North Carolina State Board of Education
2009-11 Biennial Budget Priorities

1. Assisting High Need Schools

The State Board continues to be concerned with the performance of every student in our public schools and the percent of students that do not graduate in four years. One of the more glaring concerns is that some school districts are struggling with the performance of a large portion of their student population. This concern led the State Board to create a district capacity building team that works with school districts to help them improve the performance of all their schools.

What is District and School Transformation (formerly Comprehensive Support)?

- The State’s redesigned framework for delivering technical assistance and other support to low performing districts and schools to help them increase student achievement.
- A framework through which to organize the State’s support of all districts’ and schools’ efforts to continuously improve and graduate all students.

Why was it developed?

- To address the growing demand for more and different types of support for raising student achievement.
- To create sustainable (not just temporary) improvement in student performance.
- To address the General Assembly’s call for a clear, consolidated, comprehensive, planned, and budgeted State assistance program.

Key Features:

- Customized support provided most intensively to low performing districts with the least existing capacity for self-improvement (3-year contract for Transformation Districts).
- Support designed to build district capacity for self-led continuous improvement.
- Support designed to identify and address root causes of under-performance.
- Coordinated DPI services to the field for greater efficiency and effectiveness.
- Eventual ramp up to service for all districts (intensity of State involvement depends on degree of need and district capacity for self-improvement).

<table>
<thead>
<tr>
<th>Program Component</th>
<th>Positions</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Regional Leads w/Support Staff and Budget (11)</td>
<td>11</td>
<td>$1,117,066</td>
</tr>
<tr>
<td>2. School Coaches (17)</td>
<td>17</td>
<td>2,099,291</td>
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<tr>
<td>3. District Coaches (4)</td>
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<td>4. Instructional Coaches (6)</td>
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<td>5. Other Support Positions (15)</td>
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<td>1,916,564</td>
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<tr>
<td><strong>Total Positions:</strong></td>
<td><strong>53</strong></td>
<td><strong>$8,074,501</strong></td>
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<tr>
<td>6. Other Operating Support Costs</td>
<td></td>
<td>$1,593,103</td>
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<tr>
<td><strong>Total Requirements:</strong></td>
<td></td>
<td><strong>$8,074,501</strong></td>
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2. Redesigning Assessment and Accountability

In May 2007, the State Board of Education, in response to legislated concerns, convened a Blue Ribbon Commission on Testing and Accountability to help the Board chart a course for realizing their goal that every student’s achievement be measured with an assessment system that informs instruction and evaluates knowledge, skills, performance, and dispositions needed in the 21st century. The Board directed the Commission to conduct a comprehensive review of the current assessment and accountability system, offer recommendations for modifications to the current testing program, and identify concrete next steps toward implementing the recommended change. The Board asked that the Commission’s work be “visionary and in-depth, searching for credible and practical solutions that will serve us well in public education.” The Commission produced recommendations and the Board responded in June 2008 by adopting the “Framework for Change-The Next Generation of Assessments and Accountability.”

Why Develop New Assessments and Standards?
The Board's document, “Framework for Change-The Next Generation of Assessments and Accountability” outlines the rationale for specific improvements to the standard course of study, our testing system, and accountability measures. The State Board is moving assessments and accountability towards "global students" and global competitiveness.


Why is Additional Funding Needed?

Additional non-recurring funds are needed to develop and implement a new Standard Course of Study (SCOS) for all content areas and grade levels. Specific activities that require additional funding include:
1) Researching, designing, and implementing a new comprehensive state testing system that will include formative, benchmark/interim and summative tests. (New state EOC’s and EOG’s will be created and implemented with constructed response items.)

Key Features:

- **Benchmarking-Interim assessments**: Type of Assessment (ClassScape type item) added to the state assessment system. Database of benchmark items developed/housed/hosted by the state (to ensure equity among LEA’s).
  - $1,300,000
- **Formative**: Classroom-level assessment (cost mainly associated with professional training of teachers)
  - $150,000
- **Summative**: State-wide Assessments. new EOC/EOG that will add constructed-response test items and performance-based test items to the existing EOC type assessment. (Costs projected include test development, field testing and operations)
  - $1,377,100
- **Essential Standards**: Standards re-write process. Costs include training of DPI staff, executing standards writing teams, and PD associated with the new standards.
  - $210,000
- **Writing assessment**: 2009-2010- all 7th graders in state-electronic portfolio/2010-2011-all 4th & 7th
  - $816,817
- **Innovative assessment initiative**: Research and design and implement innovative assessments, eg; simulations, adaptive testing, electronic accommodations.
  - $850,000
3. Addressing Standards for Healthy Students

<table>
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<th>2009-10 Request</th>
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<td>$7,000,000</td>
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Research indicates that students who eat balanced, nutritious meals have fewer absences and higher academic performance, both factors associated with increased likelihood of graduation. Many students from low-income families depend on their schools to provide them with balanced, nutritious meals for free or at an affordable price. Schools have been able to meet this demand for many years, but are now facing rising costs of providing school meals. In response to these costs, schools must charge more for the meals they serve. For many students who do not qualify for free meals, the increased price puts school lunch out of reach, thereby lowering the likelihood that these students will receive the nutrition they need for success. Many such students, especially in middle and high school, may be denied meals at school. The State Board feels it is essential that the State rise to the challenge of ensuring that all students have consistent access to a balanced, nutritious meal. In order to meet this objective, the Board requests that the State of North Carolina partner with parents, guardians, local governments, and the Federal government in helping schools provide affordable, healthy meals for low-income students.

What is Needed?

State funding for local education agencies to support operation of school lunch programs. Currently, program revenues come from meal charges to students, federal subsidy for free and reduced-price meals (based on number of eligible students), and local supplements.

Why does this Need Exist?

- Operating costs for school meal programs have increased due to increased cost of food, fuel, and labor. In addition, the General Assembly mandated that the State Board develop nutrition standards for elementary schools; the nutrition standards were adopted, but funds were not appropriated for implementation of the standards.
- Federal reimbursement for free meals served to eligible students has risen only about 4.3% for 2008-09, but the cost of preparing a healthy, nutritious meal has risen 10%.
- Local Boards of Education have increased meal prices by an average of nearly 10% in the past year. In some LEAs the price of a meal has risen as much as 35% in the past year. Even with these increases, the meal price does not cover the rising cost of food, fuel and labor required to prepare and serve meals.
- Overall school nutrition program revenues have failed to keep pace with costs as schools, in an effort to meet higher nutrition standards, have stopped selling less healthy foods and beverages, which usually have a high profit margin.

What is the likely return on State investment?

By ensuring that more students have consistent access to a balanced, nutritious meal, the State will increase the likelihood that those students attend school more consistently and persistently, perform better academically, and graduate from high school. These students are more likely to lead healthy, productive lives and contribute to a vibrant, stable State economy.

Key Features:

- The Healthy Schools funding would be provided to all LEAs equitably, based on the number of reimbursable meals served in elementary schools that meet Federal and State-adopted nutrition standards.
- The funding would be used to purchase food (inclusive of delivery costs) and for no other purpose. The funding would supplement, not supplant, existing program revenue.
- LEAs that fail to meet the required nutrition standards would not be eligible to receive the subsidy.
- Note: The total amount spent on Food/Food Supplies in the School Meals program in NC is $290,000,000; the $7 million requested for this initiative thus would cover only approximately 2% of the total cost of food for schools State-wide. No State funding is currently appropriated to supplement meal costs. State funds will be used to reimburse based on an amount per meal.
4. Learn and Earn

The Learn and Earn initiative was launched in 2004 as a way to help encourage more students to complete high school and gain the kind of advanced skills increasingly demanded in the workplace of the 21st century. Since these schools allow a high school student to graduate with an associates degree or two years of college credit, they lift the financial barrier that students and families often face when considering college. Students get two years of college without paying tuition.

What is Learn and Earn?

- Learn and Earn high schools allow students to jump start their college education or gain career skills for free. Learn and Earn students attend a high school located on a college campus and can earn a high school diploma and two years of college credit or an associate degree in up to five years. There are currently 60 Learn and Earn Early College High Schools and 11 planning sites.

Why is Additional Funding Needed?

- Funding will support the transition of the planning sites into fully operational programs (bring the total to 71 Learn and Earn high schools). Funding is for a clerical position, a community/project and community college/university coordinator as well as operating expenses, instructional supplies, and textbooks.

Key Features:

- Located on the campuses of two- or four-year community colleges and universities, Learn and Earn early college high schools provide an academically rigorous course of study that ensures all students graduate with a high school diploma and two years of transferable college credit or an associate degree.
- North Carolina is a leader in starting early colleges, with roughly a quarter of the national total located here.
- Current Funding for FY 2009-10: $19,128,008 (recurring).
5. More at Four Pre-Kindergarten

The More at Four Pre-kindergarten Program (MAF) is currently in its eighth year of operation. Since inception, the program has experienced tremendous growth while maintaining an adherence to program standards and producing significant and sustained developmental outcomes for children served. Because of North Carolina’s commitment to quality, it has gained national recognition as a model for state-funded pre-kindergarten. In sum, its story has been one of extraordinary success. Yet, as the program matures, MAF is at a critical juncture in its bid for long-term sustainability. Therefore, this proposal seeks to define a level of funding necessary to ensure the continued provision of pre-kindergarten services for the state’s at-risk four-year old population. It is built upon the premise that the State should provide funds necessary to maintain a diverse delivery system, as well as high quality for all program participants.

What is More at Four?

Based on research North Carolina established a high-quality pre-kindergarten program to improve educational and social outcomes for the State's at-risk population of four year old children. Pre-kindergarten programs increasingly are viewed as a cost-effective economic development strategy. High quality Pre-kindergarten programs set children on a long-range pattern of learning that helps keep them in school, out of crime and on their way to becoming productive citizens. More at Four focuses on early language and literacy, math, cognitive and social skills that are the critical foundational skills for future school success and high school graduation. Skill begets skill; learning begets learning (Heckman and Masterov, 2004). Children’s educational and social gains from high-quality pre-kindergarten are optimized with effective alignment and integration of high-quality curriculum and instruction from pre-kindergarten through the 3rd grade. Thus, the continued placement of More at Four in DPI's Office of School Readiness is critical to maximizing the gains in child outcomes realized in the pre-kindergarten year.

Why is Additional Funding Needed?

Adequate funding will 1) Ensure greater participation of the private sector (increase diversity of delivery system); 2) Relieve funding pressures at the local level and allow for the release of local Smart Start funds supporting MAF ($20+M); 3) Allow for expansion while not placing a greater burden on the larger early care and education system; 4) Ensure the maintenance of program quality; and 5) Ensure program sustainability.

- **Expand funding to increase access to More at Four:** At present, 32,122 at-risk four year olds are being served at an average cost of $5,000 per child. Future funding would increase both slots and funding per slot. $15,000,000

Key Features:

- More at Four is recognized as one of the top two programs nationally for state pre-kindergarten quality standards, according to the National Institute for Early Education Research.
- Since program inception, More at Four evaluation results show that children have exhibited significant growth from pre-k through kindergarten in multiple areas. This finding is consistent with other large scale studies on state-funded pre-kindergarten.
- Program standards include: early learning standards for preschoolers comprehensive curricula, small class size, qualified teachers with specialized training and ongoing professional development, and meaningful family involvement.
- Current Funding for FY 2009-10: $170,635,709 ($84,635,709 from lottery receipts).
6. K-12 School Connectivity

The Developing Regional Education Networks BETA report, May 2006, provided background for the development and funding of a statewide education network supporting preK-12 public schools. In FY 2006-07 the General Assembly provided $6 million as an initial investment in this initiative. In 2008 that amount was increased to $12 million and in FY 2008-09 the investment reached $22 million. The projected cost of full implementation is $24 million. The annual steady state cost of K12 connectivity is projected to be $56M per year.

What is the School Connectivity Initiative?

The purpose of the School Connectivity Initiative is to connect all local school administrative units into a statewide network that ensures broadband connectivity to all schools and classrooms. This will lead to enhanced broadband access that is equitable for all classrooms across our state and provide access to increase virtual collaboration (such as Learn and Earn online and NC Virtual Public School) among public schools, community colleges and universities. The goals of the School Connectivity project are:

1. provide equity of access for all K-12 schools;
2. assist in further creation of seamless transitions between levels of education;
3. optimize E-rate process and support statewide;
4. enable and foster public-private partnerships;
5. develop a sustainable funding model;
6. organize to operate; and
7. achieve steady-state within 3 years.

Why is Additional Funding Needed?

- Currently the Golden Leaf Foundation is supporting 100% of the connectivity cost in several school districts. State funding will be needed to off-set these costs once this funding is discontinued.
- After applying ERATE discount credits the cost to the state is expected to be $24 million annually. This cost consists of the allocation to LEAs to pay approximately $20.1 million for connectivity to NC EdNET and $3.9 million for education network backbone operations; core network services support (including E-rate services), administrative and operational expenses, and related network equipment costs.

Key Features:

- As of November 25, 2008, 81 of 115 school districts are connected to NCREN.
- The remaining 34 districts are in various stages of integration that should be completed during January 2009.
- The General Assembly has provided $22 million in recurring funding to provide connectivity and supporting services to schools so that they will have the resources needed to deliver a world-class 21st century education. We leverage state funds against at least $25 million in annual federal E-rate discounts, over $4 million dollars in Golden Leaf Foundation grants, and an MCNC commitment of $8 million in funding from its endowment to upgrade the core of the broadband education network.
- Current Funding for FY 2009-10: $22,000,000 (recurring).
7. EVAAS and Teacher Module

The State Board supports full-funding of Educational Value Added Assessment System (EVAAS) to assure the valuable program continues to be available to all public schools in North Carolina. The imitative is underfunded by $355,000 (non-recurring funds in FY 2007-08 were not continued in FY 2008-09). The State Board would also request that funding be restored to continue the EVAAS Teacher Module (the $750,000 in non-recurring funds in FY 2007-08 were not appropriated in FY 2008-09).

What is Educational Value Added Assessment System (EVAAS) and the EVAAS Teacher Module?

- The Educational Value Added Assessment System (EVAAS) analyzes student achievement data for potential summative and formative use for the Local Education Agency (LEA) and charter schools. This area of SAS performs multivariate, longitudinal analyses using all available data for each student for which test results are provided by the LEA and charter school. The results will be available to the LEA and charter school through password-protected web reports. For example, reports can assist professionals in our public schools address the educational needs of their students by highlighting student strengths and weaknesses for projected performance in upcoming courses.

- The EVAAS Teacher Module allows school professionals to assess areas where teachers can share best practices with other teachers and address staff development needs of teachers.

Why was it purchased?

- To help school districts and charter schools assess individual student performance over time in order to best direct services to each student.
- To enable school districts and charter schools to identify staff development needs to increase teacher performance to specific student weaknesses.
- To address the General Assembly’s call for a tool to help the school districts with assessment and student placement.

Key Features:

- A key tool for school/district reform efforts (see Assisting High Needs Schools).
- Support designed to build principal capacity to improve school, teacher, and student performance.
- Support designed to identify and address continuous issues with specific student populations or capacities.
- Coordinated DPI services to the field for greater efficiency and effectiveness.

| 1. Fully fund EVAAS (brings funding to $1.2 million) | $ 355,000 (currently $845,000 recurring) |
| 2. Fund EVAAS Teacher Module | $ 750,000 (funded only in FY 2007-08) |
8. Implementing 21st Century Principal & Teaching Standards

The NC State Board of Education adopted the NC standards for Superintendents, School Executives: Principals, the Professional Teaching Standards, and the Professional Educator Evaluation System during the last two years. These are aligned with the Board’s Mission and Goals for 21st Century Future-Ready Students, the Framework for 21st Century Skills and relies on research from the Teacher Working Conditions Survey. The purpose of the new evaluation system is to support and promote effective leadership, quality teaching and student learning. It is a growth model designed to improve leadership and instruction and enhance professional practice.

What are 21st Century Principal and Teaching Standards Evaluation Instruments?

The new evaluation system required the development of and training on new evaluation instruments. The evaluation instruments are flexible enough to be fair to principals and teachers of varying levels of experience and in various school settings. The rubrics are formative in nature and based on a rating scale from “developing” to “distinguished.” Self-assessment, observation, multiple data sources, artifacts and evidences are used in assessing educator performance. They provide the basis for performance goals and professional development activities. So far, the new processes have had early successes in fostering 21st century leading, teaching and learning, building strong communication among educators, recognizing long-term professional growth needs, providing clear expectations and accountability and linking professional development to evaluation findings.

Why is Funding Needed?

- Executive Standards were rolled out in spring and summer of 2008. Teacher Standards are being phased in over three years. This request will fund the implementation of those standards which is generally costs associated with training the more than 98,000 teachers statewide and sustaining the training of new executives and teachers after rollout.
- The $1 million non-recurring funds will be used for staff development. Professional development needed includes 21st century skills and global awareness, efficient use of and scoring the rubrics, critical conversations and follow-up training in the evaluation/observation processes.

Key Features:

- As of fall 2008, the NCDPI has trained more than 3,000 principals, supervisors, Regional Education Service Alliance directors and others to prepare them to use the new process for evaluating principals, effective July 2008.
- Effective date for the teacher evaluation process is being phased in over three years, beginning with 2008 in 13 school districts. Phase II is in 2009-10 and will include 50 districts. Phase III is in 2010-11 and will include 52 districts.
- Current Funding for FY 2009-10: $0.
9. Beginning Teacher Mentors

The National Education Association reports that half of new teachers stop teaching within their first five years. Often, new teachers and instructional support personnel leave because of their lack of support. Often, experienced teachers and staff do not have the time to assist new teachers and instructional support staff or the knowledge to provide the type of guidance needed by a new teacher. A Mentor Program pays (and trains) mentors to guide, develop and encourage new teachers and instructional support staff so they have the confidence, best practices and skills to stay in the profession.

What is a Mentor Program?

• Funding for LEAs to employ up to one full-time mentor for every 30 teachers who are in their first through third year of teaching and up to one full-time mentor for every 30 instructional support staff who are in their first through second year of work. The goal is to reach a ratio of 1:15.

• Training for mentors in how to be a counselor, coach, facilitator, tour guide, advocate, and role model for new teachers and instructional support staff.

• Continuous professional development at the school building for new teachers and instructional support staff.

• Assurance that new teachers and instructional support will not only be recruited to teach but will also be retained.

Why was it developed?

• In North Carolina over 11,000 new teachers are hired each year.

• North Carolina's 2006/07 teacher turnover report indicated of the 12,776 teachers who left their position, 3,600 might have been retained.

• Nationally 50% of teachers leave in the first five years; 33% leave in the first three years.

• To keep highly qualified, 21st Century professionals in our schools.

Key Features:

<table>
<thead>
<tr>
<th>teachers</th>
<th>Instructional Support</th>
<th>Total</th>
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<tbody>
<tr>
<td>14,152</td>
<td>458</td>
<td>14,610</td>
</tr>
<tr>
<td>471</td>
<td>16</td>
<td>487</td>
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| Funding requested is based on the number of teachers in their first through third year of teaching and number of instructional support staff in their first and second year as of 12/31/08 | 14,152 | 458 | 14,610 |
| Estimated number of mentors at 1 per 15 mentees | 471 | 16 | 487 |
| Average salary of mentors | $ 54,244 | $ 61,046 |
| Total Program Cost | $ 25,548,924 | $ 976,736 | $ 26,525,660 |
| Current Appropriation | $ 11,164,616 |
| Funding Requested | $ 15,361,044 |
10. 21st Century Classrooms

North Carolina's public schools continue to be slow in utilizing technology to deliver instruction. School connectivity is giving our public schools access; but, technology use in the classroom and the support to teachers as to how to utilize technology requires additional funding. We need to establish a base-line cost for establishing 21st century classrooms as we implement the connectivity in all NC public schools.

Why are 21st Century Classrooms Needed?

Each public school classroom needs to offer our students and teachers the tools and support to access the instructional opportunities available through the use of technology. Under this proposal, classrooms would be equipped with digital whiteboard technology, data projector, computers, document cameras, and a technology facilitator at each school.

Why is Funding Needed?

- This funding will be used to purchase digital whiteboard technology, data projectors, computers, document cameras, and a technology facilitator at each school. The cost would be $7,233 per classroom and the cost was estimated using 40 classrooms per middle school. Therefore, this request would fund 1,360 middle school classrooms in approximately 34 LEAs with a reserve for 22 additional classrooms.
- To fund all Middle Schools would costs $59,823,504.

Key Features:

- Establishes a technology facilitator in the school to work with the teachers on how to use technology to deliver instruction.
- It is anticipated that student learning will be better engaged with the use of 21st Century equipment and students will be better prepared for college or the workforce.
- Utilizing 21st Century equipment in classrooms will help ensure that students are being given 21st Century instruction that will help them compete in the global economy.
- Current funding is not available for this specific purpose. School districts do receive funding for technology ($10 million recurring); but, this funding does not allow districts to expand technology enhancements at the level necessary to reach the State Board's 21st Century classroom goals.
11. Learn and Earn On-Line

The students in all public schools need access to quality college level courses. It is not always possible to establish a Learn and Earn high school so that the school is accessible to all students. By making the courses available on-line (via the Community Colleges and University of North Carolina), all students will be able to access the courses from their high school. As with Learn and Earn high schools, students can earn both a high school diploma and an associate degree or two years of transferable college credit to any state university in up to five years of study.

What is Learn and Earn On-Line?

- The program is an off-shoot of the Learn and Earn Program in that students who do not live near a Learn and Earn high school can receive college credit for free by enrolling in Learn and Earn Online. As with Learn and Earn high schools, students can earn both a high school diploma and an associate degree or two years of transferable college credit to any state university in up to five years of study. Numerous community colleges currently offer courses and the University of North Carolina in Greensboro. Other university campuses are considering offering courses once authorized by the University of North Carolina General Administration.

Why is Additional Funding Needed?

- These additional funds provide more funding support for the delivery of online college credit courses that will be made available to high school students. FY 2007-08 was the initial year for this program. In FY 2007-08, 7,944 University courses (offered by UNCGi) were taken by public school students in over 40 LEAs and 1,444 public school students took classes from Community Colleges. Participation in University courses in the spring of 07/08 increased almost 60% (from 3,075 to 4,869 courses).
- Early data for the fall of 2008-09 indicates that University participation has increased by close to 75% (textbook costs exceeded $189,000 ... last spring textbooks cost $108,000). It is estimated that the University fall semester will be over $2 million. Assuming a similar increase in Community College participation estimated fall costs will be $880,000.
- Therefore the estimated costs for Learn and Earn On-Line in the Fall: $2,880,000 (the total for FY 2007-08). With no growth in the program in the spring semester (not a likely experience based on historical trends) the total for year will be $5,760,000. Also, due to the fact that the Connectivity project has substantially increased the on-line capacity of our public schools, the increased student/teacher excitement of the delivered/offered programs, and the offering of courses in the Summer, we are confident that the Budget for FY 2009-10 will not be sufficient to cover demand.
- The Expansion Request is to assure we have a buffer to meet unknown demand. A request to increase the recurring Budget by $3,250,000 is in anticipation of the course demands over the summer and increased student participation.

Key Features:

- Students who do not live near a Learn and Earn high school can receive college credit for free by enrolling in Learn and Earn Online.
- Students can earn both a high school diploma and an associate degree or two years of transferable college credit to any state university in up to five years of study.
- Current Funding for FY 2009-10: $6,500,000 (recurring).
12. Children with Disabilities

Federal and State law outline the importance and requirements of services to students with disabilities. As the population of students with disabilities continues to grow, the needed supplemental services to address the entire population of students with disabilities must also grow. We continue to have too many special education teachers under-prepared, with many school systems having many of their teachers on provisional licenses.

How Would Children with Disabilities Benefit from Additional Funding?

Many issues will be addressed with additional funding of Children with Disabilities. Teachers will receive appropriate staff development and will be less likely to quit teaching students with complex learning and behavioral needs caused by disabilities. Teachers will be provided assistance from teacher assistants, related service personnel (psychologist, speech-language pathologist, occupational therapist, etc.) and will be less likely to quit teaching. School systems will be able to hire well-prepared personnel with appropriate licenses. Class sizes will decrease. Parent requests for due process hearings that lead to lawsuits will decrease. Dropout rates for students with disabilities will decrease. Graduation with diplomas will increase.

What is the Bases for the Request for Additional Funding?

Public school services for students with disabilities are under-funded based on the 1994 study of special education funding. The study showed that it costs at least 2.3 times as much to provide special education as it does regular education. Funding at this time is around 1.9 times that of regular education. The Individuals with Disabilities Act (IDEA) Title VI, Part B-611 has been reduced for the first time in 30 years. North Carolina received a $17,639,830 increase during the 2005-06 school year. This year there is a $406,223 decrease in funding. This will have a serious impact on the 115 LEAs, 96 charter schools and three state-operated programs receiving these funds especially for those agencies with teachers paid from this grant. Approximately $125 million is needed to get to 230%. This small request will be a step toward meeting the 230% funding goal.

Key Features:
- On April 1, 2008, school districts reported serving 194,036 students with disabilities.
13. Leadership Training

Today schools must have proactive school executives who possess a great sense of urgency. The goal of school leadership is to transform schools so that large-scale, sustainable, continuous improvement becomes built in to their mode of operation. The moral purpose of school leadership is to create schools in which all students learn, the gap between high and low performance is greatly diminished and what students learn will prepare them for success in their futures. Leadership is not a position or a person. It is a practice that must be embedded in all job roles at all levels of the school district. Funding will be used to establish regional training opportunities to build 21st century capacity with North Carolina school leaders.

What is Regional Leadership Training?

- The regional leadership training will provide school leaders opportunities which enhance their knowledge and skills to lead North Carolina’s schools into the 21st century while focusing on seven areas of leadership: strategic, instructional, cultural, human resource, managerial, external development, and micro political.

Why is Funding Needed?

- To establish regional leadership training for school leaders.

Key Features:

- No longer are school leaders just maintaining the status quo by managing complex operations but just like their colleagues in business, they must be able to create schools as organizations that can learn and change quickly if they are to improve performance.

- The successful work of the new executive will only be realized in the creation of a culture in which leadership is distributed and encouraged with teachers, which consists of open, honest communication, which is focused on the use of data, teamwork, research-based best practices, and which uses modern tools to drive ethical and principled, goal-oriented action.

- Current Funding for FY 2009-10: $0.
14. Internal Audit Positions

Session Law 2007 House Bill 1401 established the Internal Audit Act. This Act requires state agencies to establish a program of internal auditing. Also in response to this Act a Council of Internal Auditing was established. The Act required the Council to recommend the number of internal audit employees per agency. The council recommended three for DPI. This request would result in DPI having one of the recommended three (two would require $169,328 and three $253,992).

What is Internal Auditing?

- The Internal Control Act requires state agencies to establish a program of internal auditing that: (1) Implements an effective system of internal controls that safeguards public funds and assets and minimizes incidences of fraud, waste, and abuse; (2) Ensures programs and business operations are administered in compliance with federal and state laws, regulations, and other requirements; (3) Reviews the effectiveness and efficiency of agency and program operations and service delivery; and (4) Periodically audits the agency's major systems and controls, including: accounting systems and controls, administrative systems and controls and electronic data processing systems and controls.

Why is Funding Needed?

- The Council of Internal Auditing has recommended the Department obtain three internal auditors to meet the minimum requirements of the North Carolina Internal Audit Act. The Department currently has one internal auditor serving as the director of the internal audit function. This request is for one internal auditor position in Internal Audit and Advisory Services to assist the director in performing internal audits as required by the Act.

- The salary requested is the salary necessary to hire a person with the appropriate level of education and experience to perform complex audits for the department. The salary is at the midpoint of the requested classification in order to hire someone with the appropriate experience.

Key Features:

- To begin to comply with the recommendations of the Council of Internal auditing.
- Current Funding for FY 2009-10: $0.