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15	\$	19,101,995	<p><u>Professional Development and Support of Public School Teachers</u> - Restore \$3 million recurring cut to the North Carolina Center for the Advancement of Teaching (NCCAT), which would bring the total budget to \$6 million. NCCAT provides professional development services for teachers. Reinstate full \$3.5 million funding for the Teaching Fellows Fund, which provides scholarships to 500 NC high school seniors in an effort to recruit them into the teaching profession. Reinstate full \$12.6 million funding for the Staff Development allotment, which supports local school districts' efforts in providing professional development.</p>
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\$ 151,127,169 Total

Base Funding	\$				7,444,122,100
Total Request					2.0%

Special Provision Request:

The item related to minimizing the impact of a large student population transferring from a local education agency to a charter does not need to be included in the Expansion Budget request to OSBM. The Department of Public Instruction will present multiple options along with the impact of those options at the April State Board meeting.