

NO. COA11-1545

TENTH DISTRICT

NORTH CAROLINA COURT OF APPEALS

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HOKE COUNTY BOARD OF )  
EDUCATION; HALIFAX COUNTY )  
BOARD OF EDUCATION; )  
ROBESON COUNTY BOARD OF )  
EDUCATION; CUMBERLAND )  
COUNTY BOARD OF )  
EDUCATION; VANCE COUNTY )  
BOARD OF EDUCATION; RANDY )  
L. HASTY, individually and as )  
guardian *ad litem* of RANDELL B. )  
HASTY; STEVEN R. SUNKEL, )  
individually and as guardian *ad litem* )  
of ANDREW J. SUNKEL; LIONEL )  
WHIDBEE, individually and as )  
guardian *ad litem* of JEREMY L. )  
WHIDBEE; TYRONE T. )  
WILLIAMS, individually and as )  
guardian *ad litem* of TREVELYN L. )  
WILLIAMS; D.E. LOCKLEAR, JR., )  
individually and as guardian *ad litem* )  
of JASON E. LOCKLEAR; ANGUS )  
B. THOMPSON II, individually and )  
as guardian *ad litem* of )  
VANDALIAH J. THOMPSON; )  
MARY ELIZABETH LOWERY, )  
individually and as guardian *ad litem* )  
of LANNIE RAE LOWERY, )  
JENNIE G. PEARSON, individually )  
and as guardian *ad litem* of )  
SHARESE D. PEARSON; BENITA )  
B. TIPTON, individually and as )  
guardian *ad litem* of WHITNEY B. )  
TIPTON; DANA HOLTON )  
JENKINS, individually and as )  
guardian *ad litem* of RACHEL M. )  
JENKINS; LEON R. ROBINSON, )  
individually and as guardian *ad litem* )  
of JUSTIN A. ROBINSON, )

Plaintiffs, )

CLERK COURT OF APPEALS  
OF NORTH CAROLINA

2011 DEC 19 PM 4:23

FILED

STATE OF NORTH CAROLINA  
COUNTY OF WAKE

IN THE GENERAL COURT OF JUSTICE  
SUPERIOR COURT DIVISION  
95-CVS-1158

HOKE COUNTY BOARD OF  
EDUCATION, et al.,

Plaintiffs,

and

ASHEVILLE CITY BOARD OF  
EDUCATION, et al.,

Plaintiff-Intervenors,

v.

STATE OF NORTH CAROLINA; STATE  
BOARD OF EDUCATION,

Defendants.

AFFIDAVIT OF  
DR. ELEASE FREDERICK

DR. ELEASE FREDERICK, being duly sworn, deposes and says as follows:

1. I am over the age of eighteen years old, am under no disability, and have personal knowledge of all the matters stated in this Affidavit.

2. I am the Superintendent of the Halifax County Public Schools ("HCPS"). Prior to that, I served as interim superintendent of HCPS from September 2009 to December 2009 and the associate superintendent of HCPS from 2007 to September 2009. I have 39 years of experience in public education as an assistant principal, principal, assistant superintendent, associate superintendent and superintendent in this school district.

3. In the 2010-11 school year, HCPS had 4,094 total students attending the district's 7 elementary schools, 2 middle and junior high schools, and 2 high schools. Our student population or ADM is approximately 4.4% white, 86.4% African American, 5.9% American

Indian, and 2.2% Hispanic. Of the total student population, 85.7% qualify for free and reduced lunch.

4. In the 2008-09 school year, Halifax County spent approximately \$673.38 in local funds per student. This was decreased to \$656.08 in local funds per student in 2009-10 and to \$655.62 in 2010-11. Local spending is likely to decrease for the 2011-12 school year.

5. For the 2010-11 school year, HCPS has 276 teaching positions. The number of teachers has decreased over the last three school years from 305 teachers employed in the 2008-09 school year, 295 teachers employed in 2009-10 school year and 276 teachers employed in the 2010-11 school year. As a result of the current State budget cuts, it is expected that only 243 teachers will be employed during the 2011-12 school year.

6. For the 2010-11 school year, HCPS employed 92 teacher assistants. The number of teacher assistants has decreased over the last three school years from 122 teacher assistants employed in the 2008-09 school year, 100 teacher assistants employed in the 2009-10 school year and 92 teacher assistants employed in the 2010-11 school year. As a result of the current State budget cuts, it is expected that only 64 teacher assistants will be employed during the 2011-12 school year.

7. As a result of the cuts in the State budget for 2011-12, it is anticipated that we will have to reduce, eliminate or change certain programs for the 2011-12 school year, including but not limited to, summer school, after school tutoring, child and family support teams, More at Four, programs for non-English speaking students, drop-out prevention programs, in-school suspension, and out-of-school suspension.

8. As a result of the cuts in the State budget for 2011-12, the programs for at-risk children for the 2011-12 school year that will be impacted (reduced, eliminated, and/or changed)

are: summer school, after school tutoring, child and family support teams, More at Four, Smart Start, use of literacy coaches, programs for non-English speaking students, staff development, teacher training/mentoring, remediation for Level I and II students, credit recovery and other on-line learning opportunities, drop-out prevention programs, and curriculum development.

9. Halifax County incurred an LEA Adjustment ("discretionary reduction") in the 2008-09 school year of \$100,000. The "discretionary reduction" was increased to \$657,258 in 2009-10 and \$822,828 in 2010-11.

10. The State budget for 2011-12 includes an LEA Adjustment ("discretionary reduction") of \$1.1 million for Halifax County. This amount is only about \$200,000 less than the \$1.3 million HCPS received in Disadvantaged Student Supplemental Funding ("DSSF") for the 2010-11 school year.

11. The HCPS expects to implement this "discretionary reduction" in the 2011-12 school year, by eliminating 10 teachers, 3 teacher assistants, 6 other instructional support personnel, and 2 other non-instructional support personnel.

12. In addition to the personnel reductions occurring in order to implement the "discretionary reduction," as a result of specific cuts to assistant principals in the 2011-12 budget, the HCPS will eliminate 3 assistant principal positions.

13. I am familiar with the More at Four Program in Halifax County which is run by Dottie Umstead, Director of Elementary Education.


14. The number of "at-risk" children in Halifax County served by the More at Four pre-kindergarten program was 149 during the 2008-09 school year, 160 during the 2009-10 school year, and 160 during the 2010-11 school year. We estimate that the number of "at-risk" children in Halifax County eligible to receive pre-kindergarten services through the More at Four



program in the 2011-12 school year is 185. We estimate that the number of "at-risk" children in Halifax County eligible to receive pre-kindergarten services through the More at Four program in the 2011-12 school year but for which slots will not be available is 40. The 20% cut to the More at Four budget has had a direct impact on our ability to provide the necessary pre-kindergarten services to "at-risk" children.

15. The transfer of More at Four to the Department of Health and Human Services Division of Child Development and funding reductions have a direct impact on our ability to provide a quality pre-kindergarten education program to at-risk four year olds. For example, pre-kindergarten programs will have to be licensed by the Division of Child Development (DCD) and those pre-kindergarten classrooms in the public schools that are not currently licensed by DCD will have until July 1, 2012 to become licensed. Further, eighty percent of the parents will be required to pay a fee for the pre-kindergarten services; however, the fee is not required for up to twenty percent of children that fall into the at-risk categories indicated in current More at Four program standards.

This the 21 of June, 2011.

  
Dr. Eleanor Frederick

STATE OF NORTH CAROLINA

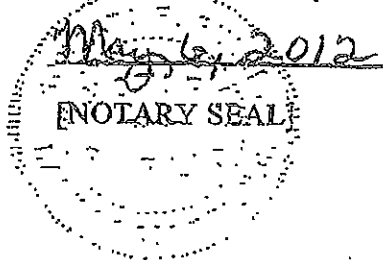
COUNTY OF Halifax

I, Gonzata R. Pulley, a Notary Public of Halifax County, State of North Carolina, do hereby certify that Elaine Frederick personally appeared before me this day and acknowledged the execution of the forgoing instrument.

Witness my hand and seal, this 21 day of June, 2011.

Gonzata R. Pulley  
Notary Public

My Commission Expires:



**NOTICE OF FILING [21 JUNE 2011]:**

**EXHIBIT 5: AFFIDAVIT OF DR. JOHNNY HUNT [DATED 22 JUNE 2011]**

**Duplicate copy. Set forth in its entirety at R pp 614-17.**

Name of Your LEA Alexander County Schools

*Please feel free to add any comments you would like for any question. We do not need a great amount of detail, so your answers can be brief. Thank you again for your assistance.*

1. The total Discretionary Reductions or "LEA Adjustments" for FY 2011-12 for all NC LEAs is \$428,991,908). Your LEA was provided with the specific adjustment for it on May 31, 2011 (a copy is attached to the same email that sent you this questionnaire).

Please fill in the amount of the Discretionary Reduction for your LEA for 2011-12 here:  
\$1,595,188

2. In the categories listed below, how many positions do you anticipate will be eliminated in your LEA to satisfy the Discretionary Reduction?

29 teachers  
\_\_\_\_\_ teacher assistants  
\_\_\_\_\_ administrative (principals, assistant principals, etc.)  
\_\_\_\_\_ other instructional  
\_\_\_\_\_ other non-instructional  
\_\_\_\_\_ other (please identify)

3. What other spending (besides the positions identified above) for the public schools are you reducing or eliminating in order to satisfy the Discretionary Reduction? (attach additional sheet if necessary)

We have not filled any vacant positions during the 2010-11 school year except in Head Start/More at Four and the high school principal.

4. Do you anticipate that you will increase class size as a result of State Budget cuts in FY 2011-2012, and if so, in what grades and/or courses? (attach additional sheet if necessary)

No



5. Please check any program listed below that you operated in prior years to assist at risk students that you are eliminating OR reducing for FY 2011-12 because of State budget cuts:

- ☐ Summer school
- ☒ After school tutoring
- ☐ Child and family support teams
- ☒ More at Four
- ☐ Smart Start
- ☐ Use of literacy coaches
- ☒ Programs for non-English-speaking students
- ☒ Staff development
- ☒ Teacher training/mentoring
- ☒ Remediation for Level I and II students
- ☐ Credit Recovery and other on-line learning opportunities
- ☐ Drop-out prevention programs
- ☐ Curriculum development
- ☐ Other (please identify such other programs)

Questions 6-8 deal only with Pre-K services we deliver through the school system and does not account for other programs within the county.

6. How many children were in More at Four pre-kindergarten programs in your LEA in:

2008-2009	<u>88</u>
2009-2010	<u>88</u>
2010-2011	<u>88</u>
2011-2012	<u>18 - if funding is adequate to cover the costs of staff and supplies for this one classroom</u> (enter how many you anticipate for next year)

7. What is the approximate number of at-risk four-year-olds in your LEA who will NOT be served by a More at Four program for 2011-2012?

19 additional 4-yr-olds have applied for preschool services at Alexander County Head Start who will not make it into the Head Start program, but may be eligible to be served by MAF. I do not have the figures for the other MAF classrooms in Alexander County. These figures come from our waiting list at Head Start.

8. What other impacts will the transfer of More at Four to the Department of Health and Human Services Division of Child Development, and funding reductions, have on the ability of your LEA to provide a quality pre-K education program to at-risk four year olds?

We will lose \$225,000 of funding that augmented the services available to our most at-risk four year olds in Alexander County - those enrolled in Head Start - who are living at or BELOW the poverty index.

The loss of this funding for 4-year-olds in our program 1) reduces the length of the school day (4.5 hours instead of 6); 2) reduces the length of the school week (4 days instead of 5); 3) reduces the number of adults per classroom for these at-risk children (from 3 to 2); 4) 10 Teacher Assistants will or have lost employment, 5) 2 additional Teacher Assistants will have to work part-time and lose benefits; 6) Teachers in the licensing process will lose mentors and evaluators provided by MAF; 7) quality improvement funding has been available in Alexander County for MAF classrooms (innovative technology, enhanced assessment tools, classroom materials, will no longer be available); 8) on-site consultation for Teachers regarding proper room arrangement & guidance for best practices relating to the Early Childhood Environmental Rating Scales results (critical to our ability to maintain 5 Star licensure) will no longer be available to our Teachers as well as those in the rest of Alexander County.

60 919-755-0009

Name of Your LEA Anson County Schools

*Please feel free to add any comments you would like for any question. We do not need a great amount of detail, so your answers can be brief. Thank you again for your assistance.*

1. The total Discretionary Reductions or "LEA Adjustments" for FY 2011-12 for all NC LEAs is \$428,991,908). Your LEA was provided with the specific adjustment for it on May 31, 2011 (a copy is attached to the same email that sent you this questionnaire).

Please fill in the amount of the Discretionary Reduction for your LEA for 2011-12 here:  
\$1,103,625

2. In the categories listed below, how many positions do you anticipate will be eliminated in your LEA to satisfy the Discretionary Reduction?

19 teachers  
17 teacher assistants  
3 administrative (principals, assistant principals, etc.)  
0 other instructional  
10 other non-instructional  
2 other (please identify)

3. What other spending (besides the positions identified above) for the public schools are you reducing or eliminating in order to satisfy the Discretionary Reduction? (attach additional sheet if necessary)

Technology, Classroom Instructional Supplies, Staff Development, Supplemental Programs, Summer School, etc.

4. Do you anticipate that you will increase class size as a result of State Budget cuts in FY 2011-2012, and if so, in what grades and/or courses? (attach additional sheet if necessary)

All grades & courses.

5. Please check any program listed below that you operated in prior years to assist at risk students that you are eliminating OR reducing for FY 2011-12 because of State budget cuts:

☒ Summer school  
☒ After school tutoring  
☒ Child and family support teams  
☐ More at Four  
☐ Smart Start  
☒ Use of literacy coaches  
☐ Programs for non-English-speaking students  
☒ Staff development  
☒ Teacher training/mentoring

- ☒ Remediation for Level I and II students
- ☒ Credit Recovery and other on-line learning opportunities
- ☐ Drop-out prevention programs
- ☒ Curriculum development
- ☐ Other (please identify such other programs)

6. How many children were in More at Four pre-kindergarten programs in your LEA in:

2008-2009	30
2009-2010	30
2010-2011	30
2011-2012	30 (enter how many you anticipate for next year)

7. What is the approximate number of at-risk four-year-olds in your LEA who will NOT be served by a More at Four program for 2011-2012?

N/A

8. What other impacts will the transfer of More at Four to the Department of Health and Human Services Division of Child Development, and funding reductions, have on the ability of your LEA to provide a quality pre-K education program to at-risk four year olds?

N/A



Name of Your LEA Burke

*Please feel free to add any comments you would like for any question. We do not need a great amount of detail, so your answers can be brief. Thank you again for your assistance.*

1. The total Discretionary Reductions or "LEA Adjustments" for FY 2011-12 for all NC LEAs is \$428,991,908). Your LEA was provided with the specific adjustment for it on May 31, 2011 (a copy is attached to the same email that sent you this questionnaire).

Please fill in the amount of the Discretionary Reduction for your LEA for 2011-12 here:  
\$3,886,441.

2. In the categories listed below, how many positions do you anticipate will be eliminated in your LEA to satisfy the Discretionary Reduction?

<u>50</u>	teachers
<u>20</u>	teacher assistants
<u>2</u>	administrative (principals, assistant principals, etc.)
	other instructional
<u>24</u>	other non-instructional
	other (please identify)

3. What other spending (besides the positions identified above) for the public schools are you reducing or eliminating in order to satisfy the Discretionary Reduction? (attach additional sheet if necessary)

Lowered travel reimbursement rate  
Reduced funding for library books  
Reduced funding for Middle College textbooks  
Reduced staff development  
Reduced supplies & materials for all auxiliary services

4. Do you anticipate that you will increase class size as a result of State Budget cuts in FY 2011-2012, and if so, in what grades and/or courses? (attach additional sheet if necessary)

Yes, on average from 3 - 5 students in grades 4 - 12  
Scaled back offerings in Music and Art

5. Please check any program listed below that you operated in prior years to assist at risk students that you are eliminating OR reducing for FY 2011-12 because of State budget cuts:

\* Summer school

\* After school tutoring  
Child and family support teams  
More at Four  
\* Smart Start  
\* Use of literacy coaches  
\* Programs for non-English-speaking students  
\* Staff development  
\* Teacher training/mentoring  
\* Remediation for Level I and II students  
Credit Recovery and other on-line learning opportunities  
Drop-out prevention programs  
Curriculum development  
Other (please identify such other programs)

6. How many children were in More at Four pre-kindergarten programs in your LEA in:

2008-2009	<u>332</u>
2009-2010	<u>332</u>
2010-2011	<u>333</u>
2011-2012	<u>          </u> (enter how many you anticipate for next year)

7. What is the approximate number of at-risk four-year-olds in your LEA who will NOT be served by a More at Four program for 2011-2012?

0

8. What other impacts will the transfer of More at Four to the Department of Health and Human Services Division of Child Development, and funding reductions, have on the ability of your LEA to provide a quality pre-K education program to at-risk four year olds?

N/A

Name of Your LEA Caldwell County

*Please feel free to add any comments you would like for any question. We do not need a great amount of detail, so your answers can be brief. Thank you again for your assistance.*

1. The total Discretionary Reductions or "LEA Adjustments" for FY 2011-12 for all NC LEAs is \$428,991,908). Your LEA was provided with the specific adjustment for it on May 31, 2011 (a copy is attached to the same email that sent you this questionnaire).

Please fill in the amount of the Discretionary Reduction for your LEA for 2011-12 here:  
\$3,6881,358

2. In the categories listed below, how many positions do you anticipate will be eliminated in your LEA to satisfy the Discretionary Reduction?

20 teachers  
17 teacher assistants  
5 administrative (principals, assistant principals, etc.)  
5 other instructional  
15 other non-instructional  
1 other (please identify) - Energy Management supervisor

3. What other spending (besides the positions identified above) for the public schools are you reducing or eliminating in order to satisfy the Discretionary Reduction? (attach additional sheet if necessary)

Increasing class size grades 4-12

Reduce SRO by 1

End paying for dually enrolled college students textbooks

Eliminate supplements for technology and health facilitators

Continue a hiring freeze

End support of field trips

Charge for driver's education

End summer enrichment program

End staff development snacks etc.

4. Do you anticipate that you will increase class size as a result of State Budget cuts in FY 2011-2012, and if so, in what grades and/or courses? (attach additional sheet if necessary)

Yes by 1 in grades 4-12

5. Please check any program listed below that you operated in prior years to assist at risk students that you are eliminating OR reducing for FY 2011-12 because of State budget cuts:

- ☒ Summer school
- ☐ After school tutoring
- ☒ Child and family support teams
- ☒ More at Four
- ☒ Smart Start
- ☒ Use of literacy coaches
- ☐ Programs for non-English-speaking students
- ☒ Staff development
- ☒ Teacher training/mentoring
- ☐ Remediation for Level I and II students
- ☐ Credit Recovery and other on-line learning opportunities
- ☒ Drop-out prevention programs
- ☐ Curriculum development
- ☐ Other (please identify such other programs)

6. How many children were in More at Four pre-kindergarten programs in your LEA in:

2008-2009	_____
2009-2010	_____
2010-2011	_____
2011-2012	_____ (enter how many you anticipate for next year)

7. What is the approximate number of at-risk four-year-olds in your LEA who will NOT be served by a More at Four program for 2011-2012?

8. What other impacts will the transfer of More at Four to the Department of Health and Human Services Division of Child Development, and funding reductions, have on the ability of your LEA to provide a quality pre-K education program to at-risk four year olds?

The concern is that we will have to have another level of management, guidelines, and conflicting rules between services and the students.

Name of Your LEA Cleveland County Schools

*Please feel free to add any comments you would like for any question. We do not need a great amount of detail, so your answers can be brief. Thank you again for your assistance.*

1. The total Discretionary Reductions or "LEA Adjustments" for FY 2011-12 for all NC LEAs is \$428,991,908). Your LEA was provided with the specific adjustment for it on May 31, 2011 (a copy is attached to the same email that sent you this questionnaire).

Please fill in the amount of the Discretionary Reduction for your LEA for 2011-12 here:  
\$4,601,698

2. In the categories listed below, how many positions do you anticipate will be eliminated in your LEA to satisfy the Discretionary Reduction?

84 teachers  
\_\_\_\_\_ teacher assistants  
\_\_\_\_\_ administrative (principals, assistant principals, etc.)  
\_\_\_\_\_ other instructional  
\_\_\_\_\_ other non-instructional  
\_\_\_\_\_ other (please identify)

3. What other spending (besides the positions identified above) for the public schools are you reducing or eliminating in order to satisfy the Discretionary Reduction? (attach additional sheet if necessary)

NA

4. Do you anticipate that you will increase class size as a result of State Budget cuts in FY 2011-2012, and if so, in what grades and/or courses? (attach additional sheet if necessary)

Yes

We anticipate increases in some high school courses based on registration and course selection.

5. Please check any program listed below that you operated in prior years to assist at risk students that you are eliminating OR reducing for FY 2011-12 because of State budget cuts:

- ☒ Summer school
- ☒ After school tutoring
- ☐ Child and family support teams
- ☒ More at Four
- ☒ Smart Start
- ☐ Use of literacy coaches
- ☐ Programs for non-English-speaking students
- ☒ Staff development
- ☒ Teacher training/mentoring
- ☒ Remediation for Level I and II students
- ☒ Credit Recovery and other on-line learning opportunities
- ☒ Drop-out prevention programs
- ☐ Curriculum development
- ☒ Other (please identify such other programs)

6. How many children were in More at Four pre-kindergarten programs in your LEA in:

2008-2009	<u>204</u>
2009-2010	<u>181</u>
2010-2011	<u>186</u>
2011-2012	<u>186*</u> (enter how many you anticipate for next year)

\*If MAF funding remains

7. What is the approximate number of at-risk four-year-olds in your LEA who will NOT be served by a More at Four program for 2011-2012?

If MAF goes away, 343 children would not be served in Pre-K. Cleveland County Schools has applications/screened 657 children for pre-school/head start for 2011-2012 (applications are still being received).

8. What other impacts will the transfer of More at Four to the Department of Health and Human Services Division of Child Development, and funding reductions, have on the ability of your LEA to provide a quality pre-K education program to at-risk four year olds?

Loss of More at Four funds will eliminate 8-10 Pre-K classrooms in Cleveland County Schools. This will mean the loss of jobs for teachers and teacher assistants as well. In addition, the loss will eliminate the ability of Head Start to partner with More at Four, since there will be a fee charged to parents whose children are served in the More at Four classrooms. The federal guidelines for Head Start do not allow partnering with fee-based programs.

Name of Your LEA

Granville County Schools

Please feel free to add any comments you would like for any question. We do not need a great amount of detail, so your answers can be brief. Thank you again for your assistance.

1. The total Discretionary Reductions or "LEA Adjustments" for FY 2011-12 for all NC LEAs is \$428,991,908). Your LEA was provided with the specific adjustment for it on May 31, 2011 (a copy is attached to the same email that sent you this questionnaire).

Please fill in the amount of the Discretionary Reduction for your LEA for 2011-12 here:

\$2,502,709

2. In the categories listed below, how many positions do you anticipate will be eliminated in your LEA to satisfy the Discretionary Reduction?

416-5 teachers19 teacher assistants6 administrative (principals, assistant principals, etc.)6 other instructional4 other non-instructional4 other (please identify) central office

3. What other spending (besides the positions identified above) for the public schools are you reducing or eliminating in order to satisfy the Discretionary Reduction? (attach additional sheet if necessary)

4. Do you anticipate that you will increase class size as a result of State Budget cuts in FY 2011-2012, and if so, in what grades and/or courses? (attach additional sheet if necessary)

No

5. Please check any program listed below that you operated in prior years to assist at risk students that you are eliminating OR reducing for FY 2011-12 because of State budget cuts:

- ☐ Summer school
- ☐ After school tutoring
- ☐ Child and family support teams
- ☒ More at Four
- ☐ Smart Start
- ☐ Use of literacy coaches
- ☐ Programs for non-English-speaking students
- ☒ Staff development
- ☐ Teacher training/mentoring
- ☐ Remediation for Level I and II students
- ☐ Credit Recovery and other on-line learning opportunities
- ☐ Drop-out prevention programs
- ☐ Curriculum development
- ☐ Other (please identify such other programs)

6. How many children were in More at Four pre-kindergarten programs in your LEA in:

2008-2009	<u>251</u> (133 slots)
2009-2010	<u>268</u> (149 slots)
2010-2011	<u>180</u> (149 slots)
2011-2012	<u>0</u> (enter how many you anticipate for next year)

7. What is the approximate number of at-risk four-year-olds in your LEA who will NOT be served by a More at Four program for 2011-2012? 300

8. What other impacts will the transfer of More at Four to the Department of Health and Human Services Division of Child Development, and funding reductions, have on the ability of your LEA to provide a quality pre-K education program to at-risk four year olds?



Name of Your LEA Johnston County Schools

*Please feel free to add any comments you would like for any question. We do not need a great amount of detail, so your answers can be brief. Thank you again for your assistance.*

1. The total Discretionary Reductions or "LEA Adjustments" for FY 2011-12 for all NC LEAs is \$428,991,908). Your LEA was provided with the specific adjustment for it on May 31, 2011 (a copy is attached to the same email that sent you this questionnaire).

Please fill in the amount of the Discretionary Reduction for your LEA for 2011-12 here:  
\$9,507,109

2. In the categories listed below, how many positions do you anticipate will be eliminated in your LEA to satisfy the Discretionary Reduction?

113	teachers
95	teacher assistants
0	administrative (principals, assistant principals, etc.)
0	other instructional
0	other non-instructional
0	other (please identify)

3. What other spending (besides the positions identified above) for the public schools are you reducing or eliminating in order to satisfy the Discretionary Reduction? (attach additional sheet if necessary) None

4. Do you anticipate that you will increase class size as a result of State Budget cuts in FY 2011-2012, and if so, in what grades and/or courses? (attach additional sheet if necessary)

Yes, all grades and subjects.

5. Please check any program listed below that you operated in prior years to assist at risk students that you are eliminating OR reducing for FY 2011-12 because of State budget cuts:

<input checked="" type="checkbox"/>	Summer school
<input checked="" type="checkbox"/>	After school tutoring
<input type="checkbox"/>	Child and family support teams
<input checked="" type="checkbox"/>	More at Four
<input type="checkbox"/>	Smart Start
<input type="checkbox"/>	Use of literacy coaches
<input checked="" type="checkbox"/>	Programs for non-English-speaking students
<input type="checkbox"/>	Staff development
<input type="checkbox"/>	Teacher training/mentoring
<input checked="" type="checkbox"/>	Remediation for Level I and II students
<input type="checkbox"/>	Credit Recovery and other on-line learning opportunities
<input checked="" type="checkbox"/>	Drop-out prevention programs
<input type="checkbox"/>	Curriculum development
<input type="checkbox"/>	Other (please identify such other programs)

**6. How many children were in More at Four pre-kindergarten programs in your LEA in:**

2008-2009	<u>54 children</u>
2009-2010	<u>58 children</u>
2010-2011	<u>59 children</u>
2011-2012	<u>59 children</u> (enter how many you anticipate for next year)

JCS requested an expansion of 79 slots.

**7. What is the approximate number of at-risk four-year-olds in your LEA who will NOT be served by a More at Four program for 2011-2012?**

Without expansion: 60 at-risk four year olds

With expansion: 138 at-risk four year olds

**8. What other impacts will the transfer of More at Four to the Department of Health and Human Services Division of Child Development, and funding reductions, have on the ability of your LEA to provide a quality pre-K education program to at-risk four year olds?**

This transfer of a nationally recognized prekindergarten program out of a successful education model to an under-funded child care subsidy model is truly tragic for our Johnston County students. As educators, we know how challenging it is to close the developmental trajectory gaps of children, even in the most desirable circumstances. The transfer of the program will overall undermine teacher quality, eliminate coordination with federal funding for early education, restrict access for the most disadvantaged children, and sever the connection of pre-kindergarten with K-12 education.

The program transfer will have the most detrimental impact on the children we serve. In Johnston County Schools (JCS), we have contracted with the Partnership for Children of Johnston County, Inc. to provide services to students determined eligible for the More at Four Program. Currently, these services are provided within 10 inclusive classroom environments located inside of JCS elementary schools. Impacts on the JCS Preschool Program are as follows:

**Impacts on JCS Preschool Children**

- JCS will lose 10 inclusive preschool classrooms, and will be forced to return to primarily educating children with disabilities within self-contained classrooms (i.e., classrooms only serving special needs kids) unless other blending options become available. This will not provide students with a developmentally appropriate or least restrictive environment.
- By blending the More at Four Program with the Exceptional Children Program, the students with disabilities are provided peer models for appropriate language, social, and play development. Children learn best through play and repetition of skills with their peers. On the other hand, non-disabled peers are provided with opportunities to provide leadership, support, and compassion to students with disabilities. Losing this program will limit these opportunities for all students, both disabled and typically developing.
- The requirement of the parent co-pay will deter many of the neediest Johnston County families, who will not be able to participate due to limited financial resources.
- Without the inclusive classrooms, the JCS Preschool Program is at risk of losing the SEFEL (formerly known as Center for Social and Emotional Foundations of Early Learning, CSEFEL) demonstration classroom at South Smithfield Elementary. The teacher provides guided

observations for professionals from across the state. In addition, this classroom teacher received recognition as the first DPI site to reach fidelity and be opened for guided observations in the nation. SEFEL is a pyramid approach that focuses on positive social/emotional skills of young children and aligns with the Positive Behavior Intervention and Support (PBIS).

- Will directly affect the work and planning of the Best Practices Initiatives of Ready Schools and Power of K that some JCS elementary schools are implementing.

#### Impacts of JCS Preschool Programming

The JCS Preschool Program will need to develop procedures for all of the following:

- To meet the DHHS regulations and monitoring that become effective July 1, 2011. As of 6/16/11, regulations have not been developed and only minimal guidance as to what these regulations may look like has been provided)
- To address serving children approved for the subsidy program.
- To appropriately address parent choice of enrollment of their child into a PreK site. JCS serves children within the elementary school attendance area in which they live.
- To implement and maintain the parent co-payment fiscal requirement.
- To prepare for the installation of Subsidized Early Education for Kids, or SEEK. SEEK is the automated attendance reporting and payment delivery system. A Point of Service (POS) device will have to be installed within each preschool classroom. This system is operated by a parent swipe card, which if children are transported to school via a bus, the parent will not be accessible.
- To determine the intent of "at-risk" as written in the Session Law and how it will affect the make-up of the classroom.
- To plan for other funding options when market analysis rate is lower than per child costs and when funds are unavailable. Currently there are approximately 1000 children on the subsidy wait list in Johnston County.
- To complete the required application process for enrollment to be a Provider of Subsidized Child Care.

#### Additional JCS Preschool Program Impacts:

- The JCS Continuous Improvement Performance Plan (CIPP) Indicator data for educating children in the Least Restrictive Environment will be affected.
- The JCS Preschool Program will also be at risk of losing the Pilot Program for DPI on Program Wide Implementation of SEFEL.

Name of Your LEA Lenoir County Schools

*Please feel free to add any comments you would like for any question. We do not need a great amount of detail, so your answers can be brief. Thank you again for your assistance.*

1. The total Discretionary Reductions or "LEA Adjustments" for FY 2011-12 for all NC LEAs is \$428,991,908. Your LEA was provided with the specific adjustment for it on May 31, 2011 (a copy is attached to the same email that sent you this questionnaire).

Please fill in the amount of the Discretionary Reduction for your LEA for 2011-12 here:

\$2,670,715

2. In the categories listed below, how many positions do you anticipate will be eliminated in your LEA to satisfy the Discretionary Reduction?

           teachers

           teacher assistants

           administrative (principals, assistant principals, etc.)

           other instructional

           other non-instructional

  X   other (please identify) Reverted Teacher Positions will be paid from Edu Jobs for the 2011-2012 school year. We are already funding TA's at a K-2 level so a portion of the TA funding will be reverted also.

3. What other spending (besides the positions identified above) for the public schools are you reducing or eliminating in order to satisfy the Discretionary Reduction? (attach additional sheet if necessary)

N/A

4. Do you anticipate that you will increase class size as a result of State Budget cuts in FY 2011-2012, and if so, in what grades and/or courses? (attach additional sheet if necessary)

Due to available Edu Jobs funding, state teacher positions will remain at the same level currently funded in 2010-2011, so we do not anticipate an increase in class size for 2011-2012.

5. Please check any program listed below that you operated in prior years to assist at risk students that you are eliminating OR reducing for FY 2011-12 because of State budget cuts:

- ☐ Summer school  
☒ After school tutoring  
☐ Child and family support teams  
☐ More at Four  
☐ Smart Start  
☐ Use of literacy coaches  
☐ Programs for non-English-speaking students  
☐ Staff development  
☐ Teacher training/mentoring  
☐ Remediation for Level I and III students  
☐ Credit Recovery and other on-line learning opportunities  
☒ Drop-out prevention programs  
☐ Curriculum development  
☐ Other (please identify such other programs)

Undetermined until state budget passes. Without More at Four and Smart Start funding, our LEA will not be able to serve at-risk students without an Individual Education Program (IEP) as no Title 1 funds are allocated to pre-K.

6. How many children were in More at Four pre-kindergarten programs in your LEA in:

2008-2009	<u>63</u>	
2009-2010	<u>69</u>	
2010-2011	<u>79</u>	
2011-2012	<u>83</u>	(enter how many you anticipate for next year)

7. What is the approximate number of at-risk four-year-olds in your LEA who will NOT be served by a More at Four program for 2011-2012?

31 (Exceptional Children, Family Literacy or Three-School)

8. What other impacts will the transfer of More at Four to the Department of Health and Human Services Division of Child Development, and funding reductions, have on the ability of your LEA to provide a quality pre-K education program to at-risk four year olds?

- More at Four and Smart Start funding, our LEA will not be able to serve at-risk students without an Individual Education Program (IEP) as no Lenoir County Title 1 funds are allocated to pre-K.
- Lenoir County will not be able to offer inclusive preschool classrooms to children with special needs.
- There are great concerns about the requirements (or lack thereof) to access these More at Four dollars within DSS to maintain the high quality standards currently required.
- Questionable whether DCD will maintain high teacher standards associated with current More at Four classrooms. Questionable whether DCD Teacher Licensing Unit can support public school B-K Licensing
- Prevents the alignment of curriculum between More at Four and public education Kindergarten-3<sup>rd</sup> grade classrooms.
- Concerns whether program will simply become a subsidized program for people to access.
- Concerns about parent fee and slot reimbursement through the unreliable SEEK system.

06/20/2011 12:58 IFAX ESHFAX@EGH1aw.COM

→ EGS FAX

001/002

06-20-2011 13:29 FROM-MADISON CO BOE

1 928 648 9384

T-905 P.001/002 F-650

Name of Your LEA

Madison County

*Please feel free to add any comments you would like for any question. We do not need a great amount of detail, so your answers can be brief. Thank you again for your assistance.*

1. The total Discretionary Reductions or "LEA Adjustments" for FY 2011-12 for all NC LEAs is \$428,991,908. Your LEA was provided with the specific adjustment for it on May 31, 2011 (a copy is attached to the same email that sent you this questionnaire).

Please fill in the amount of the Discretionary Reduction for your LEA for 2011-12 here:

747,626

2. In the categories listed below, how many positions do you anticipate will be eliminated in your LEA to satisfy the Discretionary Reduction?

4 teachers  
2 teacher assistants  
1 administrative (principals, assistant principals, etc.)  
other instructional  
2 other non-instructional  
other (please identify)

3. What other spending (besides the positions identified above) for the public schools are you reducing or eliminating in order to satisfy the Discretionary Reduction? (attach additional sheet if necessary)

I am having to use other funds normally used for at risk students and instructional support to balance the budget. (RLIS & DSSF)

4. Do you anticipate that you will increase class size as a result of State Budget cuts in FY 2011-2012, and if so, in what grades and/or courses? (attach additional sheet if necessary)

no

06/20/2011 12:58 IFAX EGNFAX@EGH1aw.COM

→ EGS FAX

002/002

06-20-2011 13:20

FROM-MADISON CO BOE

1 828 849 9334

T-805

P.002/002

F-850

5. Please check any program listed below that you operated in prior years to assist at risk students that you are eliminating OR reducing for FY 2011-12 because of State budget cuts:

- ☐ Summer school
- ☒ After school tutoring
- ☐ Child and family support teams
- ☐ More at Four
- ☐ Smart Start
- ☒ Use of literacy coaches
- ☐ Programs for non-English-speaking students
- ☐ Staff development
- ☐ Teacher training/mentoring
- ☒ Remediation for Level I and II students
- ☐ Credit Recovery and other on-line learning opportunities
- ☒ Drop-out prevention programs
- ☐ Curriculum development
- ☐ Other (please identify such other programs)

6. How many children were in More at Four pre-kindergarten programs in your LEA in:

2008-2009	<u>40</u>	
2009-2010	<u>40</u>	
2010-2011	<u>40</u>	
2011-2012	<u>?</u>	(enter how many you anticipate for next year)

7. What is the approximate number of at-risk four-year-olds in your LEA who will NOT be served by a More at Four program for 2011-2012?

40

8. What other impacts will the transfer of More at Four to the Department of Health and Human Services Division of Child Development, and funding reductions, have on the ability of your LEA to provide a quality pre-K education program to at-risk four year olds?

Name of Your LEA Montgomery County Schools

*Please feel free to add any comments you would like for any question. We do not need a great amount of detail, so your answers can be brief. Thank you again for your assistance.*

1. The total Discretionary Reductions or "LEA Adjustments" for FY 2011-12 for all NC LEAs is \$428,991,908). Your LEA was provided with the specific adjustment for it on May 31, 2011 (a copy is attached to the same email that sent you this questionnaire).

Please fill in the amount of the Discretionary Reduction for your LEA for 2011-12 here:  
\$1,202,710

2. In categories listed below, how many positions do you anticipate will be eliminated in your LEA to satisfy the Discretionary Reduction?

6 teachers  
3 teacher assistants  
1 administrative (principals, assistant principals, etc.)  
other instructional  
8 other non-instructional  
other (please identify)

3. What other spending (besides the positions identified above) for the public schools are you reducing or eliminating in order to satisfy the Discretionary Reduction? (attach additional sheet if necessary)

NCVPS Courses  
Maintenance Repairs  
Cultural Arts  
After-school Programs  
Special Populations Extended year  
Media and Technology  
Support for Beginning Teachers

4. Do you anticipate that you will increase class size as a result of State Budget cuts in FY 2011-2012, and if so, in what grades and/or courses? (attach additional sheet if necessary)

Yes, Grades K-2 and 3-5 – Including running combo classes which aren't the best educationally  
6-8 Exploratory classes to go up  
9-12 Social Studies, CTE and Math

5. Please check any program listed below that you operated in prior years to assist at risk students that you are eliminating OR reducing for FY 2011-12 because of State budget cuts:

X Summer school  
X After school tutoring  
Child and family support teams  
X More at Four



- ☐ Smart Start
- ☒ Use of literacy coaches
- ☒ Programs for non-English-speaking students
- ☒ Staff development
- ☒ Teacher training/mentoring
- ☐ Remediation for Level I and III students
- ☒ Credit Recovery and other on-line learning opportunities
- ☒ Drop-out prevention programs
- ☐ Curriculum development
- ☐ Other (please identify such other programs)

6. How many children were in More at Four pre-kindergarten programs in your LEA in:

2008-2009	<u>133</u>
2009-2010	<u>141</u>
2010-2011	<u>162</u>
2011-2012	<u>162</u> (enter how many you anticipate for next year)

7. What is the approximate number of at-risk four-year-olds in your LEA who will NOT be served by a More at Four program for 2011-2012?

Unknown at this time but we have 174 applications. It will be significantly less than the 162 served the previous 2 years.

8. What other impacts will the transfer of More at Four to the Department of Health and Human Services Division of Child Development, and funding reductions, have on the ability of your LEA to provide a quality pre-K education program to at-risk four year olds?

DHHS has subsidy guidelines requiring parents be employed or enrolled in school. Our county has few employment opportunities. Children will not qualify for Pre-K under the subsidy rules. There is also the potential for parent fees. Currently, under these guidelines our enrollment would drop. For example, Candor Elementary could potentially serve 70 students. Under DHHS rules, only 13 students would qualify.

Name of Your LEA Mount Airy City Schools

*Please feel free to add any comments you would like for any question. We do not need a great amount of detail, so your answers can be brief. Thank you again for your assistance.*

1. The total Discretionary Reductions or "LEA Adjustments" for FY 2011-12 for all NC LEAs is \$428,991,908). Your LEA was provided with the specific adjustment for it on May 31, 2011 (a copy is attached to the same email that sent you this questionnaire).

Please fill in the amount of the Discretionary Reduction for your LEA for 2011-12 here:  
\$478,527

2. In the categories listed below, how many positions do you anticipate will be eliminated in your LEA to satisfy the Discretionary Reduction?

5 teachers  
1.5 teacher assistants  
           administrative (principals, assistant principals, etc.)  
2 other instructional  
.5 other non-instructional  
           other (please identify)

3. What other spending (besides the positions identified above) for the public schools are you reducing or eliminating in order to satisfy the Discretionary Reduction? (attach additional sheet if necessary)

Reduced dollars available for classroom supplies and materials.  
Reduced dollars available for tutoring.

4. Do you anticipate that you will increase class size as a result of State Budget cuts in FY 2011-2012, and if so, in what grades and/or courses? (attach additional sheet if necessary)

Possibly larger class sizes in 2<sup>nd</sup>, 3<sup>rd</sup>, 4<sup>th</sup>, and/or 5<sup>th</sup>.

5. Please check any program listed below that you operated in prior years to assist at risk students that you are eliminating OR reducing for FY 2011-12 because of State budget cuts:

- ☐ Summer school
- ☒ After school tutoring
- ☐ Child and family support teams
- ☐ More at Four
- ☐ Smart Start
- ☐ Use of literacy coaches
- ☐ Programs for non-English-speaking students
- ☒ Staff development
- ☒ Teacher training/mentoring
- ☒ Remediation for Level I and III students
- ☐ Credit Recovery and other on-line learning opportunities
- ☐ Drop-out prevention programs
- ☒ Curriculum development
- ☐ Other (please identify such other programs)

6. How many children were in More at Four pre-kindergarten programs in your LEA in:

2008-2009	<u>27</u>	
2009-2010	<u>27</u>	
2010-2011	<u>27</u>	
2011-2012	<u>27</u>	(enter how many you anticipate for next year)

7. What is the approximate number of at-risk four-year-olds in your LEA who will NOT be served by a More at Four program for 2011-2012?

15

8. What other impacts will the transfer of More at Four to the Department of Health and Human Services Division of Child Development, and funding reductions, have on the ability of your LEA to provide a quality pre-K education program to at-risk four year olds?

Unknown at this time. Still too many unanswered questions to determine all the ways in which our program may be affected.

Name of Your LEA *Person County Schools*

*Please feel free to add any comments you would like for any question. We do not need a great amount of detail, so your answers can be brief. Thank you again for your assistance.*

1. The total Discretionary Reductions or "LEA Adjustments" for FY 2011-12 for all NC LEAs is \$428,991,908). Your LEA was provided with the specific adjustment for it on May 31, 2011 (a copy is attached to the same email that sent you this questionnaire).

Please fill in the amount of the Discretionary Reduction for your LEA for 2011-12 here:  
*\$1,446,879.00*

2. In the categories listed below, how many positions do you anticipate will be eliminated in your LEA to satisfy the Discretionary Reduction?

*14* teachers  
\_\_\_\_\_ teacher assistants  
*1* administrative (principals, assistant principals, etc.)  
*5* other instructional  
*2* other non-instructional  
\_\_\_\_\_ other (please identify)

3. What other spending (besides the positions identified above) for the public schools are you reducing or eliminating in order to satisfy the Discretionary Reduction? (attach additional sheet if necessary)

Textbooks	\$ 70,000.00
Materials/Supplies	\$ 50,000.00
CTE Supplies/Materials	\$ 25,000.00

4. Do you anticipate that you will increase class size as a result of State Budget cuts in FY 2011-2012, and if so, in what grades and/or courses? (attach additional sheet if necessary)

*Class sizes increase at all levels 3-12.*

*Class offerings eliminated at 9-12.*

*Arts and Foreign Language classes reduced or eliminated.*

*CTE classes reduced.*

5. Please check any program listed below that you operated in prior years to assist at risk students that you are eliminating OR reducing for FY 2011-12 because of State budget cuts:

- ☒ Summer school
- ☐ After school tutoring
- ☒ Child and family support teams
- ☐ More at Four
- ☐ Smart Start
- ☐ Use of literacy coaches
- ☐ Programs for non-English-speaking students
- ☐ Staff development
- ☒ Teacher training/mentoring
- ☐ Remediation for Level I and II students
- ☒ Credit Recovery and other on-line learning opportunities
- ☐ Drop-out prevention programs
- ☒ Curriculum development
- ☐ Other (please identify such other programs)

6. How many children were in More at Four pre-kindergarten programs in your LEA in:

2008-2009	<u>85</u>
2009-2010	<u>98</u>
2010-2011	<u>97</u>
2011-2012	<u>97</u> (enter how many you anticipate for next year)

7. What is the approximate number of at-risk four-year-olds in your LEA who will NOT be served by a More at Four program for 2011-2012?

*There are a total of 121 M@4 slots in our county. PCS has 110 slots and the local Community College has 11 slots. Person County has about 120 children on the waitlist for regular subsidy at DSS.*

8. What other impacts will the transfer of More at Four to the Department of Health and Human Services Division of Child Development, and funding reductions, have on the ability of your LEA to provide a quality pre-K education program to at-risk four year olds?

Concerns- Early Intervention Family Support – Dana Faulkner, Director

- a. M@4 funding will now go through the SEEK subsidy system. Will students have to meet subsidy requirements as well as the existing M@4 requirements outlined on the scorecard?
- b. How will the reimbursement rate per slot be determined? Our Early Intervention Campus and Piedmont Community College have an established rate with DSS Subsidy which is different from our M@4 rate. Our preschool program has not had to access that funding in the past.
- c. Will parent fees for M@4 be based on income or one flat fee?
- d. Will M@4 funds be kept separate from the existing subsidy funds?
- e. Will the students that have been screened for M@4 for Fall 2011 have to go to the bottom of the subsidy waitlist or will M@4 kids be tracked differently? Person County has about 120 children on the waitlist for regular subsidy at DSS.
- f. As of 6/14, our local DSS office had not been provided any information as to how they would manage the M@4 funds.
- g. Will reimbursement rates be confirmed by the beginning of school or will they at least be retroactive? Until we have our reimbursement rates, I cannot complete a budget for next year.

Concern- Melanie Hester, Exceptional Children's Director

The one thing I do know is that the Preschool behavior position at EIFS will be drastically cut to maybe about 40% funding but even that is still in the air. Since this is new to DHHS, they will have to figure out how to administer and that may take a little while.

Concerns – Earl Bradsher Preschool – Amy Seate, Director

- What is the reimbursement rate per child I can draw down from DHHS?
- What is the number of allowable slots? I have 97 now, but some are dual enrolled which will not be possible anymore because DHHS won't allow the parent co-pay. I will have 54 open slots with my current staff.

06/16/2011 19:32 IFAX EGHFAX@EGH1aw.COM  
JUN-16-2011 07:40PM FROM-PERQUIMANS CTY SCHOOLS

EGS FAX 002/003  
12524264013 T-308 P.002/003 F-528  
06/16/2011 19:32:00

Name of Your LEA

Perquimans

919-755-0009

Please feel free to add any comments you would like for any question. We do not need a great amount of detail, so your answers can be brief. Thank you again for your assistance.

1. The total Discretionary Reductions or "LEA Adjustments" for FY 2011-12 for all NC LEAs is \$428,991,908. Your LEA was provided with the specific adjustment for it on May 31, 2011 (a copy is attached to the same email that sent you this questionnaire).

Please fill in the amount of the Discretionary Reduction for your LEA for 2011-12 here:

\$509,000

2. In the categories listed below, how many positions do you anticipate will be eliminated in your LEA to satisfy the Discretionary Reduction?

<u>1</u>	teachers
<u>12</u>	teacher assistants
<u>0</u>	administrative (principals, assistant principals, etc.)
<u>0</u>	other instructional
<u>4</u>	other non-instructional
<u>  </u>	other (please identify)

3. What other spending (besides the positions identified above) for the public schools are you reducing or eliminating in order to satisfy the Discretionary Reduction? (attach additional sheet if necessary)

After school

4. Do you anticipate that you will increase class size as a result of State Budget cuts in FY 2011-2012, and if so, in what grades and/or courses? (attach additional sheet if necessary)

No

06/16/2011 19:32 IFAX EGHFAX@EGHlaw.COM  
JUN-16-2011 07:40PM FROM-PERQUIMANS CTY SCHOOLS

+ EGS FAX 003/003  
12524264013 T-300 P.003/003 F-526

5. Please check any program listed below that you operated in prior years to assist at risk students that you are eliminating OR reducing for FY 2011-12 because of State budget cuts:

- ☒ Summer school
- ☒ After school tutoring
- ☐ Child and family support teams
- ☒ More at Four
- ☐ Smart Start
- ☒ Use of literacy coaches
- ☐ Programs for non-English-speaking students
- ☒ Staff development
- ☒ Teacher training/mentoring
- ☐ Remediation for Level I and III students
- ☐ Credit Recovery and other on-line learning opportunities
- ☒ Drop-out prevention programs
- ☐ Curriculum development
- ☐ Other (please identify such other programs)

6. How many children were in More at Four pre-kindergarten programs in your LEA in:

2008-2009	<u>54</u>	
2009-2010	<u>54</u>	
2010-2011	<u>58</u>	
2011-2012	<u>0</u>	(enter how many you anticipate for next year)

7. What is the approximate number of at-risk four-year-olds in your LEA who will NOT be served by a More at Four program for 2011-2012?

30

8. What other impacts will the transfer of More at Four to the Department of Health and Human Services Division of Child Development, and funding reductions, have on the ability of your LEA to provide a quality pre-K education program to at-risk four year olds?

Unsure at this time



Name of Your LEA Sampson-820

*Please feel free to add any comments you would like for any question. We do not need a great amount of detail, so your answers can be brief. Thank you again for your assistance.*

1. The total Discretionary Reductions or "LEA Adjustments" for FY 2011-12 for all NC LEAs is \$428,991,908). Your LEA was provided with the specific adjustment for it on May 31, 2011 (a copy is attached to the same email that sent you this questionnaire).

Please fill in the amount of the Discretionary Reduction for your LEA for 2011-12 here:  
\$2,445,935

2. In the categories listed below, how many positions do you anticipate will be eliminated in your LEA to satisfy the Discretionary Reduction?

25.4 teachers  
9 teacher assistants  
3AP administrative (principals, assistant principals, etc.)  
4 other instructional  
11 other non-instructional  
           other (please identify)

3. What other spending (besides the positions identified above) for the public schools are you reducing or eliminating in order to satisfy the Discretionary Reduction? (attach additional sheet if necessary)

None

4. Do you anticipate that you will increase class size as a result of State Budget cuts in FY 2011-2012, and if so, in what grades and/or courses? (attach additional sheet if necessary)

No

5. Please check any program listed below that you operated in prior years to assist at risk students that you are eliminating OR reducing for FY 2011-12 because of State budget cuts:

- ☒ Summer school
- ☒ After school tutoring
- ☐ Child and family support teams
- ☒ More at Four
- ☐ Smart Start
- ☒ Use of literacy coaches
- ☐ Programs for non-English-speaking students
- ☒ Staff development
- ☒ Teacher training/mentoring
- ☒ Remediation for Level I and II students
- ☐ Credit Recovery and other on-line learning opportunities
- ☐ Drop-out prevention programs
- ☐ Curriculum development
- ☐ Other (please identify such other programs)

6. How many children were in More at Four pre-kindergarten programs in your LEA in:

2008-2009	<u>          </u>
2009-2010	<u>54</u>
2010-2011	<u>81</u>
2011-2012	<u>81</u> (enter how many you anticipate for next year)

7. What is the approximate number of at-risk four-year-olds in your LEA who will NOT be served by a More at Four program for 2011-2012? 16 (if cut by 20%)

8. What other impacts will the transfer of More at Four to the Department of Health and Human Services Division of Child Development, and funding reductions, have on the ability of your LEA to provide a quality pre-K education program to at-risk four year olds?

Funding reductions will prevent increasing the number of students served.

Name of Your LEA Scotland County Schools

*Please feel free to add any comments you would like for any question. We do not need a great amount of detail, so your answers can be brief. Thank you again for your assistance.*

1. The total Discretionary Reductions or "LEA Adjustments" for FY 2011-12 for all NC LEAs is \$428,991,908). Your LEA was provided with the specific adjustment for it on May 31, 2011 (a copy is attached to the same email that sent you this questionnaire).

Please fill in the amount of the Discretionary Reduction for your LEA for 2011-12 here:  
\$1,811,278

2. In the categories listed below, how many positions do you anticipate will be eliminated in your LEA to satisfy the Discretionary Reduction?

33 teachers  
\_\_\_\_\_ teacher assistants  
\_\_\_\_\_ administrative (principals, assistant principals, etc.)  
\_\_\_\_\_ other instructional  
\_\_\_\_\_ other non-instructional  
\_\_\_\_\_ other (please identify)

3. What other spending (besides the positions identified above) for the public schools are you reducing or eliminating in order to satisfy the Discretionary Reduction? (attach additional sheet if necessary)

Clerical, custodians, Assistant Principals, instructional support, teacher assistants

4. Do you anticipate that you will increase class size as a result of State Budget cuts in FY 2011-2012, and if so, in what grades and/or courses? (attach additional sheet if necessary)

K-3, 6-8, 9-12

5. Please check any program listed below that you operated in prior years to assist at risk students that you are eliminating OR reducing for FY 2011-12 because of State budget cuts:

<input checked="" type="checkbox"/>	Summer school
<input checked="" type="checkbox"/>	After school tutoring
<input type="checkbox"/>	Child and family support teams
<input type="checkbox"/>	More at Four
<input type="checkbox"/>	Smart Start
<input type="checkbox"/>	Use of literacy coaches
<input checked="" type="checkbox"/>	Programs for non-English-speaking students
<input checked="" type="checkbox"/>	Staff development
<input checked="" type="checkbox"/>	Teacher training/mentoring
<input type="checkbox"/>	Remediation for Level I and II students
<input type="checkbox"/>	Credit Recovery and other on-line learning opportunities
<input type="checkbox"/>	Drop-out prevention programs
<input checked="" type="checkbox"/>	Curriculum development
<input type="checkbox"/>	Other (please identify such other programs)

6. How many children were in More at Four pre-kindergarten programs in your LEA in:

2008-2009	<u>308</u>	
2009-2010	<u>293</u>	
2010-2011	<u>293</u>	
2011-2012	<u>293</u>	(enter how many you anticipate for next year)

7. What is the approximate number of at-risk four-year-olds in your LEA who will NOT be served by a More at Four program for 2011-2012?

75 to 100 at risk

8. What other impacts will the transfer of More at Four to the Department of Health and Human Services Division of Child Development, and funding reductions, have on the ability of your LEA to provide a quality pre-K education program to at-risk four year olds?

With more than 350 applicants, the impact will be tremendous. No direction has been given by DHHS nor the DCD.

06/17/2011 11:18 IFAX EGHFAX@EGHlaw.COM  
06-17-2011 11:26AM FROM-TYRRELL CO SCHOOLS

EGS FAX

001/002

T-610 P.001/002 F-999

Name of Your LEA Tyrrell County Schools

Please feel free to add any comments you would like for any question. We do not need a great amount of detail, so your answers can be brief. Thank you again for your assistance.

1. The total Discretionary Reductions or "LEA Adjustments" for FY 2011-12 for all NC LEAs is \$428,991,908. Your LEA was provided with the specific adjustment for it on May 31, 2011 (a copy is attached to the same email that sent you this questionnaire).

Please fill in the amount of the Discretionary Reduction for your LEA for 2011-12 here:

162,588

2. In the categories listed below, how many positions do you anticipate will be eliminated in your LEA to satisfy the Discretionary Reduction?

2 teachers  
7 teacher assistants  
administrative (principals, assistant principals, etc.)  
2 other instructional  
1 other non-instructional  
other (please identify)

3. What other spending (besides the positions identified above) for the public schools are you reducing or eliminating in order to satisfy the Discretionary Reduction? (attach additional sheet if necessary)

- o travel for professional development
- o staff development
- o After school Programs
- o Pre-K Programs depending on funding.

4. Do you anticipate that you will increase class size as a result of State Budget cuts in FY 2011-2012, and if so, in what grades and/or courses? (attach additional sheet if necessary)

- o At this point NO. However, we did RIF one(1) High School MATH TEACHER THAT WILL AFFECT CLASS SIZE in some 9<sup>th</sup> & 10<sup>th</sup> grade Math Classes.

06/17/2011 11:16 IFAX EGHFAX@EGH1aw.COM  
06-17-2011 11:26AM FROM-TYRRELL CO SCHOOLS

→ EGS FAX

002/002

T-618 P.002/002 F-899

5. Please check any program listed below that you operated in prior years to assist at risk students that you are eliminating OR reducing for FY 2011-12 because of State budget cuts:

- ☐ Summer school
- ☒ After school tutoring
- ☐ Child and family support teams
- ☒ More at Four } *Depends on Funding*
- ☒ Smart Start }
- ☐ Use of literacy coaches
- ☐ Programs for non-English-speaking students
- ☒ Staff development
- ☒ Teacher training/mentoring
- ☐ Remediation for Level I and II students
- ☐ Credit Recovery and other on-line learning opportunities
- ☒ Drop-out prevention programs
- ☐ Curriculum development
- ☐ Other (please identify such other programs)

6. How many children were in More at Four pre-kindergarten programs in your LEA in:

2008-2009	<u>30</u>
2009-2010	<u>30</u>
2010-2011	<u>36</u>
2011-2012	<u>36</u> (enter how many you anticipate for next year)

7. What is the approximate number of at-risk four-year-olds in your LEA who will NOT be served by a More at Four program for 2011-2012? *38 on waiting list.*

*(28 4 year olds, 10 3 year olds)*

8. What other impacts will the transfer of More at Four to the Department of Health and Human Services Division of Child Development, and funding reductions, have on the ability of your LEA to provide a quality pre-K education program to at-risk four year olds?

- *Funding may cause a reduction in class size and/or the loss of an entire class.*
- *Parents will be required to pay: Bus fees, supply fees, lunch fees and field trip costs.*
- *Instructional supplies.*
- *Number of Teacher Assistants.*

Name of Your LEA Union County Public Schools LEA # 900

*Please feel free to add any comments you would like for any question. We do not need a great amount of detail, so your answers can be brief. Thank you again for your assistance.*

1. The total Discretionary Reductions or "LEA Adjustments" for FY 2011-12 for all NC LEAs is \$428,991,908). Your LEA was provided with the specific adjustment for it on May 31, 2011 (a copy is attached to the same email that sent you this questionnaire).

Please fill in the amount of the Discretionary Reduction for your LEA for 2011-12 here:  
\$11,541,430

2. In the categories listed below, how many positions do you anticipate will be eliminated in your LEA to satisfy the Discretionary Reduction?

<u>182</u>	teachers	} Contingent upon Board of Education approval. will require local funding to offset some of these cuts.
<u>1</u>	teacher assistants	
<u>          </u>	administrative (principals, assistant principals, etc.)	
<u>          </u>	other instructional	
<u>          </u>	other non-instructional	
<u>26</u>	other (please identify) CTE Teachers	

3. What other spending (besides the positions identified above) for the public schools are you reducing or eliminating in order to satisfy the Discretionary Reduction? (attach additional sheet if necessary)

*NONE*

4. Do you anticipate that you will increase class size as a result of State Budget cuts in FY 2011-2012, and if so, in what grades and/or courses? (attach additional sheet if necessary)

*After reviewing the allocations provided by the state. It seems that the only increases in class size will be as a result of an over allocation by DPI last year and a programmatic change at the local level.*

5. Please check any program listed below that you operated in prior years to assist at risk students that you are eliminating OR reducing for FY 2011-12 because of State budget cuts:

- ☒ Summer school
- ☐ After school tutoring
- ☐ Child and family support teams
- ☒ More at Four
- ☐ Smart Start
- ☒ Use of literacy coaches
- ☐ Programs for non-English-speaking students
- ☒ Staff development
- ☒ Teacher training/mentoring
- ☐ Remediation for Level I and II students
- ☐ Credit Recovery and other on-line learning opportunities
- ☐ Drop-out prevention programs
- ☐ Curriculum development
- ☐ Other (please identify such other programs)

6. How many children were in More at Four pre-kindergarten programs in your LEA in:

2008-2009	<u>467</u>	
2009-2010	<u>456</u>	
2010-2011	<u>547</u>	
2011-2012	<u>500</u>	(enter how many you anticipate for next year) <i>through DHHS?</i>

7. What is the approximate number of at-risk four-year-olds in your LEA who will NOT be served by a More at Four program for 2011-2012? *400*

8. What other impacts will the transfer of More at Four to the Department of Health and Human Services Division of Child Development, and funding reductions, have on the ability of your LEA to provide a quality pre-K education program to at-risk four year olds?

- 1) Limits the number of at-risk students served
- 2) can't ensure quality of program due to lack of monitoring and possible lack of certified teachers



Name of Your LEA Yancey Co.

*Please feel free to add any comments you would like for any question. We do not need a great amount of detail, so your answers can be brief. Thank you again for your assistance.*

1. The total Discretionary Reductions or "LEA Adjustments" for FY 2011-12 for all NC LEAs is \$428,991,908). Your LEA was provided with the specific adjustment for it on May 31, 2011 (a copy is attached to the same email that sent you this questionnaire).

Please fill in the amount of the Discretionary Reduction for your LEA for 2011-12 here:

\$ 687,000.00

2. In the categories listed below, how many positions do you anticipate will be eliminated in your LEA to satisfy the Discretionary Reduction?

13 teachers  
 \_\_\_\_\_ teacher assistants  
 \_\_\_\_\_ administrative (principals, assistant principals, etc.)  
 \_\_\_\_\_ other instructional  
 \_\_\_\_\_ other non-instructional  
 \_\_\_\_\_ other (please identify)

3. What other spending (besides the positions identified above) for the public schools are you reducing or eliminating in order to satisfy the Discretionary Reduction? (attach additional sheet if necessary)

none

4. Do you anticipate that you will increase class size as a result of State Budget cuts in FY 2011-2012, and if so, in what grades and/or courses? (attach additional sheet if necessary)

no

5. Please check any program listed below that you operated in prior years to assist at risk

students that you are eliminating OR reducing for FY 2011-12 because of State budget cuts:

- ☒ Summer school
- ☐ After school tutoring
- ☐ Child and family support teams
- ☐ More at Four
- ☐ Smart Start
- ☐ Use of literacy coaches
- ☒ Programs for non-English-speaking students
- ☒ Staff development
- ☐ Teacher training/mentoring
- ☐ Remediation for Level I and III students
- ☒ Credit Recovery and other on-line learning opportunities
- ☒ Drop-out prevention programs
- ☐ Curriculum development
- ☐ Other (please identify such other programs)

6. How many children were in More at Four pre-kindergarten programs in your LEA in:

2008-2009	<u>          </u>
2009-2010	<u>0</u>
2010-2011	<u>0</u>
2011-2012	<u>0</u> (enter how many you anticipate for next year)

7. What is the approximate number of at-risk four-year-olds in your LEA who will NOT be served by a More at Four program for 2011-2012?

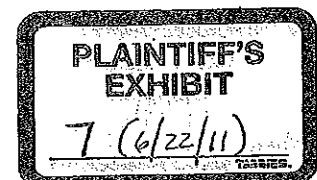
*We do not accept More at Four money*

8. What other impacts will the transfer of More at Four to the Department of Health and Human Services Division of Child Development, and funding reductions, have on the ability of your LEA to provide a quality pre-K education program to at-risk four year olds?

*none*

## **PART VII (“Public Schools”)**

**Session Law 2011-145**



Partnership, the Office of the State Controller shall ensure that the chosen vendor shall contribute resources valued at least five million dollars (\$5,000,000) during each of fiscal year 2011-2012 and fiscal year 2012-2013 for the project's success.

**SECTION 6A.20(f)** The Office of State Controller shall ensure that the State receives an appropriate share of intellectual property ownership or residuals, or both, accruing as a result of subsequent contracts between the vendor and third parties that utilize the innovations developed as a result of this contract.

**SECTION 6A.20(g)** Of the funds appropriated from the General Fund to the Office of the State Controller, the sum of one million five hundred thousand dollars (\$1,500,000) for the 2011-2012 fiscal year and the sum of seven million five hundred thousand dollars (\$7,500,000) for the 2012-2013 fiscal year shall be used to support the enterprise process to detect fraud, waste, and improper payments across State agencies in each year of the biennium. Of these funds, five hundred thousand dollars (\$500,000) each year shall be used by the Office of the State Controller to support the initiative. The remainder may be used to fund payments to the vendor.

## **PART VII. PUBLIC SCHOOLS**

### **EDUCATION REFORM IN NORTH CAROLINA**

**SECTION 7.1.(a)** It is a priority of the General Assembly that high school graduates enter the workforce or higher education fully prepared. To implement this priority, the Joint Education Oversight Committee shall study (i) literacy and (ii) ways to reduce the need for remedial or developmental education in the State's higher education institutions so that students and the State do not pay repeatedly for the same education. The Committee shall report to the 2012 Regular Session of the 2011 General Assembly with a comprehensive plan, including implementation dates and schedules, that addresses the following items:

- (1) Implementation of a third grade literacy policy, including the advisability of a program for third grade reading specialists modeled on Florida's reading specialist program.
- (2) Ways to hold high schools accountable for the higher education performance of their students, including requiring funding for developmental education to come from high schools.
- (3) The most cost-effective way to provide remedial education in higher education, including funding summer term developmental courses at community colleges based on successful course completions, focusing remediation at the community colleges, and redirecting university appropriations for remedial education to the community colleges.

**SECTION 7.1.(b)** In all cases, any program implemented needs to be structured so that ongoing, evaluable performance and outcome data is available.

**SECTION 7.1.(c)** Funds appropriated to implement this section may be used by the Committee to hire one or more external consultants to complete these studies.

### **CAREER AND COLLEGE PROMISE**

**SECTION 7.1A.(a)** The State Board of Education and the North Carolina Community College System shall establish the Career and College Promise program. The purpose of Career and College Promise is to offer structured opportunities for qualified high school students to dually enroll in community college courses that provide pathways consistent with subsection (b) of this section that lead to a certificate, diploma, or degree as well as provide entry-level jobs skills. Academic credits earned through Career and College Promise shall enable students who continue into postsecondary education after graduating from high school to complete a postsecondary credential in less time than would normally be required. All existing high school transition programs, including Huskins, Concurrent Enrollment, Cooperative and Innovative High Schools, Learn and Earn, and Learn and Earn Online shall be consolidated and replaced by Career and College Promise.

**SECTION 7.1A.(b)** North Carolina community colleges, subject to approval by the State Board of Community Colleges, may offer the following Career and College pathways aligned with the K-12 curriculum and career and college ready standards adopted by the State Board of Education:

- (1) A Career Technical Education Pathway, leading to a certificate or diploma aligned with one or more high school Tech Prep Career Clusters.
- (2) A College Transfer Pathway, leading to a college transfer certificate requiring the successful completion of thirty semester hours of transfer courses, including English and mathematics, for qualified junior and senior high school students.
- (3) A cooperative innovative high schools program approved under Part 9 of Article 16 of Chapter 115C of the General Statutes.

**SECTION 7.1A.(c)** Constituent institutions of The University of North Carolina System, subject to approval by the Board of Governors of The University of North Carolina, may offer as a Career and College pathway a cooperative innovative high schools program approved under Part 9 of Article 16 of Chapter 115C of the General Statutes. The pathway must align with the K-12 curriculum and career and college ready standards adopted by the State Board of Education.

**SECTION 7.1A.(d)** The North Carolina Community College System and the Department of Public Instruction shall jointly develop and implement a program accountability plan to evaluate short-term and long-term outcomes for Career and College Promise. Outcomes to be measured shall include the following items:

- (1) The impact of dual-enrollment on high school completion.
- (2) The academic achievement and performance of dually enrolled high school students.
- (3) The number of students who successfully complete college certificates while dually enrolled.
- (4) The impact of dual enrollment and certificate completion on enrollment in college.
- (5) The persistence and completion rates of students who continue into college programs after high school graduation.
- (6) The academic achievement and performance of students who continue into colleges programs after high school graduation.

**SECTION 7.1A.(e)** Community colleges shall generate budget FTE for instruction provided through Career and College Promise. The Community Colleges System Office shall report to the Joint Education Oversight Committee or, if the General Assembly is in session, to the House and Senate Education Committees no later than February 1 regarding the number and cost of high school FTE served as a result of the Career and College Promise program created by this section.

**SECTION 7.1A.(f)** G.S. 115D-1.1 and G.S. 115D-1.2 are repealed.

**SECTION 7.1A.(g)** G.S. 115D-41 reads as rewritten:

**"§ 115D-41. Restrictions on contracts with local school administrative units; use of community college facilities by public school students pursuant to cooperative programs.**

(a) Community college contracts with local school administrative units shall not be used by these agencies to supplant funding for a public school high school teacher providing courses offered pursuant to G.S. 115D-20(4) who is already employed by the local school administrative unit. ~~However, if a community college contracts with a local school administrative unit for a public high school teacher to teach a college level course, the community college shall not generate budget FTE for that course. Its reimbursement in this case shall be limited to the direct instructional costs contained in the contract, plus fifteen percent (15%) for administrative costs. In no event shall a community college contract with a local school administrative unit to provide high school level courses.~~

...."

**SECTION 7.1A.(h)** G.S. 115D-20 reads as rewritten:

**"§ 115D-20. Powers and duties of trustees.**

The trustees of each institution shall constitute the local administrative board of such institution, with such powers and duties as are provided in this Chapter and as are delegated to it by the State Board of Community Colleges. The powers and duties of trustees shall include the following:

- (4) To apply the standards and requirements for admission and graduation of students and other standards established by the State Board of Community

~~Colleges. Provided, notwithstanding~~Notwithstanding any law or administrative rule to the contrary, ~~local administrative boards and local school boards may establish cooperative programs in the areas they serve to provide for college courses to be offered to qualified high school students with college credits to be awarded to those high school students upon the successful completion of the courses. Provided, further, that during local community colleges are permitted to offer the following programs:~~

- a. Subject to the approval of the State Board of Community Colleges, local community colleges may collaborate with local school administrative units to offer courses through the following programs:
  1. Cooperative innovative high school programs as provided by Part 9 of Article 16 of Chapter 115C of the General Statutes.
  2. Academic transition pathways for qualified junior and senior high school students that lead to a career technical education certificate or diploma.
  3. College transfer certificates requiring the successful completion of thirty semester credit hours transfer courses, including English and mathematics, for junior and senior high school students.
- b. During the summer quarter, persons less than 16 years old may be permitted to take noncredit courses on a self-supporting basis, subject to rules of the State Board of Community Colleges. Provided, further, that high
- c. High school students may be permitted to take noncredit courses in safe driving on a self-supporting basis during the academic year or the summer.

...."  
**SECTION 7.1A.(i)** The North Carolina Community College System, University of North Carolina General Administration, and the North Carolina Independent Colleges and Universities shall develop a plan for articulation of a college transfer certificate to all UNC institutions and participating independent colleges and universities. North Carolina Independent Colleges and Universities, Inc., shall also be included in the development of the plan if it chooses to participate. College transfer certificates shall require the successful completion of thirty credit hours of college transfer courses, including English and mathematics, for qualified junior and senior high school students.

**SECTION 7.1A.(j)** Part 9 of Article 16 of Chapter 115C of the General Statutes reads as rewritten:

"Part 9. Cooperative Innovative High School Programs.

**"§ 115C-238.50. Purpose.**

(a) The purpose of this Part is to authorize local boards of education to jointly establish with one or more boards of trustees cooperative innovative programs in high schools and colleges or universities that will expand students' opportunities for educational success through high quality instructional programming. These cooperative innovative high school programs shall ~~target~~target any of the following groups:

- (1) High school students who are at risk of dropping out of school before attaining a high school diploma, or diploma.
- (2) High school students with parents who did not continue education beyond high school.
- (2)(3) High school students who would benefit from accelerated academic instruction.

(b) All the cooperative innovative high school programs established under this Part shall:

- (1) Enable students to concurrently obtain a high school diploma and begin or complete an associate degree program, master a certificate or vocational program, or earn up to two years of college credit within five years.
- (1a) Prepare students adequately for future learning in the workforce or in an institution of higher education.
- (2) Expand students' educational opportunities within the public school system.

- (3) ~~Be centered on the core academic standards represented by the college preparatory or tech prep program of study as defined by the State Board of Education.~~
  - (4) Encourage the cooperative or shared use of resources, personnel, and facilities between public schools and colleges or universities, or both.
  - (5) ~~Integrate and emphasize both academic and technical skills necessary for students to be successful in a more demanding and changing workplace.~~
  - (6) Emphasize parental involvement and provide consistent counseling, advising, and parent conferencing so that parents and students can make responsible decisions regarding course taking and can track the students' academic progress and success.
  - (7) ~~Be held accountable for meeting measurable student achievement results.~~
  - (8) Encourage the use of different and innovative teaching methods.
  - (9) ~~Establish joint institutional responsibility and accountability for support of students and their success.~~
  - (10) ~~Effectively utilize existing funding sources for high school, college, university, and vocational programs and actively pursue new funding from other sources.~~
  - (11) Develop methods for early identification of potential participating students in the middle grades and through high school and provide outreach to those students to promote academic preparation and awareness of the cooperative innovative high school programs.
  - (12) ~~Reduce the percentage of students needing remedial courses upon their initial entry from high school into a college or university.~~
- (e) ~~Programs developed under this Part that target students who are at risk of dropping out of high school before attaining a high school diploma shall:~~
- (1) ~~Provide these students with the opportunity to graduate from high school possessing the core academic skills needed for postsecondary education and high skilled employment.~~
  - (2) ~~Enable students to complete a technical or academic program in a field that is in high demand and has high wages.~~
  - (3) ~~Set and achieve goals that significantly reduce dropout rates and raise high school and college retention, certification, and degree completion rates.~~
  - (4) ~~Enable students who complete these programs to pass employer exams, if applicable.~~
- (d) ~~Cooperative innovative high school programs that offer accelerated learning programs shall:~~
- (1) ~~Provide a flexible, customized program of instruction for students who would benefit from accelerated, higher level coursework or early graduation from high school.~~
  - (2) ~~Enable students to obtain a high school diploma in less than four years, to begin or complete an associate degree program, to master a certificate or vocational program, or to earn up to two years of college credit.~~
  - (3) ~~Offer a college preparatory academic core and in depth studies in a career or technical field that will lead to advanced programs or employment opportunities in engineering, health sciences, or teaching.~~
- (e) ~~Cooperative innovative high school programs may include the creation of a school within a school, a technical high school, a high school or technical center located on the campus of a college or university, or a five year career academy operating as part of an existing high school.~~
- (f) ~~Students are eligible to attend these programs as early as ninth grade.~~
- "§ 115C-238.50A. Definitions.**
- The following definitions apply in this Part:
- (1) Constituent institution. – A constituent institution as defined in G.S. 116-2(4).
  - (2) Education partner. – An education partner as provided in G.S. 115C-238.52.
  - (3) Governing board. – The State Board of Education, the State Board of Community Colleges, the Board of Governors of The University of North

- Carolina, or the Board of the North Carolina Independent Colleges and Universities.
- (4) Local board of trustees. – The board of trustees of a community college, constituent institution of The University of North Carolina, or private college located in North Carolina.
- (5) Cooperative innovative high school. – A high school that meets the following criteria:
- a. It has no more than 100 students per grade level.
  - b. It partners with an institution of higher education to enable students to concurrently obtain a high school diploma and begin or complete an associate degree program, master a certificate or vocational program, or earn up to two years of college credit within five years.
  - c. It is located on the campus of the institution of higher education, unless the governing board specifically waives the requirement through adoption of a formal resolution.

**"§ 115C-238.51. Application process.**

(a) A local board of education and at least one local board of trustees shall jointly apply to establish a cooperative innovative high school program under this Part.

...  
(e) No additional State funds shall be provided to approved programs unless appropriated by the General Assembly.

**"§ 115C-238.54. Funds for programs.**

(a) ~~The Department of Public Instruction shall assign a school code for each program that is approved under this Part, with the exception of a five-year career academy operating as part of an existing high school, which shall continue to use the existing school code. All positions and other State and federal allotments that are generated for this program shall be assigned to that school code. Part. Notwithstanding G.S. 115C-105.25, once funds are assigned to that school code, the program has been assigned a school code, the local board of education may use these funds for the program and may transfer these funds between funding allotment categories.~~

~~(a1) A five-year career academy operating as part of an existing high school shall maintain records to identify and evaluate students enrolled in the five-year career academy program distinct from the general school population.~~

....  
**SECTION 7.1A.(k)** Cooperative innovative high schools approved by the State Board of Education prior to July 1, 2011, shall meet the requirements of G.S. 115C-238.50A(5) as enacted by subsection (j) of this section no later than July 1, 2014. Any cooperative innovative high school which fails to meet the requirements by that date shall no longer be authorized as a cooperative innovative high school.

**SECTION 7.1A.(l)** Subsection (e) of this section takes effect January 1, 2013, and is repealed effective June 30, 2015. The remainder of this section becomes effective January 1, 2012.

**CLASS SIZE REDUCTION FOR GRADES 1-3**

**SECTION 7.1B.** The General Assembly finds that educational research has shown that small classes of 15 or fewer students result in marked improvement in learning in grades 1-3, as measured by standardized tests in reading and mathematics, that the advantages gained from being in small classes have been shown to have a lasting benefit into the later years of students' lives, and that these studies have shown that small classes have a particularly beneficial effect on the academic achievement of children from disadvantaged backgrounds. The General Assembly further finds that larger class sizes allow less time to develop relationships with students, colleagues, and parents, and prevent the implementation of new and more dynamic and individualized teaching strategies and techniques. Therefore, it is the intent of the General Assembly to reduce class size in grades 1 through 3 to a class size allotment not exceeding 1:15 as funds become available.

**FUNDS FOR CHILDREN WITH DISABILITIES**



**SECTION 7.2.** The State Board of Education shall allocate additional funds for children with disabilities on the basis of three thousand five hundred eighty-five dollars and eighty-eight cents (\$3,585.88) per child. Each local school administrative unit shall receive funds for the lesser of (i) all children who are identified as children with disabilities or (ii) twelve and five-tenths percent (12.5%) of its 2011-2012 allocated average daily membership in the local school administrative unit. The dollar amounts allocated under this section for children with disabilities shall also adjust in accordance with legislative salary increments, retirement rate adjustments, and health benefit adjustments for personnel who serve children with disabilities.

#### **FUNDS FOR ACADEMICALLY GIFTED CHILDREN**

**SECTION 7.3.** The State Board of Education shall allocate additional funds for academically or intellectually gifted children on the basis of one thousand one hundred ninety-two dollars and ninety cents (\$1,192.90) per child for fiscal year 2011-2012 and one thousand one hundred ninety-two dollars and ninety cents (\$1,192.90) per child for fiscal year 2012-2013. A local school administrative unit shall receive funds for a maximum of four percent (4%) of its 2011-2012 allocated average daily membership, regardless of the number of children identified as academically or intellectually gifted in the unit. The dollar amounts allocated under this section for academically or intellectually gifted children shall also adjust in accordance with legislative salary increments, retirement rate adjustments, and health benefit adjustments for personnel who serve academically or intellectually gifted children.

#### **USE OF SUPPLEMENTAL FUNDING IN LOW-WEALTH COUNTIES**

**SECTION 7.4.(a)** Use of Funds for Supplemental Funding. – All funds received pursuant to this section shall be used only (i) to provide instructional positions, instructional support positions, teacher assistant positions, clerical positions, school computer technicians, instructional supplies and equipment, staff development, and textbooks and (ii) for salary supplements for instructional personnel and instructional support personnel. Local boards of education are encouraged to use at least twenty-five percent (25%) of the funds received pursuant to this section to improve the academic performance of children who are performing at Level I or II on either reading or mathematics end-of-grade tests in grades 3-8 and children who are performing at Level I or II in grades 4 and 7.

**SECTION 7.4.(b)** Definitions. – As used in this section, the following definitions apply:

- (1) "Anticipated county property tax revenue availability" means the county-adjusted property tax base multiplied by the effective State average tax rate.
- (2) "Anticipated total county revenue availability" means the sum of the following:
  - a. Anticipated county property tax revenue availability.
  - b. Local sales and use taxes received by the county that are levied under Chapter 1096 of the 1967 Session Laws or under Subchapter VIII of Chapter 105 of the General Statutes.
  - c. Sales tax hold harmless reimbursement received by the county under G.S. 105-521.
  - d. Fines and forfeitures deposited in the county school fund for the most recent year for which data are available.
- (3) "Anticipated total county revenue availability per student" means the anticipated total county revenue availability for the county divided by the average daily membership of the county.
- (4) "Anticipated State average revenue availability per student" means the sum of all anticipated total county revenue availability divided by the average daily membership for the State.
- (5) "Average daily membership" means average daily membership as defined in the North Carolina Public Schools Allotment Policy Manual, adopted by the State Board of Education. If a county contains only part of a local school administrative unit, the average daily membership of that county includes all students who reside within the county and attend that local school administrative unit.

- (6) "County-adjusted property tax base" shall be computed as follows:
  - a. Subtract the present-use value of agricultural land, horticultural land, and forestland in the county, as defined in G.S. 105-277.2, from the total assessed real property valuation of the county.
  - b. Adjust the resulting amount by multiplying by a weighted average of the three most recent annual sales assessment ratio studies.
  - c. Add to the resulting amount the following:
    - 1. Present-use value of agricultural land, horticultural land, and forestland, as defined in G.S. 105-277.2.
    - 2. Value of property of public service companies, determined in accordance with Article 23 of Chapter 105 of the General Statutes.
    - 3. Personal property value for the county.
- (7) "County-adjusted property tax base per square mile" means the county-adjusted property tax base divided by the number of square miles of land area in the county.
- (8) "County wealth as a percentage of State average wealth" shall be computed as follows:
  - a. Compute the percentage that the county per capita income is of the State per capita income and weight the resulting percentage by a factor of five-tenths.
  - b. Compute the percentage that the anticipated total county revenue availability per student is of the anticipated State average revenue availability per student and weight the resulting percentage by a factor of four-tenths.
  - c. Compute the percentage that the county-adjusted property tax base per square mile is of the State-adjusted property tax base per square mile and weight the resulting percentage by a factor of one-tenth.
  - d. Add the three weighted percentages to derive the county wealth as a percentage of the State average wealth.
- (9) "Effective county tax rate" means the actual county tax rate multiplied by a weighted average of the three most recent annual sales assessment ratio studies.
- (10) "Effective State average tax rate" means the average of effective county tax rates for all counties.
- (11) "Local current expense funds" means the most recent county current expense appropriations to public schools, as reported by local boards of education in the audit report filed with the Secretary of the Local Government Commission pursuant to G.S. 115C-447.
- (12) "Per capita income" means the average for the most recent three years for which data are available of the per capita income according to the most recent report of the United States Department of Commerce, Bureau of Economic Analysis, including any reported modifications for prior years as outlined in the most recent report.
- (13) "Sales assessment ratio studies" means sales assessment ratio studies performed by the Department of Revenue under G.S. 105-289(h).
- (14) "State average current expense appropriations per student" means the most recent State total of county current expense appropriations to public schools, as reported by local boards of education in the audit report filed with the Secretary of the Local Government Commission pursuant to G.S. 115C-447.
- (15) "State average adjusted property tax base per square mile" means the sum of the county-adjusted property tax bases for all counties divided by the number of square miles of land area in the State.
- (16) "Supplant" means to decrease local per student current expense appropriations from one fiscal year to the next fiscal year.
- (17) "Weighted average of the three most recent annual sales assessment ratio studies" means the weighted average of the three most recent annual sales assessment ratio studies in the most recent years for which county current expense appropriations and adjusted property tax valuations are available. If

real property in a county has been revalued one year prior to the most recent sales assessment ratio study, a weighted average of the two most recent sales assessment ratios shall be used. If property has been revalued the year of the most recent sales assessment ratio study, the sales assessment ratio for the year of revaluation shall be used.

**SECTION 7.4.(c) Eligibility for Funds.** – Except as provided in subsection (g) of this section, the State Board of Education shall allocate these funds to local school administrative units located in whole or in part in counties in which the county wealth as a percentage of the State average wealth is less than one hundred percent (100%).

**SECTION 7.4.(d) Allocation of Funds.** – Except as provided in subsection (f) of this section, the amount received per average daily membership for a county shall be the difference between the State average current expense appropriations per student and the current expense appropriations per student that the county could provide given the county's wealth and an average effort to fund public schools. (To derive the current expense appropriations per student that the county could be able to provide given the county's wealth and an average effort to fund public schools, multiply the county's wealth as a percentage of State average wealth by the State average current expense appropriations per student.) The funds for the local school administrative units located in whole or in part in the county shall be allocated to each local school administrative unit located in whole or in part in the county based on the average daily membership of the county's students in the school units. If the funds appropriated for supplemental funding are not adequate to fund the formula fully, each local school administrative unit shall receive a pro rata share of the funds appropriated for supplemental funding.

**SECTION 7.4.(e) Formula for Distribution of Supplemental Funding Pursuant to This Section Only.** – The formula in this section is solely a basis for distribution of supplemental funding for low-wealth counties and is not intended to reflect any measure of the adequacy of the educational program or funding for public schools. The formula is also not intended to reflect any commitment by the General Assembly to appropriate any additional supplemental funds for low-wealth counties.

**SECTION 7.4.(f) Minimum Effort Required.** – Counties that had effective tax rates in the 1996-1997 fiscal year that were above the State average effective tax rate but that had effective rates below the State average in the 1997-1998 fiscal year or thereafter shall receive reduced funding under this section. This reduction in funding shall be determined by subtracting the amount that the county would have received pursuant to Section 17.1(g) of Chapter 507 of the 1995 Session Laws from the amount that the county would have received if qualified for full funding and multiplying the difference by ten percent (10%). This method of calculating reduced funding shall apply one time only. This method of calculating reduced funding shall not apply in cases in which the effective tax rate fell below the statewide average effective tax rate as a result of a reduction in the actual property tax rate. In these cases, the minimum effort required shall be calculated in accordance with Section 17.1(g) of Chapter 507 of the 1995 Session Laws. If the county documents that it has increased the per student appropriation to the school current expense fund in the current fiscal year, the State Board of Education shall include this additional per pupil appropriation when calculating minimum effort pursuant to Section 17.1(g) of Chapter 507 of the 1995 Session Laws.

**SECTION 7.4.(g) Nonsupplant Requirement.** – A county in which a local school administrative unit receives funds under this section shall use the funds to supplement local current expense funds and shall not supplant local current expense funds. For the 2011-2013 fiscal biennium, the State Board of Education shall not allocate funds under this section to a county found to have used these funds to supplant local per student current expense funds. The State Board of Education shall make a finding that a county has used these funds to supplant local current expense funds in the prior year, or the year for which the most recent data are available, if the following apply:

- (1) The current expense appropriation per student of the county for the current year is less than ninety-five percent (95%) of the average of the local current expense appropriations per student for the three prior fiscal years; and
- (2) The county cannot show (i) that it has remedied the deficiency in funding or (ii) that extraordinary circumstances caused the county to supplant local current expense funds with funds allocated under this section. The State Board of Education shall adopt rules to implement this section.

**SECTION 7.4.(h) Reports.** — The State Board of Education shall report to the Joint Legislative Education Oversight Committee prior to May 1, 2012, if it determines that counties have supplanted funds.

**SECTION 7.4.(i) Department of Revenue Reports.** — The Department of Revenue shall provide to the Department of Public Instruction a preliminary report for the current fiscal year of the assessed value of the property tax base for each county prior to March 1 of each year and a final report prior to May 1 of each year. The reports shall include for each county the annual sales assessment ratio and the taxable values of (i) total real property, (ii) the portion of total real property represented by the present-use value of agricultural land, horticultural land, and forestland, as defined in G.S. 105-277.2, (iii) property of public service companies determined in accordance with Article 23 of Chapter 105 of the General Statutes, and (iv) personal property.

#### **LITIGATION RESERVE FUNDS**

**SECTION 7.5.** The State Board of Education may expend up to five hundred thousand dollars (\$500,000) each year for the 2011-2012 and 2012-2013 fiscal years from unexpended funds for certified employees' salaries to pay expenses related to litigation.

#### **UNIFORM EDUCATION REPORTING SYSTEM (UERS) FUNDS**

**SECTION 7.6.(a)** Funds appropriated for the Uniform Education Reporting System shall not revert at the end of the 2010-2011 fiscal year.

**SECTION 7.6.(b)** This section becomes effective June 30, 2011.

#### **FOCUSED EDUCATION REFORM PROGRAM FUNDS DO NOT REVERT**

**SECTION 7.7.(a)** Funds appropriated for the Focused Education Reform Pilot Program that are unexpended and unencumbered at the end of the 2010-2011 fiscal year shall not revert but shall remain available for expenditure for that purpose through the 2011-2012 fiscal year.

**SECTION 7.7.(b)** This section becomes effective June 30, 2011.

#### **DISADVANTAGED STUDENT SUPPLEMENTAL FUNDING (DSSF)**

**SECTION 7.8.(a)** Funds appropriated for disadvantaged student supplemental funding shall be used, consistent with the policies and procedures adopted by the State Board of Education, only to:

- (1) Provide instructional positions or instructional support positions and/or professional development;
- (2) Provide intensive in-school and/or after-school remediation;
- (3) Purchase diagnostic software and progress-monitoring tools; and
- (4) Provide funds for teacher bonuses and supplements. The State Board of Education shall set a maximum percentage of the funds that may be used for this purpose.

The State Board of Education may require districts receiving funding under the Disadvantaged Student Supplemental Fund to purchase the Education Value Added Assessment System in order to provide in-depth analysis of student performance and help identify strategies for improving student achievement. This data shall be used exclusively for instructional and curriculum decisions made in the best interest of children and for professional development for their teachers and administrators.

**SECTION 7.8.(b)** Funds appropriated to a local school administrative unit for disadvantaged student supplemental funding shall be allotted based on (i) the local school administrative unit's eligible DSSF population and (ii) the difference between a teacher-to-student ratio of 1:21 and the following teacher-to-student ratios:

- (1) For counties with wealth greater than ninety percent (90%) of the statewide average, a ratio of 1:19.9.
- (2) For counties with wealth not less than eighty percent (80%) and not greater than ninety percent (90%) of the statewide average, a ratio of 1:19.4.
- (3) For counties with wealth less than eighty percent (80%) of the statewide average, a ratio of 1:19.1.
- (4) For LEAs receiving DSSF funds in 2005-2006, a ratio of 1:16. These LEAs shall receive no less than the DSSF amount allotted in 2006-2007.

For the purpose of this subsection, wealth shall be calculated under the low-wealth supplemental formula.

**SECTION 7.8.(c)** If a local school administrative unit's wealth increases to a level that adversely affects the unit's DSSF allotment ratio, the DSSF allotment for that unit shall be maintained at the prior year level for one additional fiscal year.

#### **TUITION CHARGE FOR GOVERNOR'S SCHOOL**

**SECTION 7.9.** G.S. 115C-12(36) reads as rewritten:

"(36) Duty to Charge Tuition for the Governor's School of North Carolina. – The State Board of Education shall may implement a five hundred dollar (\$500.00)–tuition charge for students attending the Governor's School of North Carolina.~~Carolina~~ to cover the costs of the School."

#### **SCHOOL CONNECTIVITY INITIATIVE FUNDS**

**SECTION 7.10.(a)** Section 7.9(b) of S.L. 2010-31 reads as rewritten:

"**SECTION 7.9.(b)** Up to three hundred fifty thousand dollars (\$350,000) of the funds for the School Connectivity Initiative may be used for this and subsequent fiscal years–the 2010-2011 fiscal year by the Office of the Governor for education innovation and the education E-learning portal. These funds may be used to provide services to coordinate e-learning activities across all education agencies and to support the operating of the E-learning portal."

**SECTION 7.10.(b)** Section 7.6(a) of S.L. 2008-107, as rewritten by Section 7.12(b) of S.L. 2009-451, reads as rewritten:

"**SECTION 7.6.(a)** Up to three hundred thousand dollars (\$300,000) may be transferred annually through June 30, 2013, 2011, to the Friday Institute at North Carolina State University to evaluate the effectiveness of using technology and its impact on 21<sup>st</sup> Century Teaching and Learning outcomes approved by the State Board of Education. The Friday Institute shall report annually to the State Board of Education on the evaluation results."

#### **SMALL SCHOOL SYSTEM SUPPLEMENTAL FUNDING**

**SECTION 7.12.(a)** Funds for Small School Systems. – Except as provided in subsection (b) of this section, the State Board of Education shall allocate funds appropriated for small school system supplemental funding (i) to each county school administrative unit with an average daily membership of fewer than 3,175 students and (ii) to each county school administrative unit with an average daily membership from 3,175 to 4,000 students if the county in which the local school administrative unit is located has a county-adjusted property tax base per student that is below the State-adjusted property tax base per student and if the total average daily membership of all local school administrative units located within the county is from 3,175 to 4,000 students. The allocation formula shall do all of the following:

- (1) Round all fractions of positions to the next whole position.
- (2) Provide five and one-half additional regular classroom teachers in counties in which the average daily membership per square mile is greater than four and provide seven additional regular classroom teachers in counties in which the average daily membership per square mile is four or fewer.
- (3) Provide additional program enhancement teachers adequate to offer the standard course of study.
- (4) Change the duty-free period allocation to one teacher assistant per 400 average daily membership.
- (5) Provide a base for the consolidated funds allotment of at least seven hundred seventeen thousand three hundred sixty dollars (\$717,360), excluding textbooks, for the 2011-2012 fiscal year and a base of seven hundred seventeen thousand three hundred sixty dollars (\$717,360) for the 2012-2013 fiscal year.
- (6) Allot vocational education funds for grade 6 as well as for grades 7-12. If funds appropriated for each fiscal year for small school system supplemental funding are not adequate to fully fund the program, the State Board of Education shall reduce the amount allocated to each county school administrative unit on a pro rata basis. This formula is solely a basis for distribution of supplemental funding for certain county school administrative units and is not intended to reflect any measure of the adequacy of the

educational program or funding for public schools. The formula also is not intended to reflect any commitment by the General Assembly to appropriate any additional supplemental funds for such county administrative units.

**SECTION 7.12.(b) Nonsupplant Requirement.** – A county in which a local school administrative unit receives funds under this section shall use the funds to supplement local current expense funds and shall not supplant local current expense funds. For the 2011-2013 fiscal biennium, the State Board of Education shall not allocate funds under this section to a county found to have used these funds to supplant local per student current expense funds. The State Board of Education shall make a finding that a county has used these funds to supplant local current expense funds in the prior year, or the year for which the most recent data are available, if the following apply:

- (1) The current expense appropriation per student of the county for the current year is less than ninety-five percent (95%) of the average of the local current expense appropriations per student for the three prior fiscal years; and
- (2) The county cannot show (i) that it has remedied the deficiency in funding or (ii) that extraordinary circumstances caused the county to supplant local current expense funds with funds allocated under this section. The State Board of Education shall adopt rules to implement this section.

**SECTION 7.12.(c) Phase-Out Provisions.** – If a local school administrative unit becomes ineligible for funding under this formula because of (i) an increase in the population of the county in which the local school administrative unit is located or (ii) an increase in the county-adjusted property tax base per student of the county in which the local school administrative unit is located, funding for that unit shall be continued for seven years after the unit becomes ineligible.

**SECTION 7.12.(d) Definitions.** – As used in this section, the following definitions apply:

- (1) "Average daily membership" means within two percent (2%) of the average daily membership as defined in the North Carolina Public Schools Allotment Policy Manual adopted by the State Board of Education.
- (2) "County-adjusted property tax base per student" means the total assessed property valuation for each county, adjusted using a weighted average of the three most recent annual sales assessment ratio studies, divided by the total number of students in average daily membership who reside within the county.
- (3) "Local current expense funds" means the most recent county current expense appropriations to public schools, as reported by local boards of education in the audit report filed with the Secretary of the Local Government Commission pursuant to G.S. 115C-447.
- (4) "Sales assessment ratio studies" means sales assessment ratio studies performed by the Department of Revenue under G.S. 105-289(h).
- (5) "State-adjusted property tax base per student" means the sum of all county-adjusted property tax bases divided by the total number of students in average daily membership who reside within the State.
- (6) "Supplant" means to decrease local per student current expense appropriations from one fiscal year to the next fiscal year.
- (7) "Weighted average of the three most recent annual sales assessment ratio studies" means the weighted average of the three most recent annual sales assessment ratio studies in the most recent years for which county current expense appropriations and adjusted property tax valuations are available. If real property in a county has been revalued one year prior to the most recent sales assessment ratio study, a weighted average of the two most recent sales assessment ratios shall be used. If property has been revalued during the year of the most recent sales assessment ratio study, the sales assessment ratio for the year of revaluation shall be used.

**SECTION 7.12.(e) Reports.** – The State Board of Education shall report to the Joint Legislative Education Oversight Committee prior to May 1, 2012, if it determines that counties have supplanted funds.

**SECTION 7.12.(f) Use of Funds.** – Local boards of education are encouraged to use at least twenty percent (20%) of the funds they receive pursuant to this section to improve

the academic performance of children who are performing at Level I or II on either reading or mathematics end-of-grade tests in grades 3-8.

#### **ELIMINATION OF REPORTING REQUIREMENTS**

**SECTION 7.13.(a)** G.S. 115C-12(25) reads as rewritten:

#### **"§ 115C-12. Powers and duties of the Board generally.**

The general supervision and administration of the free public school system shall be vested in the State Board of Education. The State Board of Education shall establish policy for the system of free public schools, subject to laws enacted by the General Assembly. The powers and duties of the State Board of Education are defined as follows:

- (25) **Duty to Report to Joint Legislative Education Oversight Committee.** -- Upon the request of the Joint Legislative Education Oversight Committee, the State Board shall examine and evaluate issues, programs, policies, and fiscal information, and shall make reports to that Committee. Furthermore, beginning October 15, 1997, and annually thereafter, the State Board shall submit reports to that Committee regarding the continued implementation of Chapter 716 of the 1995 Session Laws, 1996 Regular Session. Each report shall include information regarding the composition and activity of assistance teams, schools that received incentive awards, schools identified as low-performing, ~~school improvement plans found to significantly improve student performance, personnel actions taken in low-performing schools, and recommendations for additional legislation to improve student performance and increase local flexibility.~~"

**SECTION 7.13.(b)** G.S. 115C-47(38) is repealed.

**SECTION 7.13.(c)** G.S. 115C-84.2(a)(1) reads as rewritten:

- "(1) (See notes) A minimum of 180 days and 1,000 hours of instruction covering at least nine calendar months. The local board shall designate when the 180 instructional days shall occur. The number of instructional hours in an instructional day may vary according to local board policy and does not have to be uniform among the schools in the administrative unit. ~~Local boards may approve school improvement plans that include days with varying amounts of instructional time. If school is closed early due to inclement weather, the day and the scheduled amount of instructional hours may count towards the required minimum to the extent allowed by State Board policy. The school calendar shall include a plan for making up days and instructional hours missed when schools are not opened due to inclement weather.~~"

**SECTION 7.13.(d)** G.S. 115C-84.2(a)(5) reads as rewritten:

- "(5) The remaining days scheduled by the local board in consultation with each school's principal for use as teacher workdays, additional instructional days, or other lawful purposes. ~~Before consulting with the local board, each principal shall work with the school improvement team to determine the days to be scheduled and the purposes for which they should be scheduled. Days may be scheduled and planned for different purposes for different personnel and there is no requirement to schedule the same dates for all personnel. In order to make up days for school closing because of inclement weather, the local board may designate any of the days in this subdivision as additional make-up days to be scheduled after the last day of student attendance.~~"

**SECTION 7.13.(e)** G.S. 115C-98(b2) reads as rewritten:

"(b2) Local boards of education ~~may:~~

- (1) ~~Select, may select, procure, and use textbooks that have not been adopted by the State Board of Education for use throughout the local school administrative unit for selected grade levels and courses; and courses.~~
- (2) ~~Approve school improvement plans developed under G.S. 115C-105.27 that include provisions for using textbooks that have not been adopted by the State Board of Education for selected grade levels and courses.~~

All textbook contracts made under this subsection shall include a clause granting to the local board of education the license to produce braille, large print, and audiocassette tape copies of the textbooks for use in the local school administrative unit."

SECTION 7.13.(f) G.S. 115C-105.20(b)(5) is repealed.

SECTION 7.13.(g) G.S. 115C-105.25 reads as rewritten:

"§ 115C-105.25. Budget flexibility.

(b) Subject to the following limitations, local boards of education may transfer and may approve transfers of funds between funding allotment categories:

(1) ~~In accordance with a school improvement plan accepted under G.S. 115C-105.27, State funds allocated for teacher assistants may be transferred only for personnel (i) to serve students only in kindergarten through third grade, or (ii) to serve students primarily in kindergarten through third grade when the personnel are assigned to an elementary school to serve the whole school.~~ Funds allocated for teacher assistants may be transferred to reduce class size or (iii) to reduce the student-teacher ratio in kindergarten through third grade so long as the affected teacher assistant positions are not filled when the plan is amended or approved by the building-level staff entitled to vote on the plan or the affected teacher assistant positions are not expected to be filled on the date the plan is to be implemented. Any State funds appropriated for teacher assistants that were converted to certificated teachers before July 1, 1995, in accordance with Section 1 of Chapter 986 of the 1991 Session Laws, as rewritten by Chapter 103 of the 1993 Session Laws, may continue to be used for certificated teachers.

(2) ~~In accordance with a school improvement plan accepted under G.S. 115C-105.27, (i) State funds allocated for classroom materials/instructional supplies/equipment may be transferred only for the purchase of textbooks; (ii) textbooks. State funds allocated for textbooks may be transferred only for the purchase of instructional supplies, instructional equipment, or other classroom materials; and (iii) materials.~~ State funds allocated for noninstructional support personnel may be transferred only for teacher positions.

(8) Funds allocated for academically or intellectually gifted students may be used only (i) for academically or intellectually gifted students; (ii) to implement the plan developed under G.S. 115C-150.7; or (iii) in accordance with an accepted school improvement plan, for any purpose so long as that school demonstrates it is providing appropriate services to academically or intellectually gifted students assigned to that school in accordance with the local plan developed under G.S. 115C-150.7.

SECTION 7.13.(h) G.S. 115C-105.26 reads as rewritten:

"§ 115C-105.26. Waivers of State laws, rules, or policies.

(a) ~~When included as part of a school improvement plan accepted under G.S. 115C-105.27, local~~ Local boards of education shall submit requests for waivers of State laws, rules, or policies to the State Board of Education. A request for a waiver shall (i) identify the school making the request, (ii) identify the State laws, rules, or policies that inhibit the school's ability to improve student performance, (iii) set out with specificity the circumstances under which the waiver may be used, and (iv) explain how the requested waiver will permit the school to improve student performance. Except as provided in subsection (c) of this section, the State Board shall grant waivers only for the specific schools for which they are requested and shall be used only under the specific circumstances for which they are requested.

(b) ~~When requested as part of a school improvement plan, the~~ The State Board of Education may grant waivers of:

- (1) State laws pertaining to class size and teacher certification; and
- (2) State rules and policies, except those pertaining to public school State salary schedules and employee benefits for school employees, the instructional program that must be offered under the Basic Education Program, the system



of employment for public school teachers and administrators set out in G.S. 115C-287.1 and G.S. 115C-325, health and safety codes, compulsory attendance, the minimum lengths of the school day and year, and the Uniform Education Reporting System.

...."

**SECTION 7.13.(i)** G.S. 115C-105.27 is repealed.

**SECTION 7.13.(j)** G.S. 115C-105.30 is repealed.

**SECTION 7.13.(k)** G.S. 115C-105.31(b)(3) is repealed.

**SECTION 7.13.(l)** G.S. 115C-105.32 is repealed.

**SECTION 7.13.(m)** G.S. 115C-105.33 reads as rewritten:

**"§ 115C-105.33. Safe and orderly schools.**

A ~~school improvement team or a parent organization~~ at a school may ask the local board of education to provide assistance in promoting or restoring safety and an orderly learning environment at a school. The ~~school improvement team or parent organization~~ shall file a copy of this request with the State Board. If the local board fails to provide adequate assistance to the school, then the ~~school improvement team or parent organization~~ may ask the State Board to provide an assistance team to the school.

The State Board may provide an assistance team, established under G.S. 115C-105.38, to a school in order to promote or restore safety and an orderly learning environment at that school if one of the following applies:

- (1) The local board of education or superintendent requests that the State Board provide an assistance team to a school and the State Board determines that the school needs assistance.
- (2) The State Board determines within 10 days after its receipt of the request for assistance from a ~~school improvement team or parent organization~~ of a school that the school needs assistance and that the local board has failed to provide adequate assistance to that school.

If an assistance team is assigned to a school under this section, the team shall spend a sufficient amount of time at the school to assess the problems at the school, assist school personnel with resolving those problems, and work with school personnel and others to develop a long-term plan for restoring and maintaining safety and an orderly learning environment at the school. The assistance team also shall make recommendations to the local board of education and the superintendent on actions the board and the superintendent should consider taking to resolve problems at the school. These recommendations shall be in writing and are public records. If an assistance team is assigned to a school under this section, the powers given to the State Board and the assistance team under G.S. 115C-105.38 and G.S. 115C-105.39 shall apply as if the school had been identified as low-performing under this Article."

**SECTION 7.13.(n)** G.S. 115C-105.37A(a) reads as rewritten:

"(a) Definition of Continually Low-Performing Schools. - A continually low-performing school is a school that has received State-mandated assistance and has been designated by the State Board as low performing for at least two of three consecutive years. ~~If the State Board identifies a school as continually low performing:~~

- (1) ~~The school improvement team at that school shall review its school improvement plan to ensure consistency with the plan adopted pursuant to G.S. 115C-105.38(b)(3); and~~
- (2) ~~The plan must be reviewed and approved by the State Board of Education."~~

**SECTION 7.13.(o)** G.S. 115C-105.38(b)(6) reads as rewritten:

- "(6) Report, as appropriate, to the local board of education, the community, and the State Board on the school's progress. ~~If an assistance team determines that an accepted school improvement plan developed under G.S. 115C-105.27 is impeding student performance at a school, the team may recommend to the local board that it vacate the relevant portions of that plan and direct the school to revise those portions."~~

**SECTION 7.13.(p)** G.S. 115C-105.47(b)(13) is repealed.

**SECTION 7.13.(q)** G.S. 115C-174.12(a)(3) reads as rewritten:

- "(3) No school shall participate in more than two field tests at any one grade level during a school year ~~unless that school volunteers, through a vote of its school improvement team, to participate in an expanded number of field tests without the approval of the principal of the school."~~

**SECTION 7.13.(r)** G.S. 115C-238.31(a) reads as rewritten:

"(a) Local school administrative units are encouraged to implement extended services programs that will expand students' opportunities for educational success through high-quality, integrated access to instructional programming during nonschool hours. ~~Extended services programs may be incorporated into school improvement plans developed in accordance with G.S. 115C-105.27.~~ Calendar alternatives include, but are not limited to, after-school hours, before-school hours, evening school, Saturday school, summer school, and year-round school. Instructional programming may include, but is not limited to, tutoring, direct instruction, enrichment activities, study skills, and reinforcement projects."

**SECTION 7.13.(s)** G.S. 115C-288(h) reads as rewritten:

"(h) ~~To Make Available School Budgets and School Improvement Plans: Budgets.~~ The principal shall maintain a copy of the school's current budget and school improvement plan, ~~including any amendments to the plan, budget~~ and shall allow parents of children in the school and other interested persons to review and obtain such documents in accordance with Chapter 132 of the General Statutes."

**SECTION 7.13.(t)** G.S. 115C-288(l) is repealed.

**SECTION 7.13.(u)** G.S. 143B-146.6(b)(6) reads as rewritten:

"(6) Report, as appropriate, to the Secretary, the State Board, and the parents on the school's progress. ~~If an assistance team determines that an accepted school improvement plan developed under G.S. 143B-146.12 is impeding student performance at a school, the team may recommend to the Secretary that he vacate the relevant portions of that plan and direct the school to revise those portions.~~"

**SECTION 7.13.(v)** G.S. 143B-146.12 is repealed.

**SECTION 7.13.(w)** G.S. 115C-47(32a) reads as rewritten:

"(32a) To Establish Alternative Learning Programs and Develop Policies and Guidelines. -- Each local board of education shall establish at least one alternative learning program and shall adopt guidelines for assigning students to alternative learning programs. These guidelines shall include (i) a description of the programs and services to be provided, (ii) a process for ensuring that an assignment is appropriate for the student and that the student's parents are involved in the decision, and (iii) strategies for providing alternative learning programs, when feasible and appropriate, for students who are subject to long term suspension or expulsion. In developing these guidelines, local boards shall consider the State Board's standards developed under G.S. 115C-12(24). ~~Upon adoption of policies and guidelines under this subdivision, local boards are encouraged to incorporate them in their safe school plans developed under G.S. 115C-105.47.~~

The General Assembly urges local boards to adopt policies that prohibit superintendents from assigning to any alternative learning program any professional public school employee who has received within the last three years a rating on a formal evaluation that is less than above standard.

Notwithstanding this subdivision, each local board shall adopt policies based on the State Board's standards developed under G.S. 115C-12(24). These policies shall apply to any new alternative learning program or alternative school that is implemented beginning with the 2006-2007 school year. Local boards of education are encouraged to apply these standards to alternative learning programs and alternative schools implemented before the 2006-2007 school year.

Local boards shall assess on a regular basis whether the unit's alternative schools and alternative learning programs comply with the State Board's standards developed under G.S. 115C-12(24) and whether they incorporate best practices for improving student academic performance and reducing disruptive behavior, are staffed with professional public school employees who are well trained and provided with appropriate staff development, are organized to provide coordinated services, and provide students with high quality and rigorous academic instruction."

**SECTION 7.13.(x)** G.S. 115C-105.27(b)(2) reads as rewritten:

- "(2) Shall include a plan to address school safety and discipline concerns in accordance with the safe school plan developed under Article 8C of this Chapter; concerns."

**SECTION 7.13.(y)** G.S. 115C-105.46 reads as rewritten:

**"§ 115C-105.46. State Board of Education responsibilities.**

In order to implement this Article, the State Board of Education:

- (1) Shall adopt guidelines for developing local plans under G.S. 115C-105.47.
- (2) Shall provide, in cooperation with the Board of Governors of The University of North Carolina, ongoing technical assistance to the local school administrative units in the development, implementation, and evaluation of their local plans under G.S. 115C-105.47.
- (3) May require a local board of education to withhold the salary of any administrator or other employee of a local school administrative unit who delays or refuses to prepare and implement local safe school plans in accordance with G.S. 115C-105.47.
- (4) May revoke the certificate of the superintendent, pursuant to G.S. 115C-274(e), for failure to fulfill the superintendent's duties under a local safe school plan.
- (5) Shall adopt policies that define who is an at-risk student."

**SECTION 7.13.(z)** G.S. 115C-105.47 is repealed.

**SECTION 7.13.(aa)** G.S. 115C-102.6C is repealed.

**SECTION 7.13.(bb)** G.S. 115C-102.6D(d) is repealed.

**SECTION 7.13.(cc)** G.S. 115C-102.7 reads as rewritten:

**"§ 115C-102.7. Monitoring and evaluation of State and local school system technology plans; reports.**

(a) The Department of Public Instruction shall monitor and evaluate the development and implementation of the State and local school system technology plans, technology plan. The evaluation shall consider the effects of technology on student learning, the effects of technology on students' workforce readiness, the effects of technology on teacher productivity, and the cost-effectiveness of the technology.

(a1) Repealed by Session Laws 1997-18, s. 15(k).

(b) Repealed by Session Laws 2009-451, s. 7.31, effective July 1, 2009.

(c) ~~The Department of Public Instruction shall randomly check local school system technology plans to ensure that local school administrative units are implementing their plans as approved. The Department shall report to the State Board of Education on which local school administrative units are not complying with their plans. The report shall include the reasons these local school administrative units are out of compliance and a recommended plan of action to support each of these local school administrative units in carrying out their plans."~~

**SECTION 7.13.(dd)** Section 7.61(b) of S.L. 2005-276, as rewritten by Section 7.22(d) of S.L. 2010-31, is repealed.

**SECTION 7.13.(ee)** G.S. 115C-105.41 is repealed.

**RENEWAL OF PROFESSIONAL EDUCATOR'S LICENSE**

**SECTION 7.13A.** The State Board of Education shall not require more than five semester hours or seven and one-half units of renewal credits in order to renew a North Carolina Standard Professional 2 professional educator's license.

**SCHOOL BUILDING ADMINISTRATION**

**SECTION 7.14.(a)** A school with less than 100 students in final average daily membership is not entitled to 12 months of employment for a principal.

**SECTION 7.14.(b)** Local school administrative units may transfer funds for school building administration for any purpose, not otherwise prohibited by the State Board of Education's ABC transfer policy, by submitting an ABC Transfer Form to the Department of Public Instruction. For funds related to principal positions, the salary transferred shall be based on the first step of the principal III salary schedule. For funds related to assistant principal months of employment, the salary transferred shall be based on the first step of the assistant principal salary schedule. No local school administrative unit shall convert certified position allotments to dollars in order to hire the same type of position.

**SECTION 7.14.(c)** Subsection (a) of this section applies only to schools created after July 1, 2011.

#### **TRANSFER OF FEDERAL AGRICULTURAL EDUCATION FUNDS**

**SECTION 7.15.** The Agricultural Education Program in the Department of Agricultural and Extension Education at North Carolina State University shall develop the secondary agricultural education curricula. The Program shall recommend the curricula and corresponding assessment instruments to the State Board of Education, which shall adopt the curricula for inclusion in the Standard Course of Study. This curricula shall include as part of its core content the Future Farmers of America (FFA) student youth organization and the Supervised Agricultural Experience learning program.

Effective with the 2011 federal grant, the State Board of Education shall transfer a prorated share of funds from all federal Career and Technical Education funds available for State-level usage to the Agricultural Education and FFA Program housed in the Department of Agricultural and Extension Education at North Carolina State University. The transfer of funds shall be a percentage of the total based upon the grades 9-12 duplicated agricultural education enrollment as compared to the total career and technical education grades 9-12 duplicated enrollment. These funds shall be used to support the secondary Agricultural Education Program State-level administration, leadership, curriculum and professional development, operations, innovations and expansions, and the FFA and the Supervised Agricultural Education learning program.

#### **SCHOOL CALENDAR PILOT PROGRAM**

**SECTION 7.17.(a)** The State Board of Education shall establish a school calendar pilot program in the Wilkes County Schools, the Montgomery County Schools, and the Stanly County Schools. The purpose of the pilot program is to determine whether and to what extent a local school administrative unit can save money during this extreme fiscal crisis by consolidating the school calendar.

Notwithstanding G.S. 115C-84.2(a)(1), the school calendar for the 2011-2012 calendar year for the pilot school systems shall include a minimum of 185 days or 1,025 hours of instruction covering at least nine calendar months.

If the local board of education in a pilot school system adds instructional hours to previously scheduled days under this section, the local school administrative unit is deemed to have a minimum of 185 days of instruction, and teachers employed for a 10-month term are deemed to have been employed for the days being made up and shall be compensated as if they had worked the days being made up.

The State Board of Education shall report to the Joint Legislative Education Oversight Committee by March 15, 2012, on the administration of the pilot program, cost savings realized by it, and its impact on student achievement.

**SECTION 7.17.(b)** If the State Board of Education finds that it will enhance student performance to do so, the State Board may grant a pilot school system a waiver to use up to five instructional days or an equivalent number of instructional hours as teacher workdays.

#### **BUDGET REDUCTIONS/DEPARTMENT OF PUBLIC INSTRUCTION**

**SECTION 7.19.(a)** Notwithstanding G.S. 143C-6-4 or Section 7.14 of S.L. 2009-451, the Department of Public Instruction may, after consultation with the Office of State Budget and Management and the Fiscal Research Division, reorganize if necessary to implement the budget reductions set out in this act. This consultation shall occur prior to requesting budgetary and personnel changes through the budget revision process. The Department shall provide a current organization chart in the consultation process. The Department shall report to the Joint Legislative Commission on Governmental Operations on any reorganization.

**SECTION 7.19.(b)** The Department of Public Instruction shall not increase the number of State-funded positions in any Department of Public Instruction divisions identified for reductions in this act.

**SECTION 7.19.(c)** In implementing budget reductions under this act, the Department of Public Instruction shall make no reduction in funding or positions for the Positive Behavioral Support program.

#### **LEA BUDGET ADJUSTMENT**

**SECTION 7.20.(a)** Within 14 days of the date this act becomes law, the State Board of Education shall notify each local school administrative unit and charter school of the amount the unit or charter school must reduce from the State General Fund appropriations. The State Board shall determine the amount of the reduction for each unit and charter school on the basis of average daily membership.

**SECTION 7.20.(b)** Each unit or charter school shall report to the Department of Public Instruction on the flexibility budget reductions it has identified for the unit within 30 days of the date this act becomes law.

#### **LEA BUDGETARY FLEXIBILITY**

**SECTION 7.21.(a)** For fiscal years 2011-2012 and 2012-2013, the State Board of Education is authorized to extend its emergency rules, in accordance with G.S. 150B-21.1A, granting maximum flexibility to local school administrative units regarding the expenditure of State funds. These rules shall not be subject to the limitations on transfers of funds between funding allotment categories set out in G.S. 115C-105.25. However, these rules shall not permit the following transfers:

- (1) The transfer of funds into central office administration.
- (2) The transfer of funds from the classroom teachers allotment to any allotment other than teacher assistants allotment.
- (3) The transfer of funds from the teacher assistants allotment to any allotment other than the classroom teachers allotment.

**SECTION 7.21.(b)** For fiscal years 2011-2012 and 2012-2013, local school administrative units shall make every effort to reduce spending whenever and wherever such budget reductions are appropriate, with the goal of protecting direct classroom services such as teacher assistants and classroom teachers. In making reductions, local school administrative units shall first consider reductions to central office administration and other administrative functions. Notwithstanding G.S. 115C-301 or any other law, local school administrative units shall have the maximum flexibility to use allotted teacher positions to maximize student achievement in grades 4-12. Class size requirements in grades K-3 shall remain unchanged.

#### **NORTH CAROLINA VIRTUAL PUBLIC SCHOOLS**

**SECTION 7.22.(a)** The North Carolina Virtual Public School (NCVPS) program shall report to the State Board of Education and shall maintain an administrative office at the Department of Public Instruction.

**SECTION 7.22.(b)** The Director of NCVPS shall ensure that students residing in rural and low-wealth county local school administrative units have access to e-learning course offerings in order to expand available instructional opportunities. E-learning instructional opportunities shall include courses required as part of the standard course of study for high school graduation and AP offerings not otherwise available.

**SECTION 7.22.(c)** Section 7.4 of S.L. 2010-31 is repealed.

**SECTION 7.22.(d)** The State Board of Education shall take the following steps to implement an allotment formula for NCVPS beginning with the 2011-2012 school year:

- (1) Project NCVPS student enrollment by semester and year-long course types for each local school administrative unit and charter school.
- (2) Establish a per course teacher payment structure for the instructional costs of NCVPS. In establishing this payment structure, the Board shall consider the following:
  - a. The payment structure is based on a total compensation analysis to ensure NCVPS teacher pay has parity with similar programs. The total compensation analysis shall take into account salaries, benefits, and work effort to ensure valid comparisons between occupations.
  - b. The effects any change in NCVPS teacher payments may have on the attraction and retention of NCVPS teachers.
- (3) Develop a per student fee structure for in-State students that is based on the per course teacher pay structure. The fee structure for in-State students shall ensure that the projected cost for local school administrative units and charter schools equals the projected instructional cost for NCVPS courses.

- (4) Multiply the per course fees for in-State students by the projected enrollment by course type to determine the total instructional cost for each local school administrative unit and charter school.
- (5) Transfer a dollar amount equal to seventy-five percent (75%) of the local school administrative unit's or charter school's projected instructional cost from the classroom teacher allotment to NCVPS.
- (6) No later than February 21 of each year, calculate the actual instructional cost for each local school administrative unit and charter school based upon actual NCVPS enrollment as of that date.
- (7) Subtract the amount transferred pursuant to subdivision (5) of this subsection from the actual instructional cost for each unit or charter school and transfer the remaining dollar amount owed, up to a maximum of one hundred percent (100%) of the projected cost.
- (8) Develop and implement a policy regarding returning funds to local school administrative units and charter schools in cases where the amount transferred pursuant to subdivision (5) of this subsection exceeds the actual instructional costs.

NCVPS shall use funds transferred to it to provide the NCVPS program at no cost to all students in North Carolina who are enrolled in North Carolina's public schools, Department of Defense schools, and schools operated by the Bureau of Indian Affairs.

**SECTION 7.22.(e)** In establishing the fee structure and payment structure for NCVPS, the State Board shall consider recommendations from the eLearning Commission and the NCVPS Advisory Board.

**SECTION 7.22.(f)** The State Board shall establish a separate per student tuition for out-of-state students, home-schooled students, and private school students, which shall be adjusted upward from the in-State student fee structure by an amount determined appropriate by the State Board.

**SECTION 7.22.(g)** The Board shall direct NCVPS to develop a plan to generate revenue from the sale of courses to out-of-state educational entities. Revenue generated by NCVPS shall be used to offset instructional costs to local school administrative units and charter schools. NCVPS shall submit its plan to the Board by September 15, 2011.

**SECTION 7.22.(h)** Beginning in 2011, the Director of NCVPS shall submit an annual report on NCVPS to the State Board of Education no later than December 1 of each year. The report shall use data from the previous fiscal year and shall include statistics on actual versus projected costs to local school administrative units and charter schools, student enrollment, virtual teacher salaries, and measures of academic achievement.

The Director of NCVPS shall continue to ensure the following:

- (1) Course quality standards are established and met.
- (2) All e-learning opportunities other than virtual charter schools offered by State-funded entities to public school students are consolidated under the NCVPS program, eliminating course duplication.
- (3) All courses offered through NCVPS are aligned to the North Carolina Standard Course of Study.

**SECTION 7.22.(i)** The State Board of Education shall reduce each local school administrative unit's or charter school's classroom teacher allotment, or other allotment, as determined by the State Board of Education, on the basis of ADM in grades 6-12 to provide the sum of two million eight hundred sixty-six thousand nine hundred twenty-three dollars (\$2,866,923) for the State-level operations and administration of NCVPS for the 2011-2012 fiscal year. The allotment reduction for State-level operations and administration shall continue in future fiscal years and be adjusted annually based upon the percentage growth in NCVPS enrollment, ensuring the expansion of services due to increased virtual student enrollment.

**SECTION 7.22.(j)** For fiscal year 2011-2012, the State Board of Education shall reduce each local school administrative unit's or charter school's classroom teacher allotment, or other allotment, as determined by the State Board of Education, on the basis of ADM in grades 6-12 to provide the sum of two million dollars (\$2,000,000) in order to create an NCVPS enrollment reserve. The NCVPS enrollment reserve shall be used to cover the NCVPS instructional costs of local school administrative units or charter schools with enrollments exceeding projected NCVPS enrollment.

Beginning in fiscal year 2012-2013, and annually thereafter, the State Board of Education shall reduce each local school administrative unit's or charter school's classroom teacher allotment, or other allotment, as determined by the State Board of Education, on the basis of ADM in grades 6-12 an amount that is the difference between two million dollars (\$2,000,000) and the balance of the NCVPS enrollment reserve.

Amounts available in the NCVPS enrollment reserve shall not revert.

**SECTION 7.22.(k)** The State Board shall use only funds provided through the North Carolina Virtual Public Schools Allotment Formula and the NCVPS enrollment reserve as set forth in this section to fund instructional costs of NCVPS.

**SECTION 7.22.(l)** G.S. 66-58(c) is amended by adding a new subdivision to read:

"(c) The provisions of subsection (a) shall not prohibit:

(20) The sale by the State Board of Education of NCVPS courses to home schools, private schools, and out-of-state educational entities."

#### **PERFORMANCE-BASED REDUCTIONS IN FORCE**

**SECTION 7.23.(a)** Local school administrative units shall adopt a Reduction in Force policy that includes the following criteria:

- (1) In determining which positions shall be subject to a reduction in force, a local school administrative unit shall consider the following:
  - a. Structural considerations, such as identifying positions, departments, courses, programs, operations, and other areas where there are (i) less essential, duplicative, or excess personnel; (ii) job responsibility and/or position inefficiencies; (iii) opportunities for combined work functions; and/or (iv) decreased student or other demands for curriculum, programs, operations, or other services.
  - b. Organizational considerations, such as anticipated organizational needs of the school system and program/school enrollment.
- (2) In determining which employees in similar positions shall be subject to a reduction in force, a local school administrative unit shall consider work performance.

Each local school administrative unit shall have this policy in place on or before July 15, 2011.

**SECTION 7.23.(b)** G.S. 115C-325(e)(2) reads as rewritten:

"(2) Reduction in Force. – Before recommending to a board the dismissal or demotion of the career employee pursuant to G.S. 115C-325(e)(1)l, the superintendent shall give written notice to the career employee by certified mail or personal delivery of his intention to make such recommendation and shall set forth as part of his recommendation the grounds upon which he believes such dismissal or demotion is justified. The notice shall include a statement to the effect that if the career employee within 15 days after receipt of the notice requests a review, he shall be entitled to have the proposed recommendations of the superintendent reviewed by the board. Within the 15-day period after receipt of the notice, the career employee may file with the superintendent a written request for a hearing before the board within 10 days. If the career employee requests a hearing before the board, the hearing procedures provided in G.S. 115C-325(j3) shall be followed. If no request is made within the 15-day period, the superintendent may file his recommendation with the board. If, after considering the recommendation of the superintendent and the evidence adduced at the hearing if there is one, the board concludes that the grounds for the recommendation are true and substantiated by a preponderance of the evidence, the board, if it sees fit, may by resolution order such dismissal. Provisions of this section which permit a hearing by a case manager shall not apply to a dismissal or demotion recommended pursuant to G.S. 115C-325(e)(1)l.

When a career employee is dismissed pursuant to G.S. 115C-325(e)(1)l. above, his name shall be placed on a list of available career employees to be maintained by the board. ~~Career employees whose names are placed on such a list shall have a priority on all positions in which they acquired career~~

~~status and for which they are qualified which become available in that system for the three consecutive years succeeding their dismissal. However, if the local school administrative unit offers the dismissed career employee a position for which he is certified and he refuses it, his name shall be removed from the priority list."~~

#### **TEACHING FELLOWS ADMINISTRATIVE REDUCTION**

**SECTION 7.24.** G.S. 115C-363.23A(f) reads as rewritten:

**"§ 115C-363.23A. Teaching Fellows Program established; administration.**

(f) All funds appropriated to or otherwise received by the Teaching Fellows Program for scholarships, all funds received as repayment of scholarship loans, and all interest earned on these funds, shall be placed in a revolving fund. This revolving fund shall be used for scholarship loans granted under the Teaching Fellows Program. With the prior approval of the General Assembly in the Current Operations Appropriations Act, the revolving fund may also be used for campus and summer program support, and costs related to disbursement of awards and collection of loan repayments.

The Public School Forum, as administrator for the Teaching Fellows Program, may use up to ~~eight hundred ten thousand dollars (\$810,000)~~ six hundred thousand dollars (\$600,000) annually from the fund balance for costs associated with administration of the Teaching Fellows Program."

#### **RESIDENTIAL SCHOOLS**

**SECTION 7.25.(a)** The General Assembly finds that the operation of the Eastern North Carolina School for the Deaf, the Governor Morehead School for the Blind, and the North Carolina School for the Deaf (collectively, the "residential schools") no longer meets the needs of the populations they serve in an efficient and effective manner, and that current levels of utilization of the residential schools can be accommodated with two schools. No later than January 15, 2012, the Department shall report to the Joint Legislative Education Oversight Committee of the General Assembly the residential school it has decided to close and the Department's plan for consolidating the programs with those at the two remaining schools. The Department shall base its choice of the residential school to be closed on the following considerations:

- (1) Minimization of impact on services to deaf and blind students currently served by the residential schools.
- (2) Minimization of costs of modifications at the two remaining residential schools to accommodate students from the closed school.
- (3) Maximization of funds generated or net savings to the State from costs avoided due to the closure of one school and the sale or transfer to other State agencies of the school campus and other physical assets.
- (4) Minimization of required travel for students of the school that is closed.
- (5) Historical and cultural significance of the school.

Effective July 1, 2012, the Department of Public Instruction shall carry out the closure and consolidation described in its report.

**SECTION 7.25.(b)** The Department of Public Instruction shall ensure that the residential and instructional schedules for the residential schools that were in effect before February 8, 2010, shall remain in effect unless the General Assembly approves a material change to the instructional week. Residential students shall have the opportunity to arrive at their respective schools on the evening of the day before commencement of academic instruction for the week. The Department shall also maintain summer school programming at the residential schools in substantially the same manner as in prior years and shall make no material changes to summer school programming without the approval of the General Assembly.

**SECTION 7.25.(c)** The Department of Public Instruction may create a principal position at each residential school not currently assigned a principal position from funds appropriated in this act for the residential schools.

**SECTION 7.25.(d)** The position of superintendent for the residential schools within the Department of Public Instruction is eliminated. The Department shall designate one of the directors of the residential schools to serve as the superintendent for the residential



schools. Of funds previously appropriated to the Department for the position of superintendent for the residential schools, the sum of twenty thousand dollars (\$20,000) shall be used to supplement the salary of the director who also serves as superintendent of residential schools. The remaining funds shall be used to offset other reductions to the residential schools made in this act.

**SECTION 7.25.(e)** G.S. 115C-325(p) reads as rewritten:

"(p) Section Applicable to Certain Institutions. – Notwithstanding any law or regulation to the contrary, this section shall apply to all persons employed in teaching and related educational classes in the schools and institutions of the Departments of Health and Human Services, Public Instruction, Correction, or Juvenile Justice and Delinquency Prevention regardless of the age of the students."

#### **DEPARTMENT OF PUBLIC INSTRUCTION RECEIPTS**

**SECTION 7.27.** Notwithstanding G.S. 143C-6-4(b)(3), the Department of Public Instruction may realign receipts among the following General Fund purpose codes on a recurring basis through the budget certification process for the sole purpose of correctly aligning the certified budget with the appropriate purpose or programs as defined in G.S. 143C-1-1(d)(23): 1000, 1100, 1300, 1330, 1430, 1500, 1600, 1640, and 1660.

#### **INCREASE NUMBER OF INSTRUCTIONAL DAYS**

**SECTION 7.29.(a)** G.S. 115C-84.2 reads as rewritten:

**"§ 115C-84.2. School calendar.**

(a) School Calendar. – Each local board of education shall adopt a school calendar consisting of 215 days all of which shall fall within the fiscal year. A school calendar shall include the following:

- (1) (See notes) A minimum of ~~180~~185 days and ~~1,000~~1,025 hours of instruction covering at least nine calendar months. The local board shall designate when the ~~180~~185 instructional days shall occur. The number of instructional hours in an instructional day may vary according to local board policy and does not have to be uniform among the schools in the administrative unit. Local boards may approve school improvement plans that include days with varying amounts of instructional time. If school is closed early due to inclement weather, the day and the scheduled amount of instructional hours may count towards the required minimum to the extent allowed by State Board policy. The school calendar shall include a plan for making up days and instructional hours missed when schools are not opened due to inclement weather.
- (1a) Repealed by Session Laws 2004-180, s. 1, effective August 9, 2004.
- (2) A minimum of 10 annual vacation leave days.
- (3) The same or an equivalent number of legal holidays occurring within the school calendar as those designated by the State Personnel Commission for State employees.
- (4) ~~Five days, as designated by the local board, for use as teacher workdays. These days shall be protected to allow teachers to complete instructional and classroom administrative duties. The local school administrative unit shall not impose any additional tasks on these days. The local board shall schedule one of these days at the beginning of the school year and one at the end of each academic quarter.~~
- (5) The remaining days scheduled by the local board in consultation with each school's principal for use as teacher workdays, additional instructional days, or other lawful purposes. Before consulting with the local board, each principal shall work with the school improvement team to determine the days to be scheduled and the purposes for which they should be scheduled. Days may be scheduled and planned for different purposes for different personnel and there is no requirement to schedule the same dates for all personnel. In order to make up days for school closing because of inclement weather, the local board may designate any of the days in this subdivision as additional make-up days to be scheduled after the last day of student attendance.

If the State Board of Education finds that it will enhance student performance to do so, the State Board may grant a local board of education a waiver to use up to five of the instructional days required by subdivision (1) of this subsection as teacher workdays. For each instructional day waived, the State Board shall waive an equivalent number of instructional hours.

Local boards and individual schools are encouraged to use the calendar flexibility in order to meet the annual performance standards set by the State Board. Local boards of education shall consult with parents and the employed public school personnel in the development of the school calendar.

Local boards shall designate at least ~~seven~~ two days scheduled under subdivisions (4) and subdivision (5) of this subsection as days on which teachers may take accumulated vacation leave. Local boards may designate the remaining days scheduled in ~~subdivisions (4) and~~ subdivision (5) of this subsection as days on which teachers may take accumulated vacation leave, but local boards shall give teachers at least 14 calendar days' notice before requiring a teacher to work instead of taking vacation leave on any of these days. A teacher may elect to waive this notice requirement for one or more of these days.

(b) Limitations. -- The following limitations apply when developing the school calendar:

- (1) The total number of teacher workdays for teachers employed for a 10 month term shall not exceed 195 days.
- (2) The calendar shall include at least 42 consecutive days when teacher attendance is not required unless: (i) the school is a year-round school; or (ii) the teacher is employed for a term in excess of 10 months. At the request of the local board of education or of the principal of a school, a teacher may elect to work on one of the 42 days when teacher attendance is not required in lieu of another scheduled workday.
- (3) School shall not be held on Sundays.
- (4) Veterans Day shall be a holiday for all public school personnel and for all students enrolled in the public schools.

(c) Emergency Conditions. -- During any period of emergency in any section of the State where emergency conditions make it necessary, the State Board of Education may order general, and if necessary, extended recesses or adjournment of the public schools.

(d) Opening and Closing Dates. -- Local boards of education shall determine the dates of opening and closing the public schools under subdivision (a)(1) of this section. Except for year-round schools, the opening date for students shall not be before August 25, and the closing date for students shall not be after June 10. On a showing of good cause, the State Board of Education may waive this requirement to the extent that school calendars are able to provide sufficient days to accommodate anticipated makeup days due to school closings. A local board may revise the scheduled closing date if necessary in order to comply with the minimum requirements for instructional days or instructional time. For purposes of this subsection, the term "good cause" means either that:

- (1) Schools in any local school administrative unit in a county have been closed eight days per year during any four of the last 10 years because of severe weather conditions, energy shortages, power failures, or other emergency situations; or
- (2) Schools in any local school administrative unit in a county have been closed for all or part of eight days per year during any four of the last 10 years because of severe weather conditions. For purposes of this subdivision, a school shall be deemed to be closed for part of a day if it is closed for two or more hours.

The State Board also may waive this requirement for an educational purpose. The term "educational purpose" means a local school administrative unit establishes a need to adopt a different calendar for (i) a specific school to accommodate a special program offered generally to the student body of that school, (ii) a school that primarily serves a special population of students, or (iii) a defined program within a school. The State Board may grant the waiver for an educational purpose for that specific school or defined program to the extent that the State Board finds that the educational purpose is reasonable, the accommodation is necessary to accomplish the educational purpose, and the request is not an attempt to circumvent the opening and closing dates set forth in this subsection. The waiver requests for educational purposes shall not be used to accommodate system-wide class scheduling preferences.

The required opening and closing dates under this subsection shall not apply to any school that a local board designated as having a modified calendar for the 2003-2004 school year or to any school that was part of a planned program in the 2003-2004 school year for a system of modified calendar schools, so long as the school operates under a modified calendar.

(e) Nothing in this section prohibits a local board of education from offering supplemental or additional educational programs or activities outside the calendar adopted under this section."

**SECTION 7.29.(b)** G.S. 115C-238.29F(d)(1) reads as rewritten:

"(1) The school shall provide instruction each year for at least 180 days. If the State Board of Education finds that it will enhance student performance to do so, the State Board may grant a charter school a waiver to use up to five of these instructional days as teacher workdays."

#### **TESTING PROGRAM**

**SECTION 7.30.(a)** G.S. 115C-174.11 reads as rewritten:

**"§ 115C-174.11. Components of the testing program.**

(a) Assessment Instruments for First and Second Grades. – The State Board of Education shall adopt and provide to the local school administrative units developmentally appropriate individualized assessment instruments consistent with the Basic Education Program for the first and second grades, rather than standardized tests. Local school administrative units may use these assessment instruments provided to them by the State Board for first and second grade students, and shall not use standardized tests except as required as a condition of receiving federal grants.

(b) Repealed by Session Laws 2009-451, s. 7.20(c), effective July 1, 2009.

(c) Annual Testing Program.

(1) The State Board of Education shall adopt the tests for grades three through 12 that are required by federal law or as a condition of a federal grant. These tests shall be designed to measure progress toward reading, communication skills, and mathematics for grades three through eight, and toward competencies for grades nine through 12. Students who do not pass the tests adopted for eighth grade shall be provided remedial instruction in the ninth grade.

(2) If the State Board of Education finds that additional testing in grades three through 12 is desirable to allow comparisons with national indicators of student achievement, that testing shall be conducted with the smallest size sample of students necessary to assure valid comparisons with other states.

(3) The State Board of Education shall continue to participate in the development of the Common Core State Standards in conjunction with the consortium of other states, review all national assessments developed by both multistate consortia, and implement the assessments that the State Board deems most appropriate to assess student achievement on the Common Core State Standards.

(4) To the extent funds are made available, the State Board shall plan for and require the administration of the ACT test for all students in the eleventh grade unless the student has already taken a comparable test and scored at or above a level set by the State Board.

(d) Except as provided in subdivision (2) of subsection (c) of this section, the State Board of Education shall not require the public schools to administer any standardized tests except for those required by federal law or as a condition of a federal grant.

The State Board of Education shall adopt and provide to local school administrative units all tests required by federal law or as a condition of a federal grant."

**SECTION 7.30.(b)** Article 10A of Chapter 115C of the General Statutes is amended by adding two new Parts to read:

"Part 4. Student Diagnostic Tests.

**"§ 115C-174.20. Tools for student learning.**

To the extent funds are made available for this purpose, the State Board shall plan for and require the administration of diagnostic tests in the eighth and tenth grades that align to the ACT test in order to help diagnose student learning and provide for students an indication of whether they are on track to be remediation-free at a community college or university.

"Part 5. Career Readiness.

**"§ 115C-174.25. WorkKeys.**

To the extent funds are made available for this purpose, the State Board shall plan for and require local school administrative units to make available the appropriate WorkKeys tests for all students who complete the second level of vocational/career courses."

SECTION 7.30.(c) This section applies beginning with the 2011-2012 school year.

**PART VIII. COMMUNITY COLLEGES**

**REORGANIZATION OF THE COMMUNITY COLLEGES SYSTEM OFFICE**

SECTION 8.1.(a) Notwithstanding any other provision of law, and consistent with the authority granted in G.S. 115D-3, the President of the North Carolina Community College System may reorganize the System Office in accordance with recommendations and plans submitted to and approved by the State Board of Community Colleges.

SECTION 8.1.(b) This section expires June 30, 2012.

**REPEAL OBSOLETE REPORTING REQUIREMENTS**

SECTION 8.2.(a) G.S. 115D-4.1(e) reads as rewritten:

"(c) The State Board of Community Colleges shall develop appropriate criteria and standards to regulate the operation of college transfer programs. ~~The criteria and standards shall require all college transfer programs to continue to meet the accreditation standards of the Southern Association of Colleges and Schools.~~

~~The State Board of Community Colleges shall report annually to the General Assembly on compliance of the community colleges with these criteria and standards."~~

SECTION 8.2.(b) G.S. 115D-5(j) reads as rewritten:

"(j) The State Board of Community Colleges shall use its Board Reserve Fund for feasibility studies, pilot projects, start-up of new programs, and innovative ideas. ~~The State Board shall report to the Joint Legislative Education Oversight Committee on expenditures from the State Board Reserve Fund on January 15 and June 15 each year."~~

**IMPLEMENT ALTERNATIVE FORMULA MODEL**

SECTION 8.3.(a) The State Board of Community Colleges shall consolidate the Health Sciences Allotment, the Technical Education Allotment, and the Special High Cost Allotment for Heavy Equipment with formula funds to support curriculum instruction.

SECTION 8.3.(b) The State Board of Community Colleges shall allocate formula funds appropriated to support curriculum instruction and the occupational education component of continuing education through a formula that provides an instructional base allocation to all colleges and allocates remaining funds on a weighted full-time equivalent (FTE) basis. In determining the appropriate weighting, the State Board of Community Colleges shall weigh curriculum courses in high-cost areas such as health care, technical education, and lab-based science courses more heavily than other curriculum courses. The State Board of Community Colleges shall also weigh continuing education courses that lead to a third-party credential or certification and courses providing an industry-designed curriculum more heavily than other occupational extension courses.

**USE OF OVERREALIZED RECEIPTS TO SUPPORT ENROLLMENT GROWTH RESERVE RATHER THAN EQUIPMENT RESERVE**

SECTION 8.4. G.S. 115D-31(e) reads as rewritten:

"(e) If receipts for community college tuition and fees exceed the amount certified in General Fund Codes at the end of a fiscal year, the State Board of Community Colleges shall transfer the amount of receipts and fees above those budgeted to the Equipment Reserve Fund Enrollment Growth Reserve. Funds in the Enrollment Growth Reserve shall not revert to the General Fund and shall remain available to the State Board until expended. The State Board may allocate funds in this reserve to colleges experiencing an enrollment increase greater than five percent (5%) of budgeted enrollment levels."

**BASIC SKILLS PLUS**

SECTION 8.5.(a) Notwithstanding any other provision of law, the State Board may authorize a local community college to use up to twenty percent (20%) of the State

**PART X (*Excerpt*)**  
**(“Department of Health and Human  
Services”)**

**Session Law 2011-145**



this section, applies to the 2012-2013 academic year and each subsequent academic year, except that the rule-making authority for the State Education Assistance Authority under G.S. 116-283(a) becomes effective immediately on July 1, 2011. Subsections (b), (c), (e), (f), (g), and (h) of this section become effective July 1, 2012.

**CONSTITUENT INSTITUTIONS MAY PURCHASE MOTOR VEHICLES  
INDEPENDENT OF MOTOR FLEET MANAGEMENT**

**SECTION 9.19.** G.S. 143-341(8)i.3. reads as rewritten:

**"§ 143-341. Powers and duties of Department.**

The Department of Administration has the following powers and duties:

...  
(8) General Services:

i. To establish and operate a central motor pool and such subsidiary related facilities as the Secretary may deem necessary, and to that end:

...  
3. To require on a schedule determined by the Department all State agencies to transfer ownership, custody or control of any or all passenger motor vehicles within the ownership, custody or control of that agency to the Department, except those motor vehicles under the ownership, custody or control of the Highway Patrol or Patrol, the State Bureau of Investigation, or the constituent institutions of The University of North Carolina which are used primarily for law-enforcement purposes, and except those motor vehicles under the ownership, custody or control of the Department of Crime Control and Public Safety for Butner Public Safety which are used primarily for law-enforcement, fire, or emergency purposes."

**PART X. DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**CHILD CARE SUBSIDY RATES**

**SECTION 10.1.(a)** The maximum gross annual income for initial eligibility, adjusted biennially, for subsidized child care services shall be seventy-five percent (75%) of the State median income, adjusted for family size.

**SECTION 10.1.(b)** Fees for families who are required to share in the cost of care shall be established based on a percent of gross family income and adjusted for family size. Fees shall be determined as follows:

FAMILY SIZE	PERCENT OF GROSS FAMILY INCOME
1-3	10%
4-5	9%
6 or more	8%.

**SECTION 10.1.(c)** Payments for the purchase of child care services for low-income children shall be in accordance with the following requirements:

- (1) Religious-sponsored child care facilities operating pursuant to G.S. 110-106 and licensed child care centers and homes that meet the minimum licensing standards that are participating in the subsidized child care program shall be paid the one-star county market rate or the rate they charge privately paying parents, whichever is lower, unless prohibited by Section 10.7(g) of this act.
- (2) Licensed child care centers and homes with two or more stars shall receive the market rate for that rated license level for that age group or the rate they charge privately paying parents, whichever is lower, unless prohibited by Section 10.7(g) of this act.
- (3) Nonlicensed homes shall receive fifty percent (50%) of the county market rate or the rate they charge privately paying parents, whichever is lower.
- (4) No payments shall be made for transportation services or registration fees charged by child care facilities.

- (5) Payments for subsidized child care services for postsecondary education shall be limited to a maximum of 20 months of enrollment.
- (6) The Department of Health and Human Services shall implement necessary rule changes to restructure services, including, but not limited to, targeting benefits to employment.

**SECTION 10.1.(d)** Provisions of payment rates for child care providers in counties that do not have at least 50 children in each age group for center-based and home-based care are as follows:

- (1) Except as applicable in subdivision (2) of this subsection, payment rates shall be set at the statewide or regional market rate for licensed child care centers and homes.
- (2) If it can be demonstrated that the application of the statewide or regional market rate to a county with fewer than 50 children in each age group is lower than the county market rate and would inhibit the ability of the county to purchase child care for low-income children, then the county market rate may be applied.

**SECTION 10.1.(e)** A market rate shall be calculated for child care centers and homes at each rated license level for each county and for each age group or age category of enrollees and shall be representative of fees charged to parents for each age group of enrollees within the county. The Division of Child Development shall also calculate a statewide rate and regional market rates for each rated license level for each age category.

**SECTION 10.1.(f)** Facilities licensed pursuant to Article 7 of Chapter 110 of the General Statutes and facilities operated pursuant to G.S. 110-106 may participate in the program that provides for the purchase of care in child care facilities for minor children of needy families. Except as authorized by Section 10.7(g) of this act, no separate licensing requirements shall be used to select facilities to participate. In addition, child care facilities shall be required to meet any additional applicable requirements of federal law or regulations. Child care arrangements exempt from State regulation pursuant to Article 7 of Chapter 110 of the General Statutes shall meet the requirements established by other State law and by the Social Services Commission.

County departments of social services or other local contracting agencies shall not use a provider's failure to comply with requirements in addition to those specified in this subsection as a condition for reducing the provider's subsidized child care rate.

**SECTION 10.1.(g)** Payment for subsidized child care services provided with Work First Block Grant funds shall comply with all regulations and policies issued by the Division of Child Development for the subsidized child care program.

**SECTION 10.1.(h)** Noncitizen families who reside in this State legally shall be eligible for child care subsidies if all other conditions of eligibility are met. If all other conditions of eligibility are met, noncitizen families who reside in this State illegally shall be eligible for child care subsidies only if at least one of the following conditions is met:

- (1) The child for whom a child care subsidy is sought is receiving child protective services or foster care services.
- (2) The child for whom a child care subsidy is sought is developmentally delayed or at risk of being developmentally delayed.
- (3) The child for whom a child care subsidy is sought is a citizen of the United States.

#### **CHILD CARE ALLOCATION FORMULA**

**SECTION 10.2.(a)** The Department of Health and Human Services shall allocate child care subsidy voucher funds to pay the costs of necessary child care for minor children of needy families. The mandatory thirty percent (30%) Smart Start subsidy allocation under G.S. 143B-168.15(g) shall constitute the base amount for each county's child care subsidy allocation. The Department of Health and Human Services shall use the following method when allocating federal and State child care funds, not including the aggregate mandatory thirty percent (30%) Smart Start subsidy allocation:

- (1) Funds shall be allocated to a county based upon the projected cost of serving children under age 11 in families with all parents working who earn less than seventy-five percent (75%) of the State median income.

- (2) No county's allocation shall be less than ninety percent (90%) of its State fiscal year 2001-2002 initial child care subsidy allocation.

**SECTION 10.2.(b)** The Department of Health and Human Services may reallocate unused child care subsidy voucher funds in order to meet the child care needs of low-income families. Any reallocation of funds shall be based upon the expenditures of all child care subsidy voucher funding, including Smart Start funds, within a county.

**SECTION 10.2.(c)** Notwithstanding subsection (a) of this section, the Department of Health and Human Services shall allocate up to twenty million dollars (\$20,000,000) in federal block grant funds and State funds appropriated for fiscal years 2011-2012 and 2012-2013 for child care services. These funds shall be allocated to prevent termination of child care services. Funds appropriated for specific purposes, including targeted market rate adjustments given in the past, may also be allocated by the Department separately from the allocation formula described in subsection (a) of this section.

#### **CHILD CARE FUNDS MATCHING REQUIREMENT**

**SECTION 10.3.** No local matching funds may be required by the Department of Health and Human Services as a condition of any locality's receiving its initial allocation of child care funds appropriated by this act unless federal law requires a match. If the Department reallocates additional funds above twenty-five thousand dollars (\$25,000) to local purchasing agencies beyond their initial allocation, local purchasing agencies must provide a twenty percent (20%) local match to receive the reallocated funds. Matching requirements shall not apply when funds are allocated because of a disaster as defined in G.S. 166A-4(1).

#### **CHILD CARE REVOLVING LOAN**

**SECTION 10.4.** Notwithstanding any law to the contrary, funds budgeted for the Child Care Revolving Loan Fund may be transferred to and invested by the financial institution contracted to operate the Fund. The principal and any income to the Fund may be used to make loans, reduce loan interest to borrowers, serve as collateral for borrowers, pay the contractor's cost of operating the Fund, or pay the Department's cost of administering the program.

#### **EXPIRATION OF EARLY EDUCATION CERTIFICATION REQUIREMENT**

**SECTION 10.4A.** Section 2 of S.L. 2010-178 reads as rewritten:

"**SECTION 2.** This act is effective when it becomes law and expires July 1, 2011."

#### **EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES ENHANCEMENTS**

**SECTION 10.5.(a)** Administrative costs shall be equivalent to, on an average statewide basis for all local partnerships, not more than eight percent (8%) of the total statewide allocation to all local partnerships. For purposes of this subsection, administrative costs shall include costs associated with partnership oversight, business and financial management, general accounting, human resources, budgeting, purchasing, contracting, and information systems management. The North Carolina Partnership for Children, Inc., shall develop a single statewide contract management system that incorporates features of the required standard fiscal accountability plan described in G.S. 143B-168.12(a)(4). All local partnerships shall be required to participate in the contract management system and shall be directed by the North Carolina Partnership for Children, Inc., to collaborate, to the fullest extent possible, with other local partnerships to increase efficiency and effectiveness.

**SECTION 10.5.(b)** G.S. 143B-168.12(a)(5) is repealed.

**SECTION 10.5.(c)** The North Carolina Partnership for Children, Inc., shall not use more than eighty thousand dollars (\$80,000) in funds from the General Fund for the salary of any individual employee. A local partnership shall not use more than sixty thousand dollars (\$60,000) in funds from the General Fund for the salary of any individual employee. Nothing in this subsection shall be construed to prohibit the North Carolina Partnership for Children, Inc., or a local partnership from using non-State funds to supplement the salary of an employee employed by the North Carolina Partnership for Children, Inc., or the local partnership.

**SECTION 10.5.(d)** The North Carolina Partnership for Children, Inc., and all local partnerships shall use competitive bidding practices in contracting for goods and services on contract amounts as follows:



- (1) For amounts of five thousand dollars (\$5,000) or less, the procedures specified by a written policy to be developed by the Board of Directors of the North Carolina Partnership for Children, Inc.
- (2) For amounts greater than five thousand dollars (\$5,000), but less than fifteen thousand dollars (\$15,000), three written quotes.
- (3) For amounts of fifteen thousand dollars (\$15,000) or more, but less than forty thousand dollars (\$40,000), a request for proposal process.
- (4) For amounts of forty thousand dollars (\$40,000) or more, a request for proposal process and advertising in a major newspaper.

**SECTION 10.5.(e)** The North Carolina Partnership for Children, Inc., and all local partnerships shall, in the aggregate, be required to match one hundred percent (100%) of the total amount budgeted for the program in each fiscal year of the biennium. Of the funds the North Carolina Partnership for Children, Inc., and the local partnerships are required to match, contributions of cash shall equal to at least ten percent (10%) and in-kind donated resources equal to no more than three percent (3%) for a total match requirement of thirteen percent (13%) for each fiscal year. The North Carolina Partnership for Children, Inc., may carry forward any amount in excess of the required match for a fiscal year in order to meet the match requirement of the succeeding fiscal year. Only in-kind contributions that are quantifiable shall be applied to the in-kind match requirement. Volunteer services may be treated as an in-kind contribution for the purpose of the match requirement of this subsection. Volunteer services that qualify as professional services shall be valued at the fair market value of those services. All other volunteer service hours shall be valued at the statewide average wage rate as calculated from data compiled by the Employment Security Commission in the Employment and Wages in North Carolina Annual Report for the most recent period for which data are available. Expenses, including both those paid by cash and in-kind contributions, incurred by other participating non-State entities contracting with the North Carolina Partnership for Children, Inc., or the local partnerships, also may be considered resources available to meet the required private match. In order to qualify to meet the required private match, the expenses shall:

- (1) Be verifiable from the contractor's records.
- (2) If in-kind, other than volunteer services, be quantifiable in accordance with generally accepted accounting principles for nonprofit organizations.
- (3) Not include expenses funded by State funds.
- (4) Be supplemental to and not supplant preexisting resources for related program activities.
- (5) Be incurred as a direct result of the Early Childhood Initiatives Program and be necessary and reasonable for the proper and efficient accomplishment of the Program's objectives.
- (6) Be otherwise allowable under federal or State law.
- (7) Be required and described in the contractual agreements approved by the North Carolina Partnership for Children, Inc., or the local partnership.
- (8) Be reported to the North Carolina Partnership for Children, Inc., or the local partnership by the contractor in the same manner as reimbursable expenses.

Failure to obtain a thirteen percent (13%) match by June 30 of each fiscal year shall result in a dollar-for-dollar reduction in the appropriation for the Program for a subsequent fiscal year. The North Carolina Partnership for Children, Inc., shall be responsible for compiling information on the private cash and in-kind contributions into a report that is submitted to the Joint Legislative Commission on Governmental Operations in a format that allows verification by the Department of Revenue. The same match requirements shall apply to any expansion funds appropriated by the General Assembly.

**SECTION 10.5.(f)** The Department of Health and Human Services shall continue to implement the performance-based evaluation system.

**SECTION 10.5.(g)** The Department of Health and Human Services and the North Carolina Partnership for Children, Inc., shall ensure that the allocation of funds for Early Childhood Education and Development Initiatives for State fiscal years 2011-2012 and 2012-2013 shall be administered and distributed in the following manner:

- (1) Capital expenditures are prohibited for fiscal years 2011-2012 and 2012-2013. For the purposes of this section, "capital expenditures" means expenditures for capital improvements as defined in G.S. 143C-1-1(d)(5).

- (2) Expenditures of State funds for advertising and promotional activities are prohibited for fiscal years 2011-2012 and 2012-2013.

**SECTION 10.5.(h)** A county may use the county's allocation of State and federal child care funds to subsidize child care according to the county's Early Childhood Education and Development Initiatives Plan as approved by the North Carolina Partnership for Children, Inc. The use of federal funds shall be consistent with the appropriate federal regulations. Child care providers shall, at a minimum, comply with the applicable requirements for State licensure pursuant to Article 7 of Chapter 110 of the General Statutes.

**SECTION 10.5.(i)** For fiscal years 2011-2012 and 2012-2013, the local partnerships shall spend an amount for child care subsidies that provides at least fifty-two million dollars (\$52,000,000) for the TANF maintenance of effort requirement and the Child Care Development Fund and Block Grant match requirement.

**SECTION 10.5.(j)** For fiscal years 2011-2012 and 2012-2013, local partnerships shall not spend any State funds on marketing campaigns, advertising, or any associated materials. Local partnerships may spend any private funds the local partnerships receive on those activities.

**SECTION 10.5.(k)** The North Carolina Partnership for Children, Inc., and its Board shall establish policies that focus the North Carolina Partnership for Children, Inc.'s mission on improving child care quality in North Carolina for children from birth to five years of age. North Carolina Partnership for Children, Inc.-funded activities shall include assisting child care facilities with (i) improving quality, including helping one- and two-star rated facilities increase their star ratings, and (ii) implementing prekindergarten programs. State funding for local partnerships shall also be used for evidence-based or evidence-informed programs for children from birth to five years of age that do the following:

- (1) Increase children's literacy.
- (2) Increase the parents' ability to raise healthy, successful children.
- (3) Improve children's health.
- (4) Assist four- and five-star rated facilities in improving and maintaining quality.

**SECTION 10.5.(l)** It is the intent of the General Assembly that the North Carolina Partnership for Children, Inc., implement an evidence-based pilot literacy program that improves literacy of children from birth through five years of age and increases children's chances of success in school. An annual evaluation of the pilot literacy program shall access the goals and intended outcomes of the evidence-based pilot literacy program.

**SECTION 10.5.(m)** The Legislative Research Commission is authorized to study the cost, quality, consumer education, and outcomes of the North Carolina Partnership for Children, Inc.'s activities funded to (i) increase early literacy, (ii) measurably improve families' abilities to raise healthy, productive, and successful children, and (iii) increase access to preventative health care for children from birth to five years of age. The Legislative Services Commission shall evaluate and report on the following:

- (1) The types of activities, goals, and intended outcomes of evidence-based early literacy activities that promote phonemic awareness, letter recognition, segmenting words into sounds, and decoding print text.
- (2) The types of family support and health activities supported with the North Carolina Partnership for Children, Inc., funds.
- (3) The goal and intended outcome of the family support and health activities.
- (4) The numbers served and results of the family support and health activities.
- (5) Study the match requirements and what constitutes the match requirements.
- (6) Any other matter the Commission deems relevant to its charge.

**SECTION 10.5.(n)** On or before October 1, 2012, the Legislative Research Commission shall make a report of its findings and recommendations, including any proposed legislation, to the 2012 Regular Session of the 2011 General Assembly, the House of Representatives Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division.

#### **ADMINISTRATIVE ALLOWANCE FOR COUNTY DEPARTMENTS OF SOCIAL SERVICES**

**SECTION 10.6.** The Division of Child Development of the Department of Health and Human Services shall fund the allowance that county departments of social services may

use for administrative costs at four percent (4%) of the county's total child care subsidy funds allocated in the Child Care Development Fund Block Grant plan.

#### **CONSOLIDATE MORE AT FOUR PROGRAM INTO DIVISION OF CHILD DEVELOPMENT**

**SECTION 10.7.(a)** The Department of Public Instruction, Office of Early Learning, and the Department of Health and Human Services are directed to consolidate the More At Four program into the Division of Child Development. The Division of Child Development is renamed the Division of Child Development and Early Education (DCDEE). The DCDEE is directed to maintain the More At Four program's high programmatic standards. The Department of Health and Human Services shall assume the functions of the regulation and monitoring system and payment and reimbursement system for the More At Four program.

All regulation and monitoring functions shall begin July 1, 2011. The More At Four program shall be designated as "prekindergarten" on the five-star rating scale. All references to "prekindergarten" in this section shall refer to the program previously titled the "More At Four" program. All references to "non-prekindergarten" shall refer to all four- and five-star rated facilities.

The Office of State Budget and Management shall transfer positions to the Department of Health and Human Services to assume the regulation, monitoring, and accounting functions within the Division of Child Development's Regulatory Services Section. This transfer shall have all the elements of a Type I transfer as defined in G.S. 143A-6. All funds transferred pursuant to this section shall be used for the funding of prekindergarten slots for four-year-olds and for the management of the program. The Department of Health and Human Services shall incorporate eight consultant positions into the regulation and accounting sections of DCDEE, eliminate the remaining positions, and use position elimination savings for the purpose of funding prekindergarten students. DCDEE may use funds from the transfer of the More At Four program for continuing the teacher mentoring program and contracting for the environmental rating scale assessments.

**SECTION 10.7.(b)** The Childcare Commission shall adopt rules for programmatic standards for regulation of prekindergarten classrooms. The Commission shall review and approve comprehensive, evidenced-based early childhood curricula with a reading component. These curricula shall be added to the currently approved "More At Four" curricula.

**SECTION 10.7.(c)** G.S. 143B-168.4(a) reads as rewritten:

"(a) The Child Care Commission of the Department of Health and Human Services shall consist of ~~15-17~~ members. Seven of the members shall be appointed by the Governor and ~~eight~~ 10 by the General Assembly, ~~four-five~~ upon the recommendation of the President Pro Tempore of the Senate, and ~~four-five~~ upon the recommendation of the Speaker of the House of Representatives. Four of the members appointed by the Governor, two by the General Assembly on the recommendation of the President Pro Tempore of the Senate, and two by the General Assembly on the recommendation of the Speaker of the House of Representatives, shall be members of the public who are not employed in, or providing, child care and who have no financial interest in a child care facility. Two of the foregoing public members appointed by the Governor, one of the foregoing public members recommended by the President Pro Tempore of the Senate, and one of the foregoing public members recommended by the Speaker of the House of Representatives shall be parents of children receiving child care services. Of the remaining two public members appointed by the Governor, one shall be a pediatrician currently licensed to practice in North Carolina. Three of the members appointed by the Governor shall be child care providers, one of whom shall be affiliated with a for profit child care center, one of whom shall be affiliated with a for profit family child care home, and one of whom shall be affiliated with a nonprofit facility. Two of the members appointed by the General Assembly on the recommendation of the President Pro Tempore of the Senate, and two by the General Assembly on recommendation of the Speaker of the House of Representatives, shall be child care providers, one affiliated with a for profit child care facility, and one affiliated with a nonprofit child care facility. The General Assembly, upon the recommendation of the President Pro Tempore of the Senate, and the General Assembly, upon the recommendation of the Speaker of the House of Representatives, shall appoint two early childhood education specialists. None may be employees of the State."

**SECTION 10.7.(d)** The additional curricula approved and taught in prekindergarten classrooms shall also be taught in four- and five-star rated facilities in the

non-prekindergarten four-year-old classrooms. The Child Care Commission shall increase standards in the four- and five-star-rated facilities for the purpose of placing an emphasis on early reading. The Commission shall require the four- and five-star-rated facilities to teach from the Commission's approved curricula. The Division of Child Development may use funds from the Child Care Development Fund Block Grant to assist with the purchase of curricula or adjust rates of reimbursements to cover increased costs.

**SECTION 10.7.(e)** The Division of Child Development and Early Education shall adopt a policy to encourage all prekindergarten classrooms to blend private pay families with prekindergarten subsidized children in the same manner that regular subsidy children are blended with private pay children. The Division may implement a waiver or transition period for the public classrooms.

**SECTION 10.7.(f)** The prekindergarten program may continue to serve at-risk children identified through the existing "child find" methods in which at-risk children are currently served within the Division of Child Development. The Division of Child Development shall serve at-risk children regardless of income. However, the total number of at-risk children served shall constitute no more than twenty percent (20%) of the four-year-olds served within the prekindergarten program. Any age-eligible child who is a child of either of the following shall be eligible for the program: (i) an active duty member of the Armed Forces of the United States, including the North Carolina National Guard, State military forces, or a reserve component of the Armed Forces, who was ordered to active duty by the proper authority within the last 18 months or is expected to be ordered within the next 18 months or (ii) a member of the Armed Forces of the United States, including the North Carolina National Guard, State military forces, or a reserve component of the Armed Forces, who was injured or killed while serving on active duty. Eligibility determinations for prekindergarten participants may continue through local education agencies and local North Carolina Partnership for Children, Inc., partnerships.

**SECTION 10.7.(g)** The Division of Child Development and Early Education (DCDEE) shall adopt policies that improve the quality of childcare for subsidized children. The DCDEE shall phase in a new policy in which child care subsidies will be paid, to the extent possible, for child care in the higher quality centers and homes only. The DCDEE shall define higher quality, and subsidy funds shall not be paid for one- or two-star-rated facilities. For those counties with an inadequate number of three-, four-, and five-star-rated facilities, the DCDEE shall establish a transition period that allows the facilities to continue to receive subsidy funds while the facilities work on the increased star ratings. The DCDEE may allow exemptions in counties where there is an inadequate number of three-, four-, and five-star-rated facilities for nonstar-rated programs, such as religious programs.

**SECTION 10.7.(h)** The Division of Child Development and Early Education shall implement a parent co-payment requirement for prekindergarten classrooms the same as what is required of parents subject to regular child care subsidy payments. All at-risk children and age-eligible children of military personnel as described in subsection (g) of this section are exempt from the co-payment requirements of this subsection.

Fees for families who are required to share in the cost of care shall be established based on a percent of gross family income and adjusted for family size. Fees shall be determined as follows:

FAMILY SIZE	PERCENT OF GROSS FAMILY INCOME
1-3	10%
4-5	9%
6 or more	8%.

**SECTION 10.7.(i)** All prekindergarten classrooms regulated pursuant to this section shall be required to participate in the Subsidized Early Education for Kids (SEEK) accounting system to streamline the payment function for these classrooms with a goal of eliminating duplicative systems and streamlining the accounting and payment processes among the subsidy reimbursement systems. Prekindergarten funds transferred may be used to add these programs to SEEK.

**SECTION 10.7.(j)** Based on market analysis and within funds available, the Division of Child Development and Early Education shall establish reimbursement rates based on newly increased requirements of four- and five-star-rated facilities and the higher teacher standards within the prekindergarten class rooms, specifically More At Four teacher standards, when establishing the rates of reimbursements. Additionally, the prekindergarten curriculum

day shall cover six and one-half to 10 hours daily and no less than 10 months per year. The public classrooms will have a one-year transition period to become licensed through the Division of Child Development and may continue to operate prekindergarten, formerly "More At Four," classrooms during the 2011-2012 fiscal year.

#### **MENTAL HEALTH CHANGES**

**SECTION 10.8.(a)** For the purpose of mitigating cash flow problems that many nonsingle-stream local management entities (LMEs) experience at the beginning of each fiscal year, the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, shall adjust the timing and method by which allocations of service dollars are distributed to each nonsingle-stream LME. To this end, the allocations shall be adjusted such that at the beginning of the fiscal year the Department shall distribute not less than one-twelfth of the LME's continuation allocation and subtract the amount of the adjusted distribution from the LME's total reimbursements for the fiscal year.

**SECTION 10.8.(b)** Of the funds appropriated in this act to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, the sum of twenty-nine million one hundred twenty-one thousand six hundred forty-four dollars (\$29,121,644) for the 2011-2012 fiscal year and the sum of twenty-nine million one hundred twenty-one thousand six hundred forty-four dollars (\$29,121,644) for the 2012-2013 fiscal year shall be allocated for the purchase of local inpatient psychiatric beds or bed days. In addition, at the discretion of the Secretary of Health and Human Services, existing funds allocated to LMEs for community-based mental health, developmental disabilities, and substance abuse services may be used to purchase additional local inpatient psychiatric beds or bed days. These beds or bed days shall be distributed across the State in LME catchment areas and according to need as determined by the Department. The Department shall enter into contracts with the LMEs and community hospitals for the management of these beds or bed days. The Department shall work to ensure that these contracts are awarded equitably around all regions of the State. Local inpatient psychiatric beds or bed days shall be managed and controlled by the LME, including the determination of which local or State hospital the individual should be admitted to pursuant to an involuntary commitment order. Funds shall not be allocated to LMEs but shall be held in a statewide reserve at the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services to pay for services authorized by the LMEs and billed by the hospitals through the LMEs. LMEs shall remit claims for payment to the Division within 15 working days of receipt of a clean claim from the hospital and shall pay the hospital within 30 working days of receipt of payment from the Division. If the Department determines (i) that an LME is not effectively managing the beds or bed days for which it has responsibility, as evidenced by beds or bed days in the local hospital not being utilized while demand for services at the State psychiatric hospitals has not reduced, or (ii) the LME has failed to comply with the prompt payment provisions of this subsection, the Department may contract with another LME to manage the beds or bed days, or, notwithstanding any other provision of law to the contrary, may pay the hospital directly. The Department shall develop reporting requirements for LMEs regarding the utilization of the beds or bed days. Funds appropriated in this section for the purchase of local inpatient psychiatric beds or bed days shall be used to purchase additional beds or bed days not currently funded by or through LMEs and shall not be used to supplant other funds available or otherwise appropriated for the purchase of psychiatric inpatient services under contract with community hospitals, including beds or bed days being purchased through Hospital Utilization Pilot funds appropriated in S.L. 2007-323. Not later than March 1, 2012, the Department shall report to the House of Representatives Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, the Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services, and the Fiscal Research Division on a uniform system for beds or bed days purchased (i) with local funds, (ii) from existing State appropriations, (iii) under the Hospital Utilization Pilot, and (iv) purchased using funds appropriated under this subsection.

**SECTION 10.8.(c)** Of the funds appropriated in this act to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for mobile crisis teams, the sum of five million seven hundred thousand dollars (\$5,700,000) shall be distributed to LMEs to support 30 mobile crisis teams.

SENATE APPROPRIATIONS COMMITTEE

REPORT  
ON THE  
CONTINUATION, EXPANSION  
AND  
CAPITAL BUDGETS

Proposed Senate Committee Substitute for the  
Sixth Edition, House Bill 200

May 31<sup>st</sup>, 2011



# EDUCATION

## Section F

1961-1962

Senate Subcommittee on Education

Public Education

		GENERAL FUND	
		FY 11-12	FY 12-13
Recommended Continuation Budget		\$7,923,543,951	\$7,923,543,951
Legislative Changes			
A. Technical Adjustments			
1 ADM Adjustment	\$55,882,651 R	\$143,087,414 R	
Fully funds both years of average daily membership (ADM) growth for public schools, providing \$55.8 million in FY 2011-12 and \$143.1 million in FY 2012-13. This adjustment, which accounts for changes in multiple allotments, has traditionally been included in the continuation budget.			
2 Average Salary Adjustment	(\$21,838,817) R	(\$22,040,287) R	
Adjusts several budget lines to account for the decrease in average salaries between FY 2009-10 and FY 2010-11. This adjustment has traditionally been included in the continuation budget.			
B. Other Public School Funding Adjustments			
3 LEA Adjustment	(\$124,217,542) R	(\$198,293,574) R	
Increases the LEA Adjustment reduction. The State Board of Education will distribute this reduction to all LEAs and charter schools on the basis of ADM. LEAs and charters will then be responsible for identifying budget reductions in order to meet their share of the LEA Adjustment. LEAs are expected to utilize federal EduJobs availability to minimize reducing position allotments.			
4 Class Size Reduction in Grades 1-3	\$61,697,942 R	\$62,767,803 R	
Adds funding for 1,124 additional teaching positions in FY 2011-12 and 1,144 additional teaching positions in FY 2012-13 to reduce the classroom teacher allotment ratios for grades 1-3 from 1 teacher per 18 students to 1 teacher per 17 students in both years of the biennium. A related provision, Section 7.1B, expresses the intent of the General Assembly to add additional teachers as funds become available with a goal of reducing the teacher allotment ratio in grades 1-3 to 1 teacher for every 15 students.			
5 Education Reform Studies	\$200,000 NR		
Provides nonrecurring funding for studies of third grade literacy programs and ways to reduce the need for remedial or developmental education in the State's higher education institutions. Funding will be available to hire an outside consultant to examine these topics.			



Senate Subcommittee on Education

**6 Testing**

Eliminates funding for four End of Course tests eliminated by S.L. 2011-8 and not required by federal law. Those tests are United States History, Civics and Economics, Algebra II, and Physical Science. The remaining testing funds are then reduced a further 10%, leaving \$8.8 million available for testing in each year of the biennium.

**FY 11-12**

(\$2,725,029)

R

**FY 12-13**

(\$2,729,677)

R

**7 Dropout Prevention Grants**

Eliminates funding for the Dropout Prevention Grant program.

(\$13,290,683)

R

(\$13,290,683)

R

**8 Student Diagnostics**

Eliminates funding for the Student Diagnostics pilot program.

(\$10,000,000)

R

(\$10,000,000)

R

**9 Learn & Earn Online.**

Eliminates funding for Learn & Earn Online courses provided through the UNC system.

(\$4,875,000)

R

(\$4,875,000)

R

**10 Noninstructional Support Personnel**

Reduces this allotment, which supports clerical, janitorial, substitute teachers, and other personnel, by 15% in both years of the biennium. \$337.1 million will remain in this allotment in FY 2011-12 and \$340.3 million will remain in FY 2012-13.

(\$59,497,471)

R

(\$60,054,792)

R

**11 Textbooks**

Reduces funding for textbooks. \$23.4 million will remain in this allotment in FY 2011-12 and \$27.2 million will remain available in FY 2012-13.

(\$13,000,000)

R

(\$13,000,000)

R

(\$79,166,861)

NR

(\$76,500,000)

NR

**12 Instructional Supplies**

Reduces funding for this allotment by approximately 46%. \$49.3 million will remain in this allotment in FY 2011-12 and \$50.2 million will remain available in FY 2012-13.

(\$3,450,000)

R

(\$3,450,000)

R

(\$38,520,358)

NR

(\$38,417,147)

NR

**13 Central Office Administration**

Reduces the allotment to LEAs for the salaries and benefits of central office staff by 16%. This staff includes, but is not limited to, superintendents, associate and assistant superintendents, finance officers, athletic trainers, and transportation directors. \$90.4 million will remain to support these local staff in FY 2011-12 and \$90.5 million will remain available in FY 2012-13.

(\$17,211,294)

R

(\$17,254,494)

R

**14 School Building Administration**

Reduces the funding for assistant principal months of employment by approximately 18.8%. This reduction does not reduce any guaranteed principal positions. \$304.4 million will remain in this allotment in FY 2011-12 and \$306.6 million will remain available in FY 2012-13.

(\$22,193,080)

R

(\$22,403,290)

R

Senate Subcommittee on Education

**15 School Building Administration Position Conversion**

Reduces funding for this allotment based on a modification of the allowable conversion of assistant principal and principal months of employment. Currently, LEAs are allowed to "cash-out" their allotted SBA months of employment at the State-average salary and benefits, and then use the money for other purposes. This section would continue to allow conversions, but only at the equivalent amount for a beginning Principal III for converted principal positions, and the equivalent amount for a beginning assistant principal for cashed-out assistant principal positions.

**FY 11-12** (\$7,700,000) R **FY 12-13** (\$7,700,000) R

**16 Instructional Support**

Reduces this allotment, which supports guidance counselors, social workers, media specialists, and other miscellaneous personnel; by 5%. \$435.8 million will remain in this allotment in FY 2011-12 and \$439.9 million will remain available in FY 2012-13.

(\$22,934,278) R (\$23,149,479) R

**17 Transportation**

Reduces funding for the allotment, which supports the salaries of transportation personnel as well as the maintenance of yellow buses by 2.5%. \$403.3 million will remain in this allotment in FY 2011-12 and \$407.2 million will remain available in FY 2012-13.

(\$10,340,115) R (\$10,442,266) R

**18 School Bus Replacement**

Provides full funding for school bus replacement in FY 2011-12, and reduces the funding on a nonrecurring basis in FY 2012-13. The Department of Public Instruction shall utilize these funds only to support financing payments on previously purchased buses or for finance payments for new replacement buses purchased over the biennium.

(\$20,000,000) NR

**19 Mentoring**

Eliminates funding for this allotment. School districts may use State and other funding sources to provide mentoring services for beginning teachers.

(\$9,214,190) R (\$9,214,190) R

**20 School Technology Fund**

Eliminates General Fund support for this purpose. An additional \$18.0 million for the fund will remain available from the proceeds of the Civil Penalty and Forfeiture Fund.

(\$10,000,000) R (\$10,000,000) R

**21 Staff Development**

Eliminates funding for this allotment. School districts may use State and other funding sources to support professional development.

(\$12,565,063) R (\$12,626,995) R

**22 Uniform Education Reporting System (UERS)**

Reduces funding for the Uniform Education Reporting System (UERS) and the related NC WISE system as it moves into an operations and maintenance phase. This adjustment will leave \$10.3 million in annual appropriations available for UERS operations.

(\$2,101,213) R (\$2,101,213) R

Senate Subcommittee on Education

	<b>FY 11-12</b>		<b>FY 12-13</b>	
<b>23 More at Four Funding Reduction</b>	(\$16,000,000)	R	(\$16,000,000)	R
Reduces More at Four General Fund support by \$16 million, or approximately 20%.				
<b>24 More at Four Transfer</b>	(\$65,011,651)	R	(\$65,011,651)	R
Transfers the remaining \$65 million in General Fund appropriations to the Department of Health and Human Service's Division of Child Development (DCD) to provide a dedicated high-quality pre-K program within its Child Care Subsidy program. In addition, Section 5.4 of the budget bill redirects \$63 million in Lottery funding for the program to DCD. A related provision in Section 10.7 of the bill details the particulars of the transfer.				
<b>25 Liability Insurance for Public School Personnel</b>	\$3,700,000	R	\$3,700,000	R
Establishes a single State-funded liability insurance policy for all North Carolina public schools employees. The State Board of Education shall use funding provided to establish this policy with the North Carolina Department of Public Instruction serving as the master policy holder.				
<b>26 JOBS Commission Schools</b>	(\$200,000)	R	(\$200,000)	R
Eliminates planning funding for these two schools which will open in the 2011-12 school year.				
<b>27 Learn and Earn Early College High Schools</b>	\$200,000	R	\$200,000	R
Transfers planning funding for the two schools recommended by the JOBS Commission. These schools shall be eligible for Learn and Earn Early College allotment funding.				
<b>C. Pass-through Funds</b>				
<b>28 Teacher Cadet</b>	(\$340,000)	R	(\$340,000)	R
Eliminates State support for this program.				
<b>29 Science Olympiad</b>	(\$127,500)	R	(\$127,500)	R
Eliminates State support for this program.				
<b>30 Kids Voting</b>	(\$50,000)	R	(\$50,000)	R
Eliminates State support for this program.				
<b>31 NC Science, Math and Technical Education Center</b>	(\$100,000)	R	(\$100,000)	R
Eliminates State support for this program.				
<b>32 Tarheel Challenge Academy</b>	\$250,000	NR		
Provides funds for the phase one construction of the National Guard Tarheel Challenge Academy site in Badin, NC.				

Senate Subcommittee on Education

**33 Teaching Fellows Fund**

Reduces the General Fund appropriation for the Teaching Fellows Fund. This reduction reflects a decrease in funds available for administrative costs associated with the Teaching Fellows Program in FY 2011-12 and FY 2012-13. Additionally, funds are reduced in FY 2012-13 to phase out support for this program. It is the intent of the General Assembly to support its obligations to the 2011-12 class of Teaching Fellows and prior classes until the State's scholarship commitment is completed.

**FY 11-12**

(\$210,000)

R

**FY 12-13**

(\$3,475,000)

R

**D. Department of Public Instruction**

**34 DPI Curriculum Division**

Eliminates 5.5 State-funded positions working on curriculum issues. Of these, 3.5 State-funded positions are eliminated from the Curriculum, Instruction & Technology section, and 2.0 State-funded positions are eliminated from the Career and Technology Education (CTE) section.

(\$457,690)

R

(\$457,690)

R

-5.50

-5.50

**35 DPI Technology Services**

Eliminates 30.0 State-funded positions from DPI's Technology Services section. 102.85 positions (70.72 State-funded) will remain in this section.

(\$2,712,988)

R

(\$2,712,988)

R

-30.00

-30.00

**36 DPI Communications**

Eliminates 4.0 State-funded positions in the Communications section. 15.0 positions (10.8 State-funded) will remain in this section.

(\$246,586)

R

(\$246,586)

R

-4.00

-4.00

**37 Learn and Earn Administration**

Eliminates the State-funded position at DPI supporting Learn & Earn Online.

(\$139,050)

R

(\$139,050)

R

-1.00

-1.00

**38 Governor's Education Cabinet**

Eliminates funding for the 2.0 positions that DPI provides to support the NC Education Cabinet housed in the Office of the Governor.

(\$206,063)

R

(\$206,063)

R

-2.00

-2.00

**39 NC Professional Teaching Standards Commission**

Eliminates the State funding and positions supporting the NC Professional Teaching Standards Commission.

(\$235,646)

R

(\$235,646)

R

-2.00

-2.00

**40 Teacher Academy**

Eliminates State funding for the Teacher Academy, a provider of professional development services for teachers.

(\$4,762,874)

R

(\$4,762,874)

R

-14.00

-14.00

**41 North Carolina Center for the Advancement of Teaching (NCCAT)**

Reduces State support for the operations of this teacher professional development provider.

(\$3,000,000)

R

(\$3,000,000)

R

-40.00

-40.00

Senate Subcommittee on Education

	<b>FY 11-12</b>		<b>FY 12-13</b>	
<b>42 Connectivity</b>	(\$650,000)	R	(\$650,000)	R
Eliminates the \$350,000 annual transfer from Connectivity to support the e-Learning Portal. Also eliminates the \$300,000 annual transfer from Connectivity to support the evaluation of the Connectivity initiative.				
<b>43 Governor's Schools</b>			(\$849,588)	R
Eliminates State funding for the Governor's Schools. A related provision in Section 7.9 provides the State Board with the discretion to make the program receipt-supported beginning with the summer 2012 program. Funding remains available to provide the program in summer 2011.				
<b>44 Residential Schools for the Deaf and Blind</b>	(\$1,691,445)	R	(\$7,191,445)	R
Eliminates State funding for the superintendent of residential schools position within DPI and reduces the operating budget for Residential Schools for the Deaf and Blind by approximately 5%. For FY 2012-13, DPI must close one of the three residential schools. A related provision, Section 7.25, directs DPI to report to the Joint Education Oversight Committee of the General Assembly the school slated for closure and the Department's plan for consolidating the programs with those at the two remaining schools.				
	-1.00		-1.00	
<b>Total Legislative Changes</b>	(\$341,814,675)	R	(\$338,626,804)	R
	(\$117,237,219)	NR	(\$134,917,147)	NR
<b>Total Position Changes</b>	-99.50		-99.50	
<b>Revised Budget</b>	\$7,464,492,057		\$7,450,000,000	

Senate Subcommittee on Education

Community Colleges

	GENERAL FUND	
	FY 11-12	FY 12-13
Recommended Continuation Budget	\$1,102,475,214	\$1,102,475,214

Legislative Changes

A. Technical Adjustments

45 Enrollment Growth

\$34,140,158 R \$47,699,747 R

Provides funds to fully fund enrollment growth, including enrollment growth for equipment funding, in both years of the biennium.

According to the FY 2010-11 spring enrollment census, enrollment has increased by 3.3% (8,081 full-time-equivalent students or FTE) above the FY 2010-11 budgeted enrollment of 243,854. Curriculum enrollment has increased by 6,928 FTE (3.6%), continuing education enrollment has increased by 1,396 FTE (4.9%), and basic skills enrollment has decreased by 243 FTE (-1.1%). Total equipment funding for FY 2011-12 is \$5,643,030, which maintains the amount per equipment FTE at the FY 2009-10 level. Total requirements for the enrollment growth increase are \$45,058,958, of which \$10,918,800 is funded from receipts.

Estimated enrollment growth during the FY 2011-12 year is also fully funded with an additional appropriation of \$13,559,589, \$584,775 of which is for equipment. This adjustment is based on estimated enrollment growth of 1.5% (3,672 FTE). Total requirements for the enrollment growth are \$18,478,365, of which \$4,918,776 is funded from receipts.

46 Hickory Metro Higher Education Center

(\$264,833) R (\$264,833) R

Transfers categorical funding for the Hickory Metro Higher Education Center at Catawba Valley Community College to the UNC System budget.

B. State Aid Adjustments

47 Management Flexibility Reduction

(\$50,777,984) R (\$58,544,165) R

Reduces funds in the State Aid budget. The State Board of Community Colleges shall distribute the flexibility reduction, accounting for the unique needs of each college. Each college reduced shall have the flexibility to adjust its budget to implement this reduction, but shall not impact those activities directly involved in retraining displaced workers.

Senate Subcommittee on Education

**FY 11-12**

**FY 12-13**

**48 Curriculum Tuition**

(\$47,664,650) R (\$60,393,549) R

Increases curriculum tuition by \$10 per credit hour in FY 2011-12 and an additional \$2.50 per credit hour in FY 2012-13, and makes a corresponding General Fund reduction in anticipation of increased tuition receipts.

For FY 2011-12, resident tuition will increase from \$56.50 to \$66.50 for residents and from \$248.50 to \$258.50 for nonresidents. Tuition for full-time resident students will increase by a maximum of \$320 per year, from \$1,808 to \$2,128.

For FY 2012-13, resident tuition will increase from \$66.50 to \$69 for residents and from \$258.50 to \$261 for nonresidents. Tuition for full-time resident students will increase by a maximum of an additional \$80 per year, from \$2,128 to \$2,208.

**49 Continuing Education Fee**

(\$664,509) R

Increases continuing education fees by \$5 per course, beginning in FY 2012-13, and takes a corresponding General Fund reduction in anticipation of increased tuition receipts. The new fees will be as follows:

Classes 1-24 hours - \$70,  
Classes 25-50 hours - \$125,  
Classes 51+ hours - \$180.

**50 Funding Formula**

(\$22,670,636) R (\$22,670,636) R

Eliminates categorical funding for Health Sciences (\$16,842,300), Technical Education (\$5,500,000), and Special High Cost Programs allotment for Heavy Equipment (\$328,336), and restructures the curriculum and continuing education funding formulas to provide weighted funding based on the type of instruction, as directed in Section 8.3.

Curriculum courses in high-cost areas such as healthcare, technical education, and lab-based science courses shall be weighted more heavily than other curriculum courses.

Continuing education courses that lead to a third-party credential or certification and courses providing an industry-designed curriculum shall be weighted more heavily than other continuing education courses.

**51 Basic Skills**

(\$10,000,000) R (\$10,000,000) R

Reduces funding for basic skills education by 12.4%. Total funding remaining for the program will be \$86,246,787, with \$70,483,463 in State funding and \$15,763,628 in federal funding.

**52 Institutional and Academic Support**

(\$8,548,090) R (\$8,548,090) R

Eliminates funding for one of the 5.5 general institutional positions in the institutional and academic support enrollment allotment funding formula for community colleges. Total funding remaining in this allotment will be \$452.5 million.

Community Colleges

Senate Subcommittee on Education

**FY 11-12**

**FY 12-13**

**53 Customized Training**

Reduces the Customized Training budget on a one-time basis. Total recurring funding for the program is \$12,457,121; however, per G.S. 115D-5.1(f2), unexpended funds for the program do not revert and are instead carried forward to the next year. After this reduction, the total amount available for expenditure in the biennium is expected to be \$31,710,340, or \$15,855,170 per year.

(\$7,600,000) NR

Of these funds, up to \$75,000 may be used to support curriculum development, materials, and training for Small Business Centers.

**54 BioNetwork**

Reduces funds for BioNetwork grants and centers by 6.6%. \$205,582 will be reduced from BioNetwork centers (5% reduction) and \$84,646 from grants to colleges (30% reduction). Total funding remaining for the program will be \$4,106,056.

(\$290,228) R

(\$290,228) R

**55. Minority Male Mentoring**

Reduces funding for the Minority Male Mentoring program by 10%. Total funding remaining for the program will be \$810,000.

(\$90,000) R

(\$90,000) R

**56 NC Military Business Center**

Reduces the categorical allotment to the NC Military Business Center at Fayetteville Technical Community College by 10%. Total funding remaining for the program will be \$1,125,000.

(\$125,000) R

(\$125,000) R

**57 Textile Technology Center**

Reduces the categorical allotment to the Textile Technology Center at Gaston College by 10%. Total funding remaining for this program will be \$821,258.

(\$91,251) R

(\$91,251) R

**58 Manufacturing Solutions Center**

Reduces the categorical allotment for the Manufacturing Solutions Center at Catawba Valley Community College by 10%. Total funding remaining for this program will be \$514,904.

(\$57,212) R

(\$57,212) R

**59 Haywood Regional High Technology Center**

Eliminates the categorical allotment for the Regional High Technology Center at Haywood Community College. The college will continue to receive regular FTE formula funding for the enrollment at the Center.

(\$582,383) R

(\$582,383) R

**60 NC REAL**

Eliminates pass-through funding for NC Rural Entrepreneurship through Action Learning (NC REAL).

(\$250,000) R

(\$250,000) R



Senate Subcommittee on Education

**FY 11-12**

**FY 12-13**

**C. Student Aid Adjustments**

**61 NC Community College Grant Program**

Reverts the existing fund balance of \$5.7 million to the Escheats Fund and increases annual appropriations by \$2.5 million for a total budget of \$16.5 million per year.

The funds for this item are shown in the Community College System - Trust - General Fund (Budget Code: 66801) section of this report.

**62 Tuition Waivers**

Eliminates tuition waivers for community college faculty and staff, NC Civil Air Patrol, and individuals engaged in civil preparedness activities. Colleges are permitted to use State and local funds to pay for tuition and registration fees for one course per semester for full-time faculty and staff.

(\$444,000) R (\$444,000) R

**D. Community Colleges System Office Adjustments**

**63 System Office Positions**

Eliminates 19 positions in the Community Colleges System Office, including 9 vacant, 2 expected-to-be-vacant, and 8 filled positions. The positions are as follows:

(\$1,265,975) R (\$1,265,975) R

Executive Division - 3 vacant and 2 filled positions;

IT & Workforce Development Division - 3 vacant, 2 expected-to-be-vacant, and 4 filled positions;

-19.00 -19.00

Business and Finance Division - 1 vacant and 1 filled position; and

Academic and Student Services Division - 2 vacant and 1 filled positions.

**64 System Office Operating Funds**

Reduces operating funds for travel, training, information technology, and other expenses.

(\$265,417) R (\$265,417) R

**65 2+2 E-learning Initiative**

Reduces the budget of the 2+2 E-learning initiative by 13%. Total funding remaining for the program will be \$653,000.

(\$97,000) R (\$97,000) R

**66 Receipt-supported Positions**

Shifts 3.5 positions from General Fund appropriations to receipts. Positions and receipt source are as follows:

(\$322,180) R (\$322,180) R

-3.50 -3.50

Accountant (2 positions) - indirect cost receipts;  
Education Program Director (1 position) - Proprietary School receipts;  
Education Consultant II (.25 position) and Education Program Director II (.25 position) - federal receipts.

Senate Subcommittee on Education

**FY 11-12**

**FY 12-13**

**67 GED Program**

(\$208,533) R

(\$208,533) R

Shifts the General Education Development (GED) program entirely to receipt support. Section 31.2 permits the State Board of Community Colleges to increase the fee assessed to individuals taking the GED exam. The current fee is \$7.50.

-2.50

-2.50

The fees will be used to support the costs of administering the tests, including scoring the tests and printing the GED certificates. A total of 2.5 positions will be shifted from appropriation to receipt support, including 2 GED & Adult High School Tech positions, and one-half of the Education Program Director position.

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**Total Legislative Changes**

(\$109,875,214) R

(\$117,475,214) R

(\$7,600,000) NR

**Total Position Changes**

-25.00

-25.00

**Revised Budget**

\$985,000,000

\$985,000,000

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Senate Subcommittee on Education

UNC System

	GENERAL FUND	
	FY 11-12	FY 12-13
Recommended Continuation Budget	\$2,887,492,464	\$2,886,730,386

Legislative Changes

A. Technical Adjustments

<b>68 Enrollment Growth</b>	\$46,818,123	R	\$46,818,123	R
Fully funds projected enrollment growth for FY 2011-12 at the University of North Carolina. The projected enrollment increase of 1.2% equates to an additional 2,337 full-time-equivalent (FTE) students. Total requirements will increase by \$56,474,924, of which \$10,656,801 will be funded by increased tuition receipts, for a net State appropriation of \$46,818,123.				
<b>69 Hickory Metro Higher Education Center</b>	\$264,833	R	\$264,833	R
Transfers funds for the Hickory Metro Higher Education Center from the North Carolina Community College System budget to the budget for Appalachian State University.				

B. Base Budget Adjustments

<b>70 Management Flexibility Reduction</b>	(\$413,987,494)	R	(\$423,172,261)	R
Mandates a management flexibility reduction for the UNC operating budget. As directed in Section 9.6, the UNC Board of Governors shall not allocate this reduction on an across-the-board basis to constituent institutions.				
<b>71 UNC Hospitals Subsidy</b>	(\$26,011,882)	NR	(\$26,011,882)	NR
Reduces the State subsidy to UNC Hospitals by 59% for two years. \$18 million will remain available to UNC Hospitals after this reduction.				
<b>72 Center for Public Television Continuation Review</b>	(\$11,997,888)	R	(\$11,997,888)	R
Eliminates recurring funding for the Center for Public Television and provides nonrecurring funds with a twelve percent reduction for FY 2011-12. Restoration of recurring funding is subject to the findings of a legislative continuation review.				
	\$10,568,141	NR		-116.00

Senate Subcommittee on Education

**73 East Carolina School of Dentistry Operations**

Provides funds to the East Carolina School of Dentistry for new faculty and staff and operating costs to prepare for its first class of students, which will enroll in fall 2011, and to establish dental service learning centers throughout the State where faculty and students will serve patients.

Of the new funds appropriated, approximately \$3.4 million in FY 2011-12 and approximately \$4.5 million in FY 2012-13 will be used for salaries, wages, and benefits. Total State appropriations will be \$15 million in FY 2011-12 and \$16.5 million in FY 2012-13.

**74 Building Reserves**

Provides funds to operate new or renovated UNC buildings completed in FY 2011-12. Specifically, funds are for the housekeeping, maintenance, and security requirements for the added building square footage. The FY 2011-12 amount provides funding for a partial year; the FY 2012-13 appropriation represents the full-year cost.

**75 NC A&T/UNC-G Joint School of Nanoscience and Nanoengineering**

Provides nonrecurring funds for the NC A&T/UNC-G Joint School of Nanoscience and Nanotechnology located the Gateway University Research Park in Greensboro. The program is designed to conduct research in areas such as drug design and delivery, nanobioengineering, and genetic screening.

		<b>FY 11-12</b>		<b>FY 12-13</b>	
		\$3,500,000	R	\$5,000,000	R
		27.00		39.00	
		\$18,531,614	R	\$29,233,551	R
		282.80		282.80	
		\$1,000,000	NR	\$1,000,000	NR

Senate Subcommittee on Education

**FY 11-12**

**FY 12-13**

**C. Student Aid Adjustments**

**76 UNC Need-based Financial Aid Program**

\$37,891,429 R \$68,608,867 R

Shifts program funding to a higher proportion from the General Fund, due to diminishing Escheat Fund principal. In FY 2011-12, total funds available for the UNC Need-based Financial Aid program from all sources will be \$301,446 lower than the FY 2011-12 base budget. In FY 2012-13, total funds available will be \$4,956,358 lower, and students will be limited in the length of time they can receive the grant (Section 9.11). An additional \$59.9 million in forward-funding is provided in FY 2011-12, to increase program stability (Section 9.9).

Total funding includes:

FY 2011-12

General Fund - \$48,891,429

Escheat Fund - \$127,354,154

Lottery Fund - \$10,744,733

FY 2012-13

General Fund - \$79,608,867

Escheat Fund - \$32,122,242

Lottery Fund - \$10,744,733

Note: Sections 5.4 and 9.8 appropriate funds from the Lottery Fund and Escheat Fund, respectively.

**77 Student Incentive Grant**

(\$800,827) R (\$800,827) R

Eliminates funding for the Student Incentive Grant, as federal matching funds have been eliminated. In addition to the funds shown here, \$3,613,601 in Escheat Fund program funding is also reduced, for a total reduction of \$4,414,428.

**78 Nonresident Tuition Waivers**

(\$1,892,640) R (\$1,892,640) R

Eliminates certain tuition waivers for nonresident students.

These waivers include:

- Special Talent undergraduate tuition waivers (\$529,967);
- Nonresident teachers (\$984,443); and
- Nonresident Prospective Teacher Scholars program (\$378,230).

**79 Academic Common Market**

(\$970,747) R

Phases out funding for the Academic Common Market program, beginning in FY 2012-13. Based on tuition waived in FY 2009-10, it is estimated that \$970,747 will remain in program funding in FY 2012-13.

**80 Legislative Tuition Grant**

(\$7,167,171) R (\$58,269,681) R

Reduces funds for the Legislative Tuition Grant (LTG) by 12.3% in FY 2011-12 and eliminates funding in FY 2012-13. This program will be replaced by the Need-based Scholarships for Students Attending Private Institutions of Higher Education, described below.

Senate Subcommittee on Education

**81 State Contractual Scholarship Fund**

Reduces funds for the State Contractual Scholarship Fund by 12.3% in FY 2011-12 and eliminates funding in FY 2012-13. This program will be replaced by the Need-based Scholarships for Students Attending Private Institutions of Higher Education, described below.

FY 11-12		FY 12-13	
(\$5,645,326)	R	(\$45,896,963)	R

**82 Other Private School Aid**

Reduces funds for Other Private School Aid by 12.3% in FY 2011-12 and eliminates funding in FY 2012-13. This program will be replaced by the Need-based Scholarships for Students Attending Private Institutions of Higher Education, described below.

(\$39,483)	R	(\$321,000)	R
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**83 Need-based Scholarships for Private College Students**

Provides funds for the newly established Need-based Scholarships for Students Attending Private Institutions of Higher Education, beginning in FY 2012-13. This program is described in Section 9.18.

		\$81,851,588	R
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**84 Private Medical School Aid**

Eliminates funding for the Private Medical School aid program. Students funded under this program are eligible to apply for the Board of Governors Medical School loan program.

(\$1,279,000)	R	(\$1,279,000)	R
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**85 Principal Fellows**

Reduces program slots by 10% beginning in FY 2012-13. Total funding remaining for the program in FY 2012-13 will be \$3,258,000.

		(\$382,000)	R
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**86 Future Teachers Scholarship-loan**

Eliminates the remaining budget of the Future Teachers Scholarship-loan, which was abolished in 2009.

(\$455,000)	R	(\$455,000)	R
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**87 Health, Science, and Mathematics Scholarship-loan**

Shifts the portion of program funding previously provided from the Escheat Fund to General Fund support. Total program funding will remain at \$1,922,779.

\$1,100,000	R	\$1,100,000	R
-------------	---	-------------	---

**88 Board of Governors Medical Scholarship-loan**

Shifts the portion of program funding previously provided from the Escheat Fund to General Fund support. Total program funding will remain at \$1,869,180.

\$645,000	R	\$645,000	R
-----------	---	-----------	---

**89 Board of Governors Dental Scholarship-loan**

Shifts the portion of program funding previously provided from the Escheat Fund to General Fund support. Total program funding will remain at \$939,160.

\$450,239	R	\$450,239	R
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**90 Nurse Education Scholarship-loan**

Shifts the portion of program funding previously provided from the Escheat Fund to General Fund support. Total program funding will remain at \$867,756.

\$800,000	R	\$800,000	R
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Senate Subcommittee on Education

**FY 11-12**

**FY 12-13**

**91 Teacher Assistant Scholarship Fund**

\$600,000 R

\$600,000 R

Shifts the portion of program funding previously provided from the Escheat Fund to General Fund support. Total program funding will remain at \$814,714.

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**Total Legislative Changes**

(\$332,663,591) R

(\$310,045,806) R

(\$14,453,741) NR

(\$25,011,882) NR

**Total Position Changes**

309.80

205.80

**Revised Budget**

\$2,540,375,132

\$2,551,672,698

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Subcommittee on Education

**NC Community College System – Trust – General**

Budget Code: 66801

	FY 2011-12	FY 2012-13
Beginning Unreserved Fund Balance	\$5,919,657	\$187,745
Recommended Budget		
Requirements	\$26,282,132	\$26,282,132
Receipts	\$26,282,132	\$26,282,132
Positions	0.00	0.00

**Legislative Changes**

**Requirements:**

<b>NC Community College Grant Program</b>	\$2,518,798 R	\$2,518,798 R
Increases the annual appropriation from the Escheats Fund by \$2.5 million, for a total program budget of \$16.5 million per year.	\$0 NR	\$0 NR
	0.00	0.00
<b>Community College Grant Program Fund Balance</b>	\$0 R	\$0 R
Appropriates the program's fund balance, which will be transferred to the Escheats Fund.	\$5,731,912 NR	\$0 NR
	0.00	0.00
<b>Correction to Base Budget</b>	(\$11,648,356) R	(\$11,648,356) R
Corrects an error in the Governor's recommended budget for the total requirements in Budget Code 66801, Fund 6102.	\$0 NR	\$0 NR
	0.00	0.00
<b>Subtotal Legislative Changes</b>	(\$9,129,558) R	(\$9,129,558) R
	\$5,731,912 NR	\$0 NR
	0.00	0.00

**Receipts:**

<b>NC Community College Grant Program</b>	\$2,518,798 R	\$2,518,798 R
Increases receipts from the Escheats Fund by \$2.5 million. Total program receipts will be \$16.5 million per year.	\$0 NR	\$0 NR



Subcommittee on Education

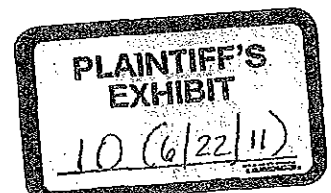
	FY 2011-12	FY 2012-13
<b>Correction to Base Budget</b>	(\$11,648,356) R	(\$11,648,356) R
Corrects an error in the Governor's recommended budget for the fund balance receipts in Budget Code 66801, Fund 6102.	\$0 NR	\$0 NR
<b>Subtotal Legislative Changes</b>	(\$9,129,558) R	(\$9,129,558) R
	\$0 NR	\$0 NR
<hr/>		
<b>Revised Total Requirements</b>	\$22,884,486	\$17,152,574
<b>Revised Total Receipts</b>	\$17,152,574	\$17,152,574
<b>Change in Fund Balance</b>	(\$5,731,912)	\$0
<b>Total Positions</b>	0.00	0.00
<hr/>		
<b>Unappropriated Balance Remaining</b>	\$187,745	\$187,745



Public Schools of North Carolina  
State Board of Education | Department of Public Instruction

2011-12 Budget Request - State Board of Education as Compared to Proposals of Governor, House & Senate

	State Board of Education	Governor	House	Senate
Beginning Appropriated Budget	\$ 7,923,543,951	\$ 7,923,543,951	\$ 7,923,543,951	\$ 7,923,543,951
<b>State Public School Fund</b>				
Academically & Intellectually Gifted			(6,480,111) R	
At Risk Student Services			(30,215,891) R	
Average Daily Membership Adjustment	55,882,651 R	38,274,686 R	55,882,651 R	55,882,651 R
Average Salary Adjustment	(21,838,817) R	(21,792,273) R	(21,838,817) R	(21,838,817) R
Central Office		(10,745,059) R	(10,757,059) R	(17,211,294) R
Children with Disabilities		(7,000,000) R	(7,000,000) R	
Class Size Reduction (Grades 1-3)				61,697,942 R
Connectivity			(794,675) R	(650,000) R
Decouple Master's & NBPTS Supplements				
Discretionary/Flexibility Reduction	304,774,366 R		(42,123,478) R	(124,217,542) R
Education Reform Studies			1,000,000 NR	200,000 NR
Geographically Isolated Schools				
Inflationary Adjustments	34,910,396 R			
Instructional Supplies			(38,520,358) NR	(38,520,358) NR
Instructional Supplies			(3,450,000) R	(3,450,000) R
Instructional Support		(22,964,555) R	(18,126,313) R	(22,934,278) R
Jobs Commission Schools			(200,000) R	(200,000) R
Learn & Earn	995,300 R		200,000 R	200,000 R
Learn & Earn Online			(4,875,000) R	(4,875,000) R
Liability Insurance for Public School Personnel			3,700,000 R	3,700,000 R
Limited English Proficiency			(7,505,512) R	
Mentoring			(9,214,190) R	(9,214,190) R
More at Four Program (reduction)		(4,041,386) R	(16,000,000) R	(16,000,000) R
More at Four Program (nonrecurring)		(6,352,644) NR	-	-
More at Four Program (transfer to DHHS)			(65,011,651) R	(65,011,651) R
Noninstructional Support		(59,550,796) R	(59,497,471) R	(59,497,471) R
One LEA Per County				
Ready, Set, Go!	19,722,637 R			
Retirement Incentive for LEAs		(30,836,878) R		
School Building Administration		(24,612,054) R	(19,580,256) R	(29,893,080) R
School Buses (recurring)		(56,851,619) R		
School Buses (nonrecurring)		21,627,977 NR	(20,000,000) NR	
School Technology		(10,000,000) R	(10,000,000) R	(10,000,000) R
Small County Supplement				
Staff Development		(12,619,829) R	(12,565,063) R	(12,565,063) R
Student Diagnostics			(10,000,000) R	(10,000,000) R
Teacher Assistants			(255,197,482) R	
Testing			(2,725,029) R	(2,725,029) R
Textbooks		(40,000,000) R	(79,621,968) NR	(79,166,861) NR
Textbooks			(13,000,000) R	(13,000,000) R
Tort Claims		(4,599,225) R		
Transportation		(40,304,223) R	(20,680,229) R	(10,340,115) R
Uniform Education Reporting System		(2,101,213) R	(2,336,859) R	(2,101,213) R
Worker's Compensation		(34,648,327) R		
SPSF Adjustments	360,402,689	(329,117,418)	(726,534,761)	(431,731,369)





Public Schools of North Carolina  
State Board of Education | Department of Public Instruction

2011-12 Budget Request - State Board of Education as Compared to Proposals of Governor, House & Senate

	State Board of Education	Governor	House	Senate
<b>Dept of Public Instruction</b>				
Agency Operating - Recurring	462,227 R			
Agency Operating - Nonrecurring	589,210 NR			
Agency Position Reductions:				
DPI Curriculum Division (5.5)				(457,690) R
DPI Technology Services (30)				(2,712,988) R
DPI Communications (4)				(246,586) R
Governor's Schools	477,267 R			
Learn & Earn Online Administration (1)			(139,050) R	(139,050) R
Management Flexibility Reduction positions)		(4,374,612) R	(6,403,751) R	
Residential Schools for the Deaf & Blind (1)		(1,691,445) R	(1,691,445) R	(1,691,445) R
Retirement Incentive (4.1 positions)		(163,593) R		
DPI Adjustments	1,528,704	(6,229,650)	(8,234,246)	(5,247,759)
<b>Education Support Organizations</b>				
Beginnings, Inc				
Communities in Schools		(144,675) R		
Dropout Prevention Grants		(13,015,683) R	(13,290,683) R	(13,290,683) R
Governor's Education Cabinet (2)			(206,063) R	(206,063) R
Kids Voting		(50,000) R	(50,000) R	(50,000) R
NCCAT (recurring) (40)		(610,250) R	(5,102,495) R	(3,000,000) R
NC Professional Standards Com (2)				(235,646) R
NC Science & Math & Tech Education		(100,000) R	(100,000) R	(100,000) R
PTA Parental Involvement			300,000 NR	
Science Olympiad		(127,500) R	(127,500) R	(127,500) R
Science Olympiad			127,500 NR	
Tarheel Challenge Academy		(767,719) R	(76,772) R	
Tarheel Challenge Academy			250,000 NR	250,000 NR
Teach for America		(90,000) R		
Teacher Academy (14)		(238,144) R	(4,762,874) R	(4,762,874) R
Teacher Cadet		(340,000) R	(34,000) R	(340,000) R
Teaching Fellows			(210,000) R	(210,000) R
ESO Adjustments		(15,483,971)	(23,282,887)	(22,072,766)
Total Expansion/Reduction	361,931,403	(350,831,039)	(758,061,894)	(459,051,894)
Total Requirements	8,285,475,354	7,572,712,912	7,165,492,057	7,464,492,057
Ending Appropriated Budget	\$ 8,285,475,354	\$ 7,572,712,912	\$ 7,165,492,057	\$ 7,464,492,057

Retirement Rate  
Health Benefit

11.62%  
\$ 5,161

13.62%  
\$ 4,962

13.12%  
\$ 4,931



**Public Schools of North Carolina**  
**North Carolina Department of Public Instruction**

**Fiscal Year 2011-12**  
**LEA Adjustment**

LEA No.	LEA Name	Allotted ADM	LEA Adjustment
010	Alamance County	22,531	(6,526,452)
020	Alexander County	5,507	(1,595,188)
030	Alleghany County	1,455	(421,463)
040	Anson County	3,810	(1,103,625)
050	Ashe County	3,205	(928,378)
060	Avery County	2,141	(620,174)
070	Beaufort County	7,018	(2,032,872)
080	Bertie County	2,762	(800,056)
090	Bladen County	5,123	(1,483,956)
100	Brunswick County	12,306	(3,564,623)
110	Buncombe County	25,571	(7,407,035)
111	Asheville City	3,956	(1,145,916)
120	Burke County	13,417	(3,886,441)
130	Cabarrus County	29,298	(8,486,618)
132	Kannapolis City	5,290	(1,532,330)
140	Caldwell County	12,709	(3,681,358)
150	Camden County	1,969	(570,351)
160	Carteret County	8,594	(2,489,385)
170	Caswell County	2,941	(851,906)
180	Catawba County	17,266	(5,001,363)
181	Hickory City	4,297	(1,244,692)
182	Newton-Conover	2,941	(851,906)
190	Chatham County	7,952	(2,303,420)
200	Cherokee County	3,411	(988,049)
210	Edenton/Chowan	2,320	(672,024)
220	Clay County	1,373	(397,711)
230	Cleveland County	15,886	(4,601,625)
240	Columbus County	6,550	(1,897,309)
241	Whiteville City	2,262	(655,223)
250	Craven County	15,100	(4,373,948)
260	Cumberland County	52,443	(15,190,924)
270	Currituck County	3,924	(1,136,647)
280	Dare County	4,905	(1,420,809)
290	Davidson County	20,418	(5,914,389)
291	Lexington City	2,961	(857,699)
292	Thomasville City	2,448	(709,101)
300	Davie County	6,566	(1,901,943)
310	Duplin County	9,220	(2,670,715)
320	Durham County	32,369	(9,376,181)
330	Edgecombe County	7,175	(2,078,350)
340	Forsyth County	52,850	(15,308,818)
350	Franklin County	8,683	(2,515,165)
360	Gaston County	31,400	(9,095,495)
370	Gates County	1,832	(530,667)
380	Graham County	1,201	(347,888)
390	Granville County	8,640	(2,502,709)
400	Greene County	3,245	(939,964)
410	Guilford County	72,066	(20,872,133)
420	Halifax County	3,860	(1,118,109)

**PLAINTIFF'S  
EXHIBIT**

11 (6/22/11)



**Public Schools of North Carolina**  
**North Carolina Department of Public Instruction**

**Fiscal Year 2011-12**  
**LEA Adjustment**

LEA No.	LEA Name	Allotted ADM	LEA Adjustment
421	Roanoke Rapids City	2,899	(839,740)
422	Weldon City	1,052	(304,728)
430	Harnett County	19,780	(5,729,582)
440	Haywood County	7,701	(2,230,714)
450	Henderson County	13,472	(3,902,373)
460	Hertford County	3,148	(911,867)
470	Hoke County	8,326	(2,411,754)
480	Hyde County	577	(167,137)
490	Iredell-Statesville	21,518	(6,233,021)
491	Mooreville City	5,491	(1,590,553)
500	Jackson County	3,611	(1,045,982)
510	Johnston County	32,821	(9,507,109)
520	Jones County	1,162	(336,591)
530	Lee County	9,786	(2,834,666)
540	Lenoir County	9,220	(2,670,715)
550	Lincoln County	11,782	(3,412,838)
560	Macon County	4,367	(1,264,969)
570	Madison County	2,581	(747,626)
580	Martin County	3,789	(1,097,542)
590	McDowell County	6,403	(1,854,728)
600	Mecklenburg County	137,497	(39,828,129)
610	Mitchell County	2,090	(605,401)
620	Montgomery County	4,152	(1,202,691)
630	Moore County	12,672	(3,670,640)
640	Nash-Rocky Mount	17,014	(4,928,368)
650	New Hanover County	24,636	(7,136,198)
660	Northampton County	2,357	(682,741)
670	Onslow County	23,644	(6,848,850)
680	Orange County	7,272	(2,106,447)
681	Chapel Hill-Carrboro	11,718	(3,394,300)
690	Pamlico County	1,455	(421,463)
700	Pasquotank County	6,069	(1,757,980)
710	Pender County	8,353	(2,419,575)
720	Perquimans County	1,758	(509,232)
730	Person County	4,995	(1,446,879)
740	Pitt County	23,557	(6,823,649)
750	Polk County	2,359	(683,321)
760	Randolph County	18,664	(5,406,316)
761	Asheboro City	4,697	(1,360,559)
770	Richmond County	7,632	(2,210,727)
780	Robeson County	23,420	(6,783,965)
790	Rockingham County	13,722	(3,974,789)
800	Rowan-Salisbury	20,336	(5,890,636)
810	Rutherford County	8,857	(2,565,567)
820	Sampson County	8,444	(2,445,935)
821	Clinton City	3,085	(893,618)
830	Scotland County	6,253	(1,811,278)
840	Stanly County	9,070	(2,627,266)



**Public Schools of North Carolina**  
**North Carolina Department of Public Instruction**

**Fiscal Year 2011-12**  
**LEA Adjustment**

LEA No.	LEA Name	Allotted ADM	LEA Adjustment
850	Stokes County	6,931	(2,007,671)
860	Surry County	8,576	(2,484,171)
861	Elkin City	1,194	(345,861)
862	Mount Airy City	1,652	(478,527)
870	Swain County	1,969	(570,351)
880	Transylvania County	3,570	(1,034,106)
890	Tyrrell County	582	(168,585)
900	Union County	39,844	(11,541,430)
910	Vance County	7,003	(2,028,527)
920	Wake County	146,078	(42,313,748)
930	Warren County	2,549	(738,357)
940	Washington County	1,764	(510,970)
950	Watauga County	4,380	(1,268,735)
960	Wayne County	19,244	(5,574,322)
970	Wilkes County	9,984	(2,892,020)
980	Wilson County	12,194	(3,532,180)
990	Yadkin County	5,854	(1,695,701)
995	Yancey County	2,373	(687,376)
	Charters	44,829	(12,985,412)
Total Including Charters		1,480,991	(428,991,908)

FY 11-12 LEA Adjustment	
Budget Reduction	428,991,908
ADM	1,480,991
Dollars per ADM (calculated):	289.66543900
(adjustment):	(0.00000251)
(used in allotment):	289.66543649
(reconcile):	0

NORTH CAROLINA STATE BOARD OF EDUCATION

# Resolution

**WHEREAS,** the North Carolina State Board of Education has provided in its guiding principles that education should continue to be the top priority of the 2011-2012 General Assembly and the last area to be cut in budget deliberations; and

**WHEREAS,** we reject the premise of the Senate Budget that the public education system is broken and believe instead that this budget will break an improving system; and

**WHEREAS,** we reject the Senate claim that teacher assistant and classroom teacher positions are protected and find instead that the Senate Budget forces the local school districts to make the tough choices through the deep flex cuts that will inevitably result in the loss of teachers and teacher assistants; and

**WHEREAS,** we reject the claim that the Senate Budget will improve early grades when it transfers a nationally recognized prekindergarten program out of the education department and cuts its budget by twenty percent while also removing a pilot program of innovative diagnostics to help young students;

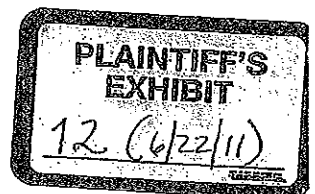
**NOW, THEREFORE BE IT RESOLVED:**

**THAT,** the Senate Budget is not in the interest of the people of this great State and urge legislators to support those elements of our public school system most important for student success.

June 2, 2011



*William C. Harrison*  
Dr. William C. Harrison, Chairman  
North Carolina State Board of Education



# NORTH CAROLINA STATE BOARD OF EDUCATION

## NORTH CAROLINA STATE BOARD OF EDUCATION

**CHAIRMAN ::** William C. Harrison, Ed. D.

### **State Board Mission:**

The State Board of Education is charged with supervising and administering "the free public school system and the educational funds provided for its support."

### **Breaking an Improving System**

*June 2, 2011*

If we are going to have an honest debate about public education in North Carolina, we must move from political rhetoric to rational discussion. And it is time to look at the facts.

North Carolina's system of education is not broken. In fact, North Carolina's system of education is a model for states across the country. Under the state's ABCs of Public Education, approximately 88 percent of schools met academic growth goals last year and nearly 40 percent of North Carolina's public schools are in the top three tiers of performance. Students in the state have improved their combined reading and mathematics scores on the SAT by 20 points over the past decade. North Carolina's average ACT composite score has been increasing steadily for the past five years and is above the national average. After years of steady increases, North Carolina's graduation rate reached the highest level ever recorded in 2009-10, at 74.2 percent. We lead the nation in the number of early college high schools and National Board Certified teachers. Our More at Four pre-k kindergarten education program is consistently recognized as one of the best state-funded pre-k programs in the country. And the list goes on.

Because of these many strengths and a strong record of improvement, North Carolina was selected as one of only 12 federal Race to the Top grant recipients. There is no question that education leaders from the federal government, other states and leading foundations constantly look to North Carolina to lead the way with innovative programs and best practices.

When you look at these facts, it is clear that the most recent version of the Senate budget will not reform a broken system, it will break an improving system. This budget is full of mixed messages, bait-and-switch games and smoke and mirrors. For example:

- This budget proposes to add five days to the school year, but it cuts transportation funding. How will students benefit from five extra days of learning if districts cannot afford to fuel the buses that will get them to school?
- This budget funds a study to determine what it would take to make sure all students are reading at grade level by grade 3, but it destroys programs that are already working to help our youngest learners. North Carolina's More at Four pre-k program, for example, is backed by a decade of independent research that proves the program boosts test scores among at-risk students and closes the achievement gap. This budget cuts More at Four by 20 percent and moves it to the Department of Health and Human Services, severing the connection to K-12 education that has helped to make the program so successful. And, this budget removes funding for handheld devices that more than 6,500 elementary school teachers across the state have already been using to effectively track student progress so their students do not fall behind.



Dr. William C. Harrison reads with a student at the Communities in Schools of Wake County Heritage Park Learning Center in Raleigh. Dr. Harrison serves as the Chairman of the State Board of Education.

**PLAINTIFF  
EXHIBIT**

13 (6/22/11)



- o This budget aims to reduce class sizes in the primary grades by 1:15 in the next three years. We will never get class sizes this low. The current 1:18 class size ratio Senate leaders are basing their numbers on is not a reflection of what class sizes really look like in our schools. This is an allotment formula the state uses to fund teachers and it takes into account every teacher, including media specialists, arts, physical education and music teachers and others. For grades K-3, state law sets the limit for districtwide class size averages at 1:21, and schools may seek waivers from the State Board of Education if they have individual class size ratios that exceed 1:24. Due to budget restraints, there are no current limitations on class sizes in grades 4-12. It would take much more than additional teachers to get real class sizes down to 15 students, and we certainly will not get there in my life time, especially with these proposed levels of discretionary cuts.
- o This budget includes funding for 1,100 additional teachers and backs off slightly on an earlier proposal to eliminate all teacher assistants in grades K-3. Yet at the same time, the budget passes down an additional \$124 million cut to local school districts. This is on top of a \$304 million reduction schools must take that was already built into their 2011-12 budget. This means that local superintendents and school boards must find a total of more than \$428 million in funding to return to the state before they begin the new school year. I served as a superintendent for 18 years and I know that there is no way to make this level of cuts without losing people. So while member of the General Assembly will claim that they are funding these positions, superintendents across the state will be firing teachers, teacher assistants and other school personnel that our students depend on. They will have little other options given that oftentimes 90 percent or more of public school budgets is devoted to personnel.

I used to be proud of education in North Carolina. I have invested my career in it and I have had the opportunity to meet so many good people who work to put the needs of our students first. These are the people who are behind the progress we have made in schools over the past 30 years.

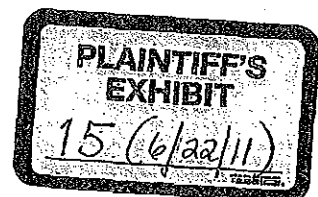
Yet today, I am embarrassed. This budget is a disgrace, it does not put our children first and it will hurt our state. If members of the General Assembly drafted this budget with the goal to privatize public education, they should be honest about it. Don't call this legislation a plan to reform a broken system when it is clear that all it will do is break a system of education that was improving and that was admired and recognized as innovative by people across our state and throughout the country.

Bill Harrison, Chairman  
State Board of Education  
Feedback

**PLAINTIFF'S  
EXHIBIT**  
14 (6/22/11)  
TASER.

## IMPACT OF NEW BUDGET ON DEFENDANTS' LEANDRO COMPLIANCE

State's Plan for <i>Leandro</i> Compliance	Status
<p><b>1. "Ensure every at-risk four-year-old has access to a quality prekindergarten program."</b></p> <p>"The State intends to continue to expand the More at Four program until at least 40,000 at-risk four-year-olds are assured access to quality pre-kindergarten programs. Expansion will be targeted first to students in school districts with the greatest needs."</p> <p>- Defendants' 10/25/2004 Action Plan to Court, p. 1.</p>	<ul style="list-style-type: none"> <li>• More at Four Program reached its peak in 2008-2009 with approximately 32,500 at-risk four-year-olds served. The number of Program slots dropped to under 31,000 for 2010-2011. With the new funding cuts, the number of slots available to at-risk four-year-olds will likely drop by another 6,400 in 2011-2012.</li> <li>• Reduction of \$16 million in state funding and \$16 million in lottery funding in the 2011-2013 budget—in addition to \$5 million reductions in both 2009-2010 and 2010-2011. These cuts will likely translate into a loss of an additional 6,400 slots for at-risk four year-olds for 2011-2012.</li> <li>• More at Four, an <u>educational</u> Pre-K program, will move to DHHS. This may undermine the educational focus of the Program.</li> <li>• New co-payment requirements could limit access to the Program.</li> <li>• Title I and Head Start-funded students cannot participate in a program requiring co-payments.</li> <li>• A 2010 study confirmed that economically-disadvantaged children who attended More at Four performed significantly better on statewide third grade reading and math tests than similar children who were not served by the Program. The study also found that the gap between average test scores of economically-disadvantaged students who attended More at Four and middle-class students was reduced by between 25 and 40 percent, depending on the test and the year. Previous independent evaluations of More at Four have consistently shown that children served by the program show growth beyond developmental expectations in language, literacy, math and social skills.</li> </ul>



**2. "Evaluate, Refine and Expand the Disadvantaged Students Supplemental Fund to ensure schools and districts implement proven strategies."**

"Based on an evaluation of the pilot DSSF Programs in the 16 initial pilots, the State will modify and expand this approach. Because it is clear that the current pilot is only the first step in reaching at-risk children, additional investments for the next school year and beyond are needed. The State will closely monitor and evaluate the pilot to measure the effectiveness of this approach and the specific options available to districts and make modifications as appropriate."

- Defendants' 10/25/2004 Action Plan to Court, p. 1.

"Our expansion request to the General Assembly includes over \$22 million for this purpose [the DSSF]. This amount represents 10% of the total \$220 million that would be needed to fully fund this new allotment category."

- Defendants' 6/7/2004 Action Plan to Court, p. 3

**3. "Strengthen and Expand LEAAP into a new unit under the State Board to improve struggling school districts."**

"Building on its pilot experience with the Local Education Agency Assistance Program, the State intends to create a full-time unit under the State Board of Education that works with a set of especially needy school districts. This unit will undertake thorough diagnostic analyses of the challenges facing districts and schools and provide intensive support on resource reallocation and policy decision-making with the objective of building local capacity in the districts."

- Defendants' 10/25/2004 Action Plan to Court, p. 2.

- In order to comply with *Leandro*, the State committed to creating the DSSF and stated that \$220 million would be needed to fully fund the program. The State has never fully funded DSSF. The maximum funding for DSSF has been \$78 million.
- The State Board of Education has never sought to have DSSF fully funded at the level of \$220 million.
- Since 2009, the State has also eliminated:
  - \$38.3 million in student accountability funding for students performing below grade level; and
  - \$12 million for literacy coaches in low-performing middle schools; and
  - \$13.3 million in dropout prevention grants; and
  - The requirements for Personal Education Plans for students performing below grade level and the requirement for school improvement plans which included plans for students not on track to read at grade level by grade 2.
- Since 2009, the State has also instituted "discretionary reductions" that will be \$428 million in 2011-2012 and over \$500 million in 2012-2013. The "discretionary reductions" are 6x greater than the \$78 million actually funded for DSSF and more than double the State's original DSSF goal of \$220 million.

- State instituted a comprehensive district and school transformation initiative. However, the current budget creates significant problems for low-capacity, low-wealth districts to implement turnaround efforts with constrained resources.
- In addition, other cuts, like the previous elimination of 200 literacy coaches for low-performing students in 2009, impact low-wealth districts' ability to meet the needs of low-performing students.

**4. "Continue the Teacher Working Conditions Survey and provide actionable data for problem schools and districts."**

"Improved teacher retention and effectiveness are essential to improving educational opportunities for all students. The Teacher Working Conditions Survey has been demonstrated to provide important actionable data to schools and districts to predict teacher turnover and student achievement. The State intends to use the Survey intensively in targeted schools and districts to help districts to attract and retain teachers and principals and increase their effectiveness."

*- Defendants' 10/25/2004 Action Plan to Court, p. 2.*

- Recently passed 2011-2013 budget eliminates the funding and positions for the Professional Teaching Standards Commission. The Commission assisted schools and districts in interpreting and utilizing the results of the Teacher Working Conditions Survey and in setting teacher standards.

**5. "Expand the New Schools Project and Learn and Earn."**

"To improve the preparation of high school students to access further education and compete for skilled jobs, the State intends to expand its development of new schools, schools-within-schools, and Learn and Earn schools to provide access to students in every county. These innovative models will be the cornerstone of the State's approach to lower dropout rates, boost graduation rates, and increase college-going rates."

*- Defendants' 10/25/2004 Action Plan to Court, p. 2.*

- The new budget eliminates the funding (\$4.9 million) for and statutory language enabling the Learn and Earn Online program, which gave access to college credit courses to high school students not enrolled in one of the state's Learn and Earn early college high schools.
- The new budget eliminates the position at DPI administering the Learn and Earn Online program.
- Because the vast majority of the costs of Learn and Earn early college high schools are provided by local school districts through their reallocation of existing resources (e.g., teacher positions), the cuts in the recently passed budget will imperil individual school systems' ability to continue to support Learn and Earn early college high schools.

**6. "Expand teacher supply for hard-to-staff schools."**

"The State believes that it is important to boost the supply of qualified teachers in the areas where they are needed most. Increasing partnerships between community colleges and public and private schools of education is an important tool for achieving that objective. Therefore, the State foresees expanding "2+2" partnerships between schools of education at four-year institutions and community colleges located in proximity to hard-to-staff-schools throughout the State. The State is also committed to exploring additional avenues for increasing the supply of qualified teacher candidates for hard-to-staff-schools."

**7. "Provide high quality professional development for teachers and principals."**

"The State will develop a comprehensive portfolio of professional development offerings in core areas for principals and teachers to ensure access to high quality professional development in key content areas and skills to improve the achievement of at-risk students. Analyses of student performance data, Teacher Working Conditions data, and the State's work in low-performing schools and districts will be used to determine specific topics."

- *Defendants' 10/25/2004 Action Plan to Court, p. 2.*

The 2011-2013 budget:

- Eliminates all funding (\$12.6 million) for staff development.
- Eliminates all funding (\$9.2 million) for teacher mentoring.
- Eliminates all funding for new Teaching Fellows scholarships. Phases out the program and its 500 scholarships. This Program attracted top high school students into teaching profession.
- Eliminates all funding (\$4.8 million) for the NC Teacher Academy. The Academy provided professional development statewide for teachers and principals.
- Eliminates all remaining funding for the Future Teachers Scholarship/Loan program.
- Eliminates all funding (over \$7 million) for the Collaborative Project in 5 low-performing, low-wealth counties (Caswell, Greene, Warren, Washington, and Mitchell) focused on teacher and principal quality and school improvement.
- Cuts funding by nearly 50% (or \$3 million) for NC Center for the Advancement of Teaching.
- Eliminates all funding for the Teacher Cadet Program. This Program attracted top high school students into the teaching profession.
- Cuts funding by over \$22 million for assistant principals in the schools.
- Cuts available slots in the Principal Fellows Program by approximately 10%.
- The 2011-2013 budget includes a 13% cut in funding for the 2+2 programs.
- Prior elimination of the Principal's Executive Program in 2009.

**8. "Connect school, social service and delinquency prevention resources."**

"The State will bring together the agencies responsible for school, social service, and juvenile justice resources to develop strategies for high need schools and counties. Working together and with local governments, these State agencies can coordinate parent support, mental health services, health services, and delinquency prevention and other juvenile justice related services to support children's health and school performance, and help parents to be actively involved in their children's education."

*- Defendants' 10/25/2004 Action Plan to Court, p. 2.*

- Funding for instructional support (which provides discretionary funding for positions such as guidance counselors, school nurses, and school psychologists) is reduced by \$22.9 million in 2011-2012 and \$23.1 million in 2012-2013.
- Funding for non-instructional support (which provides discretionary funding for positions such as clerical staff, substitute teachers, and other personnel) is reduced by over \$59.4 million in 2011-2012 and \$60.1 million in 2012-2013.
- Funding for central office administration (including administrative staff, curriculum and technology specialists, and other personnel) is reduced by \$17.2 million in 2011-2012 and \$17.3 million in 2012-2013.
- Funding for school-based child and family support teams was previously reduced by \$1.2 million in 2009-2010.



## PUBLIC SCHOOLS OF NORTH CAROLINA

STATE BOARD OF EDUCATION :: Howard N. Lee, *Chairman*

WWW.NCPUBLICSCHOOLS.ORG

DEPARTMENT OF PUBLIC INSTRUCTION :: Patricia N. Willoughby, *State Superintendent*

October 25, 2004

The Honorable Howard Manning, Jr.  
Superior Court Judge  
Wake County Courthouse  
Post Office Box 351  
Raleigh, North Carolina 27602-0351

Dear Judge Manning:

The State of North Carolina is committed to ensuring that all children receive an education that prepares them for the future. Our priority is to make sure that every child, in every community, has access to a quality education with competent teachers, effective principals, and adequate resources.

To that end, it has been a priority of the state to ensure that children begin school ready to learn, that they enter a school that has class sizes low enough to provide individual attention, are taught by qualified teachers, and are expected to meet high standards of excellence. In the last few years, the state has made major gains in each of these areas. However, there is more that can be done to ensure that all students, and in particular, at-risk students, are afforded the educational resources and opportunities for a high quality education.

Over the last few weeks and months the State Board of Education and the Department of Public Instruction have been engaged in a series of discussions with education leaders and interested parties about the development of a long-range plan based on the progress of the Disadvantaged Student Supplemental Fund pilots in sixteen counties. With the Governor's charge and collaboration, we have developed the attached action plan. The components of this plan are grounded in research and proven practices.

Sincerely,

Howard N. Lee

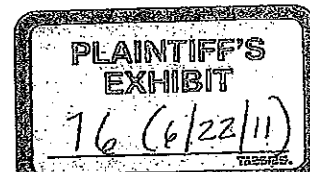
Patricia N. Willoughby

HNL/PNW/gnd

OFFICE OF THE STATE SUPERINTENDENT

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## EXECUTIVE SUMMARY

The State of North Carolina is committed to ensuring that all children receive the opportunity to obtain an education that prepares them for further education beyond high school, skilled jobs and careers in a changing workforce, and the responsibilities of citizenship in a democratic society. Furthermore, the State is committed to ensuring that all children have (1) a competent teacher, (2) an effective principal, and (3) adequate resources to meet high academic standards.

The State has demonstrated a commitment to target resources to meet the needs of at-risk students. Among other programs, the Governor, the State Board of Education and the General Assembly have recently created and funded the following:

- The More at Four Pre-kindergarten Program for at-risk four-year-olds
- A K-3 class size reduction initiative
- The High Priority Schools Act
- The Local Education Agency Assistance Program to provide assistance to poorly performing districts
- The New Schools Project to reform high schools

Most recently, the Governor identified \$22 million for use by the State Board of Education to implement the Disadvantaged Students Supplemental Fund (DSSF). The DSSF Program provides targeted resources to assist at-risk students in 16 school districts marked by low student performance, low teacher experience, high poverty, high teacher turnover.

The State remains committed to these important efforts. Nevertheless, State education leaders understand that more remains to be done to improve the achievement of at-risk students and ensure that every student has the opportunity to obtain a high quality education. Towards that end, the State is committed to 1) expanding and enhancing existing initiatives and 2) developing select new initiatives targeted to meet the needs of at-risk students.

Consistent with that commitment, the State intends to construct, prior to the start of the 2005 Legislative session, a detailed plan. The State recognizes that legislative appropriations will be needed to implement elements of this plan. The plan includes the following components:

## EXPAND EXISTING PROVEN PROGRAMS

- Ensure every at-risk four-year-old has access to a quality prekindergarten program. The State intends to continue to expand the More at Four program until at least 40,000 at-risk four-year-olds are assured access to quality pre-kindergarten programs. Expansion will be targeted first to students in school districts with the greatest needs.
- Evaluate, Refine and Expand the Disadvantaged Students Supplemental Fund to ensure schools and districts implement proven strategies. Based on an evaluation of the pilot DSSF Programs in the 16 initial pilots, the State will modify and expand this approach. Because it is clear that the current pilot is only the first step in reaching at-risk children, additional investments for the next school year and beyond are needed. The State will closely monitor and evaluate the pilot to measure the effectiveness of this approach and the specific options available to districts and make modifications as appropriate.

- **Strengthen and Expand LEAAP into a new unit under the State Board to improve struggling school, districts.** Building on its pilot experience with the Local Education Agency Assistance Program, the State intends to create a full-time unit under the State Board of Education that works with a set of especially needy school districts. This unit will undertake thorough diagnostic analyses of the challenges facing districts and schools and provide intensive support on resource reallocation and policy decision-making with the objective of building local capacity in the districts.
- **Continue the Teacher Working Conditions Survey and provide actionable data for problem schools and districts.** Improved teacher retention and effectiveness are essential to improving educational opportunities for all students. The Teacher Working Conditions Survey has been demonstrated to provide important actionable data to schools and districts to predict teacher turnover and student achievement. The State intends to use the Survey intensively in targeted schools and districts to help districts to attract and retain teachers and principals and increase their effectiveness.
- **Expand the New Schools Project and Learn and Earn.** To improve the preparation of high school students to access further education and compete for skilled jobs, the State intends to expand its development of new schools, schools-within-schools, and Learn and Earn schools to provide access to students in every county. These innovative models will be the cornerstone of the State's approach to lower dropout rates, boost graduation rates, and increase college-going rates.

#### **INVEST IN NEW COMMITMENTS**

- **Expand teacher supply for hard-to-staff schools.** The State believes that it is important to boost the supply of qualified teachers in the areas where they are needed most. Increasing partnerships between community colleges and public and private schools of education is an important tool for achieving that objective. Therefore, the State foresees expanding "2+2" partnerships between schools of education at four-year institutions and community colleges located in proximity to hard-to-staff schools throughout the State. The State is also committed to exploring additional avenues for increasing the supply of qualified teacher candidates for hard-to-staff schools.
- **Provide high quality professional development for teachers and principals.** The State will develop a comprehensive portfolio of professional development offerings in core areas for principals and teachers to ensure access to high quality professional development in key content areas and skills to improve the achievement of at-risk students. Analyses of student performance data, Teacher Working Conditions data, and the State's work in low-performing schools and districts will be used to determine specific topics.
- **Connect school, social service and delinquency prevention resources.** The State will bring together the agencies responsible for school, social service, and juvenile justice resources to develop strategies for high need schools and counties. Working together and with local governments, these State agencies can coordinate parent support, mental health services, health services, and delinquency prevention and other juvenile justice-related services to support children's health and school performance, and help parents to be actively involved in their children's education.

## PLAN FOR IMMEDIATE ACTION

The State is committed to immediate action to develop these initiatives and implement them to improve the educational opportunities available to at-risk students. The State holds that the future growth and prosperity of North Carolina depends upon today's students receiving an education that prepares them for higher education, skilled jobs and careers, and a life of democratic participation.

To that end, the State intends to take a budget and policy package including these programs to the 2005 session of the General Assembly.

Over the course of the last few weeks and months, the Office of the Governor, the State Board of Education and the Department of Public Instruction have been engaged in a series of discussions about the development of a long-range plan to meet the needs of at-risk students. In the coming months before the 2005 Legislative session, the State will develop the detailed plans needed to carry out the commitments it has described. The Office of the Governor and State Board of Education will work with the General Assembly and with education leaders and other interested parties in crafting the details of these plans.

The following steps will take place in the coming weeks and months in anticipation of taking a detailed package to the General Assembly for the 2005 session:

October 26, 2004 – January 26, 2005

- November 5. The Office of the Governor, Department of Public Instruction (DPI) and State Board of Education (SBE) representatives will hold initial meeting with Amicus groups and teacher groups.
- November 19. The Office of the Governor, DPI and SBE representatives will reconvene a group of superintendents and other representatives, including individuals from plaintiff and plaintiff-intervenor districts.
- November 30. The Governor will convene the Education Cabinet to meet and take up relevant items from this plan. The Education Cabinet will determine those items needing action by education governing boards.
- December 1-2. The State Board of Education will evaluate and approve plans for the five remaining districts under the Disadvantaged Students Supplemental Fund at its monthly meeting in December.
- Representatives from the Governor's Office, DPI, SBE, the Legislature, the Education Cabinet, K-12 school leaders, and other key stakeholders will continue meetings to construct the details of the plan.
- The Office of the Governor, DPI, and SBE will work with legislative representatives on development of a legislative package for the 2005 session of the General Assembly, which opens on Wednesday, January 26, 2005.

Beyond the 2005 Legislative session, the State is committed to continuing the development and implementation of proven strategies for meeting the needs of at-risk students.

## BACKGROUND

Over the past two decades, the State has put into place a series of policies that have helped North Carolina make especially significant progress in the academic achievement of its young people.

In the late 1980s, the state began a focus on testing and accountability with the introduction of statewide curriculum standards, testing and public accountability. In the 1990s, the State refined its accountability system and placed a major emphasis on teacher quality. In the mid-nineties, the State implemented the ABCS of Public Education and school level testing and accountability. The testing and accountability system helped to focus attention and resources on the needs of students and schools throughout the state, especially those students not performing at or above grade level on state assessments. In addition to providing information on the achievement of schools and students, the ABCs program also assigned assistance teams to low-performing schools and instituted Gateways in grades three, five and eight to stem social promotion. The ABCs Program has allowed the state to understand which students and which schools are most in need of additional assistance and support.

Also in the 1990s, the State made significant investments in its teaching workforce, including raising teacher pay to near the national average and in the top half of the nation—where it remains today. The Excellent Schools Act of 1997 raised teacher pay, increased teacher standards, created accountability measures for schools of education, and improved the support of new teachers in the profession.

Improvement on national assessments, including the National Assessment of Educational Progress in reading, writing and mathematics and the SAT, demonstrates that North Carolina's approach is yielding results. In addition, reports from the RAND Corporation and the National Education Goals Panel and, most recently, from the Education Trust in October 2004, found that the steps that the state had been taking were increasing achievement scores and reducing achievement gaps on national assessments in reading and math.

The 2000 RAND report, *Improving Student Achievement: What NAEP Test Scores Tell Us* laid out a clear path for moving forward to improve achievement, especially among its at-risk students. The RAND report found that the most cost-effective approach to improving reading and math achievement on the National Assessment of Educational Progress was to lower teacher-student ratios in the early grades, expand public Prekindergarten, and provide additional resources to teachers. The report found that "investing in better working conditions for teachers to make them more productive (lower pupil-teacher ratios, more discretionary resources, and improved readiness for school from Prekindergarten) could produce significant gains in achievement scores" (pp. xxvii-xxviii).

In accordance with that report and other significant education research, Governor Mike Easley, the State Board of Education and the Legislature have worked together to ground the state's school improvement efforts in a research-backed approach for raising achievement of all students, with a particular focus on improving achievement for at-risk students. The State has focused on pre-kindergarten programs, smaller classes in the early grades, and supporting the needs of teachers.

Beginning in 2001, the State began to put these research-backed policies into place:

- The More at Four Prekindergarten Program was implemented in 2001 and served 1,500 at-risk four-year-olds in 34 counties. In 2004, it is reaching 12,000 at-risk four-

year-olds in all 100 counties. Research has documented that bringing students to school ready to learn increases academic achievement and educational attainment over time.

- **K-3 Class Size Reduction** that reduced the teacher-student ratio to 1:18 in grades K-3 between 2001 and 2004, funding the reductions one grade level at a time over the past four years. Research shows that smaller classes in grades K-3 leads to increased student achievement, decreased behavioral problems, and increased high school graduation rates. Smaller classes are a particularly powerful strategy for raising the achievement of at-risk students. Class size reduction has also been shown to be an important tool in attracting and retaining teachers in the early grades.
- **The High Priority Schools initiative** reduced class size to 15 in the 36 highest-poverty and lowest-performing elementary schools in grades K-3 and added five additional days for teacher professional development and five additional days schools days for students

The State also implemented a number of other important initiatives since 2001 to improve educational opportunities and achievement across the state:

- **The Local Educational Agency Assistance Program**, which provided school district-level assistance teams to work with low-performing districts. The teams work with the school district to review data, resource allocation, strategies, and challenges. The first effort began in Hoke County and has expanded to additional school districts.
- **The Teacher Working Conditions Initiative**, which launched in 2002 a statewide survey of teachers and administrators on working conditions in the schools. The survey was repeated in 2004. In 2004, the survey generated detailed reports on teacher working conditions for 90% of all schools and each of the 115 school districts. Research has been completed recently on this data which shows that the working conditions data is predictive of teacher turnover and student performance outcomes, making this data extremely valuable as a tool for improvement at schools.
- **The New Schools Project** to reform high school. Supported initially by an \$11 million grant from the Bill and Melinda Gates Foundation, the New Schools Project is focused on improving high schools in order to dramatically improve the dropout, high school graduation, and college-going rates in North Carolina. Based on research that shows that smaller schools lead to higher graduation rates and better preparation for college and jobs, the initiative is focused on creating smaller high schools with deeper connections to higher education and workplace skills. The project focuses on students whom traditional high schools are not serving well.

The Project has begun by investing in the creation of 8 health science-themed smaller schools and schools-within-schools, and 15 Learn and Earn high schools where students graduate from high school and earn both a high school diploma and an associate's degree or two years of university credit. Learn and Earn high schools are done in conjunction with local community colleges and four-year institutions. The next phase of the New Schools Project is the implementation of proven small school models in districts in northeastern North Carolina.

In addition to the \$11 million granted by the Gates Foundation, the state is investing \$2.2 million on a recurring basis to begin the Learn and Earn high schools.

These investments and approaches represent research-backed practices to improve teacher retention and effectiveness and boost student achievement. The State believes they represent an important set of building blocks for addressing the needs of at-risk students. Nevertheless, the State believes that more must be done for at-risk students in North Carolina.

#### **ADDITIONAL FUNDING TARGETED TO MEET THE NEEDS OF AT-RISK STUDENTS**

In July of this past year, the State began its most recent effort to address the needs of at-risk students with the creation of the Disadvantaged Students Supplemental Fund (DSSF) pilot program. The DSSF pilot is now working in select districts to allocate additional resources for proven strategies to boost the achievement of at-risk students. Governor Easley has identified and made available up to \$22 million for use by the State Board of Education to support 16 school districts. The pilot is operating as follows:

- Districts were identified based on levels of student achievement, student poverty, and teacher attrition. Based on a formula, specific funding levels were set for each district.
- The State Board assigned assistance teams to each district to help in the creation of their plans for using the DSSF resources;
- Plans from local districts are based on a "menu of proven strategies" developed by the State Board of Education. Districts have the flexibility to decide which options best meet their needs, but they must use the options provided by the State Board. The options include bonuses for recruiting and retaining teachers; additional personnel for such strategies as reducing class size, hiring reading coaches, and supporting new teachers; professional development for teachers and principals; supporting afterschool and other extended day programs; and implementing personal education plans.
- Funding for districts is contingent upon the approval of the State Board of Education.
- The Board will evaluate the results from the DSSF pilot, including the effectiveness of additional resources, the targeted options, and the DPI assistance on improving student achievement and teacher attrition.

#### **MOVING FORWARD: BUILDING ON THE STATE'S COMMITMENT TO ADDRESS THE NEEDS OF AT-RISK STUDENTS**

The aforementioned strategies for improving student achievement—especially the achievement for students below grade level—are yielding results. The State intends for these strategies to serve as the foundation of its continuing effort to construct a system of K-12 public education that provides superior education for all students and, more specifically, meets the needs of at-risk students.

In order to ensure that all students are receiving a high quality education and that they have access to caring, competent teachers in their classrooms, effective principals in their schools, and the instruction they need to meet high standards, the State is committed to taking the following steps to maintain and expand proven strategies for school improvement. Additionally, it is

recognized that the Legislature will need to appropriate additional resources to allow the State to expand a number of these proven strategies for increasing the achievement of at-risk students.

1. **Ensure that every at-risk four-year-old has access to a quality prekindergarten program.**

Recognizing that students who do not start school ready to learn remain at-risk of school failure and dropping out throughout their career, the State intends to expand the More at Four Prekindergarten Program for at-risk four-year-olds towards its goal of access for the estimated 40,000 at-risk four-year-olds in the state. Quality pre-kindergarten programs are the fundamental building block for the State's effort to meet the needs of at-risk students across the state. Without access to quality pre-kindergarten programs, at-risk students start school behind and remain at-risk of school failure throughout their school careers.

In expanding More at Four, the State will identify high-need areas with respect to educational performance, families in poverty, and other key indicators to determine priority sites for funding expansion.

2. **Evaluate, refine and expand the Disadvantaged Students Supplemental Fund pilot approach to ensure that districts and schools implement proven strategies for meeting the needs of at-risk students**

The Governor and State Board of Education have implemented the Disadvantaged Students Supplemental Fund in 16 school districts for the 2004-05 school year. The pilot requires that assistance teams, assembled by the Department of Public Instruction, work with eligible districts to determine plans for using additional resources based on a menu of proven strategies. The Governor, State Board and General Assembly will carefully analyze the success of the different strategies chosen by the 16 districts in order to determine which approaches best met the goals of attracting and retaining teachers, ensuring an effective principal, and providing individualized instruction that increases the achievement of students at-risk of school failure.

As part of this critical effort, the State Board of Education will evaluate the performance of students, the supply and retention of teachers, the appropriateness of the current menu of options provided, and the efficacy of DPI assistance. In addition, the State will examine the appropriate state and local fiscal responsibilities for additional investments, and the differences in working with urban versus rural school districts.

Based on evaluation findings, the State will modify the menu of options and expand this effort to additional schools and school districts. The current pilot is a first step and the State recognizes that additional investments are needed for the next school year and beyond.

3. **Strengthen and expand LEAAP into a new unit under the State Board to improve struggling school districts**

Building on its experience with the Local Education Agency Assistance Program, the State is committed to create a unit under the State Board of Education that works with a set of school districts most in need to analyze the challenges, provide intensive support on resource and policy decision-making, and build the capacity of these districts.

This new unit would work with districts that need immediate and intensive support to improve education for its students. The State will develop criteria to determine which districts are most in need of assistance from this unit.

The unit would provide the following types of assistance: 1) a detailed diagnostic analysis and audit of student performance trends, teacher working conditions, and resource allocation; 2) work with the district to develop a plan for resource reallocation and strategies for deploying additional funding; and 3) brokering relationships/assistance for the districts with higher education partners, the programs of the UNC Center for School Leadership Development, and other appropriate entities. This effort would provide intensive and targeted assistance and guidance on resource allocation and the use of strategies to guide improvement.

The State Board of Education would approve plans for the district's use of state funds based on the unit's work with the district. The unit would be comprised of new personnel assigned solely to this function.

**4. Improve teacher retention and effectiveness by using the Teacher Working Conditions Survey to provide actionable data to schools and districts**

With data that demonstrates a correlation between working conditions and teacher turnover rates and student achievement, the Teacher Working Conditions survey is an important tool for assisting school and district efforts to attract and retain caring, competent teachers and to develop effective principals. In addition to the statewide administration of the data, the State will look to require administration of the survey in targeted schools and districts. This will ensure a full set of data to use as an assessment tool to determine needed strategies in those locations.

The survey data has found that improving working conditions is critical particularly to attracting and retaining high quality teachers for at-risk students. Targeted use of additional resources for this purpose will be considered as a part of state assistance for at-risk students.

**5. Expand the New Schools Project and Learn and Earn Schools to improve the preparation of high school students to access further education and compete for skilled jobs**

The State is committed to an ambitious effort to improve high schools, especially for those students whom the traditional high school model does not serve well and who are at-risk of dropping out. The State intends to expand its development of new schools, schools-within-schools, and Learn and Earn schools to provide access to students in every county. The State Board of Education, working with the New Schools Project, will create a priority list of districts to receive funding and assistance under this project based largely on the needs of at-risk students. All new schools have goals and outcome measures that include improving student achievement, graduation rates and the college-going rates of their students.

The State believes that these efforts will target resources and assistance effectively to provide caring, competent teachers, effective principals, and the individualized instruction needed to help



students at-risk of school failure meet high standards and be well prepared for further education and a skilled workforce.

The State will develop an accountability mechanism to evaluate the impact of these investments to improve the achievement of at-risk students. The mechanism will, at a minimum, use student performance from the ABCs program and the teacher working conditions data. The accountability mechanism should also hold the State accountable for its assistance to districts and schools.

#### **ADDITIONAL EFFORTS TO SUPPORT THE STATE'S COMMITMENT TO AT-RISK STUDENTS**

In addition to its commitment to expand and maintain existing initiatives to meet the needs of at-risk students, the State also believes that there are additional efforts needed to support schools and districts to help all students achieve.

##### **Expand teacher supply by increasing partnerships between community colleges and schools of education**

The State understands that there is a critical need to boost both the supply and retention of teachers in hard-to-staff schools. The shortage of qualified teachers for hard-to-staff schools is a problem that afflicts every state in the nation. While North Carolina has been recognized for its leadership in this area nationally, the State realizes that more remains to be done.

Hard-to-staff schools in the state have a significant number of lateral entry and first-year teachers. While more needs to be done to induct, support and retain these individuals, the fact remains that there is a shortage in the supply of highly qualified teachers for hard-to-staff schools.

This, however, will not be accomplished by merely increasing the supply at schools of education. Existing patterns show that preparation in the state's schools of education generally leads to employment in the surrounding environs of those universities. Unfortunately, many of the schools and districts with the greatest need for qualified teachers are not in close proximity to school of education. In addition to providing targeted incentives to bring teachers to hard-to-staff schools, the State believes that it must look to boost the supply of qualified teachers in the areas where they are needed most.

To do so, the State sees an expansion of "2+2" partnerships between schools of education at four-year institutions and community colleges, which are located in critical regions throughout the state. Existing "2+2" programs have shown great promise in increasing the supply of qualified teachers prepared to teach and remain in areas where teachers are needed. In examining the prospects for expanding this approach, the State will identify regions of the state with high teacher attrition, low levels of teacher candidate supply, and underperforming schools as priorities for "2+2" program expansion.

The state is also committed to examining additional avenues for increasing the supply of teacher candidates from schools of education, resources and approaches to prepare qualified lateral entry candidates, and other strategies to increase the availability of qualified teachers in hard-to-staff schools.

The State recognizes that in working to increase the supply of qualified teachers for hard-to-staff schools it must also remain vigilant to improve the retention of qualified teachers in these schools.

#### **Provide high quality professional development for teachers and principals**

Any effort to ensure effective teachers and principals in classrooms and schools must include providing them with high quality professional development that supports their ability to help students reach high standards. The State has invested in a number of important and effective professional development efforts such as the Teacher Academy, the NC Center for the Advancement of Teaching, and the Principals Executive Program. The State has also vested the lion's share of responsibility for providing professional development in schools and school districts. Unfortunately, many teachers and principals report that they lack access to high quality professional development.

The State will explore the development of a comprehensive portfolio of professional development offerings in core areas for principals and teachers. This includes identifying the content areas and skills where teachers and principals need the greatest support, the development of these professional development models, and the deployment of them (including on-line instruction) to teachers and principals.

#### **Connect School, Social Service and Juvenile Justice Resources**

The State recognizes that schools and schools systems alone cannot meet the challenges of educating all students for the challenges of higher education, the workplace, and participating in the democratic life of their communities. It is critical that children and families receive the support they need to be healthy and actively involved in their children's education.

The State intends to bring together the State Board of Education and the Departments of Public Instruction, Health and Human Services, and Juvenile Justice and Delinquency Prevention to jointly develop strategies for connecting school, social service, and juvenile justice resources.

Efforts would aim to target schools and counties with high need of support across the state. Such efforts might provide for the coordination of parent involvement, mental health services, health services, and delinquency prevention and other juvenile justice-related services for youth and families in participating schools.

#### **PLAN FOR IMMEDIATE ACTION**

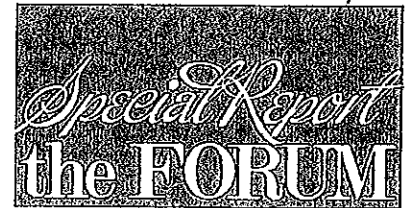
The State has already demonstrated its commitment to pre-kindergarten for at-risk four-year-olds, class size reduction, additional resources to support at-risk students in targeted school, district assistance, high school reform and improving teacher working conditions has been demonstrated. That commitment will continue.

In addition, the State is committed to expanding a number of these proven strategies, targeting them to meet the needs of at-risk students and finding solutions for other important educational problems, such as increasing the supply of teachers and connecting social services with schools and other areas.

To that end, the State intends to take a budget and policy package including these programs to the 2005 session of the General Assembly.

In the coming months before the 2005 Legislative session, the State will develop the detailed plans needed to carry out the commitments it has described. The Office of the Governor and State Board of Education will work with the General Assembly and with education leaders and other interested parties in crafting the details of these plans.

The State holds that the future growth and prosperity of North Carolina depends upon today's students receiving an education that prepares them for higher education, skilled jobs and careers, and a life of democratic participation.



# Race to the Bottom

"Career and College: Ready, Set, Go," the Governor's education initiative, received a major boost when North Carolina was one of only eleven states to receive a Race to the Top grant. Winning the competition will mean roughly \$400 million over the next four years.

While winning the Race to the Top competition is something North Carolina should rightfully be proud of, the state is now poised to win another competition - one that will bring only negative recognition to the state, one that could set public education back a decade or more.

In an era when politicians seem fond of racing nomenclature (i.e., the Governor's "ready, set, go" initiative and the President's "Race to the Top") it seems only fitting to dub this competition the "Race to the Bottom."

Contrary to the picture painted by some organizations, North Carolina has never been a high investing state when it comes to K-12 education. In 2008-09, the last year per national pupil expenditures rankings were available, North Carolina ranked 42nd, only eight from the bottom, on the amount of money it spent on young people attending public schools.

With \$738M of federal stimulus money for schools scheduled to end this year and with another \$1.3 billion of temporary taxes also scheduled to end, there is a distinct possibility that North Carolina could be at, or near, 50th place on investing in its young people when the upcoming 2011 Session of the General Assembly comes to an end.

The Administration recently made an announcement and issued a directive that, combined, have the potential to put North Carolina in a leadership position in its second race in recent months. First the Administration directed all state agencies, including the Department of Public Instruction which oversees K-12 school spending, to

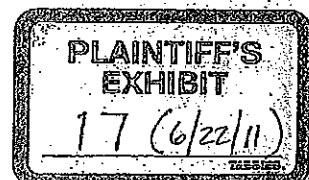
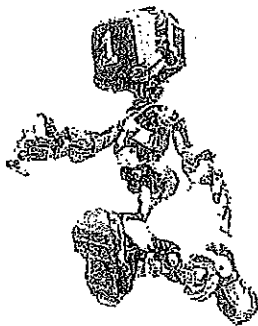
propose plans that would cut 5, 10 or 15% of state income from their budgets. Since K-12 education is the largest single expenditure in the state budget, cuts of those magnitude would represent \$394 million, \$788 million, or \$1.183 billion.

Then the Administration announced that it would be proposing a budget that will not include extending the temporary sales tax enacted in 2009, a tax that brings in nearly \$1 billion annually. Given that the projected size of the state deficit is now estimated to be somewhere between \$3.6 billion and \$4 billion dollars, many observers anticipated that the Administration would propose extending the sales tax to buffer at least \$1 billion of the shortfall.

The combination of these actions makes it clear that unless something unexpected happens in the months between now and the closing days of the 2011 Session of the General Assembly, it appears educational cuts unlike any the state has ever seen are virtually inevitable. Staying with sports analogies, North Carolina is poised to be a legitimate contender for the dubious distinction of winning the race to the educational investing bottom.

Chart One (on the next page) shows North Carolina's current standing when compared to other states by how much it annually invests in each of the 1.46 million students enrolled in its public schools. Contrary to the perception of many, North Carolina is already in the bottom 10 when ranked on per pupil expenditures.

... there is a distinct possibility that North Carolina could be at, or near, 50th place on investing in its young people when the upcoming 2011 Session of the General Assembly comes to an end.



## Race to the Bottom *continued*

To put that ranking in perspective it would take \$2.112 billion more in public school spending to bring North Carolina up to the national average. Being average would mean spending \$1,447 more on each of North Carolina's 1,460,000 public school students; that would translate to \$36,175 for a class of 25, or

\$868,200 for a 600 student elementary building, or \$2,315,200 for a high school with 1,600 students.

That is sobering, but as noted earlier the most recent per pupil averages for the fifty states are two years old. In the intervening two years, North Carolina's spending on K-12 schools has decreased by \$682

million. While temporary federal stimulus money has propped up the total expenditure on schools, those funds, as also noted earlier, will end this year.

Chart two (below) illustrates what could happen in the 2011-12 school year if the cuts currently under consideration materialize. Column One illustrates

**Chart 1: North Carolina's Current Standing in Per Pupil Expenditures**

Ranking	State	Per Pupil Exp	Ranking	State	Per Pupil Exp
1	District of Columbia	\$17,638	26	Kansas	\$9,979
2	Rhode Island	\$17,289	27	Georgia	\$9,952
3	New Jersey	\$16,253	28	Indiana	\$9,780
4	New York	\$15,997	29	Washington	\$9,633
5	Wyoming	\$14,732	30	Colorado	\$9,574
6	Vermont	\$14,679	31	South Dakota	\$9,466
7	Massachusetts	\$13,901	32	Ohio	\$9,358
8	Connecticut	\$13,864	33	Montana	\$9,339
9	Maine	\$13,309	34	South Carolina	\$9,286
10	Delaware	\$13,039	35	Kentucky	\$9,259
11	Hawaii	\$12,520	36	Nebraska	\$9,250
12	New Hampshire	\$12,344	37	Iowa	\$9,203
13	Pennsylvania	\$12,032	38	Texas	\$9,036
14	Maryland	\$11,743	39	Alabama	\$8,911
15	Michigan	\$11,197	40	Missouri	\$8,862
16	Virginia	\$11,114	41	Florida	\$8,761
17	Wisconsin	\$11,021	42	North Carolina	\$8,743
18	Minnesota	\$10,996	43	California	\$8,322
19	Alaska	\$10,904	44	Tennessee	\$8,261
20	West Virginia	\$10,747	45	North Dakota	\$8,222
21	Illinois	\$10,714	46	Oklahoma	\$8,066
22	Arkansas	\$10,345	47	Idaho	\$7,730
23	Louisiana	\$10,160	48	Nevada	\$7,615
24	Oregon	\$10,129	49	Mississippi	\$7,484
25	New Mexico	\$10,099	50	Arizona	\$5,932
	<b>UNITED STATES</b>	<b>\$10,190</b>	51	Utah	\$5,912

\*Data Source: NEA Rankings & Estimates, December 2009; expenditures include total operational expenditures by local school districts including administration, instruction, health, transportation and food services; direct state expenditures for current operations including salaries, contributions to retirement systems, textbooks and vocational/technical education; totals reflect local, state and federal operational expenditures; they do not include construction and maintenance cost of buildings.

**Chart 2: The Impact of Cuts Currently being Considered**

	Final 2010-11	5% Cuts	10% Cuts	15% Cuts
K-12 State Budget	\$7,889,715,059	\$7,495,229,306	\$7,100,743,553	\$6,706,257,800
Amount of Cuts (\$)		-\$394,485,753	-\$788,971,506	-\$1,183,457,259
2010-2011 Projected ADM <sup>1</sup>	1,475,668	1,475,668	1,475,668	1,475,668
Estimated State per pupil Expenditures <sup>2</sup>	\$5,347	\$5,079	\$4,812	\$4,545
Reduction in State per pupil Expenditures	\$0	\$267	\$535	\$802
Impact on 2008-09 per pupil Expenditures	\$8,743	\$8,476	\$8,208	\$7,941
Ranking based on possible Budget Cuts	42	42	44	46

(1) ADM equals "average daily membership" or student enrollment

(2) State per pupil expenditure based on K-12 state budget/projected ADM.



Cuts of this dimension would dwarf any cuts in recent history, but the picture is incomplete without factoring in the impact of federal stimulus dollars coming to an end.

the impact on state investments if there were to be a cut of 5%; Column Two illustrates the impact at 10%, and Column Three illustrates the impact at 15%. In all cases, it shows what cuts of that magnitude would mean to North Carolina's standing in per pupil rankings when compared to other states and the amount of resources lost to schools.

Cuts of this dimension would dwarf any cuts in recent history, but the picture is incomplete without factoring in the impact of federal stimulus dollars coming to an end. As indicated earlier in this report, North Carolina's public schools stand to lose \$738 million in federal stimulus dollars at the end of this school year. Chart 3 (below) shows what the combined impact of state and federal cuts could represent:

It must be pointed out that there are two new sources of federal dollars that have the potential to buffer a modest portion of these potential cuts. The first is the roughly \$100 million per year of Race to the Top grant funds that will come in each of the next four school years. Of that amount, at least one-half, or \$50 million, is required to go to local schools. However, and this is a large however, the funds are earmarked for new initiatives and will not buffer cuts to existing programs.

The second federal funding source will come from the so-called "jobs bill" that was to protect teachers and other school employees from budget cuts. North Carolina's share of those funds will be close to \$300 million in one-time money. Since the funds have yet

to arrive and do not have to be spent until 2012, most school systems are electing to bank the funds rather than use them in this school year. These funds, unlike the Race to the Top dollars, can be used to make up for cuts in existing programs.

The following chart shows the most optimistic scenario for North Carolina's schools. It shows the impact of projected state and federal cuts offset in part by Race to the Top funds and by an estimated \$200 million of jobs bill funds that will not be spent this year.

Even under this scenario, cuts of 5, 10 or 15% combined with the loss of over \$700 million of federal stimulus dollars dwarf any education cuts in the history of the state – even when making an optimistic estimate of Race to the Top and Jobs Bill offsets.

**Chart 3: Estimated Best-Case Scenario**

Possible State Cuts	Federal Stimulus Dollars Coming to an End	Potential COMBINED Federal and State Cuts
5% = -\$394,485,753	-\$738,000,000	-\$1,132,485,753
10% = -\$788,971,506	-\$738,000,000	-\$1,526,971,506
15% = -\$1,183,457,259	-\$738,000,000	-\$1,921,457,259

While temporary federal stimulus money has propped up the total expenditure on schools, those funds, as also noted earlier, will end this year.

**Chart 4: The Impact of Cuts Currently being Considered**

Possible State Cuts	Federal Stimulus Dollars Coming to an End	Minus Race to the Top \$100 million & \$200 million of JOBS BILL	Total Projected Cuts
5% = -\$394,485,753	-\$738,000,000	\$300,000,000	-\$832,485,753
10% = -\$788,971,506	-\$738,000,000	\$300,000,000	-\$1,226,971,506
15% = -\$1,183,457,259	-\$738,000,000	\$300,000,000	-\$1,621,457,259

## "It's Not That Bad," Some Will Say

Those critical of the public schools will be quick to argue four positions. First, they will say, "Well per pupil expenditures don't mean anything any way" and will point to low-spending states that do fairly well on national comparisons and to high-spending states that do not do well.

That argument turns a blind eye to differences in demographics and differences between states. North Carolina serves nearly 705,000 young people living in poverty. Over the last census period North Carolina had a flood of immigrants from Mexico and Central America, the largest percentage growth of that population in the nation. Many of the young newcomers to the state grew up in families with low levels of education; most had to master the English language and were substantially behind their English-speaking classmates.

Beyond demographics, critics of public schools also turn a blind eye toward the old adage "you get what you pay for." It is worth noting that the most highly regarded private high schools in North Carolina now charge tuition ranging from \$15,000 - \$18,000, a far cry from the \$8,743 spent on a public school student in North Carolina and considerably more than the national average per pupil expenditure for young people in public schools of \$10,190.

Critics will then be sure to point out, "but North Carolina just won \$400 million in the Race to the Top competition." True, but the money will be paid out over four years, or roughly \$100 million per year. More importantly, it is earmarked for new programs and initiatives clearly spelled out in the grant proposal submitted to the federal government. It is

also worth noting that only roughly one-half of the Race to the Top \$100 million per year will go to local school districts.

North Carolina always has been a low-investment state when it comes to K-12 education and it remains a low-investment state today.

## "It's Not That Bad," Some Will Say *continued*

Third, some will say, "But North Carolina ranks below average on national cost-of-living indexes. You would expect us to spend less than the national average."

Fair enough, but upon closer examination that argument also fails to hold up. North Carolina's cost-of-living rating is below the national average. On the index North Carolina is rated at 96.4% of the national average, or 3.6% below the national average.

What would happen if North Carolina were to make a per pupil investment of 96.4% of the national average per pupil expenditure of \$10,190? The state would have to move from investing \$8,743 per pupil to \$9,823 per pupil – or \$1,080 more per pupil just to become "average" even when adjusting for cost-of-living.

What would investing at a rate equal to North Carolina's cost of living ranking mean? It would mean

investing \$2,054 billion more in education than is invested today. That would translate to \$27,000 more for a classroom of 25; it would mean \$648,000 more for a 600 student elementary school; it would mean \$1,728,000 more for a high school with 1,600 students.

To underscore what to some is an "inconvenient truth," even if you account for differences in cost of living, North Carolina always has been a low-investment state when it comes to K-12 education and it remains a low-investment state today.

Last but not least, others will say "but the per pupil numbers you are using are two years old and other states have cut education spending too." Correct, and it is absolutely necessary to point out that per pupil rankings will change dramatically once national data collection catches up with the impact of the current recession.

There will be some variance in the numbers and rankings because of increases or decreases in state spending. However, it should be pointed out that a number of the states that, like North Carolina, are making deep educational cuts are those currently ranked in the top fifty percent on spending – states like New York, Illinois and New Jersey. The one exception to that is California which ranks with North Carolina in the bottom ten on per pupil rankings. Given the state of California's economy, their education cuts may propel them to the bottom of the list. If that were to happen, we might find us in the unimaginable position of being able to say "thank the Lord for California."

## Summary...



K-12 schools are not the only area of state government facing draconian cuts. Unless members of the General Assembly determine that the cuts are simply too deep and that services cannot be eliminated or severely reduced, especially in a time when tens of thousands of North Carolinians are out-of-work and more dependent on the government than before, budget cuts will be felt across the board – by those who rely on the state's health care programs; by those driving state roads; by college students faced with higher tuition; by the unemployed who need new job skills offered through community colleges.

The severity of the problem facing North Carolina is larger than any but that faced in the Great Depression. At that time, however, the General Assembly made what was a counter-intuitive decision. With schools closing their doors across the state, the General Assembly assumed the primary

responsibility for public education and enacted a sales tax. That bold move prevented school doors from closing until the economy turned around.

It is not an exaggeration to say that a similar challenge now faces those elected to serve in the North Carolina Senate and House of Representatives in 2011 and the Governor. Education cuts enacted in the 2009 and 2010 Sessions of the General Assembly already total \$682,656,546. \$738M of federal educational stimulus funds are about to end.

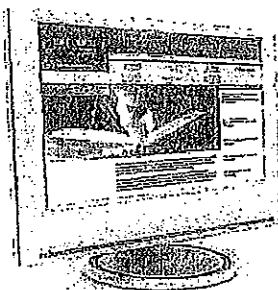
The state's investment in public education, which has been one of its primary marketing points to businesses who have chosen to locate here, could be reduced to near or at the bottom of national rankings. And the probability of creating a world class system of schools "on the cheap" is slim to none.

With no action, North Carolina in one year could win both the Race to the Top and the Race to the Bottom. However, it is the Race to the Bottom whose

impact could be felt by young people for years to come and to the state whose economic hopes and aspirations rely on a strong education foundation. The Race to the Bottom is a race North Carolina cannot afford to win. \*

The state's investment in public education, which has been one of its primary marketing points to businesses who have chosen to locate here, could be reduced to near or at the bottom of national rankings.

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### Caution to Readers

Because official school expenditure numbers are reported at the end of a school year, the annual Forum finance report, of necessity, is reporting on expenditures from the previous school year. Because General Assembly funding for K-12 schools was reduced \$840 million for the current school year, the funding picture has changed considerably from 2008-2009. A number of counties should get more of their school budgets to make up for cuts in state funding while others, like this state, also cut their local budgets. While the state cuts are troubling for the counties, there will be no pressure on counties to make up for state losses. That said, readers should remember that this year's finance study is reporting on school funding for the previous, 2008-2009, school year.

# 2010 LOCAL SCHOOL FINANCE

## Introduction

Article IX Section 2 of the state Constitution calls for the General Assembly to provide a "general and uniform system of free public schools, which shall be maintained at least nine months in every year, and wherein equal opportunities shall be provided for all students." In the 2008-09, the General Assembly provided \$8.19 billion for public schools and oversaw \$1.31 billion in federal funds, which accounts for 74.6 percent of the \$12.7 billion spent on the state's 1,410,497 school children to meet the constitutional mandate.

Also contained in that section is a provision whereby the General Assembly can require "local government such responsibility for the financial support of the free public schools as it may deem appropriate. The governing boards of units of local government with financial responsibility for public education may use local revenues to add to or supplement any public school or post-secondary school program." Last year county governments provided \$3.24 billion for

public education, which accounts for 25.5 percent of the total. Counties provided one of every 6 full-time personnel.

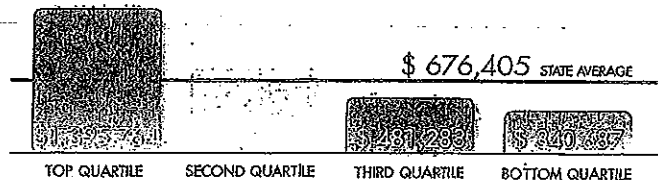
For more than 20 years the Public School Forum has isolated state and federal spending to examine the capacity and effort counties make to support their schools. The intention of the annual local school finance study is not to blame counties for their effort to support schools, but to examine the capacity and actual effort the state's 100 counties make to support 115 school districts. During the Great Depression the state assumed the major role for funding schools: "provided for the operation of a uniform system of schools in the whole State for a term of nine months...and relieved the county board of education of the responsibility for operating and maintaining the public schools of the county," according to the 1933 School Machinery Act. Under the school finance system born seven decades ago, the state is supposed to pay for current expenses (instructional

programs and classrooms) and county governments are supposed to pay for capital expenses (buildings and maintenance). Despite being "relieved" of their responsibility, last year counties spent \$3.2 billion to fund current expenses.

North Carolina has been engaged in litigation defending its system of school finance for nearly twenty years, which was partially instigated because of spending inequities between low wealth and wealthy counties. In 2008-09, the state's ten highest-spending counties spent an average of \$69,004 more per classroom than the lowest-spending counties. This large gap exists primarily because of the variation in property wealth across the state. The wealthiest counties have more than \$2.1 million in real capacity available, compared with the poorest counties that have approximately \$306,000 in real estate capacity available. This gap has widened by over \$1.3 million since the Supreme Court's first decision in the school finance case in 1997.

### Real Estate Wealth Available Per Student

The state is divided into quartiles by adjusted property wealth available per child. The top quartile includes high growth Piedmont and mountain and beach resort areas, which spend an average of \$1,395,764 per child - \$719,359 above the state average. The bottom quartile has \$340,687 available per child - \$335,718 below the state average. (See map on page 6 for more specific information)



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PLAINTIFF'S EXHIBIT

1.8 (6/22/10)

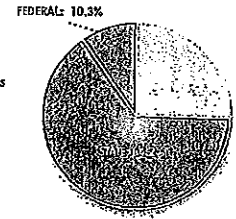


## Synopsis

North Carolina public schools spent \$12.7 billion in the 2008-09 school year using a combination of state, federal, and local resources. State funding accounts for 64.2 percent of expenditures, federal funding accounts for 10.3 percent, and local funding accounts for 25.5 percent of spending. According to a recent National Education Association survey, the US average breakdown of expenditures is 48.1 percent from the state, 8.8 percent from the federal government, and 43.1 percent from local sources.

2008-09  
SOURCES OF REVENUE  
FOR SCHOOLS IN NC

Source: DPI, Financial & Business Services



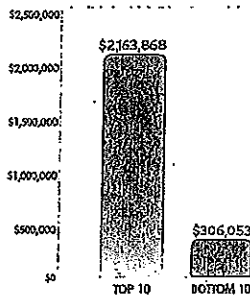
## Findings

The primary source of revenue for county government is local property taxes and there is a wide variation between the property values of the state's wealthiest and poorest counties. The ten wealthiest counties in the state have a real estate capacity of \$2,163,868 per student, compared with the ten poorest counties which have a real estate capacity of \$306,053 per student. The gap has been

growing steadily every year, and this year finally exceeded \$1.8 million. The wealthiest counties' real estate capacity rose just over 5.4 percent since last year, a slow down compared to years past which saw upwards of 20 percent increases per year. In comparison, the poorest counties whose capacity actually decreased in 2007-08, saw a similar rise of just over 5 percent.

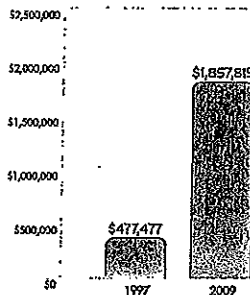
### Lowest-Highest Wealth: The Widening Gap

Taxable Real Estate Wealth  
Available Per Child in the Wealthiest  
& Poorest Counties



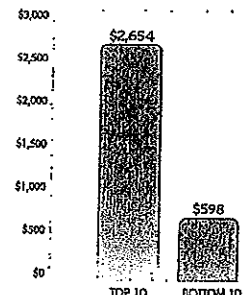
The major source of revenue for county government is the taxable property value. The wealthiest counties have 7 times more taxable property wealth per child available to them. This problem is further exacerbated because the poorest counties tax themselves at nearly 45 cents above the wealthiest counties, but the revenue generated by the taxation is substantially less than that of the wealthy counties.

Real Estate Wealth Gap  
Widening Between Wealthiest  
& Poorest Counties



The real estate capacity of the state's wealthiest counties has grown \$1,496,751 since 1997, compared to the \$126,369 in the poorest counties. The gap has widened by over \$1.38 million since the Supreme Court's decision in the school finance case in 1997.

Current Spending Per Student



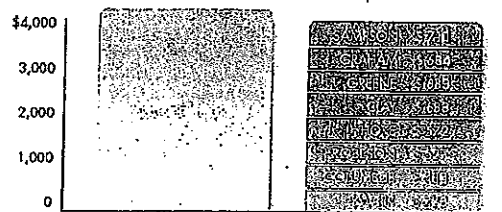
Current expenditures represent annual county spending on programs and personnel. From 1997 to 2009, the top spending counties have increased their spending 68% compared to 20% for the bottom spending counties. The top spending counties spent \$2,056 more per student than the bottom spending counties.

### Current Spending Disparities Continue to Grow

Orange County spends nine and a half times more per student than Swain County, and, if you treat the supplemental tax in Orange County as its only source of current expenditures, it would spend \$584 more per student than Swain County. The gap between the highest- and lowest-spending counties, while it has shrunk slightly this year, is still \$2,056 per child. The top spending counties spend 4.4 times more per child (\$2,654 per child), compared with the bottom spending counties (\$598 per child). At the classroom level, the highest spending counties are spending \$69,004 more per classroom.

The highest-spending counties have increased their spending \$259 per student since last year, compared with the lowest-spending counties that have raised their spending by only \$25 per student in the past year. Only one-fifth of the state's 100 counties are above the state average of \$1,724 per student.

### Spending Disparities 2008-09



If the bottom 8 counties' total current spending were combined, they would only spend \$640 more per child than Orange County spends by itself.

## Supplemental Funding Remains Integral

In 1991 the state enacted two supplemental funds for low wealth and small counties, in part, to address the limited capacity that some counties have because of their limited local resources and size. In 2008-09 the General Assembly provided an appropriation of \$192 million for the 70 low wealth counties and \$43.9 million for the 29 small counties.

Low wealth supplemental funding is provided to systems whose ability to generate local revenue per student is below the state average. Some of the factors used to determine eligibility are county adjusted property tax base, size of the county and per capita income. In FY 2008-09 low wealth eligible counties received per student dollars that ranged from \$13.70 (Graham) to \$637.20 (Robeson).

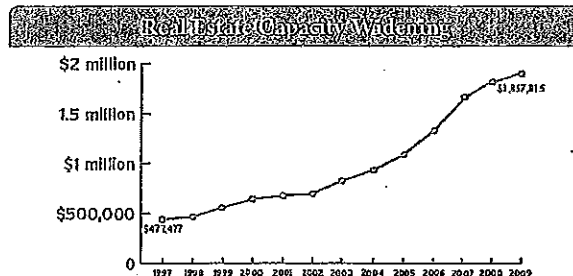
Small county supplemental funding is provided to those county school systems with average daily membership (ADM) less than 3,175 or to county school systems with ADM between 3,175 and 4,000 whose county adjusted property tax base per student is below the state adjusted property tax base per student. In FY 2008-09 eligible counties received between \$1.34 and \$1.92 million in small county supplemental funding. The per student dollars were between \$366 (Anson) and \$3,032 (Tyrrell).

## Real Estate Capacity Gap Continues to Grow

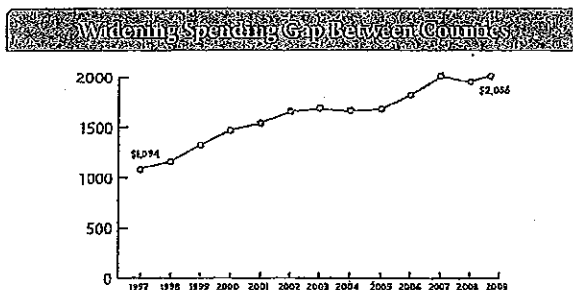
Coastal and mountain counties have the highest real estate capacity in the state. In 2008-09, every county in the top ten in real estate had an average per student real capacity above \$1.29 million, and had an average seven times greater than the bottom ten counties.

The ten wealthiest counties had an average real estate capacity of \$2,163,868 million, compared with the ten poorest counties which had a real capacity of \$306,053 per student. The gap had reached over \$1.85 million, and had risen nearly 5.5 percent since last year and more than 250 percent since 1997.

The state's wealthiest counties have seven times the real estate capacity of the poorest counties despite having an average effective tax that is nearly 12 cents lower. The poorest counties continue raising their tax rates, but the revenue they can generate remains limited, while the wealthiest counties rate is over eleven cents lower than it was a decade ago.



The disparity in spending is driven by vast differences in real estate capacity. Since 1997, the gap has increased over 260% by \$1,380,338. The top ten spending counties all have on average real estate capacity over \$2.16 million per student.



The spending gap between the top- and bottom- spending counties has grown \$975 per student since 1997. The top-spending counties are able to spend \$53,456 more per classroom than their bottom-spending counterparts.

## School Funding: Who Pays for What?

North Carolina's first state constitution in 1776 included an education provision that called for "A School or Schools shall be established by the Legislature for the convenient Instruction of Youth." The legislature provided no financial support for schools. One hundred years later the Constitution adopted after the Civil War required the state "to provide by taxation and otherwise for a general and uniform system of public schools, wherein tuition shall be free or charge to all of the children of the State between the ages of six and twenty-one years." The new Constitution also provided for the direct election of a state Superintendent of Public Instruction and enacted a four-month school calendar.

In 1901, the General Assembly broke with tradition and appropriated \$100,000 for public schools, marking the first time there was a direct appropriation of tax revenue for public schools. The state Constitution mandates that the state provide a "general and uniform system of free public schools" and that the state legislature may assign counties "such responsibility for the financial support of the free public schools as it may deem appropriate." In addition to the constitutional mandates, a major change in the school funding structure occurred during the Great Depression. Under the School Machinery Act (enacted in 1931 and amended in 1933), the state assumed responsibility for all current expenses necessary to maintain a minimum eight-month school term and an educational program of basic content and quality (instructional and program expenses). In exchange for the state's expanded role, local governments assumed responsibility for school construction and maintenance (capital expenses). The School Machinery Act established counties as the basic unit for operating public schools, which is maintained today with large county-wide school systems, except in the 11 counties that also have city school systems.

In 1975 the General Assembly enacted the School Budget and Fiscal Control Act, which delineated responsibility for school funding: "To insure a quality education for every child in North Carolina, and to assure that the necessary resources are

provided, it is the policy of the State of North Carolina to provide from State revenue sources the instructional expenses for current operations of the public school system as defined in the standard course of study. It is the policy of the State of North Carolina that the facilities requirements for a public education system will be met by county governments."

The delineations proscribed by the School Machinery Acts and the School Budget and Fiscal Control Act have become blurred. In 2008-09 counties funded 1,240 principals and assistant principals, 6,952 teachers (7.0 percent of the total), 3,211 teacher assistants (10.7 percent of the total), and 2,901 instructional support personnel (19.9 percent of the total).

## Article LX, Sec. 2

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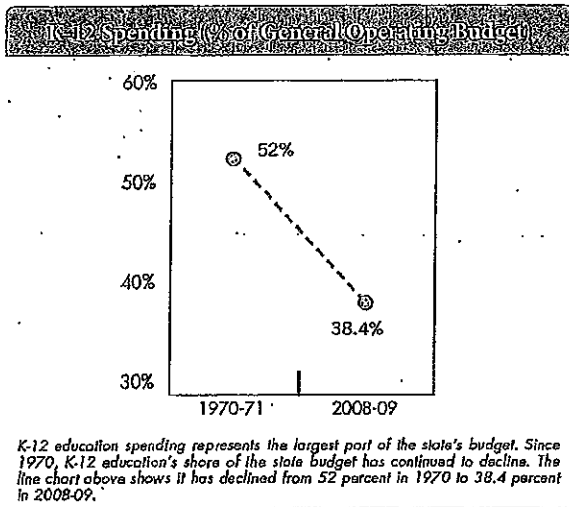
(2) Local responsibility: The Government of India was responsible for the development and management of the intermediate and primary schools, school savings and development funds, co-operatives and other local government and financial institutions. For public administration, we use the revenues in aid to implement any public school or primary school program.

### State Funds

In 2008-09, the state provided \$8.19 billion to operate 2,532 regular and charter schools in 115 school systems across 100 counties for 1,410,497 students. Ninety-one percent of state funds were spent on salaries and benefits for 144,793 state-funded school personnel, including 75.8 percent who were principals, teachers, instructional support personnel, or teacher assistants.

North Carolina ranks fourteenth in the nation and were fourth in the Southeast in the percentage of the education dollar paid by the state. Nearly two-thirds of state funds (68.5%) are appropriated as position allotments (e.g., teachers and principals), 20.7 percent as categorical allotments (e.g., transportation cost or for children with special needs), and 10.8 percent as dollar allotments (e.g., textbooks, teacher assistants, and central office administration).

Funding has continually increased since 1992-93 from \$3.44 billion to \$8.19 billion in 2008-09. But while the level of funding has increased, the percentage of the state's General Fund that is dedicated to education continues declining. Thirty-five percent of the state's General Fund is appropriated for public education, which is a decline from the 52.5 percent in 1970. If public education were funded at the same percentage of the General Fund as it was in FY 1969-70, schools would have an additional \$3.67 billion for our students.



### Federal Funds

Resources from the federal government account for 10.3 percent of public education spending, up from 9.9 percent the previous year, and currently total \$1,308,100,000. The federal government has added additional resources in an effort to help meet the mandates of the No Child Left Behind legislation. Eighty-seven percent of federal supports go toward helping the low-income students improve academically (Title I), providing services for disabled students, and funding school nutrition programs. Federal resources are given to states in the form of direct grants, state applications, state plans, or a combination of the three.

### Local Funds

While the bulk of school funding comes from the state, the NC Constitution permits the General Assembly to "assign to units of local government such responsibility for the financial support of the free public schools as it may deem appropriate." The eight-decade-old division of responsibility has eroded with local governments funding 8.6 percent of the instructional-related positions, including 22.9 percent of principals and assistant principals, 7.0 percent of teachers, 19.9 percent of instructional support personnel, and 10.7 percent of teacher assistants.

Since 1997 the top-spending counties have increased their average student expenditure 68 percent, compared with the bottom-spending counties that have increased their average expenditure 20 percent. The gap has continued to grow to \$2,056 – and only 23 counties are above the state average of \$1,724. Orange County continues to spend as much per student as the bottom seven counties combined.

One of the primary challenges from the five low-wealth plaintiffs in the Leandro case dealt with the inequities between varying levels of county support for schools. The state Supreme Court ruled in 1997 that "the 'equal opportunities' clause of Article IX, Section 2(1) of the North Carolina Constitution does not require substantially equal funding or educational advantages in all school districts. Consequently, the provisions of the current state system for funding schools which require or allow counties to help finance their school systems and result in unequal funding among the school districts of the state do not violate constitutional principles."

### Disparities Among Classrooms & Schools

The difference in what the state's counties provide to the school system is stark. In 2008-09, the state's top 10 counties spent an average of \$2,270 per student, while the bottom 10 counties spent an average of \$1,220 per student. The difference is \$1,050 per student.

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In a school of 500 students, the bottom 10 counties are able to pay for 100 less teachers, 100 less principals, 100 less instructional support personnel, and 100 less teacher assistants than the top 10 counties.

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## In Conclusion

### Impact on Achievement

The Forum's Local School Finance Study has not been, nor is it currently, designed to do an in-depth analysis of the correlation between wealth, spending and achievement. Such a study involves many factors and equations which the data in this study cannot support.

Nonetheless, it is difficult not to notice:

- The achievement gap between student's in the state's wealthiest and poorest districts
- The discrepancy in the spending gap per pupil between the state's highest and lowest performing districts.

When one looks at the percentage of students in grades 3-8 at or above grade level in mathematics and reading, the achievement gap is startling. The percentage of students at or above grade level in reading and math was 73.1% and 84.3% in the state's top 10 spending counties and 57.0% and 72.3% in the bottom 10 spending counties.

Similarly, there is a major discrepancy between the amount spent per student between high and low achieving systems. For example, counties with the top 10 scores in grades 3-8 reading spent an average of \$2,086 per pupil in local dollars. The 10 worst performing schools spent \$686 per pupil – a difference of \$1,163.

### Disparities in Wealth & Achievement

	WEALTH RANK	GR 3-8 READING (%)	GR 3-8 MATH (%)
Dare	1	78.4	87.5
Jackson	2	71.6	84.6
Brunswick	3	68.9	79.9
Currituck	4	79.2	89.4
Macon	5	65.9	78.5
Currituck	6	80.5	89.5
Watauga	7	83.9	91.7
Avery	8	72.6	86.2
New Hanover	9	71.9	82.0
Hyde	10	58.5	73.8
State Average		67.6	80.0
Edgecombe	91	45.3	63.7
Wayne	92	63.0	77.1
Cumberland	93	65.0	73.2
Harnett	94	61.0	73.3
Hoke	95	55.4	71.6
Sampson	96	62.7	78.3
Greene	97	45.6	62.4
Gates	98	63.5	73.5
Scotland	99	59.8	80.9
Robeson	100	48.6	68.6

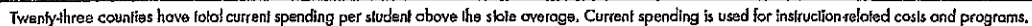
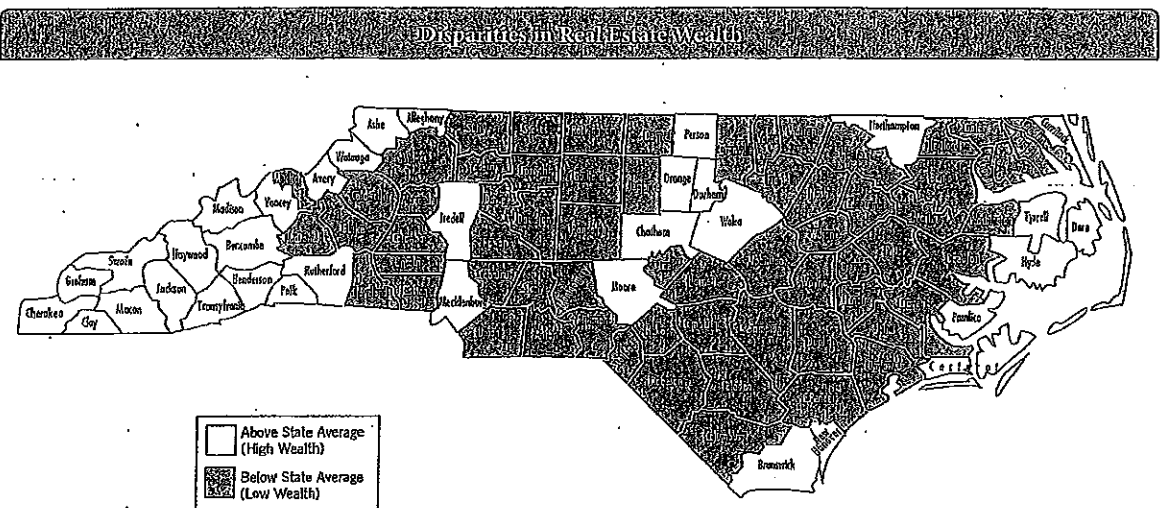


TABLE 1

### RANKING OF ADJUSTED PROPERTY VALUATIONS PER STUDENT

This is the total adjusted property valuation for each county, divided by the number of students in membership in the county. The property valuation was adjusted using a three-year weighted average of the Sales/Assessment Ratios. This represents the real estate wealth available to counties to support education.

County	Rank	Year	Valuation	Per Student	Per Student	Per Student
Dare	1	2005	4,766	\$17,613,575.153	\$3,695,673	\$0.244
Jackson	2	2008	3,623	\$10,836,829.566	\$2,991,120	\$0.291
Brunswick	3	2007	11,673	\$33,247,604.077	\$2,848,248	\$0.306
Currier	4	2007	8,144	\$19,098,744.009	\$2,345,131	\$0.236
Macon	5	2007	4,315	\$9,092,125.993	\$2,107,098	\$0.240
Wilkes	6	2005	3,959	\$8,184,365.948	\$2,067,281	\$0.285
Watauga	7	2006	4,430	\$8,837,209.006	\$1,994,855	\$0.249
Avoye	8	2002	2,230	\$4,102,270.467	\$1,839,383	\$0.297
New Hanover	9	2007	23,825	\$34,433,714.906	\$1,445,277	\$0.434
Hyde	10	2009	628	\$815,897.958	\$1,299,201	\$0.701
Cherokee	11	2008	3,523	\$4,329,172.074	\$1,228,831	\$0.385
Allegheny	12	2007	1,493	\$1,797,626.577	\$1,204,237	\$0.377
Asha	13	2006	3,206	\$3,775,223.458	\$1,177,768	\$0.333
Transylvania	14	2009	3,686	\$4,161,144.369	\$1,128,905	\$0.588
Clay	15	2002	1,382	\$1,475,813.097	\$1,067,882	\$0.256
Yonkers	16	2003	2,462	\$2,608,014.666	\$1,059,307	\$0.446
Henderson	17	2007	13,069	\$13,185,243.966	\$1,008,895	\$0.417
Polk	18	2004	1,402	\$1,376,736.207	\$981,980	\$0.333
Chatham	19	2009	7,593	\$7,438,527.201	\$979,656	\$0.652
Buncombe	20	2006	29,085	\$28,486,465.809	\$979,421	\$0.450
Perquimans	21	2008	1,718	\$1,677,201.976	\$976,544	\$0.426
Macon	22	2007	12,190	\$11,489,434.268	\$942,529	\$0.455
Haywood	23	2006	7,779	\$7,035,320.109	\$904,425	\$0.419
Durham	24	2008	31,891	\$28,640,039.397	\$898,060	\$0.708
Polk	25	2009	2,444	\$2,175,305.116	\$890,059	\$0.639
Wake	26	2008	137,092	\$116,809,924.397	\$852,055	\$0.581
Iredell	27	2007	26,543	\$20,121,590.570	\$758,075	\$0.421
Mecklenburg	28	2003	132,042	\$99,127,205.270	\$750,725	\$0.697
Northampton	29	2002	2,537	\$1,884,424.428	\$742,777	\$0.702
Madison	30	2004	2,592	\$1,912,890.498	\$737,998	\$0.342
Graham	31	2002	1,151	\$849,073.109	\$737,683	\$0.313
Swain	32	2005	1,883	\$1,384,981.980	\$735,519	\$0.222
Person	33	2005	5,209	\$3,830,888.721	\$735,436	\$0.649
Trinity	34	2009	585	\$418,942.883	\$716,142	\$0.747
Lincoln	35	2008	12,039	\$8,529,877.613	\$708,520	\$0.559
Orange	36	2009	18,585	\$12,958,827.969	\$697,273	\$0.988
Rutherford	37	2007	9,298	\$6,185,024.348	\$665,199	\$0.489
Cherokee	38	2008	32,566	\$20,694,366.037	\$635,459	\$0.629
Gulford	39	2004	70,968	\$44,691,124.276	\$629,736	\$0.675
Forsyth	40	2009	51,255	\$31,764,082.702	\$619,727	\$0.687
Union	41	2008	37,701	\$23,211,455.945	\$615,672	\$0.639
Catawba	42	2007	24,688	\$15,027,745.089	\$608,706	\$0.522
Chowan	43	2006	2,377	\$1,428,093.165	\$600,796	\$0.572
Wichita	44	2009	1,121	\$1,270,877.699	\$599,188	\$0.504
Cummin	45	2007	1,885	\$1,120,811.480	\$594,595	\$0.591
Davis	46	2009	6,582	\$3,909,855.115	\$594,022	\$0.660
Warren	47	2009	2,590	\$1,518,105.794	\$586,141	\$0.895
Pender	48	2003	8,146	\$4,716,801.000	\$579,033	\$0.396
Beaufort	49	2002	7,135	\$4,113,322.040	\$576,499	\$0.412
Rowan	50	2007	20,643	\$11,707,277.153	\$567,131	\$0.578
Wilkes	51	2007	9,269	\$5,601,231.759	\$561,865	\$0.540
Polk	52	2006	6,035	\$3,272,008.765	\$542,172	\$0.479
Montgomery	53	2004	4,330	\$2,324,512.865	\$536,839	\$0.411
Jones	54	2006	1,188	\$632,764.169	\$532,630	\$0.617
Bladen	55	2007	5,141	\$2,723,040.575	\$529,671	\$0.643
Wilson	56	2008	12,395	\$6,264,729.203	\$505,424	\$0.715
Crowley	57	2006	23,361	\$11,555,731.066	\$498,240	\$0.415
Put	58	2008	22,756	\$11,351,561.353	\$498,838	\$0.655
Lenoir	59	2007	9,498	\$4,721,842.343	\$497,141	\$0.718
Davidson	60	2007	25,989	\$12,833,495.842	\$493,805	\$0.538
Alamance	61	2009	22,304	\$10,947,010.285	\$490,899	\$0.578
Burke	62	2007	13,833	\$6,688,874.319	\$489,545	\$0.501
McDowell	63	2003	6,444	\$3,099,636.726	\$481,011	\$0.428
Craven	64	2002	14,570	\$6,982,840.588	\$479,262	\$0.408
Surry	65	2008	11,387	\$5,394,346.268	\$473,728	\$0.565
Coville	66	2008	3,117	\$1,462,554.241	\$469,219	\$0.587
Alexander	67	2007	5,537	\$2,594,158.953	\$468,513	\$0.501
Franklin	68	2004	8,362	\$3,909,972.296	\$467,588	\$0.716
Gaston	69	2007	32,002	\$14,889,259.199	\$465,260	\$0.790
Stokes	70	2009	7,657	\$3,278,512.376	\$464,576	\$0.599
Randolph	71	2007	23,125	\$10,463,685.906	\$452,484	\$0.528
Stanly	72	2005	9,276	\$4,181,665.648	\$450,805	\$0.575
Holston	73	2007	8,161	\$3,583,686.855	\$439,123	\$0.619
Rockingham	74	2003	13,860	\$6,073,209.087	\$438,190	\$0.323
Caldwell	75	2005	12,899	\$5,514,721.952	\$427,531	\$0.574
Yadkin	76	2009	5,918	\$2,440,293.393	\$412,351	\$0.763
Cleveland	77	2008	16,390	\$6,745,825.115	\$411,582	\$0.698
Granville	78	2002	8,786	\$3,615,059.316	\$411,457	\$0.676
Washington	79	2005	1,940	\$783,771.455	\$404,006	\$0.649
Martin	80	2009	3,902	\$1,525,424.262	\$390,934	\$0.787
Henrico	81	2003	3,162	\$1,201,197.522	\$379,885	\$0.771
Bertie	82	2004	2,880	\$1,086,691.316	\$377,323	\$0.664
Anson	83	2006	3,724	\$1,474,963.554	\$375,883	\$0.639
Johnston	84	2003	31,042	\$11,555,675.236	\$372,259	\$0.676
Richmond	85	2008	7,717	\$2,850,602.271	\$369,393	\$0.787
Columbus	86	2005	9,173	\$3,365,983.359	\$366,945	\$0.674
Lenoir	87	2009	9,309	\$3,414,996.034	\$366,849	\$0.837
Vance	88	2008	7,380	\$2,696,234.035	\$365,343	\$0.769
Nash	89	2009	17,412	\$6,252,775.418	\$359,107	\$0.674
Dillon	90	2008	8,815	\$3,164,365.486	\$358,975	\$0.786
Edgar	91	2009	7,221	\$2,489,499.348	\$344,758	\$0.937
Wayne	92	2003	19,119	\$6,446,158.823	\$337,160	\$0.638
Cumbebond	93	2009	52,317	\$16,864,671.211	\$322,355	\$0.859
Hammill	94	2009	18,682	\$5,795,364.794	\$310,211	\$0.728
Hoke	95	2006	7,516	\$2,310,053.293	\$307,351	\$0.659
Sampson	96	2003	11,441	\$3,466,882.739	\$303,023	\$0.678
Greene	97	2005	3,290	\$978,075.666	\$297,287	\$0.728
Gates	98	2009	1,915	\$564,132.967	\$294,586	\$0.970
Scotland	99	2003	6,526	\$1,919,216.459	\$293,998	\$0.936
Robeson	100	2005	23,393	\$5,509,165.077	\$235,505	\$0.677
State Total / Average			1,410,497	\$954,067,104,342	\$676,405	\$0.575



Thirty-five counties' property wealth was above the state average of \$619,319 per student, while the remaining 61 counties were below the state average. Mountain and coastal counties, along with high-growth parts of the Piedmont, account for the counties above the state average.

This is a summary of data for the 100 counties in the state. It includes 2008-09 current expenses (including supplemental school taxes), a six-year average of debt service and of capital outlay. This measure reflects the actual dollar effort of communities to fund schools, without taking into account property wealth. High wealth communities with corresponding high levels of spending tend to rank highest in the measure.

Dare	1	2	\$19,480,066	\$0	\$21,884,515	\$9,957,266	\$19,450,066	4,766	\$4,592	\$2,089	\$4,081	\$4,081
Durham	2	3	\$102,728,739	\$0	\$95,070,372	\$16,484,474	\$102,728,739	31,891	\$786	\$517	\$3,221	\$3,221
Chatham	3	6	\$23,457,441	\$0	\$5,678,144	\$2,691,863	\$23,457,441	7,593	\$748	\$335	\$3,089	\$3,089
New Hanover	4	5	\$65,377,120	\$0	\$20,956,596	\$16,148,877	\$65,377,120	23,825	\$680	\$678	\$2,744	\$2,744
Mecklenburg	5	4	\$343,578,838	\$0	\$163,859,109	\$119,228,514	\$343,578,838	132,042	\$1,241	\$903	\$2,602	\$2,602
Brickland	6	10	\$29,895,984	\$0	\$15,422,089	\$8,329,341	\$29,895,984	11,673	\$1,321	\$714	\$2,551	\$2,551
Walden	7	8	\$11,150,085	\$0	\$8,497,339	\$3,849,521	\$11,150,085	4,430	\$1,118	\$873	\$2,117	\$2,117
Gaillard	8	11	\$175,165,521	\$0	\$78,775,727	\$25,221,442	\$175,165,521	20,968	\$1,110	\$335	\$2,468	\$2,468
Carleton	9	7	\$19,904,005	\$0	\$9,218,273	\$6,075,767	\$19,904,005	8,144	\$1,132	\$746	\$2,444	\$2,444
Ochsley	10	1	\$23,620,430	\$18,807,601	\$20,012,821	\$17,025,771	\$23,620,430	18,585	\$1,077	\$916	\$1,271	\$1,271
Hyde	11	18	\$1,424,548	\$0	\$442,074	\$0	\$1,424,548	628	\$704	\$0	\$2,268	\$2,268
Transylvania	12	14	\$8,219,643	\$0	\$1,763,719	\$3,537,767	\$8,219,643	3,684	\$478	\$960	\$2,230	\$2,230
Wake	13	12	\$297,955,838	\$0	\$220,515,114	\$106,164,928	\$297,955,838	137,092	\$1,697	\$775	\$2,173	\$2,173
Curtis	14	9	\$6,093,952	\$0	\$6,764,112	\$1,662,742	\$6,093,952	3,959	\$1,709	\$420	\$2,173	\$2,173
Forsyth	15	13	\$107,470,680	\$0	\$39,893,484	\$23,315,326	\$107,470,680	51,255	\$778	\$455	\$2,097	\$2,097
Union	16	19	\$27,296,271	\$0	\$91,756,072	\$25,141,418	\$27,296,271	37,701	\$2,434	\$647	\$2,050	\$2,050
Moore	17	19	\$24,935,195	\$0	\$4,151,902	\$4,158,921	\$24,935,195	12,190	\$341	\$341	\$2,046	\$2,046
Cleveland	18	48	\$1,102,578	\$10,694,365	\$3,626,147	\$1,115,976	\$1,102,578	16,390	\$221	\$48	\$1,288	\$1,288
Burke	19	15	\$45,892,341	\$7,325,552	\$1,215,336	\$333,333	\$45,892,341	29,085	\$409	\$11	\$1,578	\$1,578
Avoy	20	22	\$3,896,000	\$0	\$1,208,877	\$1,805,307	\$3,896,000	2,230	\$542	\$810	\$1,747	\$1,747
Person	21	32	\$9,048,000	\$0	\$1,474,686	\$2,145,925	\$9,048,000	5,209	\$283	\$412	\$1,737	\$1,737
Polk	22	20	\$4,234,638	\$0	\$321,927	\$1,530,295	\$4,234,638	2,404	\$132	\$628	\$1,733	\$1,733
Haywood	23	17	\$13,417,470	\$0	\$3,844,575	\$2,243,202	\$13,417,470	7,779	\$687	\$288	\$1,725	\$1,725
Johnson	24	33	\$53,192,957	\$0	\$39,661,972	\$23,579,034	\$53,192,957	31,042	\$1,278	\$760	\$1,714	\$1,714
Jackson	25	16	\$6,109,958	\$0	\$3,895,353	\$1,142,239	\$6,109,958	3,623	\$1,075	\$315	\$1,686	\$1,686
Allegheny	26	39	\$2,498,525	\$0	\$943,150	\$128,916	\$2,498,525	1,493	\$632	\$86	\$1,673	\$1,673
Pamlico	27	21	\$2,312,592	\$0	\$268,003	\$409,025	\$2,312,592	1,402	\$191	\$292	\$1,550	\$1,550
Lee	28	31	\$15,602,134	\$0	\$10,053,434	\$2,806,922	\$15,602,134	9,498	\$1,058	\$401	\$1,643	\$1,643
Potomac	29	27	\$21,209,098	\$0	\$3,499,606	\$3,078,467	\$21,209,098	6,035	\$580	\$344	\$1,642	\$1,642
Scotland	30	26	\$10,321,226	\$0	\$407,075	\$789,421	\$10,321,226	6,528	\$63	\$121	\$1,612	\$1,612
Macon	31	23	\$6,911,000	\$0	\$4,032,384	\$2,696,788	\$6,911,000	4,315	\$935	\$625	\$1,602	\$1,602
Rowan	32	30	\$11,300,000	\$0	\$1,268,739	\$96,549	\$11,300,000	7,135	\$178	\$14	\$1,584	\$1,584
Boulton	33	34	\$32,215,635	\$0	\$17,638,050	\$7,211,614	\$32,215,635	20,643	\$854	\$349	\$1,561	\$1,561
Hickford	34	22	\$20,205,922	\$0	\$12,702,688	\$4,456,093	\$20,205,922	13,069	\$972	\$341	\$1,546	\$1,546
Alamance	35	43	\$33,713,214	\$0	\$7,172,267	\$5,462,949	\$33,713,214	22,304	\$322	\$245	\$1,512	\$1,512
Pender	36	56	\$12,246,436	\$0	\$10,207,142	\$5,048,300	\$12,246,436	8,147	\$1,253	\$620	\$1,503	\$1,503
Chowan	37	24	\$3,551,054	\$0	\$431,290	\$1,041,731	\$3,551,054	2,376	\$182	\$465	\$1,494	\$1,494
Northampton	38	45	\$33,773,434	\$0	\$2,149,387	\$789,083	\$33,773,434	2,537	\$847	\$311	\$1,487	\$1,487
Pitt	39	35	\$33,396,595	\$0	\$13,373,838	\$6,120,994	\$33,396,595	22,756	\$588	\$269	\$1,468	\$1,468
Stokes	40	28	\$10,250,237	\$0	\$1,239,646	\$1,169,937	\$10,250,237	7,057	\$176	\$166	\$1,452	\$1,452
Montgomery	41	28	\$4,228,055	\$0	\$1,254,860	\$1,47,205	\$4,228,055	4,330	\$752	\$34	\$1,438	\$1,438
Martin	42	35	\$5,570,979	\$0	\$1,045,422	\$0	\$5,570,979	3,902	\$248	\$0	\$1,428	\$1,428
Gates	43	51	\$2,723,330	\$0	\$692,739	\$544,327	\$2,723,330	1,915	\$362	\$284	\$1,422	\$1,422
Franklin	44	46	\$11,641,872	\$0	\$8,657,260	\$4,033,501	\$11,641,872	8,362	\$1,035	\$482	\$1,392	\$1,392
Granville	45	59	\$12,141,268	\$0	\$7,729,007	\$2,752,226	\$12,141,268	8,786	\$980	\$313	\$1,382	\$1,382
Cabarrus	46	53	\$44,770,387	\$0	\$99,103,497	\$20,791,733	\$44,770,387	32,566	\$1,201	\$638	\$1,375	\$1,375
Wilson	47	40	\$17,011,175	\$0	\$4,904,038	\$3,242,597	\$17,011,175	12,395	\$396	\$262	\$1,372	\$1,372
Cumberland	48	41	\$70,918,442	\$0	\$14,244,400	\$5,188,062	\$70,918,442	52,817	\$272	\$99	\$1,356	\$1,356
Iredell	49	37	\$32,923,428	\$2,880,624	\$47,384,477	\$13,929,690	\$35,804,052	26,543	\$1,785	\$525	\$1,240	\$1,240
Davie	50	52	\$8,875,684	\$0	\$4,506,327	\$1,513,269	\$8,875,684	6,582	\$989	\$230	\$1,348	\$1,348
Union	51	54	\$16,189,629	\$0	\$14,472,502	\$8,295,365	\$16,189,629	12,039	\$1,202	\$609	\$1,345	\$1,345
Onslow	52	69	\$31,297,525	\$0	\$21,797,676	\$5,797,960	\$31,297,525	23,361	\$933	\$239	\$1,340	\$1,340
Herford	53	56	\$4,173,524	\$0	\$995,257	\$4,173,524	3,162	\$315	\$0	\$1,320	\$1,320	
Nash	54	36	\$22,225,344	\$676,008	\$3,944,327	\$235,210	\$22,901,852	17,412	\$227	\$14	\$1,276	\$1,276
Rutherford	55	30	\$12,146,850	\$0	\$7,47,015	\$4,923,711	\$12,146,850	9,298	\$804	\$530	\$1,306	\$1,306
Caston	56	58	\$41,642,401	\$0	\$15,374,448	\$7,844,898	\$41,642,401	32,082	\$480	\$245	\$1,301	\$1,301
Yancey	57	67	\$3,188,140	\$0	\$889,454	\$0	\$3,188,140	2,462	\$361	\$0	\$1,295	\$1,295
Cherokee	58	64	\$4,438,896	\$0	\$2,293,125	\$925,928	\$4,438,896	3,523	\$651	\$263	\$1,260	\$1,260
Wilkes	59	60	\$12,279,620	\$0	\$8,571,542	\$2,202,054	\$12,279,620	9,969	\$860	\$201	\$1,232	\$1,232
Watauga	60	73	\$3,117,117	\$0	\$302,937	\$789,726	\$3,117,117	2,590	\$778	\$325	\$1,204	\$1,204
Perquimans	61	70	\$2,061,540	\$0	\$2,220,667	\$227,808	\$2,061,540	1,718	\$1,293	\$133	\$1,200	\$1,200
Crowen	62	62	\$17,013,323	\$0	\$5,816,327	\$4,190,515	\$17,013,323	14,570	\$699	\$288	\$1,188	\$1,188
Rockingham	63	61	\$15,981,913	\$0	\$4,429,443	\$2,393,643	\$15,981,913	13,660	\$290	\$173	\$1,153	\$1,153
Ashe	64	75	\$3,635,520	\$0	\$1,248,159	\$1,717,272	\$3,635,520	3,306	\$389	\$336	\$1,134	\$1,134
Stanly	65	75	\$10,333,574	\$0	\$4,580,950	\$1,961,328	\$10,333,574	2,276	\$494	\$271	\$1,114	\$1,114
Caldwell	66	68	\$1,433,770	\$0	\$2,119,430	\$939,735	\$1,433,770	12,899	\$164	\$323	\$1,104	\$1,104
Jones	67	85	\$1,304,598	\$0	\$283,850	\$0	\$1,304,598	1,188	\$239	\$0	\$1,098	\$1,098
McDowell	68	74	\$7,067,103	\$0	\$1,376,267	\$1,272,387	\$7,067,103	4,444	\$214	\$199	\$1,097	\$1,097
Yadkin	69	72	\$5,484,000	\$0	\$6,068,461	\$455,074	\$5,484,000	5,918	\$1,025	\$77	\$1,096	\$1,096
Bladen	70	79	\$5,539,745	\$0	\$1,068,867	\$913,873	\$5,539,745	5,141	\$208	\$178	\$1,078	\$1,078
Randolph	71	66	\$19,196,146	\$4,923,421	\$15,198,317	\$8,831,877	\$19,196,146	33,125	\$657	\$382	\$830	\$1,043
Surry	72	47	\$10,049,419	\$1,694,201	\$6,238,308	\$3,601,994	\$11,743,620	11,387	\$548	\$316	\$883	\$1,031
Tenior	73	77	\$9,500,000	\$0	\$10,093,110	\$62,125	\$9,500,000	9,309	\$1,080	\$7	\$1,021	\$1,021
Calotaba	74	44	\$25,020,743	\$0	\$19,307,395	\$12,740,052	\$25,020,743	24,688	\$782	\$515	\$1,013	\$1,013
Burke	75	76	\$13,990,645	\$0	\$10,160,836	\$6,707,829	\$13,990,645	13,833	\$735	\$499	\$1,011	\$1,011
Wayne	76	78	\$19,247,994	\$0	\$2,246,547	\$1,363,549	\$19,247,994	19,119	\$118	\$71	\$1,007	\$1,007
Harnell	77	84	\$18,438,987	\$188,987	\$10,947,688	\$6,055,880	\$18,627,974	18,882	\$586	\$324	\$987	\$997
Vance	78	57	\$7,350,000	\$0	\$1,516,328	\$1,826,876	\$7,350,000	7,380	\$205	\$248	\$996	\$996
Anson	79	82	\$3,759,776	\$0	\$135,626	\$1,099,530	\$3,759,776	3,924	\$35	\$280	\$958	\$958
Barile	80	92	\$2,750,551	\$0	\$2,518,537	\$603,273	\$2,750,551	2,880	\$874	\$290	\$955	\$955
Michell	81	90	\$2,000,775	\$0	\$1,036,287	\$333,333	\$2,000,775	2,121	\$489	\$157	\$943	\$943
Davidson	82	65	\$21,653,020	\$2,823,926	\$15,971,732	\$4,117,525	\$24,476,946	25,989	\$615	\$158	\$833	\$942
Alexander	83	80	\$51,500,005	\$0	\$1,698,756	\$1,333,529	\$51,500,005	5,537	\$307	\$241	\$930	\$930
Madison	84	89	\$2,385,000	\$0	\$292,594	\$0	\$2,385,000	2,592	\$113	\$0	\$920	\$920
Richmond	85	87	\$7,100,000	\$0	\$3,143,887	\$875,614	\$7,100,000	7,717	\$407	\$113	\$920	\$920
Iyrell	86	77	\$537,320	\$0	\$658,751	\$0	\$537,320	585	\$1,143	\$0	\$918	\$918
Edgecombe	87	81	\$6,604,190	\$0	\$2,698,448	\$748,678	\$6,604,190	7,221	\$374	\$104	\$915	\$915
Coswell	88	83	\$2,789,237	\$0	\$377,392	\$829,757	\$2,789,237	3,117	\$121	\$266	\$895	\$895
Duplin	89	91	\$7,727,529	\$0	\$1,748,778	\$725,727	\$7,727,529	8,815	\$198	\$82	\$877	\$877
Washington	90	98	\$1,609,332	\$0	\$285,982	\$300,510	\$1,609,332	1,940	\$147	\$196	\$830	\$830
Camden	91	96	\$1,487,914	\$0	\$1,798,767	\$1,032,238	\$1,487,914	1,885	\$954	\$55	\$789	\$789
Holifax	92	42	\$3,043,872	\$2,976,560	\$4,990,448	\$1,783,533	\$6,020,432	8,161	\$611	\$219	\$373	\$738
Sompton	93	86	\$6,605,787	\$1,530,350	\$7,173,938	\$2,092,055	\$8,136,137	11,441				



# ACTUAL EFFORT WITH SUPPLEMENTAL FUNDING

This table uses many of the same figures as Table 2 but adds supplemental funding for low wealth and small schools to the total current spending. Counties are ranked by their total current spending combined with low wealth and small county supplemental funding.

TABLE 3

Hyde	1	2	\$1,424,568	\$0	\$1,424,568	\$0	\$1,832,039	\$3,256,607	428	\$2,268	\$5,186	\$2,917
Fryell	2	1	\$537,320	\$0	\$537,320	\$141,907	\$1,740,348	\$2,419,575	585	\$918	\$4,136	\$3,218
Dore	3	4	\$19,450,066	\$0	\$19,450,066	\$0	\$0	\$19,450,066	4,766	\$4,081	\$4,081	\$0
Durham	4	6	\$102,728,739	\$0	\$102,728,739	\$0	\$0	\$102,728,739	31,891	\$3,221	\$2,221	\$0
Chatham	5	13	\$23,457,441	\$0	\$23,457,441	\$0	\$0	\$23,457,441	7,593	\$3,089	\$3,089	\$0
Jones	6	7	\$1,304,598	\$0	\$1,304,598	\$392,832	\$1,922,167	\$3,619,597	1,188	\$1,078	\$3,047	\$1,949
Pomona	7	5	\$2,313,592	\$0	\$2,313,592	\$87,967	\$1,467,495	\$3,869,054	1,402	\$1,650	\$2,760	\$1,109
New Hanover	8	12	\$65,377,120	\$0	\$65,377,120	\$0	\$0	\$65,377,120	23,825	\$2,744	\$2,744	\$0
Gates	9	8	\$2,723,330	\$0	\$2,723,330	\$1,075,086	\$1,844,399	\$5,142,815	1,915	\$1,422	\$2,686	\$1,263
Allegheny	10	16	\$2,498,525	\$0	\$2,498,525	\$0	\$1,453,050	\$3,951,575	1,493	\$1,673	\$2,647	\$973
Madisonburg	11	10	\$343,578,838	\$0	\$343,578,838	\$0	\$0	\$343,578,838	132,042	\$2,602	\$2,602	\$0
Cafinburg	12	9	\$8,603,952	\$0	\$8,603,952	\$0	\$1,561,442	\$10,165,394	3,959	\$2,173	\$2,568	\$394
Brunswick	13	22	\$29,895,984	\$0	\$29,895,984	\$0	\$0	\$29,895,984	11,673	\$2,561	\$2,561	\$0
Webb	14	20	\$11,150,085	\$0	\$11,150,085	\$0	\$0	\$11,150,085	4,430	\$2,517	\$2,517	\$0
Gulfport	15	23	\$175,165,521	\$0	\$175,165,521	\$0	\$0	\$175,165,521	70,968	\$2,468	\$2,468	\$0
Northampton	16	18	\$3,773,434	\$0	\$3,773,434	\$1,104,410	\$1,371,933	\$6,249,777	2,537	\$1,487	\$2,463	\$976
Avary	17	14	\$3,896,000	\$0	\$3,896,000	\$0	\$1,585,109	\$5,481,109	2,230	\$1,747	\$2,458	\$711
Cajalero	18	17	\$19,904,005	\$0	\$19,904,005	\$0	\$0	\$19,904,005	8,144	\$2,444	\$2,444	\$0
Polk	19	15	\$4,234,838	\$0	\$4,234,838	\$0	\$1,472,866	\$5,707,704	2,444	\$1,733	\$2,335	\$603
Chowan	20	11	\$3,551,054	\$0	\$3,551,054	\$542,226	\$1,425,932	\$5,519,212	2,377	\$1,494	\$2,322	\$828
Orange	21	3	\$23,620,430	\$18,807,601	\$42,428,031	\$0	\$0	\$42,428,031	18,585	\$2,283	\$2,283	\$0
Harford	22	21	\$4,173,524	\$0	\$4,173,524	\$1,570,618	\$1,429,371	\$7,173,513	3,162	\$1,320	\$2,269	\$849
Perquimans	23	24	\$2,061,540	\$0	\$2,061,540	\$289,598	\$1,517,844	\$3,868,982	1,718	\$1,200	\$2,252	\$1,052
Cleveland	24	60	\$21,102,578	\$10,694,365	\$31,796,943	\$0	\$0	\$31,796,943	16,390	\$1,940	\$2,251	\$311
Martin	25	29	\$5,570,979	\$0	\$5,570,979	\$1,633,625	\$1,549,552	\$8,754,156	3,902	\$1,428	\$2,244	\$816
Transylvania	26	31	\$8,219,643	\$0	\$8,219,643	\$0	\$0	\$8,219,643	3,686	\$2,230	\$2,230	\$0
Greatham	27	19	\$787,725	\$0	\$787,725	\$16,426	\$1,722,814	\$2,526,965	1,151	\$684	\$2,195	\$1,511
Volcan	28	26	\$297,955,838	\$0	\$297,955,838	\$0	\$0	\$297,955,838	137,092	\$2,173	\$2,173	\$0
Scotland	29	25	\$10,521,226	\$0	\$10,521,226	\$3,494,366	\$0	\$14,015,592	6,528	\$1,612	\$2,147	\$535
Union	30	82	\$77,296,271	\$0	\$77,296,271	\$3,305,886	\$0	\$80,602,157	37,701	\$2,050	\$2,138	\$88
Forayth	31	30	\$107,470,688	\$0	\$107,470,688	\$0	\$0	\$107,470,688	51,255	\$2,097	\$2,097	\$0
Warren	32	28	\$3,117,117	\$0	\$3,117,117	\$840,030	\$1,436,528	\$5,393,675	2,590	\$1,204	\$2,083	\$879
Washington	33	27	\$1,609,332	\$0	\$1,609,332	\$872,832	\$1,523,258	\$4,010,413	1,940	\$830	\$2,067	\$1,238
Berlin	34	34	\$2,750,551	\$0	\$2,750,551	\$1,592,480	\$1,553,306	\$5,896,397	2,880	\$955	\$2,047	\$1,092
Moore	35	45	\$24,935,195	\$0	\$24,935,195	\$0	\$0	\$24,935,195	12,190	\$2,046	\$2,046	\$0
Johnston	36	43	\$53,192,957	\$0	\$53,192,957	\$9,110,692	\$0	\$62,303,649	31,042	\$1,714	\$2,007	\$293
Yonsey	37	38	\$3,188,140	\$0	\$3,188,140	\$206,440	\$1,372,011	\$4,766,591	2,462	\$1,295	\$1,936	\$641
Pasquotank	38	37	\$9,912,098	\$0	\$9,912,098	\$1,742,484	\$0	\$11,654,582	6,035	\$1,642	\$1,931	\$289
Person	39	59	\$9,048,000	\$0	\$9,048,000	\$848,161	\$0	\$9,896,161	5,209	\$1,737	\$1,900	\$163
Camden	40	39	\$1,487,914	\$0	\$1,487,914	\$649,115	\$1,420,664	\$3,557,693	1,885	\$789	\$1,887	\$1,098
Anson	41	65	\$3,759,776	\$0	\$3,759,776	\$2,094,264	\$1,483,720	\$7,337,760	3,924	\$958	\$1,870	\$912
Bancroft	42	32	\$45,882,341	\$7,325,552	\$53,207,893	\$0	\$0	\$53,207,893	29,085	\$1,829	\$1,829	\$0
Lee	43	56	\$15,602,134	\$0	\$15,602,134	\$1,618,356	\$0	\$17,220,490	9,498	\$1,643	\$1,813	\$170
Gibsonville	44	53	\$12,141,268	\$0	\$12,141,268	\$3,787,925	\$0	\$15,929,193	8,786	\$1,382	\$1,813	\$431
Casswell	45	35	\$2,789,237	\$0	\$2,789,237	\$1,366,666	\$1,486,706	\$5,642,609	3,117	\$895	\$1,810	\$915
Bedford	46	50	\$11,300,000	\$0	\$11,300,000	\$1,493,041	\$0	\$12,793,041	7,135	\$1,584	\$1,793	\$209
Stokes	47	41	\$10,250,237	\$0	\$10,250,237	\$2,187,255	\$0	\$12,437,492	7,057	\$1,452	\$1,762	\$310
Cloy	48	33	\$874,300	\$0	\$874,300	\$0	\$1,545,770	\$2,420,070	1,382	\$633	\$1,751	\$1,119
Montgomery	49	51	\$6,228,055	\$0	\$6,228,055	\$1,319,707	\$0	\$7,547,762	4,330	\$1,438	\$1,743	\$305
Cherokee	50	49	\$4,438,896	\$0	\$4,438,896	\$240,885	\$1,452,932	\$6,132,713	3,523	\$1,260	\$1,741	\$481
Rowan	51	58	\$32,215,635	\$0	\$32,215,635	\$3,447,715	\$0	\$35,663,350	20,643	\$1,561	\$1,728	\$167
Haywood	52	42	\$13,417,470	\$0	\$13,417,470	\$0	\$0	\$13,417,470	7,779	\$1,725	\$1,725	\$0
Mitchell	53	47	\$2,000,775	\$0	\$2,000,775	\$224,471	\$1,398,905	\$3,624,151	2,121	\$943	\$1,709	\$765
Franklin	54	55	\$11,641,872	\$0	\$11,641,872	\$2,605,689	\$0	\$14,247,561	8,362	\$1,392	\$1,704	\$312
Jackson	55	36	\$6,109,958	\$0	\$6,109,958	\$0	\$0	\$6,109,958	3,623	\$1,686	\$1,686	\$0
Pitt	56	54	\$33,396,595	\$0	\$33,396,595	\$4,684,453	\$0	\$38,081,048	22,756	\$1,468	\$1,673	\$206
Pender	57	76	\$12,246,436	\$0	\$12,246,436	\$1,165,960	\$0	\$13,412,396	8,146	\$1,503	\$1,647	\$143
Nash	58	44	\$22,225,844	\$676,008	\$22,901,852	\$5,665,224	\$0	\$28,567,076	17,412	\$1,315	\$1,641	\$325
Grenada	59	46	\$2,247,000	\$0	\$2,247,000	\$1,667,877	\$1,446,006	\$5,360,883	3,290	\$688	\$1,629	\$946
Madison	60	52	\$6,911,000	\$0	\$6,911,000	\$0	\$0	\$6,911,000	4,815	\$1,602	\$1,602	\$0
Alamance	61	72	\$33,713,214	\$0	\$33,713,214	\$1,987,955	\$0	\$35,701,169	22,304	\$1,512	\$1,601	\$89
Ash	62	64	\$3,635,520	\$0	\$3,635,520	\$0	\$1,489,240	\$5,124,760	3,206	\$1,134	\$1,598	\$465
Rutherford	63	63	\$12,146,850	\$0	\$12,146,850	\$2,714,663	\$0	\$14,861,513	9,298	\$1,306	\$1,598	\$292
Wilson	64	62	\$17,011,175	\$0	\$17,011,175	\$2,723,061	\$0	\$19,734,236	12,395	\$1,372	\$1,592	\$220
Madison	65	61	\$2,385,000	\$0	\$2,385,000	\$273,733	\$1,465,306	\$4,124,039	2,592	\$920	\$1,591	\$671
Henderson	66	69	\$20,205,922	\$0	\$20,205,922	\$0	\$0	\$20,205,922	13,069	\$1,546	\$1,546	\$0
Onslow	67	90	\$1,297,525	\$0	\$1,297,525	\$3,486,570	\$0	\$4,784,095	23,361	\$1,340	\$1,489	\$149
Cumberland	68	67	\$70,918,442	\$0	\$70,918,442	\$6,830,909	\$0	\$77,749,351	52,317	\$1,356	\$1,486	\$131
Bladen	69	75	\$5,539,745	\$0	\$5,539,745	\$2,068,792	\$0	\$7,608,537	5,141	\$1,078	\$1,480	\$402
Richmond	70	73	\$7,100,000	\$0	\$7,100,000	\$4,248,593	\$0	\$11,348,593	7,717	\$920	\$1,471	\$551
Rockingham	71	66	\$15,981,873	\$0	\$15,981,873	\$4,363,407	\$0	\$20,345,280	13,860	\$1,153	\$1,468	\$315
Vincent	72	48	\$7,350,000	\$0	\$7,350,000	\$3,464,278	\$0	\$10,814,278	7,380	\$996	\$1,465	\$469
Lincoln	73	87	\$16,189,629	\$0	\$16,189,629	\$1,280,229	\$0	\$17,469,858	12,039	\$1,345	\$1,451	\$106
Yadkin	74	71	\$6,486,000	\$0	\$6,486,000	\$2,087,126	\$0	\$8,573,126	5,918	\$1,096	\$1,449	\$353
Stanly	75	68	\$10,333,574	\$0	\$10,333,574	\$3,096,840	\$0	\$13,430,414	9,276	\$1,114	\$1,438	\$324
Harnett	76	81	\$18,438,987	\$188,987	\$18,627,974	\$8,196,669	\$0	\$26,824,643	18,682	\$997	\$1,436	\$439
Lenoir	77	70	\$9,500,000	\$0	\$9,500,000	\$3,474,398	\$0	\$12,974,398	9,309	\$1,021	\$1,394	\$373
Wilkes	78	85	\$12,279,620	\$0	\$12,279,620	\$1,557,539	\$0	\$13,837,159	9,969	\$1,232	\$1,388	\$156
Coburn	79	97	\$44,770,387	\$0	\$44,770,387	\$188,419	\$0	\$44,958,806	32,566	\$1,375	\$1,381	\$6
Davis	80	94	\$8,875,684	\$0	\$8,875,684	\$209,869	\$0	\$9,085,553	6,582	\$1,348	\$1,380	\$32
McDowell	81	83	\$7,067,103	\$0	\$7,067,103	\$1,748,186	\$0	\$8,815,289	6,444	\$1,097	\$1,368	\$4271
Wayne	82	79	\$19,247,994	\$0	\$19,247,994	\$6,767,830	\$0	\$26,015,824	19,119	\$1,007	\$1,361	\$354
Duplin	83	92	\$7,727,529	\$0	\$7,727,529	\$4,174,430	\$0	\$11,901,959	8,815	\$877	\$1,350	\$474
Issel	84	78	\$32,923,428	\$2,880,624	\$35,804,052	\$0	\$0	\$35,804,052	26,543	\$1,349	\$1,349	\$0
Caldwell	85	86	\$14,237,770	\$0	\$14,237,770	\$3,154,084	\$0	\$17,391,854	12,899	\$1,104	\$1,348	\$245
Surry	86	57	\$10,049,412	\$1,694,201	\$11,743,613	\$3,311,400	\$0	\$15,055,013	11,387	\$1,031	\$1,322	\$291
Edgecombe	87	77	\$6,604,190	\$0	\$6,604,190	\$2,929,520	\$0	\$9,533,710	7,221	\$915	\$1,320	\$406
Craven	88	95	\$17,310,323	\$0	\$17,310,323	\$1,686,183	\$0	\$18,996,506	14,570	\$1,188	\$1,304	\$116
Gaston	89	100	\$41,642,401	\$0	\$41,642,401	\$0	\$0	\$41,642,401	32,002	\$1,301	\$1,301	\$0
Randolph	90	84	\$19,196,146	\$4,923,421	\$24,119,567	\$5,892,961	\$0	\$30,012,528	23,125	\$1,043	\$1,298	\$255
Swain	91	74	\$805,533	\$0	\$805,533	\$109,800	\$1,507,569	\$2,422,902	1,883	\$428	\$1,287	\$859
Burke	9											

# ABILITY TO PAY

This is a measure of a county's per student fiscal capacity to support public schools. It is a combined measure of revenue that would have been generated at the state average tax rate based on 2008-09 property valuations per student (adjusted to reflect current market prices and to account for differences in income levels) and the value of non-property tax revenues. Each county's mandated social service payments were also subtracted from total adjusted revenues. Large, urban counties combining high adjusted property valuations with broad-based economic activity and high per capita incomes tend to rank highest in this measure.

TABLE 4

Dare	1	\$17,613,575,153	\$0.575	\$101,278,057	\$21,117,603	\$5,287,638	\$117,108,023	4,766	\$37,934	107.6%	\$126,028,419	\$26,443	500.6%
Carteret	2	\$19,098,744,009	\$0.575	\$109,817,778	\$22,018,373	\$5,091,807	\$126,744,344	8,144	\$37,796	107.2%	\$135,902,557	\$16,687	315.9%
Jackson	3	\$10,836,829,566	\$0.575	\$62,311,770	\$10,947,703	\$3,221,240	\$70,038,233	3,623	\$29,477	83.6%	\$58,569,520	\$16,166	306.0%
Briggs	4	\$33,247,604,077	\$0.575	\$191,179,723	\$30,187,536	\$7,572,891	\$213,788,369	11,673	\$30,996	87.9%	\$187,993,540	\$16,105	304.9%
Cornwall	5	\$8,184,365,948	\$0.575	\$47,060,104	\$8,276,787	\$2,252,440	\$53,084,451	3,959	\$34,939	99.1%	\$52,617,956	\$13,291	251.6%
Volusia	6	\$8,837,209,006	\$0.575	\$50,813,952	\$16,458,849	\$2,696,347	\$64,576,454	4,430	\$32,049	90.9%	\$58,714,028	\$13,254	250.9%
Volusia	7	\$9,092,125,993	\$0.575	\$52,279,724	\$10,812,697	\$2,792,782	\$60,299,640	4,315	\$30,066	85.3%	\$51,433,203	\$11,920	225.7%
New Hanover	8	\$24,433,714,906	\$0.575	\$197,993,861	\$69,477,219	\$17,696,679	\$249,774,401	23,825	\$36,629	103.9%	\$239,553,080	\$10,894	206.2%
Avery	9	\$4,102,270,467	\$0.575	\$23,588,055	\$5,214,840	\$1,419,545	\$27,883,350	2,230	\$27,633	78.4%	\$21,858,793	\$9,802	185.6%
Chatham	10	\$7,459,527,201	\$0.575	\$42,771,531	\$14,109,445	\$4,348,641	\$52,526,336	7,593	\$43,894	124.5%	\$65,408,992	\$8,614	163.1%
Durham	11	\$28,640,039,377	\$0.575	\$164,680,227	\$89,562,485	\$28,450,676	\$255,792,036	31,891	\$38,795	110.1%	\$248,506,398	\$7,792	147.5%
Transylvania	12	\$4,161,144,369	\$0.575	\$23,926,580	\$8,501,447	\$2,517,858	\$29,910,169	3,686	\$33,771	95.8%	\$28,656,028	\$7,774	147.2%
Wake	13	\$116,809,924,397	\$0.575	\$671,657,065	\$279,455,416	\$46,776,808	\$898,335,673	137,092	\$41,691	118.3%	\$1,062,512,767	\$7,750	146.7%
Mecklenburg	14	\$11,489,434,268	\$0.575	\$66,064,247	\$25,605,554	\$7,012,567	\$84,667,234	12,190	\$38,919	110.4%	\$93,471,442	\$7,658	145.2%
Mecklenburg	15	\$99,127,205,270	\$0.575	\$569,981,430	\$298,043,942	\$83,333,937	\$784,691,435	132,042	\$45,264	128.4%	\$1,007,639,171	\$7,631	144.5%
Henderson	16	\$13,185,243,266	\$0.575	\$75,815,153	\$27,937,357	\$10,767,148	\$92,985,362	13,069	\$35,901	101.8%	\$94,705,310	\$7,247	137.2%
Folk	17	\$2,175,305,116	\$0.575	\$12,508,004	\$4,221,528	\$1,045,012	\$2,444	\$40,129	713.8%	\$17,127,899	\$7,008	132.7%	
Orange	18	\$12,958,827,959	\$0.575	\$74,513,261	\$32,702,751	\$10,760,209	\$96,455,803	18,585	\$47,063	133.3%	\$128,783,779	\$6,929	131.2%
Hyde	19	\$815,897,958	\$0.575	\$4,691,413	\$1,519,887	\$388,024	\$5,343,276	628	\$28,251	80.1%	\$4,282,473	\$6,819	129.1%
Polk	20	\$1,376,736,207	\$0.575	\$7,116,233	\$2,651,736	\$1,800,476	\$8,957,494	1,402	\$35,757	100.0%	\$8,959,529	\$6,398	121.1%
Allamakee	21	\$1,797,926,577	\$0.575	\$10,338,078	\$3,605,778	\$998,666	\$12,005,189	1,493	\$27,884	79.1%	\$9,496,800	\$6,361	120.4%
Ashe	22	\$3,775,923,458	\$0.575	\$21,711,560	\$6,870,109	\$3,354,298	\$25,227,365	3,206	\$28,293	80.3%	\$20,249,023	\$6,316	119.6%
Cherokee	23	\$4,329,172,074	\$0.575	\$24,892,739	\$7,878,293	\$2,677,829	\$30,093,204	3,523	\$24,804	70.4%	\$21,757,972	\$6,011	113.8%
Haywood	24	\$7,085,500,109	\$0.575	\$40,454,241	\$16,748,582	\$7,481,846	\$49,720,976	7,779	\$31,336	88.9%	\$44,201,439	\$5,682	107.6%
Guilford	25	\$4,461,124,276	\$0.575	\$25,673,965	\$14,705,572	\$4,838,325	\$36,192,211	70,968	\$38,534	109.3%	\$39,946,400	\$5,579	105.6%
Clay	26	\$1,475,813,097	\$0.575	\$8,485,925	\$2,464,341	\$1,102,901	\$9,847,365	1,382	\$27,360	77.6%	\$7,643,449	\$5,531	104.7%
Forsyth	27	\$31,764,082,702	\$0.575	\$182,643,476	\$105,639,031	\$26,532,916	\$261,749,590	51,255	\$37,278	105.8%	\$276,816,398	\$5,401	102.2%
Perquimans	28	\$1,677,701,976	\$0.575	\$9,646,786	\$2,591,201	\$1,034,468	\$11,203,519	1,718	\$28,664	81.3%	\$9,110,547	\$5,303	100.4%
Redell	29	\$20,121,590,570	\$0.575	\$115,699,146	\$47,397,320	\$12,330,177	\$150,766,288	26,543	\$32,888	93.3%	\$140,667,868	\$5,300	100.3%
Onslow	30	\$1,655,731,066	\$0.575	\$67,020,454	\$45,345,617	\$11,927,442	\$100,698,628	23,361	\$39,932	113.3%	\$114,008,956	\$4,880	92.4%
Cabarrus	31	\$20,694,366,037	\$0.575	\$118,992,605	\$53,920,183	\$14,374,265	\$158,538,523	32,566	\$35,280	100.1%	\$158,677,950	\$4,783	92.2%
Lenoir	32	\$6,529,877,613	\$0.575	\$49,046,796	\$18,402,581	\$5,748,843	\$61,700,334	12,039	\$32,912	93.4%	\$57,609,804	\$4,785	90.6%
Yancey	33	\$2,608,014,666	\$0.575	\$14,996,084	\$4,312,296	\$2,040,381	\$17,267,999	2,462	\$28,887	67.8%	\$11,701,912	\$4,759	90.0%
Davie	34	\$9,309,855,115	\$0.575	\$52,481,667	\$22,481,667	\$9,481,667	\$29,462,690	6,582	\$36,438	103.4%	\$30,456,510	\$4,627	87.6%
Pitt	35	\$3,830,888,721	\$0.575	\$22,027,610	\$9,559,559	\$4,973,382	\$26,989,787	5,209	\$30,098	85.4%	\$23,045,721	\$4,424	83.8%
Union	36	\$23,211,455,945	\$0.575	\$133,465,872	\$44,497,689	\$11,384,317	\$166,629,243	37,701	\$33,673	95.5%	\$159,179,169	\$4,222	79.9%
Swain	37	\$1,384,981,980	\$0.575	\$7,963,646	\$3,542,351	\$1,221,049	\$10,284,948	1,883	\$26,799	76.0%	\$7,819,408	\$4,153	78.6%
Madison	38	\$1,912,890,498	\$0.575	\$10,999,120	\$4,256,066	\$1,729,741	\$13,525,446	2,592	\$27,460	77.9%	\$10,536,717	\$4,065	77.0%
Catawba	39	\$1,120,811,480	\$0.575	\$6,444,666	\$2,129,724	\$604,347	\$7,970,042	1,885	\$33,881	96.1%	\$7,660,728	\$4,064	76.9%
Catawba	40	\$8,882,840,588	\$0.575	\$40,151,333	\$26,699,497	\$9,427,648	\$57,423,183	14,570	\$36,121	102.5%	\$58,843,734	\$4,039	76.5%
Crowder	41	\$15,027,745,089	\$0.575	\$86,409,534	\$47,254,674	\$23,380,824	\$110,283,334	24,688	\$31,823	90.3%	\$99,564,429	\$4,033	76.3%
Catawba	42	\$4,113,322,040	\$0.575	\$23,651,692	\$13,556,467	\$6,103,851	\$31,084,218	7,135	\$32,999	91.9%	\$28,570,954	\$4,004	75.8%
Beaufort	43	\$1,884,424,428	\$0.575	\$10,835,440	\$3,894,509	\$3,345,245	\$11,384,804	2,537	\$30,694	87.1%	\$9,913,620	\$3,908	74.0%
Northampton	44	\$3,884,424,428	\$0.575	\$26,699,497	\$16,082,906	\$5,787,762	\$45,859,034	9,298	\$27,667	78.5%	\$35,994,834	\$3,871	73.3%
Rutherford	45	\$6,185,024,368	\$0.575	\$35,569,890	\$16,082,906	\$5,787,762	\$45,859,034	9,298	\$27,667	78.5%	\$35,994,834	\$3,871	73.3%
Pitt	46	\$11,351,561,353	\$0.575	\$65,271,478	\$44,221,213	\$15,754,093	\$93,738,658	22,756	\$32,874	93.3%	\$87,422,754	\$3,842	72.7%
Wilkes	47	\$5,601,231,759	\$0.575	\$32,207,083	\$16,662,666	\$6,261,251	\$40,203,133	9,769	\$31,552	89.5%	\$38,166,467	\$3,829	72.5%
Rowan	48	\$11,707,277,153	\$0.575	\$67,316,844	\$33,137,329	\$10,251,040	\$80,203,133	20,643	\$30,620	86.9%	\$78,357,398	\$3,796	71.7%
Alamance	49	\$10,949,010,285	\$0.575	\$62,956,809	\$41,964,966	\$10,356,627	\$94,555,149	22,304	\$31,501	89.4%	\$84,510,107	\$3,789	71.2%
Chowan	50	\$1,428,093,165	\$0.575	\$8,211,536	\$3,480,373	\$1,750,805	\$9,941,104	2,377	\$31,635	89.7%	\$88,221,865	\$3,753	71.1%
Wilson	51	\$6,264,729,203	\$0.575	\$36,022,193	\$22,730,090	\$9,345,204	\$49,407,079	12,395	\$32,683	92.7%	\$45,810,422	\$3,696	70.0%
Graham	52	\$849,073,109	\$0.575	\$4,882,170	\$1,943,127	\$1,390,486	\$5,434,811	1,151	\$26,794	76.0%	\$4,131,190	\$3,589	67.9%
Lee	53	\$4,721,842,343	\$0.575	\$27,150,393	\$16,389,773	\$4,811,840	\$38,728,527	9,498	\$30,983	87.9%	\$34,041,418	\$3,584	67.9%
Catawba	54	\$1,684,671,211	\$0.575	\$9,971,859	\$3,902,279	\$2,455,977	\$15,905,285	52,317	\$40,791	115.7%	\$184,004,783	\$3,517	66.6%
Davidson	55	\$12,833,495,842	\$0.575	\$73,792,601	\$36,735,819	\$9,499,792	\$101,028,628	25,889	\$31,742	90.1%	\$90,977,069	\$3,501	66.3%
Savoy	56	\$5,394,146,268	\$0.575	\$31,017,491	\$20,819,794	\$5,614,490	\$46,222,795	11,387	\$29,802	89.0%	\$39,080,023	\$3,492	65.0%
Pender	57	\$4,716,801,000	\$0.575	\$27,121,606	\$11,007,736	\$4,562,044	\$33,567,296	8,145	\$29,253	83.0%	\$27,857,361	\$3,420	64.7%
Gaston	58	\$14,080,259,199	\$0.575	\$85,613,240	\$53,614,274	\$22,204,371	\$117,023,143	32,002	\$32,727	92.8%	\$108,650,356	\$3,395	64.3%
Wayne	59	\$418,942,883	\$0.575	\$2,408,922	\$924,189	\$582,233	\$2,760,878	385	\$25,288	71.7%	\$1,980,883	\$3,386	64.1%
Forsyth	60	\$3,272,008,765	\$0.575	\$18,614,050	\$11,678,310	\$4,303,701	\$26,188,659	6,035	\$26,701	75.7%	\$19,837,822	\$3,287	62.2%
Burke	61	\$6,688,874,319	\$0.575	\$38,461,027	\$20,984,591	\$7,039,388	\$52,406,230	13,833	\$29,684	84.2%	\$44,132,501		



TABLE 5

RELATIVE EFFORT

This is a measure comparing Actual Effort and Ability to Pay. Actual Effort includes county appropriations for current expense, and, when appropriate, supplemental tax levies for schools. Low wealth counties with comparatively high spending levels have tended to rank highest in this measure.

Scotland	1	96	\$1,844	30	\$1,612	\$63	\$1	87.4%
Gates	2	99	\$1,716	43	\$1,422	\$362	\$1	82.9%
Cleveland	3	79	\$2,664	18	\$1,940	\$221	\$1	72.8%
Johnston	4	76	\$2,791	24	\$1,714	\$1,278	\$2	61.4%
Hartford	5	86	\$2,393	53	\$1,320	\$315	\$2	55.2%
Martin	6	80	\$2,658	42	\$1,428	\$268	\$2	53.7%
Granville	7	82	\$2,586	45	\$1,382	\$880	\$2	53.4%
Mahoning	8	73	\$2,830	41	\$1,438	\$752	\$2	50.8%
Putnam	9	60	\$3,287	29	\$1,642	\$580	\$2	50.0%
Stokes	10	69	\$2,918	40	\$1,452	\$176	\$2	49.8%
Hornell	11	95	\$2,018	77	\$997	\$586	\$2	49.4%
Union	12	37	\$4,222	16	\$2,050	\$2,434	\$2	48.6%
Franklin	13	70	\$2,897	44	\$1,392	\$1,035	\$2	48.1%
Warren	14	83	\$2,574	60	\$1,204	\$78	\$2	46.8%
Lee	15	53	\$3,584	28	\$1,643	\$1,058	\$2	45.8%
Berrie	16	93	\$2,101	80	\$955	\$874	\$2	45.5%
Nash	17	67	\$2,958	54	\$1,315	\$227	\$2	44.5%
Guilford	18	26	\$5,577	8	\$2,468	\$1,110	\$2	44.2%
Pender	19	57	\$3,420	36	\$1,503	\$1,253	\$2	44.0%
Anson	20	91	\$2,231	79	\$958	\$55	\$2	42.9%
Yadkin	21	81	\$2,638	59	\$1,096	\$1,025	\$2	41.5%
Durham	22	11	\$7,792	2	\$3,221	\$786	\$2	41.3%
Rowan	23	48	\$3,796	33	\$1,551	\$854	\$2	41.1%
Edgecombe	24	90	\$2,244	87	\$915	\$374	\$2	40.8%
McDowell	25	77	\$2,718	68	\$1,097	\$214	\$2	40.4%
Alamance	26	49	\$3,789	35	\$1,512	\$322	\$3	39.9%
Caldwell	27	76	\$2,770	66	\$1,104	\$164	\$3	39.8%
Chowan	28	50	\$3,753	37	\$1,494	\$182	\$3	39.8%
Greene	29	98	\$1,723	95	\$683	\$222	\$3	39.6%
Vance	30	84	\$2,516	78	\$996	\$205	\$3	39.6%
Beaufort	31	43	\$4,004	32	\$1,584	\$178	\$3	39.6%
Person	32	36	\$4,424	21	\$1,737	\$283	\$3	39.3%
Richmond	33	88	\$2,357	65	\$920	\$407	\$3	39.0%
Forsyth	34	28	\$5,401	15	\$2,097	\$778	\$3	38.8%
Cumberland	35	54	\$3,517	48	\$1,356	\$272	\$3	38.5%
Rockingham	36	66	\$3,008	63	\$1,153	\$320	\$3	38.3%
Gaston	37	58	\$3,395	56	\$1,301	\$480	\$3	38.3%
Duplin	38	89	\$2,292	89	\$877	\$198	\$3	38.2%
Polk	39	46	\$3,842	39	\$1,468	\$588	\$3	38.2%
Northampton	40	44	\$3,908	38	\$1,487	\$847	\$3	38.1%
Robeson	41	100	\$1,385	98	\$527	\$228	\$3	38.1%
Washington	42	92	\$2,186	90	\$830	\$147	\$3	37.9%
Wayne	43	78	\$2,683	76	\$1,007	\$118	\$3	37.5%
Wilson	44	51	\$3,696	47	\$1,372	\$396	\$3	37.1%
Chatham	45	10	\$8,614	3	\$3,089	\$748	\$3	35.9%
Lenoir	46	72	\$2,857	73	\$1,021	\$1,080	\$3	35.7%
Randolph	47	68	\$2,926	71	\$1,043	\$457	\$3	35.6%
Bladen	48	65	\$3,031	70	\$1,078	\$208	\$3	35.5%
Stanly	49	62	\$3,155	65	\$1,114	\$494	\$3	35.3%
Sampson	50	94	\$2,018	93	\$711	\$1,503	\$3	35.2%
Jones	51	64	\$3,127	67	\$1,098	\$239	\$3	35.1%
Macklenburg	52	15	\$7,631	5	\$2,602	\$1,241	\$3	34.1%
Rutherford	53	45	\$3,871	55	\$1,306	\$804	\$3	33.7%
Hyde	54	20	\$6,819	11	\$2,268	\$704	\$3	33.3%
Hoke	55	97	\$1,734	97	\$572	\$359	\$3	33.0%
Orange	56	19	\$6,929	10	\$2,283	\$1,077	\$3	32.9%
Alexander	57	71	\$2,885	83	\$930	\$307	\$3	32.2%
Wilkes	58	47	\$3,829	59	\$1,232	\$860	\$3	32.2%
Burke	59	61	\$3,190	75	\$1,011	\$735	\$3	31.7%
Casswell	60	74	\$2,830	88	\$895	\$121	\$3	31.6%
Haywood	61	25	\$5,682	23	\$1,725	\$687	\$3	30.4%
Albemarle	62	63	\$3,129	81	\$943	\$489	\$3	30.1%
Surry	63	56	\$3,432	72	\$1,031	\$548	\$3	30.1%
Halifax	64	85	\$2,494	92	\$738	\$611	\$3	29.6%
Craven	65	41	\$4,039	62	\$1,188	\$399	\$3	29.4%
Devie	66	35	\$4,627	50	\$1,348	\$989	\$3	29.1%
Transylvania	67	12	\$7,774	12	\$2,230	\$478	\$3	28.7%
Coburn	68	32	\$4,873	46	\$1,375	\$1,201	\$4	28.2%
Lincoln	69	33	\$4,785	51	\$1,345	\$1,202	\$4	28.1%
Wake	70	13	\$7,750	13	\$2,173	\$1,609	\$4	28.0%
Onslow	71	31	\$4,880	52	\$1,340	\$993	\$4	27.5%
Yancey	72	34	\$4,753	57	\$1,295	\$361	\$4	27.2%
Hayes	73	59	\$3,386	86	\$918	\$1,143	\$4	27.1%
Jyreel	74	55	\$3,501	82	\$942	\$615	\$4	26.9%
Davidson	75	14	\$7,668	17	\$2,046	\$341	\$4	26.7%
Maore	76	22	\$6,361	26	\$1,673	\$632	\$4	26.3%
Allegheny	77	21	\$6,398	27	\$1,650	\$191	\$4	25.8%
Pamlico	78	30	\$5,300	49	\$1,349	\$1,785	\$4	25.5%
Iredell	79	8	\$10,894	4	\$2,744	\$880	\$4	25.2%
New Hanover	80	42	\$4,033	74	\$1,013	\$782	\$4	25.1%
Calhoun	81	18	\$7,008	22	\$1,733	\$132	\$4	24.7%
Polk	82	16	\$7,463	19	\$1,829	\$609	\$4	24.5%
Buncombe	83	39	\$4,065	84	\$920	\$113	\$4	22.6%
Perquimans	84	29	\$5,303	61	\$1,206	\$1,293	\$4	22.6%
Henderson	85	17	\$7,247	34	\$1,546	\$972	\$5	21.3%
Cherokee	86	24	\$6,011	58	\$1,260	\$451	\$5	21.0%
Columbus	87	87	\$2,387	99	\$483	\$168	\$5	20.2%
Camden	88	40	\$4,064	91	\$789	\$954	\$5	19.4%
Graham	89	52	\$3,589	94	\$684	\$245	\$5	19.1%
Walouga	90	6	\$13,254	7	\$2,517	\$1,918	\$5	19.0%
Ashe	91	23	\$6,316	64	\$1,134	\$389	\$5	18.0%
Avery	92	9	\$9,802	20	\$1,747	\$542	\$5	17.8%
Currituck	93	5	\$13,291	14	\$2,173	\$1,709	\$5	16.4%
Brunswick	94	4	\$16,105	6	\$2,561	\$1,321	\$5	15.9%
Dora	95	1	\$26,443	1	\$4,081	\$4,592	\$5	15.4%
Currier	96	2	\$16,687	9	\$2,444	\$1,132	\$7	14.6%
Macon	97	7	\$11,820	31	\$1,602	\$935	\$7	13.4%
Cley	98	27	\$5,531	96	\$633	\$372	\$9	11.4%
Jackson	99	3	\$16,166	25	\$1,686	\$1,075	\$10	10.4%
Swain	100	38	\$4,153	100	\$428	\$401	\$10	10.3%

## Data Sources

The 2010 Local School Finance Study examines data from the 2008-09 school year. Every effort has been made to guarantee that the data included in this year's study is accurate and reflects what is being measured. The primary source of financial information is the Financial and Business Services Division at the Department of Public Instruction, which provided the non-property tax revenue, low wealth and small county supplemental funding information, final average daily membership numbers, effective county tax rate, adjusted revenue tax base, and current expense.

Other sources include the NC Department of Revenue's Tax Research and Ad Valorem Tax Divisions, which provided the 2008-09 property tax valuations and tax rates. The Department of Health and Human Services provided data for the mandated social services expenditures.

The Department of State Treasurer's State and Local Finance Division provided the Public School Capital Outlay Report, and the Office of State Budget and

Management provided the School Construction Average Daily Membership. The per capita income was provided by United States Department of Commerce's Bureau of Economic Analysis.

Finally, a special thanks to Philip Price, Alexis Schauss, and Sheila Tharrington at the North Carolina Department of Public Instruction for the wealth of information they provided for the preparation of this year's study.

### Overview of Tables

- Table 1: Ranking of Adjusted Property Valuations Per Student
- Table 2: Actual Effort
- Table 3: Actual Effort with Supplemental Funding
- Table 4: Ability to Pay
- Table 5: Relative Effort

## Glossary

### Ability to Pay

A measure of a county's per student fiscal capacity to support local public schools. It is a combined measure of revenue that would have been generated at the state average tax rate based on 2007-08 property valuations per student (adjusted to reflect current market prices and to account for differences in income levels) and the value of non-property tax revenues, such as the county's share of local option sales tax, local tax aid (including reimbursements for inventory tax revenues, homestead exclusions, food stamp distributor, and the intangibles tax), and fines and forfeitures. Note: counties did not receive local tax reimbursement this year. Each county's mandated social service payments were subtracted from the total adjusted revenues. (See Table 4.)

### Actual Effort

A summary of data for each county. It includes 2007-08 current expenses (including supplemental school taxes), a six-year average capital outlay, capital reserves, and interest on debt. The measure reflects the actual dollar effort of counties to fund local public schools without taking into account property wealth. (See Tables 2 and 3.)

### Adjusted Tax Base

The total valuation of real, tangible, and public utility property for a county, adjusted using a three-year weighted average of the sales assessment ratio. (Notes about adjustment and weighted average: In North Carolina, residential and commercial property typically is revalued once every eight years. The longer it has been since properties in a county have been revalued, the more likely it is that the market value of property exceeds the assessed valuation. To help remedy this difficulty of estimating the market value of property valuations, the Department of Revenue computes an adjusted property tax rate for each county by using the ratio of assessed property value to market value. Typically, the longer the gap between revaluations, the larger the difference between market and assessed value. In effort to be as accurate as possible, this study uses a three-year weighted average (except in the case of counties revalued in 2006 and 2007) to calculate the adjusted property valuation. (Source: Financial and Business Services, NC DPI)

### Average Daily Membership (ADM)

The sum of the number of days in membership for all students in each county's local public schools, divided by the number of school days in the term. City school districts are combined with the county system and charter school enrollment is included. (Source: Financial and Business Services, NC DPI)

### Capital Outlay

Withdrawals from the Public School Building Capital Fund and Grants from the Public School Building Bond Fund have been removed from the county total. A six-year average of public school capital outlay using proceeds from local option sales taxes and other sources to fund actual spending on capital projects or equipment for buildings.

The local school finance will report a six-year average of county debt services from local sources and capital outlay from local sources. The debt service includes expenditures for school bond repayment and lease purchase agreements.

### Capital Outlay Per ADM

Six-year average of capital outlay spending for a county divided by the ADM for the county.

### Change in Spending Per ADM

The difference between the county's total current spending with supplemental funding and its total current spending.

### Current Expense

The most recent current expense appropriation by the county to the public schools, as reported in the audited financial statement of the local board(s) of education. (Source: Financial and Business Services, NC DPI)

### Current Spending Per ADM

The total amount of spending for a county divided by the ADM for the county.

### Debt Service

Using the Public School Capital Outlay report, withdrawals from the Public School Building Capital Fund have been removed from the county total. A six-year average of public school debt service outlay using proceeds from local option sales taxes and other sources to fund school bond repayments and lease purchase agreements.

### Debt Service Per ADM

Six-year average of debt service outlay spending for a county divided by the ADM for the county.

### Income Adjusted Total Revenues

The total revenues for a county, minus the amount paid in mandated welfare, multiplied by the percent of state average per capita income.

### Low Wealth Funding

Supplemental state funding intended to enhance instructional programs in counties designated as low-wealth based on a formula that examines the ability to generate revenue per student below the state average. In addition, county adjusted property tax base, square miles in the county and per capita income are also used in the formula. (Source: Financial and Business Services, NC DPI)

### Mandated Social Services

The amount of money each county pays in the health and human services categories mandated by the state. These categories include the Medicaid, public assistance, and Work First services. (Source: NC Department of Health and Human Services)

### Non-Property Tax Revenue

Sources of revenue for the county other than property taxes. Examples include the sales tax, fines/forfeitures, and local tax aid. This past year counties did not receive any Local Tax Aid from the state. (Source: Financial and Business Services, NC DPI)

### Relative Effort

A measure comparing the Actual Effort of a county to its Ability to Pay. In general, low-wealth districts with comparatively high spending levels rank highest in this measure. (See Table 5)

### Small County Funding

Supplemental state funding provided to two categories of local education agencies: those with less than 3,175 ADM, and those with 3,175 - 4,000 ADM who have an adjusted property tax base less than the state average. (Source: Financial and Business Services, NC DPI)

### State Average Effective Property Tax

The average of all 100 counties' adjusted tax rate. (Source: Financial and Business Services, NC DPI)

### Supplemental School Taxes

According to GS 115C-501(a), "a special tax to supplement the funds from State and county allotments and thereby operate schools of a higher standard by supplementing any item of expenditure in the school budget." (Source: Financial and Business Services, NC DPI)

### Total Current Spending Per ADM

The sum of the current expense and the supplemental school taxes for a county, divided by the county's ADM.

# 2010 LOCAL SCHOOL FINANCE

"Because the North Carolina Constitution expressly states that units of local governments with financial responsibility for public education may provide additional funding to supplement the educational programs provided by the state, there can be nothing unconstitutional about doing so or in any inequality of opportunity occurring as a result... Clearly then, a county with greater financial resources will be able to supplement its programs to a greater degree than less wealthy counties, resulting in enhanced educational opportunity for its students. "

- *Leandro v. North Carolina*, July 24, 1997

## Finance Study Staff

Kendall Jordan, Director of Policy Research

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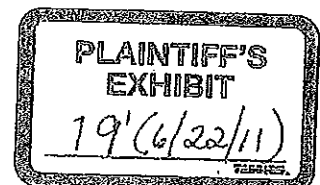
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## LEANDRO'S MANDATES & THE BUDGET LEGISLATION

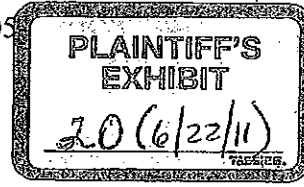
Leandro's Mandates	Recent Budget Legislation
<p data-bbox="147 390 748 751">"[T]hat every school be provided ... the resources necessary to support the effective instructional program ... so that the educational needs of all children, including at-risk children, to have the equal opportunity to obtain a sound basic education, can be met."</p> <p data-bbox="323 804 586 842"><i>(Judgment, p. 110)</i></p>	<ol style="list-style-type: none"> <li data-bbox="813 363 1536 709">1. Implements additional "discretionary reductions" of \$124 million. This amount, coupled with the previous \$305 million in discretionary reductions implemented in the previous budget, results in total "discretionary reductions" of \$429 million for the fiscal year beginning July 1, 2011 and \$502 million for 2012-2013. DPI has calculated that this will result in the loss of 4,666 teachers (partially offset by the addition of 1,124 teachers for class size reduction in grades 1-3), 90 principals, 502 assistant principals, 2,246 teacher assistants, 765 instructional support personnel, 367 career and technical education directors, and 208 other central office directors.</li> <li data-bbox="813 730 1536 884">2. Cuts \$16 million in state funding and \$16 million in lottery funding from More at Four (in addition to \$5 million cuts in each of last two years); moves More at Four, an <u>educational</u> pre-K program, to DHHS which may undermine the academic focus of the Program; and, institutes a parent co-payment.</li> <li data-bbox="813 905 1536 961">3. Elimination of all funding (\$13.3 million) for drop out prevention grants.</li> <li data-bbox="813 982 1536 1073">4. Elimination of all funding for the student diagnostic initiative (or "DIBELS") (\$10 million) which provided data on student literacy and math needs.</li> <li data-bbox="813 1094 1536 1184">5. Elimination of all funding for Learn and Earn Online (\$4.9 million), which provided access to college credit coursework for high school students statewide.</li> <li data-bbox="813 1205 1536 1262">6. Cuts funding by over \$22 million for assistant principals in the schools.</li> <li data-bbox="813 1283 1536 1339">7. Cuts funding by over \$22.9 million for instructional support (guidance counselors, social workers and other personnel).</li> <li data-bbox="813 1360 1536 1417">8. Cuts funding by over \$59.4 million for non-instructional support (clerical staff, substitute teachers, and other personnel).</li> <li data-bbox="813 1438 1536 1625">9. Cuts funding by over \$17.2 million for central office administration (including administrative staff, curriculum and technology specialists, and other personnel). This reduces the capacity of smaller and low-wealth districts to support school improvement and student gains, as well as to make strategic choices about reducing budgets.</li> <li data-bbox="813 1646 1536 1703">10. Cuts funding by over \$144 million for the school technology fund, textbooks and instructional supplies.</li> <li data-bbox="813 1724 1536 1780">11. Prior elimination of all funding for student accountability (\$38.3 million) and literacy coaches (\$12 million) in 2009-2010.</li> </ol> <p data-bbox="808 1793 1463 1824"><i>**The above cuts are not made up by "Race to the Top" funding.</i></p>



# DECLINE IN EDUCATION FUNDING 2008-PRESENT

Year	Number of North Carolina Students <sup>1</sup>	Total Public School Funding (Local, State and Federal Funds) <sup>2</sup>	State Funds Per Pupil	All Funds Per Pupil
2008-09	1,476,566	11,991,907,084	\$5,547	\$8,121
2009-10	1,464,914	11,852,251,434	\$5,017	\$8,091
2010-11	1,475,668	11,472,251,434	\$4,945	\$7,774
2011-12	1,480,991	11,023,251,434	\$5,037 <sup>3</sup>	\$7,443
2012-13	1,494,877	11,013,251,434	\$4,984	\$7,367

-505



<sup>1</sup> The total enrollment for years 2011-2012 and 2012-2013 are estimates by North Carolina's Department of Public Instruction.

<sup>2</sup> These figures are a total of local funding (statewide), state funding, and federal funding for the public schools in North Carolina. The federal funding amounts used in this calculation include funds provided to North Carolina under the American Recovery and Reinvestment Act ("ARRA") and the Education Jobs Fund. The level of federal funding projections for years 2011-2012 and 2012-2013 used in this calculation assume that the total federal funding will remain at its 2010-2011 funding level, with the exception of ARRA funding (which are accounted for in the year they are awarded, not the year they are expended). The local funding projections for years 2010-2011, 2011-2012 and 2012-2013 used in this calculation assume that total local funding will remain at its 2009-2010 funding level (which was a total of \$2,707,251,434).

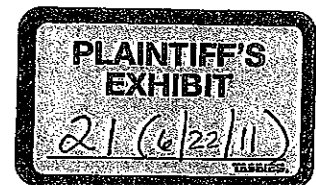
<sup>3</sup> Although there is an increase shown in "state funds per pupil" for 2011-12, the total funds per pupil are estimated to decrease from \$7,744 in 2010-11 to \$7,443 in 2011-12. The State made non-recurring cuts in funding for 2009-10 (\$379,668,352) and 2010-11 (\$373,281,648) for non-instructional support personnel and directed the LEAs to use federal stimulus money to offset these cuts. In the next biennium, there is no new federal stimulus money available to offset the State's cuts to this allotment.

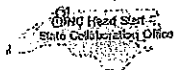
### Percentage of Students at Level III Proficiency

Year	% of Students (Grades 3-8) at Level III or Above in Reading & Math	Average % of Students (Grades 3-8) in Plaintiff LEAs at Level III or Above in Reading & Math**
2008-09	63.9%	47.0%
2009-10	66.3%	50.1%

\* Information was obtained from [www.ncreportcards.org](http://www.ncreportcards.org).

\*\* The percentage of students (grades 3-8) at Level III or above in reading and math in each of the Plaintiff LEAs was obtained from [www.ncreportcards.org](http://www.ncreportcards.org). This is the average of those percentages.





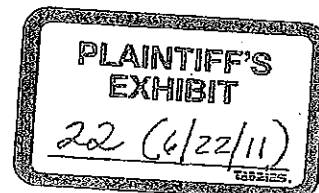
**Impact of H200 on More At Four and Head Start**  
*A Brief prepared by the NC Head Start-State Collaboration Office*

**Background Data & Facts:**

1. Approximately 34,000 at risk 4-year-olds were served in the More At Four program during the 2010-11 program year  
→ Approximately 20% of these children were served in Head Start settings in almost every county in the State
2. Head Start – MAF partnerships create sizeable benefits for at risk children and families and for the greater early care and education system  
→ They create a tremendous depth of high quality services for at risk children and families that includes smaller class sizes and higher credentialed teachers, as well as a robust package of comprehensive services like health, dental, and parent engagement services  
  
→ More At Four funds are typically leveraged to pull down federal Head Start dollars, as the MAF dollar helps Head Start programs meet their non-federal share match requirements (Stated another way: MAF funds help to attract roughly \$126.5M of federal Head Start funding to the State of North Carolina, with respect to their capacity to meet Head Start non-federal share match requirements)

**The impact of H200 on Head Start – MAF Partnerships**

1. Per Section 10.7(h) of H200, parents participating in the new prekindergarten program (formerly More At Four) would be required to pay a fee (copayment) based on a scale derived from a formula that takes into account family size and a percentage of gross family income  
→ This provision would displace approximately 6,500 MAF-children (about 20% of all those served by MAF) who are typically served in Head Start settings. The cause of this displacement is linked to the restriction of Head Start programs to “prescribe a fee schedule or provide for the charging of any fees in Head Start programs. [Sec 645A, Head Start Act and HSPS 1305.9]



C

Effective: December 12, 2007

United States Code Annotated Currentness

Title 42. The Public Health and Welfare

Chapter 105. Community Services Programs

Subchapter II. Head Start Programs (Refs & Annos)

⇒ § 9840. Participation in Head Start programs

(a)(1)(A) The Secretary shall by regulation prescribe eligibility for the participation of persons in Head Start programs assisted under this subchapter.

(B) Except as provided in paragraph (2), such regulation shall provide--

(i) that children from low-income families shall be eligible for participation in programs assisted under this subchapter if their families' incomes are below the poverty line, or if their families are eligible or, in the absence of child care, would potentially be eligible for public assistance;

(ii) that homeless children shall be deemed to be eligible for such participation;

(iii) that programs assisted under this subchapter may include--

(I) to a reasonable extent (but not to exceed 10 percent of participants), participation of children in the area served who would benefit from such programs but who are not eligible under clause (i) or (ii); and

(II) from the area served, an additional 35 percent of participants who are not eligible under clause (i) or (ii) and whose families have incomes below 130 percent of the poverty line, if--

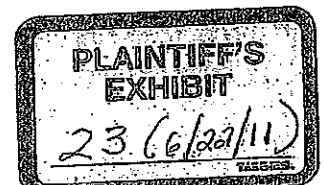
(aa) the Head Start agency involved establishes and implements outreach and enrollment policies and procedures that ensure such agency is meeting the needs of children eligible under clause (i) or (ii) (or subclause (I) if the child involved has a disability) prior to meeting the needs of children eligible under this subclause; and

(bb) in prioritizing the selection of children to be served, the Head Start agency establishes criteria that provide that the agency will serve children eligible under clause (i) or (ii) prior to serving the children eligible under this subclause;

(iv) that any Head Start agency serving children eligible under clause (iii)(II) shall report annually to the Secretary information on--

(I) how such agency is meeting the needs of children eligible under clause (i) or (ii), in the area served, including local demographic data on families of children eligible under clause (i) or (ii);

(II) the outreach and enrollment policies and procedures established by the agency that ensure the agency is





meeting the needs of children eligible under clause (i) or (ii) (or clause (iii)(I) if the child involved has a disability) prior to meeting the needs of children eligible under clause (iii)(II);

(III) the efforts, including outreach efforts (that are appropriate to the community involved), of such agency to be fully enrolled with children eligible under clause (i) or (ii);

(IV) the policies, procedures, and selection criteria such agency is implementing to serve eligible children, consistent with clause (iii)(II);

(V) the agency's enrollment level, and enrollment level over the fiscal year prior to the fiscal year in which the report is submitted;

(VI) the number of children served by the agency, disaggregated by whether such children are eligible under clause (i), clause (ii), clause (iii)(I), or clause (iii)(II); and

(VII) the eligibility criteria category of the children on the agency's waiting list;

(v) that a child who has been determined to meet the eligibility criteria described in this subparagraph and who is participating in a Head Start program in a program year shall be considered to continue to meet the eligibility criteria through the end of the succeeding program year.

(C) In determining, for purposes of this paragraph, whether a child who has applied for enrollment in a Head Start program meets the eligibility criteria, an entity may consider evidence of family income during the 12 months preceding the month in which the application is submitted, or during the calendar year preceding the calendar year in which the application is submitted, whichever more accurately reflects the needs of the family at the time of application.

(2) Whenever a Head Start program is operated in a community with a population of 1,000 or less individuals and--

(A) there is no other preschool program in the community;

(B) the community is located in a medically underserved area, as designated by the Secretary pursuant to section 254c(b)(3) of this title and is located in a health professional shortage area, as designated by the Secretary pursuant to section 254e(a)(1) of this title;

(C) the community is in a location which, by reason of remoteness, does not permit reasonable access to the types of services described in clauses (A) and (B); and

(D) not less than 50 percent of the families to be served in the community are eligible under the eligibility criteria established by the Secretary under paragraph (1);

the Head Start program in each such locality shall establish the criteria for eligibility, except that no child residing in such community whose family is eligible under such eligibility criteria shall, by virtue of such project's eligibility criteria, be denied an opportunity to participate in such program. During the period beginning on October 30, 1984, and ending on October 1, 1994, and unless specifically authorized in any statute of the United States enacted after October 30, 1984, the Secretary may not make any change in the method, as in effect on April 25, 1984, of calculating income used to prescribe eligibility for the participation of persons in the Head Start programs assisted under this subchapter if such change would result in any reduction in, or exclusion from, participation of persons in any of such programs.

(3)(A) In this paragraph:

(i) The term "dependent" has the meaning given the term in paragraphs (2)(A) and (4)(A)(i) of section 401(a) of Title 37.

(ii) The terms "member" and "uniformed services" have the meanings given the terms in paragraphs (23) and (3), respectively, of section 101 of Title 37.

(B) The following amounts of pay and allowance of a member of the uniformed services shall not be considered to be income for purposes of determining the eligibility of a dependent of such member for programs funded under this subchapter:

(i) The amount of any special pay payable under section 310 of Title 37, relating to duty subject to hostile fire or imminent danger.

(ii) The amount of basic allowance payable under section 403 of such title, including any such amount that is provided on behalf of the member for housing that is acquired or constructed under the alternative authority for the acquisition and improvement of military housing under subchapter IV of chapter 169 of Title 10, or any other related provision of law.

(4) After demonstrating a need through a communitywide strategic planning and needs assessment, a Head Start agency may apply to the Secretary to convert part-day sessions, particularly consecutive part-day sessions, into full-working-day sessions.

(5)(A) Upon written request and pursuant to the requirements of this paragraph, a Head Start agency may use funds that were awarded under this subchapter to serve children age 3 to compulsory school age, in order to serve infants and toddlers if the agency submits an application to the Secretary containing, as specified in rules issued by the Secretary, all of the following information:

(i) The amount of such funds that are proposed to be used in accordance with section 9840a(b) of this title.

(ii) A communitywide strategic planning and needs assessment demonstrating how the use of such funds would best meet the needs of the community.

(iii) A description of how the needs of pregnant women, and of infants and toddlers, will be addressed in accordance with section 9840a(b) of this title, and with regulations prescribed by the Secretary pursuant to section 9836a of this title in areas including the agency's approach to child development and provision of health services, approach to family and community partnerships, and approach to program design and management.

(iv) A description of how the needs of eligible children will be met in the community.

(v) Assurances that the agency will participate in technical assistance activities (including planning, start-up site visits, and national training activities) in the same manner as recipients of grants under section 9840a of this title.

(vi) Evidence that the agency meets the same eligibility criteria as recipients of grants under section 9840a of this title.

(B) An application that satisfies the requirements specified in subparagraph (A) shall be approved by the Secretary

unless the Secretary finds that--

- (i) the agency lacks adequate capacity and capability to carry out an effective Early Head Start program; or
- (ii) the information provided under subparagraph (A) is inadequate.

(C) In approving such applications, the Secretary shall take into account the costs of serving persons under section 9840a of this title.

(D) Any Head Start agency with an application approved under subparagraph (B) shall be considered to be an Early Head Start agency and shall be subject to the same rules, regulations, and conditions as apply to recipients of grants under section 9840a of this title, with respect to activities carried out under this paragraph.

(b) The Secretary shall not prescribe any fee schedule or otherwise provide for the charging of any fees for participation in Head Start programs, unless such fees are authorized by legislation hereafter enacted. Nothing in this subsection shall be construed to prevent the families of children who participate in Head Start programs and who are willing and able to pay the full cost of such participation from doing so. A Head Start agency that provides a Head Start program with full-working-day services in collaboration with other agencies or entities may collect a family copayment to support extended day services if a copayment is required in conjunction with the collaborative. The copayment charged to families receiving services through the Head Start program shall not exceed the copayment charged to families with similar incomes and circumstances who are receiving the services through participation in a program carried out by another agency or entity.

(c) Each Head Start program operated in a community shall be permitted to provide more than 1 year of Head Start services to eligible children in the State. Each Head Start program operated in a community shall be permitted to recruit and accept applications for enrollment of children throughout the year.

(d)(1) An Indian tribe that--

(A) operates a Head Start program;

(B) enrolls as participants in the program all children in the community served by the tribe (including a community that is an off-reservation area, designated by an appropriate tribal government, in consultation with the Secretary) from families that meet the low-income criteria prescribed under subsection (a)(1)(A) of this section; and

(C) has the resources to enroll additional children in the community who do not meet the low-income criteria;

may enroll such additional children in a Head Start program, in accordance with this subsection, if the program predominantly serves children who meet the low-income criteria.

(2) The Indian tribe shall enroll the children in the Head Start program in accordance with such requirements as the Secretary may specify by regulation promulgated after consultation with Indian tribes.

(3) Notwithstanding any other provision of this subchapter, an Indian tribe or tribes that operates both an Early Head Start program under section 9840a of this title and a Head Start program may, at its discretion, at any time during the grant period involved, reallocate funds between the Early Head Start program and the Head Start program in order to address fluctuations in client populations, including pregnant women and children from birth to compulsory school age. The reallocation of such funds between programs by an Indian tribe or tribes during a year shall not serve as the basis for the Secretary to reduce a base grant (as defined in section 9835(a)(7) of this title) for either program in

succeeding years.

CREDIT(S)

(Pub.L. 97-35, Title VI, § 645, Aug. 13, 1981, 95 Stat. 504; Pub.L. 98-558, Title I, § 105, Oct. 30, 1984, 98 Stat. 2879; Pub.L. 99-425, Title I, § 104, Sept. 30, 1986, 100 Stat. 966; Pub.L. 101-501, Title I, §§ 113, 114, Nov. 3, 1990, 104 Stat. 1231; Pub.L. 101-597, Title IV, § 401(e), Nov. 16, 1990, 104 Stat. 3035; Pub.L. 103-252, Title I, § 111, May 18, 1994, 108 Stat. 637; Pub.L. 105-285, Title I, § 112, Oct. 27, 1998, 112 Stat. 2718; Pub.L. 110-134, § 14, Dec. 12, 2007, 121 Stat. 1415.)

HISTORICAL AND STATUTORY NOTES

Revision Notes and Legislative Reports.

1981 Acts. Senate Report No. 97-139 and House Conference Report No. 97-208, see 1981 U.S. Code Cong. and Adm. News, p. 396.

1984 Acts. Senate Report No. 98-484, see 1984 U.S. Code Cong. and Adm. News, p. 4847.

1986 Acts. Senate Report No. 99-327 and House Conference Report No. 99-815, see 1986 U.S. Code Cong. and Adm. News, p. 2092.

1990 Acts. Senate Report No. 101-421 and House Conference Report No. 101-816, see 1990 U.S. Code Cong. and Adm. News, p. 1920.

House Report No. 101-642 and House Conference Report No. 101-945, see 1990 U.S. Code Cong. and Adm. News, p. 4287.

1994 Acts. Senate Report No. 103-251 and House Conference Report No. 103-497, see 1994 U.S. Code Cong. and Adm. News, p. 598.

1998 Acts. House Conference Report No. 105-788, see 1998 U.S. Code Cong. and Adm. News, p. 591.

2007 Acts. House Conference Report No. 110-439, see 2007 U.S. Code Cong. and Adm. News, p. 442.

Statement by President, see 2007 U.S. Code Cong. and Adm. News, p. S17.

References in Text

Section 254c of this title, referred to in subsec. (a)(2)(B), was in the original a reference to section 330 of the Public Health Service Act, Act July 1, 1944, which was omitted in the general amendment of subpart I (§ 254b et seq.) of part D of subchapter II of chapter 6A of this title by Pub.L. 104-299, § 2, Oct. 11, 1996, 110 Stat. 3626. Sections 2 and 3(a) of Pub.L. 104-299 enacted new sections 330 and 330A of Act July 1, 1944, which are classified, respectively, to 42 U.S.C.A. §§ 254b and 254c.

Subchapter IV of chapter 169 of Title 10, referred to in subsec. (a)(3)(B)(ii), is 10 U.S.C.A. § 2871 et seq.

This subchapter, referred to in subsec. (d)(3), was in the original “this Act” and was translated as reading “this sub-

chapter", meaning subchapter B (§§ 635 to 657) of chapter 8 of subtitle A of Title VI of Pub.L. 97-35, Aug. 13, 1981, 95 Stat. 499, known as the Head Start Act, to reflect the probable intent of Congress. For complete classification, see Short Title note set out under 42 U.S.C.A. § 9801 and Tables.

#### Amendments

2007 Amendments. Subsec. (a)(1). Pub.L. 110-134, § 14(1)(A), rewrote par. (1), which formerly read:

"(1) The Secretary shall by regulation prescribe eligibility for the participation of persons in Head Start programs assisted under this subchapter. Except as provided in paragraph (2), such criteria may provide--

"(A) that children from low-income families shall be eligible for participation in programs assisted under this subchapter if their families' incomes are below the poverty line, or if their families are eligible or, in the absence of child care, would potentially be eligible for public assistance; and

"(B) pursuant to such regulations as the Secretary shall prescribe, that--

"(i) programs assisted under this subchapter may include, to a reasonable extent, participation of children in the area served who would benefit from such programs but whose families do not meet the low-income criteria prescribed pursuant to subparagraph (A); and

"(ii) a child who has been determined to meet the low-income criteria and who is participating in a Head Start program in a program year shall be considered to continue to meet the low-income criteria through the end of the succeeding program year.

"In determining, for purposes of this paragraph, whether a child who has applied for enrollment in a Head Start program meets the low-income criteria, an entity may consider evidence of family income during the 12 months preceding the month in which the application is submitted, or during the calendar year preceding the calendar year in which the application is submitted, whichever more accurately reflects the needs of the family at the time of application."

Subsec. (a)(3). Pub.L. 110-134, § 14(1)(B), added par. (3).

Subsec. (a)(4). Pub.L. 110-134, § 14(1)(B), added par. (4).

Subsec. (a)(5). Pub.L. 110-134, § 14(1)(B), added par. (5).

Subsec. (c). Pub.L. 110-134, § 14(2), struck out "(age 3 to compulsory school attendance)" following "eligible children".

Subsec. (d)(3). Pub.L. 110-134, § 14(3), rewrote par. (3), which formerly read: "In providing services through a Head Start program to such children, the Indian tribe may not use funds that the Secretary has determined, in accordance with section 9835(g)(3) of this title, are to be used for expanding Head Start programs under this subchapter."

1998 Amendments. Subsec. (a)(1). Pub.L. 105-285, § 112(a)(1), struck out "provide (A) that" and inserted the following: "provide--

"(A) that".

Subsec. (a)(1). Pub.L. 105-285, § 112(a)(2), struck out "assistance; and (B) pursuant" and inserted the following: "assistance; and

"(B) pursuant".

Subsec. (a)(1)(B). Pub.L. 105-285, § 112(a)(3), struck out "that programs" and inserted "that--

"(i) programs".

Subsec. (a)(1). Pub.L. 105-285, § 112(a)(4), struck out "clause (A)." and inserted "subparagraph (A); and

"(ii) a child who has been determined to meet the low-income criteria and who is participating in a Head Start program in a program year shall be considered to continue to meet the low-income criteria through the end of the succeeding program year.

"In determining, for purposes of this paragraph, whether a child who has applied for enrollment in a Head Start program meets the low-income criteria, an entity may consider evidence of family income during the 12 months preceding the month in which the application is submitted, or during the calendar year preceding the calendar year in which the application is submitted, whichever more accurately reflects the needs of the family at the time of application."

Subsec. (b). Pub.L. 105-285, § 112(b), added "A Head Start agency that provides a Head Start program with full-working-day services in collaboration with other agencies or entities may collect a family copayment to support extended day services if a copayment is required in conjunction with the collaborative. The copayment charged to families receiving services through the Head Start program shall not exceed the copayment charged to families with similar incomes and circumstances who are receiving the services through participation in a program carried out by another agency or entity."

Subsec. (c). Pub.L. 105-285, § 112(c), added "Each Head Start program operated in a community shall be permitted to recruit and accept applications for enrollment of children throughout the year."

Subsec. (d)(1)(B). Pub.L. 105-285, § 112(d), struck out "a community with a near-reservation designation, as defined by the Bureau of Indian Affairs" and inserted "a community that is an off-reservation area, designated by an appropriate tribal government, in consultation with the Secretary".

1994 Amendments. Subsec. (c). Pub.L. 103-252, § 111(1), directed that each Head Start program operated in a community, shall be permitted to provide more than 1 year of Head Start services to eligible children (age 3 to compulsory school attendance) in the State, rather than directing that each such program may provide more than one year of Head Start services to such eligible children, and proscribing Secretary from issuing or enforcing any rule or guideline which forbids such extension of a Head Start program.

Subsec. (d). Pub.L. 103-252, § 111(2), added subsec. (d).

1990 Amendments. Subsec. (a)(2). Pub.L. 101-501, § 113, substituted "October 1, 1994" for "October 1, 1990".

Subsec. (a)(2)(B). Pub.L. 101-597 substituted "health professional shortage area" for "health manpower shortage area".

Subsec. (c). Pub.L. 101-501, § 114, inserted provisions prohibiting the Secretary from issuing or enforcing any rule or

guideline that forbid any Head Start agency to carry out a Head Start program in accordance with the authority described in the subsection.

1986 Amendments. Subsec. (a)(2). Pub.L. 99-425 substituted "1990" for "1986".

1984 Amendments. Subsec. (a)(2). Pub.L. 98-558, § 105(a), inserted "During the period beginning on October 30, 1984, and ending on October 1, 1986, and unless specifically authorized in any statute of the United States enacted after October 30, 1984, the Secretary may not make any change in the method, as in effect on April 25, 1984, of calculating income used to prescribe eligibility for the participation of persons in the Head Start programs assisted under this subchapter if such change would result in any reduction in, or exclusion from, participation of persons in any of such programs."

Subsec. (c). Pub.L. 98-558, § 105(b), added subsec. (c).

#### Effective and Applicability Provisions

1994 Acts. Amendment by Pub.L. 103-252 effective May 18, 1994, but shall not apply to Head Start agencies and other recipients of financial assistance under the Head Start Act until Oct. 1, 1994, see section 127 of Pub.L. 103-252, set out as a note under section 9832 of this title.

1990 Acts. Amendment of this section by Pub.L. 101-597 effective Nov. 16, 1990, see section 501 of Pub.L. 101-597, set out as a note under section 242a of this title.

Amendment by Pub.L. 101-501 effective Oct. 1, 1990, see section 1001(a) of Pub.L. 101-501, set out as a note under section 8621 of this title.

1986 Acts. Amendment by Pub.L. 99-425 effective Oct. 1, 1986, see section 1001 of Pub.L. 99-425, set out as a note under section 8621 of this title.

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##### Treatises and Practice Aids

West's Federal Administrative Practice § 6164, Programs of the Administration on Children, Youth and Families--Head Start Programs.

42 U.S.C.A. § 9840, 42 USCA § 9840

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Long-term Effects  
of the North Carolina  
More at Four  
Pre-kindergarten Program  
Children's Reading and  
Math Skills  
at Third Grade



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October 2010

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We wish to acknowledge the members of our More at Four Evaluation Team: Research Assistants Lisa Hildebrandt, Diana Knechtel, Cyndee Lohr, Judith Owen, and Yalitza Ramos; Programmers Steve Magers and Mitu Nandi; Statisticians Peg Burchinal, Kirsten Kalnz, and Pan Yi. Special thanks to Lisa Hildebrandt for publications assistance with this report.

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For more information about the Evaluation of the North Carolina More at Four Pre-kindergarten Program, visit the web site at [www.fpg.unc.edu/~mafeval](http://www.fpg.unc.edu/~mafeval).

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## Overview of the More at Four Program

The North Carolina More at Four Pre-kindergarten Program is a state-funded initiative for at-risk 4-year-olds, designed to help them be more successful when they enter elementary school. The More at Four Program is based on the premise that all children can learn if given the opportunity, but at-risk children have not been given the same level of opportunity. The purpose of More at Four is to provide a high quality, classroom-based educational program for at-risk children during the year prior to kindergarten entry. The program targets at-risk children from low-income families (up to 300% of federal poverty rates) who are unserved in a preschool program or who are underserved (e.g., in lower quality or unregulated settings or not receiving child care subsidies). Over the years, 90% of the children served in More at Four have qualified for free or reduced-price lunch; eligibility for the program is also determined by other risk factors, such as low English proficiency, identified disability, chronic health condition, and/or developmental delay. More at Four provides funding for serving eligible children in classroom-based educational programs at a variety of sites, including public schools, Head Start, and community child care centers (both for-profit and nonprofit). The programs operate on a school day and school calendar basis for 6 to 6-1/2 hours/day and 180 days/year. Local sites are expected to meet a variety of program guidelines and standards around curriculum, training and education levels for teachers and administrators, class size and student-teacher ratios, North Carolina child care licensing levels, and provision of other program services. The More at Four Program was initiated in the 2001-2002 school year, with a full school year of services first offered in 2002-2003, and all 100 counties included since the 2003-2004 school year. More at Four has served over 160,000 children during the first nine program years (2002-2010).

## Overview of the Present Study

Since its inception in 2002, the statewide evaluation of the North Carolina More at Four Pre-kindergarten Program has been conducted by the FPG Child Development Institute at the University of North Carolina at Chapel Hill. The present report describes findings on the long-term effects of participation in More at Four on children's third-grade End of Grade (EOG) math and reading scores. A quasi-experimental design was employed, using statewide data from the NC Department of Public Instruction for all third-graders in two cohorts of children, representing the 2006-2007 and the 2007-2008 school years. Comparisons were conducted between children who attended More at Four during pre-k (in 2002-2003 and in 2003-2004) and those who did not, as well as by children's poverty status (i.e., whether they qualified for free or reduced-price lunch in third grade). Two primary research questions were addressed by this study:

- Are there any long-term benefits of participation in the More at Four Pre-k Program on children's math and reading skills in third grade?
- Do the effects of More at Four participation on children's third-grade math and reading skills vary by children's poverty status?

## Methods

### Participants

Two cohorts of children were included in this study, based on all North Carolina third-graders who completed the EOG math and reading assessments in 2006-2007 and in 2007-2008. The sample included two groups of children—the More at Four (MAF) group that participated in the More at Four Program during either of the first two full years of the program (2002-2003 and 2003-2004) and the comparison group that never participated in More at Four. For the More at Four (MAF) group, the sample was restricted to children who had attended the program for at least 70% of the school year (126 days), in order to ensure that they had received adequate exposure to the pre-k program. The public education dataset contained information on 108,363 third-graders in 2006-2007 and 111,898 third-graders in 2007-2008. The criteria for inclusion in the study sample were that at least one third-grade EOG score (math, reading, or both) was reported and complete data on all other analysis variables (poverty status, gender, race/ethnicity, and state and local per pupil expenditures) were reported. The final study sample included 102,852 children (985 MAF and 101,867 comparison) in the 2006-2007 cohort and 102,765 children (4,569 MAF and 98,196 comparison) in the 2007-2008 cohort. The MAF group included children who participated in the program in 2002-2003 or 2003-2004 and took the third-grade EOGs in 2006-2007 or 2007-2008, including children who may have been accelerated, retained in grade, or delayed entry into school (i.e., had EOG scores in the year prior or subsequent to the expected year). Demographic characteristics of the MAF and comparison groups for each year are contained in Table 1. As expected, these data indicate relatively higher proportions of children who were poor and from non-White racial/ethnic groups in the MAF group, and similar proportions of boys and girls in the MAF and comparison groups each year.

### Procedures

Educational data for all third-grade students in the state in 2006-2007 and 2007-2008 were obtained from the NC Department of Public Instruction (DPI) public education database, housed at the North Carolina Education Research Data Center, including EOG scores, special status, poverty status, gender, race/ethnicity, and per pupil expenditures. In order to identify children who previously participated in the More at Four Pre-k Program, demographic data were obtained from the statewide More at Four Program database, housed at the University of North Carolina at Chapel Hill. The More at Four database contains monthly service report data from each local More at Four contractor about the sites, classrooms, teachers, and children participating in the program. Pre-k data were obtained for 2002-2003 and 2003-2004, the expected years for attending pre-k corresponding to attending third grade in 2006-2007 and 2007-2008. Children who met the study criteria for pre-k attendance (at least 70% of the program year/126 days) were matched across the two databases using a combination of information, including first name, last name, date of birth, school district attended, and social security number (when available). Of the eligible children who attended More at Four, data on 72% of the first cohort and 65% of the second cohort (66% across both cohorts) were located in

the third-grade data set and included in the study sample. Pre-k demographic characteristics were compared between those who were included in the third-grade study sample and those who were not included, as shown in Table 2. Based on chi-square analyses of pre-k information, there were no differences between sample and non-sample children on gender or poverty status in the first cohort (2002-2003), but there were some differences in race/ethnicity, with proportionally more White/European-American and fewer Hispanic/Latino children in the study sample. In the second cohort (2003-2004), there were small differences in all characteristics, with the study sample containing proportionally more girls and fewer boys; proportionally fewer Hispanic/Latino children and slightly more White/European-American children and Black/African-American children; and slightly more children not in poverty and fewer children in poverty.

### Measures

All data used in this study were obtained from the public education database. Child outcomes included third-grade EOG math and reading scale scores and achievement levels; in addition, data on identification as academically gifted or learning disabled were reported. Other data used in these analyses included child characteristics of poverty status, gender, and race/ethnicity; school and local education agency (LEA); and district-level state and local per pupil expenditures for the LEA.

*EOG Scores.* The EOG assessments are used to measure academic performance and competency for grade levels based on the goals and objectives of the NC Standard Course of Study. In third grade, all students take math and reading EOG assessments during the final three weeks of school. The mathematics EOG emphasizes information processing and higher order thinking, and measures competency in number and operations, measurement, geometry, data analysis and probability, and algebra across 80 items. The same math assessment was used in 2006-2007 and 2007-2008. The reading EOG focuses on children's reading and comprehension of literary and informational texts, and measures cognition (e.g., determining meaning, summarizing, identifying the purpose of text features), interpretation (e.g., making inferences and generalizations), critical stance (e.g., comparing/contrasting, understanding the impact of literary elements), and connections (e.g., connecting knowledge with outside experiences) across 50 items. The items and scoring for the reading EOG were changed from the 2006-2007 to the 2007-2008 assessments.

Two types of EOG math and reading scores were examined: developmental scale scores and achievement levels. Developmental scale scores are calculated from the raw scores (number of items correct) on the EOG assessments to show students' growth from year-to-year. The range for scale scores on the math assessment is 311-370 for both years; on the reading assessment the range for scale scores is 216-272 for 2006-2007 and 302-367 for 2007-2008. Achievement level scores group students' performance based on predetermined standards. Achievement Level 1 means that a student has an insufficient mastery of knowledge and skills; Level 2 means that a student has an inconsistent mastery of knowledge and skills; Level 3 means that a student has demonstrated mastery of knowledge and skills; and Level 4 means that a student

has a superior mastery of knowledge and skills. Achievement levels were examined as a 4-level variable indicating actual achievement level (scored 1, 2, 3, or 4). In cases where children had more than one score for the same assessment in the same year (due to re-testing), we included the highest score in the analysis in accord with the typical use of these scores by school districts. In cases where children had scores in both years, we only used the data from the first year to ensure independence among the observations in the analysis.

*Special Status.* In addition, information on special status classifications of children as academically gifted or learning disabled was obtained from the public education database. Children could be identified as academically gifted in math or reading; children also could be identified as having a learning disability in the areas of math, reading, writing, or other.

*Poverty status.* The poverty status of all children at third grade was determined based on identification in the public education database as qualified or not qualified for free or reduced-price lunch. Children qualified for free or reduced-price lunch if their family income was at or below 185% of poverty based on federal income guidelines.

*Gender and race/ethnicity.* Children's gender and race/ethnicity were obtained from the public education database. The database listed each child's race/ethnicity according to one of the following categories: American Indian, Asian, Black, Hispanic, Multi-Racial, or White. These classifications were collapsed into four categories for these analyses, given the small sample sizes for some cells: Black/African-American, Hispanic/Latino, White, and Other.

*Per pupil expenditures.* District-level information on per pupil expenditures from state and local sources was included as a measure of the quality/resources available to students. There were small negative correlations between state and local expenditures across the different years ( $r = -.15$  to  $-.20$ ); they were both included because they captured different aspects of the overall provision of resources. Expenditures from federal sources were not included because they were highly correlated with state expenditures ( $r = .57$  to  $.61$ ).

## Results

### Analysis Strategy

Analyses of third-grade EOG math and reading scores were conducted to examine the long-term effects of participation in the More at Four Program. Data were examined for two cohorts of children, NC third-graders in 2006-2007 and 2007-2008. Analyses compared the performance of children who attended the More at Four Program during pre-k (MAF group) to all other children in NC (comparison group). The analyses also took into account poverty status at third grade, examining two groups of children, those eligible for free or reduced-price lunch (poor group) and those not eligible (non-poor group).

Separate analyses were conducted for math and reading scale scores and achievement levels. For the math assessment data, both cohorts were analyzed together. Because the test items and scoring criteria for the reading assessment changed from the first to the second cohort, separate analyses were conducted for each cohort. The analyses focused on comparisons among four groups of children: 1) poor children who attended More at Four (MAF poor), 2) poor children who did not attend More at Four (Comparison poor), 3) non-poor children who attended More at Four (MAF non-poor), and 4) non-poor children who did not attend More at Four (Comparison non-poor). In addition, the analyses adjusted for children's demographic characteristics of gender and race/ethnicity, as well as for state and local per pupil expenditures, which represented variations in the quality and resources provided by the school districts attended by different groups of children.

For the EOG math and reading scale scores and achievement levels, three-level hierarchical linear regression models were used to examine whether children's performance was different based on participation in More at Four and poverty status, accounting for students nested within schools and schools nested within LEAs. Each model contained the following predictors: pre-k group (1=MAF, 0=comparison), poverty status at third-grade (1=poor, 0=not poor), pre-k group x poverty status interaction, race/ethnicity (coded with White as the reference cell), gender (1=male, 0=female), and LEA state and local per pupil expenditures. In the case of significant pre-k group x poverty interactions, follow-up tests of differences in the adjusted means for scale scores and achievement levels based on the regression models were conducted to examine the extent to which performance differed among the four groups of children. Effect sizes for between-group comparisons were calculated for scale scores and achievement levels using Cohen's  $d$ , (calculated as the mean difference between groups divided by the square root of the model pooled variance).

In addition, descriptive data are presented regarding the percentage of children identified as academically gifted in math or reading and the percentage identified as having learning disabilities (across all categories as well as within specific categories of math, reading, writing, and other), by pre-k group (More at Four vs comparison) and poverty status (poor vs non-poor). Because of the small numbers in some of these cells, no further statistical analyses were conducted for these data.



## Descriptive Results

Information on children's performance on the NC third-grade EOG math and reading assessments is provided for the 2006-2007 and 2007-2008 cohorts by pre-k group (MAF vs. comparison) and poverty status (poor vs. non-poor). The means, standard deviations, and ranges for the scale scores and achievement levels are shown in Table 3, and the percentages at each achievement level are shown in Table 4.

## Scale Scores

Results from the hierarchical linear regression analyses for math and reading EOG scale scores are shown in Table 5, Table 6 shows the adjusted means (adjusted for variations in children's demographic characteristics and state and local per pupil expenditures) and group comparisons based on this model, and Table 7 shows the effect size calculations. For both math and reading scores, a consistent pattern was found where non-poor children performed better than poor children, both for those who attended More at Four and those who did not. However, these differences related to poverty were much stronger within the comparison group ( $d=.46-.55$ ) than within the MAF group ( $d=.16-.31$ ), based on comparisons of the effect sizes. Further, the regression analyses showed significant interactions between pre-k group and poverty, indicating that participation in More at Four was associated with higher math and reading scores for poor children, but not for non-poor children. Among poor children, those who attended More at Four performed better than their peers who did not attend More at Four, with effect sizes ranging from  $d=.14-.18$ . Among non-poor children, comparison group children performed better than participants in More at Four ( $d=.09-.17$ ).

## Achievement Levels

Results from the hierarchical linear regression analyses for math and reading EOG achievement levels are shown in Table 8, Table 9 shows the adjusted means (adjusted for variations in children's demographic characteristics and state and local per pupil expenditures) and group comparisons based on this model, and Table 10 shows the effect size calculations. The results are similar to those for the scale scores in both domains. For both math and reading achievement levels, a consistent pattern was found where non-poor children performed better than poor children, although these differences related to poverty status were greater for the comparison group ( $d=.42-.53$ ) than for children who attended More at Four ( $d=.18-.33$ ). Further, the regression analyses showed significant interactions between pre-k group and poverty status. Among poor children, those who attended More at Four had higher math and reading achievement levels than their peers who did not attend More at Four ( $d=.12-.19$ ). Among non-poor children, there were no differences between the MAF group and the comparison group in reading achievement levels in the first cohort. For math achievement levels and reading achievement levels in the second cohort for non-poor children, those in the comparison group performed slightly better than participants in More at Four ( $d=.06-.08$ ).

### Special Status Indications

As seen in Table 11, among poor children, the percentage of children identified as academically/intellectually gifted in math and reading was similar for those who attended the More at Four program during pre-k compared to those who did not (the percentage for the MAF group was slightly lower in the first cohort and slightly higher in the second). Among non-poor children, a somewhat lower percentage of children who attended More at Four were identified as academically gifted compared to all other non-poor peers. As seen in Table 11, the percentage of children identified as having a learning disability was substantially lower overall for children who attended More at Four compared to their peers, both for the poor group in the two cohorts and the non-poor group in the second cohort. In the first cohort, the percentage was similar or slightly higher for non-poor More at Four participants compared to other non-poor children.

### Summary and Conclusions

These findings suggest that for poor children (those who qualified for free or reduced-price lunch), participating in the More at Four Program during pre-k had longer-term benefits in terms of math and reading skills at the end of third grade. Based on the third-grade EOG assessments, poor children who attended More at Four had higher math and reading scale scores and achievement levels than similarly poor children who did not attend More at Four. These findings were consistent across all outcomes, indicating a broad positive effect of participation in the More at Four Program on children's later academic skills. Descriptive results also showed somewhat lower proportions of children who attended More at Four being identified with a learning disability than other children, especially among poor children. Altogether, these findings are of note, because they pertain to the majority of children served by the More at Four Program. Children from poor families are one of the primary target groups of this pre-k program, and family income is one of the key eligibility criteria. At the time these cohorts of children entered More at Four, 90% qualified for free or reduced-price lunch, a percentage that has remained consistent in the program over time as well.

Not surprisingly, non-poor children performed better than poor children, both for those who attended More at Four and those who did not. This achievement gap in academic skills related to poverty is something that is widespread in our country. The strongest effects in this sample were found for differences related to poverty status. However, these effects were greater for the comparison group and substantially reduced for the MAF group. Such results may indicate that participation in More at Four has an ameliorating effect on the negative effects of poverty related to children's academic achievement. In accord with this idea, the differences between the More at Four and comparison groups were greater for poor children than non-poor children, with consistent positive effect of More at Four on the performance of poor children.

For non-poor children, those in the comparison group generally performed better than those who attended More at Four. However, children in the non-poor comparison group likely

consist of a more advantaged group overall; they represent a wider range of family socioeconomic status and include children who would not have qualified for the More at Four Program during pre-k on the basis of income. In contrast, many of the MAF children who were not poor at third grade were most likely poor at pre-k, given that 90% of the children served by More at Four were poor at that time. In addition, many of these children would have had other risk factors to qualify for the pre-k program.

Compared to the non-poor group, the poor group represents a narrower range of family socioeconomic status (i.e., those eligible for free or reduced-price lunch vs. all higher income levels). It is likely that poor children in the MAF and comparison groups are more similar to one another in this regard than non-poor MAF and comparison group children. This difference, in conjunction with the high proportion of poor children served by the More at Four Program during pre-k, suggests that the results for poor children offer the best representation of the long-term effects of the program. Although poor children who attended More at Four still were not caught up to their non-poor peers in math and reading skills at the end of third grade, they were scoring higher than poor children who did not attend the program. Furthermore, it is important to note that nothing is known about the preschool experiences of children who did not attend More at Four. It is quite likely that many of them also attended pre-k, so these results represent the effects of the More at Four Program above and beyond those of a variety of other types of preschool experiences. In sum, these findings provide evidence that the More at Four Program is helping to lessen the achievement gap for poor children in both math and reading performance, and that such early pre-k experiences can have a lasting effect into the elementary school years.

**Table 1. Third-grade Sample Characteristics for More at Four and Comparison Groups**

Factor	2006-2007 N=102,852		2007-2008 N=102,765	
	MAF (n=985)	Comp (n=101,867)	MAF (n=4,569)	Comp (n=98,196)
Gender (%)				
Female	49.9%	49.3%	52.1%	49.5%
Male	50.2%	50.7%	47.9%	50.5%
Race/Ethnicity (%)				
Black/African-American	44.8%	26.2%	41.8%	24.9%
White/European-American	32.2%	55.7%	32.7%	56.0%
Hispanic/Latino	13.8%	10.5%	15.7%	11.1%
Other/Multiracial	9.2%	7.6%	9.8%	8.0%
Poverty Status (%)				
Poor	75.0%	48.7%	72.8%	47.5%
Not Poor	25.0%	51.3%	27.2%	52.5%

**Table 2. Pre-k Characteristics of More at Four Participants in Third-grade Study Sample and Not in Sample**

Factor	2002-2003 N=1,593			2003-2004 N=6,816		
	Study Sample (n=1,149)	Not in sample (n=444)	Sig <sup>a</sup>	Study Sample <sup>b</sup> (n=4,405)	Not in sample (n=2,411)	Sig <sup>a</sup>
Gender <sup>c</sup> (%)						
Female	48.0%	46.6%	NS	51.9%	43.0%	***
Male	52.0%	53.4%		48.1%	57.0%	
Race/Ethnicity <sup>d</sup> (%)						
Black/African-American	45.4%	46.2%	*	42.7%	39.5%	***
White/European-American	31.8%	25.6%		32.3%	29.7%	
Hispanic/Latino	14.9%	19.2%		16.2%	22.2%	
Other/Multiracial	8.0%	9.1%		8.8%	8.7%	
Poverty Status in Pre-k <sup>e</sup> (%)						
Poor	86.3%	89.2%	NS	87.1%	90.5%	***
Not Poor	13.7%	10.8%		12.9%	9.5%	

<sup>a</sup> Significant comparisons represent differences between the two groups based on chi-square tests. Significance levels are \* $p < .05$ , \*\* $p < .01$ , \*\*\* $p < .001$ .

<sup>b</sup> Of these children, 175 attended MAF in 2002-2003 and their EOG scores were found in the 2007-2008 data, a year later than expected; 11 attended MAF in 2003-2004 and their EOG scores were found in the 2006-2007 data, a year earlier than expected.

<sup>c</sup> Gender was not reported for 13 children in 2003-2004.

<sup>d</sup> Race/Ethnicity was not reported for 11 children in 2002-2003.

<sup>e</sup> Poverty status was not reported for 1 child in 2003-2004.

Table 3. Mean Scores for Third-grade EOG Assessments

Cohort	Poverty Status	Pre-k Group	Scale Scores		Achievement Levels	
			Math	Reading	Math	Reading
			Mean (SD) Range	Mean (SD) Range	Mean (SD) Range	Mean (SD) Range
2006-2007	Poor	MAF n= 734-738	341.0 (8.8) 315-364	245.7 (7.8) 219-268	2.6 (0.8) 1-4	3.1 (0.8) 1-4
		Comp n= 49,173-49,519	340.3 (9.0) 311-370	244.8 (8.4) 217-271	2.6 (0.8) 1-4	3.0 (0.8) 1-4
	Non-poor	MAF n=246	344.3 (8.9) 319-366	248.2 (8.3) 224-271	2.9 (0.7) 1-4	3.3 (0.7) 1-4
		Comp n= 52,104-52,279	347.7 (9.1) 314-370	251.4 (8.1) 217-271	3.2 (0.7) 1-4	3.5 (0.7) 1-4
2007-2008	Poor	MAF n= 3,314-3,325	342.9 (7.9) 318-368	335.0 (10.6) 306-367	2.8 (0.7) 1-4	2.2 (1.0) 1-4
		Comp n= 46,268-46,582	342.2 (8.2) 315-369	334.0 (11.0) 303-367	2.7 (0.7) 1-4	2.1 (1.0) 1-4
	Non-poor	MAF n= 1,241-1,242	346.4 (8.0) 322-369	340.1 (10.5) 310-367	3.1 (0.7) 1-4	2.6 (1.0) 1-4
		Comp n= 51,412-51,538	349.0 (8.5) 316-369	343.6 (10.9) 305-367	3.3 (0.7) 1-4	2.9 (1.0) 1-4

Table 4. Achievement Levels for Third-grade EOG Assessments

Cohort	Poverty Status	Math					Reading				
		Pre-k Group	Ach Level 1	Ach Level 2	Ach Level 3	Ach Level 4	Pre-k Group	Ach Level 1	Ach Level 2	Ach Level 3	Ach Level 4
2006-2007	Poor	MAF n= 738	9.4% (69)	28.3% (209)	51.2% (378)	11.1% (82)	MAF n= 734	2.7% (20)	18.4% (135)	46.7% (343)	32.2% (236)
		Comp n= 49,519	10.7% (5,297)	30.4% (15,062)	48.8% (24,149)	10.1% (5,011)	Comp n= 49,173	5.3% (2,606)	19.9% (9,777)	45.6% (22,429)	29.2% (14,361)
	Non-poor	MAF n= 246	4.1% (10)	20.3% (50)	56.1% (138)	19.5% (48)	MAF n= 246	1.6% (4)	12.2% (30)	39.4% (97)	46.8% (115)
		Comp n= 52,279	2.9% (1,495)	12.7% (6,618)	49.7% (25,998)	34.8% (18,168)	Comp n= 52,104	1.2% (633)	6.7% (3,500)	29.9% (15,591)	62.1% (32,380)
2007-2008	Poor	MAF n= 3,325	3.5% (115)	26.2% (871)	56.0% (1,863)	14.3% (476)	MAF n= 3,314	33.3% (1,102)	25.3% (837)	32.9% (1,091)	8.6% (284)
		Comp n= 46,582	4.7% (2,197)	28.9% (13,478)	53.2% (24,766)	13.2% (6,141)	Comp n= 46,268	37.6% (17,414)	23.2% (10,716)	31.0% (14,326)	8.2% (3,812)
	Non-poor	MAF n=1,242	0.9% (11)	15.9% (198)	57.1% (709)	26.1% (324)	MAF n=1,241	17.7% (220)	19.9% (247)	43.0% (533)	19.4% (241)
		Comp n= 51,538	1.0% (537)	10.2% (5,275)	49.0% (25,272)	39.7% (20,454)	Comp n= 51,412	12.3% (6,306)	14.4% (7,393)	41.7% (21,434)	31.7% (16,279)

Table 5. Regression Results for Third-grade EOG Scale Scores

Effect	Math	Reading	
	2006-2007 & 2007-2008 Combined	2006-2007	2007-2008
	Estimate <sup>a</sup> (SE)	Estimate <sup>a</sup> (SE)	Estimate <sup>a</sup> (SE)
Intercept	325.44*** (.66)	250.97*** (0.91)	343.49*** (1.14)
MAF	-0.81*** (0.21)	-1.37** (0.51)	-1.10*** (0.30)
Poor	-4.17*** (0.04)	-4.11*** (0.06)	-5.88*** (0.08)
MAF X Poor	2.06*** (0.25)	2.81*** (0.58)	2.56*** (0.35)
Race/Ethnicity			
Black/African-American	-5.20*** (0.05)	-4.42*** (0.07)	-5.98*** (0.10)
Hispanic/Latino	-2.89*** (0.07)	-3.75*** (0.09)	-5.36*** (0.12)
Other/Multiracial	-0.92*** (0.07)	-1.47*** (0.10)	-1.77*** (0.13)
White/European-American	—	—	—
Male	0.45*** (0.04)	-1.52*** (0.05)	-1.58*** (0.06)
Per Pupil Expenditure			
State	-0.31*** (0.01)	0.001 (0.01)	-0.02 (0.02)
Local	0.19*** (0.02)	0.07*** (0.02)	0.10*** (0.02)

<sup>a</sup> Significance levels are \* $p < .05$ , \*\* $p < .01$ , \*\*\* $p < .001$ .



Table 6. Adjusted Means for Third-grade EOG Scale Scores

EOG	Cohort	Poverty Status	Pre-k Group	Scale Score (SE)	Significance <sup>a</sup>
Math	2006-2007 & 2007-2008 Combined	Poor	MAF n= 4,063	341.8 (0.4)	Comp-NP> MAF-NP> MAF-Poor> Comp-Poor <sup>b</sup>
			Comparison n= 96,101	340.5 (0.4)	
		Non-poor	MAF n= 1,488	343.9 (0.4)	
			Comparison n= 103,817	344.7 (0.4)	
Reading	2006-2007	Poor	MAF n= 734	247.3 (0.3)	Comp-NP> MAF-NP> MAF-Poor> Comp-Poor <sup>c</sup>
			Comparison n= 49,173	245.8 (0.1)	
		Non-poor	MAF n= 246	248.6 (0.5)	
			Comparison n= 52,104	249.9 (0.1)	
	2007-2008	Poor	MAF n= 3,314	337.0 (0.2)	Comp-NP> MAF-NP> MAF-Poor> Comp-Poor <sup>d</sup>
			Comparison n= 46,268	335.6 (0.2)	
		Non-poor	MAF n= 1,241	340.3 (0.3)	
			Comparison n= 51,412	341.4 (0.2)	

<sup>a</sup> Significant differences indicate results of pairwise post-hoc comparisons of the least-squares means for each group based on hierarchical linear model estimations.

<sup>b</sup> For all significant differences,  $p < .001$ .

<sup>c</sup> MAF-Poor vs. MAF-NP,  $p < .05$ ; Comp-NP vs. MAF-NP,  $p < .01$ ; for all remaining significant differences,  $p < .001$ .

<sup>d</sup> For all significant differences,  $p < .001$ .

**Table 7. Mean Differences and Effect Sizes for Between-Group Comparisons of Third-grade EOG Scale Scores**

Contrast	Scale Scores					
	Math		Reading			
	2006-2007 & 2007-2008		2006-2007		2007-2008	
	Mean Diff	Effect Size	Mean Diff	Effect Size	Mean Diff	Effect Size
Comparison Non-poor vs Comparison Poor	4.2	0.46	4.1	0.51	5.9	0.55
MAF Non-poor vs MAF Poor	2.1	0.23	1.3	0.16	3.3	0.31
MAF Poor vs Comparison Poor	1.2	0.14	1.4	0.18	1.5	0.14
MAF Non-poor vs Comparison Non-poor	-0.8	0.09	-1.4	0.17	-1.1	0.10

Table 8. Regression Results for Third-grade EOG Achievement Levels

Effect	Math	Reading	
	2006-2007 & 2007-2008 Combined	2006-2007	2007-2008
	Estimate* (SE)	Estimate* (SE)	Estimate* (SE)
Intercept	1.30*** (0.06)	3.54*** (0.08)	2.91*** (0.10)
MAF	-0.05** (0.02)	-0.07 (0.05)	-0.08** (0.03)
Poor	-0.33*** (0.004)	-0.34*** (0.01)	-0.51*** (0.01)
MAF X Poor	0.16*** (0.02)	0.21*** (0.05)	0.19*** (0.03)
Race/Ethnicity			
Black/African-American	-0.41*** (0.01)	-0.36*** (0.01)	-0.53*** (0.01)
Hispanic/Latino	-0.22*** (0.01)	-0.31*** (0.01)	-0.47*** (0.01)
Other/Multiracial	-0.08*** (0.01)	-0.11*** (0.01)	-0.16*** (0.01)
White/European-American	—	—	—
Male	0.03*** (0.003)	-0.13*** (0.005)	-0.13*** (0.01)
Per Pupil Expenditure			
State	0.03*** (0.001)	-0.0001 (0.001)	-0.001 (0.001)
Local	0.02*** (0.002)	0.004** (0.001)	0.01*** (0.002)

\* Significance levels are \* $p < .05$ , \*\* $p < .01$ , \*\*\* $p < .001$ .

**Table 9. Adjusted Means for Third-grade EOG Achievement Levels**

EOG	Cohort	Poverty Status	Pre-k Group	Achievement Level (SE)	Significance <sup>a</sup>
Math	2006-2007 & 2007-2008 Combined	Poor	MAF n= 4,063	2.7 (0.03)	Comp-NP> MAF-NP> MAF-Poor> Comp-Poor <sup>b</sup>
			Comparison n= 96,101	2.6 (0.03)	
		Non-poor	MAF n= 1,488	2.9 (0.04)	
			Comparison n= 103,817	2.9 (0.03)	
Reading	2006-2007	Poor	MAF n= 734	3.2 (0.03)	Comp-NP, MAF-NP> MAF-Poor> Comp-Poor <sup>c</sup>
			Comparison n= 49,173	3.1 (0.01)	
		Non-poor	MAF n= 246	3.3 (0.05)	
			Comparison n= 52,104	3.4 (0.01)	
	2007-2008	Poor	MAF n= 3,314	2.3 (0.02)	Comp-NP> MAF-NP> MAF-Poor> Comp-Poor <sup>d</sup>
			Comparison n= 46,268	2.2 (0.01)	
		Non-poor	MAF n= 1,241	2.7 (0.03)	
			Comparison n= 51,412	2.7 (0.01)	

<sup>a</sup> Significant differences indicate results of pairwise post-hoc comparisons of the least-squares means for each group based on hierarchical linear model estimations.

<sup>b</sup> Comp-NP vs MAF-NP,  $p < .01$ , for all remaining significant differences,  $p < .001$ .

<sup>c</sup> MAF-P vs. MAF-NP,  $p < .05$ ; for all remaining significant differences,  $p < .001$ .

<sup>d</sup> Comp-NP vs MAF-NP  $p < .01$ ; for all remaining significant differences  $p < .001$ .

**Table 10. Mean Differences and Effect Sizes for Between-Group Comparisons of Third-grade EOG Achievement Levels**

Contrast	Achievement Levels					
	Math		Reading			
	2006-2007 & 2007-2008		2006-2007		2007-2008	
	Mean Diff	Effect Size	Mean Diff	Effect Size	Mean Diff	Effect Size
Comparison Non-poor vs Comparison Poor	0.3	0.42	0.34	0.46	0.51	0.53
MAF Non-poor vs MAF Poor	0.2	0.22	0.13	0.18	0.32	0.33
MAF Poor vs Comparison Poor	0.1	0.14	0.14	0.19	0.11	0.12
MAF Non-poor vs Comparison Non-poor	-0.1	0.06	-0.07	0.08	-0.08	0.08

**Table 11. Percentage of Third-grade Children Identified with Special Status**

Special Status	2006-2007				2007-2008			
	Poor		Non-poor		Poor		Non-poor	
	MAF n=739	Comp n=49,569	MAF n=246	Comp n=52,298	MAF n=3,327	Comp n=46,633	MAF n=1,242	Comp n=51,563
Academically/ Intellectually Gifted								
Math	2.2% (16)	2.3% (1,134)	6.1% (15)	9.4% (4,914)	2.6% (85)	2.2% (1,023)	6.0% (75)	9.0% (4,656)
Reading	2.3% (17)	2.4% (1,207)	5.7% (14)	9.9% (5,176)	2.4% (80)	2.1% (987)	5.7% (71)	9.2% (4,751)
Learning Disability								
Any	2.8% (21)	5.9% (2,944)	4.9% (12)	3.5% (1,815)	3.4% (114)	6.0% (2,810)	2.6% (32)	3.4% (1,769)
Math	0.5% (4)	2.2% (1,098)	0.8% (2)	1.1% (578)	1.6% (53)	2.7% (1,278)	1.1% (13)	1.4% (710)
Reading	2.6% (19)	5.1% (2,506)	4.5% (11)	2.9% (1,503)	2.9% (95)	5.1% (2,367)	2.1% (26)	2.8% (1,447)
Writing	1.0% (7)	3.1% (1,515)	2.4% (6)	1.8% (961)	1.6% (52)	3.2% (1,496)	1.1% (13)	1.9% (985)
Other	0.1% (1)	0.3% (126)	0.4% (1)	0.1% (61)	0.1% (4)	0.3% (130)	0.2% (2)	0.1% (70)

From Birth to School: Early Childhood  
Programs and Educational Outcomes  
in North Carolina  
June, 2011

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## Purpose

Goal: To measure the effects on student outcomes of access to a two types of early childhood programs

Setting is North Carolina

Large southeastern state with population of 9.3 million people in 100 counties.

Several relatively wealthy urban areas and many poor rural areas.

Population is 74 % white, 22% black and 8 % Hispanic .

Two programs – state programs with funding to counties

Smart Start – for 0-5 year olds

More at Four – pre-school for 4 year olds.



Basic analytical strategy- Treat introduction of the two programs as natural experiments

Nature of the natural experiments

Programs introduced in different counties at different times.

Basic data:

- Rich administrative data at the level of the individual child.
- Children longitudinally tracked from birth to third grade (about age 8)
- Multiple cohorts of students, with some exposed to the early childhood programs and others not, depending on year and county.

# Overview- Time Line

Birth => Programs (0-5) => Schooling (K-3) => Outcomes

individual birth records (char. of baby and parents)	county level program data	school-level characteristics (plus some individual child characteristics)	individual (e.g. 3 <sup>rd</sup> grade test scores)
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Many cohorts of students, starting with births in 1988 and outcomes as recent as 2008/09.

# Comparison to other approaches

Random assignment -- some well known high quality small programs E.g. Perry Preschool, Abecedarian project.

Both show large positive effects on initial test scores and other longer term effects over time. Often cited by James Heckman and others.

## Constructed comparison groups.

Recent study of More at Four in NC. - positive effects

## Regression discontinuity designs.

E.g. Preschool in Oklahoma - positive effects on Kindergarten tests

## Quasi experimental studies

e.g. Studies of the U.S. federal Head Start Program. Identification of effects based on comparisons with siblings by the use of family fixed effects (Currie and Thomas, AER).

Positive effects in early grades but fadeout.

## Advantages of our approach

- Minimization of the selection problem that arises in non-experimental studies that focus on program participants
- Greater external validity than the small studies
- Ability to estimate interaction effects, subgroup models, and multiple outcomes over time.
- Focus on community wide effects, incorporating collaboration across programs, and spillovers to non-participants (e.g. in high quality day care centers, and in school classrooms)