



## In Context

Wake Education Partnership Newsletter  
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### **Balancing a \$900 million equation**

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For many voters and taxpayers, the detail that matters most when it comes to a new school construction program is the size of the tax increase needed to support it.

And if that were the only standard, Wake school board members and county commissioners could quit discussing the referendum until it hit the ballot in October.

Members of both boards agree the district will soon run out of available seats if the system continues to grow at about 3,000 new students a year. They also agree that the size of the next building program should be just over \$900 million and a property tax increase of about five cents would be needed to pay for it.

Of course they still have to convince voters the construction program is a good deal — and that could be a much harder task.

The average home in Wake County has a tax value of \$263,500. A property tax increase of five cents on that home would cost \$135 per year.

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### **Legislators propose major school changes**

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For students and teachers, a new building program would ease school crowding at first. Then the crowding would get a bit worse than it is today. The percentage of students in temporary classrooms – often called mobile classrooms – would eventually increase and deferred maintenance would go up slightly. No additional students would be assigned to mandatory year-round schedules. (See handouts for details.)

Commissioners aren't thrilled about the tax increase and school board members aren't happy that they won't be catching up on facility needs.

"We'll spend almost a billion dollars, but still be just as overcrowded and behind as we are today," said school board member John Tedesco.

But a majority of commissioners are concerned that a greater tax increase could jeopardize Wake's AAA bond rating. The excellent rating is a rarity among county governments nationally and it allows Wake to get the best rates available when selling bonds to finance construction.

Based on the county's current debt levels, it will be 2018 before Wake can afford another school construction program of the size being discussed today. By that time, the \$900

million currently being considered will already be spent and the schools will be full again.

So the discussion is about to turn to renovations versus new seats. That's because building the maximum number of new seats does the most to ease crowding. But school renovations, according to school district leaders, tend to follow the adage of "you can pay me now or pay me more later." And if you decide to delay renovations on a building, maintenance costs typically increase.

Finding the right balance will be frustrating. Commissioner Phil Matthews asked if it wouldn't be cheaper to just knock down the old schools and replace them. The short answer is, it's not. Hoping to address the commissioners' concerns for balance, the school board this week tried revising the list they presented in the handouts. The new list was rejected in less than 30 minutes.

For those who care only about the size of the tax increase, this discussion is nearing an end. For those who care how the money is spent, the debate is just beginning. The following table, based on the handouts to commissioners, provides a framework for the debate. The details are certain to change.

Current proposal for a \$911.6 million building program	
New schools 6 ES, 3 MS, 2 HS	\$424.7 million
Renovations 7 major renovations	\$265.9 million
Support and other costs	Land for 10 future sites, security, technology, more mobile classrooms, etc.
	\$221.0 million

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### **Legislators consider major school changes**

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Several pieces of legislation that could significantly change the way public schools are run moved through the House and Senate during the past two weeks. The following offers a short summary and links to the full bills.

Waiving class size limits: Senate Bill 374 would remove current class size limits in kindergarten through grade three. The bill is supported by the NC School Boards Association because it increases the flexibility of local districts. It is opposed by the NC Association of Educators, which says the current limit of 24 students per class at least offers some protection against severe overcrowding.

What matters most in determining class size is the money provided by lawmakers. Legislators currently fund one teacher for every 18 students in grades kindergarten through three. But not every teacher works in a standard classroom and students come and go during the year. That's where class limits come into play. The outcry over class size limits would be far greater if the funding ratio changes.

Vouchers: The House introduced a bill that would create vouchers to help families cover the cost of private school tuition. House Bill 944 would set aside \$90 million in state money for the next two years to pay up to 90 percent of the cost of a private school.

The bill would allow families at up to 300 percent of the federal poverty level to participate. The maximum amount of aid provided would be \$4,200 per year. That would still make private school a stretch for poor families as most private school tuition bills run between \$7,500 and \$20,000 a year.

Wake school board elections: Legislation that would change the district boundaries of Wake school board members and move the time to general election primaries passed the Senate this week and is headed to the House.

Senate Bill 325 is opposed by the Wake school board, which approved a resolution this week in support of the current districts. School board members were given three maps earlier this month showing the differences between the two approaches.

Prohibiting lawsuits against county commissions: North Carolina's local school boards would be prohibited from filing lawsuit against county commissioners over funding issues under Senate Bill 674, which was introduced this week. Under current law, school boards have the right to sue county commissions if they feel commissioners are not providing adequate funding.

School boards rarely use the provision, but state school leaders believe it is important to retain the right as part of the bargaining process. The N.C. Association of County Commissioners supports the bill, which is headed to committee.

Teacher tenure: The House unanimously approved a bill last week that would allow districts to fire "tenured" teachers if the teachers received poor evaluations two years in a row. House Bill 719 also allows teachers to regain their "non-probationary status" based on good evaluations. The Senate has a starkly different competing bill that would do away with tenure and give teachers one- to four-year contracts instead.

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### **North Carolina facing a "skills gap"**

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About 80 percent of the highest paying jobs in North Carolina's growth industries will require at least a two-year degree in the coming decade, according to a recent study published by the business advocacy group America's Edge.

That means North Carolina could be facing a significant "skills gap" very soon based on the education levels of current workers and the skills of new high school graduates.

The report suggests North Carolina could face a shortage of 46,000 workers long-term with some areas such as Winston-Salem already feeling the pinch. Another 77,000 middle-skill workers in today's economy also risk becoming underemployed because they lack the needed skills to move into better-paying jobs.

“We must invest in what works in our education system if we are going to develop the skilled workforce our businesses need today and into the future,” the report states.

More specifically, the study calls for more investments in high school career academies that stress “real-world, work-based learning.” Such an approach would include internships, project-based learning, school-based business enterprises and stronger academic support programs.

At the same time, more investments in early childhood education would greatly improve students’ chances of succeeding in such academies in future years, the report said.

A snapshot of the current workforce and incoming talent suggests the state’s economy cannot prosper without such changes. For example:

- Only 38 percent of workers ages 25 to 64 have at least an associate’s degree.
- In 2001, North Carolina ranked fourth nationally in per capita degrees granted in science and engineering. Today it ranks 31st.
- Only 30 percent of the state’s 2012 high school graduates met all four benchmarks for college readiness as defined by the ACT entrance exam.
- About 63 percent of eighth-graders are below grade level in math and 66 percent of fourth-graders read below grade level when measured by voluntary federal standards that are tougher than North Carolina’s benchmarks.

Raleigh and Cary top the state in a ranking of cities based on adult education levels. But roughly half of the adults in those towns still do not have the education needed to compete for high-paying jobs that will become available in the next decade.

America’s Edge is a national advocacy organization supported primarily by business leaders. Major funding comes from organizations such as the Annie E. Casey Foundation, the Bill & Melinda Gates Foundation, the Hagedorn Foundation, the W.K. Kellogg Foundation, PNC Bank and others.

#### Noteworthy

...Wake school board members took one more step this week toward a new student assignment policy that seeks to balance student achievement, assignment stability, proximity and operating efficiency. The policy is a precursor to a detailed plan that is still being developed. It could also be paired with a new Office of Equity and Diversity initially staffed by one person. The intent of the assignment policy was discussed in March (See Framework emerging for long-term plan).

...One of the most popular web links each year for one of the most obvious reasons is the release of new school calendars. The 2014-2015 traditional school calendar was released to board members this week along with year-round and modified calendars. For those of you who don’t plan quite so far ahead, the 2013-2014 calendars are also posted online.

...The school system named 12 finalists for the 2013-14 Teacher of the Year award. They are: Lisa Amador, Yates Mill Elementary School; Sonya Brown, Smith Magnet Elementary School; Elizabeth Crowell, Davis Drive Middle School; Laurie Dillman, Fuquay-Varina High School; Amy-Lyn Foster, Lockhart Elementary School; Lindsay Hamrick, Martin Magnet Middle School; Dianne Jones, Wiley Magnet Elementary School; Anne Mayer, Sycamore Creek Elementary School; Luke Miles, Durant Road Middle School; Lynn Rustay, Holly Ridge Elementary School; Rachael Stauffer, Olive Chapel Elementary School; Keri Woronka, Pleasant Union Elementary School. The winner will be announced May 9.

Wake Education Partnership is a 501(c)(3) non-profit created in 1983 to support public schools, in part by educating the community on current school issues and serving as a strong advocate for student achievement and world-class academic standards. Most of its financial support comes from individuals and local businesses. Please send comments or questions to Tim Simmons, VP of Communications, or visit our website .