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March 2005



Responding to the
LEANDRO RULING

The Public School Forum's Study Group XI

NORTH CAROLINA

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LEANDRO RULING...

Executive Summary

The Supreme Court decision to uphold the Leandro case finding that the state is not meeting its constitutional obligation to provide all students with the opportunity for a sound basic education will potentially have a profound impact on schools in North Carolina. The Public School Forum spent over six months examining the steps it will take to bring the state into compliance with the State Constitution. The major recommendations that emerged follow:

Primary Conclusion

In recent history the state has responded in piecemeal fashion to school improvement needs. What has been lacking is a comprehensive, research-based, master plan for improving schools and insuring all young people the opportunity for a sound basic education. To bring the state's educational program into compliance with the constitution, such a plan is needed, as is the will and the fortitude to stick with the plan overtime. The necessary elements of such a plan include:

Element #1

Strengthen the Capacity of the State to Respond to the Court Ruling

- Resolve the school governance issue through a constitutional amendment.
- Align and, where needed, transfer existing state resources and programs to the State Board of Education.

- Expand and strengthen the Education Cabinet.
- Create a Leandro Implementation Team that includes representation from the General Assembly

Element #2

Implement a Comprehensive Teacher Recruiting & Retention Plan

- Launch an ambitious marketing campaign to recruit teachers.
- Eliminate existing barriers to recruiting teachers from other states.
- Create a statewide campaign to improve teacher working conditions.
- Create incentives to attract teachers to hard-to-staff schools.
- Overhaul the current Teacher Salary Schedule.

Element #3

Overhaul School Funding Policies

- In the short term, complete funding of the Low Wealth supplemental fund; longer term, adopt a multi-year approach to providing targeted funding to the state's most challenged schools and school systems.
- The state should assume full responsibility for insuring all young people are taught by qualified teachers
- Limit additional spending earmarked to respond to the Leandro ruling to research-based educational programs and strategies.

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FOREWORD

For the eleventh time in its twenty-year history the Public School Forum has convened a Study Group on an issue confronting education in North Carolina. When the Forum conducts a Study Group, its entire sixty-plus person Board of Directors and others invited to participate in the Study function much like members of a legislative study commission.

For the better part of a school year, Study Group members work in committees. The committees gather information related to the study, hear from expert witnesses from within and outside of the state, examine how other states are addressing the same issues and work to frame recommendations intended to strengthen schools in North Carolina.

Many of the recommendations that have emerged from previous Study Groups have subsequently formed the basis for legislation or policy changes. Others have had a major impact on educational policy discussions and direction setting.

As the Forum releases the results of its eleventh Study Group, it hopes that the thinking and recommendations that follow will make a contribution to the on-going effort to create a North Carolina system of schools that is second to none.

Responding to the Leandro Decision

The focus of the Forum's eleventh Study Group report is assessing what it will take for the state to respond to the court's findings in the decade-old Leandro lawsuit, a suit that challenged the constitutionality of the state's current system of financing schools. The essence of the court's rulings is that:

- The state, as judged by its own system of holding schools accountable, is not meeting its constitutional obligation to insure that all young people have an opportunity for a sound basic education.

- Further, the state itself – not, as the state argued, local school officials – is solely accountable for insuring that all young people have the opportunity for a sound basic education.
- Also, it is the state's responsibility to insure that all young people are taught by qualified teachers and that all schools are led by qualified, capable principals.
- Finally, it is the state's responsibility to determine and provide the resources that are necessary to insure that all young people have the opportunity to have a sound basic education.

Those findings framed the work of the Forum's Study Group. To address the question of how could, or should, the state respond to the Leandro decision, the Study Group was organized in three working committees that addressed the following questions:

- Does the state currently have the capacity to fulfill its constitutional obligation? If not, what needs to be done to give the state the capacity to meet its obligations?
- Is the current state system of funding schools sufficient to insure that all young people have an opportunity for a sound basic education? If not, what could be done to strengthen the state's funding system?
- Finally, what steps must the state take to insure that all young people are taught by qualified, capable teachers?

Over the course of six months, each working committee met frequently. What follows is the result of their deliberations.

AN EXAMINATION...

An Examination of the State's Capacity to Respond to Leandro

Of necessity, any examination of the state's capacity to meet its constitutional obligations must begin with the State Department of Public Instruction (DPI) and with the State Board of Education. They are accountable for leading and supporting the state's public schools. However, even a cursory examination of the DPI's ability to meet the challenge of the Leandro decision finds a Department that is literally a mere shadow of what it once was.

If one looks at the functions expected of an education agency, the roles tend to fall into several broad categories:

- Monitoring/Regulation/Fiscal Management.
- Providing Technical Assistance/Service to Local Schools and Systems.
- Giving Leadership to the state's Schools.

A series of cutbacks over an extended period of twenty-plus years has left the department stripped of its capacity to adequately fulfill all of the functions above. A glance at a chart below tracking the staffing patterns of the DPI graphically illustrates what has happened as a result of a succession of cutbacks.

The reasons for the DPI staff's being reduced from 1,025 to 473 are varied, but the first, and largest, series of cuts impacting the department's ability to fulfill its obligations stemmed largely from perception and politics. In the early

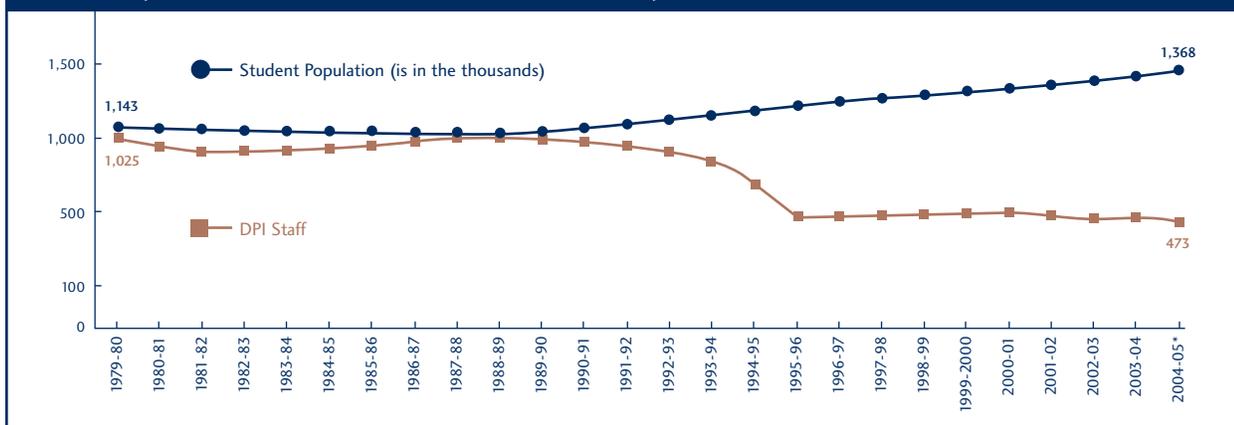
eighties, the tenure of the then elected State Superintendent had spanned twenty years and the Department's staffing level was over twice what it is today.

The heart of the DPI's program at that time was a series of eight regional offices that were designed to provide technical assistance and staff development to schools throughout the state. The typical regional office was staffed with between 25-40 people and included specialists in subject areas like mathematics, reading and science. These specialists provided technical assistance in curriculum planning and offered an array of staff development programs, some geared to regional needs, others to specific local needs.

They also served as a communication conduit between the state and local school systems. Through the regional offices, the DPI received regular and frequent feedback; conversely, local school officials were kept abreast of new state initiatives and priorities.

Within the political community, however, many viewed the regional offices as little more than the political arm of an elected state official – the Superintendent of Public Instruction. When, after twenty years of service, the Superintendent announced his intention to step down from office, the offices were extremely vulnerable to budget cuts – and, in fact, over time most of the regional offices shrank drastically or, for all practical purposes, withered away.

Comparison Between Student Population & DPI Staffing Levels



Source: based upon data from DPI

At first the funding for regional offices was sent directly to local school districts that were given the choice to use their funding to sustain regional services; or they could choose to keep the funds and use them locally. Later those funds were also cut, and today only a handful of regions have sustained regional support centers from local funds.

Coinciding with this round of departmental cutbacks was the beginning of a protracted and public series of disputes between the appointed State Board of Education and the elected State Superintendent. At issue was the question of day-to-day control and accountability for the DPI. Did the authority rest with the Superintendent elected by the people, or did the authority reside with the State Board of Education?

The question finally ended up in court; and for those working in the DPI, it was an extremely trying period of time. Ambiguity and tension permeated the agency. Some staff soundly supported the State Superintendent and looked longingly back at the times when the Superintendent was, without question, the head of the agency. Others supported the State Board. Many simply stayed “out of the line of fire” and hoped for the issue to be resolved.

The issue ultimately was resolved by the General Assembly, which sided with a strong, popular Chairman of the State Board. The result was a piece of legislation that designated the State Board of Education, not the elected State Superintendent, to be in charge of the state agency.

When the issue of control and accountability was resolved, the State Board invested a Deputy State Superintendent, who reported directly to the State Board, with the day-to-day operational powers previously held by the State Superintendent. For the DPI that period of conflict extended through much of an eight-year period, beginning in the late 1980’s through the mid-nineties. During that time, the size of the department continued to be reduced, the regional service centers withered and key functions, like the Office of Teacher Recruiting, were sacrificed to budget cuts.

In 1996 a new State Superintendent of Public Instruction was elected, and the relationship between the State Board of Education and the Superintendent improved to the point where most of the functions that had once resided in the

Superintendent’s Office were returned to the new Superintendent. That authority, however, was “loaned,” not returned on a permanent basis. When that Superintendent announced in 2004 that he would not run for re-election, the State Board voted to reclaim the powers they had loaned to the Superintendent. And that is where things stand today. When a victor is declared in the currently contested State Superintendent’s race, the individual will come into office with little more than an office and the “bully pulpit” that comes with having run for, and won, a statewide position. In the early days of the 2005 Session, proposed legislation was introduced that would make the office of State Superintendent an appointed, not an elected, office, and the issue remains unresolved.

Through this long period, spanning nearly 16 years, much time and energy has been spent resolving governance and accountability issues. It is worthwhile to consider what has been lost within the state agency:

- The regional offices, as noted earlier, have withered over time. Most of the subject-area specialist’s expertise that once existed has largely disappeared. Today, the largest regional support center has a staff of 10 compared to an average of 25-45 in the peak regional office years; several have only full- or part-time directors working alone or with the help of one clerical staff person.
- The Office of Teacher Recruitment, which once had paid teacher recruiters in each of the state’s high schools and regional recruiters charged with coordinating recruitment efforts, is largely dismantled.
- The DPI no longer has a Research & Development arm (R&D).

In returning to the major three functions of the Department, as things now stand:

- **Technical Assistance/Support.** At the beginning of the eighties, North Carolina had one of the nation’s largest and most comprehensive technical assistance programs. Through the roughly 250 employees in its 8 regional offices, the Department provided on-site technical assistance and training services to schools across the state. Today the DPI has largely ceded its technical support and staff development functions to other entities that have, as will soon be clear, come into existence in recent years.

- **Monitoring/Regulation/Fiscal Matters.** This is the function that remains the strongest in the state agency. In the area of fiscal control, the department is under a heavy burden with both the state and federal money to insure that funds are properly accounted for and the agency has kept this function fairly well staffed and supported.
- **Leadership.** With a handful of notable exceptions (i.e., proposing the Basic Education Program in the eighties and creating the ABCs accountability program in the nineties), the DPI and the State Board have largely been reactive to educational initiatives coming from elsewhere. In some cases (i.e., Senate Bill 2, new funding policies for low wealth and small schools), leadership came from the General Assembly and educational think tanks. In others, leadership came from Governors, with initiatives like More at Four, class size reduction, the Excellent School Act, SmartStart, and Learn and Earn. In still others, initiatives came from the federal government. The federal initiative No Child Left Behind, for instance, is the primary driver within education today. For the reduced DPI, most of these new initiatives brought with them new expectations and demands on the department. As for leadership, at the moment, the DPI is more reactive than proactive.

Nature Abhors a Vacuum

As the state faces the obligation of meeting its constitutional obligation to provide all young people the opportunity for a sound basic education, it has a state education agency with much less capacity. However, the state is not without resources. A phenomenon that accompanied the decline of the DPI was the creation of other programs and entities, many of which were created to fill the vacuum left as DPI was reduced in size and capacity.

Several of the first of the new entities, not surprisingly, were focused on staff development. In 1984, for instance, the General Assembly created the Principals' Executive Program (PEP) to begin a focus on strengthening leadership at the school building level. At the same time, the state established the North Carolina Center for the Advancement of Teaching (NCCAT) with the goal of providing stimulating learning experiences for teachers and implanting motivation to continue in the teaching profession.

With the DPI under intense scrutiny, largely preoccupied with internal divisions over day-to-day control and not highly-regarded in the General Assembly, both programs were housed within the University of North Carolina system (UNC), beginning a pattern of locating new educational programs and initiatives outside of the DPI. That trend would accelerate over time.

Ultimately, there would be nine state-funded programs, all intended to provide staff development or program support for K-12 schools, housed throughout the University system and elsewhere. Some were attached to UNC colleges and universities; others fell under the UNC Office of the President (General Administration). In addition to PEP and NCCAT they included groups like:

- NC Model Teacher Education Consortium, established in an effort to improve teacher retention rates in hard-to-staff school systems in Eastern North Carolina.
- NC Teacher Academy, created to bolster teacher training.
- NC Mathematics and Science Education Network, a consortium of college campuses that augment teacher training in math and science.

In the nineties, members of the General Assembly began scrutinizing these programs to gauge how much they were contributing to the overall effort to improve schools in North Carolina. The discussion that followed led to the creation of a new UNC Center for School Leadership Development that was charged with bringing the nine programs under one umbrella and focusing their resources and work on accomplishing the priorities of the State Board of Education.

While the concept behind the Center for School Leadership Development was sound, policymakers did not address the diverse governance structures of groups within the Center. Some, as an example, continue to be governed by independent Boards of Directors that have the power to hire and fire the Executive Directors of the programs and to set budget and program priorities. Most are funded by General Assembly appropriations or federal grants that come directly to the entities under the Center, not to the Center itself.

It should be noted that since the Center was created, it has formed partnerships with other organizations that are also housed at the Center. They include groups like:

- NC Educational Research Council, established to give the Education Cabinet independent research capacity.
- LEARN NC, established to create a clearinghouse of educational resources easily accessible through technology; LEARN NC is housed at the Center for School Leadership but formally attached to the UNC Chapel Hill School of Education.
- James B. Hunt, Jr. Institute for Educational Leadership and Policy, created to be a resource to state governors and their education staff; the Institute now is funded by the state to provide issue conferences for members of the General Assembly.

Today the Center is a center more in name than in fact. There is not one Center budget that establishes priorities and directions. Hiring decisions for some key personnel do

not fall under the Center but are made elsewhere by autonomous boards. As for the Center itself, it does not have appropriated operational funds; instead, it is expected to be self-supporting.

Programs and Leadership Placed Outside of Governmental Circles

The lack of centralized leadership and direction has been complicated even more by another phenomenon that began with the decline of the DPI. As the DPI's capacity to provide program leadership and support withered, new groups were established to fill the void. The result has been the creation of groups like:

- The North Carolina Partnership for Excellence established to bring total quality principles and operation to school systems across the state.

UNC Center for School Leadership Development

PROGRAMS	PARTNERSHIPS
NC Center for Advancement of Teaching (NCCAT) NC Mathematics and Science Education Network (NC-MSEN) NC Model Teacher Education Consortium (NCMTEC) NC Principal Fellows Program (PFP) NC Restructuring Initiative in Special Education (NC RISE) NC State Improvement Project (NCSIP) NC Teacher Academy (NCTA) Principals' Executive Program (PEP) Teachers of Excellence for all Children (NC TEACH)	James B. Hunt, Jr. Institute for Educational Leadership and Policy NC Educational Research Council (NCERC) LEARN NC National Paideia Center

Above is a complete list of the Programs and the Partnerships that are now part of the UNC Center for School Leadership Development.

- The North Carolina Network, established after the passage of Senate Bill two in an effort to strengthen site based decision making and more effectively address school improvement.
- ExplorNet (now the Center for Quality Teaching and Learning), established originally to bring more technology into the schools, it now focuses on harnessing technology to quality instruction and provides staff development.
- Schools Attuned, established to give teachers training and tools to use in dealing with different learning styles of young people.

All of these groups receive state support. They, however, operate outside of government. Each is a nonprofit organization. Each is governed by its own Board. For the purpose of “full disclosure” it should be noted that the Public School Forum, receives state support to oversee the North Carolina Teaching Fellows Program.

Few of the groups receiving state support meet on a regular basis with the State Board of Education to share the results of their work, much less their goals and vision. Further, in most cases, the State Board has never formally embraced their approaches or their goals or attempted to incorporate their programs into a comprehensive improvement plan.

Educational Nonprofits

ORGANIZATION	YEAR FORMED
NC Business Committee for Education	1983
Public School Forum of NC	1985
Teach for America	1988*
Communities in Schools	1989
NC Partnership for Excellence	1993
Centers for Quality Teaching & Learning (formerly ExplorNet)	1996
NC Network	1996
Schools Attuned	1997
NC TEACH	2000

*part of the Governor's 2005 proposed budget

Looking Beyond DPI For Leadership of AfterSchool & Pre-School Programs

Beginning in the nineties, the state recognized the link between quality pre-school and after-school programs and long-term success – especially for at-risk young people. That led to the creation of new programs designed to support the state’s drive to improve schools.

AfterSchool Support Programs

- **Support our Students (SOS)** – In 1994, the state created the SOS program designed to create afterschool programs that would give at-risk young people afterschool alternatives. The goal of the program was to prevent crime prevention by taking young people off the streets during the hours when most juvenile crime happens. Since the idea for the program was the result of a blue ribbon commission studying ways to reduce crime, the program was housed in the Department of Juvenile Justice.
- **Communities in Schools (CIS)** – In 1989, the state began providing funds to CIS to provide technical support to afterschool programs providing tutoring services. CIS programs are heavily dependent on volunteers from within communities and focus largely on at-risk youngsters who need more support. CIS is a stand-alone nonprofit organization.

Pre-school Programs

- **SmartStart** – In his second eight-year term, Governor Hunt made SmartStart a major priority. The goal of SmartStart was to give disadvantaged youth a head start and to arrive at schools healthy and ready to learn. Locally, SmartStart programs fall under nonprofit organizations. At the state level, the program is housed at the Division of Health and Human Services.
- **More at Four** – Following former Governor Hunt, Governor Easley continued the focus on pre-school education by making More at Four one of his top priorities. More at Four is focused on at-risk four-year olds and, like SmartStart, typically falls under a nonprofit organization at the local level. The statewide administration of the program is also housed at the Division of Health and Human Services.

A Wealth of Program Resources... A Dearth of Coordination

When one examines all of the groups that have come into being to support school improvement in little more than twenty years, it quickly becomes evident that the state is rich in educational resources. It is, however, impoverished when it comes to insuring that all of these resources are working in tandem toward common goals. Each of the programs cited thus far have laudable goals. Each can make a legitimate claim to having contributed to North Carolina's educational progress to date. Each of these programs also came into existence because it was believed that they could make a positive contribution to the drive for school improvement. Many came into existence because policymakers doubted whether a diminished DPI could adequately fill program gaps.

The issue for the state is whether the sum of the parts can equal far more than the individual entities if these and other state-supported groups were to become part of a coordinated attempt to better use existing resources.

A Last Word on State Capacity

Hindsight is frequently described as "twenty-twenty." It is easy to say that the state was shortsighted when it began downsizing the DPI – and especially so when it brought about the shrinkage of the department's regional offices. That may well be, but it is counter-productive to play Monday morning quarterback at this point in time.

It is equally easy to say that the array of new programs and organizations created over the last twenty-plus years were created thoughtlessly. That, in fact, is not the case. Each of the new programs came into being to fill a perceived vacuum or to inject new thinking and innovation into a system in need of improvement.

What was missing through the eighties and nineties remains missing today. New programs and initiatives were not launched systematically as part of a grand design. Rather, they came into being in an attempt to address problems in a

piecemeal, disconnected fashion. As DPI's capacity declined, so did confidence in the department. Subsequently, new initiatives were placed elsewhere, in the belief that they would not live up to their promise if housed at the department. Thus, confidence in the department ebbed even more.

While this history is instructive, it doesn't substitute for the lack of a grand design – a master plan to insure that all young people have their constitutional opportunity to receive a sound basic education.

At the root of this set of recommendations is the belief that the state has far more resources to marshal than those which exist within the DPI. It is a question of designing a plan that will maximize the potential of state-funded educational support entities, wherever they happen to be housed. That is an administrative challenge, a leadership challenge. And, the Study Group believes, it is a challenge that must be addressed comprehensively if the state is to meet its constitutional obligations.

How do the various programs addressing preschool education fit with the overall school improvement design? Is there a guarantee that young people who have had the benefit of early education will continue to receive additional services through afterschool programs once they enter schools? Can the state, relying on existing state-supported groups that provide staff development and training, create a systematic program of staff development that will enable new teachers to get off to a good start and give more seasoned teachers the tools they need to succeed with all learners? Can state-funded organizations that are already working in schools across the state shape their programs to help the state accomplish its educational goals? Can all of the various state agencies that house key educational programs work across agency lines and develop a seamless, comprehensive plan that better insures success for students from age four to twenty-four? The Study Group believes the answers to those questions are resoundingly in the positive – if the state can design a comprehensive plan and bring together the array of educational resources it has created.

> RECOMMENDATIONS

RECOMMENDATION #1

Develop a Plan Offering a Sound Basic Education to All

The State Board of Education, working in tandem with the Governor's Office, the Education Cabinet and the General Assembly, should design a comprehensive plan for moving North Carolina's schools forward. At the moment the state has broad goals – bring all young people to grade level proficiency; reduce drop out rates, etc. It does not have a comprehensive plan with measurable benchmarks.

How will staff development fit into the plan? How much training will be required of what teachers? Who or what will be accountable for making the training easily accessible? What resources will it take to achieve the goals of the state? Which schools or systems will require additional funds? What will be done with the funds? How much will it cost? When should it be phased in? How can the state meet its constitutional obligation to guarantee that qualified teachers are in every classroom and that all schools are led by competent principals?

These are examples of the specificity that should be included in a master plan to make North Carolina's schools what they could, and should, be. Ideally, the plan should span at least five years. The process of designing the plan should bring not only educational stakeholders to the table, but policymakers as well.

RECOMMENDATION #2

Resolve Once & For All the Governance of Public Schools

Much of eight years was spent with school officials arguing over who or what had control of North Carolina's schools. At the root of the issue was the ongoing question of how to distribute authority and accountability between an elected State Superintendent and an appointed State Board of Education. The practice of electing State Superintendents of Public Instruction is a vestige of the

past that has been discarded by the overwhelming majority of states across the country. The state should place a constitutional amendment on the ballot calling for the appointment of the State Superintendent and clarify once and for all accountability for the management and leadership of the state's schools. Since the process of placing a constitutional proposition on the ballot is time consuming, in the interim the State Board of Education should publicly make clear how the DPI is organized, explain the role of the Board itself, and publicly delineate the roles of the Deputy Superintendent and the elected State Superintendent.

RECOMMENDATION #3

Better Focus Resources for Staff Development

It is becoming evident to more and more people that high quality staff development and training is key to North Carolina's successes or failures in the years ahead. That is especially true as larger numbers of new teachers are recruited from the private sector. These individuals are typically well schooled in subject matter but have not had the benefit of courses or internships giving them the skills needed to successfully manage classrooms and deal with different types of young people.

Rather than re-create staff development capacity by adding new staff within the DPI, the state should seek ways to better focus the resources of the UNC Center for School Leadership Development on the central training needs of the state. That could be done in the following way:

If the school governance changes recommended in the second recommendation (see above) are made, transfer key training resources to the DPI. PEP, the principals' training program, the Teacher Academy, the NC Center for the Advancement of Teaching, Learn NC, and the Model

> RECOMMENDATIONS

Teaching Consortium, which are each, in their own ways, providing vital services to the public schools. To insure that the state has a coordinated plan focusing both on the most important training needs of the state and on the school systems or buildings most in need of state support, these functions should be transferred to the State Board of Education, where they would be integrated into a comprehensive plan for school improvement.

Until school governance issues are resolved, the Center for School Leadership Development should remain intact and under the UNC Office of the President. However, regardless of where the Center and its functions are located, autonomous governing boards that currently oversee some of the programs within the Center should be eliminated. If the state is to have a coordinated direction and program focused on school improvement, there needs to be clarity around management and leadership. For the Center to truly be a Center, it should have the capacity to shift resources as needed, insure that different programs within the Center are working as a team, not in silos, and set a unified direction. Further, DPI and UNC need to create a mechanism that insures that the Center's resources are focused on the goals and priorities of the State Board of Education.

RECOMMENDATION #4

Experiment With Regional Support Centers in Eastern North Carolina

As noted throughout this report, the decision to eliminate the DPI's regional support centers effectively ended the state's ability to provide technical assistance and training. However, the functions of regional offices have been sustained in some parts of the state. In Western North Carolina, for instance, local school systems saw the value of regional support centers and have voluntarily maintained viable Regional Educational Support Alliances.

The region of the state that has largely allowed their regional centers to disappear is Eastern North Carolina, the

area of the state with the highest need, the most at-risk young people and the bulk of North Carolina's low-performing schools. The state should experiment with regional support centers in northeastern and southeastern North Carolina. Further, staffing support to the regional centers could be found by decentralizing existing programs within the Center for School Leadership Development and augmenting staff resources with DPI staff, to insure maximum use of existing resources.

RECOMMENDATION #5

Expand and Strengthen the Education Cabinet

The creation of the Education Cabinet was the result of General Assembly action calling for a coordination mechanism to bring the state's major educational entities more closely together. The Cabinet is chaired by the governor and includes the heads of the public school system, the community college system, the university system and the Association of Independent Colleges & Universities. It is intended to bring together the educational resources of the state in ways that will strengthen the school improvement effort.

Missing from the Cabinet, however, are other agencies that oversee key educational programs. The Division of Health and Human Services, which houses SmartStart and More at Four and is the funding backbone of other afterschool services across the state, is not represented on the Cabinet. Neither is the Juvenile Justice Department, which houses the SOS afterschool program and is responsible for education of incarcerated youth serving time in state institutions, represented on the Cabinet.

All state agencies that house state-funded educational programs should be included in Cabinet meetings in an effort to create a cohesive plan that begins with preschool programs and moves on to higher education. Additionally, the Education Cabinet should be institutionalized and given sufficient staffing support to enable it to fulfill its function. There

should be an Executive Director responsible to the Cabinet. That position should be supported by an R & D staff not caught up in the day-to-day issues of any of the individual governmental entities that make up the Cabinet, but rather focused on large, cross-cutting issues impacting the overall health of the state's total education system.

RECOMMENDATION #6

Establish Closer Ties Between Education Nonprofits & State Board

As noted earlier, there are a growing number of nonprofit groups that provide educational services and create networks of educators across the state. The State Board should create a vehicle that would allow those groups to work much more closely with the State Board of Education and, conversely, enable the State Board to maximize the potential contribution each could make to the overall school improvement efforts.

RECOMMENDATION #7

The Governor Should Create A Leandro Implementation Team

Missing thus far in these recommendations is any mention of the General Assembly and the central role it plays in any school improvement efforts in North Carolina. While a better functioning and expanded Education Cabinet can lead to a more cohesive and efficient plan for school improvement, any plan devised to improve schools, of necessity, will require a partnership with the General Assembly.

The Governor should invite leaders of the General Assembly to meet regularly either with the Education Cabinet or with a

smaller group tasked by the Governor to focus on meeting the educational constitutional obligations of the state. Such a group should meet regularly to insure that the General Assembly is a full partner in deliberations centered on strengthening the state's ability to provide a sound and basic education to all young people. The group should begin by familiarizing itself with the new legal requirements established by the Leandro case.

RECOMMENDATION #8

Enable the DPI to Attract Top Educational Talent

Over time not only has the DPI seen its staffing cut by over one-half, it has become less and less competitive when it comes to salaries. In recent years, there has been a steady stream of talented DPI employees who have departed for higher-paid, and in many cases, less demanding jobs at the local or federal levels of government or at colleges and universities. At the moment, DPI is barely competitive with the pay earned by school principals. It is not competitive with salaries paid to top local school officials working in the front offices of the state's leading schools systems.

As the final report issued by the state's recently departed State Auditor pointed out, this problem is not unique to DPI; it is a problem throughout state government. However, DPI is the only branch of government now working to bring its function, the public schools, into compliance with the State Constitution. The infrastructure of the Department will only be as strong as those who work within it.

The state should conduct a wage comparability study in order to assess what salary levels would enable the DPI to fairly compete with the state's leading educational institutions in the area of recruiting and retaining top quality staff. Such a study should not only look at comparability with the state's leading school systems but with the community college and UNC systems.

COMPREHENSIVE PLAN.

Central Elements of a Comprehensive Plan

Thus far, this report has focused largely on better coordination and alignment of existing resources. Two other issues, however, will determine the success of any master plan for education in North Carolina. These issues go directly to the quality of education offered in schools and classrooms across the state.

As a result of the Leandro decision, one of the issues – guaranteeing that all 1.3 million of the state’s young people are taught by “competent, certified, well-trained” teachers and that all of the state’s 2100-plus schools are led by competent principals – is no longer a laudable goal, it is a constitutional obligation that North Carolina must meet.

The other issue is also spoken to in the Leandro decision, but in far less specific terms. That is the issue of adequate resources. The Leandro decision says only that “every school be provided, in the most cost effective manner, the resources necessary to support the effective instructional program within that school so that the educational needs of all children, including at-risk children, to have the equal opportunity to obtain a sound basic education, can be met.”

The two Study Group committees that addressed these issues reached conclusions that could provide the state a road map as it looks at short and long term goals and benchmarks for a long-term approach to meeting its constitutional obligation.

High Quality Teachers

North Carolina’s ongoing problems in finding qualified teachers have been much discussed in recent years. The dimension of the problem can be summarized quite easily:

- Each year, the state must fill 9-11,000 teaching positions as a result of teachers moving to other schools, retiring or leaving teaching altogether.
- The state’s teacher training institutions, both at public and private colleges and universities, produce only 3,500 teachers annually and, of those, only roughly 2,500 will enter the field.

- To fill the supply and demand gap, local schools are now recruiting in states across the country and, more and more, in other countries.
- Even though local school systems are now offering signing bonuses, higher pay and a variety of recruiting incentives, over 9,000 of today’s 86,000-teacher work force are not fully qualified to teach.
- While the problem is widespread, it is especially acute in low wealth, rural counties and in many inner-city schools serving large numbers of young people living in poverty.

The dimension of the problem can be summarized quite easily; however, the solutions to the problem do not lend themselves to equally easy answers.

Regardless of the difficulty of meeting the challenge, the drive to guarantee that all children are taught by qualified teachers is now being driven by three factors. First, as noted earlier, is the Leandro decision. The ruling could not be clearer.

“North Carolina Constitution, as interpreted by Leandro, guarantees to each and every child the right to an equal opportunity to obtain a sound basic education requires that each child be afforded the opportunity to attend a public school which has the following educational resources, at a minimum: “First, that every classroom be staffed with a competent, certified, well-trained teacher who is teaching the standard course of study by implementing effective educational methods that provide differentiated, individualized instruction, assessment and remediation to the students in that classroom.” (Manning, April 4, 2002).

The second factor lending urgency to the drive to guarantee high quality teachers in every classroom comes from the federal government’s No Child Left Behind legislation. That legislation requires that all classrooms be staffed by “highly qualified” teachers, as defined by the states. Local schools not meeting this federal mandate could suffer economic consequences in the future.

The last factor is not legalistic – rather it is the moral dimension. A growing body of research finds that the single

best predictor of student success or failure is found in the capability of the teachers students will encounter over time. Students exposed to high quality teachers will excel at high levels – regardless of parental income levels or other factors frequently cited as reasons for failure. Conversely, students exposed to mediocre or poor teachers can be educationally scarred for life.

It is not an exaggeration to say that in 2005 the students who most need the state’s very best teachers are least likely to have them – a finding that did not go by unnoticed in the Leandro decision. What, then, is the answer to this problem? At the risk of overemphasizing the importance of having a comprehensive and constitutionally compliant plan and sticking with it, it may be no more complicated than that.

Ironically, in the late eighties the state was facing a similar teacher shortage and adopted a multi-faceted recruiting strategy. An Office of Teacher Recruiting was created. Each of the state’s high schools had paid teacher recruiters, whose job it was to stimulate interest in teaching as a career. The state had funds to place advertisements promoting teaching as a career. All of these programs fell victim to successive rounds of cutbacks within the Department of Public Instruction.

It is not as if the state has been without answers on how to improve the situation. Instead, the state has not been willing to embrace a comprehensive plan and stay with it for the long haul. Subsequently, what was a problem in the eighties is now a matter of urgency. Both the Supreme Court and the federal government have mandated that the state address the recruiting and retention issue. The recommendations that follow are focused on those issues.

> RECOMMENDATIONS

In the Short Term...

RECOMMENDATION #9

Develop an Ambitious Marketing Campaign for Recruiting Teachers

Just as advocates for mathematics and science run campaigns aimed at stimulating interest in these fields, so should North Carolina market, in the truest sense of the word, market teaching as a profession. Such marketing should begin in middle school. The state should reinstate recruiting officers in middle and high schools charged with putting new energy into groups like Teacher Cadets and Future Teachers. Major teacher organizations should mount campaigns urging members to be positive about the teaching profession and plant seeds that could translate into teaching career choices for their best students. The Governor's Learn and Earn program should establish high school career tracks leading to teaching as a career.

RECOMMENDATION #10

Eliminate Barriers to Attracting Quality Teachers from Other States

The State Board of Education should immediately implement the Reciprocity report and recommendations passed unanimously by the Board in 2004 but never implemented. This would remove barriers confronting local school systems attempting to hire highly qualified teachers from other states.

RECOMMENDATION #11

Launch a Statewide Campaign to Improve Teacher Working Conditions

The Governor's Office, in collaboration with BellSouth and the Southeast Center for Teaching Quality, has conducted two statewide surveys on teacher working conditions that underscore the importance of working conditions and teacher retention. The next step in responding to the findings of those surveys should be to provide training to the state's principals and assistant principals in strategies that could create teacher support programs and improve working conditions at the school building level.

In the Long Term...

RECOMMENDATION #12

Partner with Higher Education to Increase Teacher Production

Differences in requirements and course work demands make portability between colleges, community colleges and universities difficult. The teacher shortage facing the state is such that territorial issues and "turf" need to be set-aside in an attempt to fill North Carolina's classes with qualified teachers.

- UNC is to be commended for setting an ambitious goal of increasing the number of students majoring in education; independent colleges and universities should be encouraged to embrace a similar approach for increasing their output of teacher graduates.

- The Teaching Fellows program should be expanded and a new two-year scholarship program should be designed to attract college juniors to teaching.
- Community Colleges should forge a strategic alliance with four-year colleges that would make it easier for teaching candidates to complete two years of work at a community college and transition into four year institutions for their junior and senior years.

RECOMMENDATION #13

Create Teacher Incentives & Strengthen Teacher Coaching

- Teachers earning National Board Certification should be able to work outside of the classroom in mentoring and support roles with new teachers.
- Financial incentives should be created to attract and keep qualified teachers in hard-to-staff schools.
- Substantial bonus pay should be given to teachers who will remain in the classroom for three additional years beyond the 30 years in the current salary schedule.
- Create a menu of choices that can be tailored to best meet the specific needs of districts and schools across the state. Fund this menu of choices so that school systems can tailor incentives to their needs. Choices could include:
 - Specialized scholarships for graduate work or securing certification in fields like math, science and exceptional children.
 - Retention bonuses paid in annual increments.
 - Pay for performance tied to ABC and AYP goals.
 - Relocation bonuses for moving to hard-to-staff schools.
 - Free tuition at UNC institutions for children of teachers.
 - Housing subsidies and low-interest loans for first-time teacher homebuyers.

RECOMMENDATION #14

Overhaul Current State Salary Schedule

- The starting salary for teachers must become more competitive with other fields.
- The current salary schedule must be compressed to enable teachers to advance more rapidly; additionally, financial incentives need to be created to attract retirement-eligible teachers to remain in the field.
- New teachers and their mentors should be given eleven or twelve month contracts to provide optimum time for mentoring and staff development.

RECOMMENDATION #15

Improve Overall Staff Development

A yearlong collaborative effort of the Education Cabinet and the Z. Smith Reynolds Foundation focused on how to improve the quality of staff development available to teachers, make staff development more accessible to all teachers, regardless of their location, and insure a high quality of staff development offerings. In light of the growing number of teachers entering the field from other walks of life and in need of training, the report focused on an area that is increasingly important if the state is to meet its constitutional obligation. Incorporate the recommendations from the recent report on professional development, "The Professional Development Initiative, Proposal for Action." into a comprehensive plan responding to the need to insure that all young people are taught by highly-qualified teachers. Those recommendations would greatly improve current staff development programs and give schools far more training tools to use when focusing on school improvement.

SUFFICIENT FUNDING...

Is the State's System of Funding Schools Sufficient?

The Study Group believes it is essential that policymakers come to grips with the fact that providing sufficient resources to insure all students an opportunity for a sound basic education is a matter of meeting a constitutional right for children and a constitutional obligation for the state.

That places the question of school finance in a very different category than funding other state functions. For the state to avoid a constant stream of additional litigation charging that the state is not meeting its constitutional obligation, it will be necessary to put in place funding policies that, in fact, guarantee that all of the state's young people have the opportunity promised them by the constitution.

As the Study Group began its examination of current funding practices and possible alternatives, it was confronted with a wealth, or glut, of studies and recommendations on how to improve school finance. Some of the recommendations came from groups within North Carolina that have studied the state's funding systems; others came from states across the country that, like North Carolina, have wrestled with school finance litigation and alternatives for years.

To sum up much of what the committee found when researching school funding alternatives, much of the current thinking about school finance can be reduced to these conclusions:

- Most state funding systems, including North Carolina's, are based largely on "one-size-fits-all" funding formulas that essentially provide the same amount of funding to pupils across the state, regardless of differences between students or communities.

- A more strategic way of funding schools would be to determine the needs/costs of dealing with differences between students as well the differing fiscal capacities of communities and base funding on need, not on same-dollar-per-pupil formulas.

In the mid-nineties, North Carolina's General Assembly departed from its tradition of funding schools based on a "one size fits all" formula that allocated equal amounts of funding on a per pupil basis when it created supplemental funding for low wealth and small school systems. These funds were created in an effort to provide a more equal foundation for all school systems, regardless of the funding capacity of their counties or their size. While the General Assembly has increased these funds over time, it is important to point out that the funding currently provided is barely half of the original funding goal embraced by the General Assembly.

Since the Leandro decision, the DPI has worked to create a new school funding stream that would more strategically focus additional dollars on students and schools most in need. The product of that work is a proposal to create a Disadvantaged Student Supplemental Fund (DSSF). The DSSF is based on a formula that uses a variety of indicators, ranging from poverty to parental education, to identify students most at risk of academic failure.

The proposed formula would provide additional funding to school systems based on the number of at-risk youngsters they serve. Starting in the 2004-05 school year, the first version of the DSSF mechanism was used to provide funding to 16 pilot projects in school systems that, for the most part, are located in low wealth counties and serve a high number of at risk young people.



Yet to be resolved, however, are crucial questions. For instance, the pilot funding currently underway allocated school systems an additional \$250 for each enrolled student. The Forum's working committee examining this issue believes that is far too little to sufficiently provide the resources needed to bring the state into compliance with the constitution. Further it does not distinguish between children with differing educational needs.

A second problem with the proposed DSSF funds underscores the complexity of the school finance issue. Currently, in the sixteen pilot project systems the bulk of the DSSF funds are being used in an attempt to attract and retain qualified teachers. In fact, over 60% of the DSSF funds provided to the pilot systems is being spent on personnel – bonuses to attract teachers, differentiated pay for teachers in hard-to-staff areas, longevity incentives, and the like.

The reasons for this are varied. First and foremost, however, local school systems are now confronted with the federal government's No Child Left Behind mandate that all young people must be taught by "highly qualified" teachers. In systems facing the most extreme educational and demographic challenges, this is a goal that is much more easily stated than accomplished. Systems that fail to meet this federal mandate (an unfunded mandate, it should be pointed out) run the risk of losing federal dollars. That said, the state, as part of the compact it made with localities when it assumed the bulk of the costs for education, assumed the responsibility of providing teachers to local school systems. The state, however, has not lived up to its end of the bargain.

By devising a "one-size-fits-all" salary schedule for teachers, the state inadvertently created a situation in which some communities could easily attract the best and brightest of the state's teaching workforce, while others could barely find "bodies" (qualified or not) to staff classrooms.

In some communities, the recruiting problems are deep-rooted. Poor, rural counties, especially in Eastern North Carolina simply do not have the amenities (i.e., shopping centers, housing alternatives, colleges with graduate degree programs, night life, etc.) to attract and keep teachers. Others are located in close proximity to wealthier communities that pay far more in local supplements than do their poorer neighbors. Those communities essentially have become "farm clubs" for wealthier school systems. After new teachers gain experience, they find that with a longer commute or a move they can earn substantially more and frequently leave for greener pastures.

The personnel issues make school funding a much more complicated matter. If the state presumes that additional dollars – be they from low wealth funding or the newly created DSSF fund – are providing extensive, new educational programs, it is making an incorrect assumption. Most of the funds are going to pay more competitive local salary supplements and to create incentives to attract and keep qualified teachers.

These issues led the working committee to recommend the following.

> RECOMMENDATIONS

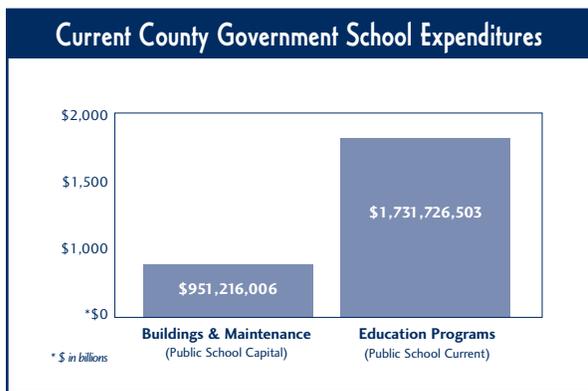
RECOMMENDATION #16

Create a Short-Term Solution and a Long-Term Comprehensive Plan

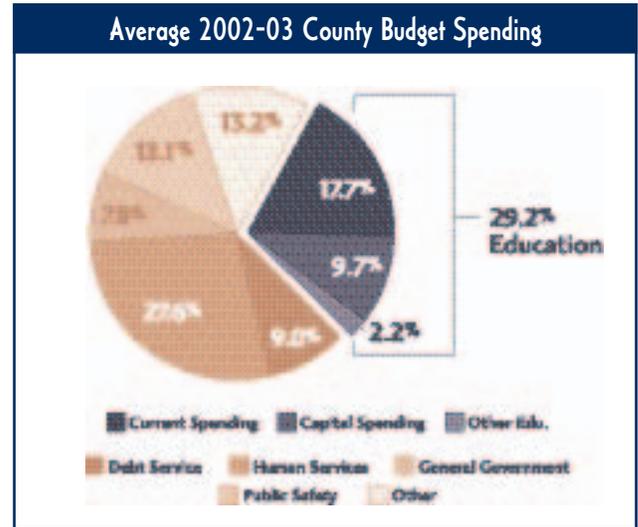
In the short-term, the state needs to inject additional resources to systems, especially those most in need. Longer term, however, the state needs to reach consensus on a comprehensive plan to overhaul of the state's school funding system. Today's funding system was largely framed in 1931. That system served the state well, especially in the depths of the Great Depression when, without a large infusion of state dollars, school doors would have closed across North Carolina.

The framework that was established in the thirties, however, has altered dramatically over time. Under the framework the state was to assume the program costs for schools – teachers, administrators, textbooks and supplies and the like. Counties were to assume the cost for building and maintaining schools. That compact is now blurred. The funds provided by the state are not sufficient to meet the needs of today's schools. Subsequently, county government, especially in counties with larger tax bases, is spending more and more local funds on teachers, technology, counselors, special education and other program costs originally envisioned as state responsibilities. Also, as noted earlier, more and more county dollars are providing salary supplements needed to attract and retain qualified teachers.

As a result of county government's assuming more and more of the educational program and personnel costs, education, for most counties, has become the largest single expenditure for county government.



Source: based upon the NC Treasurer's Annual financial Information Report Costs in millions.



Source: based upon the NC Treasurer's Annual Financial Information Report.

At the same time, state funds have increasingly been appropriated to help county governments meet school building demands – especially in the twenty fastest growing counties of North Carolina. In the nineties, the state assumed the payback responsibility for \$1.7 billion in school construction funds; yet, the most recent estimate of construction backlogs finds that it would take \$6 billion to meet today's needs.

In addition to a blurring of state and local responsibilities, the demands of the federal government's No Child Left Behind legislation could not have been anticipated in the thirties. For the state's schools to meet the demanding standards of the federal government's program, it will require far more investment in education.

Last, but certainly not least, the state now must meet an unmet constitutional obligation. The Leandro decision has made the issue of school funding a priority, not simply a problem. A comprehensive overhaul of today's system is needed. The Study Group recommends that the 2005 Session of the General Session support the proposal to fully fund the Low Wealth Fund and that it should increase the funding level for the DSSF fund. At the same time, the General Assembly should direct that a comprehensive funding plan that will bring the state into constitutional compliance be developed in sufficient time for it to be considered by the 2006 Session of the General Assembly.

RECOMMENDATION #17

Revamp Education Salary Schedules

The funding issue cannot be solved until the personnel cost issue is resolved. With over 91% of state school expenditures going to salaries and fringe benefits, this issue is at the heart of school finance.

One could argue that today's one-size-fits-all salary schedule accounts for much of the personnel problems now facing educators. Fewer and fewer college graduates in high-demand areas like math and science choose teaching as a career because of salary potential in other areas. High performing teachers lack pay incentives. Starting pay is low and salary advancement is slower yet under today's pay schedules.

A revamped salary schedule would have to account for, at a minimum, the following issues:

- Differentiation for hard-to-staff subject areas (math, science, special ed, etc.)
- Incentives to attract and keep teachers in hard-to-staff school buildings and school systems.

Guiding the creation of a new approach to salary schedules for teachers should be the realization that the Leandro ruling has firmly come down on the side of all students having the constitutional right to qualified teachers. That means that the state, not local school systems, is obligated to fund a salary system sufficient to guarantee that all young people are taught by qualified teachers.

Toward that end, the state should revamp today's teacher salary schedule and create a system that will both attract and keep more people within the teaching profession and guarantee that today's hard-to-staff schools can attract the teachers they need.

RECOMMENDATION #18

The DSSF Should be Based on Research/Need

Currently, the State Board of Education's proposed funding for the DSSF program is \$250 per student. That number has no basis in research. It was chosen more on the basis of affordability than need.

As an example, nationwide there is a consensus among afterschool program providers that it takes, on average, at

least \$1,000 per student to provide a high-quality afterschool program that blends academic support, personal development and enrichment. However, afterschool programs are only one of many strategies that are needed for low-performing students. Non-English speaking students, for instance, have unique needs that require bi-lingual staff, special teaching materials and, often, technology and more time. Schools, especially those serving diverse student populations, need to use different strategies and support programs for different students.

At its current level, DSSF could not even guarantee the establishment of afterschool programs for at-risk youth, much less address other learning issues for limited English speakers, gifted students or students with disabilities.

There are ample precedents to draw on to establish what a sufficient amount of DSSF support would require. Drawing on high-quality programs from within and outside of North Carolina, the State Board should establish a prudent, but sufficient, amount of funding that would be required to guarantee all students an opportunity for a sound and basic education and advocate for that funding from a research base, not an affordability, standpoint.

RECOMMENDATION #19

Limit DSSF Spending for Program and Support

While guaranteeing that all young people are taught by qualified, competent teachers will, in theory, go a long way toward insuring all students an opportunity for a sound basic education, it is not, in itself, a "silver bullet" solution.

At-risk young people will still need programs, currently not available in many schools. Examples of such programs include afterschool programs providing academic support, smaller class sizes, additional summer programs and technology-infused learning options. Further, limited English speaking students will still need language immersion programs, technology geared to students learning English, and tutorial support. Advanced students deserve advanced math and science offerings and foreign language options now not available in all schools.

DSSF funds should be the funds that make those types of high quality educational programs possible. They should not be a surrogate for improving salary structures.

LEANDRO DEMANDS...

Meeting the Demands of Leandro... Begins with a Plan and Ends with Determination

The results of the Forum's Study Group XI, like the results of recent studies on teacher retention and staff development, contain a framework of ideas that could be the foundation for a comprehensive master plan that would enable the state to fulfill its constitutional responsibilities. Without such a plan, it is highly likely the state will remain in a reactive mode, responding piecemeal to its educational needs, with no comprehensive end goal in sight.

Unfortunately, the state's record of completing comprehensive plans is unimpressive. In the eighties, the state embraced the Basic Education Plan, an ambitious eight-year plan that was to establish a higher resource standard for schools across the state. The plan was only half completed when budget woes derailed the implementation schedule.

In the nineties, the state created the Low Wealth Supplemental Fund, with the goal of bringing all of the low wealth counties in North Carolina to at least the midpoint of available school resources. A decade later, the fund remains only partially funded.

There is, in recent history, only one example of the state's embracing and staying with a multi-year plan, and that example illustrates what is possible when policymakers are committed to a multi-year strategy. In the mid-eighties, the General Assembly embraced the Excellent Schools Act, an ambitious program that resulted in teacher salaries reaching the national average for the first time, financial incentives for teachers earning National Board Certification, a formalized

and financed teacher mentor program, additional days for training of new teachers, the ABCs accountability program and much more. The plan was not inexpensive. It required investing \$1.4 billion over a four-year period of time. However, the investment was made and the state has been the beneficiary ever since.

It is time for another multi-year plan. However, this plan needs to address the full scope of problems confronting the state, including:

- A revamped system of school funding that gets resources to the schools and communities that most need them.
- A comprehensive plan to attract and retain teachers.
- An ambitious effort to make high-quality staff development accessible to teachers across the state.
- An initiative aimed at better utilizing existing public and private resources that receive state money for support programs in the K-12 arena.
- A strategy to strengthen the DPI to the point that it has the capacity and resources needed to support and lead the school improvement drive.

This is a challenge no less daunting than that, which faced North Carolina lawmakers in the depths of the Great Depression. That generation of lawmakers did not shirk from assuming the responsibility for keeping the state's educational system intact and, in fact, stronger. Today's generation of lawmakers should do no less.

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