

DRAFT MINUTES

JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE

October 4, 2011

The Joint Legislative Education Oversight Committee met on Tuesday, October 4, 2011, 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 Brock, Dannelly, 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, and Sanderson. The following members of the Legislative Research Staff were in attendance: Drupti Chauhan, Patsy Pierce, Kara McCraw, and Sara Kamprath. Mark Shiver, Research Assistant for Senator Tillman and Senator Preston, 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 asked each member in attendance to state their name, district, and years of legislative service. He asked members of the Legislative Research Staff to introduce themselves as well.

Chairman Tillman noted that this year the Committee will not be asking for presentations from groups that provide the Committee with reports, unless a presentation will be deemed necessary.

Chairman Tillman then recognized Drupti Chauhan for a summary of the legislation related to the Education Oversight Committee. Drupti brought the Committee's attention to the first two tabs in their notebooks, containing the Committee's authorizing legislation and some changes that were made this year:

- 1) Increasing the number of members of the minority party from two to three.
- 2) Giving the Committee the discretion to look at different education items instead of requiring the Committee to look at certain things.
- 3) Adding that the Committee may study the needs of children and youth in a more expanded view of issues related to children.

Drupti also brought the Members' attention to information on reports and studies by Education Oversight, and a comprehensive list of all the reports that are submitted to the Legislative Oversight Committee by various State agencies. Lastly, Drupti pointed out that there is a draft copy of the education chapter of the Research Division's Summaries of Substantive Legislation, the final version of which is to be forthcoming at a later date.

Chairman Tillman then commented that the Committee has a great deal to do, and thanked them in advance for their work.

Community College Workforce Development Programs

Chairman Tillman introduced Dr. Scott Ralls, President of the North Carolina Community College System.

Dr. Ralls addressed the Committee regarding the Workforce Development Program and also the Customized Training Program within the Community College System in North Carolina. (See presentation material behind Tab 4 in Members' notebook) Dr. Ralls began with a history of the Customized Training Program, noting that it was a forerunner of Workforce Development Programs in North Carolina and across the nation. The program started in 1958, when North Carolina was very poor as a State, with a per capita income that was 63% of that of the United States. Then Governor Luther Hodges was diligent in seeing North Carolina move beyond textiles, tobacco, and furniture as its primary job creators. The creation of the Research Triangle Park, and the idea of customized jobs training, were both pivotal in bringing economic growth and diversity to North Carolina. North Carolina had the first customized jobs training program in the United States.

The program has grown in sophistication, as has North Carolina's economy. In 2009, North Carolina's per capita income was 88% of that of the United States. Dr. Ralls said that workforce development has contributed to that growth and indicated that North Carolina has one of the best workforce development programs in the United States.

Dr. Ralls referenced a study done for the Texas Legislature that showed that 47 states now have job training programs that are used as incentives for new, expanding, or restructuring companies. Most states do not offer these programs through their community colleges, but rather through an agency such as the North Carolina Department of Commerce. Most are funded, as is North Carolina's, through the General Fund, with the appropriation in North Carolina being 12.4 million dollars. Dr. Ralls noted that several other states have a much higher level of funding, but that he is not concerned about that as we have a strategic advantage in North Carolina in offering customized jobs training as a part of the overall workforce development program.

Dr. Ralls talked about the increased competition in the area of workforce development, not only from other states, but also internationally, punctuating this point by showing a television advertisement he saw while in Germany which promoted the country of Bahrain as having a business friendly workforce.

Dr. Ralls noted that the programs and companies are much more sophisticated today and went on to illustrate some of the challenges not only with other states but with other nations, also. He mentioned the field of biotechnology, citing that North Carolina leads the nation in this area of workforce development. He gave examples of Novartis, the vaccine plant in Holly Springs, North Carolina, which is making a 650 million dollar

investment and adding approximately 450 jobs. Another example is Merck, also making a 650 million dollar investment and adding approximately 400 jobs in Durham, North Carolina. Through the BioNetwork and facilities at NC State University, the workforce development program is providing the sophisticated training needed to fill these jobs. Dr. Ralls cited as competition in the field of biotechnology economic development, the large presence of Russia at a biotech conference he recently attended in Washington. He also mentioned Singapore as a rapidly growing economy in the area of pharmaceuticals and biotechnology.

Dr. Ralls mentioned aerospace as another area in which the workforce development program has been very active. In the eastern part of the State, Spirit Aerosystems is making a 500 million dollar investment and adding 1,000 jobs. Training is being offered in the field of composites for aerospace at Lenoir Community College. Honda Jet, in the Piedmont-Triad area, is making a multi-million dollar investment and adding many jobs. The training focus there is on avionics and other electronic areas related to aerospace.

Dr. Ralls cited as competition in the field of aerospace economic development the nations of Mexico and Brazil, both of which have committed enormous monetary investments to these programs in their countries.

Dr. Ralls mentioned energy as another focus in the area of workforce development. He cited Siemens in Charlotte having added 600 jobs and now preparing to add another 850 jobs, as well as a 250 million dollar investment.

Dr. Ralls mentioned China as a nation providing competition in the energy sector as related to workforce development and training.

Dr. Ralls then proceeded to discuss the strengths of North Carolina's Customized Training Program:

- A history of close relationships between local community colleges and economic developers
- Delivery of programs through the 58 community colleges
- A lifetime partnership with North Carolina companies from Concept to Production to Success.

He indicated that while we are not the most-funded program in the US, we are extremely competitive when providing training solutions and workforce strategies.

Dr. Ralls then talked about improvements in the Customized Training Program.

- The program is not as over-extended as it was in the past.
- There have been a combining of resources to consolidate programs.
- The program is more efficient.

Dr. Ralls proceeded to show a list of workforce training by industry. He pointed out that even though the textile industry as a whole has been declining, workforce training is still a large part of the industry. (See the handout slide labeled Customized Training: 2010-11 Projects/Trainees by Industry)

There is a life cycle of customized training. Dr. Ralls pointed out that North Carolina's customized training programs are an integral part of each phase of the life cycle. (See the handout slide labeled Customized Training: Life Cycle of Services)

The next part of Dr. Ralls' presentation showed the breakdown between rural and urban projects as related to workforce development. He showed that there are more programs in rural areas, but that programs in urban areas are often with companies that are adding more jobs. He added that this is fairly consistent over the years.

Turning to the total number of trainees, Dr. Ralls shared what he considered good news, in that there was a spike in terms of the total number of trainees in 2010-2011 after a couple of years of decline. This can be attributed to the economy. The five-year average is 15,516 trainees.

Dr. Ralls showed a slide, Customized Training: New, Expanding, and Existing Companies. He indicated that increased flexibility has allowed the training to be a part of a business in each of its stages of development.

Dr. Ralls then shared that the 2010-2011 Program Expenditures was \$9,364,959 for a total number of 27,209 trainees. This is a cost of \$345 per trainee.

Dr. Ralls went on to emphasize that the key to the Program's success is not just in the customized training, but also in that North Carolina has a network of 58 community colleges that work together, and in the bringing in of significant workforce development opportunities through customized training. Most of the training takes place in the area of Workforce Continuing Education, also known as Occupational Extension. He referenced the slide, Short-Term Training: Workforce Continuing Education which shows a breakdown of the training areas and unduplicated headcounts for each. (See handout)

Dr. Ralls gave an example of how the workforce development program has helped during the recession. A program called "JobsNow" was created to help the unemployed get back into the workforce. It had 19,755 trainees in a twenty-month period. He gave an example of a company that needed welders and this program had certified 500 welders, giving North Carolina a great competitive advantage as this company was looking to create new jobs.

Dr. Ralls also noted how many degrees, diplomas, and certificates are coming forth from the workforce development program. Not only is training being done for workforce

development, but that training is leading to degrees being developed. North Carolina has also been a leader in certifications for employees in the area of manufacturing. In conclusion, Dr. Ralls spoke of some of the challenges facing the workforce development program. For example, Catawba Community College recently invested in the completion of a simulation hospital. The challenge is making this type of investment which will yield great training opportunities, but could limit what a local community college could do in the short-term in other areas. The media has related that major companies have cited workforce training as a reason they located in North Carolina. Dr. Ralls finished with the story of Stanley Furniture staying in Graham County which had the highest unemployment in the state. They stayed in large part due to the training of employees offered by the community college. It is not only about attracting jobs, but keeping them.

Chairman Tillman thanked Dr. Ralls for his presentation.

Dr. Ralls received and answered questions from Committee members related to workforce development and customized training.

Alternative Assessment Strategies: Implementation of HB 48 & SB 479

Chairman Tillman introduced Dr. June Atkinson, State Superintendent of Public Instruction.

Dr. Atkinson addressed the Committee on the progress that the State Board of Education and the Department of Public Instruction are making regarding Alternative Assessment Strategies: Implementation of HB 48 & SB 479. Dr. Atkinson reminded the Committee that HB 48 required the State School Board of Education and Department of Public Instruction to consider alternative assessment strategies for measuring academic performance of North Carolina's students and for evaluating North Carolina's teachers. SB 479 and its companion bill HB 766 received broad bi-partisan support. Dr. Atkinson thanked the Co-Chairs for sponsoring a bill that will have a positive impact on our State.

Dr. Atkinson explained why she thinks the law will have a positive impact on our State: As funds allow, all students will take the ACT and diagnostics assessments in the 8th and 10th grades that are aligned to the ACT, a nationally recognized assessment. These diagnostic assessments are designed to determine if a student is on target to be remediation free when they get to a community college, a university, or the workplace. The ACT components are English, Mathematics, Reading, Science, and Writing. The test aligns with North Carolina's essential and common core standards for what students should know for each year of being in school. The ACT has a very high predictability of whether or not a student will be successful in freshman courses either at a community college or a university in the subjects of math, English, and science. Every community college and university in our State that requires a nationally recognized test as part of their admission process will accept the ACT. Approximately two-thirds of students who continue post-secondary education in our State take the ACT.

Dr. Atkinson addressed the issue of students that want to go to the workplace. The ratified law allows for WorkKeys to be administered to students who have completed a second-level or advanced-level technical education course. She noted that some companies require WorkKeys to be taken by prospective employees when interviewing for a vacant position. Also, community colleges across North Carolina are administering WorkKeys and giving a credential when a student has finished a technical sequence. She also noted that the law provides for a “portable credential” that means something both in and out of school.

Dr. Atkinson restated two goals:

- Increasing graduation rates. She noted that the rate last year was 89.2% for those students who have completed a sequence of career technical courses either in community college and high school combined, or just in high school.
- Preparing students for the next step – university, community college, work, or both. Administering ACT and WorkKeys will give us the data we need to address the needed improvement in our delivery of education.

Timeline

Dr. Atkinson said that ACT will be administered to all 11th graders in North Carolina in March, 2012. WorkKeys will also be administered to either 11th or 12th graders, depending on when they complete a technical sequence.

Dr. Atkinson proposed a question that she said would seem natural at this point: “What can schools do along the way to make sure that students do well on ACT or WorkKeys?” She referenced the Andy Griffith Show and Barney Fife’s statement, “Nip it in the Bud.” She stated that we have an opportunity with SB 479 to “nip in the bud” the weaknesses of our students, and address those weaknesses before they become juniors or seniors. She outlined how:

“Aligned with ACT and WorkKeys are diagnostic assessments that can be administered at the 8th grade (called Explore) and again at the 10th grade (called Plan), to see if students are on target to be career and college ready. Explore measures progress in the same areas as ACT, and Plan continues these assessments. The idea is that teachers can identify areas of weakness in a student and provide additional help as needed.”

Dr. Atkinson then gave the advantages to moving forward in using this suite of tools:

- They are all aligned. Beginning with the eighth grade teachers can have a growth chart showing progress toward the goal.
- The suite of tools gives quality information on where to work to achieve the goal of student achievement.

- They are aligned with national and international standards of what students should know and be able to do. The credential they receive for ACT or WorkKeys will have meaning.

Dr. Atkinson reiterated that the ACT will be given in March 2012 to all 11th grade students in North Carolina, as well as Plan to all 10th grade students. She touted the suite of tools as a realistic means by which the State can save money now being spent on remediation. It will also help students know how they are progressing and give them a better look at their post-secondary options.

Dr. Atkinson referred to the handout behind Tab 6 in the Members' notebooks that indicates that in the next couple of months ACT and WorkKeys will be formally adopted by the Department of Public Instruction as part of their Accountability program. This will be integral in addressing the components of HB 48 and SB 479.

Dr. Atkinson reported that North Carolina is part of a thirty-plus state consortium that is working on the next generation of determining what students are learning to show that they are career and college ready in English, language arts, and mathematics. The consortium is called the "Smarter Balance Assessment Consortium." They are working to design curriculum that is blended with assessments. She referenced the page in the Members' notebooks behind Tab 6 that shows a sample of an 8th grade assessment question that shows how a student will apply math, reading, and problem solving.

Dr. Atkinson projected that by 2013-14, Smarter Balance will have assessments that can be used in elementary, middle, and high schools. This will give us an opportunity to measure our progress against other states and even across the world.

Dr. Atkinson closed by thanking the Members for passing Senate Bill 479 and for the opportunity to share with the Committee the progress being made on implementing the ratified law.

Chairman Tillman thanked Dr. Atkinson for her presentation.

Dr. Atkinson received and answered questions from Committee members related to the timing and implementation of the ACT and the assessments.

Digital Textbooks

Chairman Tillman introduced Neill Kimrey, Director of Instructional Technology, Department of Public Instruction and Scott Smith, Chief Technology Officer, Mooresville Graded School District.

Mr. Neill Kimrey addressed the Committee on Digital Textbooks and Digital Resources in North Carolina schools. (See presentation material behind Tab 5 in Members' notebook) Mr. Kimrey began by stating that we are living in a digital world, where students are consuming vast amounts of information on digital devices via the internet.

He cited the “Speak Up 2009 Survey,” an international survey of teachers and students. Students in the United States identified a lack of digital content as a key factor in keeping them from excelling in their school. He agreed with Dr. Atkinson’s point that we are moving into new assessments and that most of those assessments are going to be delivered in an online fashion. Students will be accessing them via the internet and taking them on digital devices. It would seem to follow that our students are being taught and learning digitally as well. He pointed out however, that students are using digital devices everywhere but at school.

What is a Digital Textbook?

Mr. Kimrey said that a digital textbook is an instructional or educational book delivered in digital form and can be delivered over the internet. He said that static resources are not the best, but rather those that are dynamic, can be changed easily, and can be incorporated in to multi-media type lessons.

What are Digital Resources?

Mr. Kimrey defined digital resources as those instructional materials that are generally accessible via the internet, such as multi-media, streaming video, assessment data, and tools for student creation of content and collaboration. He discussed the benefits of digital textbooks and resources:

- **Quality:** Multi-media and interactivity have been shown to be much better learning tools than static words or pictures on a flat page. Also, we can have up to date information. Most agree that a traditional textbook is three years old once it reaches a student’s hands. Also, student annotations can be made for those students for which writing is critical. This allows them to write what they are learning and it can be saved. By contrast, most students are told not to write in a traditional textbook.
- **Access:** Assessments can be accessed and customized to a student’s needs by the teacher. North Carolina history, for example, can be localized and customized as opposed to the arbitrary writings in a traditional textbook. Also, digital resources can be used much more effectively for students with special needs. Finally, digital resources are readily available whereas textbooks in many cases are not.
- **Value:** Cost savings can come in areas such as shipping and manpower when compared to digital textbooks. There are open educational resources that are free to teachers and students already on the internet. Cost reduction also occurs through increased competition. Better health for students who are no longer having to carry a heavy, book-laden backpack is also a benefit.

Mr. Kimrey posed the question, “How are Schools Using Digital Textbooks and Resources in North Carolina Now?” Some districts are using online static versions of their textbooks. However, some are leading the way in excellence in regard to using

digital in their school districts. The Microsoft Academy provides high school students an opportunity to become certified and/or licensed in certain Microsoft applications. The Virtual Public School uses many digital resources to meet the needs of its students as they are learning online. The IMPACT Model Schools Initiative uses federal monies to provide digital resources to schools that are involved. The Mooresville Graded School District has become a pinnacle in North Carolina for converting to digital textbooks and resources. Granville County Schools has moved much of its math materials online. Charlotte-Mecklenburg schools have a complete online science curriculum. Many LEAs are providing Apple iPads and Amazon Kindle Readers for supplemental e-books. And the LEARN NC 8th Grade North Carolina History textbook has provided 12 schools with localized, relevant, open, and free North Carolina history curriculum.

Mr. Kimrey talked about digital reform coming through Race to the Top funds that will support the infrastructure. He also noted that there are several reasons that school districts have not embraced digital, including a lack of hardware for the students, a lack of a sufficient infrastructure, and teachers that have stayed with traditional models.

Mr. Kimrey talked about regional trends in the Southeast. Virginia, Georgia, South Carolina, and Florida are all moving towards implementing digital textbooks and resources. He then talked about how North Carolina can move towards digital reform. He discussed some short-term and long-term recommendations.

Short-Term Recommendations

- Clarify textbook adoption statutes to give LEA flexibility and remove audit exceptions by state auditors
- Modify School Improvement Plan statutes to provide increased flexibility and drive innovative practices
- Provide sustained funding for statewide digital resources, as the economy of scale decreases costs. He gave Discovery Education as an example, where now 55% of our schools are using it. Would it be cheaper if it were used Statewide due to the economy of scale?

Long-Term Recommendations

- Commission a task force to study the current Textbook Commission statutes to determine effectiveness and whether there is ongoing need. Are complete rewrites needed?
- Commission a task force to study the feasibility of, and methods for providing a digital learning device for all K12 learners and educators. For online resources to be viable, digital devices must be in the hands of the teachers and students. How much will this cost and how will the cost be divided between state, school district, local community, and parents?

Mr. Kimrey introduced Scott Smith, Chief Technology Officer, Mooresville Graded School District.

Mr. Smith talked about how Mooresville Graded Schools is using digital resources. He said that four years ago they made a decision to change the teaching and learning environment. They are preparing children for their future, not our past. They put a laptop in the hands of every 4th-12th grader in their district. They added 3rd graders this year. Each student has a laptop for the entire school year, 24/7. They have created an environment where a child has a window to the world as opposed to a static page in a textbook.

Mr. Smith said that the biggest question the school district gets is, "How do you afford this?" He referenced the chart in the presentation showing that out of 115 school districts in North Carolina, Mooresville ranks 99th in per pupil spending. This has not come at the expense of learning, as they rank 3rd statewide in EOG and EOC tests.

Mr. Smith showed that the graduation rate in Mooresville has risen over the four years of the digital project from 77% to 91%. Also, out of school suspensions have dropped 64%. Overall composite test scores went up from 68% to 89% during this period.

Mr. Smith indicated that Mooresville has purchased 24 digital resources, at an approximate cost of \$35 per student per year. They are also using online assessments.

Chairman Tillman commented that it will be essential to see the actual cost of the implementation of digital textbooks Statewide versus the cost of traditional textbooks.

Mr. Kimrey and Mr. Smith received and answered questions from Committee members related to the cost and implementation of digital textbooks and digital resources.

Chairman Tillman adjourned the meeting.

Respectfully submitted,

Mark Shiver, Committee Clerk

Sen. Jerry Tillman