
Report to the Joint Legislative Education Oversight Committee

*Disadvantaged Student Supplemental
Funding Initiative and Low-Wealth
Initiative*

SL 2007-323, SEC 7.8(b)

HB 1473, 2007 Budget Act

Date Due: January 15, 2008

Report #35

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Report to the Joint Legislative Education Oversight Committee

Disadvantaged Student Supplemental Funding and Low Wealth Initiatives 2006-07

Overview

The two year pilot program for the sixteen LEAs targeted to receive Disadvantaged Student Supplemental Funding (DSSF) for 2004-05 and 2005-06 has ended. The sixteen districts who participated in the two year pilot were Edgecombe County, Franklin County, Halifax County, Hertford County, Hoke County, Hyde County, Lexington City, Montgomery County, Northampton County, Elizabeth City-Pasquotank, Robeson County, Thomasville City, Vance County, Warren County, Washington County, and Weldon City. During this two year pilot the LEAs were required to submit action plans and budgets for use of the allocation. During the 2006-07 school year, all one hundred and fifteen (115) school districts received DSSF monies.

In the 2006 Session of the General Assembly, the funding was expanded to \$49,490,920 dollars (including charter schools, see Appendix, attachment I). This funding was allotted to the LEAs on the basis of the reported number of disadvantaged youth population.

The legislation requires school districts to submit a plan for the use of the funds to be approved by the State Board of Education (original 16 LEAs) prior to the funds being distributed. In 2006-07 the State Board of Education adopted an abbreviated format for districts (the remaining 99LEAs) to use in completing their plans (see Appendix, attachment II). The new form requires school districts to indicate how other state funds (Low Wealth, Small County, At-Risk, etc.) are to be combined to improve student achievement. The specific uses of DSSF funds that can be adopted for use by a district are included in the legislation (see Appendix, attachment III).

Technical Support

Data analysis is critical to the decision-making process as an LEA makes determinations about the most effective strategies to implement. Using data to identify specific needs allows resources, personnel, and professional development to be directed and focused toward the needs of the system. The **first** way in which DPI assist school districts in determining the best use of DSSF & Low Wealth is through **School Improvement Planning**. State law 115C-105.27 requires all LEAs to develop comprehensive school improvement plans on a three year cycle. These school improvement plans contain data on all aspects of the school district and strategies on how to improve deficiencies. School improvement plans are used to inform DSSF plans. DSSF /Low Wealth monies serve as a major source of assisting LEAs in meeting school improvement plan goals.

The **second** level of support can be realized through a 2006-07 **document which provides the LEAs with an outlined DSSF/Low Wealth planning process for delivering the action plan** (see Appendix, attachment IV). On July 21, 2006, a data work session was conducted with a focus on assisting school districts in using data to build a high quality DSSF plan.

The **third** means of technical support was direct assistance from the Office of Curriculum and School Reform. All superintendents and charter school directors received an August 29, 2006, memo with supporting documents to assist them in developing their DSSF action plan for the school year (see Appendix, attachment V). Throughout the course of the 2006-07 school year **both the Office of Curriculum and School Reform and the Office of Financial and Business Services answered questions and offered recommendations (via emails and telephone calls) to school districts on how to most effectively use their DSSF /Low Wealth/all other State and federal allocations**. Although no official numbers are available, LEAs frequently called for assistance. The greatest concern of the school districts was that DSSF and all other allotments were being used as legally prescribed.

Oversight

As previously indicated the specific strategies and uses of DSSF monies that can be adopted for use by a school district are included in the legislation. As previously indicated, legislation does not require LEAs to specifically use Low Wealth funds for improving achievement of disadvantaged youth. Low Wealth Supplemental Funding was implemented to address the inability of some counties to generate local resources to support public schools. The legislated language describing the allotment states "The General Assembly finds that it is appropriate to provide supplemental funds in low-wealth counties to allow those counties to enhance the instructional program and student achievement". In addition, the legislation outlines how school districts are allowed to use this State money for services historically paid from local funding. Examples include:

- a) Salary supplements which are in addition to the State salary schedule.
- b) Clerical support in schools

- c) Additional instructional personnel
- d) Additional instructional supplies.

The legislation does encourage school districts to use at least 25% of the allotted funds to improve the performance of students performing at Level I or Level II on State tests. The allotment is not however designed to solely be used to address the needs of this population (as are the At-Risk Student Services and Improving Student Accountability allotments). It is safe to say that without the Low Wealth Supplemental Funding, school districts would need to cut back services (such as remediation) and this cut back would have a detrimental impact on student performance.

. School districts submitted DSSF/Low Wealth Disadvantaged Student Supplemental forms throughout the first semester of the 2006-07 school year. The Office of Curriculum and School Reform reviewed forms to ensure that DSSF/Low Wealth major measurable goals and major strategies were researched-based, best practices that focused on improving the academic needs of students, especially historically underachieving youth. The Office of Financial and Business Services reviewed the forms to ensure proper use of the funds according to established NC State school budgeting statutes.

Evaluation of Strategies Implemented by LEAs using DSSF Funding

In 2005, the General Assembly mandated an evaluation of the effectiveness of the strategies funded by the DSSF program, as well as the effectiveness and efficiency of DPI's LEEAP teams. This report was completed by an evaluation team organized through the University of North Carolina at Chapel Hill. The evaluation was centered on the 16 LEA Pilot Districts only. The evaluation team assembled and analyzed data on expenditures, teachers, and students from a number of sources within NCDPI. The team also collected implementation data from each of the 16 districts through interviews and with district administrators and principals, as well as focus groups with teachers.

To establish a reference point for 2006-07 findings, the eight findings of the pilot program (2004-05 & 2005-06) are offered for your review:

1. Academically disadvantaged students in the DSSF pilot districts were substantially less likely to be taught by highly qualified teachers than were the proficient students in those districts. Moreover, the disadvantages of these students were compounded by the fact that the students in the DSSF districts were substantially less likely to be taught by high quality teachers than were the students in the rest of the state. This was true across all eleven indicators of teacher quality measured and across elementary, middle and high schools.
2. With remarkably few exceptions, students living in poverty and minority students were substantially less likely to be taught by higher quality teachers than were their more economically advantaged and White Peers.

3. The pilot districts were among the most academically disadvantaged in North Carolina.
4. From one grade to the next, more students in the pilot districts drop below proficiency in math, but in reading there is a precipitous drop in proficiency during the first year of the middle school – a drop from which students spend the next two years recovering.
5. High school students in the DSSF pilot districts who were not proficient in either math or reading in the 8th grade were unlikely to pass their End of Course (EOC) test in Algebra I, English I, or Biology.
6. Teachers and administrators in the sixteen DSSF pilot districts identified turnover of teachers and district leaders as the main problem that contribute to the low student performance and high drop-out rates in their districts.
7. The sixteen pilots spent most of their DSSF funds in the first two years on salaries for classroom teachers. However, districts encountered several issues in implementing the DSSF program during the two years of the pilot program and were not able to match the levels of salary supplements that other districts offered.
8. The technical assistance provided by the Department of Public Instruction through its LEAAP teams was valuable to many districts, but at times the guidance was inconsistent.

The Executive Summary of the DSSF Pilot Evaluation is provided in the Appendix, attachment VI.

As previously stated, the legislated intent and structure of Low Wealth funding does not allow for an in-depth evaluation of how Low Wealth funds are impacting student achievement. There are simply too many variables within the flexibility of Low Wealth funding use to draw any specific correlations between use of Low Wealth funds and student achievement. What can be offered are examples of how Low Wealth funds and DSSF funds are being combined to impact those factors which improve student achievement.

2006-07 use of DSSF and Low Wealth Funds:

	<u>Instructional Salary</u> (Teacher)	<u>Instructional Support</u> (Salary)	<u>Other Salaries</u>	<u>Other</u> (Non Salary)
DSSF	\$16,984,313	\$1,433,766	\$6,437,058	\$3,255,374
LW	\$64,245,946	\$2,739,732	\$51,506,246	\$4,244,707

	<u>Staff Development</u>	<u>Suppl., Equip. & Software</u>	<u>Benefits</u>	<u>Totals</u>
DSSF	\$3,473,754	\$10,988,805	\$4,953,975	\$47,527,045
LW	\$1,511,225	\$23,575,278	\$28,630,764	\$176,453,900

During the 2006-07 school year all 115 LEAs received a DSSF allocation which was allocated on the basis of the number of disadvantaged youth served by a school district. As previously stated, state legislation specifies how DSSF funds may be used. During the 2006-07 school year 80 LEAs received a Low Wealth allocation based upon a formula which targets additional resources to school districts that have the least ability to generate local revenue that could be used to offer comparable educational programming and services as those offered by more wealthy school districts. The use of Low Wealth funds are not as specified by legislation as DSSF funds. However, as indicated by the above data, LEAs are proportionately utilizing the funds in similar categories.

A high percentage of the LEAs used DSSF and Low Wealth funds to hire additional instructional personnel. Additional teachers were hired to reduce class size, provide English Second Language teachers, instructional coaches in content specific areas, curriculum specialist, literacy coaches, and drop out prevention counselors. Another high area of funding use was in the area of other salaries for additional teacher assistants and clerical help for teachers.

Although the sum of both funds used for staff development was small, a significant number of LEAs used DSSF and Low Wealth to support existing staff development initiatives. Documented professional development activities included curriculum revision, literacy and math strategies, writing across the curriculum, strategies to assist regular classroom teachers better serve exceptional children, strategies to help academically intellectually gifted students, and to prepare schools to become professional learning communities. All of the aforementioned activities/strategies have been identified as best practices in educational reform.

Per legislated intent, approximately 25% of the school districts used DSSF funds to offer or increase teacher supplements, signing bonuses, scholarships for continuing education for teachers, and incentives for hard to fill areas such as math, exceptional children and middle grade teachers. Twenty school systems used DSSF funds for formative assessment and benchmarking tools. A considerable amount of DSSF and Low Wealth funding was used for tutorial assistance and academic remediation for non proficient students. Three school districts used DSSF funds to assist with the cost of implementing an early/middle college and to cover the start-up cost of a high school reform/redesign model.

As expected, the majority of funds spent for equipment were used to purchase desk top and lap top computers, with tablets, LCD projectors and TI 84 calculators also in demand. Various types of instructional software such as Novanet and Successmaker were also purchased.

Findings

During the 2006-07 school year LEAs combined DSSF and Low Wealth funds to provide needed resources for students who were academically low performing. Funds were utilized for the large categorical expenditures in instructional salaries for teachers, instructional support salaries, staff development, supplies, equipment, software, and personnel benefits. Funds targeted the areas outlined in the 2004-05 and 2005-06 DSSF pilot evaluation. Through the provision of professional development for existing teachers and supplements/financial incentives for new teachers, LEAs attempted to staff classrooms with highly qualified teachers. Funds consistently targeted the content areas of math and literacy.

At the conclusion of the 2006-07 school year, DPI made the decision to discontinue the use of school improvement and LEAAP teams. During April of 2007, development of a new comprehensive support to districts and schools was undertaken. The new framework for support is currently being piloted in two North Carolina school districts.

APPENDICES



Fiscal Year 2006-07
DSSF Funding

LEA No.	LEA Name	FY 2006-07 DSSF Allotment
010	Alamance County	263,160
020	Alexander County	138,731
030	Alleghany County	19,070
040	Anson County	208,335
050	Ashe County	41,476
060	Avery County	29,081
070	Beaufort County	212,626
080	Bertie County	179,731
090	Bladen County	271,265
100	Brunswick County	157,324
110	Buncombe County	282,230
111	Asheville City	60,546
120	Burke County	600,692
130	Cabarrus County	245,998
132	Kannapolis City	67,220
140	Caldwell County	348,974
150	Camden County	66,744
160	Carteret County	102,022
170	Caswell County	133,487
180	Catawba County	185,452
181	Hickory City	60,546
182	Newton-Conover	43,383
190	Chatham County	82,476
200	Cherokee County	98,685
210	Edenton/Chowan	78,185
220	Clay County	16,686
230	Cleveland County	467,205
240	Columbus County	342,776
241	Whiteville City	133,964
250	Craven County	391,404
260	Cumberland County	1,409,243
270	Currituck County	52,441
280	Dare County	49,581
290	Davidson County	206,905
291	Lexington City *	766,750
292	Thomasville City *	634,500
300	Davie County	66,267
310	Duplin County	412,380
320	Durham County	420,008
330	Edgecombe County *	1,903,750
340	Forsyth County	600,216
350	Franklin County *	1,997,250
360	Gaston County	418,101
370	Gates County	82,953
380	Graham County	36,232
390	Granville County	364,706
400	Greene County	164,952
410	Guilford County	834,295
420	Halifax County *	1,283,250
421	Roanoke Rapids City	112,034
422	Weldon City *	264,500
430	Harnett County	760,877
440	Haywood County	95,825
450	Henderson County	153,987
460	Hertford County *	883,500
470	Hoke County *	1,744,250
480	Hyde County *	162,750
490	Iredell-Statesville	224,068
491	Mooreville City	53,395

LEA No.	LEA Name	FY 2006-07 DSSF Allotment
500	Jackson County	45,767
510	Johnston County	703,668
520	Jones County	63,883
530	Lee County	120,615
540	Lenoir County	481,031
550	Lincoln County	143,975
560	Macon County	54,348
570	Madison County	71,511
580	Martin County	212,626
590	McDowell County	246,475
600	Mecklenburg County	1,463,592
610	Mitchell County	57,686
620	Montgomery County *	1,128,250
630	Moore County	147,789
640	Nash-Rocky Mount	808,551
650	New Hanover County	298,439
660	Northampton County *	793,750
670	Onslow County	871,481
680	Orange County	74,848
681	Chapel Hill-Carrboro	110,127
690	Pamlico County	46,244
700	Pasquotank County *	1,494,000
710	Pender County	200,708
720	Perquimans County	59,116
730	Person County	73,895
740	Pitt County	643,122
750	Polk County	26,221
760	Randolph County	440,031
761	Asheboro City	123,476
770	Richmond County	397,601
780	Robeson County *	6,106,750
790	Rockingham County	593,541
800	Rowan-Salisbury	255,056
810	Rutherford County	426,682
820	Sampson County	360,892
821	Clinton City	153,987
830	Scotland County	329,904
840	Stanly County	230,265
850	Stokes County	262,684
860	Surry County	227,405
861	Elkin City	30,988
862	Mount Airy City	45,767
870	Swain County	86,767
880	Transylvania County	44,814
890	Tyrrell County	34,325
900	Union County	353,264
910	Vance County *	2,023,750
920	Wake County	1,199,955
930	Warren County *	771,000
940	Washington County *	530,250
950	Watauga County	47,674
960	Wayne County	818,086
970	Wilkes County	261,254
980	Wilson County	404,276
990	Yadkin County	223,591
995	Yancey County	32,895
	Charters	743,832
Total Including Charters		49,490,920

* The Initially Funded 16 LEAs



Fiscal Year 2006-07
DSSF Funding

LEA No.	LEA Name	FY 2006-07 DSSF Allotment	LEA No.	LEA Name	FY 2006-07 DSSF Allotment
---------	----------	---------------------------	---------	----------	---------------------------

Current Legislation Requires (S.L. 2005-276, Section 7.8):

- A) Each local school administrative unit shall use funds allocated to it for disadvantaged student supplemental funding to implement a plan jointly developed by the unit and the LEA Assistance Program team.
- B) The plan shall be based upon the needs of students in the unit not achieving grade-level proficiency
- C) The plan shall detail how these funds shall be used in conjunction with all other supplemental funding allotments such as Low-Wealth, Small County, At-Risk Student
- D) Prior to the allotment of disadvantaged student supplemental funds, the plan shall be approved by the State Board of Education.

Funding Can Be Used For (per the same legislation):

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

ATTACHMENT II

Disadvantaged Student Supplemental Form
2007-08

LEA# 251

Original

Date

7/1/2007

LEA Name Example LEA

Amendment #

E-mail

smith@LEA.net

Finance

Contact Person Dr. Pat Smith

Phone #

888-0000

Officer SIGNATURE

Superintendent SIGNATURE

Strategy #	Major Measurable Goals	Major Strategies	DSSF Account Code		Amendment	Amended	Other Funds		
			Purpose	Object	Amount	Amount	Amount	Amount	
1	Increase the number of students scoring Levels III & IV by 10% in all EOC areas	Provide intensive in school remediation for students at risk of failing EOC courses by providing paid tutors during and after school.	5330	143	10,000.00	(5,000.00)	5,000.00	Low Wealth	2,500.00
			5330	221	711.00	(356.00)	355.00	Small County	5,000.00
			5330	211	765.00	(383.00)	382.00	At Risk	60,000.00
						-	-	Improve Account.	50,000.00
						-	-	Other	1,000.00
2	Increase the number of students scoring Levels III & IV by 10% in all EOC areas	Conduct Staff Development on writing process and purchase software to help teach and practice writing	5330	196		4,000.00	4,000.00	Low Wealth	
			5330	418		1,739.00	1,739.00	Small County	
						-	-	At Risk	
						-	-	Improve Account.	
						-	-	Other	
3					-	-	-	Low Wealth	
						-	-	Small County	
						-	-	At Risk	
						-	-	Improve Account.	
						-	-	Other	
4						-	-	Low Wealth	
						-	-	Small County	
						-	-	At Risk	
						-	-	Improve Account.	
						-	-	Other	
5						-	-	Low Wealth	
						-	-	Small County	
						-	-	At Risk	
						-	-	Improve Account.	
						-	-	Other	
6						-	-	Low Wealth	
						-	-	Small County	
						-	-	At Risk	
						-	-	Improve Account.	
						-	-	Other	
Page Total			11,476.00		-	11,476.00	118,500.00		

Continuation Page
LEA # 251

Strategy #	Major Measurable Goals	Major Strategies	DSSF Account Code	Amendment	Amended Amount	Other Funds	Amount
7					-	Low Wealth Small County At Risk Improve Account. Other	
8					-	Low Wealth Small County At Risk Improve Account. Other	
9					-	Low Wealth Small County At Risk Improve Account. Other	
10					-	Low Wealth Small County At Risk Improve Account. Other	
11					-	Low Wealth Small County At Risk Improve Account. Other	
12					-	Low Wealth Small County At Risk Improve Account. Other	
Page Total							-
Grand Total							-
			11,476.00	-	11,476.00		118,500.00

**Dissadvantaged Student Supplemental Funding
2007-08**

LEA# _____	Original <input type="checkbox"/>	Date _____
LEA Name _____	Amendment # <input type="checkbox"/>	E-mail _____
Finance Officer _____	Contact Person _____	Phone # _____
Superintendent _____		

Strategy #	Major Measurable Goals	Major Strategies	DSSF Account Code		Amendment	Amended Amount	Other Funds	Amount
			Purpose	Object	Amount			
1						-	Low Wealth Small County At Risk Improve Account. Other	
2						-	Low Wealth Small County At Risk Improve Account. Other	
3						-	Low Wealth Small County At Risk Improve Account. Other	
4						-	Low Wealth Small County At Risk Improve Account. Other	
5						-	Low Wealth Small County At Risk Improve Account. Other	
6						-	Low Wealth Small County At Risk Improve Account. Other	
Page Total			-	-	-	-		-

Disadvantaged Student Supplemental Funding
2007-08

Continuation Page
LEA # 0

Strategy #	Major Measurable Goals	Major Strategies	DSSF Account Code	Purpose Object	Amount	Amendment	Amended Amount	Other Funds	Amount
7							-	Low Wealth Small County At Risk Improve Account. Other	
8							-	Low Wealth Small County At Risk Improve Account. Other	
9							-	Low Wealth Small County At Risk Improve Account. Other	
10							-	Low Wealth Small County At Risk Improve Account. Other	
11							-	Low Wealth Small County At Risk Improve Account. Other	
12							-	Low Wealth Small County At Risk Improve Account. Other	
Page Total									-
Grand Total									-

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007
SESSION LAW 2007-323
HOUSE BILL 1473**

DISADVANTAGED STUDENT SUPPLEMENTAL FUNDING

SECTION 7.8.(a) Funds are appropriated in this act to address the capacity needs of local school administrative units to meet the needs of disadvantaged students. Each local school administrative unit shall use funds allocated to it for disadvantaged student supplemental funding to implement a plan jointly developed by the unit and the LEA Assistance Program team. The plan shall be based upon the needs of students in the unit not achieving grade-level proficiency. The plan shall detail how these funds shall be used in conjunction with all other supplemental funding allotments such as Low-Wealth, Small County, At-Risk Student Services/Alternative Schools, and Improving Student Accountability, to provide instructional and other services that meet the educational needs of these students. Prior to the allotment of disadvantaged student supplemental funds, the plan shall be approved by the State Board of Education.

Funds received for disadvantaged student supplemental funding shall be used, consistent with the policies and procedures adopted by the State Board of Education, only to:

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

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

Notes:

1. These funds cannot be used to pay teachers that are 100% employed to work before, during or after school. Saturday Academies or during intersession will be acceptable extra curricular activities which may be compensated for with the DSSF funds.
2. The maximum percentage that may be used for bonuses or supplements of the total funds allocated will be 35% for FY 2007-08.

DISADVANTAGED STUDENT SUPPLEMENTAL FUNDING PLANNING PROCESS FOR DEVELOPING THE ACTION PLAN FOR 2006-07

Data Analysis and Making Data-Driven Decisions

Data Analysis is critical to the decision-making process as the LEA makes a determination about the most effective strategies to implement. Using data to identify specific needs allows resources, personnel, and the professional development plan to be directed and focused toward the needs of the system and not randomly applied. This process will include an examination of the preliminary achievement data for 2005-06 as well as EVAAS data.

In addition to achievement data, the following should also be considered: student and faculty attendance rates, teacher turnover rate, administrator turnover rate, retention rates, dropout rates, long- and short-term suspension rates, expulsion rates, outcomes produced by programs that have been implemented for three years or more, the number of different programs being implemented simultaneously, the alignment of professional development with instructional needs of the LEA, the effectiveness of the LEA's mentoring program, etc. In other words, to develop an effective Action Plan, the LEA must know its own strengths, areas of weakness and the trends established by the LEA over the last few years.

This year, Action Plans will be approved for presentation to the state Board for approval only after there is certainty that it reflects the academic needs of the systems as provided through an analysis of the system's data. Complete the information requested below. Be sure each of the Local Team members have a copy and bring two copies to be submitted to Elsie Leak at the **Data Work Session** scheduled for **July 21, 2006**.

LEA _____

Part 1. Student Performance Profile – Base on Preliminary District Data

- A. **Elementary Level.** LEA Data Manager should complete the information requested below for **Reading** so it can be used in preparing the LEA Action Plan. Math will be addressed later.

Grade	Total # of Students	Reading				Mathematics			
		I	II	III	IV	I	II	III	IV
3									
4									
5									

_____ Student Attendance

_____ Teacher Turnover Rate

_____ # of Retentions

_____ Faculty Attendance Rate

_____ Dropout Rate

_____ Principal's Tenure in Years

_____ Out-of-School Suspensions

_____ # of 10 Yr+ Teachers

_____ # of Lateral Entry Teachers

_____ # of 0-5 yr. Teachers

- B. **Middle School Level.** LEA Data Manager should complete the information requested for below for **Reading** so it can be used in preparing the LEA Action Plan. Math will be addressed later.

Grade	Total # of Students	Reading				Mathematics			
		# of Students at Level				# of Students at Level			
		I	II	III	IV	I	II	III	IV
6									
7									
8									

_____ Student Attendance

_____ Teacher Turnover Rate

_____ # of Retentions

_____ Faculty Attendance Rate

_____ Dropout Rate

_____ Principal's Tenure in Years

_____ Out-of-School Suspensions

_____ # of 10 yr+ Teachers

_____ # of Lateral Entry Teachers

_____ # of 0-5 yr. Teachers

- C. **Secondary Level.** LEA Data Manager for each secondary school should complete the information requested below so it can be used in preparing the LEA Action Plan.

Subject	Total # of Students	# Scoring at Level I	# Scoring at Level II	# Scoring at Level III	# Scoring at Level IV
English I					
Algebra I					
Civic/Economics					
Biology					
US History					

_____ Student Attendance

_____ Teacher Turnover Rate

_____ # of Retentions

_____ Faculty Attendance Rate

_____ Dropout Rate

_____ Principal's Tenure in Years

_____ Out-of-School Suspensions

_____ # of 10 yr+ Teachers

_____ # of Lateral Entry Teachers

_____ # of 0-5 yr. Teachers

Part II. Use the School and other LEA information to determine the major focus of the Action Plan

- A. List the three schools by organizational level (elementary, middle) that have the greatest need in reading (poorest student academic performance) and/or math.**

<u>Elementary</u>	<u>Middle</u>
1.	1.
2.	2.
3.	3.

- B. List the high schools that have the lowest achievement in English I, Algebra, I, Civics and Economics, Biology and U. S. History**

<u>High School</u>
1.
2.
3.
4.

C. District Subgroup Performance

- How many subgroups does the district have? _____
- How many subgroups made AYP? _____ Did not make AYP? _____
- List the three subgroups that have the best performance:
_____, _____, _____
- List the three subgroups that have the poorest performance and give the subject:

Subgroup	Subject
_____	_____
_____	_____
_____	_____

5. List the Schools that did not make AYP with total # of targets and the # missed.
Start the list with elementary schools

<u>School</u>	<u>Total # of Targets</u>	<u># of Targets Missed</u>
1.		
2.		
3.		
4.		

D. In the Action Plan, include the following measurable objectives:

1. Reduce the teacher turnover rate from _____ to _____ for 2005-06.
2. Increase the number of elementary level students scoring at level III and/or IV in reading and mathematics by 10 % or more.
3. Increase the number of middle grade students scoring at level III and/or IV in reading and mathematics by 10% or more
4. Increase the number of high school students scoring at Level III and/or Level IV in English 1, Algebra I, Civic/Economics, Biology and U.S. History.

- E. Assign a member of the Central Office staff to be responsible for each of the four major objectives. List the names below. The central office point person should manage and implement the strategies in collaboration with the appropriate principals and school improvement team leaders or other school level leaders.**

<u>Objective</u>	<u>Central Office Point Person</u>	<u>Contact Information</u>
1		
2		
3		
4		

August 29, 2006

TO: Superintendents
Charter Schools Executive Directors

FROM: Elsie C. Leak

Philip W. Price, Associate Superintendent
Financial and Business Services

RE: Disadvantaged Student Supplemental Funding Allocation for 2006-07

As you are aware, Disadvantaged Student Supplemental Funding (DSSF) was provided to sixteen (16) districts over the past two year in a pilot program. In the 2006 Session of the General Assembly, the funding was expanded to include all LEAs. The legislation requires districts to submit a plan for use of the funds to be approved by the State Board of Education prior to the funds being distributed. The State Board of Education has adopted an abbreviated format for districts to use in completing their plans for 2006-07. The allocated funds must be used for implementation of educational strategies that will improve student academic performance. The specific strategies that can be adopted for use by a district are included in the legislation, which is attached (S. L.2005-276 (SB622) - Section 7.8 (a)). The legislation also allows the State Board to require a school district to use the funds to purchase the Education Value Added Assessment System (EVAAS). Although this is a requirement for the original 16 funded districts, it will not be a requirement this year for all the other school districts. Districts should complete their plans and submit them to Elsie C. Leak by **Friday, September 15, 2006**.

The following documents are enclosed for your information and convenience:

- legislation that authorizes and guides the use of these funds;
- format approved by the State Board for development of district plans; and
- allocations for 2006-07.

If you have questions, please contact either Philip Price (pprice@dpi.state.nc.us) at 919-807-3600, Paul LeSieur (plesieur@dpi.state.nc.us) at 919-807-3701 or Elsie Leak (eleak@dpi.state.nc.us) at 919-807-3761.

ECL/PWP/rk

C:

Attachments

Executive Summary

The DSSF Pilot Evaluation: Report 1

In 2004, Governor Mike Easley and the North Carolina State Board of Education established the Disadvantaged Student Supplemental Fund (DSSF) as a pilot program in 16 of the state's most educationally disadvantaged districts. The overarching goal of the program, which is the focus of this report, was to increase the learning and academic performance of students, especially disadvantaged students. During the 2004-2005 school year, the program provided \$22.4 million to the pilot districts. The program allowed districts flexibility in using the funds to attract and retain qualified, competent teachers and to provide enhanced instructional opportunities to students at risk of school failure. The NC Department of Public Instruction (DPI) was required to provide assistance and monitor the program through the Local Education Agency Assistance Program (LEAAP).

The pilot program continued with slightly increased funding for the 2005-2006 school year. In 2006-2007, the Governor recommended expanding the program statewide, and the North Carolina General Assembly appropriated \$49.5 million for DSSF along with significant increases in other state education programs.

In 2005, the General Assembly mandated an evaluation of the effectiveness of the strategies funded by the DSSF program, as well as the effectiveness and efficiency of DPI's LEAAP teams. This is the first of several reports from the evaluation team organized through the University of North Carolina at Chapel Hill. The evaluation team assembled and analyzed data on expenditures, teachers, and students from a number of sources within the NC Department of Public Instruction. The team also collected implementation data from each of the districts through interviews with district administrators and principals, as well as focus groups with teachers.

Findings from the DSSF Evaluation: Report 1

A main purpose of this report is to describe in detail student performance and educational resource allocation – including both human and financial resources -- in the 16 pilot districts during the first year of DSSF funding, before that funding could be expected to improve conditions or outcomes. In one sense, the report will provide a baseline against which we will assess progress in DSSF districts over time. In another sense, however, the detailed descriptive information presented in this report is more than simply a baseline. This report documents disparities in access to high quality teachers between the DSSF districts and the rest of the state and within the DSSF districts, the flow of students into and out of academic proficiency, and the implementation of the pilot program, including how funds were expended by the districts.

Here are some of the main findings presented in this report:

1. Academically disadvantaged students in the DSSF districts were substantially less likely to be taught by high quality teachers than were the proficient students in those districts. Moreover, the disadvantages of these students were compounded by the fact that the students

in the DSSF districts were substantially less likely to be taught by high quality teachers than were the students in the rest of the state. This was true across all eleven indicators of teacher quality we measured and across elementary, middle and high schools. For example, only 53% of the educationally disadvantaged high school students enrolled in classes with End of Course (EOC) exams in the pilot districts had access to a teacher who was licensed to teach their courses. In the rest of the state, previously proficient students had access to teachers licensed to teach EOC courses approximately 70% of the time.

For an additional example, 2% of the time academically disadvantaged elementary students in the DSSF districts were taught by a Nationally Board Certified Teacher whereas over 8% of the time proficient elementary students in non-DSSF districts had access to these highly skilled teachers.

As a result of the inequities in teacher quality, academically disadvantaged students were less likely rather than more likely to be taught by strong teachers who could help them make up the deficit.

2. With remarkably few exceptions, students living in poverty and minority students were substantially less likely to be taught by higher quality teachers than were their more economically advantaged and White peers. For example, 43% of the middle school students who were living in poverty in the DSSF districts were taught by teachers with above average scores on their PRAXIS exams, while 56% of their more affluent peers in these districts and 61% of their more affluent peers in the rest of the state were taught by such teachers.

3. The pilot districts were among the most academically disadvantaged in North Carolina. At the end of 2005, in DSSF districts the percentage of third through fifth grade students who tested proficient was approximately eight percentage points below the percentage who demonstrated proficiency in reading in other NC districts and more than five points below the rest of the state in math. For sixth through eighth graders, the difference between the performance of students in DSSF districts and non-DSSF districts was almost eight percentage points in reading and over seven percentage points in mathematics.

4. From one grade to the next, more students in the pilot districts drop below proficiency in math, but in reading there is a precipitous drop in proficiency during the first year of middle school – a drop from which students spend the next two years recovering.

As they moved from one grade to the next in elementary school, nearly 2% of the students in DSSF districts fell below the proficiency level in mathematics each year. This drop in proficiency exceeded the rate at which students gained proficiency by nearly four percentage points during middle school. While more students gained proficiency than fell below in reading each year in elementary school, a net drop of 9% in the proficiency rates of students occurred during their first year in middle schools in the DSSF districts.

5. High school students in the DSSF districts who were not proficient in either math or reading in the 8th grade were unlikely to pass their End of Course (EOC) tests in Algebra I, English I or Biology. Only 15% of the high school students in the DSSF districts who were not-

proficient in either reading or math at the end of eighth grade passed their Biology EOC test. In the DSSF districts, the passing rate in English I and Algebra I was approximately 39% and 49%, respectively, for high school students who were not proficient in either reading or math or both in the eighth grade. Furthermore, in the DSSF districts, 66% of the high school students who as eighth graders were proficient in math and reading went on to pass the Biology I test by 2005.

6. Teachers and administrators in the DSSF districts identified turnover of teachers and district leaders as the main problems that contribute to the low student performance and high drop-out rates in their districts. District personnel, principals, and teachers in these districts identified several causes for high turnover rates, including:

- competition among districts in the state and with neighboring states for a limited number of highly qualified teachers
- lack of discipline in the schools
- poor leadership
- poor student performance
- lack of adequate materials and supplies
- large numbers of Lateral Entry Teachers (teachers who enter teaching from another field) who fail the PRAXIS tests and are thus ineligible to continue;
- inadequate support and mentoring for new teachers
- the promotion of teachers to administrative positions
- large numbers of Teach for America teachers and Visiting International Faculty, programs that place teachers for two or three year commitments

6. The pilot districts spent most of their DSSF funds in the first two years on salaries for classroom teachers. However, districts encountered several issues in implementing the DSSF program during the two years of the pilot program and were not able to match the levels of salary supplements that other districts offered. Fifteen of the 16 pilot districts opted to implement various forms of salary incentives such as retention bonuses, salary supplements, or performance-based bonuses. On average, districts spent 65% of their total DSSF expenditures in the first year on recruiting and retaining teachers. In the first year of the DSSF pilot, as a set the 16 districts raised their average supplements from \$1,365 the previous year to \$1,559. In 2005-2006, across the 16 districts the average supplement was raised again to \$1,628. This represented a 16.15% increase from two years earlier, yet it continued to lag behind the state average of \$2,967 average.

7. The technical assistance provided by the Department of Public Instruction through its LEAAP teams was valuable to many districts, but at times the guidance was inconsistent. The LEAAP teams were assigned to provide support in the development of each district's plan, review the plans for compliance with the DSSF funding requirements, and monitor the activities in each district. Teachers, principals, and district officials indicated that the two most common roles were helping to write and edit the DSSF plans and acting as an advisor/mentor for district office personnel. Due to the variety of roles taken on by the LEAAP teams and the limited amount of guidance and up-front training they received, some issues arose during the teams' interactions with the individual districts. The issue that most affected implementation of DSSF was the conflicting information provided to the districts. Currently, the LEAAP teams are no

longer serving the DSSF districts. Instead, three individuals have been assigned to monitor and aid all districts with their plans.

Summary and Next Steps

The Governor and General Assembly increased the state's commitment to disadvantaged students by more than doubling the funding for the Disadvantaged Student Supplemental Fund for 2006-2007 and increasing other funds targeted to confront economic disadvantages, as well. However, the evidence in this report identifies serious issues that may present obstacles for moving greater numbers of North Carolina students into academic proficiency, even with the substantial funding increases.

Clearly, access to higher quality teaching is an issue that must be confronted before significant progress can be made in reducing academic disadvantages. Disadvantaged districts have more students who are below proficiency than other districts and more students dropping below proficiency every year than the rest of the state. Disadvantaged students in disadvantaged districts suffer great disparities in terms of access to the kinds of teachers that research shows can produce higher levels of student performance in tested grades and courses. These disparities occur in a state where about 80% of the teachers in grades three through five were fully certified to teach in those grades and fewer than 65% of the middle and high school teachers who taught tested subjects were fully certified to teach those classes.

State education officials as well as the teachers and district leaders throughout North Carolina recognize that high teacher turnover and turnover in leadership are major obstacles to achieving higher levels of student performance. However, current efforts at ameliorating these problems are being undermined by intra-state competition for effective teachers and able school leaders who can improve student learning in schools and districts with high levels of disadvantages. Currently, the state lacks the capacity and resources to guide the improvements in these districts. These educational disparities cannot be solved by taking action only at the school level because school efforts are affected by state and districts policies as well as their own actions.

In this report, we present strong evidence that creates a basis for initial actions. At the same time, we commit to redoubling our efforts to carefully study the effects of additional funding from DSSF and pinpoint issues that stand between the funding and achieving higher and higher levels of student success. In the next year, we will add to our accumulating information about the changes that have occurred as a result of the Disadvantaged Student Supplemental Fund and the effects of those changes. This summer, we will report on the changes in access to higher quality teachers and patterns of student performance in the 16 pilot districts that occurred between the first and the second year of the program. Soon after, we will provide an analysis of the effects of DSSF and higher quality teachers in high schools. Reports on the other levels of schooling and the first year of statewide funding will follow during the 2007-2008 fiscal year.