

**Minutes of the
North Carolina State Board of Education
Education Building
301 N. Wilmington Street
Raleigh, NC 27601-2825
July 1, 2010**

Education Building, Raleigh	Thursday, July 1, 2010	Board Room, 2:00 PM
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The North Carolina State Board of Education met by conference call and the following members participated:

William Harrison, Chair
Wayne McDevitt, Vice Chair
Janet Cowell, State Treasurer
Christine Greene
Shirley Harris

Kevin Howell
Reginald Kenan
Tom Speed
John Tate
Patricia Willoughby

Also participating:

June St. Clair Atkinson, State Superintendent
Jan King, Principal of the Year Advisor

Jennifer Facciolini, Teacher of the Year Advisor

CALL TO ORDER AND INTRODUCTION

After extending a welcome to all participants, Vice Chair Wayne McDevitt called the July session of the State Board of Education conference call meeting to order and explained that, at the request of the Chair, he would preside over the Board meeting. He also explained that the Board was meeting as a committee of the whole and that Board members, advisors and the State Superintendent were all participating via conference call.

At this time, SBE Assistant Executive Director Betsy West conducted a roll call to determine a quorum. The roll call determined that all Board members present via phone exceed the quorum (seven members) needed to conduct business. (See attached list.)

In compliance with the requirements of Chapter 138A-15(e) of the State Government Ethics Act, Vice Chair McDevitt reminded Board members of their duty to avoid conflicts of interest and appearances of conflicts of interest under Chapter 138A. He asked if members of the Board knew of any conflict of interest or any appearance of conflict with respect to any matters coming before them during this meeting. There were no conflicts of interest communicated at this time. The Vice Chair then requested that if, during the course of the meeting, members became aware of an actual or apparent conflict of interest that they bring the matter to the attention of the Vice Chair. It would then be their duty to abstain from participating in discussion and from voting on the matter.

Vice Chair McDevitt recognized the following new Board advisors and welcomed them to their first official meeting: Ms. Jan King, Wachovia Principal of the Year (Glenn C. Marlow Elementary School, Henderson County Schools); and Ms. Jennifer Facciolini, AT&T North Carolina Teacher of the Year (Midway High School, Sampson County Schools).

MINUTES

Vice Chair McDevitt asked for a motion to approve the minutes of the June 1-2, 2010, Board meeting.

Discussion/Comments:

- There was no discussion.

Upon motion made by Mr. Kevin Howell, and seconded by Ms. Patricia Willoughby, the Board voted unanimously to approve the minutes of the June 1-2, 2010, meeting as presented.

BOARD MEETING AND COMMITTEE CHAIR REPORTS

CONSENT AGENDA

Vice Chair McDevitt moved to the Consent Agenda which is reserved for items that generally create little or no debate such as routine appointments, items that come for information purposes only, routine reports, and final approval of reports that the Board has already discussed. Board members have always seen these materials prior to the Board meetings, and may ask that items be removed from the Consent agenda to be discussed on an individual basis. He explained the voting process to the audience.

**TWENTY-FIRST CENTURY SYSTEMS
BUSINESS/FINANCE AND ADVOCACY COMMITTEE CHAIR REPORT
(Mr. Kevin Howell, Chair; Mr. Tom Speed, Vice Chair)**

CONSENT

TCS 1 – Revision to Allotment Policy for ESEA Title I – School Improvement 10039g)

Policy Implications: N/A

Presenter(s): Mrs. Charlotte Hughes (Director, Program Monitoring and Support Division) and Ms. Donna Brown (Section Chief, Program Monitoring Section)

Description:

School Improvement Grants (SIGs) are authorized under section 1003(g) of Title I of the Elementary and Secondary Education Act (ESEA). Additional one-time funding is available through the American Recovery and Reinvestment Act (ARRA). Specifically, the final requirements direct all section 1003(g) SIG funds in significant amounts to each state's persistently lowest-achieving schools in order to turn around those schools.

In order to be eligible for funds, schools must be identified as Tier I, Tier II, or Tier III. Grants must be awarded to local education agencies (LEAs) through a competitive process. The sub-recipient's selection is based on criteria specified in the School Improvement Grants Application and Federal regulations.

Recommendations:

It is recommended that the SBE approve the Allotment Policy Manual revisions.

Noting only one item on the Consent agenda, Vice Chair McDevitt asked if any Board members wanted to remove TCS 1 from the Consent agenda. Hearing no objections, Vice Chair McDevitt asked for a motion to approve TCS 1 – Revision to Allotment Policy for ESEA Title I – School Improvement 1003(g).

Upon motion by Mr. John Tate, and seconded by Mr. Tom Speed, the Board voted unanimously to approve TCS 1 – Revision to Allotment Policy for ESEA Title I – School Improvement 1003(g) as presented. (See Attachment TCS 1)

Following the vote on the TCS 1 consent item, Vice Chair McDevitt called on Mr. Kevin Howell to present the TCS Committee items for Action and Discussion.

**COMMITTEE CHAIR REPORTS ON ACTION ON FIRST READING,
ACTION AND DISCUSSION AGENDA**

**TWENTY-FIRST CENTURY SYSTEMS
BUSINESS/FINANCE AND ADVOCACY COMMITTEE CHAIR REPORT
(Mr. Kevin Howell, Chair, and Mr. John Tate, Vice-Chair)**

ACTION ON FIRST READING

TCS 2 – Approval of Grant – School Improvement Grants (SIG)

Policy Implications: SBE Policy # TCS-O-001

Presenter(s): Mr. Philip Price (Chief Financial Officer, Financial and Business Services), Mrs. Charlotte Hughes (Director, Program Monitoring and Support Division), and Ms. Donna Brown (Section Chief, Program Monitoring)

Description:

The grant listed below is being submitted for approval. Please see attachment for description of grant. Attachment 1 – School Improvement Grants (SIG)

Recommendations:

It is recommended that the State Board of Education approve the grant.

Discussion/Comments:

- TCS Committee Chair Kevin Howell explained that the Board is asked to approve these grants for use in the state’s lowest achieving schools. These funds are awarded by formula to states, which then make competitive grants available to local educational agencies. An LEA may request funds for eligible schools in amounts between \$50,000 and \$2,000,000 per year for each school it commits to serve. With approved waivers, funds are available through September 30, 2013. Nineteen districts committed to serve 25 schools are recommended for grant awards. Total funds available for 2010-11 are \$65,403,735.
- There was no further discussion.

Upon motion by Mr. Kevin Howell, and seconded by Ms. Shirley Harris, the Board voted unanimously to approve the School Improvement Grants as recommended. (See Attachment TCS 2)

UPDATE ON CONTRACTS

(See Attachment in book)

- TCS Committee Chair Kevin Howell encouraged Board members to review the contracts listed for information in the Board book and to defer questions to Mr. Philip Price.
- There was no further discussion.

OLD BUSINESS

N/A

NEW BUSINESS**Personnel****Discussion/Comments:**

- Prefacing his motion, Chairman Harrison explained that Mr. Martez Hill was interviewed by the Executive Committee and Board members have received information regarding his qualifications in addition to his references.
- Board member Christine Greene commented, for the record, that the Board was fortunate to have an impressive applicant pool and that Mr. Hill will add much to the work of the State Board of Education.

Under New Business, Chairman Bill Harrison made a motion to approve Mr. Martez Hill as the Executive Director to the State Board of Education. The motion was seconded by Ms. Janet Cowell and approved unanimously by Board members.

Budget Update

Mr. Philip Price (Chief Financial Officer, Financial and Business Services) prefaced his report by thanking members of the General Assembly for their diligence and creativity to address the \$800 million shortfall and the possibility of another \$500 million all while minimizing additional cuts to public education. Mr. Price reminded Board members that, going into this budget cycle, public schools face significant budget reductions already incurred. For example, a 35 percent increase in discretionary reductions/ADM adjustments (which could lead to additional teacher reductions). Reductions already included eliminating the mentoring funding, staff development, textbooks, etc. A brief discussion also occurred regarding lottery funds.

In terms of the Department, Mr. Price explained that DPI was already scheduled to lose 11 positions (for a two-year loss of 100 positions) and another \$800,000 thousand reduction. After much discussion, the compromised budget eliminates 30 positions where at least 10 must be state paid from the Technology Area (20 can be receipt supported).

A brief discussion occurred regarding the amount of non-recurring funds in the budget. Mr. Price noted that there are a lot of non-recurring reductions in the budget and referred to the \$1.2 billion 'cliff' anticipated for FY 2011-12. But, Mr. Price noted that the General Assembly had done a good job of not adding to the 'cliff' in this year's budget. He also spoke briefly about some of the special provisions. For example, school districts can use furloughs to help offset some of the reductions, the Geometry test was eliminated, NCVPS will be supported by a funding formula instead of a direct-funded item, and oversight of the three state schools for deaf and blind students was transferred to DPI from the Department of Health and Human Services. An interim superintendent for the schools will be hired to work during the transition.

ADJOURNMENT

Indicating no other business, the Vice Chair requested a motion to adjourn.

Upon motion made by Mr. John Tate, and seconded by Ms. Shirley Harris, Board members voted unanimously to adjourn the July 1, 2010, conference-call meeting of the State Board of Education.