

DRAFT MINUTES

JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE

February 7th and 8th, 2012

The Joint Legislative Education Oversight Committee met on Tuesday, February 7, 2012, at 1:00 p.m. in room 643 of the Legislative Office Building. Senator Jerry Tillman, Senate Co-Chairman, presided. The following Senators were in attendance: Senators Apodaca, Brock, Dannelly, Garrou, Pate, Preston, Robinson, Rucho, Soucek, and Stevens. The following House members were also present: Representative Bryan Holloway, House Co-Chairman and Representative Linda Johnson, House Co-Chairwoman; Representatives Blackwell, Brandon, Goodman, Hilton, Langdon, Lucas, Pridgen, Sanderson, and Stam. The following members of the Legislative Research Staff were in attendance: Drupti Chauhan, Patsy Pierce, Kara McCraw, Dee Atkinson, and Sara Kamprath. Yvonne Hall, Legislative Assistant for Senator Tillman served as the Committee Clerk. Members of the sergeant-at-arms were present.

Chairman Tillman convened the meeting and welcomed the members, staff, and guests. He also recognized and thanked the House Co-Chairs, Holloway and Johnson, as well as the sergeant-at-arms staff who were in attendance.

Chairman Tillman asked for a motion to approve the minutes from the October 31, 2011 and the December 6, 2011 meetings of the Joint Legislative Education Oversight Committee. Sen. Stevens moved that the minutes be approved. The motion was seconded and the minutes were approved by voice vote.

Residential Schools Closing Report

Chairman Tillman introduced Dr. June Atkinson, State Superintendent of Public Instruction. Superintendent Atkinson came forward to bring a report outlining the status of the closing of one of the residential schools and the plan for consolidation of programs as directed by legislation in the 2011 Session of the North Carolina General Assembly. The legislation required that the Department of Public Instruction, (DPI) consider the cultural and historical significance of the three residential schools. Another aspect of this legislative directive was to minimize the impact to students who are visually impaired and hard of hearing. Also, DPI was asked to minimize the cost of modernizing one of the two remaining schools, to maximize savings, and to minimize the required travel of students from one place in the state to another in order to attend one or more of the schools.

Superintendent Atkinson said that in consideration of the historical significance of the three residential schools, DPI held public hearings across the state to gather input from those who have a vested interest in the schools, such as parents and community leaders. Over 1,500 people attended these hearings, and over 900 responses were received online

as to what DPI should do. The work was done with the following guiding principles in mind:

1: Serving the students needing services on a continuum of services. There are students across the state that will benefit from having a residential experience on one or more of the residential school campuses. There are opportunities for the schools to serve students who may not be there on a continual basis.

2: DPI wants to have a “win-win” situation for the students, the parents, and the communities.

3: Realize some economies of scale.

Superintendent Atkinson believes that as a result of these hearings, the solution proposed by DPI will be a “win-win” for the students, the communities, and for North Carolina. The solution proposed by DPI is to make the Governor Morehead School, located in Raleigh, be a satellite school administratively for the school in Wilson. This decision was made based on several factors:

1: It would be costly to renovate either the residential school in Morganton or Wilson to accommodate students who are visually impaired.

2: An attraction for students coming to the Governor Morehead School in Raleigh is the opportunity to learn in an urban environment. For example, students can learn how to use public transportation, sidewalks, etc.

3: The facilities are underutilized. Having multiple purposes for the facilities could reduce the cost per student.

The proposal by DPI is: The Governor Morehead School in Raleigh would be used for multiple purposes. One of the purposes would be to serve students who are blind on that campus. The other would be to enter into an agreement with Wake County to use the facility for one of its academies. This would allow DPI to reduce its cost per student by having some shared costs.

Superintendent Atkinson said that telephone conversations with officials from the schools in Morganton and in Wilson have led to the belief that those facilities can also be utilized for multiple uses, particularly for the hearing impaired. For example, a student may not want to be a year-round resident of one of those schools, but rather be there for a week, month, or semester to compliment what they are learning from a home school.

Superintendent Atkinson reviewed that these schools were transferred to DPI last June, and asked for a year of transition from the parallel track with the Department of Health and Human Services and DPI that they were operating on prior to this transfer. She believes that DPI can offer a continuum of services as well as integrated services. She believes that the students of the three residential schools can benefit by having other people on the campuses. This concluded her report to the Committee.

Chairman Tillman opened the floor to the Committee Members for questions of Superintendent Atkinson. Superintendent Atkinson received and answered questions from the Committee members.

Chairman Tillman allowed comments from members of the visiting audience. The Committee heard from Bruno of Governor Morehead School Friends, Eileen Sutton who is a parent of a student at the Governor Morehead School for the Blind, and James Benton who is the Legislative Liaison for the National Federation of the Blind of North Carolina.

Chairman Tillman asked if there were any other comments and Sen. Stevens suggested that Wake County having been mentioned as a possible partner with DPI in a multi-purpose plan for the Governor Morehead School, that the Committee hear from Wake County Schools Superintendent Anthony Tata. Chairman Tillman agreed and asked Superintendent Tata to come forward and share his thoughts.

Superintendent Tata thanked Superintendent Atkinson for her innovative and creative work to preserve the Governor Morehead School for the Blind, and for inviting Wake County Schools to partner with DPI in its preservation. He indicated that Wake County does have capacity issues and could increase the use and efficiency of the buildings on the campus of the Governor Morehead School. He feels that students could be better integrated into the public schools system which he described as least restrictive for the visually impaired. He referenced visually impaired students currently doing well at Durant Road Elementary School, as well as special education teachers within the Wake County School System who are well-equipped to meet the needs of the visually and hearing impaired students.

UNC's Partnership with the Military

Chairman Tillman introduced Kimrey Rhinehardt, Vice President for Federal Relations. Kimrey came forward and began by indicating that North Carolina is home to at least two-thirds of all Special Operations Personnel. While the Special Operations headquarters is in Tampa, Florida, most of the decisions are not made at the headquarters, but at independent installations across the country. About two and a half years ago, President Erskine Bowles asked Kimrey to represent him at a meeting with General John Mulholland of the US Army Special Operations Command base in Ft. Bragg, NC. At this meeting, Gen. Mulholland told her that he hoped that a partnership could be forged to build the "next great platform." He asked that a relationship be started wherein the parties could learn more about one another. Kimrey related that this is exactly what they have done.

Kimrey then spoke of recently hearing Defense Secretary Panetta talk about the defense budget and the need for reductions in different areas, not mentioning Special Operations as one of those areas to be reduced. Kimrey feels that Special Operations will actually be increased. The second point that she related from Secretary Panetta was that he is

proposing a base realignment and closure authorization. She said that while it may not be likely that this would happen to the Special Operations Command located in North Carolina, recent events in Virginia prove that nothing can be taken for granted in this arena.

Kimrey then went on to outline some of the things that UNC is doing to partner with the Special Operations Command as well as with conventional forces.

Five Senior Service College Fellows – Army Colonels, similar to a War College Experience, have as their duty station Chapel Hill, NC for an entire year. They are working on a research project. This gives undergraduate students exposure to these Army Colonels who have incredible experience. Kimrey related how UNC was in competition with Harvard and other prestigious schools to get these Fellows.

Kimrey then told of a female faculty member from UNC-Wilmington who is going to be imbedding with the Marine Corps' Special Operations Command's "Raven Exercise." Her job will be to provide feedback on conflict management negotiations skills. Other faculty contributions are in the providing of courses such as in agriculture, African Politics, etc.

Kimrey then added that the Army Special Operations Command has recently mandated that before getting a Green Beret, a candidate for the Green Berets must get their Associate's Degree. Also, before being promoted at the 5-7 year mark, they must receive their Bachelor's Degree. The Army Special Operations Command indicated they wanted Fayetteville Tech to be the provider for the Associate's Degrees. And for follow up programs known as 2+2 Programs, they asked that the UNC institutions partner with them. Fayetteville Tech and UNC Systems have a joint office in the US Army's Special Operations Command Education Headquarters. It is staffed with an education counselor who helps the soldiers with their education decisions.

Kimrey described another aspect of the partnership as the use of students as interns. She gave as an example a student at Western Carolina who is in the Kimmel School of Engineering. He has received a secret clearance and was assigned to work on a project that had been assigned to a defense contractor. The contractor was paid a million dollars and could not fix what needed to be fixed. The student intern fixed it during his summer assignment and is actually going to file a patent as a result.

Kimrey reiterated that the partnership between the military and the UNC System is important in part because North Carolina's defense economy is in large part based on services. However the platform of the Special Operations economy is brains. "No one in this country builds better brains than the University of North Carolina, and the community college system in North Carolina," she added.

Kimrey then said that if we are going to transition in the future from a services-based delivery to an intellectual-based delivery, that the university and community college systems must be engaged with the military and not depend on large corporations alone to

come into the state. The vision is for the partnership to produce new ideas that can be turned into products that can be utilized by the Special Operations Forces, and then manufactured by North Carolina companies to be distributed to conventional forces as well.

Kimrey said she wants to, “dispel the myth that faculty have a problem working with defense, because they don’t.” She added that she believes that if she were to present to this Committee in two years she would be able to report amazing results from the partnership between UNC and the military.

Chairman Tillman opened the floor to the Committee Members for questions of Kimrey Rhinehardt. Kimrey Rhinehardt received and answered questions from the Committee members.

UNC Teacher Quality Research

Chairman Tillman introduced Dr. Alisa Chapman, Vice-President for Academic and University Programs with UNC and Dr. Gary Henry of the Carolina Institute for Public Policy to present on the topic: UNC Teacher Quality Research.

Dr. Chapman started by saying that today’s presentation is one piece of a more comprehensive study that has been completed or is under way. The focus will be on “Teacher Portal Analysis” or the different ways that beginning teachers enter North Carolina’s public school classrooms, and the ways that they were prepared. She turned the presentation over to Dr. Gary Henry to begin with the discussion with a “snapshot” of the student achievement landscape in North Carolina.

Dr. Henry started by saying that North Carolina made more progress than any other state in the decade of the nineties in the area of student achievement and proficiency. However since that time this trend has plateaued. He gave as an example the data that about 2/3’s of our third through eighth grade students are scoring proficient on our own state standards in both reading and mathematics at this time, and only about 50% of our students living at poverty level score at a level of proficient at both reading and mathematics. Less than half of our fourth and eighth grade students are just to be proficient in mathematics by the NAEP standards, (National Assessment of Education Progress) or the “Nation’s Education Report Card.” About a third or less of these fourth and eighth grade students are proficient in reading according to those standards.

Dr. Henry then pointed out that about 78% of our students graduate in 5 years of entering high school, which is roughly a 10% increase since they have been tracking this for about 5 years. He added that one of the most important things about following the moving of these numbers is the quality of the teacher workforce. He said, “The single resource that is in the control of educational policymakers and administrators that most affects student performance is the teacher and the quality of the workforce.” Dr. Chapman added to this point that UNC teacher preparation programs are a critical part to the solution in terms of beginning to change that landscape.

Dr. Chapman began to lay out a “strategic priority in the University of North Carolina – an overarching goal to prepare more and better teachers and school leaders for the public schools of North Carolina.” She said there are 3 strategies that direct and organize their work around this goal: recruitment, preparation, and new teacher/school leader support. Each of these strategies has accountability plans built around them; for example, a close monitoring annually of the number of newly licensed teachers from UNC schools of education and how it fits in with new teacher supply and demand. However most importantly, the focus is not just on quantity, but quality is the driving force behind the research.

Dr. Henry then spoke of the purpose of today’s study, which is to make the Committee aware of changes in the teacher workforce which they may heretofore have been unaware. The driving question of the study is, “How effective are teachers that enter public school classrooms in North Carolina from various portals?” (“Portals” meaning the combination of formal education and teacher training that an individual has when she enters the public school classroom in North Carolina.) For the study, they considered the following as portals: the traditional UNC System universities, private and independent colleges, teachers prepared in another state, the “Teach for America Corps” members, visiting international faculty who come from various countries around the world, and alternative entry – teachers who begin teaching without the formal certification or licensure.

As a point of interest, Dr. Henry related that they looked at 3.1 million test scores, about 1.8 million students taking those tests, and 30,000 teachers with less than 5 years of experience. They looked at 12 different types of tests, 5 at the high school level, 4 at the middle school level, and 3 at the elementary school level. The middle and elementary tests – fifth and eighth grade - included science.

Dr. Chapman then related that they used 5 years of data and 3 years of data that they added to the longitudinal data set. Dr. Henry added that they are using state of the art technology and techniques called ‘Teacher Value-Added Models’ which are on the cusp of what people around the country are doing to do the best research possible on teacher effectiveness.

Dr. Chapman and Dr. Henry mentioned the support of DPI and “Teach for America” in helping with the study as well as the staff of professors and students working on the project and expressed thanks to them as well.

Dr. Henry then took the Committee through an example showing the equivalent days lost or gained for a student based on a teacher’s effectiveness, especially in mathematics. He reiterated that the teacher is the most important resource that is under the control of educational policymakers and administrators because of the difference they make on student learning that takes place in the classroom.

Dr. Chapman then discussed the portal analysis, asking Dr. Henry to explain the calculation of dates of learning. Dr. Henry said that they looked at how much students learn from one grade to the next.

Dr. Henry then related to the Committee that the model year of teacher experience across the country in 1988 was 15. Now that number is 1, meaning that there are more teachers in their first year of teaching than any other experience year. Also, 20-25 years ago, 90% of teachers in North Carolina would have come from UNC or private universities. Now, UNC contributes about 1/3 of the undergraduate teachers. Next is out of state undergraduate teachers, followed by alternative entry teachers – those who enter teaching and begin to earn their licensure and certification on the job. Private institutions are now the fourth largest supplier of teachers. The total number of teachers in North Carolina is around 100,000. Dr. Chapman added that the UNC institutions add approximately 4,500 newly licensed teachers per year.

Dr. Henry then talked about teachers being most effective in their first three years on the job. About 70% of the UNC prepared teachers will persist at least five years. Less than 10% of “Teach for America” teachers stay for five years. Approximately 50% of out of state undergraduates persist, usually staying for three years and then returning to their home state. Alternative entry teachers persist for five years at a rate of only 40%.

Dr. Henry then related teacher persistency to effectiveness – adding value or raising students’ test scores. The data seem to indicate a trend to more effectiveness in the earlier stages of the teacher’s career. Interestingly, there are the same number of out of state undergraduate teachers as there are undergraduates from UNC institutions teaching elementary mathematics, yet the out of state prepared teachers show less effectiveness in this area of schooling. “Teach for America” trained teachers show the highest level of effectiveness, but the data is curtailed due to the lack of persistency beyond three years from this group. Visiting international faculty also rank high in effectiveness.

Dr. Henry then showed effectiveness in high school, with similar results, however the alternative entry teachers – which teach 35-45% of high school math and science courses – ranked as least effective. An important piece of data pointed out by Dr. Henry was that out of state trained teachers cost a student approximately 2 days in effectiveness, as opposed to UNC trained teachers, who add the equivalent of a day through effectiveness for the student.

Dr. Chapman summarized that the University of North Carolina is taking ownership for the outcomes and results and for making improvements in the way they prepare teachers. She stressed that they can and will improve the preparation of teachers, not settling for “slightly better than average,” “average,” or “needs improvement.” She stressed that there must be evidence-based outcome data, and that that is why this research is so important. It helps with decisions on how to make teachers more effective.

Dr. Chapman out lined some actionable steps being taken to improve the preparation of their programs:

1: A work group is underway to look at the recruitment and selection of candidates into their program. The thought is that bringing in higher academically credentialed candidates will result in better effectiveness in the public schools.

2: Building an observation instrument for student-teaching and internship experiences. This will help with assessing needs for improvement for the candidate before they enter the classroom. Also, using employee graduate surveys to assess the student-teacher's or intern's preparedness. She emphasized that working with school districts is critically important in this research, and that they do have a good working relationship with K-12. K-12 is represented in their work groups.

3: New teacher support. They are partnering with DPI through their "Race to the Top" initiative to help develop and deliver a program of support for new teachers.

Chairman Tillman thanked Dr. Chapman and Dr. Henry for their presentation and opened the floor to questions from the Committee Members. Dr. Chapman and Dr. Henry received and answered questions from the Committee members.

Child Nutrition

Chairman Tillman introduced Dr. Lynn Harvey, Section Chief, Child Nutrition Services, DPI, and Beth Wood, State Auditor, Office of the State Auditor. Dr. Harvey presented an overview of the federally-funded child nutrition programs administered by DPI, and Beth Wood reported on the financially-related audit of child nutrition services in DPI.

Dr. Harvey began by reminding the Committee that the report she was presenting was generated in session law, and required the State Board of Education to provide an overview of federally-funded state child nutrition programs. The report is to also provide the process that is required for students to participate in that program, as well as data about the applications received, number of students approved to participate, and the number of students who are denied.

Dr. Harvey then gave an overview of how the programs operate. They are authorized by Congress on a five-year basis, most recently reauthorized in 2010. The reauthorizations have focused on 3 priorities:

- 1: Increasing student access to meals to all children who are eligible to receive them.
- 2: Increasing the accountability for federal funds used to support the programs.
- 3: Increasing the accountability for nutrition standards in the programs.

The US Department of Agriculture, (USDA) is the caretaker of the programs, providing regulatory guidance to the state education agencies, who are statutorily appointed to administer the programs.

Dr. Harvey explained that “School Food Authority” is the term most frequently used to describe the local boards of education, the local board of directors of a charter school, or the local administrative staff of a residential childcare facility, that are ultimately responsible for the program’s operation at the local level. The State Education Agency provides training, technical assistance, and support to the school food authorities as they administer these programs.

Dr. Harvey referenced that the entire process has great accountability built into it. The USDA reports to Congress on the status of the various programs, and also monitors the state boards of education, which in turn monitor the local school food authorities.

Dr. Harvey then explained that the State Superintendent and the Department of Administration administer 6 programs in North Carolina. They are the National School Lunch Program, the School Breakfast Program, the After-School Snack Program, the Seamless Summer Option for Summer Meals, the Special Milk Program, and the Fresh Fruit and Vegetable Program.

The National School Lunch Program is available to all students enrolled in public and private, non-profit institutions and schools. It provides a nutritionally balanced low cost meal to students who qualify for the subsidy. School food authorities are reimbursed by the Federal government for the meals they serve. There are very strict requirements for what is considered a “reimbursable meal.” The “reimbursable meal” must meet specific amounts and nutritional requirements.

The National School Lunch Program is available to any enrolled student which meets the qualifications, i.e.: their family’s income is at or below 130% of poverty level. Families whose income is 130-185% of poverty level are eligible to receive reduced-price benefits. Children whose family income is above 185% of poverty level are eligible to participate in the program, but they must pay for their meals. **Household size and income are the key factors in determining eligibility.** Dr. Harvey referred the Committee Members to the blue sheet in the presentation handout which illustrates the income eligibility guidelines. The guidelines are established annually by the Secretary of Agriculture.

Dr. Harvey then described the reimbursement guidelines. There is a non-severe need district, where there are not enough students eligible to participate in the program for free or reduced-price meals. This category of district receives what is referred to as a regular reimbursement. Also, there is a severe need status district. This means that in the 2nd preceding year, 60% or more of students who participated in the National School Lunch Program were eligible for free or reduced-price meals.

Dr. Harvey said that the average price of a school lunch in North Carolina is approximately \$2, with a range of \$1.50 - \$3.50. The demographics and economies of scale play into the price range, with the final determination for the meal cost being the responsibility of the local school district or local governing board.

Dr. Harvey then described the National School Breakfast Program, which has the same requirements for income eligibility as the National School Lunch Program. There is also a requirement for students who are eligible for reduced price meal to pay a co-pay of .30 per meal. The average cost per meal in the breakfast program is .60 – to upwards of \$2, with the average cost being about \$1.25. The requirements for meal components and nutritional integrity are similar to those of the National School Lunch Program. Reimbursement formulas are similar to the National School Lunch Program with only a difference in the severe need district qualifications.

Dr. Harvey then moved on to describe the National After-School Snack Program, which also has similar income eligibility requirements as the National School Lunch Program. It is also administered by the Department. One caveat with this program is that a school may qualify as an “area eligible” after-school snack program, depending on the demographics of the community. This designation qualifies all students to receive an after-school snack. Also, there must be an educational component for the students to the program, as opposed to their merely picking up a snack. If a student that qualifies for reduced-price meals is in a school that is not designated as ‘area eligible,’ there is a modest copy of .15 per student.

Dr. Harvey next discussed the Summer Seamless Option which is an extension of the lunch and breakfast programs for students who qualify for free or reduced-price meals. The same eligibility guidelines apply to the Summer Seamless option that apply to the National School Lunch and breakfast programs. Most sites will qualify as “area eligible” as they do under the After-School Snack Program. Dr. Harvey indicated that this program is becoming more and more important in North Carolina as we have a very high level of “food insecurity,” with 1 in 4 students having been identified as at-risk for food insecurity.

Next Dr. Harvey spoke about the Special Milk Program, which continues to be offered although it is not as frequently relied upon as other programs. This program provides special cash subsidies particularly to camps, which typically have limited resources. Income guidelines are the same as with the other food programs, but in this case the school food authorities are reimbursed on the half-pint of milk available to students. This is a little over .20 per half-pint of milk served. The milk must be skim or low-fat.

Lastly Dr. Harvey outlined the Fresh Fruit and Vegetable Program also administered by the Department. The program provides funds for individual schools to serve at no cost to children during the day, a free fruit or vegetable snack. The goal of this program is for students to develop a taste for fresh fruit and vegetables in lieu of other products. The program is limited to elementary schools. Those schools with the highest percentage of students eligible for free and reduced-price meals are most likely to be selected for this program. Funds are allocated at a rate of \$50-\$75 per pupil per year.

Dr. Harvey then described how eligibility is determined for students to participate in these programs. First, there is Categorical Eligibility, based upon another food assistance program or another education program, or they may apply through a household

application. Categorical Eligibility is used when a child is a member of a household that is eligible for other food and nutrition services, or other education programs such as Head Start. Also, students classified as homeless, runaway, migrant, or foster children under the care of the state are categorically eligible. In North Carolina 65% of the students participating in the meal programs do so through categorical eligibility. North Carolina has a unique process for Direct Certification of eligibility. DPI coordinates with the Department of Health and Human Services to determine a child's eligibility through matching of services.

Dr. Harvey talked briefly about the application process to determine eligibility. The completed application is reviewed by the school food authority's determining official to determine if income eligibility guidelines, etc., are met. As of October 1, 2011, of the 1.5 million students enrolled in the school food authority, approximately 52% are eligible to receive free or reduced-price meals, 36% were approved based on a household application, and 63% were approved based on categorical eligibility. Sixty percent of those students were approved based on the NCDPI direct certification system. In the prior year, DPI received 321,000 applications, which is half a million fewer than they typically received. Of those, 283,000 + were approved for meal benefits, and 37,748 were denied. Dr. Harvey referred the Committee Members to the blue sheet once again to review the percentages broken down as to free meals, reduced-price meals, etc.

Chairman Tillman thanked Dr. Harvey for her presentation and opened the floor to questions from the Committee Members. Dr. Harvey received and answered questions from the Committee members.

Chairman Tillman then introduced Beth Wood, State Auditor, Office of the State Auditor, to report on the financially-related audit of child nutrition services in DPI. Auditor Wood referred the Committee Members to the handout she provided which referenced Senate Bill 415. SB 415 directed the Auditor to look at if the LEAs' participation in the food programs effectively served the intent of the General Assembly and complied with State laws. She related that the Auditor's staff contacted Senators to get a better understanding of the legislative intent, and came up with the following questions for the audit:

- 1: Does DPI and LEAs provide notification about child nutrition programs?
- 2: Is the school breakfast program available in all schools?
- 3: What are the eligibility procedures?
- 4: What is DPI's process for verification?
- 5: Does DPI report on the verification process?

Auditor Wood described the methodology used in answering the above questions as interviews with personnel, observing operations, reviewing policies, conducting a

statewide survey, analyzing records, and examining of supporting documentation. She related that what they found was that in accordance with Federal law, the LEAs are sending a letter to the household of each student. Also, they are doing several other things over and above the Federal requirements, such as putting the information on district websites, including the program information in a new enrollment packet, announcing at PTA meetings, ads in local newspapers, automated calls to parents, and flyers to non-English speaking communities. In addition, DPI does a media release and posts it on its website. DPI also coordinates with the State's Migrant Education Coordinator to promote notification to migrant student families. Auditor Wood stressed that they looked at the notification process, and not its effectiveness.

Auditor Wood then addressed the question, "Is the school breakfast program available in all schools?" Out of 2,377 schools surveyed, 99% offered breakfast. The 24 schools that did not participate have historically low participation, and transportation or bus schedule problems. All the schools that are offering the breakfast program are using the monies that are coming from Senate Bill 415. Auditor Wood wanted to highlight that these are finite dollars because they are budgeted dollars which are based on a percentage of participation. If participation goes above the budgeted amount then some schools may have to go back to charging for those breakfasts.

Auditor Wood then addressed the eligibility question part of the audit. The audit found that the eligibility was congruent with Federal guidelines, and involved Direct Certification or Manual Application. (This was a reiteration of Dr. Harvey's outline of this topic.) North Carolina was recognized in USDA Congress report for its effective way in determining eligible children.

Auditor Wood said that DPI does have a process for verification. She said that they looked at 12 of the 39 LEAs that DPI reviewed as a part of the previously discussed 5 year review requirement and found the reviews were completed in their entirety and included all levels of review.

"Does DPI Report on the Verification Process?" Auditor Wood said that they found that DPI does do this in a very thorough manner.

Auditor Wood said then that DPI does not keep a history of its verification findings. DPI agreed with the Auditor's Office recommendation that they keep a history and tracking of its verification findings.

Chairman Tillman thanked Auditor Wood for her presentation and opened the floor to questions from the Committee Members. Auditor Wood received and answered questions from the Committee members.

Chairman Tillman adjourned the meeting to reconvene at 9 am on Wednesday, February 8th.

Wednesday, February 8, 2012

The Joint Legislative Education Oversight Committee met on Wednesday, February 8, 2012 at 9:00 a.m. in room 643 of the Legislative Office Building. Senator Jerry Tillman, Senate Co-Chairman, presided. The following Senators were in attendance: Senators Apodaca, Brock, Dannelly, Pate, Preston, Rucho, Soucek, and Stevens. The following House members were also present: Representative Bryan Holloway, House Co-Chairman and Representative Linda Johnson, House Co-Chairwoman; Representatives Blackwell, Brandon, Goodman, Hilton, Langdon, Lucas, Pridgen, Sanderson, and Stam. The following members of the Legislative Research Staff were in attendance: Drupti Chauhan, Patsy Pierce, Kara McCraw, Dee Atkinson, and Sara Kamprath. Yvonne Hall, Legislative Assistant for Senator Tillman served as the Committee Clerk. Members of the sergeant-at-arms were present.

Chairman Tillman convened the meeting and welcomed the members, staff, and guests. He also recognized and thanked the House Co-Chairs, Holloway and Johnson, as well as the sergeant-at-arms and staff who were in attendance.

Career and College Promise

Chairman Tillman introduced Dr. Rebecca Garland, Chief Academic Officer, NC Department of Instruction (DPI) and Dr. Sharon Morrissey, Senior Vice-President for Academic and Student Services and Chief Academic Officer, NC Community College System, for their presentation, "Career and College Promise."

Dr. Morrissey began the presentation with a reminder that the Career and College Promise legislation was passed as a part of the appropriations budget in the 2011 legislative session. It was put into place January 1, 2012. This is the dual enrollment legislation which allows high school students to dually enroll in community college courses.

Dr. Morrissey gave a history of how this legislation came to be where it is today, noting that dual enrollment has been offered since 1983 when the Huskins bill was passed. Students could take community college courses tuition free. In the 1990's an agreement between community colleges and the university system allowed for the transfer of community college credits to universities. Students began availing themselves of this opportunity, but were not taking rigorous college level courses, and were mainly taking electives. By 2008, there were 24,650 students enrolled in dual enrollment programs in the state in the spring semester. This was a gain of 100% since the spring semester of 2003.

This coincided with the downturn in the economy at that time, and the legislature began to look at the dual enrollment program in terms of its cost to the taxpayers of North Carolina. This resulted in a 2009 appropriations act that eliminated funding for high school students who enrolled in general education courses with the exception of math,

science, technology, and engineering courses. This was continued in the appropriations act of 2010.

Dr. Morrissey indicated that by 2011, there were a myriad of programs, reporting requirements, and tracking requirements with four different dual enrollment programs and four different sets of guidelines. Many students were graduating from high school with an array of course credits that did not lead to a career track or transfer to a university. In fact, 51% had to enroll in developmental math or developmental English at the community college level. Dr. Morrissey said, "When they were in high school we let them take college courses, and when they came to the college we put them back in high school courses." She added further that 21% of those dually enrolled had signed up for psychology and sociology courses. There was an avoidance of math, English, science, and technology courses by those dually enrolled.

Dr. Morrissey mentioned that Dr. Rawls of the Community College System and Superintendent June Atkinson met to discuss a strategy to limit dual enrollment for high school students while at the same time insuring that high school students who take college courses are ready for college when they come over to the college to take those college courses. These discussions formed the outline of a plan that became known as "Career and College Promise", which was enacted in the 2011 Session .

Dr. Morrissey described 2 key things that the legislation accomplishes: 1: It eliminates all of the preexisting rules for the dual enrollment program. 2: It clearly establishes that students who dual enroll must meet college readiness standards. Also, they must enroll in a pathway that leads somewhere, either to college or a certificate so they will have a credential when they graduate from high school.

Dr. Sharon Morrissey then gave the presentation over to Dr. Rebecca Garland to discuss the three options that were described in the college transfer legislation.

1: College Transfer Pathway, designed around 30 hours of transferrable credit.

2: Career Technical Education Pathway, which leads to the possibility of a certificate, a diploma, or a degree.

3: Cooperative Innovative High School Pathway, more commonly known as the early college program or the middle college program.

Students have to meet certain eligibility requirements in order to participate in the College Transfer Pathway. They have to be a junior or senior, have a 3.0 weighted GPA, and demonstrate college readiness in English, reading, and mathematics. This is determined through a variety of available tests, for example, the ACT, the PSAT, and the SAT.

Dr. Garland also pointed out that the program has requirements for a student to be able to stay in the College Transfer Pathway once enrolled. Students must be on target to

graduate from high school and maintain a 2.0 in their college level work. And they must enroll in one of the College Transfer Pathway courses of study, (see handout for examples). She also noted that a student may enroll in the College Transfer Pathway as well as the Career Technical Education Pathway. She gave accounting as an example of where a student may be in both pathways.

Dr. Garland then said that the College Transfer Pathway has 4 areas of study, which align with a pathway to attending college. They are life and health sciences; business and economics; science, engineering and math; and humanities and social science.

Dr. Morrissey then spoke about the Career Technical Education Pathway. She reiterated that the pathways are limited to specific pathways that will lead to specific outcomes as opposed to being given the option to take elective courses. The eligibility includes having to be a junior or senior, a 3.0 weighted GPA, and/or the recommendation of the school principal and/or guidance counselor. There are also course prerequisites in this pathway.

Dr. Morrissey also talked about the “career cluster model” previously referred to by Dr. Garland. She said that it is modeled after the US Department of Education model, and contains 16 career clusters. They have been adopted by the NC State Board of Education, and they guide the courses that the student on the Career Technical Education Pathway takes in high school. The post-secondary Career Technical Education certificates have also been aligned with these career clusters.

Dr. Morrissey then reported that this spring semester the 58 community colleges have sought and received approval to offer 829 different certificate programs for high school students. She added that one benefit of the Career Technical Education Pathway is that ways are being created to help students accelerate their progress. For example, a student who has taken automotive courses in high school may have completed enough competencies to receive credit for the first automotive course at the community college. Also, they must be on target to graduate from high school and maintain a 2.0 in their college level work to remain eligible to stay in the program.

Dr. Morrissey directed the Committee Members to the accompanying handout that showed five specific examples of the Career Technical Education Pathway. She pointed out that a student successfully completing this pathway will have a job-ready credential that they can take into the workplace, or they can continue on with their education, and receive an Associate’s Degree from the community college in that area.

Dr. Morrissey then went on to talk about the Cooperative Innovative High School Pathway. This pathway has joint programs that are a result of collaboration between higher education and public education. Most of the students in this pathway are trying to earn an Associate’s Degree. In some cases, the classrooms are located on the community college campus. The stringent rules in terms of pathways previously discussed do not apply, as the student is afforded a full range of coursework from which to choose as they work on obtaining their high school diploma and Associate’s Degree.

She pointed out that typically these are five year programs, so students enter them in the freshman year as opposed to the junior or senior year. The student may take classes on either the high school or community college campus, and some courses, for example world history, may be taken at the community college for credit in both high school and college.

Dr. Morrissey noted that the General Assembly must approve each of the programs in this pathway as line items in the appropriations budget. She said there are around 80 or so of these schools currently in existence and that they have been very successful. They have graduation rates typically above 90%; some are even at 100%. Also, many of these students are typically at risk for not being able to go to college. Dr. Morrissey said that North Carolina leads the country in our Early College High School Program. She gave as an example, one of these programs in the area, a new STEM school on the campus of NC State University that is a partner with the Wake County Public Schools.

Dr. Garland then spoke to some of the implementation challenges faced in getting the Career and College Promise program in place. They included the short timeline of January 1, 2012, abolishing old programs, communicating the new programs to community colleges and home school parents, and students wanting to participate that might not currently meet the new eligibility standards. Students enrolled in STEM courses in the fall of 2011 were eligible to stay in the spring semester. A website, that includes answers to frequently asked questions about the programs, was developed for interested parents and students.

Chairman Tillman thanked Dr. Morrissey and Dr. Garland for their presentation and opened the floor to questions from the Committee Members. Dr. Morrissey and Dr. Garland received and answered questions from the Committee members.

NC STEM Collaborative

Chairman Tillman introduced Dr. Sam Houston, President & CEO, NC Science, Mathematics, & Technology Education Center, and Karl Rectanus, Leader, NC STEM, to present on the topic, NC STEM Collaborative.

Mr. Rectanus began by saying that NC STEM is a collaborative program, working only with partners around the country and across the State of NC, in both public and private partnerships. He emphasized that the case for STEM education is not merely academic, but also economic in its importance. For example, he cited the statistic that there are over 500,000 STEM-related jobs in North Carolina, and it is the fastest growing sector of job creation in the state. These jobs tend to pay more than other job sectors in the state. In fact STEM jobs with 2 year credentials pay more than non-STEM jobs with 4 year college credentials. Mr. Rectanus referenced a report from a couple of months ago put out by Georgetown which contained a state-by-state analysis which shows that nationally and in North Carolina, the demand for STEM-related positions outweighs the current

supply. He punctuated this point by saying that there is great opportunity for jobs in the STEM field.

Dr. Sam Houston then presented an explanation of what is meant by the term “STEM education.” The acronym stands for “Science, Technology, Engineering, and Math.” Dr. Houston pointed out that this has led to a belief at every level – K-12, community college, and university, that to have a STEM concentration requires more science, math, or CTE courses. He said that this is the issue and that is neither and both at the same time. STEM education provides students with an opportunity to engage in disciplines that are very much in tune to opportunities in the “real world”, unlike some disciplines that are not easily relatable to career opportunities. Dr. Houston characterized STEM as not just more courses, but giving kids an opportunity to “know what to do when they are not sure what to do.” He added that it is an opportunity, “to practice those things called thinking, problem solving, and processing information as they will the day they get out of school, not in the way they are asked to do these things in school today.”

Dr. Houston stressed that the STEM discussion gives us an excuse to change, because it is an “economic imperative.” Schools that have a STEM emphasis will have their students doing activities and projects and not just reading and learning in the traditional sense.

Dr. Houston moved on to point out another confrontation that is occurring in the STEM arena which is people wanting to call it "steam" or some other acronym, adding a letter out of fear that things like the arts are going to be left out. He retorted that this is not correct, but rather real STEM programs are integrated, requiring students to use information as adults use information in the “real world.” Projects and activities create opportunities for students to use information from all the disciplines.

Dr. Houston then spoke about the JOBS Commission conducting surveys all over North Carolina and consistently finding that there is a need for engineers, technicians, and people in the STEM world. He added that there are approximately 500 programs in North Carolina that have a STEM focus, accentuating North Carolina being viewed as a leader in STEM. He pointed to the Research Triangle Park as an example.

Mr. Rectanus then related that the North Carolina Department of Instruction directed them to help support the creation of a statewide STEM-specific strategic plan. This was to be in collaboration with the General Assembly’s JOBS Commission in its delivery. The focus was to be beyond K-12, but to include post-secondary and economic needs as well. Mr. Rectanus mentioned that Sen. Harry Brown and his staff member, Darryl Black were very helpful in this collaboration, as were Sen. Hartsell, Rep. Johnson, and Rep. Holloway. He added that the private sector was very much engaged in the collaboration as well, citing SAS, the Golden Leaf Foundation, and others across the state as participants.

Mr. Rectanus reported that during 2011 a strategic plan was defined that was endorsed by the JOBS Commission and approved and adopted by the State Board of Education. It

outlines three core priorities with aligned measurable goals, and twelve strategies. He reminded the Committee Members that there is a full outline of the plan in the handout materials accompanying the presentation. He noted the three priorities as:

- 1: Increasing STEM achievement for students and teachers.
- 2: Building public understanding and support not just for what STEM is but also for the economic imperative the program does and will continue to have in North Carolina.
- 3: An alignment of public and private resources through measurement and co-investment.

Mr. Rectanus referred to a one page sheet in the presentation that describes the twelve strategies that accompany the three priorities, mentioning that some are already under way. He indicated that consistently the private sector and others focus on the strategic plan being a demand-driven plan. The Department of Commerce Economic Development Division has pushed on different areas. STEM attributes, measurable goals, and teacher development are all areas of focus.

Dr. Houston then gave information on the North Carolina STEM Learning Network. It is an outgrowth of the Jobs Commission's advisory council and is aligned with the statewide STEM plan. He described it as, "an opportunity for a design to come about that will marry the education and the economy, build public and private partnerships, and is driven by a letter of intent that has been signed by the K-12, community college, and university system." He gave his opinion that for the first time there is a framework around which can be implemented a statewide plan by having all of the players at the table, able to do the things that they can to make sure that we can advance education and the economy.

Dr. Houston went on to say that some of the first "deliverables" of this work will be the development of a state scorecard – a preK-20 report card that will tell us where the state is going with the efforts, what is happening, what the benchmarks might be, and return on investment and its quality. He indicated a need for a portal – a one-stop site that people can go to find information for their particular need or interest. He said that the portal is under development and should be operational soon. He also indicated a need for a public awareness campaign. Also, there is hope to build a network of public and private partnerships with school districts and other partners. The State Board of Education has given school districts opportunity to become a "STEM District." Dr. Houston referenced two school districts, Buncombe/Asheville and Surry County as recently having expressed interest and excitement at being a part of the STEM discussion.

Dr. Houston said that there are a couple of key projects that are underway, one which addresses the common core need for mathematics, and the other which is geared to making sure there are STEM teachers who are certified and capable, particularly at the elementary level. He added that elementary teachers are not getting a deep immersion in science and mathematics in their pre-service training. He reiterated that there is a lot of

work to be done, and that it will be done through the North Carolina Stem Learning Network cooperatively with the aforementioned partners.

Mr. Rectanus added that North Carolina's STEM Initiative has received recognition from other states. He cited the White House, the National Business Roundtable, and other entities nationally that are focusing on STEM initiatives. The North Carolina STEM Learning Network is to be a conduit to these national efforts. He gave as an example a multi-state cooperation that has been going on for about three years, and encouragement from other states for North Carolina to take the lead in the area of the scorecard, so that they can duplicate North Carolina's efforts. He purported that the multi-state STEM network positions North Carolina to be a leader, not only in education in this area, but economically, as well.

Chairman Tillman thanked Dr. Houston and Mr. Rectanus for their presentation and opened the floor to questions from the Committee Members. Dr. Houston and Mr. Rectanus received and answered questions from the Committee members.

Advanced Placement Exams in North Carolina – Update

Chairman Tillman introduced Tom Rudin, Senior Vice-President, Government Relations & Advocacy, The College Board, and Patricia Levesque, Executive Director, Foundation for Excellence in Education and the Foundation for Florida's Future to present an update on the topic, "Advanced Placement Exams in North Carolina."

Mr. Rudin opened by saying that they are going to share steps that North Carolina can take to dramatically increase Advanced Placement, (AP) participation and success in the state. He noted that AP is the single largest most rigorous academic program in American high schools. Last year, 2 million students took 3 ½ million AP courses and exams across the country. There are 34 courses in many different subject areas. The program helps prepare students for college, employment, the military, and can give them opportunity for college credit.

Mr. Rudin referenced a report that would be released later in the day showing state AP rankings, with Maryland leading the way with 28% of its high school graduates having secured a passing grade on at least one AP exam. **North Carolina came in 16th in the country with 18.4% of its seniors last year securing a passing score on at least one AP exam.** Mr. Rudin said that North Carolina can be first by implementing some simple, low-cost steps that will open the door to AP to all students.

Mr. Rudin gave an example of how AP can tie into the previous presentation on the importance of STEM education by sharing that last year, 3,000 students in North Carolina scored a 3 or above on the AP Calculus exam, giving them opportunity for college credit. According to a formula that looks at PSAT scores, another 13,000 students would likely have also scored a 3 or above on this test, had they had the opportunity to take the AP Calculus class and exam. He summarized this by saying that AP potential is huge in North Carolina.

Patricia Levesque then presented information on how Gov. Jeb Bush in Florida increased AP participation through the implementation of some simple steps. She began by pointing out the large student population in Florida, over half of which qualify for free or reduced-cost lunch benefits. The cost figures applicable to Florida could theoretically be halved for North Carolina based on the population and demographic differences.

Ms. Levesque related that Florida has been funding for AP in its state budget since the 1980's. There is an incentive wherein a school district gets money for every student that passes an AP course. She referred to the NC STEM presentation by saying that students who take AP math and science courses in high school tend to take more STEM courses in college, perform better, and graduate on time.

Ms. Levesque described a problem which Florida encountered in the grading methodology they use for their schools. There were a high number of students taking the PSAT in "A" graded schools, but a very low number in their "F" rated schools, which tended to be mostly minority populated. Contributing factors were the cost of the exam, and negative peer pressure in being one of only a few students in the school taking the test. Florida responded to this disparity by providing free PSAT or PLAN tests to all tenth graders. The test scores are then analyzed through an AP test tool to identify students with AP potential. Guidance counselors then encourage these students to enroll in AP courses.

Ms. Levesque discussed teacher professional development as important to the success of Florida's AP program. The cost is 3.5 million dollars, matched in part by the College Board. Florida also pays an incentive to teachers for every student that passes an AP exam. The total cost of the incentive program is 3.6 million dollars, and has been in place for more than a decade.

Ms. Levesque then shared some of the results with the Committee Members. From 1991-2000 there were modest increases in AP student performance. Then in 2000, right after the providing of free PSAT tests, professional development for the teachers, and financial incentives, the results skyrocketed. Ms. Levesque said, "There is no other program that we have put in place in the State of Florida where we have invested so little and received so much for our investment."

Ms. Levesque continued by sharing that student participation and performance rates in the AP programs were made a part of Florida's school accountability system in 2010. This inclusion caused a jump between 2009 and 2010 of over 40,000 students taking AP exams in the state.

Ms. Levesque then pointed out that the biggest benefactors of these policies have been Florida's minority students. Hispanic students have seen a 505% increase in taking AP exams and African American students have seen a 719% increase. Principals polled said that the elimination of the cost of the PSAT test and the resulting removal of negative peer pressure are the primary reasons for the increase. Florida's Hispanic and African

American students lead the country in taking AP courses and passing AP exams among their peers nationally.

To summarize, the partnership with the College Board since 2000 has produced increases in AP course participation and exam success for students in Florida, increase in college attendance rates and entrance exam testing scores. Also, students have received college credits which save their parents money on tuition costs. The largest benefits have been in the minority and rural populations. A relatively low cost investment - 9 million dollars out of a 19 billion dollar budget – has yielded the results that have far surpassed the investment cost. This would translate into roughly a 5 million dollar investment in North Carolina. Ms. Levesque also pointed out that this program had bi-partisan support in Florida’s legislature.

Chairman Tillman thanked Mr. Rudin and Ms. Levesque for their presentation and opened the floor to questions from the Committee Members. Mr. Rudin and Ms. Levesque received and answered questions from the Committee members.

Chairman Tillman adjourned the meeting.

Respectfully submitted,

Mark Shiver, Committee Clerk

Sen. Jerry Tillman