

The Public School Forum's Friday Report

PDF versions can be found at www.ncforum.org/doclib

Volume 8, Issue 8

August 19, 2005

Budget Clarification

In response to some feedback we have received regarding last week's "State Budgeting 101" story (see August 12, 2005), the Forum realizes that it was not completely clear in its communication regarding some of the budget information and wants to clarify some points. We inadvertently stated that "the total funding for public schools reads \$6.6 billion. However, that number is inflated by \$44 million." Instead, we should have said that the state's General Fund budget is reflective of the \$44 million reduction, but the allotment formulas have not been changed to reflect this reduction and, therefore, school districts must find \$44 million each year to return to the state. The point is that each year school districts are allotted positions and resources based upon formulas established by the State Board of Education, with guidance from the General Assembly. Because those formulas have not been changed, school systems must find \$44 million in reductions to their budget. As the *Friday Report* noted, if the same pattern as last year holds 1,650 positions, including 413 teachers, 255 teacher assistants, and 114 instructional support positions will be eliminated, according to analysis from the Department of Public Instruction's Division of School Business Services.

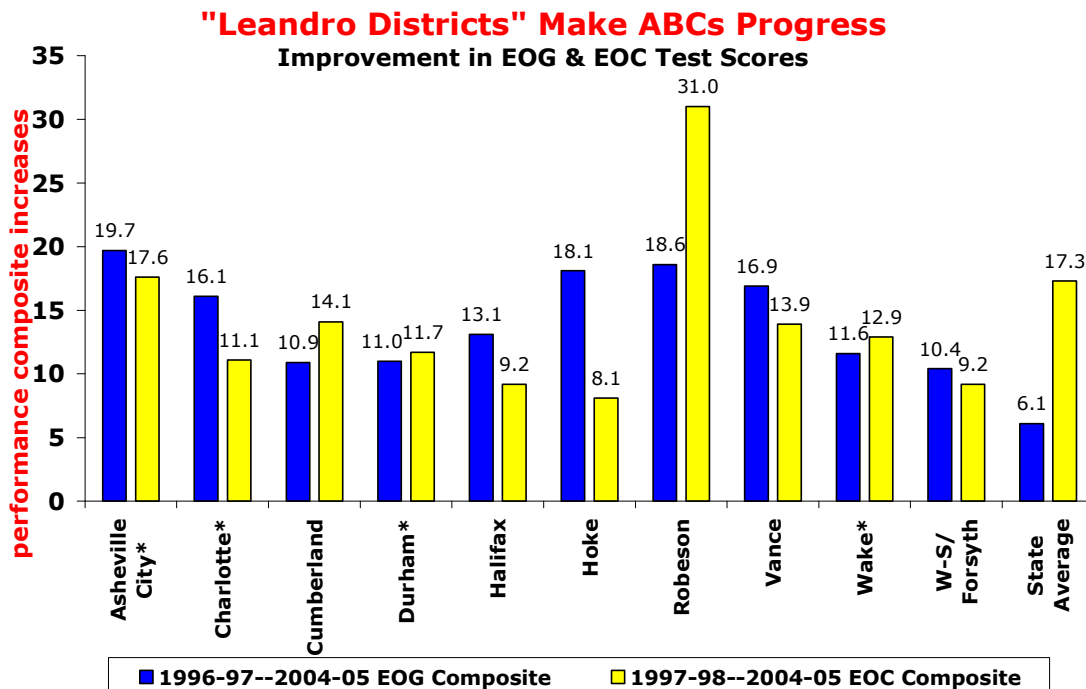
We did not report the \$102.5 million in Civil Fines and Forfeitures receipts as an addition to the General Fund, but we continue to assert that the \$102.5 million in Civil Fines and Forfeitures receipts supplants General Fund appropriations. There is no net gain for school districts. The continuing concern relates to swapping appropriations from the General Fund for receipts from Civil Fines and Forfeitures. According to the special provision, if the \$102.5 million in fines and forfeitures receipts are not collected, then "the Director of the Budget shall use funds available in the State Public School Fund for each fiscal year to offset the shortfall."

The *Friday Report* thanks the staff of the General Assembly and DPI for helping clarify these issues.

Leandro Districts Continue Making Progress

End-of-grade test scores have improved more than the state average in all 10 school districts that are part of the *Leandro* school finance case, but end-of-course composite scores have trailed the state average in all but two districts (see chart). The five low-wealth plaintiff and five urban plaintiff-interveners' end-of-grade composite scores improved an average of 14.6 percentage points—twice the state average. The districts' end-of-course composite scores improved an average of 13.9 percentage points, which is 3.4 percentage points below the state average.

In 1997-98 (the first year high schools were included), 1 percent of the plaintiff schools were identified as Schools of Excellence and only 9.7 percent were identified as Schools of Distinction, compared with state average of 1.1 percent of schools identified as Schools of Excellence and 13.6 percent of schools identified as Schools of Distinction. In 2004-05, 23 percent of plaintiff district schools were identified as Schools of Excellence or Honor Schools of Excellence and 24.9 percent were identified as Schools of Distinction. Statewide, 23.9 percent of schools were identified as Schools of Excellence or Honor Schools of Excellence and 26.8 percent were identified as Schools of Distinction.



* Plaintiff-Interveners in the Leandro school finance case
Source: Public School Forum based upon data from the DPI, Accountability Services

ACT Test Takers Not Ready For College

Only about half of this year's high school graduates have the reading skills necessary to succeed in college, and even fewer are prepared for college-level science and math courses, according to a report from ACT, which produces one of the nation's leading college admissions tests, reports the *New York Times*.

The report, based on scores of 1.2 million 2005 high school graduates who took the exam, also found that fewer than one in four met the college-readiness benchmarks in all four subjects tested: reading comprehension, English, math and science. Among those who took the 2005 test, only 51 percent achieved the benchmark level in reading, 68 percent in English, 26 percent in science, and 41 percent in math.

"It is very likely that hundreds of thousands of students will have a disconnect between their plans for college and the cold reality of their readiness for college," Richard L. Ferguson, chief executive of ACT, said in a news conference this week.

The average ACT composite score was 20.9 for graduates this year, holding steady from 2004. Nearly 40 percent of the nation's 2005 high school graduates took the ACT at some point during high school. The number of ACT-tested students has increased by 11 percent nationally since 2001, with even larger percentage increases for minority students. Minority students now make up 27 percent of all ACT test-takers, up from 24 percent in the class of 2001. This is due in large to the number of Hispanic test-takers increasing by 40 percent since 2001, and the number of African American test-takers by 23 percent since 2001. By comparison, the number of Caucasian test-takers has increased by only 2 percent since 2001.

The reports highlights a source of concern that too few students are taking the kind of rigorous high school courses that will prepare them for college. Only 56 percent of this year's graduates who took the ACT had completed the recommended core curriculum for college-bound students: four years of English and three years each of social studies, science and math at the level of algebra or higher. Those who do complete the core curriculum are far more likely to meet college readiness standards, Dr. Ferguson said, but the percentage who complete the core has been falling. The ACT report highlighted other worrisome trends as well, including a continuing decline in the percentage of students planning to major in engineering, computer science and education.

In North Carolina only 15 percent of high school graduates took the ACT, as the SAT is the more prevalent test in the state. The average composite score was 20.2, slightly below the national average.

For a full copy of the report go to <http://www.act.org/news/data/05/index.html>

State Budgets Improving

The fiscal crisis facing states is improving and “year-end balances were twice as high as expected and overall budget stress eased,” observes the National Conference of State Legislatures (NCSL) in their annual post-legislative assessment of state fiscal conditions. This finding is welcome news for states that have faced revenue shortfalls totaling \$235 billion since 2001.

The overall fiscal health of the forty-six states surveyed has improved more than preliminary estimates had predicted, in part because of federal assistance and improving revenue (North Carolina’s budget was not completed in time for the survey). Because of federal assistance, states were able to end the 2004 fiscal year with year-end balances totaling 6.9 percent of General Fund expenditures, and therefore began the 2005 fiscal year in better shape. States ended this fiscal year with \$35.7 billion in year-end balances.

Twenty-nine states reported that revenues grew more than 5 percent from last year, and 37 states reported expenditures at least 5 percent above the previous year. For the sixth consecutive year, Medicaid expenditures have grown faster than other major spending categories, including elementary and secondary education and higher education (see table below). The National Governors Association has reported that Medicaid spending surpassed public education spending, as a percentage of state budgets, in 2004.

Growth in State Spending

Item	2004-05	2005-06
Medicaid	14.8%	7.2%
K-12 education	7.6%	6%
Higher Education	5.5%	5.7%
Corrections	9.3%	3.8%

Source: NCSL survey of states

States enacted personal tax reductions of \$330 million, as compared with last year’s tax increase of \$1.1 billion. Other major tax changes include: corporate and business taxes will have a net increase of \$616.6 million; sales and use taxes will have a net increase of \$863.3 million, cigarette and tobacco taxes will have a net increase of \$1.05 billion, and fees will have a net increase of \$768.7 million.

For a copy of the report, go to <http://www.ncsl.org/programs/fiscal/presbta05.htm>

Students Want Safety, More Emphasis on Academics Survey Finds

A surprisingly high number of teenagers fear for their safety at school, believe teachers don't care about them and feel their classes lack demanding challenges, according to an Indiana University study.

Researchers at Indiana University who compiled the 2005 High School Survey of Student Engagement (HSSSE) said the student responses were unexpected and concluded that American high schools should re-evaluate their priorities and examine how they communicate with students. The study questioned more than 80,000 students in 19 states, including Indiana. The findings paint a bleak picture of student involvement at American high schools:

- 45 percent of students feel unsafe at school, including 61 percent of black girls who say they feel they're in danger.
- 65 percent of students are unexcited about their classes, and 62 percent don't feel that teachers encourage them to learn more.
- 47 percent of students would not select their high school if given a choice again.
- 50 percent of students said they don't often receive prompt feedback from teachers.
- 35 percent of students believe no adult at their school cares about them and knows them well.

The overall statistics are alarming enough, but the survey makes clear that classes in today's high schools excite and challenge boys even less than they do girls, said Martha McCarthy, an IU professor and director of the survey. "It should be a wake-up call," she said. "Something we're doing in schools isn't conducive to getting males involved in school."

A resounding majority of those teens who took the survey also perceived a lack of rigor in their coursework. The study determined that 80 percent of high school students spend less than three hours each week outside class on reading for all their courses combined, but the vast majority of students feel they come to class prepared.

This is the second year HSSSE has asked about these issues. Student engagement is important, according the researchers, because students who are more involved in various aspects of high school get better grades, are more satisfied and are more likely to graduate. "High schools need to expect more from students at every grade level if college aspirations of many students are to be realized," McCarthy said.

For more information of the survey results and information about how schools can participate in the survey in 2006 can be found at <http://www.ibu.edu/~nsse/hssse>

Teaching Fellows Applications Online

The 2005-06 Teaching Fellows scholarship application is available online! 2005-06 high school graduates who become Teaching Fellows scholars may pursue a degree and teaching certification at one of 14 public and private university campuses across the state. The applications are due to the applicant's high school guidance counselor by October 21. Teaching Fellows recipients receive \$6500/year for four years funded by the General Assembly which recently increased the number of scholarships from 400 to 500.

To access the application, go to www.teachingfellows.org and click on the "Applicants" icon.

EPFP Deadline Near; Program Begins September 13

Plans are underway for the 2005-06 Education Policy Fellowship Program (EPFP) class, and interested parties should submit their applications as soon as possible in order to be assured a place in the program this year. North Carolina's EPFP, which is affiliated with the Institute for Educational Leadership in Washington, DC, has existed since 1979 and is an in-service leadership and policy development program for mid-career professionals who work full-time in education, health and human services, public, private and non-profit sectors, business, and communities.

EPFP will meet Tuesday evenings at the Forum's office, beginning September 13, 2005, through May 9, 2006. The Fellow is supported by a tuition grant of \$2,300 from his/her sponsor and financial support for travel and accommodations to the national conference. The application may be downloaded from the Forum Web Page at www.ncforum.org. Click on the EPFP link and go to the application. Contact us if you would like an application mailed to you or your candidate!

For more information contact the program's co-coordinators, Jo Ann Norris (jnorris@ncforum.org) or Gladys Graves (ggraves@ncforum.org)

The *Friday Report* is published weekly by the Public School Forum of NC and is distributed to Forum Board members, legislators active in education policy, the press, and Forum subscribers. Archived editions can be found at www.ncforum.org/doelib