



Legislative Link

A Publication for the Members of the N.C. Association of School Administrators

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Amendment Could Cut Stimulus Funds For Schools

A U.S. Senate vote on an amendment that would potentially decimate previously agreed-to increases for Title I, IDEA and 'stabilization' money to replace state cuts could take place as early as today, and North Carolina school administrators are encouraged to contact our two Senators to urge them to keep the federal stimulus plan intact.

The North Carolina Association of School Administrators (NCASA) received an update on this looming U.S. Senate action this morning from our national organization, the American Association of School Administrators (AASA).

AASA's Chief Lobbyist Bruce Hunter said the "Collins/Nelson Amendment" held \$73 billion in cuts to the federal stimulus package late last night and appeared headed for approval today unless school administrators from across the nation are able to persuade Senators to vote against it.

"Democrats need three Republican votes if Ted Kennedy can't vote and two if he can, so the moderates (who are pushing for this amendment) hold the advantage," Hunter said in an email to NCASA. "The amount and the contents of the Collins/Nelson proposal are still moving. If the Collins/Nelson Amendment fails today, the Senate is back to square one.... President Obama has to stop the ... momentum (of this amendment) and regain control or get a bill he doesn't like."

NCASA members can help keep the federal stimulus package intact to provide much needed public school funding by contacting North Carolina Senators Richard Burr and Kay Hagan and giving the following message to their education staffers: "As a school leader in ____ (your city), I want the senator to vote 'No' on the Nelson-Collins Stimulus Compromise, because it would destroy the funds I desperately need to keep my district operating."

Contact information for North Carolina's two Senators is as follows:

- **Senator Richard Burr** (R) – Phone, (202) 224-3154; Fax, (202) 228-2981; website, <http://burr.senate.gov/public/>; and Education Staffer Celia Sims may be reached at Celia_Sims@burr.senate.gov.
- **Senator Kay R. Hagan** (D) – Phone, (202) 224-6342; Fax, (202) 228-2563; website, <http://hagan.senate.gov>; and Chief of Staff Crystal King, who handles education issues, may be reached at Senator_hagan@hagan.senate.gov.

AASA reported on Thursday that conservative Nebraska Democrat Sen. Ben Nelson, and moderate Maine Republican Sen. Susan Collins were working on a likely stimulus amendment to cut out half of the increases originally approved for IDEA (from \$13.5 billion to \$6.7 billion) and Title I (from \$13 billion to \$6.5 billion). Their amendment, still under discussion, would also cut Head Start from \$2.1 to \$1.05 billion; cut \$15 billion previously set for 'State Incentive Grants,' about which Education Secretary Arne Duncan has spoken favorably; and cut \$24.7 billion out of the 'State Stabilization Fund' which was designed to backfill state education reductions that have occurred in the current fiscal year.

“If this 'compromise' passes the Senate, we are almost assured the generous increases passed by the House and by the Senate Appropriations Committee last week will be reduced, perhaps as drastically as what now appears in Nelson-Collins,” according to AASA reports.

To view the proposed cuts that are being considered for the Nelson-Collins Amendment, go to <http://www.talkingpointsmemo.com/docs/Collins-Nelson-Cuts/?resultpage=6&>.

A document summarizing the education components of the federal stimulus measure that passed the U.S. House last week is at <http://www.ncasa.net/displaycommon.cfm?an=1&subarticlenbr=229>.

\$1.5 Billion Needed For Ailing State Health Plan

The State Health Plan needs \$300 million by March 31 to continue operations for the current fiscal year and an additional \$1.2 billion over the next two years.

General Assembly Fiscal Analyst Mark Trogon presented this information to state lawmakers on Wednesday as part of a series of briefings on issues affecting the state budget. Trogon's report, which is available at http://www.ncasa.net/associations/2410/files/State_Health_Plan_Overview_Feb09.pdf, highlights the current financial crisis facing the State Health Plan that covers 667,000 state employees, school personnel, retirees and their families across North Carolina. That number includes 188,241 employees and 91,063 family members who receive State Health Plan coverage through local school districts.

Lawmakers were told they will need to make an emergency appropriation of \$300 million to keep the Plan running this fiscal year and will need to provide \$1.2 billion to keep the Plan alive through 2011.

"A menu of benefit reductions, premium rate increases and other operational changes will have to be seriously considered," Trogon told legislators.

The \$1.2 billion state price tag for the next biennium does not include an estimated \$228 million that would have to be paid by employees whose spouses or dependents receive coverage, according to Trogon's report. That amount would equate to a **30.8 percent premium increase** through mid-2011 for employees receiving those coverage options. Employees currently pay no monthly premium for their own coverage, but school districts could be faced with the same 30.8 percent increase in premiums for the employer contributions they make on behalf of their employees.

The premium increases and cash injections required by the state could be reduced if some benefits are scaled back, Trogon indicated, but benefit reductions such as higher co-payments and higher deductibles would be difficult for employees in the current economic climate, particularly if the state is unable to provide a pay increase.

Legislative leaders have said they are working on the immediate problem and are likely to tap into the state's \$787 million rainy day reserve fund to improve the State Health Plan's cash balance. A

meeting of the Employee Hospital & Medical Benefits Committee, which is the legislative panel that has oversight of the State Health Plan, is scheduled to meet at 4 p.m. Feb. 9, and the \$300 million in emergency funding is likely to be considered at that time.

The North Carolina Association of School Administrators (NCASA) will continue to provide updates on funding for and changes to the State Health Plan as legislative developments occur.

Lawmakers Briefed On Looming State Budget Deficit

A legislative budget analyst put the state's budget gap in the next fiscal year at roughly \$2.1 billion, even without any additional spending on state employee and school personnel pay raises, Medicaid increases or meeting enrollment increases for public schools, community colleges and universities.

Fiscal analyst Evan Rodenwald presented the projections to legislators during the first in a series of staff reviews of the status of the state budget. The \$2.1 billion gap comes on top of a shortfall in the current fiscal year expected to exceed \$2 billion, although Governor Bev Perdue has outlined her plan to cover that with \$897 million in various cuts, \$934 million in federal stimulus money and \$217 million in state reserves.

The \$2.1 billion figure in the next fiscal year was based on a preliminary revenue estimate of \$18.8 billion, well below the \$21.4 billion originally projected in the current fiscal year. Total revenue of \$18.8 billion in the 2009-10 fiscal year would also represent a two-year decline in revenue of \$1 billion.

The rough revenue estimate provided by Rodenwald did not take into account North Carolina's share from a federal stimulus package, which is still on the drawing board in Washington. The state could receive as much as \$3 billion over three years in funding that has a direct impact on the budget. But Rodenwald also called the federal stimulus amount a "moving target."

Legislators must also decide whether, and how, to fund traditional increases – \$200 million for public school, community college and university enrollment growth; \$100 million for teacher ABC bonuses; and employee pay raises that total \$125 million for each 1 percent increase. These costs are in addition to the infusion of state funds needed for the State Health Plan in the current fiscal year and over the next biennium.

Legislators peppered Rodenwald and legislative economist Barry Boardman with questions focusing mainly on comparisons to past downturns and shortfalls. But Rep. Thom Tillis, R-Mecklenburg, asked the legislative staffers about any uncertainty in their analysis. Rodenwald acknowledged that he was concerned about the volatility in tax collections for the remainder of the current fiscal year. That uncertainty could mean an even wider budget shortfall.

State Superintendent Asks Legislators To Clarify Her Role

State Schools Superintendent June Atkinson has asked legislators to either restore her post's powers or ask voters to amend the Constitution to make sense of school governance for K-12 public schools.

Atkinson wrote a letter to House Speaker Joe Hackney and Senate leader Marc Basnight on Tuesday calling for changes that spell out the purpose of a State Schools Superintendent and clarity in oversight.

"The people of North Carolina need the General Assembly to address the governance issue in its entirety, not just in piecemeal fashion," Atkinson wrote. "Now is the time to decide to restore the authority to the State Superintendent, issue a Constitutional referendum or to give Governor Bev Perdue total authority of education." Atkinson does not state whether the referendum should call for abolishing the position of an elected State Superintendent, an idea that has gained approval from the N.C. Senate in the past but has never been approved by the N.C. House of Representatives.

The letter follows a decision by Perdue to further consolidate authority over public schools by naming Dr. Bill Harrison both chairman of the State Board of Education and giving him the duties of running the day-to-day operations of the Department of Public Instruction. Atkinson, now in her second

term, also did not oversee department operations in her first term. That job was given to J.B. Buxton, an appointee of Gov. Mike Easley.

Atkinson's letter, which may be viewed in its entirety on the NCASA website at <http://www.ncasa.net/displaycommon.cfm?an=1&subarticlenbr=228>, reflects her frustration with the current state-level governance scenario for public schools.

"Twice I have stepped forward and offered my service and leadership, and twice I have been denied this opportunity," she wrote. But she concludes that she will work with Harrison and Perdue regardless of whether legislative leaders act.

Harrison, in an email to staff at the Department of Public Instruction this week, made a similar pledge for collaboration.

Noting that he has been "colleagues and friends" with Atkinson for 20 years, he wrote, "I have spent some time with her since this announcement and look forward to working collaboratively with her as we strive to meet the educational needs of every student in North Carolina."

The Governor's power over public schools comes from her authority to appoint 11 of the 13 members of the State Board of Education. The state Constitution gives the board the authority to "supervise and administer" public schools, and the board has provided varying levels of authority to the State Superintendent since the tenure of Bob Etheridge in that role in the 1990s.

Judge Manning Hears More Testimony From DPI In Leandro Case

At the Wake County Courthouse Tuesday morning, Superior Court Judge Howard Manning held a hearing in the Leandro school-funding case to assess the progress made by North Carolina in upholding his previous rulings that every student should receive an opportunity for a sound, basic education. The hearing focused on student performance and professional development. 2008 testing results were given to Judge Manning and submitted as evidence showing inconsistent proficiency composites from across the state in math and reading End of Grade and End of Course exams.

To emphasize the importance of sound front-office leadership with regard to student performance, Judge Manning cited data from a Hoke County middle school that showed a 19 percent drop in scores that had previously been on an upward trend. Judge Manning noted that this significant drop in test scores coincided with the loss of one of the school's key administrators.

Dr. Rebecca Garland, Chief Academic Officer for the Department of Public Instruction, testified that the State Board of Education is rewriting the course of study for students, revising the standards for personnel and improving the alignment of services that DPI provides to school districts. Garland answered questions concerning plans for professional development to familiarize teachers and principals with the new standards and the evaluation procedures ties to each. The new teacher evaluation process is currently being implemented by 13 school districts, and training for the new standards is to be completed for the 2010-2011 school year. Garland emphasized the importance of professional development for principals because of their influence on teacher effectiveness and said that improvement will mean a "change in the culture of schools."

Dr. Angela Quick, Associate State Superintendent and Deputy Chief Academic Officer for Academic Services and Instructional Support, followed with testimony regarding the department's recommendations for student testing. In addition to redesigning the summative (EOG) tests, additional testing in the form of benchmark assessments throughout the school year should be performed. The formative or benchmark assessments are designed to be administered by teachers who can then identify problem areas immediately with the diagnostic feedback instead of waiting until the end of the year to evaluate proficiency. The benchmark assessments increase preparedness for the summative exams by sharing a similar question format and structure.

At the end of the hearing, Dr. Bryan Setser, Executive Director of the North Carolina Virtual Public School, testified that the state is identified as a Top 10 Virtual Performing School. Approximately 8,000

students are enrolled for the 2009 spring semester, up nearly 2,000 from a year ago. With online course delivery, high school students can access courses unavailable at their local schools due to lack of demand or lack of resources. Due to the initial success of North Carolina's VPS, Setser said that outsourcing content to other states is a real possibility for future funding.

Legislators Informed About Problems With Collective Bargaining

Dr. James Coon, Superintendent of Pamlico County Schools and a member of the North Carolina Association of School Administrators, this week shared with a group of legislators his experiences with collective bargaining by school personnel and raised questions that should be answered before legislators in North Carolina consider lifting the ban on that practice in this state.

As a new resident to North Carolina, Dr. Coon brings with him 28 years of experience with collective bargaining from New York, where he served as a principal and superintendent.

"North Carolina is not New York, and there are many issues to think about before entering into collective bargaining," said Coon.

Dr. Coon was able to provide a school administrator's perspective as part of a five-member panel of speakers who participated in a breakfast briefing for North Carolina legislators this week. The event was organized by a coalition of North Carolina businesses and non-profit organizations that oppose collective bargaining in North Carolina. The North Carolina Association of School Administrators is a member of this coalition.

Questions Dr. Coon proposed for legislators to consider regarding collective bargaining included:

- Who is the employer for public school employees in North Carolina? Is it the state, the local school board or the school district and its administrators?
- How will settlements be paid?
- How many extra positions and additional resources will be needed to handle the influx of work collective bargaining with the state's thousands of school personnel would create?
- Will North Carolina become a closed shop that ultimately detracts from the state's efforts to attract and retain qualified school personnel?

All members on the panel stressed that collective bargaining is an adversarial process, which creates division between management and the employees and disassembles the team.

North Carolina is one of four states that explicitly prohibit collective bargaining by public employees, although national unions have been pushing to increase their presence in the state for the last few years. Those groups were successful in getting collective bargaining legislation filed in 2007, but the proposal failed to move forward in the N.C. House of Representatives. The legislation is expected to be introduced for consideration again this year, even though nearly 30 states currently restrict public employee bargaining in some way.

Republican Lawmakers Unveil Proposals For Public School Reform

Legislative Republican leaders are calling for an "aggressive education agenda" during the 2009 session of the General Assembly. Specifically, they are proposing that the state:

- Require the use of national testing to provide consistency in measuring academic progress,
- Reward the state's best teachers with merit and differentiated pay rather than the current pay system based on longevity and credentials,
- Enhance career, technical and vocation programs in high schools, and
- Eliminate the cap on charter schools in North Carolina.

House Minority Leader Paul "Skip" Stam, R-Wake, and Senate Minority Leader Phil Berger, R-Rockingham, said at a news conference this week that bills calling for those changes would be filed during this legislative session.

"There are a lot of things that we can do that don't cost a lot," Stam said. Both he and Berger said the state isn't getting enough bang for its buck when it comes to education. They cited a dropout rate that exceeds 30 percent and a troubled testing program.

"More money does not necessarily mean better education," Berger said.

GOP leaders cited a new report by the American Legislative Exchange Council which ranked North Carolina schools 30th. But the report also put the state at 44th in per-pupil expenditures and indicated that the state's per-pupil investment has been declining in recent years.

Proposed Law Would Give Parents A Choice In Sex Education

Some legislators and child advocates want North Carolina to give parents an option when it comes to school-based sex education for their children. Their plan would allow parents to either choose the predominate abstinence-only curriculum now used in most schools or comprehensive instruction that includes teaching about contraception.

"Parents will decide, not politicians," said Rep. Bob England, D-Rutherford. England and other supporters of the proposal pointed to statistics showing high rates of teen pregnancy and sexually-transmitted diseases.

Rep. Susan Fisher, D-Buncombe, joined England and Reps. Alma Adams, D-Guilford, and Winkie Wilkins, D-Person, in filing House Bill 88 (Healthy Youth Act) in the House on Thursday. The legislation is expected to be referred to a committee next week.

The plan would require that every school system offer both comprehensive sex education and abstinence until marriage curriculums in Grades 7-9.

"Ignorance kills; information can be lifesaving," said Dr. Peter Morris, past-president of the N.C. Pediatric Society, which is one of the organizations pushing for the proposed law change.

In 2007, legislation failed that would have allowed comprehensive sex education without a cumbersome approval process.

Senate Appoints Committees, Swindell Becomes Budget Co-Chair

Sen. A.B. Swindell, D-Nash, will co-chair the Senate Appropriations Committee and Sen. Clark Jenkins will co-chair the Senate Finance Committee.

Swindell and Jenkins were among the key appointments announced Wednesday by Senate leader Marc Basnight as the chamber's committees were named. Swindell will be joined by the three Appropriations Committee co-chairs who finished last year's legislative session – Sens. Linda Garrou, D-Forsyth; Charlie Albertson, D-Duplin; and Charlie Dannelly, D-Mecklenburg.

Sens. David Hoyle, D-Gaston, and Dan Clodfelter, D-Mecklenburg, will again be co-chairs, along with Jenkins, of the Senate Finance Committee.

Senate Majority Leader Tony Rand, D-Cumberland, will again chair the powerful Senate Rules Committee. Three Republicans – Sens. Fletcher Hartsell, R-Cabarrus; Richard Stevens, R-Wake; and Stan Bingham, R-Davidson – have again been tapped to chair or co-chair committees. Stevens joins Sen. Vernon Malone, D-Wake, as co-chair of both the Senate Education/Higher Education Committee and the Senate Appropriations Subcommittee on Education/Higher Education.

Joining Stevens and Malone on the Appropriations Subcommittee on Education/Higher Education Committee, which will handle funding issues regarding public schools, community colleges and universities, are: Sens. Malcolm Graham, D-Mecklenburg; and Joe Sam Queen, D-Haywood, as vice chairs; and Sens. Don Davis, D-Greene; Fletcher Hartsell, R-Cabarrus; Jean Preston, R-Carteret; Jerry Tillman, R-Randolph; and Donald Vaughan, D-Guilford.

Serving with Stevens and Malone on the Education/Higher Education Committee, which will handle policy issues regarding public schools, community colleges and universities, are: Sens. Julia Boseman, D-New Hanover; Katie Dorsett, D-Guilford; and Joe Sam Queen, D-Haywood, as vice chairs; and Sens.

Austin Allran, R-Catawba; Tom Apodaca, R-Henderson; Doug Berger, D-Franklin; Harry Brown, R-Onslow; Charlie Dannelly, D-Mecklenburg; Don Davis, D-Greene; Tony Foriest, D-Alamance; Linda Garrou, D-Forsyth; Eddie Goodall, R-Union; Malcolm Graham, D-Mecklenburg; Fletcher Hartsell, R-Cabarrus; David Hoyle, D-Gaston; Ed Jones, D-Halifax; Floyd McKissick, D-Durham; Martin Nesbitt, D-Buncombe; Jean Preston, R-Carteret; William Purcell, D-Scotland; Tony Rand, D-Cumberland; Bob Rucho, R-Mecklenburg; John Snow, D-Cherokee; Josh Stein, D-Wake; A.B. Swindell, D-Nash; and Jerry Tillman, R-Randolph.

The House of Representatives is expected to name its committees and their leaders next week.

Summary Of This Week's Action On Bills Affecting Public Schools

For a complete summary of this week's legislative actions on legislation affecting public schools and their personnel, please see this week's "Weekly Bill Action Summary" at: <http://www.ncasa.net/displaycommon.cfm?an=1&subarticlenbr=227>. The same site offers a status report on all bills NCASA is tracking for our members during the 2009 legislative session, and that information is arranged in categories to make it easier to locate specific legislation of interest.

*For additional information on these or other legislative issues, contact
NCASA Assistant Executive Director Katherine W. Joyce at 919-828-1426 or kjoyce@ncasa.net.*