

**JOINT LEGISLATIVE  
EDUCATION OVERSIGHT COMMITTEE**



***REPORT TO THE  
2011 GENERAL ASSEMBLY  
OF NORTH CAROLINA***

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DRAFT



STATE OF NORTH CAROLINA

JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE



January 19, 2011

TO THE MEMBERS OF THE 2011 GENERAL ASSEMBLY OF NORTH CAROLINA:

Attached for your consideration is the report to the 2011 General Assembly of North Carolina. This report was prepared by the Joint Legislative Education Oversight Committee pursuant to G.S. 120-70.81.

Respectfully submitted,

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Senator Tony Foriest  
Cochair

---

Representative Douglas Yongue  
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Katie Stanley, Committee Assistant  
Jackie Ray, Committee Assistant



**ARTICLE 12H.**  
**Joint Legislative Education Oversight Committee.**

**§ 120-70.80. Creation and membership of Joint Legislative Education Oversight Committee.**

The Joint Legislative Education Oversight Committee is established. The Committee consists of 22 members as follows:

- (1) Eleven members of the Senate appointed by the President Pro Tempore of the Senate, at least two of whom are members of the minority party; and
- (2) Eleven members of the House of Representatives appointed by the Speaker of the House of Representatives, at least three of whom are members of the minority party.

Terms on the Committee are for two years and begin on the convening of the General Assembly in each odd-numbered year. Members may complete a term of service on the Committee even if they do not seek reelection or are not reelected to the General Assembly, but resignation or removal from service in the General Assembly constitutes resignation or removal from service on the Committee.

A member continues to serve until his successor is appointed. A vacancy shall be filled within 30 days by the officer who made the original appointment.

**§ 120-70.81. Purpose and powers of Committee.**

(a) The Joint Legislative Education Oversight Committee shall examine, on a continuing basis, the several educational institutions in North Carolina, in order to make ongoing recommendations to the General Assembly on ways to improve public education from kindergarten through higher education. In this examination, the Committee shall:

- (1) Study the budgets, programs, and policies of the Department of Public Instruction, the State Board of Education, the Department of Community Colleges, the Board of Governors of The University of North Carolina, and the constituent institutions of The University of North Carolina to determine ways in which the General Assembly may encourage the improvement of all education provided to North Carolinians and may aid in the development of more integrated methods of institutional accountability;
- (2) Examine, in particular, the Basic Education Plan and the School Improvement and Accountability Act of 1989, to determine whether changes need to be built into the plans, whether implementation schedules need to be restructured, and how to manage the ongoing development of the policies underlying these legislative plans, including a determination of whether there is a need for the legislature to develop ongoing funding patterns for these plans;
- (3) Study other states' educational initiatives in public schools, community colleges, and public universities, in order to provide an ongoing commentary to the General Assembly on these initiatives and to make recommendations for implementing similar initiatives in North Carolina; and
- (4) Study any other educational matters that the Committee considers necessary to fulfill its mandate.

(b) The Committee may make interim reports to the General Assembly on matters for which it may report to a regular session of the General Assembly. A report to the General Assembly may contain any legislation needed to implement a recommendation of the Committee.

**§ 120-70.82. Organization of Committee.**

(a) The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each designate a cochair of the Joint Legislative Education Oversight Committee. The Committee shall meet at least once a quarter and may meet at other times upon the joint call of the cochairs.

(b) A quorum of the Committee is 10 members. No action may be taken except by a majority vote at a meeting at which a quorum is present. While in the discharge of its official duties, the Committee has the powers of a joint committee under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4.

(c) Members of the Committee receive subsistence and travel expenses as provided in G.S. 120-3.1. The Committee may contract for consultants or hire employees in accordance with G.S. 120-32.02. The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Committee in its work. Upon the direction of the Legislative Services Commission, the Supervisors of Clerks of the Senate and of the House of Representatives shall assign clerical staff to the Committee. The expenses for clerical employees shall be borne by the Committee.

**§ 120-70.83. Additional powers.**

The Joint Legislative Education Oversight Committee, while in discharge of official duties, shall have access to any paper or document, and may compel the attendance of any State official or employee before the Committee or secure any evidence under G.S. 120.19. In addition, G.S. 120-19.1 through G.S. 120-19.4 shall apply to the proceedings of the Committee as if it were a joint committee of the General Assembly.

§§ 120-70.84 through 120-70.89: Reserved for future codification purposes.

## **COMMITTEE PROCEEDINGS**

The Joint Legislative Education Oversight Committee held 3 meetings between November 9, 2010 and January 19, 2011.

### **November 9, 2010**

#### **National Board Certification Program for Principals**

Joan Auchter, Chief Program Officer  
National Board for Professional Teaching Standards

Kris Nordstrom, Fiscal Analyst  
Fiscal Research Division, NC General Assembly

#### **Race to the Top**

Dr. Bill Harrison, Chairman  
State Board of Education

Dr. June Atkinson, Superintendent  
Department of Public Instruction

Adam Levinson, Director  
Policy & Strategic Planning, Department of Public Instruction

### **December 7, 2010**

#### **2011 Budget Cut Options, Impact and Outlook**

Philip Price, Chief Financial Officer, Financial and Business Services  
Department of Public Instruction/State Board of Education

Jennifer Haygood, Vice President for Business and Finance  
North Carolina Community College System

Jeff Davies, Chief of Staff  
The University of North Carolina

Hope Williams, President  
North Carolina Independent Colleges and Universities

### **January 19, 2011**

#### **Committee Discussion – Draft Report**

\* Karen Garr was not on the agenda, but did address the Committee regarding the National Board Certification Program for Principals.

## **SUMMARY OF COMMITTEE PROCEEDINGS**

This section of the report provides a brief summary of the Committee meetings. It is not intended to be a complete, official record of those meetings. However, there is an official record of the Committee's meetings, including minutes and handouts distributed to the Committee members, in the Legislative Library.

### **November 9, 2010**

Karen Garr, Regional Outreach Director, National Board for Professional Teaching Standards, presented information on the National Board Certification Program for Principals. She noted that the National Board for Professional Teaching Standards (NBPTS) provided a rigorous program for certifying teachers and it now has a new certification program for principals. She stated that more than 2,000 principals across the nation applied for the initial field test and 600 were selected. Of those 600 selected, 59 are in North Carolina and represent 37 school districts.

Joan Auchter, Chief Program Officer, National Board for Professional Teaching Standards, spoke about the national field test that will be used to create the final standards for board certification of principals and provided an update on where the process is today. She stated that principals will have to demonstrate leadership, vision, and management skills as well as possess disposition of ethics, equity, and advocacy in order to earn the certification. Also, in order to be eligible for certification, a principal must: hold a bachelor's degree, have completed three full years as a principal leader, and possess a valid required state license for that period of time. Ms. Auchter also mentioned that there is a professional Technical Advisory Group (TAG) in place to oversee the development of the assessment process.

Kris Nordstrom, Fiscal Analyst, Fiscal Research Division, North Carolina General Assembly, presented possible cost information on implementing a certification program for principals. He noted that since there were no existing principal certification programs to pull information from, assumptions were made that largely mirror the North Carolina teacher certification program. He said that the cost to the state would be approximately \$320,000 per year in additional principal compensation and approximately \$3.6 million per year in ten years.

Dr. Bill Harrison, Chairman, State Board of Education, spoke about the positive impact that Race to the Top will have on the 1.4 million students in North Carolina. He stated that although the federal money is not the answer to all of North Carolina's fiscal educational challenges, the \$399,465,768 will enable North Carolina to do some things more quickly than it would otherwise be able to do.

Dr. June Atkinson, Superintendent, Department of Public Instruction, spoke about the Race to the Top plan in progress and the next steps to be taken. She said that North Carolina can take pride in the development of the Race to the Top plan that will allow North Carolina to move faster and further to 1) raise North Carolina's graduation rate of 72.4% to a much higher rate, and 2) have strong student achievement.

Adam Levinson, Director, Policy and Strategic Planning, Department of Public Instruction, presented information on North Carolina's plans to fulfill its contract with the United States Department of Education. He said that the Race to the Top initiative will focus on building capacity, developing infrastructure, and creating sustainable reform. The performance goals are high graduation rates, strong student achievement, and career and college readiness. Race to the Top dollars are expected to be received in early December 2010 and can be used over a four-year period through August 31, 2014. All dollars must be used in accordance with the approved contract with the United States Department of Education.

**December 7, 2010**

Philip Price, Chief Financial Officer at the Department of Public Instruction, provided an overview of the impact 5% and 10% cuts would have to the State's public schools' budget. He stated that it was very difficult to identify which areas they are still able to cut without adversely impacting the classroom. However, options do include increasing class size in K-9 and eliminating about 4,340 teachers at the 5% cut level and 5,313 teachers at the 10% cut level. Teacher assistants would be reduced by 6,786 at the 5% cut level. With a 10% cut, 13,259 teacher assistant positions would be eliminated and only kindergarten classes would have teacher assistants. The Department and the State Board of Education would like to provide local school administrative units with flexibility regarding the cuts so that they can make the changes that work best for their local communities. Areas that were not recommended for reduction include transportation due to increasing fuel and maintenance costs for older school buses. Some of the other areas not recommended for funding reductions included Disadvantaged Student Supplemental Funding, and supplements for low wealth local school administrative units. Programs with non-recurring funding such as staff development, school technology, and mentor pay were recommended for 100% budget reductions because these educational supports will be provided through the Race to the Top program over the next four years. He stated that the Department of Public Instruction also has had significant reductions over the past few years and a 5% reduction would require the elimination of a number of programs while a 10% reduction would eliminate 29 positions.

Jennifer Haygood, Vice President for Business and Finance, North Carolina Community College System, stated that the Community College System had three goals that they wanted to achieve despite the severe budget outlook: (1) ensure full funding of enrollment growth; (2) ensure full funding of equipment needs; and (3) ensure full funding for summer developmental courses. Their budget reduction options include, among other things, a \$10 per credit hour tuition increase; cuts to basic skills programs that include literacy programs; and elimination or reduction in funding to specialized centers and programs. One option they would consider at the 10% cut level would be to revamp the funding formula for high-cost, high-demand courses so that more money could be allocated for these courses. She stated that the severity of the budget cuts will reduce student access, cause delays in student completion, and reduce needed student support services. There is also concern that quality will suffer in the various programs with class size increases and the increased use of part-time faculty. At a 10% cut level, the Community College System office would have to eliminate 19 positions which would impact their ability to innovate and implement programs and services.

Jeff Davies, Chief of Staff, The University of North Carolina, presented on the UNC System and provided that it is imperative to protect the UNC System's commitment to teaching, research, and public service with academic instruction being the highest priority and using across the board cuts only as a last resort. He stated that previous cuts had focused on administrative areas which have caused reductions in service levels and campus responsiveness and further administrative cuts would threaten the integrity of operations. The UNC System would now have to focus on academic cuts. A reduction of 5% would eliminate 900 positions of which 400 would be faculty positions and result in 2,750 fewer course selections. A reduction of 10% would eliminate 2,000 positions of which 1,000 would be faculty positions and result in 6,400 fewer course selections. Examples of how the potential budget cuts would impact quality are: increased class sizes; reduction or elimination of tutoring and advising which could affect retention and graduation rates; reduction of operating hours for computer labs and libraries; and reduction or elimination of new course development in distance education. More administrative reductions would lead to less support for research grant development, maintenance, sustainability, and compliance activities. Tuition increases would be inevitable but must be balanced with the State constitutional mandate to provide higher education at a low cost. He emphasized that it was critically important for tuition monies to stay at the campuses rather than be used in the General Fund to balance the State's budget so that the academic core can be protected.

Hope Williams, President, North Carolina Independent Colleges and Universities, stated that for most students, financial aid determines when and if they can go to college. In the past year, 35,000 students received legislative tuition grants which are available to all North Carolina residents, regardless

of need, attending a North Carolina private college or university. Data from the State Education Assistance Authority shows that 49% of students that receive legislative tuition grants are also eligible for PELL grants and 80% to 85% of these students qualify for need-based aid. For the upcoming biennium, the Independent Colleges and Universities will ask for about 5 million dollars with 2.6 million dollars for the legislative tuition grants and 2.5 million dollars for the State contractual scholarship grants. She stated that they understood the severity of the budget crisis but that the private colleges and universities provide a great savings to the State when they educate North Carolina residents because those students are thereby not attending one of the UNC constituent institutions which have a much higher cost to the State.

**January 19, 2011**



