

A Study of Structure and Organization of the State Board of Education, State Superintendent of Instruction, and Department of Public Instruction

FINAL REPORT



Evergreen Solutions, LLC

January 5, 2009

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of the State Board of Education,
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EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

On October 1, 2008, Evergreen Solutions, LLC contracted with the Program Evaluation Division of the North Carolina General Assembly to study the State Board of Education and Department of Public Instruction. The Request for Proposals (RFP) language was very specific as to the scope of services to be performed by the consultant; RFP requirements are contained in **Chapter 1** of the full report.

Evergreen's approach and methodology for conducting this study included the following components:

- conducting an Entrance Conference with the Department of Public Instruction;
- reviewing existing reports and data sources, including previous studies and audits;
- conducting diagnostic interviews with:
 - Legislators and Legislative Staff
 - Governor's Office Representatives
 - State Board of Education Members
 - Current and Former State Superintendents
 - Current and Former DPI Senior Managers
 - Leaders of Education Associations/Forums/Coalitions
 - Others
- conducting five meetings with a Technical Advisory Group (consisting of former state superintendents, state board staff, legislators, and policy research consultants);
- conducting the formal on-site review with a team of six consultants;
- facilitating an on-line questionnaire of local district superintendents;
- analyzing the management structure and governance in state education agencies in comparison states (These states are Georgia, California, Florida, Illinois, and Kentucky.);
- preparing the draft and final reports; and
- conducting an exit conference.

The final report for this study consists of the following chapters:

- Chapter 1.0: Introduction
- Chapter 2.0: Comparisons of Education Systems and Best Practices in Selected States
- Chapter 3.0: Agency Roles and Responsibilities, Governance, and External Accountability
- Chapter 4.0: Internal Analysis of the Department of Public Instruction
- Chapter 5.0: Fiscal Impact of Recommendations



The remainder of this executive summary focuses on major study findings, commendations, and recommendations.

Agency Roles and Responsibilities, Governance, and External Accountability

Governance

North Carolina is at a crossroads regarding the pathway to take to address its current governance structure for public education. The timing of this report coincides with the recent re-election of the State Superintendent of Education and the election of a Governor who has been the Lieutenant Governor of North Carolina and who has served as a State Board member.

The Office of Governor is perceived as the real power behind shaping education policy in North Carolina, mainly due to the power of appointment of State Board of Education members, and indirectly influencing the election of the Chairman of the State Board. In addition, the Governor chairs and sets the agenda of the Education Cabinet and Education Commission, requires that the Department of Public Instruction's proposed budget and budget enhancements are channeled through the Office of the Governor to the General Assembly instead of being directly submitted to the General Assembly by the Department of Public Instruction (DPI), and has veto power over a biennial budget. This formal influential role in education by the Governor may be statutorily and constitutionally more pronounced than in most other states. The fact that the Office of the Governor has significant power and authority for education is a recurring theme throughout this report.

The statutory creation of the Education Cabinet has positioned the State of North Carolina and Governor to address issues and establish systemic policies across the continuum of pre-K–20 education. The specific topics charged to the Cabinet and the formal reporting mechanism to the General Assembly are commendable and continue to address an important need. Evergreen emphasizes the importance of the Governor's role in serving actively as the Chair of the Education Cabinet. In addition, Evergreen recommends more frequent and meaningful Cabinet meetings creating an environment for substantive engagement and assistance with shaping as well as implementing policy for elementary, secondary, and higher education entities across the State.

In 1993, the General Assembly created the Education Commission. This legislation requires the State Board of Education to meet at least once a year with the Board of Community Colleges and the Board of Governors of the University of North Carolina System. The purpose of the Education Commission, as stated in the statute, is to have the education boards discuss matters of mutual interest as well as to make recommendations to the General Assembly as to how to improve public education at all levels. There is significant value for the governing boards of the three public education entities to meet on a regular, ongoing basis; however, there has not been substantive activity of the Education Commission over the past eight years. In fact, during interviews, most respondents were not aware of the existence of the Education Commission. Evergreen recommends amending the statute to require more joint activities of the State Board of Education, the State Board of Education of Community Colleges, and the Board of Governors of



the University of North Carolina, and providing written reports of activities to the General Assembly.

The composition of the State Board of Education—with statewide elected officials, at-large appointees, and appointees representing eight educational districts—provides balance and statewide representation. In addition, the General Assembly has created legislation authorizing a full range of stakeholders to hold advisory seats on the State Board of Education. The Chairman of the State Board of Education has created an effective subcommittee structure so that the Board members are engaged and focused on the Board’s mission and goals.

North Carolina is one of 11 states that have a governance model with a State Board of Education appointed by the Governor and an independently elected State Superintendent. However, North Carolina is the only state where the state constitution authorizes the State Board to actually administer and supervise the public education system. This is a critical distinction, and therefore is the controlling element regarding State Board governance and the role of the State Superintendent.

The job description of the Chairman of the State Board of Education is very comprehensive and carries with it broad authority. The Chairman has exercised the prerogative of his position to establish and maintain a highly visible profile within the Department of Public Instruction as well as throughout the State. When a comparison is made of the Chairman’s job description to the responsibilities delegated to the State Superintendent, it becomes quite clear that the Chairman has far greater authority, influence, and responsibility. Evergreen consultants believe that the Chairman has executed the expansive responsibilities of the job description. Nonetheless, under the current diffused governance structure, the Chairman’s presence in many arenas sends a diffused message of authority and responsibility.

A prevailing issue throughout this study is the tension among the roles of the elected State Superintendent, the appointed State Board of Education and its Chairman, and the Deputy Superintendent appointed by the State Board who reports directly to the Board. The one universal belief shared among all stakeholders was the lack of clarity about the authority of these educational leaders.

The readily apparent, diffused leadership of public education during the past 14 years has resulted in an education system of governance which stakeholders feel is dysfunctional, confusing, and in need of change. This mixed governance arrangement does not provide the focused and sustained leadership to advance pre-K–12 education in North Carolina. In order for a Department of Public Instruction to be effective in its role of administering the policies of the State Board, responding to requests and needs of the districts, implementing state statutes and federal laws, and administering and monitoring billions of dollars of state and federal funds, there is a need for clear leadership, an identified individual at the helm, and a consistency of expectations, delivery, feedback, and quality control.

The clear language in the Attorney General’s advisory opinion of December 14, 1995, has served as the controlling force in defining the roles of State Board of Education and State Superintendent for the past 13 years. The intent of the General Assembly to subordinate the State Superintendent to the will and authority of the State Board of Education is beyond question. The General



Assembly made all of the statutorily designated duties and responsibilities of the State Superintendent "subject to the direction, control, and approval of the State Board of Education."

The State Board of Education has acted within its constitutional and statutory capacity to define the State Superintendent's role, responsibilities, duties, and authority. In the past five years, the State Board of Education has taken steps to limit the authority of the State Superintendent of Public Instruction, to eliminate the responsibility of the State Superintendent to administer and supervise the Department of Public Education, and to place the responsibility of management of the agency responsible for carrying out the Board's policies in the hands of a board-selected Deputy State Superintendent who reports directly to the State Board of Education and not to the State Superintendent.

Since the term of Bobby Etheridge as State Superintendent in 1995, the role and the authority of the State Superintendent, as determined by the State Board, has shifted back and forth from being limited and entrusting the management of DPI to a Deputy Superintendent and by-passing the State Superintendent to being an expanded role responsible for all aspects of the administration and supervision of DPI and public education during the term of Mike Ward. And, during the terms of Interim Superintendents Willoughby and Davis, and the current State Superintendent Atkinson, the role and authority has been strictly limited by the State Board of Education.

These actions have sent a mixed and confusing message to stakeholders throughout North Carolina. From the perspective of thoughtful and consistent public policy, this shifting every few years of authority and roles has been confusing, inconsistent and largely politically driven. Good public policy of governance demands a consistent application of a sustained governance model with assigned roles and authority, and not one constantly changing by being politically convenient or driven.

The local superintendents and other stakeholders, who expected to see the elected State Superintendent have authority to administer the Department of Public Instruction, witnessed in the past five years that the elected State Superintendent has no authority and little responsibility. The State Board of Education has the authority to identify and entrust the statewide elected State Superintendent to serve as the education leader of the State, administer and supervise the public education system on behalf of the Board, administer and manage on a day-to-day basis the Department of Public Instruction, and to be the primary point of contact with the Governor and the General Assembly on behalf of the Board and public education stakeholders. At any time, the State Board can amend Policy EEO-C-013 to expand the State Superintendent's authority and role, and also can amend the job description of the Chairman of the State Board to limit the Chairman's role so as to avoid conflict between the two positions and bring clarity regarding authority and responsibility in the eyes of the stakeholders. Of course, any responsibilities and roles to be afforded to and exercised by the State Superintendent, ultimately, are by the State Constitution subject to the "control, direction, and approval of the State Board of Education."

On the other hand, should the Board continue with its policy that the Superintendent is to have this limited role and not manage the DPI, then Evergreen Solutions believes steps need to be taken to redefine the State Superintendent's and her staff's responsibilities as well as to officially invest the authority and responsibility into a single, identified position to be the leader of public



education in the State, “subject to the direction, control, and approval of the State Board of Education”. If the State Board of Education exercised its prerogative to empower the State Superintendent, then the recommendations contained in this report on governance would not be necessary.

Evergreen’s recommendations regarding the roles and authority of the State Board of Education and the State Superintendent, as follows in the report (and assuming that the State Board chooses to limit the authority of the State Superintendent) provide a pathway—short of a constitutional question of the elimination of a statewide elected official—to address the Constitutional powers and duties vested in the position of the State Superintendent, while satisfying the Constitutional authority for the State Board of Education to administer and supervise public education.

Evergreen’s recommendations provide a governance structure consistent with the intent of the North Carolina State Constitution and are similar to a common corporate model. Creating and implementing such a model places the State Board in its rightful position and authority of setting policy, and carrying out its administrative as well as supervisory role. Changing the title of the Chairman to include Chief Executive Officer and adding responsibilities of the administration and management of the DPI provides a governance structure like the common corporate model—an appointed or elected board and a Chief Executive Officer who may or may not also be the Chairman.

Under this proposed model, there would be a Governor-appointed Board member (confirmed by the General Assembly) and—by separate contract and term—as elected by the State Board of Education to serve as both the Chairman of the Board and Chief Executive Officer of the Department of Public Instruction. Policy decisions should continue to be made by the full State Board of Education and not by the Chairman/CEO. This firewall will allow for a division between policy and administration.

The process of the selection of a Chairman who would become the Chairman/Chief Executive Officer would be a transparent one. This notion of transparency was one of the key recommendations of those interviewed. This transparent action would also send a very strong signal regarding the vested responsibility in the new Chairman/Chief Executive Officer to assist with clarification of the existing diffused governance structure, and provide public education with its identified leader and advocate.

This proposed governance model does not require a change in the Constitution, nor does it take away from the electorate the vote for a statewide elected official. Should the recommendation be implemented, then the State Superintendent, by virtue of the Constitutional authority to be the Chief Administrative Officer (CAO) of the State Board of Education, should serve in that capacity as CAO by assuming the administrative duties of the position serving the State Board. The duties of the Executive Director to the Board should be assumed by the State Superintendent. The Assistant Executive Director, as well as the two clerical positions, should be replaced by the Superintendent’s appointees.

Throughout the past few decades, there have been ongoing considerations and attempts to change the role of the State Superintendent from elected to appointed. Clearly, such a change to an elected position of State Superintendent would require the present Constitution to be modified.



In 1993, the Senate passed Senate Bill 28 which was designed to change the elected position to an appointed State Superintendent, and for this change to be brought to a constitutional question. This proposal did not pass the House. There have not been any further efforts to do so, for many political and practical reasons. Evergreen consultants conclude that such an effort to change the Constitution to eliminate a statewide elected official, is unlikely to be initiated and passed by the General Assembly, and much less approved by the electorate.

Evergreen consultants also considered the once proposed legislative Commissioner of Education model. In 1985, the General Assembly addressed the creation of a position of “Commissioner of Public Schools” while amending the statute to make the Superintendent the non-voting Chairman of the State Board of Education. This position was to be created essentially to perform the duties of a de facto State Superintendent and educational leader of public education, while the State Superintendent remained, in title, in the position. When requested to review the draft legislation, the Attorney General opined that the creation of the position of Commissioner of Public Schools, to serve in the intended capacity, must “act through the Superintendent or under his direction.” The Attorney General concluded that the Commissioner would perform duties through the Superintendent rather than independent of the Superintendent. Since the very purpose of the legislation to separate the Commissioner from the Superintendent and to imbue the Commissioner with duties and authority independent of the Superintendent was deemed not advisable and illegal, it was determined that the effort and subsequent legislation must be abandoned.

Several other states, most notably Kentucky in 1990, have pursued a similar route to minimize the role of the elected State Superintendent and create an appointed position to fulfill the same duties. Although that legislative tactic was successful in Kentucky, that specific action had not been controlled by an Attorney General’s opinion, as is the case in North Carolina. In addition, Kentucky does not have its State Constitution placing the responsibility for the “administration and supervision of the public education system” in the hands of the State Board of Education.

This language in the North Carolina State Constitution is what makes any effort improbable to circumvent the authority of the State Board of Education. Moreover, this constitutional language makes the issue of changing the role of the State Superintendent also more difficult to circumvent, except by Board action specifically to limit or expand the State Superintendent’s duties.

Accountability

One important aspect of the Board’s responsibilities delineated in statute is to establish, monitor, and report on the progress of the public education system.

For the most part, information to Board members, the General Assembly, and the public are one-dimensional reports. Annual test data are in a series of reports that consist of test information. Dropout statistics and graduation rates are reported as stand alone data. Sometimes annual reports are provided even when information is collected by DPI on a monthly or even daily basis. Such real-time data can be far more useful to the Board and to DPI in determining success than data in annual reports that arrive months after the end of the school year.



The Board needs to be provided with evidence and use regularly and actively measures of whether desired results are being accomplished, and also information that suggests where new policies, programs or strategies might be needed. “Balanced Scorecard” and “Dashboard” are names of contemporary information systems designed to monitor management’s accomplishments of an organization’s goals and objectives. Business, non-profit, and education institutions consider the dashboard to be one feature of a balanced scorecard—one that provides an on-line, real-time summary view of the status of accomplishing the various objectives and indicators relative to targets set for the agency.

At this time, the Department of Public Instruction does not have a balanced scorecard, and also does not have a fully developed dashboard to serve as the tool to monitor success of the state education agency by the State Board of Education or to intervene in those areas where success is lagging. Evergreen recommends that those vehicles be developed and the State Board actively use the system to exercise more effective oversight over the Department of Public Instruction and public education.

The measures of progress described in the Performance Management Tool being developed by the Department of Public Instruction on behalf of the State Board of Education represent a significant step in providing the State Board with information needed for the Board to effectively monitor its goals and indicators of progress toward achieving them. The Performance Management Tool contains some elements of a balanced scorecard. The draft Performance Management Tool can be improved if it is adapted to contain more components of a balanced scorecard—including goals, objectives, measures and annual targets. The draft Performance Management Tool should be expanded so that it organizes the data it presents in a format consistent with the design of a balanced scorecard and dashboard to provide on-line, real-time data.

Two valuable systems are being developed and implemented to produce better information about the education of students in North Carolina—NC WISE and NC CEDARS. Balanced scorecard and dashboard systems, with on-line and real-time data to be used for strategic and tactical planning purposes by the State Board of Education and the Superintendent, are dependent upon the full implementation of NC WISE and NC CEDARS. The new data systems will make accessible a wealth of information for monitoring the degree to which the Board’s goals are being accomplished.

The development of the performance management system that is underway, and expected to be fully operational in Spring 2009, is a major step in the direction of monitoring the status of the Board’s goals. However, there is a need to review and revise the goals, the indicators, and the data collection system to make the accountability initiative beneficial and robust. Identifying the correct performance measures that are meaningful, tracking against defined goals and performance targets, and communicating statewide performance in meaningful ways to North Carolina stakeholders help to improve policy decision making, program management, and efficiency and effectiveness. Appropriate information must get to the State Board in a manner to facilitate decision making as well as oversight, accountability, and policymaking.

With these new systems, the Board will have at its disposal information to determine immediate, strategic, and tactical interventions when the data indicate that some aspect of the system needs



attention. In addition, the Governor, General Assembly, and other stakeholders should find the dashboard useful. In fact, if the dashboard were available, this might eliminate or at least reduce the need for DPI to pull together ad hoc reports for legislators and other stakeholders who want to know the status of education initiatives.

Most importantly, Evergreen recommends a fully-developed balanced scorecard and an operational dashboard that will focus the State Board of Education on its strategic responsibilities and oversight of the public education system, and will hopefully position the State Board of Education not to be engaged in the tactical responsibilities of its administrative arm—the Department of Public Instruction.

Internal Analysis of the Department of Public Instruction

Evergreen consultants found significant and important initiatives underway at the Department of Public Instruction, including:

- a reorganization to better deploy resources to support low-performing schools;
- the development of councils and other processes to promote transparency, diffuse leadership, and enhance coordination and collaboration across the state education agency;
- the incorporation of business processes into its approach to serving schools with the development of a performance navigator;
- the development of NC CEDARS Data Warehouse which will greatly increase access to information; and
- multiple, effective management and technology strategies to reduce cost overruns and better implement NC WISE.

The Department of Public Instruction has begun a concerted effort to reorganize the state education agency to better serve educators across the State. In addition, DPI leaders have begun to restructure the organization to focus on core activities, and to be more service-oriented towards schools and school districts. However, Evergreen has determined that additional restructuring is needed, such as moving offices related to curriculum and instruction from directly reporting to the Deputy Superintendent to the Division of Curriculum, Instruction, Technology and Accountability Services, and moving offices that have been directly placed under the State Board of Education into the Department of Public Instruction. In conjunction with these changes, DPI should also develop explicit procedures and reporting requirements that clarify final authority for decisions and that ensure that all offices within DPI use the same accountability processes.

The North Carolina Department of Public Instruction has developed multiple mechanisms to encourage coordination and collaboration across divisions and offices within the agency, and it has effectively embedded business processes into its approach to serve the educational community. DPI has begun implementing its new reorganization plan and aligning agency



processes to further institutionalize service orientation, but has not taken those next steps that will embed accountability into its way of work. The state education agency has not yet developed procedures to capture DPI best practices operational in several offices/units to replicate them throughout the state education agency. DPI needs to develop procedures that ensure that the intended collaboration, communications, and accountability are woven throughout the agency's actions and decisions.

State department employees are generally funded in three ways: federal funds, state funds, and contract/special funds. With states facing budget constraints in recent years, a recent national trend is an increasing percentage of state department employees being paid from federal funds. This scenario may restrict the variety of programs and the types of assistance state departments offer to schools, as compared to in decades past. In fact, in many state departments, overall staff numbers have declined in recent years.

Data show DPI is not understaffed when compared to benchmark states. **Chapter 2** contains full-time staffing numbers, staff/student ratios, and staff/district ratios for North Carolina and five benchmark states. While the North Carolina DPI Web site cites 530 employees, a recent headcount shows that the DPI employs 781 full-time staff. North Carolina has a staff/student ratio of 1:1,814 which is the second lowest among the five benchmark states. North Carolina's staff/district ratio is 6.8:1 and stands as the second highest ratio among the five states.

Concerns about the ability of DPI to recruit and retain highly qualified employees have persisted for years. Although the agency has developed a number of processes to attempt to remediate the legitimate concerns, it neither has the flexibility nor authority to increase salaries to the point of comparability with other entities seeking similar candidates. Yet, the Department of Public Instruction has recently begun careful analysis and reduction of costly contracted positions.

DPI needs to expand current leadership development processes to ensure sufficient preparedness for succession planning. The components of a succession plan should include the identification of current promising employees for participation in a mentoring program and a possible cohort academy as part of a larger succession planning structure.

DPI lacks a current comprehensive employee handbook to serve as a basis for internal organization and efficiency. Interviews and surveys indicate a lack of responsiveness and organization in the department. Without internal efficiencies, it is difficult for DPI to adequately respond to the needs of LEAs. In addition, the state education agency does not have consistently up-to-date job descriptions tied to an effective performance assessment. The DPI should develop current comprehensive job descriptions, and tie job descriptions to the Employee Work Plan and Evaluation System with alignment to agency goals.

Significant gaps are evident between DPI senior managers and DPI staff regarding performance standards. DPI appears to be in the early stages in the development and implementation of performance standards. The agency needs to enhance the participation of internal stakeholders in the development of these performance standards. This inclusionary effort will improve the transparency of the process and garner more support and buy-in from stakeholders critical to the success of the organization. The expansion and implementation of performance measures throughout DPI should help provide the agency with a system of accountability to measure



outputs and ultimate outcomes consistent with the Governor's Result-based Budgeting Initiative and relevant to departmental operations.

Previously, professional development provided by DPI had taken a duplicative, shotgun approach with each division and office scheduling and conducting its own training and conferences. Although there is not yet a cohesive, comprehensive approach to consolidate and channel the best resources toward each office's strengths, several efforts are currently geared toward that end. DPI senior managers are commended for recognizing the need to better plan and coordinate professional development efforts and focus them on State Board goals.

Substantive impediments in meeting both DPI and LEA needs exist within the state statutory and regulatory systems and requirements. These impediments are costly to DPI and likely other agencies in terms of time, energy, and money. DPI testimony revealed that State ITS Office requirements may need to be streamlined to balance the need for accountability with each agency's ability to operate efficiently and effectively.

Evergreen finds that the North Carolina's internal testing program and timeliness of providing results to LEAs and state audiences are both cost effective and efficient. Within the next year and a half, the transfer of accountability data systems to ITS will potentially become very costly to the State as well as even more time-consuming for DPI staff, making them less responsive to school districts. Additionally, current ITS constraints place the state in an untenable position with respect to meeting federal reporting requirements in a timely manner.

Cost overruns and delays in the implementation of the North Carolina Window of Information on Student Education (WISE) have been extensive. Recently, the Associate Superintendent for Technology Services has implemented multiple, effective management strategies, and caused a reduction in cost overruns relating to NC WISE.

With the severity of the effect of slow processing of educator licenses on the ability of local school districts to maintain a corps of highly-qualified teachers as well as the lengthy time it takes to navigate technology purchases through ITS, the State should move immediately to enter the process of automating licensure applications.

The internal auditing function in the Department of Public Instruction is not in compliance with the requirements of the 2007 State Internal Audit Act. DPI should review the requirements of the 2007 State Internal Audit Act and ensure compliance with the standards set forth in the law. DPI should establish roles and responsibilities for employees, develop and approve an internal auditing charter, document procedures and work flow, and evaluate internal controls once the system is established.

The Evergreen Team was asked to look at best practices in state departments of education. This comparison study of North Carolina and five benchmark states has revealed some cutting-edge practices that have the potential to advance state educational systems, public accountability, and student achievement. **Chapter 2** provides an overview of several important categories of state policies and practices that may be informative to North Carolina policymakers and practitioners.



In Conclusion

Evergreen Solutions identifies sound and effective practices in North Carolina’s pre-K–20 educational system—23 commendations cite these best practices. In addition, Evergreen Solutions finds many areas needing attention and offers a total of 43 recommendations, some of which suggest expediting existing important work already planned or being undertaken by DPI. If the recommendations that have a fiscal impact were implemented, there would be a savings of about \$400,000 annually or at minimum in the first year with a similar amount (not adjusted for salary and benefit increases) in each following year.

Evergreen consultants believe that changing and demanding times call for a structure of leadership to ensure the coherence of policy and its implementation, and the agile but crisp administration at all levels. In order to achieve the goal of establishing unified leadership for the State to make educational improvements and for alignment or coherence among entities entrusted for policy setting, as well as for the effective administration and supervision of public education, then the current situation of diffused governance needs to be addressed and resolved. The current hybrid situation does not work. Evergreen consultants conclude that there is a need to put this matter of unclear leadership to rest so that both the perceived and very real redundancies, within the current diffused authority for governance and related concerns, can be resolved.

Commendations

A list of the study commendations follows.

- The State Board of Education structure, by virtue of its members being appointed by the Governor and confirmed by the General Assembly for eight-year terms, establishes stability and continuity in the governance of public education in North Carolina.
- The General Assembly has provided for a wide range of stakeholders to serve in an advisory role to the State Board of Education.
- The Chairman of the State Board of Education is commended for the effective subcommittee structure that he created so that the Board members will be engaged and focused on the Board’s mission and goals.
- The Board meeting agendas are well constructed and ensure that the State Board of Education addresses the responsibilities entrusted to it by statute and Constitution.
- The Chairman of the State Board of Education has carried out his duties according to his job description in a very active and comprehensive manner. He has exercised the prerogative of his position to establish and maintain a highly visible profile within the Department of Public Instruction as well as throughout the State.
- The statutory creation of the Education Cabinet positioned the State of North Carolina and Governor to address issues and establish systemic policies across the continuum



of pre-K–20 education. The specific topics charged to the Cabinet and the formal reporting mechanism to the General Assembly are commendable and continue to address an important need.

- State Board of Education members have met annually with other boards, including higher education boards, to fulfill the statutory requirements of 116C/GS-115C-11(b1).
- The adoption of goals for the 21st Century and related objectives represents an important step in deciding for what accomplishments the Board will hold the DPI accountable. DPI is called upon to address five goals that the State Board of Education considers important.
- The NC CEDARS Data Warehouse, with NC WISE and 21 other data files related to education in North Carolina, will greatly increase the information easily accessible to Board members, DPI staff, and educators across the State.
- The measures of progress described in the Performance Management Tool being developed by the Department of Public Instruction on behalf of the State Board of Education represent a significant step in providing the State Board with information needed for the Board to effectively monitor its goals and indicators with some of the features of a balanced scorecard.
- The Department of Public Instruction has begun a concerted effort to reorganize the state education agency to better serve educators across the State.
- The Division of Business and Finance is commended for identifying a void in agency needs and creatively addressing the need for a research and evaluation function in the Department of Public Instruction.
- The North Carolina Department of Public Instruction has developed multiple processes to encourage coordination and collaboration across divisions and offices within the agency, and especially within the Division of Academic Services and Instructional Support.
- The Department of Public Instruction has effectively embedded business processes into its approach in serving the North Carolina educational community.
- The DPI leadership is commended for recognizing the need to better plan and coordinate professional development efforts and to focus professional development on State Board goals.
- North Carolina’s internal testing program and timeliness of providing results to LEAs and state audiences are both cost effective and efficient.
- The Associate Superintendent for Technology Services has implemented multiple, effective management strategies, and caused a reduction in cost overruns relating to NC WISE.



- The Department of Public Instruction operates an efficient and cost-effective textbook warehouse that saves both the State and school districts money, and disseminates books quickly to LEAs.
- The North Carolina Department of Public Instruction has recently begun careful analysis and reduction of costly contracted positions.
- The State of North Carolina has made an intensive effort to broaden access of high school students to a diversity of on-line and postsecondary educational opportunities.
- The State of North Carolina has identified a pressing need that requires collaboration beyond DPI, conducting research on best practices. and convening a broad group to develop a unified approach.
- North Carolina has effectively used State Improvement Grant funds to move the achievement of exceptional children more rapidly towards meeting proficiency expectations for *No Child Left Behind*.
- The Department of Public Instruction’s approach to supporting districts and schools has expanded the set of resources available, has recruited staff with proven experience in turning schools around, and is showing promising results.

Recommendations

A list of recommendations by chapter follows:

Chapter 3 - Agency Roles and Responsibilities, Governance, and External Accountability

- 3-1: Delegate the duties of the Executive Director of the State Board to the Chief Administrative Officer (CAO) of the State Board (i.e., the State Superintendent), and eliminate the staff positions of Executive Director to the State Board, Assistant Executive Director to the State Board, and two support positions in the State Board Office. Replace these individuals with the three staff positions who currently report to the State Superintendent.
- 3-2: Amend Statute 115C-21 (shown in Exhibit 3-4) which designates the administrative and secretarial duties of the State Superintendent “subject to the direction, control, and approval of the State Board of Education” to specifically articulate the administrative duties as Chief Administrative Officer of the Board aligned with the current duties of the Executive Director of the State Board of Education.
- 3-3: Amend the statute to ensure that all appointments to the State Board of Education are brought to the General Assembly for confirmation.
- 3-4: Enact legislation that defines the expectations for attendance and other responsibilities of State Board members, and the process by which Board members may be removed.



- 3-5: Amend the job description of the Chairman of the State Board of Education to include the title of Chief Executive Officer.
- 3-6: Appoint a State Board of Education member, subject to confirmation by the General Assembly (in accordance with the Constitution), who possesses the qualifications to serve as the Chairman of the State Board of Education and Chief Executive Officer of the Department of Public Instruction—who is capable of leading, administering, and supervising the public education system of North Carolina—subject to the direction, control, and approval of the State Board of Education.
- 3-7: Emphasize the importance of the Governor’s role in serving as the Chair of the Education Cabinet.
- 3-8: Amend Statute 116C-1 to require the Governor to appoint an official designee to chair Cabinet meetings, and set agendas when the Governor is unable to chair the meeting.
- 3-9: Amend Statutes 116C-3 and 116C-4 to require that the Education Cabinet meet at least three times per year, set specific tasks for the Cabinet, and provide a written summary to the General Assembly within two weeks after each meeting.
- 3-10: Abolish the Education Commission.
- 3-11: Amend Statutes 116C and GS-115C-11(b1) to require that more frequent meetings are conducted of the State Board of Education, the State Board of Education of Community Colleges, and the Board of Governors of the University of North Carolina, and that written reports—including the agenda, minutes, and recommendations—be sent to the General Assembly.
- 3-12: Address and resolve the current governance structure which diffuses responsibility and hinders accountability by implementing the recommendations articulated in Section 3.1.
- 3-13: Develop a balanced scorecard and complete the development of a dashboard that facilitate the Board’s ability to exercise effective oversight over the Department of Public Instruction.
- 3-14: Review “Future-Ready Students for the 21st Century” and revise the objectives to ensure clarity of meaning. Determine the measures or indicators of accomplishment for which DPI will be held accountable, and set annual or more frequent targets that indicate how much change the state education agency is expected to accomplish.
- 3-15: Advise the Department of Public Instruction on information that the State Board needs to receive for monitoring the state agency’s effectiveness.
- 3-16: Expedite the development and implementation of the North Carolina Window of Information on Student Education (NC WISE) and the North Carolina Common Education Data Analysis and Reporting System (NC CEDARS).



- 3-17: Revise the Performance Management Tool so that it organizes the data it presents in a format consistent with the design of a balanced scorecard and dashboard that is on-line, and contains real-time data.
- 3-18: Reevaluate the current data and future needs for data and reporting processes by the State Board, to ensure that the Performance Management Tool meets these needs while assuring linkage and accessibility to supporting data and reports.

Chapter 4 - Internal Analysis of the Department of Public Instruction

- 4-1: Move offices related to curriculum and instruction from directly reporting to the Deputy Superintendent to the Division of Curriculum, Instruction, Technology and Accountability Services.
- 4-2: Move all offices that have been directly placed under the State Board of Education into the Department of Public Instruction.
- 4-3: Establish clear, unequivocal and non-negotiable expectations that decisions made by DPI leaders are supported by the State Board of Education and the General Assembly, when necessary.
- 4-4: Develop procedures that ensure that the intended collaboration, communications, and accountability are woven throughout DPI actions and decisions.
- 4-5: Create an interagency Task Force to address the time, energy, efficiency, and financial costs of the approval processes required in the State Office of Budget, Information Technology Services, and the State Office of Personnel in order to refine and streamline realistic procedures, limits and timelines to balance the need for accountability with each agency's ability to function efficiently and effectively.
- 4-6: Examine the implications of NCLB requirements and the movement of accountability data systems to ITS on DPI staff in the Divisions of Accountability Services and Technology Services.
- 4-7: Extend the use of comparability of salaries within the State, and use it as a basis to revise policies, practices, and funding to facilitate recruitment of exceptional candidates for DPI positions.
- 4-8: Conduct a cost-benefit analysis in terms of costs, time involved, impact on other data requirements (such as NCLB timelines), and effect on AYP on the Office of Accountability before changing state deadlines or reconsidering state decisions.
- 4-9: Expedite plans to automate licensure.
- 4-10: Use data collected in the waiver study to guide legislative action and State Board of Education policy development to replicate and institutionalize effective processes across the State.



- 4-11: Schedule regular, ongoing meetings among DPI, community college, and university leaders centered on the topic of student access.
- 4-12: Assert a more influential position on integration of the *Responsiveness to Instruction* (RTI) across the State of North Carolina.
- 4-13: Continue purposefully expanding training in Positive Behavior Support (PSB) to all schools in North Carolina.
- 4-14: Develop a communications strategy to inform leaders and admissions staff in community colleges of the legal requirements of providing access to dual enrollment to all students, regardless of disability.
- 4-15: Expand concerted communications channels with administrators in the field.
- 4-16: Develop and implement a DPI retention policy and plan.
- 4-17: Expand current leadership development processes to ensure sufficient preparedness for succession planning.
- 4-18: Involve representatives of LEAs in purposefully cross-functional identification of processes that could be merged to minimize duplicative requests made of LEAs.
- 4-19: Examine the potential of increasing partnerships with North Carolina RESAs and consortia.
- 4-20: Update and communicate organization charts.
- 4-21: Create a comprehensive employee handbook for the Department of Public Instruction and place the handbook on-line.
- 4-22: Develop current comprehensive job descriptions, and tie job descriptions to the Employee Work Plan and Evaluation System with alignment to DPI goals.
- 4-23: Enhance the participation of internal stakeholders in the development of performance standards, and consider the implementation of activity-based costing.
- 4-24: Expand and implement program and service performance measures to more effectively respond to the Governor's Results-based Budgeting Initiative.
- 4-25: Comply with the 2007 State Internal Audit Act, and conduct efficiency and effectiveness reviews of the Department of Public Instruction.



***CHAPTER 1:
INTRODUCTION***



1.0 INTRODUCTION

On October 1, 2008, Evergreen Solutions, LLC contracted with the Program Evaluation Division of the North Carolina General Assembly to study the State Board of Education and the Department of Public Instruction.

Specific language calling for this study states:

SECTION 9.14. The Joint Legislative Program Evaluation Oversight Committee shall include in the 2008-2009 Work Plan for the Program Evaluation Division of the General Assembly a review and study of the structure and organization of the Department of Public Instruction and the State Board of Education. The Program Evaluation Division shall submit the study to the Joint Legislative Program Evaluation Oversight Committee, the Joint Legislative Education Oversight Committee, the Chairs of the Appropriations Committees of the Senate and the House of Representatives, and the Fiscal Research Division by December 31, 2008.

1.1 SCOPE OF WORK

The Request for Proposals (RFP) language was very detailed as to the scope of services to be performed by the consultant. Abbreviated RFP requirements included the following:

1. *After receiving a formal “Notice to Proceed” from the Program Evaluation Division, make all necessary off site preparations sufficient for the consultant to execute the project with minimal support from the Program Evaluation Division...*
2. *Organize, schedule and facilitate a project entrance conference in the office of the Program Evaluation Division.*
3. *Evaluate the organization and management structure of the State Board of Education, State Superintendent of Public Instruction, and Department of Public Instruction.*
 - a. *Describe and analyze formal and informal roles of the State Superintendent of Public Instruction, the State Board of Education as an entity, individual board members including the Board Chair, and outside state constitutional officers who control or may significantly influence public education policy. The scope shall include but not be limited to relevant constitutional and legal provisions, a review of current organizational reporting relationships both de jure and de facto, and the historical evolution of those relationships.*
 - b. *Determine if the governance structure diffuses responsibility and hinders accountability.*
 - c. *Determine if the State Board of Education members and State Superintendent have effective oversight information, such as that provided through a “Balanced*



- Scorecard,” “Dashboard,” or any equivalent system, and if the officials use and are satisfied with the information.*
- d. Compare the State Board of Education (board and direct board staff only), State Superintendent (Superintendent and direct staff only), and the Department of Public Instruction with peer organizations in other states in terms of scope of authority and responsibilities, total funding, state general funding, staffing, and outputs—controlling for variations in state population, statewide student enrollment, number of school districts, or similar variables.*
 - e. Identify any organizational or structural problems within the Department of Public Instruction in the opinion of the consultant that are duplicative, wasteful, or inefficient, impede performance, impede accountability, or create other problems in the opinion of the consultant.*
 - i. Determine the cost of any inefficiency of the current organization and management structures.*
 - ii. Identify organizational problems that may affect student access, re-entry, and progression within the Pre-K through 12, community college, state university, or workforce training systems.*
 - iii. Identify organizational problems that may affect local school districts or other organizations funded or interacting with the Department of Public Instruction.*
 - f. Determine if the Department of Public Instruction has an internal accountability and quality management system and if not, what impediments exist. Determine the extent to which the following components exist and are used and useful:*
 - i. Measurement of outputs and outcomes (immediate, intermediate, and ultimate) for programs and administrative and other support functions;*
 - ii. Activity-based costing to gauge unit costs of program and support activities for analysis of efficiency and economy;*
 - iii. Performance standards, which serve as “stretch” objectives, to gauge quantities of outputs and outcomes and achievement;*
 - iv. Quality standards for outputs and outcomes;*
 - v. A system for assuring continuous quality improvement of processes; and*
 - vi. Periodic reviews of effectiveness and efficiency of agency and program operations and service delivery by internal auditors consistent with the 2007 State Internal Audit Act that are above and beyond traditional reviews of internal accounting and managerial controls.*



- g. Identify best practices of State Boards of Education, State Departments of Education, and State Superintendents in other states or similar large organizations, which if implemented would address problems identified through any of the above required tasks.*
- 4. *Prepare a written report of findings and recommendations.*

1.2 METHODOLOGY

Evergreen’s approach and methodology for conducting this study included the following components:

- conducting an Entrance Conference with the Department of Public Instruction. (This conference was held on October 6, 2008.);
- preparing a data request list and reviewing existing reports and data sources, including previous studies and audits, annual budget and expenditure reports, budget guidelines and procedures, accounting procedures, salary schedules, organizational charts, staffing ratios, State Board policies, strategic plan, technology plan, annual performance reports, and numerous other documents;
- conducting diagnostic interviews with:
 - Legislators and Legislative Staff
 - Governor’s Office Representatives
 - State Board of Education Members
 - Current and Former State Superintendents
 - Current and Former DPI Senior Managers
 - Leaders of Education Associations/Forums
 - Others

(Over 50 diagnostic interviews were conducted.);

- conducting five meetings with a Technical Advisory Group (consisting of former state superintendents, state board staff, legislators, and policy research consultants);
- conducting the formal on-site review with a team of six consultants—this on-site review was conducted over a four-week period;
- facilitating an on-line questionnaire of the 115 local district superintendents with the assistance of the North Carolina School Superintendents Association (NCSSA);
- analyzing the management structure and governance in state education agencies in comparison states (These states are Georgia, California, Florida, Illinois, and Kentucky.);
- preparing the draft and final reports; and
- conducting an exit conference.



1.3 OVERVIEW OF THE REPORT

The final report for this study consists of the following additional chapters:

- Chapter 2.0: Comparisons of Education Systems and Best Practices in Selected States
- Chapter 3.0: Agency Roles and Responsibilities, Governance, and External Accountability
- Chapter 4.0: Internal Analysis of the Department of Public Instruction
- Chapter 5.0: Fiscal Impact of Recommendations

Chapters 3 through 4 contain findings, commendations, and recommendations of the major areas included in this study in the following sequence:

- a description of the operational area;
- a summary of our study finding;
- a commendation or recommendation for each finding; and
- estimated costs or cost savings over a five-year period, when necessary, which are stated in 2008 dollars.



**CHAPTER 2:
COMPARISONS OF EDUCATION SYSTEMS AND BEST
PRACTICES IN SELECTED STATES**



2.0 COMPARISONS OF EDUCATION SYSTEMS AND BEST PRACTICES IN SELECTED STATES

Chapter 2 reviews many aspects of state education governance and administration in five states, for the purpose of comparison with the North Carolina system. The five states are California, Florida, Georgia, Illinois and Kentucky. This chapter includes seven major sections:

- 2.1 Governance Structures
- 2.2 Scope of State Education Department Authority and Responsibilities
- 2.3 Staffing
- 2.4 Total Funding and State General Funding
- 2.5 Outputs
- 2.6 Regional Delivery Systems
- 2.7 Best Practices

The comparison states represent the Southwestern, Midwestern, and Western geographic areas of the United States. Like North Carolina, their school populations reflect significant percentages of poverty and/or minority students and students identified for special education services.

Demographic information for the selected states is displayed in **Exhibit 2-1**.

Exhibit 2-1
Comparative Demographics for North Carolina and Benchmark States
2007 Statistics

State	Total Students Elementary/ Secondary	Low Income	Minority	Special Education
North Carolina	1,416,436	42.6%	33.4%	13.6%
California	6,437,202	48.5%	69%	10.7%
Florida	2,675,024	45.8%	51.4%	14.9%
Georgia	1,598,461	49.8%	51.8%	12.4%
Illinois	2,111,706	37.2%	43.6%	15.3%
Kentucky	679,878	52.4%	13.7%	16.0%

Source: National Center for Education Statistics, <http://nces.ed.gov/nationsreportcard/states>, 2008.

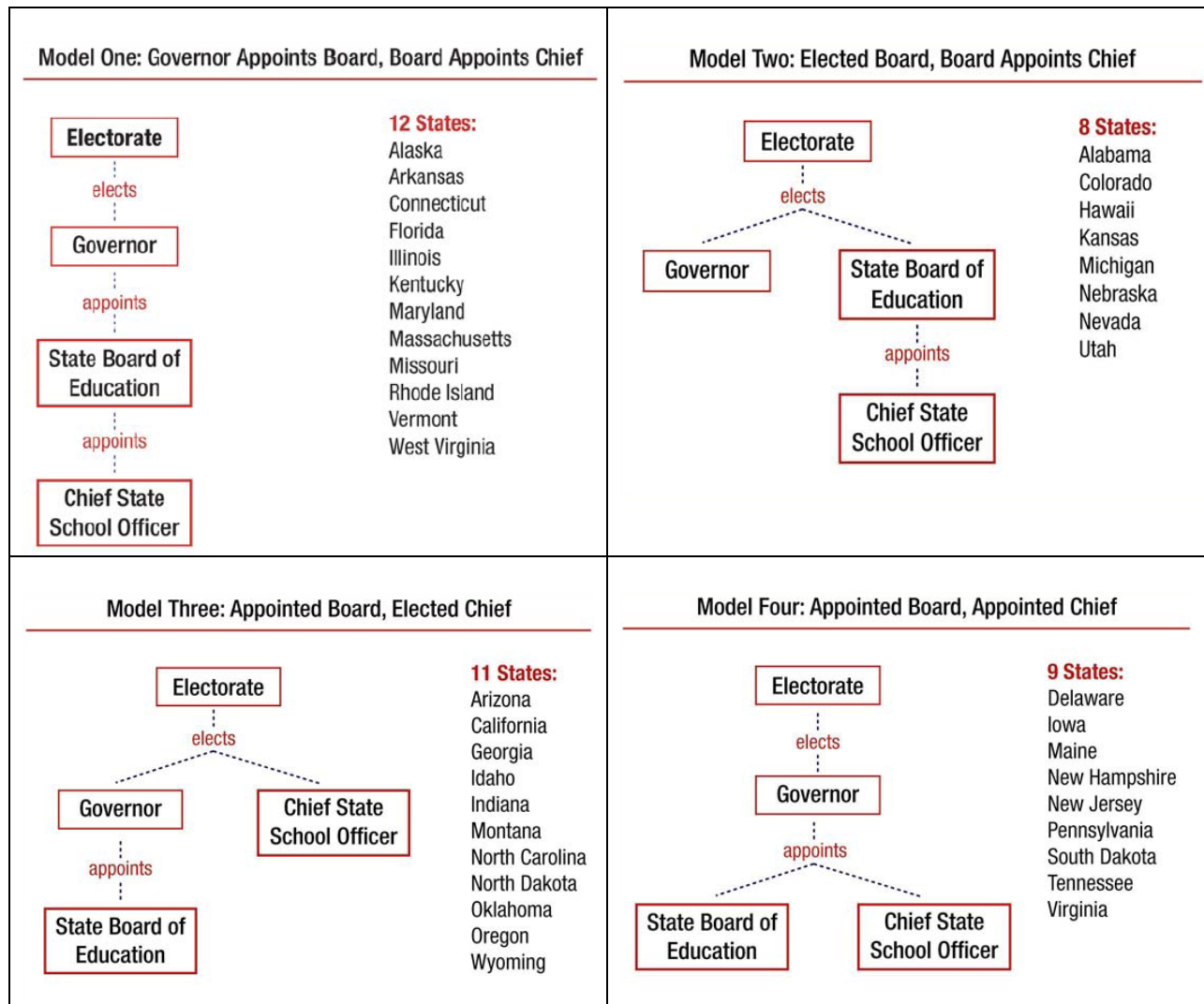
In addition to comparing governance and administration elements across the states, this chapter includes a discussion of best practices being used in the benchmarking states as well as several other state education systems.



State education structures can take several standard forms. These forms include four most commonly adopted models, described below and graphically displayed in **Exhibit 2-2**:

- Governor appoints state board, board appoints chief state school officer (12 states);
- Elected state board, board appoints chief state school officer (8 states);
- Governor appoints state board, independently elected chief state school officer (11 states); and
- Governor appoints state board and chief state school officer (9 states).

**Exhibit 2-2
Common State Education Governance Models**



Source: Education Commission of the States, 2008.



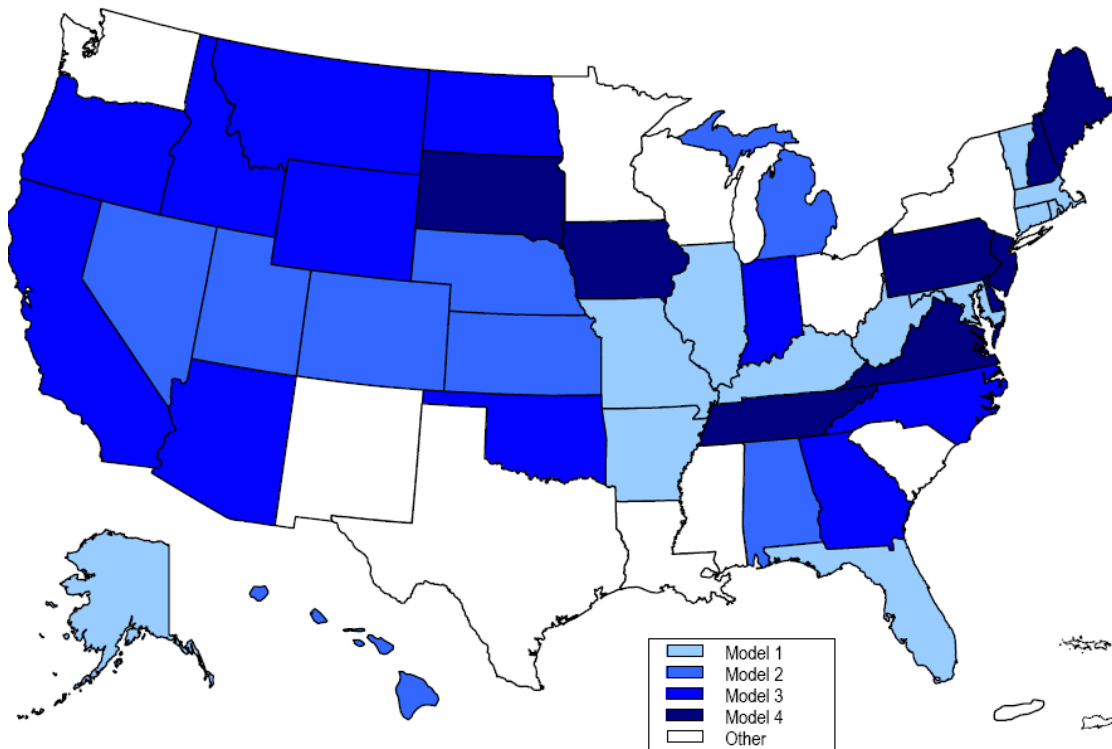
Other states employ less common governance structures:

- Mix of appointed/elected board members and chief state school officers (Louisiana, Ohio, Washington);
- Legislature appoints board (New York Board appoints Chief and South Carolina Chief elected);
- Mix of elected officials appoint board, board appoints chief state school officer (Mississippi); and
- No state board, chief state school officer elected or appointed (Minnesota Governor appoints Chief and Wisconsin Chief elected).

Florida (one of the five benchmarks states for this study), Michigan and New York have unified education governance across public elementary, secondary, and higher education, with a pre-K–20 education board and a Commissioner of Education that oversees all sectors.

A summary map of governance models in all the states is shown in **Exhibit 2-3**.

Exhibit 2-3
State Governance Models



Source: Education Commission of the States, 2008.



2.1 GOVERNANCE STRUCTURES

Using the descriptors provided in the introduction to this chapter, governance models for North Carolina and the five benchmark states are displayed in **Exhibit 2-4**. The Senate approves or consents to the Governor’s appointment in all selected states.

**Exhibit 2-4
State Governance Models
in Selected States**

State	Governance Model
North Carolina	Model Three: Governor appoints state board, elected chief state school officer
California	Model Three: Governor appoints state board, elected chief state school officer
Florida	Model One: Governor appoints state board, board appoints chief state school officer
Georgia	Model Three: Governor appoints state board, elected chief state school officer
Illinois	Model One: Governor appoints state board, board appoints chief state school officer
Kentucky	Model One: Governor appoints state board, board appoints chief state school officer

Source: National Association of State Boards of Education, 2008.

Exhibit 2-5 displays a comparison of entities that govern or advise education in North Carolina and the five benchmark states.

2.1.1 North Carolina

The governance structure for pre-K–12 education in North Carolina places the 13-member State Board of Education, including its Chairperson, in a supervisory role over the State Superintendent and the Department of Public Instruction (DPI).

The Chief State School Officer is the State Superintendent, an elected officer whose powers and duties are determined by the State Board of Education. The State Board has the statutory authority to set the duties of the State Superintendent. A unique feature of this arrangement is that the current State Superintendent does not manage DPI. Instead, the State Board has authorized a Deputy State Superintendent to manage DPI and report directly to the State Board of Education.

North Carolina has a Professional Teaching Standards Commission that is not entirely independent, forwarding its policy recommendations to the State Board of Education for action in the following areas: professional standards, teacher certification areas, teacher assessments, and criteria for initial and continuing certification. Also, the Department of Public Instruction houses a Licensure Division that processes certification documentation.

The State Higher Education Executive Officer (SHEEO) is the University of North Carolina President who reports to the University Board of Governors. The Board of Governors does planning, policy, and data for the community colleges. The State Board of Community Colleges governs the 58 community colleges.



**Exhibit 2-5
Comparison of Education Governance Entities
in Comparison States**

State	Education Board	Chief State School Officer	Department of Education	Governor's Office
North Carolina	<ul style="list-style-type: none"> • State Board of Education (pre-K–12) • North Carolina Community College System • UNC Board of Governors (Higher Education) • Professional Teaching Standards Commission 	State Superintendent (elected)	Department of Public Instruction	<ul style="list-style-type: none"> • Education Policy Advisor • Business Committee for Education
California	<ul style="list-style-type: none"> • State Board of Education (pre-K–12) • Postsecondary Education Commission (Higher Education) • Teacher Certification Board (independent) 	State Superintendent (elected)	Department of Education	<ul style="list-style-type: none"> • Secretary of Education (non-statutory)
Florida	<ul style="list-style-type: none"> • State Board of Education (pre-K–16) including community colleges • Board of Governors (public 4-year universities) 	Commissioner of Education (appointed)	Department of Education	<ul style="list-style-type: none"> • Education Policy Unit within the Office of Policy & Budget
Georgia	<ul style="list-style-type: none"> • State Board of Education (pre-K–12) • Board of Regents (Higher Education) 	State Superintendent (elected)	Department of Education	<ul style="list-style-type: none"> • Governor's Office of Student Achievement
Illinois	<ul style="list-style-type: none"> • State Board of Education • Board of Higher Education • Teacher Certification Board 	State Superintendent (appointed)	State Board of Education (agency)	None
Kentucky	<ul style="list-style-type: none"> • State Board of Education (pre-K–12) • Council on Postsecondary Education (Higher Education) 	Commissioner of Education (appointed)	Department of Education	<ul style="list-style-type: none"> • Education and Workforce Development Cabinet • Secretary of Education

Source: State Department of Education Web sites, 2008.



The Office of the Governor has an Education Policy Advisor and houses an Education Office and a Business Committee for Education.

The Education Cabinet was created in statute (GS116C-1) in 1992. Its mission is to foster cooperation among the state's education sectors. The Governor chairs the Cabinet, which also includes the State Superintendent, the State Board Chairperson, the President of the University of North Carolina System, the President of the Community College System, the President of the Association of Independent Colleges and Universities, and the agency head of the Department of Health and Human Services. In addition, the state's three education governing boards meet annually to discuss issues of mutual interest regarding structure, funding, and system responsibilities.

The organizational chart for the North Carolina Department of Public Instruction is displayed in **Exhibit 2-6**.

2.1.2 California

The State Board of Education is comprised of 11 members appointed by the Governor. The Board is responsible for policy in the areas of standards, instruction, assessment, and accountability. The Chief State School Officer is the State Superintendent and Director of Education, an elected position. The Superintendent has direct supervision of the state education agency—the California Department of Education (CDE). The Office of the Governor has a Secretary of Education, a non-statutory position in the Governor's Cabinet. The purpose of the office is to provide education policy analysis and advice to the Governor. The Commission on Teacher Credentialing is a board and agency separate from the State Board of Education and the Department of Education. It is the oldest independent certification board in the nation, responsible for setting certification criteria and issuing/revoking certificates. The State Superintendent serves as a voting member of the 19-member board.

The organization chart for the California Department of Education is displayed in **Exhibit 2-7**.

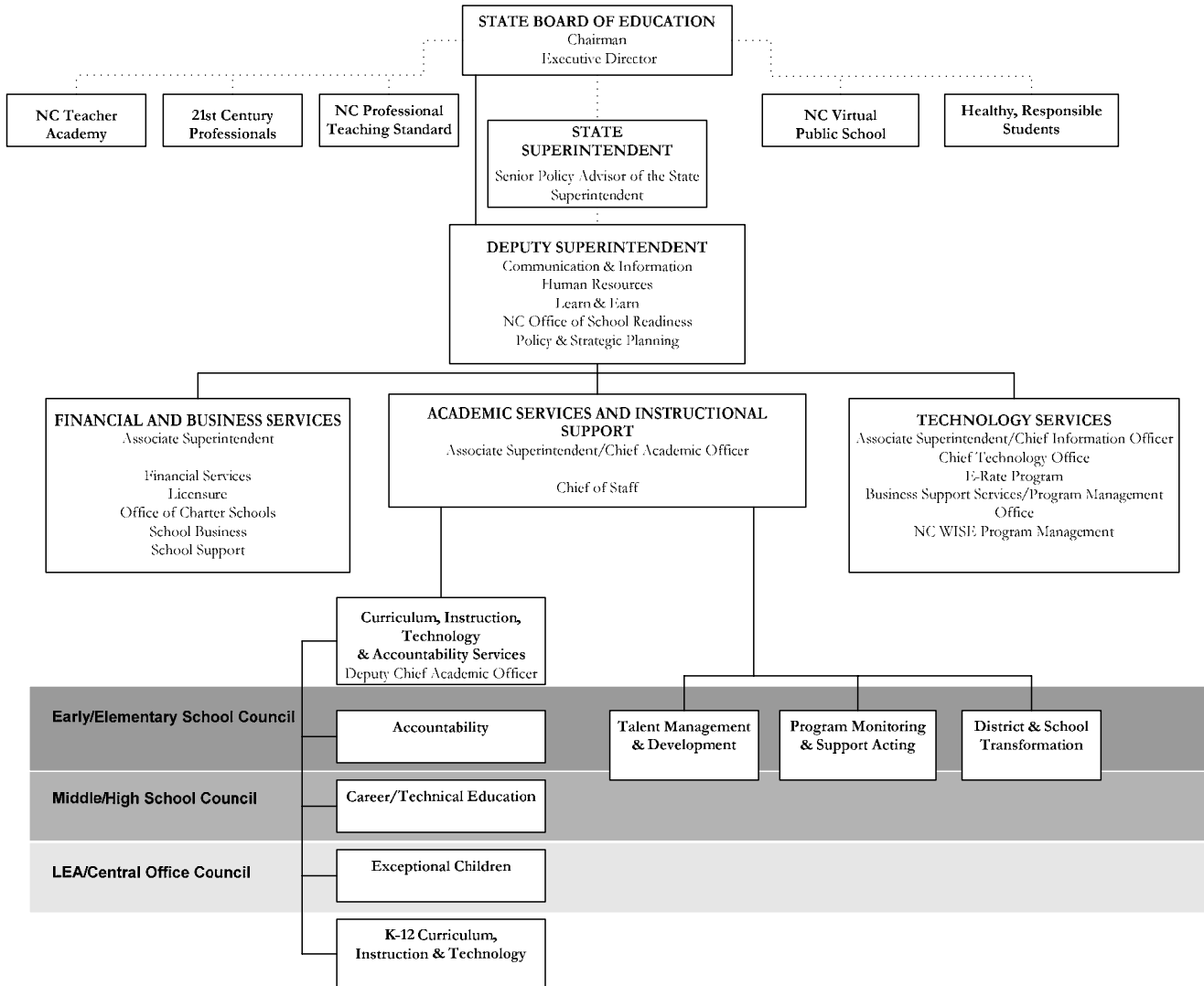
2.1.3 Florida

The State Board of Education is a seven-member board appointed by the Governor. Florida is one of only a few states that have attempted to statutorily consolidate pre-K–20 education under one board. This occurred in 2000-01. However, before the unified system could be fully implemented, a constitutional amendment (Article IX, Section 7) passed in 2002 to create a separate Board of Governors for public four-year universities. Community college governance is included under the State Board of Education.

The Chief State School Officer is the Commissioner of Education, appointed by the State Board of Education. The Bureau of Teacher Certification is housed within the Department of Education. The Office of the Governor does not have a specific office or secretary for education.



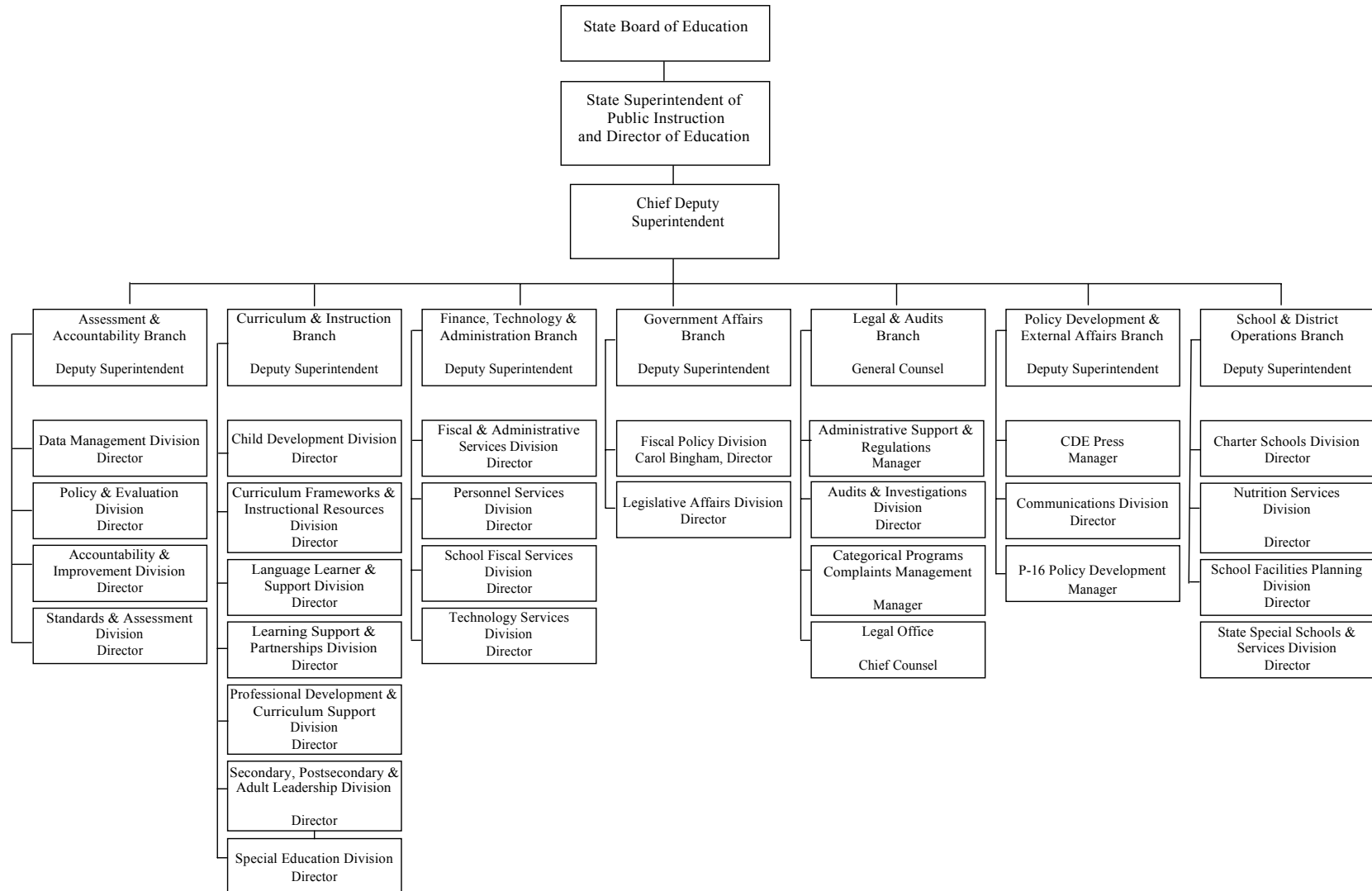
Exhibit 2-6 North Carolina Department of Public Instruction Organizational Chart



Source: <http://www.ncpublicschools.org/docs/organization/orgchart/orgchart.pdf>, 2008.



Exhibit 2-7 California Department of Education Organizational Chart

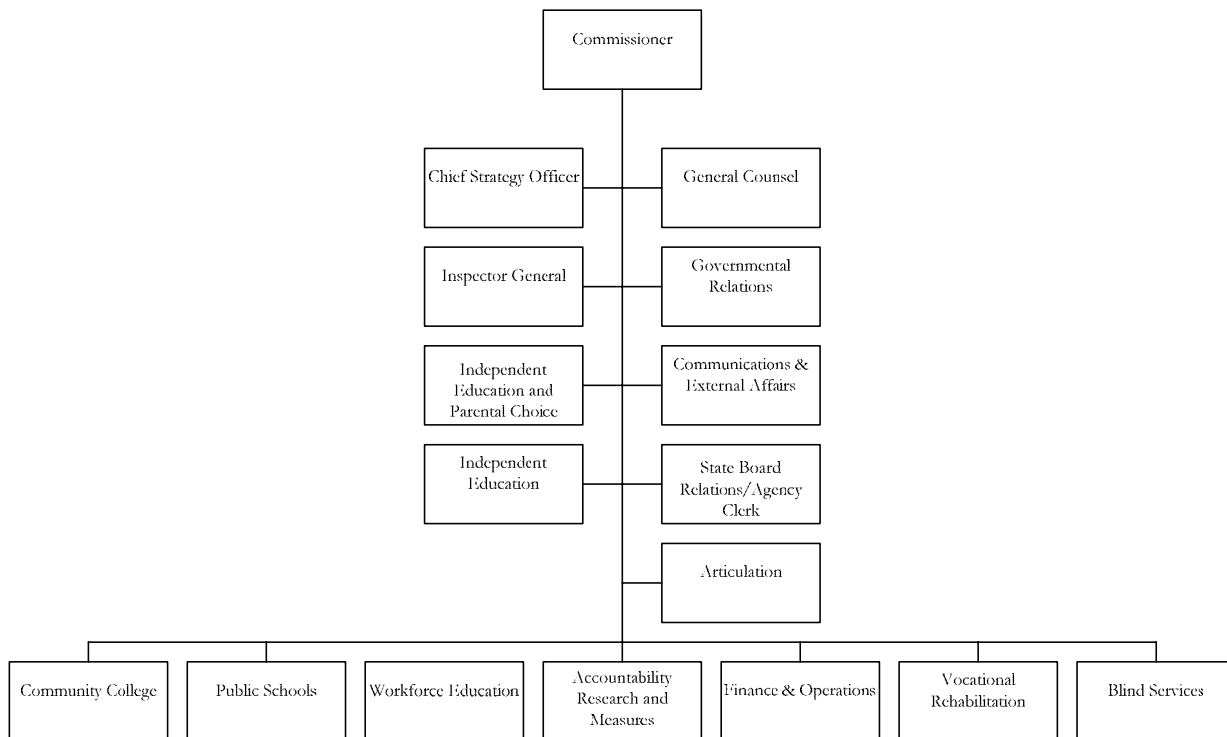


Source: <http://www.cde.ca.gov/re/di/or/documents/orgchartoverview.pdf>, 2008.

The Council for Education Policy Research and Improvement (CEPRI) is an independent office which was established within the Office of Legislative Services. The Council reviewed and analyzed research and data, providing evaluation of statewide education issues. Of the nine Council members, the Governor appoints five and the President of the Senate and Speaker of the House each appoint two. The Council completed its interim projects as of January 2006, and does not plan further meetings. Staff has relocated to other positions since that time.

The organization chart of the Florida Department of Education is displayed in **Exhibit 2-8**.

Exhibit 2-8
Florida Department of Education
Organizational Chart



Source: http://www.fldoe.org/Department/Org-chart_files/slide0001.html, 2008.

2.1.4 Georgia

The State Board of Education consists of 13 members appointed by the Governor. The State Superintendent serves as the Chief Executive Officer of the Board. The Chief State School Officer is the State Superintendent, a statewide elected office that is part of the Governor's Cabinet.

The Office of the Governor includes an Office of Student Achievement with a small staff and an Executive Director. The Governor's Office convenes the Alliance of Education Agency Heads. The Alliance includes the State Superintendent, the Executive Director of the Office of Student Achievement, the President of the Student Finance Commission, the Chancellor of the University



System of Georgia, the Executive Secretary of the Georgia Professional Standards Commission, the Commissioner of the Technical College System, and the Commission of the Department of Early Care and Learning. The Alliance focuses on five policy goals: increasing high school and college completion, strengthening teacher quality and retention, improving workforce readiness, developing strong educational leaders, and improving college admissions test scores.

The Professional Standards Commission was established in 1991 as an agency separate from the Department of Education. It is responsible for educator certification/licensure, recruitment, and preparation.

No organizational chart is available for the Georgia Department of Education.

2.1.5 Illinois

The State Board of Education is a nine-member board appointed by the Governor to four-year terms. Members are limited to two consecutive terms. The Chief State School Officer is the State Superintendent, appointed by the State Board of Education. The Office of the Governor has no specific staff or office assigned to education issues.

The Teacher Certification Board is not independent; members are appointed by the Governor and forward their policy recommendations to the State Board of Education for action.

The Board of Higher Education is appointed by the Governor and is responsible for coordinating policy and budgets for the 12 public universities in the State. This Board also has program approval authority for both public and private colleges.

The Illinois State Board of Education's organization chart is displayed in **Exhibit 2-9**.

2.1.6 Kentucky

The State Board of Education is an 11-member board appointed by the Governor. Seven members represent Kentucky Supreme Court districts, and four represent the state at large. The president of the Council on Postsecondary Education serves as a non-voting member. The Chief State School Officer is the Commissioner of Education appointed by the State Board. The Commissioner manages the state education agency.

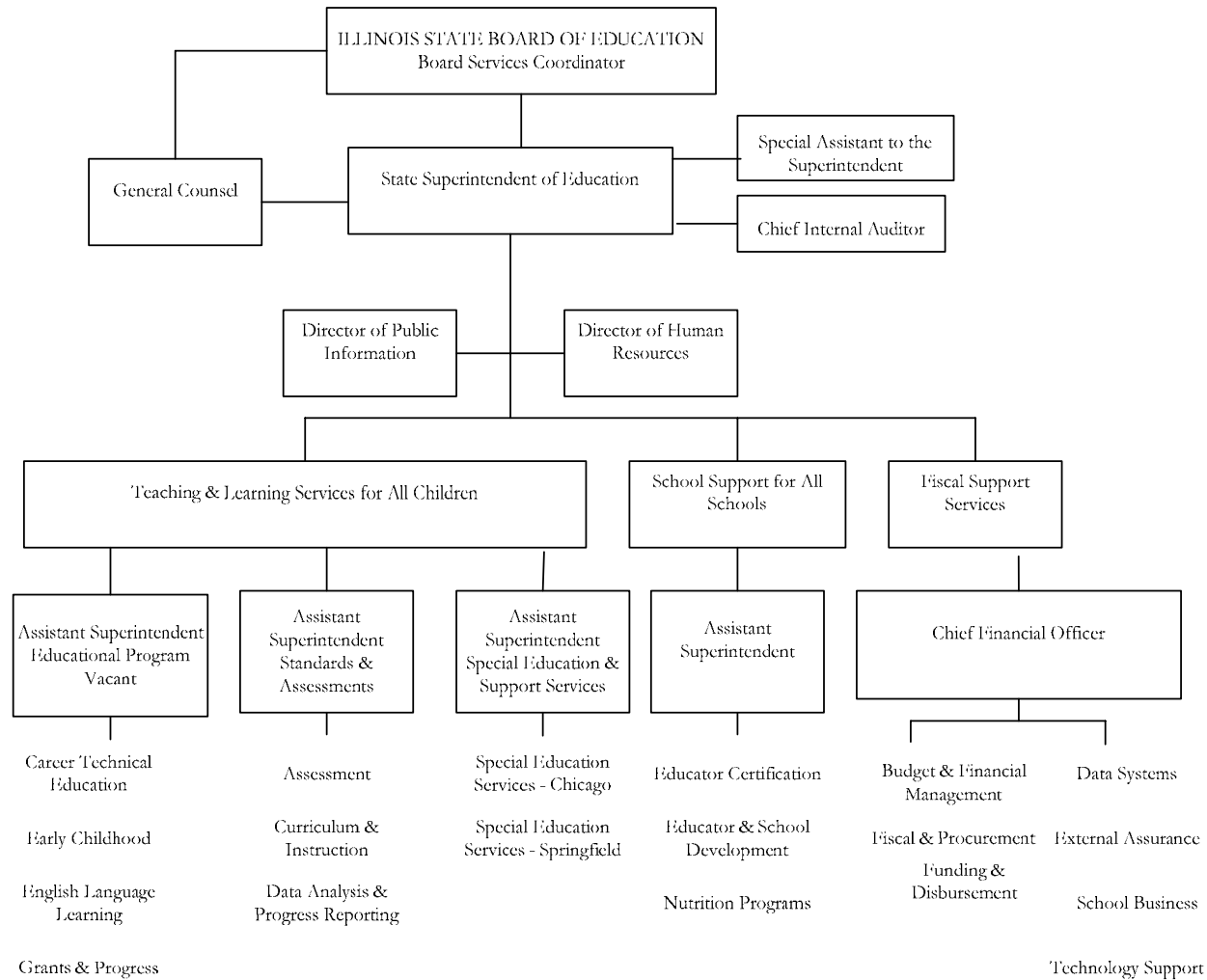
The Office of the Governor includes an Education and Workforce Cabinet led by a Secretary. The Department of Education is part of the Cabinet structure, as shown in **Exhibit 2-10**.

The Education Professional Standards Board is a board and agency separate from the Department of Education. This board is responsible for issuing and renewing certificates for Kentucky teachers and administrators. The board establishes standards for preparation programs and practitioners, accredits preparation programs, selects assessments, oversees internship programs, administers the state's incentive program for National Board for Professional Teaching Standards certification, and suspends and revokes certificates for professional school personnel.

The organization chart for the Kentucky Department of Education is displayed in **Exhibit 2-11**.



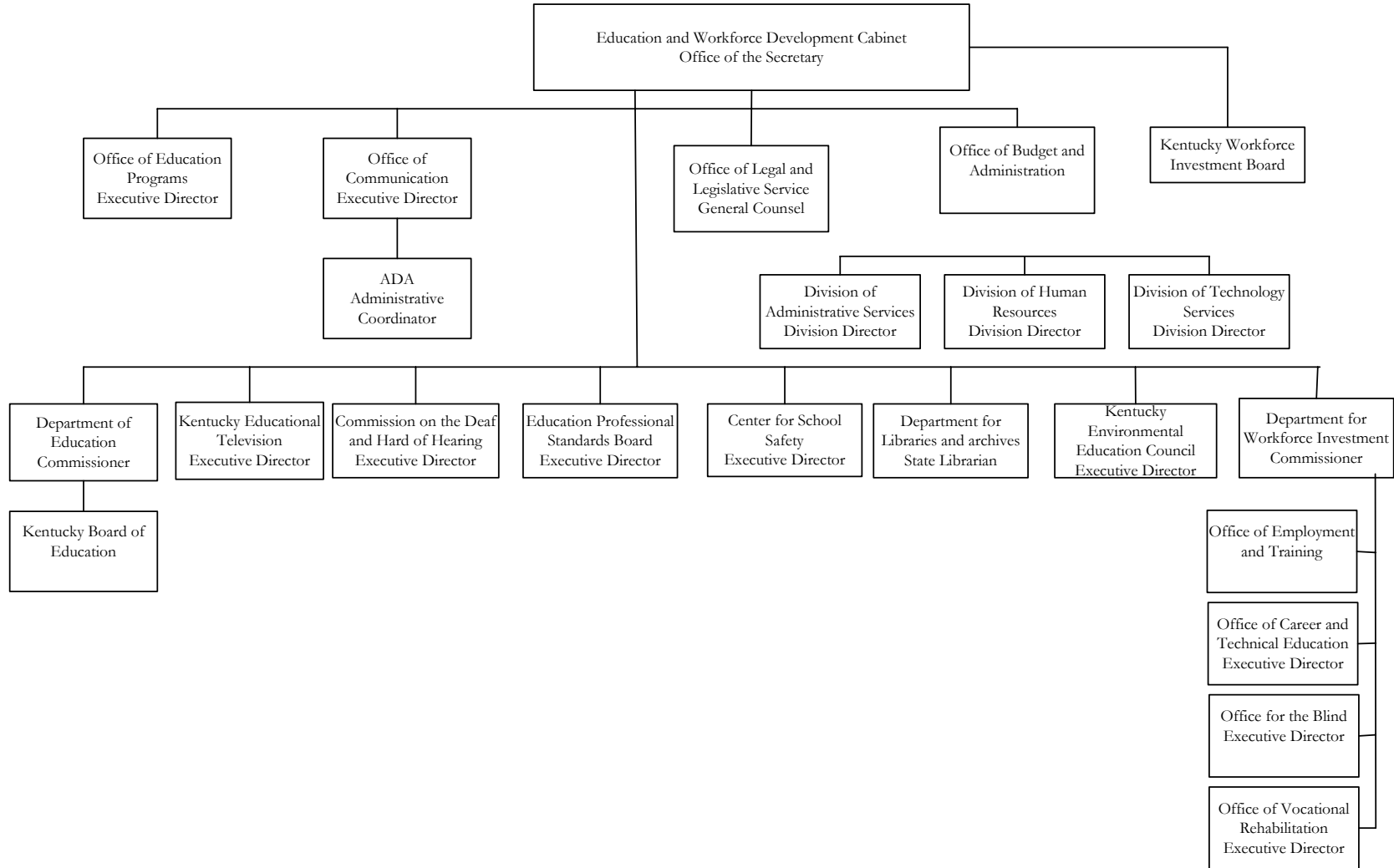
Exhibit 2-9 Illinois State Board of Education Organizational Chart



Source: <http://www.isbe.net/orgchart/pdf/orgchart.pdf>, 2008.



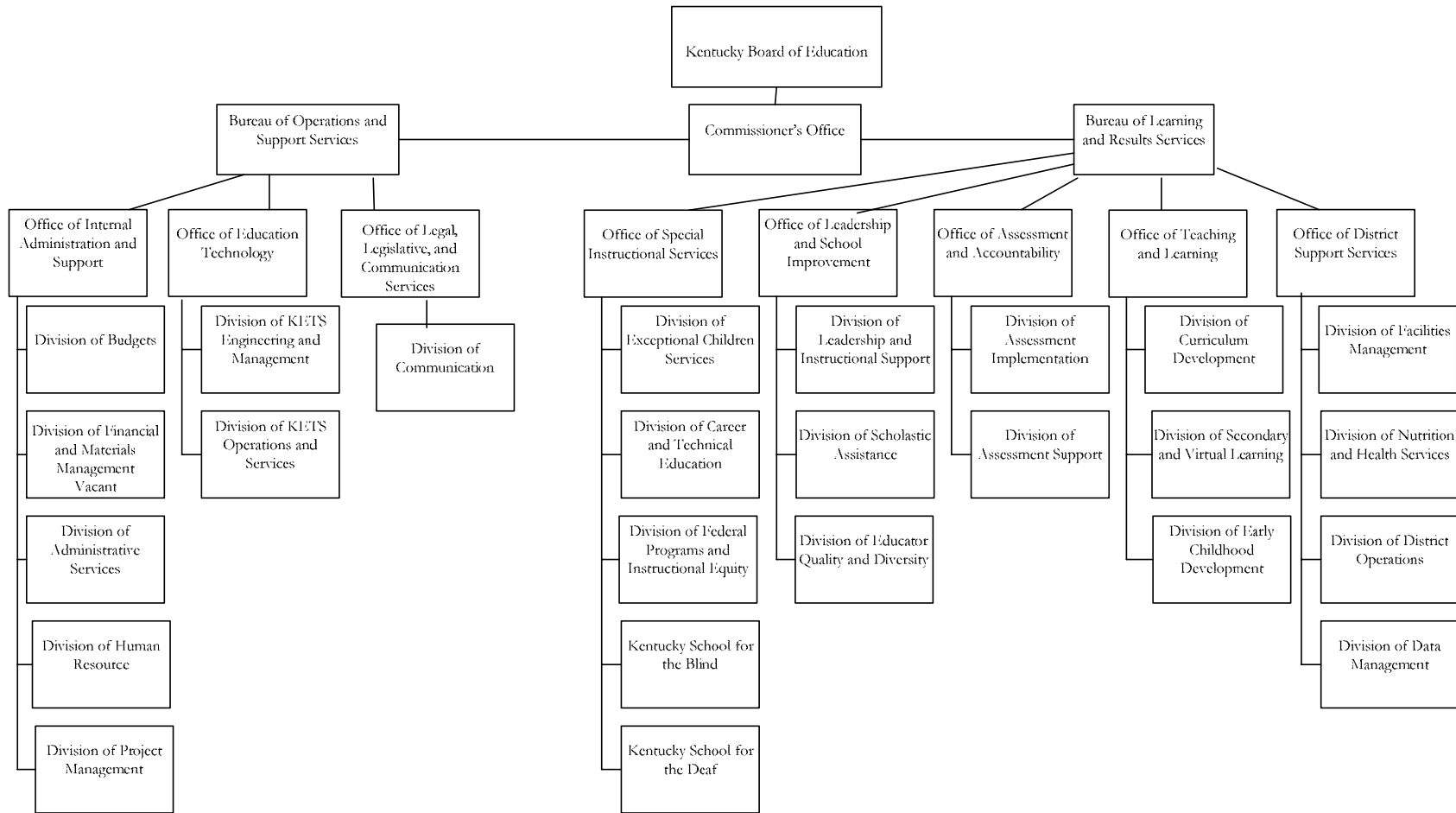
Exhibit 2-10
Kentucky Education and Workforce Cabinet



Source: <http://www.isbe.net/orgchart/pdf/orgchart.pdf>, 2008.



Exhibit 2-11 Kentucky Department of Education Organizational Chart



Source: <http://www.kde.state.ky.us/nr/rdonlyres/ee9e8933-9e7d-4831-b720-f8ae6bf33d2b/0/kdeorgchart042008.pdf>

2.2 SCOPE OF STATE EDUCATION DEPARTMENT AUTHORITY AND RESPONSIBILITIES

In each state, including North Carolina, the education department has administrative responsibility for pre-K–12 education as set forth in various state statutes. In addition, authority and responsibility in some states extends to higher education. As referenced in **Section 2-1**, in some states, authority for teacher certification/licensure resides within a separate state agency.

Exhibit 2-12 describes general authority and areas of responsibility for each department of education. The sections that follow highlight specific responsibilities and unique administrative responsibilities for individual states.

**Exhibit 2-12
Education Department General Authority/Responsibilities**

State	General Authority/Responsibility
North Carolina	pre-K–12 education Separate system for higher education coordination
California	pre-K–12 education Separate agency for teacher licensure Separate commission for higher education coordination
Florida	pre-K–16 education, including community colleges Separate Board of Regents for higher education coordination
Georgia	pre-K–12 education
Illinois	pre-K–12 education Separate Board for higher education coordination
Kentucky	pre-K–12 education Separate agency for teacher licensure Separate Council for higher education coordination

Source: NASBE, Education Commission of the States, 2008.

2.2.1 North Carolina

The Department of Public Instruction (DPI) is the agency charged with implementing state law and State Board of Education policies and procedures for pre-K–12 public education. The elected State Superintendent is the nominal head of the department and serves as secretary to the State Board. However, in the current administration, the Board has delegated chief operational responsibility for the agency to the Deputy Superintendent, who reports directly to the Board. This delegation of responsibilities also occurred in a previous administration in the 1990s. State law gives authority to the State Board of Education to delegate responsibilities to the State Superintendent annually.



The agency has responsibility to serve 115 school districts and schools in the areas of curriculum, instruction, assessment, and accountability; finance and school business support/operations; district and school assistance; and teacher and administrator preparation, licensing and professional development.

The Department of Public Instruction (DPI) develops the state standards and administers federal funds and regulations that affect public schools [e.g., under *No Child Left Behind* (NCLB) and the *Individuals with Disabilities Education Act* (IDEA)].

2.2.2 California

The Superintendent and the agency manage pre-K–12 education serving 6.437 million public school students. The California Department of Education (CDE) is responsible for the following areas of administration:

- **Curriculum and Instruction**—including child development, curriculum frameworks and instructional resources, English Language Learners, learning support and partnerships, professional development, secondary and postsecondary leadership, and special education;
- **Assessment and Accountability**—including standards and assessments, accountability and improvement, data management, and policy and evaluation;
- **Finance, Technology and Administration**—including fiscal administration, personnel, school fiscal services and technology services;
- **Policy Development and External Affairs**—including media relations, communications and pre-K–16 policy development;
- **School and District Operations**—including school facilities, special schools and services, school nutrition and charter schools;
- **Government Affairs**—including fiscal policy and legislative affairs; and
- **Legal and Audits**—including administrative regulations, audits and investigations, categorical programs and legal services.

Like North Carolina, CDE administers the funding and regulations associated with NCLB and IDEA along with other federal funds. Many duties and responsibilities for educational support and oversight are delegated to county superintendents in California. The regional delivery systems in California are discussed in **Section 2.6**.

2.2.3 Florida

The Florida Department of Education oversees education in 3,877 schools, including 190 adult schools. The agency is responsible for public education for 2.675 million students.



The department has the following areas of responsibility:

- Public Schools
- Accountability, Research and Measurement
- Community Colleges
- Workforce Education
- Finance and Operations
- Vocational Rehabilitation
- Blind Services
- General Counsel
- Governmental Relations
- Communications and External Affairs
- Articulation
- State Board Relations
- Independent Education and Parental Choice
- State University System (with the Board of Governors)

Florida is currently implementing a comprehensive student unit record (SUR) system that can keep track of individual student data throughout its education system. Although 17 other states have the capacity to match pre-K–12 and higher education student records, only Florida has all the essential elements of a comprehensive SUR system. This system will be highlighted in **Section 2.7 Best Practices**.

2.2.4 Georgia

The Georgia Department of Education is responsible for pre-K–12 education for about 1.6 million students. The state agency education consists of five divisions under the State Superintendent:

- **Policy and External Affairs**—including charter schools, communications, external affairs, human resources, legal, policy and state schools;
- **Standards, Instruction, and Assessment**—including academic standards, accountability, assessment, CTE, ESL, special education, gifted education, innovative academic programs, languages and international education, and SAT/AP programs;
- **Education Support and Improvement**—including 21st Century community learning centers, alternative education and magnet schools;
- **Finance and Business Operations**—including accounting, budget, facilities, financial review, internal support, transportation and nutrition; and
- **Technology Services**—including instructional technology, information technology, GeorgiaStandards.org and Georgia Virtual School.

Georgia has a sophisticated strategic planning and progress reporting system for agency operations and school/student performance. Its dashboard system is discussed as a best practice in **Section 2.7** of this chapter.



2.2.5 Illinois

The Illinois State Board of Education is responsible for setting policy and providing support for pre-K–12 public schools, serving a total of 2.1 million students in 871 districts. The Board is also responsible for recognizing and accrediting non-public schools. The Board handles the flow of funds from state and federal sources to the districts, including general state aid allocations, school construction, and federal entitlements.

The state agency (also called the Illinois State Board of Education) has four main organizational divisions:

- **Superintendent’s Office**—provides overall management for ISBE and oversees departments of board services, general counsel and legal, governmental relations, human resources and internal audit.
- **Teaching and Learning Services for All Children**—oversees policy and program supports for ensuring instructional quality, including subject-area curriculum alignment, policy development, planning, monitoring progress, and student assessment. Specifically includes programs in early childhood education, English language learning, career and technical education, standards/assessment/curriculum/instruction, and special education.
- **Financial Support**—provides planning and fiscal support and oversight to ISBE divisions and departments as well as school business services and technology support.
- **School Support Services**—supports educator certification and professional development as well as school nutrition programs.

Like California, Illinois delegates a number of responsibilities to Regional (formerly County) Superintendents of Education. This regional delivery system is discussed in **Section 2.6** of this chapter.

2.2.6 Kentucky

The Kentucky State Education Board is responsible for setting standards for school districts to meet student, program, service and operational performance, and mandating corrective action when any district does not meet those standards or its leaders are not successful in making improvements. Pursuant to several statutes, the Board is responsible for promulgating or amending regulations to establish standards for legislatively-created programs.

The Kentucky Department of Education is organized into two main bureaus based on responsibilities:

- **Bureau of Operations and Support**—includes internal administration (budget, finance, administrative services, human resources, project management); education technology; and legal/legislative/communication services.



- **Bureau of Learning and Results**—includes special instruction (special education, CTE, federal programs, School for the Blind and School for the Deaf); Leadership and School Improvement (leadership/instructional support, scholastic assistance, educator quality/diversity); Assessment and Accountability (assessment implementation, assessment support); Teaching and Learning (curriculum, secondary/virtual learning, early childhood education); and District Support Services (facilities, nutrition, district operations, data management).

2.3 STAFFING

State department employees are generally funded in three ways:

- federal funds;
- state funds; or
- contract/special funds.

With states facing budget constraints, a recent national trend is an increasing percentage of state department employees being paid from federal funds. This scenario may restrict the variety of programs and the types of assistance state departments offer to schools, as compared to in decades past. In many state departments, overall staff numbers have declined in recent years.

For North Carolina and the five benchmark states, full-time staffing numbers, staff/student ratios, and staff/district ratios are provided in **Exhibit 2-13**.

Exhibit 2-13
Comparative Staffing Statistics for Departments of Education

State	Department of Education Staff	Total Student Population	Staff/Student Ratio	Total Districts	Staff/District Ratio
North Carolina	781	1,416,436	1:1,814	115	6.8 : 1
California	1,750	6,437,202	1:3,678	1,032	1.7 : 1
Florida	1,152	2,675,024	1:2,322	67	17.2:1
Georgia	768	1,598,461	1:2,081	182	4.3 : 1
Illinois	463	2,111,706	1:4,561	873	.5 : 1
Kentucky	496	679,878	1:1,370	176	2.8 : 1

Source: Agency Web sites and Staffing Rosters, 2008.

NOTE: Regional office staff members are not state agency employees in the states listed.

The staff/student and staff/district ratios displayed in **Exhibit 2-3** are general comparisons and do not reflect specific allocation of staff to assigned duties, which vary across state departments based on mandates and policy priorities.

The following sections provide specific notes regarding staffing in selected state departments of education as applicable.

2.3.1 North Carolina

While the DPI Web site identifies 530 employees, at the time of Evergreen’s on-site visit, an actual headcount provided to Evergreen consultants showed that the DPI employs 781 full-time staff. The department currently lists 40 vacancies included in the 781 staffing total.

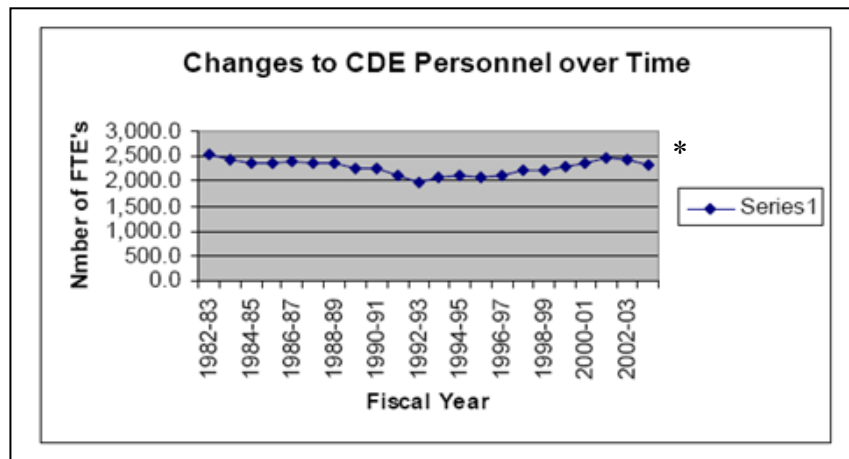


2.3.2 California

Department employees currently total 1,750 employees. Of these, about 900 staff members work in curriculum, instruction, assessment and accountability areas (which include major program areas such as early childhood education, special education and English language learning). Another 675 staff members work in the finance, technology and school operational divisions.

As seen in **Exhibit 2-14**, current staffing represents a significant reduction compared to historical staffing totals.

Exhibit 2-14
California Department of Education
Longitudinal Staffing Data



Source: www.lao.ca.gov/sections/econ_fiscal/Historical_Personnel_Years.xls, 2008.

*Chart reflects numbers prior to 2002-03, and not the current number of 1,750 employees.

2.3.3 Florida

The Florida Department of Education employs 1,152. This staffing arrangement only reflects pre-K–12 employees and does not include higher education institution employees under the state’s pre-K–16 unified governance system.

2.3.4 Illinois

According to FY 2007 data, ISBE staffing declined by 37 percent in the past decade—a net reduction of 286 FTE. The biggest staffing decline has occurred in the Division of Teaching and Learning, which provides curriculum, instruction and school improvement support to districts (195 FTE reduction—a 58 percent decrease). State-funded position reductions accounted for 71 percent of the staffing decreases. Today, more than half of all positions are funded from non-state sources.

A recent study (2008) of ISBE staffing by Learning Point Associates offers the following critique:

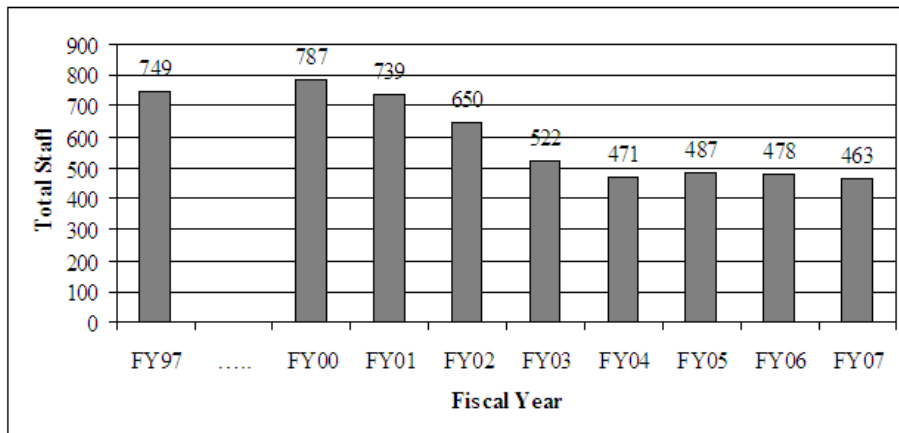
Staff reductions of the magnitude experienced at ISBE in recent years occurred disproportionately in staff in areas where school districts would seem to need the most support.



While the number of staff is not a definitive indicator of agency capacity, the number and distribution of staffing reductions raise questions about agency ability to meet additional state and federal school improvement and oversight expectations. Additionally, the shift in staff funding patterns—from state to federal—raise questions about agency flexibility to address the service needs presented by Illinois’ diverse districts and schools.

Exhibit 2-15 provides ten-year staffing trends in Illinois.

Exhibit 2-15
Illinois State Board of Education
Ten-Year Staffing Trends



Note: Staffing data were not available for FY1998 or FY1999.

Source: Ikemoto et al., Learning Point Associates, 2008.

2.4 TOTAL FUNDING AND STATE GENERAL FUNDING

Section 2.4 provides information on public education funding in North Carolina and the five benchmark states. Exhibit 2-16 provides a summary of funding in each state. Funding levels in Exhibit 2-16 are provided in three main categories:

- total funds;
- state general funds; and
- state agency operating funds.

2.5 OUTPUTS

Two types of output comparisons for North Carolina and the five benchmark states are included in this section.

- First – a comparison of education system outputs, using the standardized comparisons provided by *Education Week* in its annual *Quality Counts* Report.
- Second – a discussion of board and agency goals and output measures if made available by the state agencies.



**Exhibit 2-16
North Carolina and Benchmark State Education Funding
2008-09**

State	Total Funds	State General Funds	State Agency Operating Funds	Notes
North Carolina	\$9,822,940,898	\$7,708,315,285	\$52,700,000 (approximately)	
California	\$71,900,000,000	\$42,000,000,000	\$59,985,759	
Florida	\$23,536,565,184	\$14,916,697,055	\$233,369,720	Total funds figure is for public schools only; does not include higher education funding.
Georgia	\$9,853,645,621	\$8,195,597,771	\$102,653,284	
Illinois	\$9,947,948,200	\$7,609,259,000	\$72,137,100	
Kentucky	\$4,577,659,000	\$3,844,755,900	\$238,347,000	Agency operating funds include Kentucky Schools for the Blind and Deaf.

Source: FY09 State and Agency Budget Reports, 2008.

2.5.1 Education System Outputs

Each year, *Education Week's* editorial projects in its Education Research Center compiles a wide array of education data to create the annual *Quality Counts* Report. The report uses six indices with underlying indicators to rate education systems and progress across the 50 states and for the nation as a whole.

The six indices and their indicators are described in **Exhibit 2-17**.

**Exhibit 2-17
Quality Counts Indices and Indicators**

Index	State Success Indicators
Chance for Success	Family income, parent education, parental employment, language integration, preschool and kindergarten enrollment, elementary reading, middle school mathematics, high school graduation, postsecondary participation, adult educational attainment, annual income, steady employment
K-12 Achievement	4 th and 8 th grade reading and math levels and gains, poverty/non-poverty gaps, high school graduation, AP participation and scores
Standards, Assessment & Accountability	Core standards, assessments, alignment of tests to standards, quality of tests, school accountability system, statewide student ID system
Transitions & Alignment	Early childhood to kindergarten transition, school readiness, college readiness, work readiness, industry certification, dual credit
Efforts to Improve Teaching	Requirements for initial licensure, discouraging out-of-field teaching, evaluating teacher performance, teacher education programs, data systems, reducing entry & transfer barriers, salaries/incentives, beginning teacher support, school leadership, professional development, school working conditions
School Finance	Equity, per-pupil expenditures, state expenditure on education as a percent of state taxable resources

Source: <http://www.pewcenteronthestates.org/uploadedFiles/National%20Highlights%20Report.pdf>, 2008.



A standard grading scale is used with the following scores:

- A (93-100)
- A- (90-92)
- B+ (87-89)
- B (83-86)
- B- (80-82)
- C+ (77-79)
- C (73-76)
- C- (70-72)
- D+ (67-69)
- D (63-66)
- D- (60-62)
- F (0-59)

For each *Quality Counts* index, **Exhibit 2-18** compares North Carolina to the benchmark states and the nation.

Exhibit 2-18
Quality Counts Output Comparisons

Index	NC	CA	FL	GA	IL	KY	US
Chance for Success	C+	C	C+	C	B-	C	C+
K-12 Achievement	D+	D	C	D+	D+	D+	D+
Standards/Assessment/ Accountability	B+	A-	A-	A-	C+	B+	B
Transitions/Alignment	D+	C-	C+	B	C-	C	C
Efforts to Improve Teaching	B	C-	B	B	D+	B-	C
School Finance	C-	D+	C-	C+	C	C	C+

Source: www.edweek.org/rc, 2008.

Exhibit 2-18 shows the grades and indicates that the technical features of the North Carolina education system are strong (e.g., standards, assessments, attention to teacher quality), but technical improvements have not yet translated into direct benefits for students (such as improving achievement and making smooth transitions through the education system).

2.5.2 State Agency Outputs

Several (but not all) departments of education in the benchmark states have created specific goals and measures to gauge progress regarding policy implementation. Because goals and measures vary across states, it is not possible to directly compare progress.

A brief summary of existing strategic progress efforts in the selected states appears in **Exhibit 2-19**.



Exhibit 2-19
State Department of Education Outputs
Progress Reporting

State	Outputs/Reporting System
North Carolina	<p>Since 1996, the State Board and DPI have followed an adopted strategic plan featuring five “strategic” priorities: NC public schools will produce globally competitive students, NC public schools will be led by 21st century professionals, NC public school students will be healthy and responsible, Leadership will guide innovation in NC public schools, and NC public schools will be governed and supported by 21st century systems.</p> <p>These priorities could form the basis for an indicator system that publicly charts progress toward reaching strategic goals. <i>Source: http://www.ncpublicschools.org/accountability/reporting/abcplus</i></p>
Florida	<p>The mission of the Florida DOE includes four goals: highest student achievement , seamless articulation and maximum access, skilled workforce and economic development, and quality efficient services. No public tracking of indicators/progress is available.</p> <p><i>Source: http://www.fldoe.org/board/</i></p>
Georgia	<p>The Department of Education has a 5-goal strategic plan that covers agency administration, communication, curriculum, improvement and readiness. A sophisticated dashboard system for tracking progress is publicly available on the agency Web site. <i>This system is discussed in more detail as a state best practice in Section 2.7.</i></p> <p>The Georgia Data Warehouse was created in the 2005-06 school year as a repository for student and teacher information. It serves as one data source for the dashboard system.</p> <p><i>Source: http://www.doe.k12.ga.us/strategicframework.aspx</i></p>
Illinois	<p>The State Board of Education is required by state law (Public Act 93-1036) to develop and monitor a strategic plan for educational improvement. The legislature appropriated \$500,000 in FY08 specifically for strategic plan activities. The plan has three goals: enhancing literacy, improving educator quality for all children, and expanding data-informed school management and support practices. Annual reports on progress are filed with the legislature and posted on the agency Web site. However, these reports describe <i>outputs</i> in terms of activities and expenditures, not <i>outcomes</i> in terms of results.</p> <p><i>Source: http://www.isbe.state.il.us/pdf/strategic_plan08.pdf</i></p>
Kentucky	<p>With the advent of NCLB in 2001, the Board of Education adopted a strategic plan with the long-term goal of student and school proficiency by 2014. The plan has four goals: high student performance, high-quality teaching and administration, strong and supportive school environments, and high-performing schools and districts.</p> <p>The Board files and publishes a biennial progress report. Unlike the Illinois reports, the Kentucky reports include a large number of outcome indicators and data trends for each goal. The report does not include agency efficiency indicators.</p> <p>The Kentucky Student Information System is under development and scheduled to go statewide in May of 2009.</p> <p><i>Source: http://www.education.ky.gov/Users/spalmer/Strategic%20Plan%20Progress%20Report%20May%202008%20Revised.pdf</i></p>

Sources: Listed individually in Exhibit 2-19.



2.6 REGIONAL DELIVERY SYSTEMS

For many state departments of education facing limited staff and resources, increased reliance on regional delivery systems has become a means to expand outreach, support, and compliance monitoring to school districts. However, the concept of regional delivery system is not new. In some states, regional systems are statutorily established with specific responsibilities and funding streams, and they have existed for years. In other states, regional systems are established in an ad hoc manner as state and federal programs require or allow.

An overview of regional delivery systems for the comparison states is provided in **Exhibit 2-20**.

**Exhibit 2-20
Regional Education Delivery Systems**

State	Regional Delivery System	Type
North Carolina	Nine regional educational service alliances/consortia, service specific school districts in multiple counties. These RESAs are not part of DPI. <i>Source: http://www.education.ky.gov/Users/spalmer/Strategic%20Plan%20Progress%20Report%20May%202008%20Revised.pdf</i>	Ad hoc
California	County Superintendents with large offices; Regional Consortia for support of schools under NCLB <i>Source: http://www.ccsesa.org/index/home.cfm?CFID=4640771&CFTOKEN=1324d33d9045a1da-2A58C40D-65BF-F14C-EB8D7B4A09345CC1&jsessionid=f0301e279be421185648</i>	Statutory
Florida	The Department of Education on Sept. 9, 2008 announced the appointment of five regional directors to oversee the state’s new approach to carrying out NCLB system of support requirements. Each regional director will guide teams of facilitators to help schools and districts with improvement plans, and monitor the implementation of those plans. <i>Source: For Myers News-Press, September 13, 2008</i>	Ad hoc
Georgia	A network of Regional Educational Service Agencies (RESAs) with specific responsibility for assigned counties and districts. Responsible for meeting standards of service established by the state. <i>Source: http://www.sw-georgia.resa.k12.ga.us/garesa3fold.pdf</i>	Statutory
Illinois	Regional Superintendents manage Regional Offices of Education (ROEs); ROEs form Area Consortia for support of schools under NCLB <i>Source: http://www.iarss.org/</i>	Statutory
Kentucky	In 1992, regional service centers were established as part of the Kentucky Education Reform Act. They provided professional development and technical assistance to schools. Recently, the ESCs have been disbanded due to funding cuts. <i>Source: http://www.aesa.us/state_statutes/Kentucky.pdf</i>	Statutory

Sources: Listed individually in Exhibit 2-20.



2.6.1 North Carolina

In the 1980s and 1990s, the Department of Public Instruction included regional centers staffed by department personnel (Technical Assistance Centers). In the 1990s, these centers were abolished at the same time DPI was significantly downsized. At that time, many administrators and educators around the State felt that these centers had become too political. For example, some superintendents and other stakeholders stated that these centers supported political candidates. Others reported that the centers did not serve the needs of teachers. The centers were replaced by external regional education service alliances or consortia serving groups of school districts in the various regions of the State.

Currently, North Carolina's nine regional education service alliances/consortia hire their own staff and are funded from several sources, including fee-for-service, local funds, and state and federal funds. They are not part of DPI.

These centers provide a variety of services to their constituent school districts, which may include:

- collaborative resource planning;
- leadership best practices;
- educator professional development;
- technical assistance;
- school personnel recruitment;
- facilitating compliance with federal, state, and local mandates and improvement initiatives;
- curriculum support; and
- library, media, and technology support.

The DPI offers a variety of resources to local educators, including technical assistance for school improvement efforts, on-line professional development courses, career development coordinators, Ready School consulting, and on-site professional development trainings and conferences addressing specific program areas (e.g., early childhood education, administrator evaluation, instructional technology).

2.6.2 California

The state's 58 County Superintendents and their offices serve as California's regional educational delivery system, with a wide range of statutory duties. These include:

- educating special populations (severely disabled students, court and community schools for incarcerated and/or expelled students, career/technical education students, and migrant students);



- monitoring school academic environments (class size, textbook quality and availability, teacher qualifications, test participation and pass rates, remedial services, school improvement plans);
- facilitating regional support activities, including early childhood education, ELL education, new teacher mentoring and support, and technology support;
- providing fiscal oversight and monitoring of school districts;
- providing direct services to small districts (under 1,500 students), such as library, health and guidance services; and
- facilitating school and district assistance and intervention through the statewide system of support for underperforming schools required under *No Child Left Behind*. The county offices have grouped into 11 regional consortia to assist schools identified for improvement under NCLB.

The county and consortia configurations are illustrated in **Exhibit 2-21**.

This regional delivery system and its role in California's system of support is discussed further in **Section 2.7 Best Practices**.

2.6.3 Georgia

In 1972, the Georgia General Assembly created a network of Cooperative Educational Service Agencies (CESAs). These were replaced in 1986 with new legislation creating the current network of Regional Educational Service Agencies (RESAs) which has been subsequently refined and improved by additional legislation.

These regional agencies in Georgia are governed by Boards of Control comprised of school district superintendents in each region, presidents of universities and technical colleges in the region, and a representative of the Georgia Regional Library System. The regional boards establish policy, approve budgets and personnel, determine RESA services, and evaluate the RESAs. This structure allows RESAs to customize services based on regional needs. Georgia evaluates the RESAs with a specific set of RESA standards for service.

RESAs are defined as local education agencies (LEAs) for federal purposes. This makes them eligible for certain fund sources for which they can apply on behalf of school districts. RESAs are funded by state, local, federal, and grant funds. The state funding formula factors in RESA membership and size. The State Board of Education can allocate additional funds for specific activities by region.

Exhibit 2-22 displays a map of the RESA regions in Georgia.



Exhibit 2-21

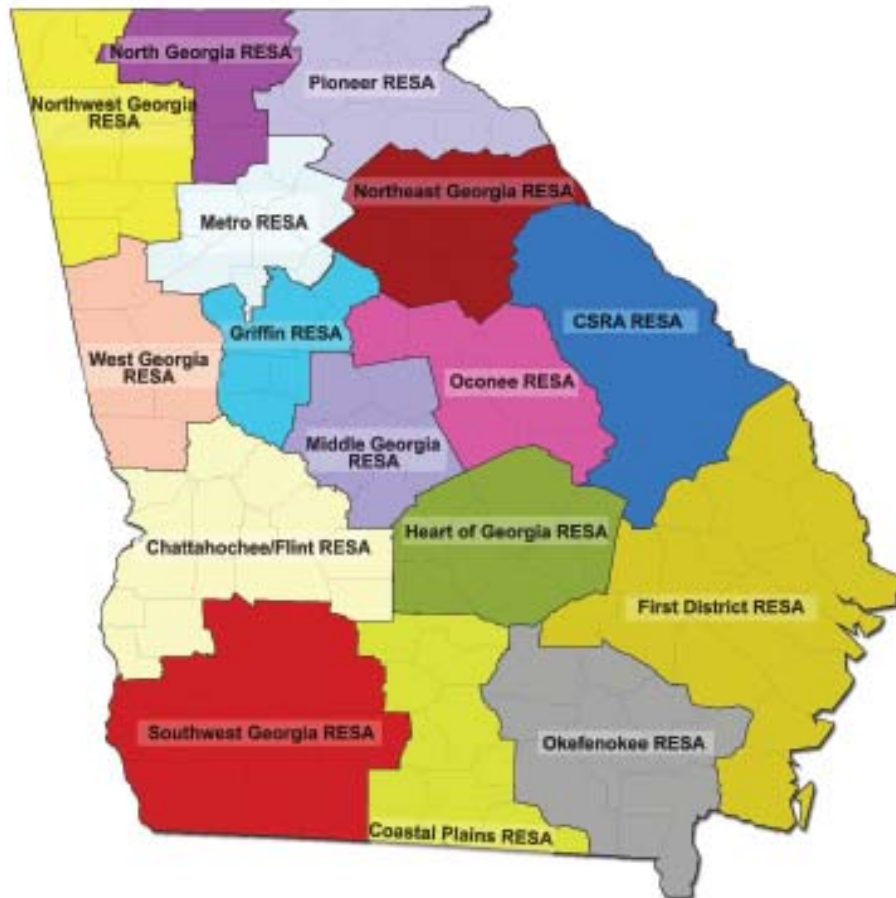
California County Superintendents and Regional NCLB Consortia



Source: <http://www.ccsesa.org/index/regionMap.cfm>, 2008.



Exhibit 2-22
Georgia Regional Educational Service Agencies



Source: <http://www.sw-georgia.resa.k12.ga.us/garesa3fold.pdf>, 2008.

The RESAs operate alternative teacher certification programs, deploy school improvement specialists to districts in their region, provide professional development, rate schools using the Georgia Assessment of Performance on School Standards (GAPSS), and provide training and services for districts.

A 2007 survey of 21,000 educators rated the RESAs highest among providers in terms of teacher support in Georgia.

2.6.4 Illinois

Regional service delivery is provided through 45 Regional Offices of Education, directed by elected Regional Superintendents.

The Regional Superintendents are the chief administrative officers of the Regional Offices of Education (ROEs), and the only elected education professional offices in Illinois. As an intermediate agency between the Illinois State Board of Education and local school districts, the



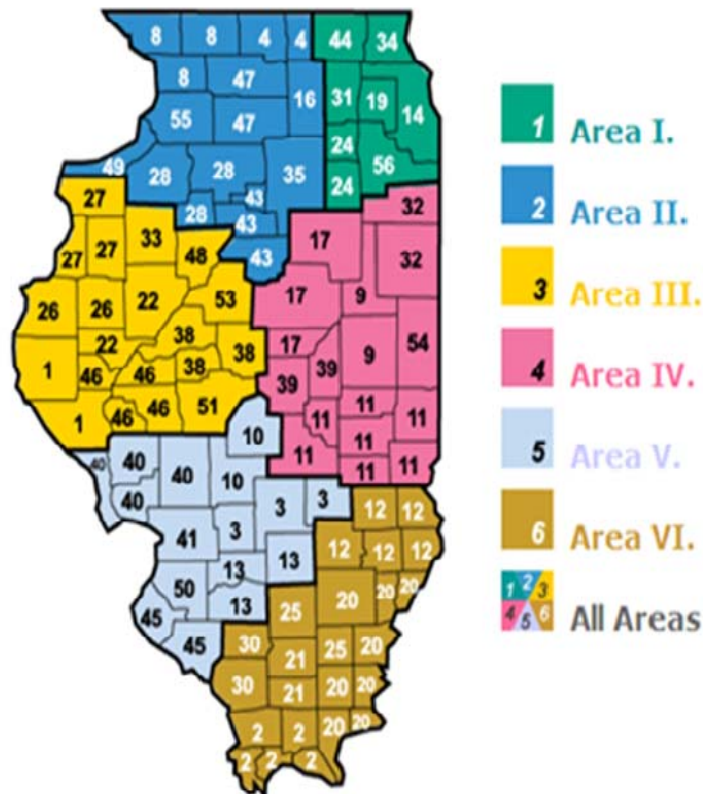
Office of the Regional Superintendent performs regulatory functions as directed by the Illinois School Code. These include exercising supervision and control over all school districts in the region, and acting as the official advisor and assistant of the school officers and teachers in the region.

Specific duties of the Regional Superintendent are stated in the School Code and can be summarized in two major areas—service and assurance to the public. Service components include the dissemination of information on education legislation, legal issues, cooperative management, research and administration.

Assurances to the public cover areas such as fiscal responsibilities, local school performance, life safety, certification, supervision, and curriculum. In these areas, legislation places enforcement responsibilities on the Regional Superintendent to guarantee that certain minimums are met and legal parameters followed.

ROEs have organized into area consortia to provide a system of support services to schools in need of improvement as required by *No Child Left Behind*. This system is highlighted as a best practice in **Section 2-7**. The area configuration groups the 45 ROEs into larger service regions to create efficiencies of scale and to allow division of labor and customization of services in various areas of the state. The ROE and area map is shown in **Exhibit 2-23**.

Exhibit 2-23
Illinois Regional Offices of Education and Area Consortia



Source: <http://www.iarss.org/>, 2008.



2.7 BEST PRACTICES

As required in the RFP, the Evergreen Team was asked to look at best practices in state departments of education.

This comparison study of North Carolina and five benchmark states has revealed some cutting-edge practices that have the potential to advance state educational systems, public accountability, and student achievement. While not presenting an exhaustive list, this section does provide an overview of several important categories of state policies and practices that may be informative to North Carolina policymakers and practitioners.

2.7.1 Florida Student Unit Record System

Florida is currently implementing a comprehensive student unit record (SUR) system that can keep track of individual student data throughout the state's pre-K–20 system. As noted in **Section 2.1**, Florida is among only a few states with a unified pre-K–16 education board, which makes unified policy development less cumbersome than in more segmented systems. Although 17 other states have the capacity to match pre-K–12 and higher education student records, only Florida has all the essential elements of a comprehensive SUR system.

The ten elements of the SUR system are:

- a unique statewide student identifier that connects student data across key databases across years;
- student-level data on enrollment, demographic and program participation;
- the ability to measure academic growth by matching individual students' test records from year to year;
- information on untested students and the reasons they were not tested;
- a teacher identifier system with the ability to match teachers to students;
- student-level transcript information, including information on courses completed and grades earned;
- student-level college readiness test scores;
- student-level graduation and dropout data;
- the ability to match student records between the pre-K–12 and higher education systems; and
- a state data audit system assessing data quality, validity, and reliability.

According to the National Center for Educational Accountability Data Quality Campaign, Florida's data management responsibility is nationally recognized as being necessary to manage state and federal accountability reporting in the future.



2.7.2 Georgia: Strategic Plan and Dashboard System

The Georgia State Board of Education and Georgia Department of Education have a five-goal strategic plan with a dashboard system for tracking projects toward their stated goals and objectives. The five goal areas are:

- Administration – service-oriented agency;
- Communications – policy-driven agency;
- Curriculum – business of preparing students;
- Improvement – meeting the needs of systems; and
- Readiness – college or career preparation.

Each goal area has specific goals, objectives, and measures delineated. A dashboard tracks progress, usually using annual measures, and displays whether the goals are on track or falling behind. A depiction of the clickable dashboard Web page is displayed in **Exhibit 2-24**. No other state agency system was found to use the dashboard concept at this time.

The Georgia Governor’s Office of Student Achievement also has a pre-K–20 scoreboard system for tracking specific student achievement goals. These goals are compatible with those of Georgia Department of Education and the Georgia higher education system. The Governor’s scoreboard page is displayed in **Exhibit 2-25**.

2.7.3 California and Illinois: NCLB Systems of Support

Both California and Illinois have leveraged their extensive regional service systems to provide systems of support services as required under NCLB. Both states have established regional education offices, headed by elected regional or county superintendents with extensive staff, stable funding streams, and intimate knowledge of the schools and districts in their regions.

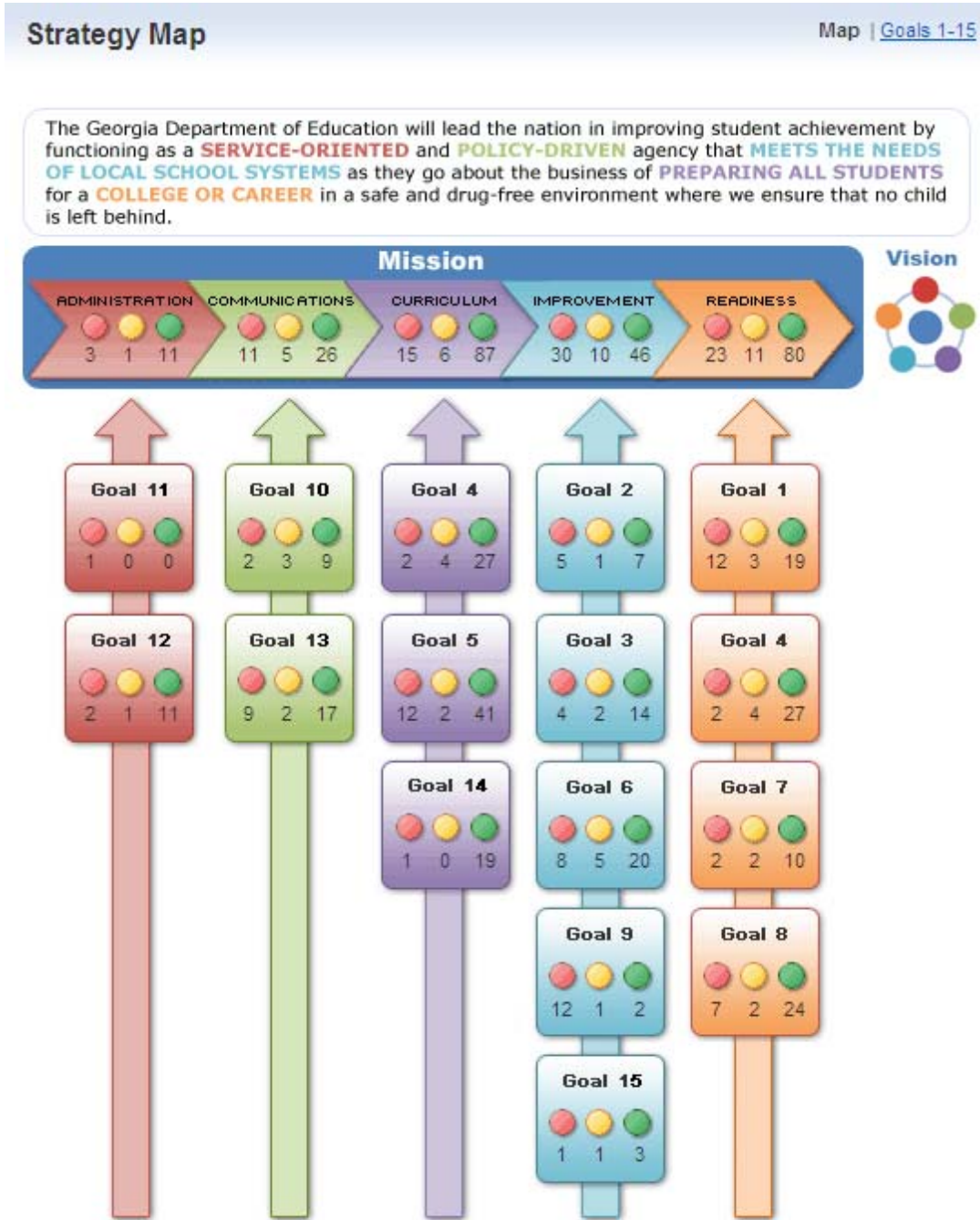
Since NCLB requires that schools failing to make Adequate Yearly Progress (AYP) must have access to support services, the challenge for states is to find ways to support school improvement that are flexible and relevant to various school contexts. **Exhibits 2-21 and 2-23** (shown earlier) compare the regional delivery system maps in each state with the state system of support maps.

In both states, the education department assigns specific staff to work with the regional providers in terms of funding, training, progress measures, and case management. The state staff convenes providers periodically to solve problems and coordinate service delivery.

It is very difficult for a centrally-located state agency, far removed from the schools, to manage and support the large numbers of schools failing to meet AYP criteria each year. As performance targets rise annually (as required by the federal law), greater numbers of schools face the prospect of being placed in improvement status and needing access to a system of support services. Both California and Illinois have found a workable solution to this challenge through partnerships and leveraging of resources with regional service providers.



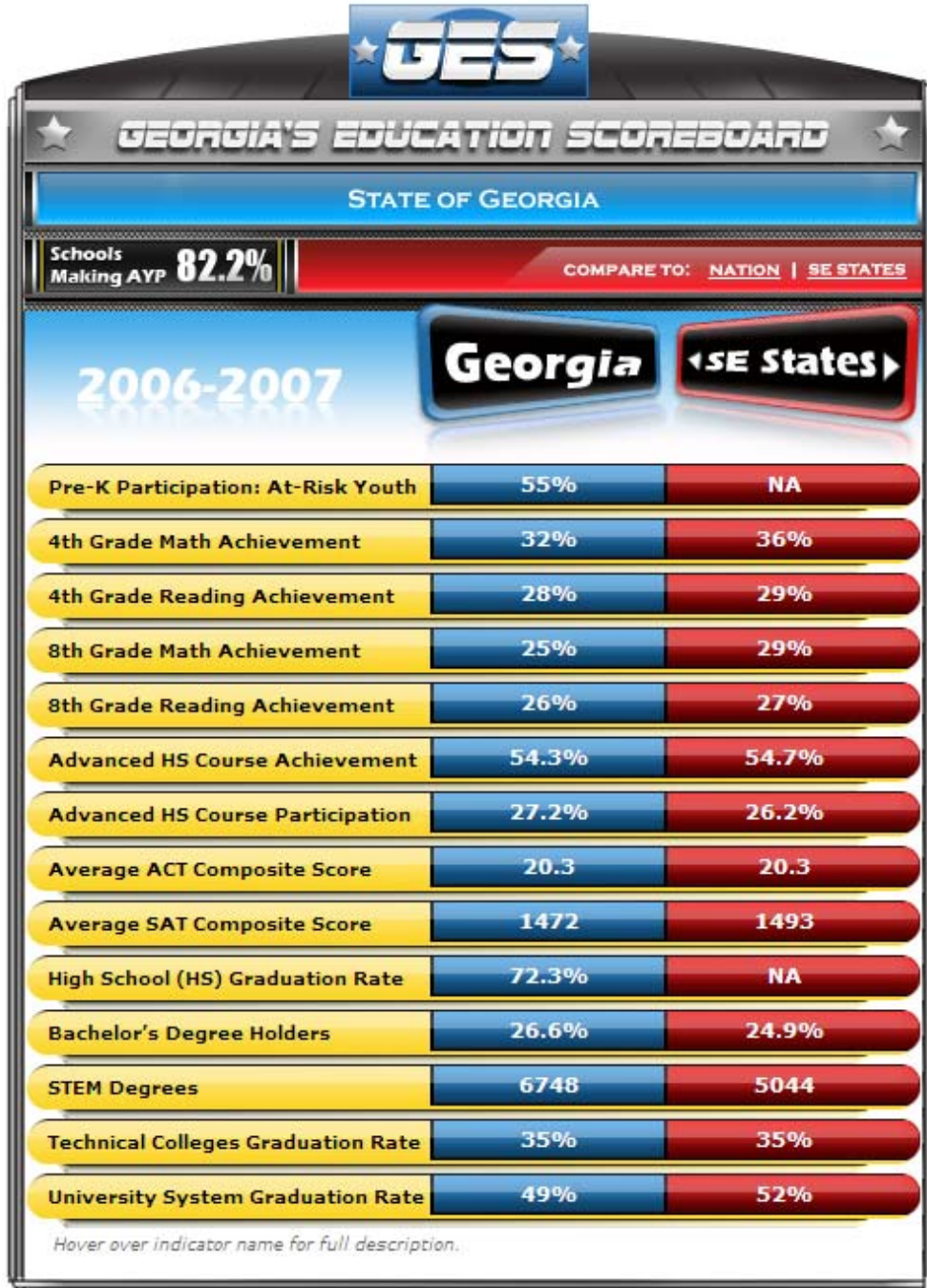
Exhibit 2-24 Georgia Strategic Framework Dashboard Homepage



Source: <http://public.doe.k12.ga.us/strategicframework.aspx?&PageReq=Mission>, 2008.



Exhibit 2-25
 Georgia Governor’s Office of Student Achievement
 Pre-K–20 Scoreboard



Source: <http://www.gaosa.org/score.aspx>, 2008.



2.7.4 North Carolina and Comparison States: American Diploma Project

North Carolina and the five benchmark states are each participating in Achieve’s American Diploma Project (ADP)—an effort to align state academic standards with college expectations in 34 states. The project has created a set of rigorous and unified standards in mathematics and language arts for high schools, with science standards under development.

In addition to aligning standards, participating states will also align assessments, graduation requirements, and accountability systems to meet the demands of 21st Century college coursework and careers. International benchmarking is also underway to make American education comparable or superior to the most advanced countries in the world. Other partners include the National Governors Association and the Council of Chief State School Officers.

Participating states are shown in **Exhibit 2-26**. State progress in the American Diploma Project is displayed in **Exhibit 2-27**.

**Exhibit 2-26
American Diploma Project Network**

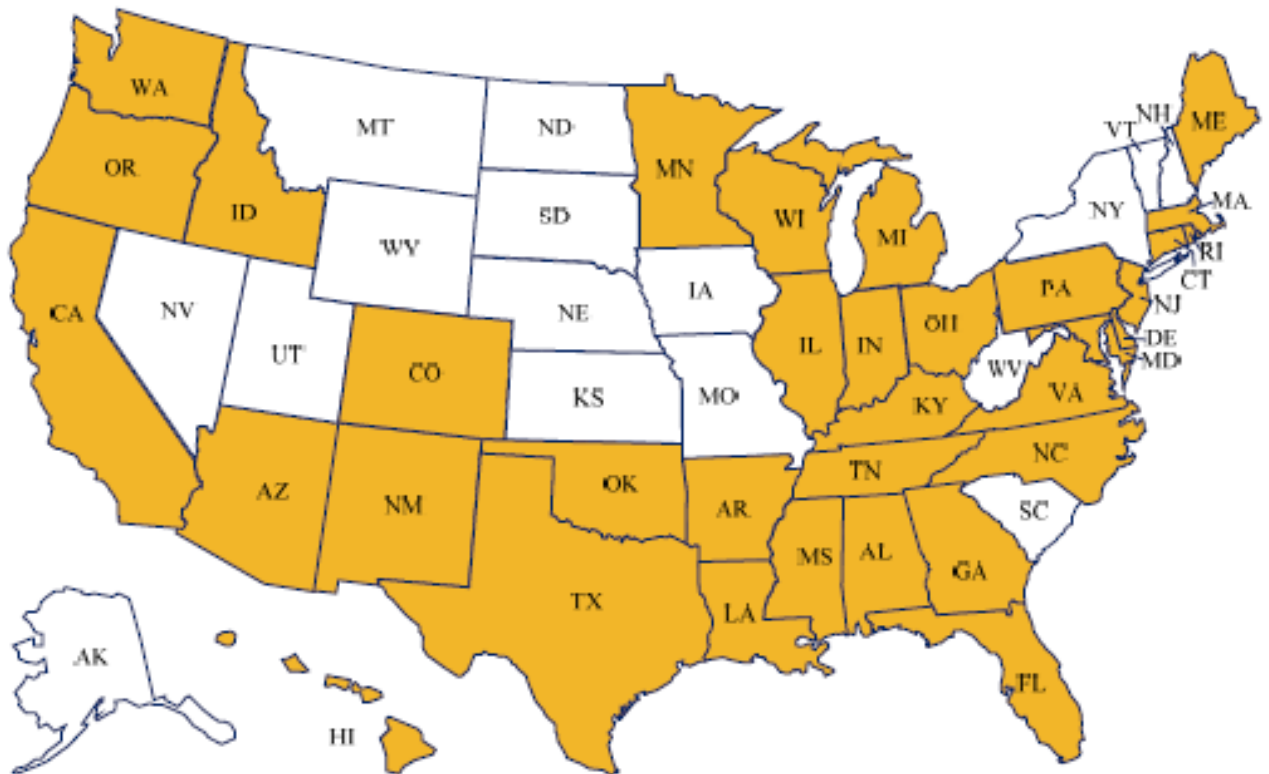
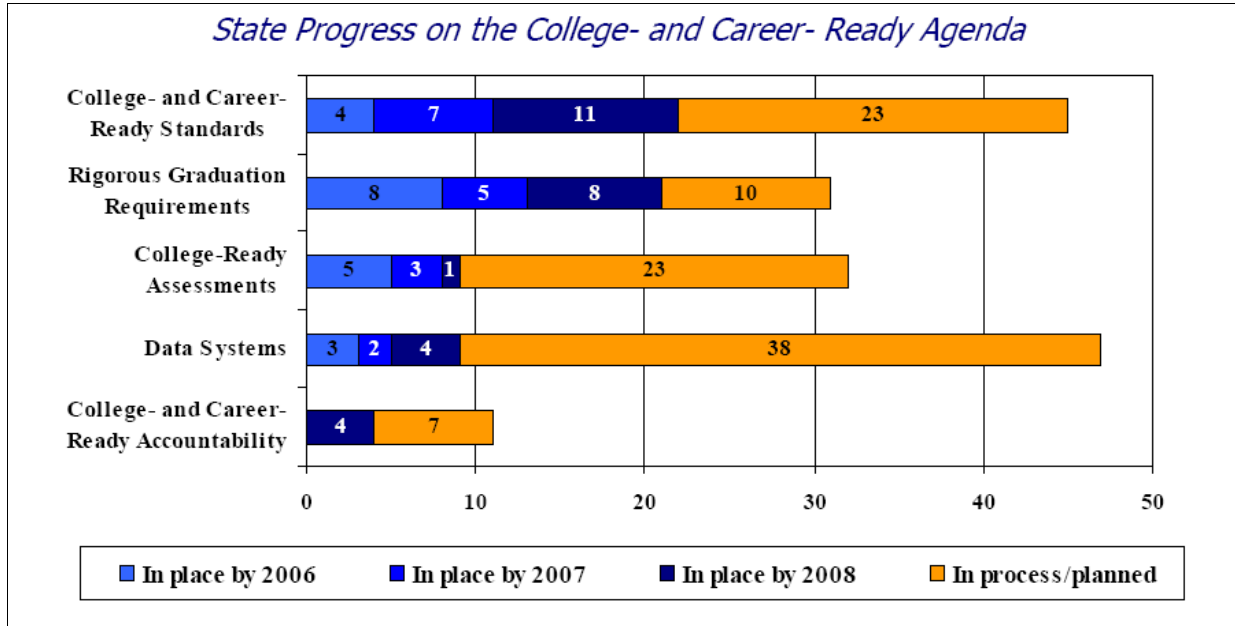


Exhibit 2-27
State Progress within the ADP Network



Source: <http://www.achieve.org/files/About%20Achieve.pdf>, 2008.



**CHAPTER 3:
AGENCY ROLES AND RESPONSIBILITIES,
GOVERNANCE, AND EXTERNAL ACCOUNTABILITY**



3.0 AGENCY ROLES AND RESPONSIBILITIES, GOVERNANCE, AND EXTERNAL ACCOUNTABILITY

This chapter reviews and evaluates the roles and responsibilities of the State Board of Education, the State Superintendent of Public Instruction, and the management structure of the Department of Public Instruction (DPI). The chapter also addresses two entities with education authority—the North Carolina Education Cabinet and the State Education Commission.

In addition, this chapter determines if the current governance structure diffuses responsibility and hinders accountability. Finally, this chapter includes an analysis of whether the State Board of Education has effective oversight information, such as that provided through a “Balanced Scorecard,” “Dashboard,” or any equivalent system, and if officials use and are satisfied with the accountability measures employed by the state education agency.

The interest in and study of the governance system for education in North Carolina is nothing new in the state’s recent history. On several occasions, a number of independent groups have been commissioned to examine the structure and to make recommendations. In some instances, individuals and groups on their own initiative have made recommendations. Available studies, reports, papers, Attorney General opinions, proposed legislation, and ratified legislation pertaining to the roles and responsibilities as well as to the educational governance structure have been reviewed as part of this study. Many concerns identified in these previous reports are found to still exist today.

In order to provide effective and systemic education policymaking, supervision, and administration over the North Carolina public education system, there are several constitutional and statutory bodies, boards, and offices that have been created: the Education Cabinet, the Education Commission, the statewide elected office of the State Superintendent of Public Instruction, and the State Board of Education whose members, with the exception of two constitutional and statewide elected officials, are appointed by the Governor and confirmed by the General Assembly.

Clearly, the Office of the Governor is constitutionally and statutorily positioned to have strong involvement in all aspects of pre-K–12 education. The fact that the Office of the Governor has significant power and authority for education is a recurring theme throughout this report with major impact upon its findings and recommendations.

This chapter is organized into the following sections:

- 3.1 Roles and Responsibilities
- 3.2 Governance
- 3.3 External Accountability

Many findings and recommendations contained within each section of this chapter overlap and often are mutually dependent for some of the study recommendations to be implemented.



3.1 ROLES AND RESPONSIBILITIES

Section 3.1 reviews and evaluates the roles and responsibilities of the State Board of Education, State Superintendent of Public Instruction, the Education Cabinet, and the Education Commission.

North Carolina is one of 11 states that has the governance model of a State Board of Education appointed by the Governor and an independently elected State Superintendent. In 14 states, there is an elected Chief State School Officer (CSSO), whereas in 36 states, the CSSO is appointed by either the Governor or the State Board.

Thirteen (13) of the 14 CSSOs who are elected have administrative and supervisory responsibility delegated or authorized to them by their state boards of education (two states—Wisconsin and Minnesota—do not have boards) by state statutes, or by their state constitutions to administer and supervise their respective state departments of education as well as their state education systems. **Exhibit 2-2** in **Chapter 2** displayed the various governance models used throughout the nation.

Yet, North Carolina is the only state where the state constitution authorizes the State Board of Education to actually administer and supervise the public education system. This is a critical distinction, and therefore is the controlling element regarding State Board governance and the role of the State Superintendent.

The governance structure for public education, and roles and responsibilities of the State Superintendent, have been a continuing source of controversy and concern for a number of years. This controversy was escalated with the suit filed by (State Superintendent) Bobby Etheridge v. James Martin et al (91CVS13046) in the 1990s.

A prevailing issue throughout this study is the tension between the perception and the reality of the authority and role of the elected State Superintendent, the appointed State Board of Education, and the Deputy Superintendent appointed by the State Board who currently reports directly to the State Board. Many interviewees had a sense of the State Superintendent's role and authority by means of their personal observations of the State Superintendent, the Department of Public Instruction, and the State Board of Education, their biases toward the three entities, and the generally accepted meaning of titles in the field of education.

Few respondents anchored their perceptions and biases to the language of the Constitution, enacted statutes, case law, or Attorney General opinions. The same can be said for their understanding of the role and authority vested in the State Board of Education, the Chairman of the State Board, and the Department of Public Instruction.

In contrast, local district superintendents serve to administer their school districts and manage and supervise their staffs, whereas the local boards of education set policy and hire the superintendent to carry out administrative duties. District superintendents hire deputies who report to the superintendent; deputies are not hired by local boards and do not report directly to the board. Hence, when local board members, local district superintendents, and school district administrators look at the governance structure of the State Board, and the roles of the State Superintendent and Deputy Superintendent, it is understandable why there is confusion and misunderstanding.



In the event that the State Board of Education continues forward with its current policy of limiting the State Superintendent's responsibility to administer and supervise the Department of Public Instruction and the public school system of North Carolina (that began in 2005 when the previous State Superintendent Mike Ward resigned and was replaced by an interim), the following opinions will continue and the current governance structure which diffuses responsibility and hinders accountability will remain:

- *the current structure of governance is ineffective;**
- *there is a vacuum of educational leadership in the State; and*
- *there needs to be an alignment or coherence among the Governor, the State Board of Education, the Chief Education Officer, and the Deputy Superintendent—they need to be on the same page for major education improvement efforts.*

The one universal belief shared among all those surveyed and interviewed was the lack of universal clarity about the authority and roles of the State Board of Education and its Chairman, the Department of Public Instruction, and the State Superintendent. The readily apparent, diffused leadership of public education and the Department of Public Instruction has resulted in an educational system of governance in North Carolina which stakeholders feel is flawed, dysfunctional, confusing, and in need of change. Many stakeholders repeated:

...the governance structure is broken in North Carolina. It is an impossible arrangement set up for failure and confusion. There is a lack of policy setting alignment due to an elected state superintendent and an appointed State Board of Education.

As one interviewee offered:

There is only an appearance of alignment in the current structure. The Governor appoints the Board members, the Board appoints the Deputy to manage the Department of Public Instruction staff and generally oversee the Department of Public Instruction relative to local school systems and schools. The elected State Superintendent is the odd person out.

Universally, it was acknowledged that the State Superintendent is a figurehead, and that the “State Superintendent is a ceremonial position and a ribbon cutter, yet has no power or authority to direct staff or get anything done.”

The current structure diffuses responsibility or gives the appearance of a diffusion of responsibility. This is confusing to DPI staff. Consequently, it was reported that employees are cautious about their relationships with the Deputy and State Superintendent, and feel conflicted regarding loyalties and commitments. In spite of the efforts of the Superintendent and Deputy to avoid conflict, the appearance of conflict still occurs. Staff members often feel caught in the middle. Messages about what is important and what should be done are perceived as inconsistent and, at times, contradictory.

*Italicized bulleted statements throughout Chapters 3 and 4 are direct quotes.



The general perception also exists that the Office of Governor is the real power behind shaping education policy, mainly due to the power of appointment of the State Board of Education members, and indirectly determining and influencing the election of the Chairman of the State Board of Education. The election of Board Chair is controlled by Governor and the action by Board is obligatory. It was reported that the Board Chair is selected behind the scenes by Board members, based on the Governor's expressed desire.

In addition, the Governor chairs and sets the agenda of the Education Cabinet and State Commission, requires that the Department of Public Instruction's proposed budget and budget enhancements are channeled through the Office of the Governor to the General Assembly instead of being directly submitted to the General Assembly, and has veto power over a biennial budget—among other influencing factors. This influential role of the Governor of North Carolina in education may be statutorily and constitutionally more pronounced than in most other states.

Most governors proclaim themselves as education governors. They project that power, sometimes with use of executive orders, whether or not the Office of the Governor is statutorily or constitutionally empowered to do so. In North Carolina, indeed, the Office of the Governor is strongly situated by positional, constitutional, and statutory authority to be a powerful influence on public education.

Interviewees expressed the following: “the Governor controls the State Board of Education;” “the Governor is the real State Superintendent of Education and since the Governor runs the show, let it be transparent.” Further, it was stated that the “Governor is the face /leader of education in the state.” Nonetheless, some interviewees believed that the “Governor must be the face of education and be held accountable for education,” and “the Governor has the power to be the effective educational leader for state, if he/she chooses to use it.”

In summary, local education agencies see everyone as the education leader; but see no one as the leader. This mixed arrangement does not provide the focused and sustained leadership to advance North Carolina's pre-K–12 educational system. The belief is shared that “the schools do not have an advocate for funding, nor for protection against legislative, gubernatorial, political initiatives that are problematic. Higher education has its single leader and it always gets funding. Who speaks for us?...No one.”

The State of North Carolina has two additional entities that are positioned to shape educational policy, if used as statutorily intended: the State Education Commission and the Cabinet. The Education Cabinet—as statutorily designed in 1993 and updated by the General Assembly in 2002—offers a valuable mechanism without creating an additional governing board to bring together the leaders of education in the state in order to address current issues and future challenges that affect the pre-K–20 educational system. According to statute, the Governor is to serve as the Chair of the Cabinet. Provided that the Governor actively uses this entity and actively chairs the Education Cabinet, as designed, then the Governor has an important tool to use in shaping the educational policies of the State across the pre-K–20 education continuum.

Secondly, by statute the State Education Commission includes the Board of Governors of the University of North Carolina, the State Community College Board, and the State Board of Education. The Governor is expected to call the meetings of the Education Commission. The



Commission is intended to be a forum for airing issues and engaging in board-to-board dialogue about issues the Education Cabinet is addressing. The agenda for Commission meetings is to be set by the Education Cabinet.

There is significant value for the governing boards of the three public education entities to meet on a regular, ongoing basis. The need for pre-K–20 articulation to ensure a seamless scope of educational policy and services is critical in the 21st Century. In addition, this is a valuable opportunity for these boards to discuss their organizational and operational structures so that each board may learn from each other important ways to improve effectiveness. The three boards may find common ways to advocate for necessary funding across the level boundaries in order to best serve the educational community’s needs.

There is a general lack of belief there had been substantive activity of the Education Commission over the past eight years. Evergreen’s review confirms this belief.

The State Board of Education’s established a vision and goals, the Department of Public Instruction’s development of a performance management tool and development of metrics for the indicators, the availability of information for accountability and policy guidance, as well as Board member and Superintendent satisfaction with the available information at this time are each addressed in **Section 3.3**. This section also looks at what is in progress to develop an “on-time, real-time” data collection system, and what tools are lacking in the Department of Public Instruction to best provide the State Superintendent, the State Board of Education, the Governor and all other policymakers the appropriate information needed for accountability of the public education system.

In order for a state education system to be responsive and effective, all districts and schools must meet the challenges presented by changing times, higher standards, demanding expectations, and meeting the needs of all students. There is a need for visionary and clear policy setting, an articulated direction, a steady identity of leadership, a single voice that advocates for the state education system, and a clearly identified individual who is looked upon as the driving force of the pre-K–12 education system.

Similarly, in order for a Department of Public Instruction to be effective in its role of administering the policies of the State Board, in responding to the requests and needs of the districts, in implementing state statutes and federal laws, and in administering and monitoring billions of dollars of state and federal funds, there is a need for clear leadership; an identified individual at the helm; and a consistency of expectations, delivery, feedback, and quality control.

The current governance structure for the North Carolina system of public education is struggling with a lack of clearly defined leadership, and a lack of a clearly identified leader with authority and influence. This struggle will continue until such time steps are taken to best define and clearly articulate the diffused roles, responsibilities, and authority of the State Board of Education, the State Superintendent of Public Instruction, and the leadership of the Department of Public Instruction.

Evergreen Solutions believes that, for the North Carolina policymakers to have the type of sophisticated balanced scorecard and dashboard for its accountability system needed for public education, that the State Board of Education, through its administrative arm (the Department of Public Instruction), must move with alacrity in the development of a “dashboard,” as described



in **Section 3.3**. These changing and demanding times call for high levels of information to establish sophisticated accountability systems, a structure of leadership to assure the coherence of policy and its implementation, with agile and crisp administration at all levels.

3.1.1 State Superintendent of Public Instruction

A debate has ensued for two decades regarding the relative authority of two entities—the State Board of Education and the State Superintendent of Public Instruction. This debate escalated with the Etheridge versus Martin lawsuit in the 1990s.

As shown in **Exhibit 3-1**, the North Carolina Constitution states that the Superintendent of Public Instruction will be elected.

Exhibit 3-1 Article 3. Department of Public Instruction Election of Superintendent of Public Instruction

The Superintendent of Public Instruction shall be elected by the qualified voters of the State in 1972 and every four years thereafter at the same time and places as members of the General Assembly are elected. His term of office shall be four years and shall commence on the first day of January next after election and continue until his successor is elected and qualified.

If the office of the Superintendent of Public Instruction is vacated by death, resignation, or otherwise, it shall be the duty of the Governor to appoint another to serve until his successor is elected and qualified. Every such vacancy shall be filled by election at the first election for members of the General Assembly that occurs more than 30 days after the vacancy has taken place, and the person chosen shall hold the office for the remainder of the unexpired term fixed in Article III, Sec. 7 of the Constitution of North Carolina. When a vacancy occurs in the office and the term expires on the first day of January succeeding the next election for members of the General Assembly, the Governor shall appoint to fill the vacancy for the unexpired term of the office. Upon the occurrence of a vacancy in the office for any of the causes stated herein, the Governor may appoint an interim officer to perform the duties of that office until a person is appointed or elected pursuant to Article III, Sec. 7 of the Constitution of North Carolina to fill the vacancy and is qualified.

The time of the election of the Superintendent of Public Instruction shall be in accordance with the provisions of Article 1 of Subchapter I of Chapter 163 of the General Statutes.

The election, term and induction into office of the Superintendent of Public Instruction shall be in accordance with the provisions of G.S. 147-4. (1981, c. 423, s. 1.)

Source <http://www.NCleg.net/EnactedLegislation/Statutes/HTML/BySection/Chapter 115C-18>.

As shown in **Exhibit 3-2**, the North Carolina Constitution states that the Superintendent of Public Instruction will be the Secretary and Chief Administrative Officer of the State Board of Education.

Exhibit 3-2 Constitution of the State of North Carolina Article on the Superintendent of Public Education

EDUCATION

Sec. 4. (2) Superintendent of Public Instruction. The Superintendent of Public Instruction shall be the secretary and chief administrative officer of the State Board of Education.

Source <http://statelibrary.dcr.state.NC.us/NC/stgovt/article-vii-xiv.htm#IX> and www.NCpublicschools.org.

N.C.G.S. 115C-19 restates the Constitution (shown in **Exhibit 3-2**) to emphasize that the Superintendent of Public Instruction shall be the Secretary and Chief Administrative Officer of the State Board of Education “subject to the direction, control, and approval of the State Board of Education.” **Exhibit 3-3** contains this statute.



Exhibit 3-3

Statute on the Role of State Superintendent

115C-19. Chief Administrative Officer of the State Board of Education .

As provided in Article IX, Sec. 4(2) of the North Carolina Constitution, the Superintendent of Public Instruction shall be the secretary and chief administrative officer of the State Board of Education. As secretary and chief administrative officer of the State Board of Education, the Superintendent manages on a day-to-day basis the administration of the free public school system, subject to the direction, control, and approval of the State Board of Education. Subject to the direction, control, and approval of the State Board of Education, the Superintendent of Public Instruction shall carry out the duties prescribed under G.S. 115C-21. 1955, c. 13§72, art. 3, s. 1; 1971, c. 704, s. 5; 1981, c. 423, s. 1; 1987 (Reg. Sess., 1988), c. 1025, s. 4; 1995, c. 72, s. 1.)

Source <http://www.NCleg.net/EnactedLegislation/Statutes/HTML/BySection/Chapter 115C-18 through 21>.

N.C.G.S. 115C-21 designates the administrative and secretarial duties of the State Superintendent “subject to the direction, control, and approval of the State Board of Education.” **Exhibit 3-4** delineates the powers and duties of the State Superintendent as contained in this section of the statute.

Exhibit 3-4

Powers and Duties of the State Superintendent

- (a) Administrative Duties. – Subject to the direction, control, and approval of the State Board of Education of Education, it shall be the duty of the Superintendent of Public Instruction:
- (1) To organize and establish a Department of Public Instruction which shall include such divisions and departments as the State Board of Education considers necessary for supervision and administration of the public school system. All appointments of administrative and supervisory personnel to the staff of the Department of Public Instruction are subject to the approval of the State Board of Education of Education, which may terminate these appointments for cause in conformity with Chapter 126 of the General Statutes, the State Personnel System.
 - (2) To keep the public informed as to the problems and needs of the public schools by constant contact with all school administrators and teachers, by personal appearance at public gatherings, and by information furnished to the press of the State.
 - (3) To report biennially to the Governor 30 days prior to each regular session of the General Assembly, such report to include information and statistics of the public schools, with recommendations for their improvement and for changes in the school law.
 - (4) To have printed and distributed such educational bulletins as are necessary for the professional improvement of teachers and for the cultivation of public sentiment for public education, and to have printed all forms necessary and proper for the administration of the Department of Public Instruction.
 - (5) To manage all those matters relating to the supervision and administration of the public school system that the State Board of Education delegates to the Superintendent of Public Instruction.
 - (6) To create a special fund within the Department of Public Instruction to manage funds received as grants from nongovernmental sources in support of public education. Effective July 1, 1995, this special fund is transferred to the State Board of Education of Education and shall be administered by the State Board of Education in accordance with G.S. 115C-410.
 - (7) Repealed by Session Laws 1995, c. 72, s. 2.
- (b) Duties as Secretary to the State Board of Education of Education. – Subject to the direction, control, and approval of the State Board of Education of Education, it shall be the duty of the Superintendent of Public Instruction:
- (1) administer through the Department of Public Instruction, the instructional policies established by the Board.
 - (1a) Repealed by Session Laws 1995, c. 72, s. 2.

Source <http://www.NCleg.net/EnactedLegislation/Statutes/HTML/BySection/Chapter 115C-21>.

Evergreen consultants conducted a comprehensive review of multiple documents, letters, ratified legislation, draft legislation, and Attorney General opinions, including but not limited to the following:



- *Historical Perspective on Education Governance as Provided for the NC Constitution* (1992), Unknown author.
- *Suit filed by Bobby Etheridge v. James Martin et al 91CVS13046* and answer filed by Defendants 1/23/92.
- *North Carolina State Board of Education and Bobby R. Etheridge 92CV08138.*
- Order of Judge Farmer Wake County Superior Court in 91 CVS13046-4/3/1992.
- *A Statement of Governance of Elementary and Secondary Education in North Carolina* in 1985, Dr. Craig Phillips, State Superintendent of Education.
- Drafts of a bill entitled *An Act to Provide a Revised Structure for the Governance of Public Education*; Proposed HB 2134 and SB 46; Draft of recommendations made to Legislative Research Commission; Summary of Proposals; Excerpts from *Education in North Carolina*, 1985-1987.
- Letter to the Chairman and Members of the State Board and the State Superintendent of Public Instruction, January 1989, written by Edwin Speas and Laura Crumpler of the Attorney General's Office.
- House Bill 2134 General Assembly of North Carolina, Session 1985.
- Senate Bill 46 Assembly of North Carolina, Session 1985.
- Senate Bill 28 Assembly of North Carolina, Session 1993.
- House Bill 331 General Assembly of North Carolina, Session 1987.
- House Bill 7, General Assembly of North Carolina, Guthrie v. Taylor 279N.C.703;185 S.E. 2d193 1971 N.C.Lexis 9115.
- Letter to Senators Robert and Edward Warren (re: Constitutionality of Proposed Legislation Concerning the Duties and Position of the State Superintendent of Public Instruction, April 1987) written by Andrew Vanore and Edwin Speas of the Attorney General's Office.
- Resolution Providing Staff to Assist the State Board of Education in Performing its Constitutional Duties; Executive Directive No. 21, Letters between Martin and Etheridge regarding directives 9/5/91; 11/4/91 and 11/6-7/91.
- 1992 GPAC study conducted by KPMG Peat Marwick and entitled *Governance Structure for Public Education*.
- *Responding to the Leandro Ruling*, the Public School Forum's Study Group XI, March 2005.
- *Public Policy Agenda 2007-2009*, Education Coalition, 2007.



The most recent Attorney General's Advisory Opinion [dated December 14, 1995, and entitled *Attorney General's Advisory Opinion: Authority of the North Carolina General Assembly and the State Board of Education of Education to Supervise and Control the Administrative and Secretarial Duties of the State Superintendent of Public Instruction* (Article IX of the North Carolina Constitution: N.C.G.S.115C-19 and 115C-21)] is shown in **Exhibit 3-5**. This appears to be the last time the Attorney General opined on the issue. There has not been a challenge since 1995 seeking clarification of the matter.

The clear language at the end of the Attorney General's advisory opinion has served as the controlling force in defining the roles of State Board of Education and State Superintendent for the past 13 years.

The intent of the General Assembly to subordinate the State Superintendent to the will and authority of the State Board of Education, when it enacted N.C.G.S. §§115C-19 and 115C-21, is beyond question. The General Assembly made all of the statutory duties and responsibilities of the State Superintendent "subject to the direction, control, and approval of the State Board of Education."

Because the General Assembly did not define the words *direction*, *control*, or *approval*, we look elsewhere to see what those words commonly mean. Black's Law Dictionary defines these words as follows:

- **Direction** - *the act of governing, management, and supervision; that which is imposed by directing; a guiding or authoritative instruction; order; command.*
- **Control** - *to exercise restraining or directing influence over; regulate; restrain; dominate; curb; to hold from action; overpower; counteract; govern.*
- **Approval** - *the act of confirming, ratifying, sanctioning, or consenting to some act or thing done by another.*

Although it would have sufficed for the General Assembly to indicate its intent that the State Board of Education clearly predominate over the State Superintendent by the use of only one of these three words, it chose three of the strongest expressions indicating authority over another.

The State Board of Education clearly has the authority to determine and control the duties and responsibilities of the State Superintendent. Should the State Board of Education conclude that the day-to-day operation of the Department of Public Instruction should be the responsibility of someone other than the State Superintendent, it is our opinion that the State Board has that authority by virtue of the laws enacted by the General Assembly. This belief is based on the clear language of Article III, §7(2) of the Constitution that the State Superintendent's "duties shall be prescribed by law," and the clear language of N.C.G.S. §§115C-19 and 115C-21 which state that all of the State Superintendent's prescribed duties as chief administrative officer and secretary to the State Board of Education are "subject to the direction, control, and approval of the State Board of Education."



Exhibit 3-5

**Attorney General's Advisory Opinion: Authority of the North Carolina General Assembly and the State Board of Education to Supervise and Control the Administrative and Secretarial Duties of the State Superintendent of Public Instruction
(Article IX of the North Carolina Constitution; N.C.G.S. §§115C-19, and 115C-21)**

December 14, 1995
Bob Etheridge, State Superintendent
N.C. Department of Public Instruction
Education Building
301 North Wilmington Street
Raleigh, North Carolina 27601-2825

RE: Advisory Opinion; Authority of the North Carolina General Assembly and the State Board of Education of Education to Supervise and Control the Administrative and Secretarial Duties of the State Superintendent of Public Instruction; Article IX of the North Carolina Constitution; N.C.G.S. §§115C-19, and 115C-21

Dear Superintendent Etheridge:

We reply to your letter dated December 12, 1995 requesting our opinion on the following, which I quote directly from your December 12 letter: Among the legislation approved by the 1995 General Assembly were House Bill 7 and other statutes [Chapter 72 of the 1995 Session Laws, codified as N.C.G.S. §§115C-19, and 115C-21] that stripped the State Superintendent of Public Instruction of many historic duties and gave those duties to the State Board of Education. I fully understand the legislation was designed to transfer to the State Board of Education the responsibility for making educational policy for North Carolina schools. However, that same legislation specified that the State Superintendent was to be the chief administrative officer for the State Board of Education, with responsibility for implementing policy. Nowhere in the legislation do I find any stipulations that could be used to ignore the State Superintendent's chief administrative officer duties or lawfully pass those duties on to others, including the chairman of the State Board of Education or any other administrative officer appointed by the State Board of Education. Therefore, I formally request that you issue in writing your interpretation of the language of the recent legislation affecting this office, with particular emphasis on those that constitute my duties as chief administrative officer. I ask that you deal with my rights to direct staff, to be notified of top administrative staff meetings, to sign contracts, and to be kept abreast of policy directions mandated by the State Board of Education.

The major change made by the General Assembly in House Bill 7, Chapter 72 of the 1995 Session Laws was to subordinate the statutorily designated duties of the State Superintendent of Public Instruction as chief administrative officer and secretary to the State Board of Education "to the direction, control, and approval of the State Board of Education." See, N.C.G.S. §115C-19, which restates Article IX, Section 4(2) of the Constitution that the State Superintendent is the secretary and chief administrative officer of the State Board of Education "subject to the direction, control, and approval of the State Board of Education;" and N.C.G.S. §115C-21, which designates the administrative and secretarial duties of the State Superintendent "subject to the direction, control, and approval of the State Board of Education."

The Constitution gives the State Board of Education the responsibility generally to supervise and administer the public school system. N.C. Constitution, Article IX, §4. Responsibility for the day-to-day operation of the public school system is given to the State Superintendent -- a constitutional officer elected by the people -- by making him the chief administrative officer of the State Board of Education, as well as its secretary. N.C. Constitution, Article IX, §5. Most importantly, the Constitution expressly makes the authority and responsibilities of both the State Board of Education and the State Superintendent subject to laws passed by the General Assembly. Article IX, §5 provides that the State Board of Education "shall supervise and administer the free public school system . . . subject to the laws enacted by the General Assembly." Article III, §7(2) provides that the Superintendent's "duties shall be prescribed by law." (Emphasis added). Unquestionably, the framers of the Constitution intended for the State Superintendent's powers and duties to be adjusted from time to time by the General Assembly.

Moreover, our Supreme Court has recognized the General Assembly's power in this regard and established several very important and pertinent doctrines concerning the constitutional powers of the State Board of Education, which doctrines equally apply to the constitutional powers of the State Superintendent. Our Supreme Court has made crystal clear; (1) that the State Board of Education's constitutional powers are subject to limitation and revision by acts of the General Assembly, (2) that the State Board of Education is bound by the General Assembly's policy determinations, and (3) that the State Board of Education acts beyond its authority when it attempts to take actions contrary to statute. *Guthrie v. Taylor*, 279 N.C. 703, 710, (1971), cert. denied, 406 U.S. 920, (1972). *State v. Whittle Communications*, 328 N.C. 456, 466, 468, 470-71, (1991). Although neither of these Supreme Court decisions directly addresses the constitutional powers of the State Superintendent, the rationale and conclusions reached by our Supreme Court in each decision apply with equal force to the constitutional authority of the General Assembly to change, extend or limit the responsibility and duties of the State Superintendent.



Exhibit 3-5 (Continued)

Attorney General's Advisory Opinion: Authority of the North Carolina General Assembly and the State Board of Education to Supervise and Control the Administrative and Secretarial Duties of the State Superintendent of Public Instruction (Article IX of the North Carolina Constitution; N.C.G.S. §§115C-19, and 115C-21)

I. In *Guthrie v. Taylor*, 279 N.C. 703 (1971), cert. den., 406 U.S. 920 (1972), the Supreme Court held that the State Board of Education's powers are subject to limitation and revision by the General Assembly. In the *Guthrie* case, a teacher attacked a State Board of Education regulation that required teachers to renew their teaching certificates every five years by earning credits based on college courses completed at their own expense. The case arose under Article IX of the former Constitution which provided, in pertinent part, that: Sec. 8: "State Board of Education. - The general supervision and administration of the free public school system . . . shall . . . be vested in the State Board of Education . . ."

Sec. 9: "Powers and duties of the board. - The State Board of Education shall . . . have power . . . to regulate the grade, salary, and qualifications of teachers . . . and generally to supervise and administer the free public school system of the State and make all needful rules and regulations in relation thereto. All the powers enumerated in this section shall be exercised in conformity with this Constitution and subject to such laws as may be enacted from time to time by the General Assembly. *Guthrie*, 279 N.C. at 709-10, (emphasis added).

The Court then focused on the "subject to" language in former Section 9 and concluded that this clause empowered the General Assembly to limit and revise the State Board of Education's express constitutional powers, including the power to regulate teacher qualifications -- a supervisory power expressly included in the Constitution. The Court held that in the absence of legislation to the contrary, the State Board of Education had the authority to enact the challenged regulations:

The last sentence in Article IX, §9, above quoted, was designed to make, and did make, the powers so conferred upon the State Board of Education subject to limitation and revision by acts of the General Assembly. The Constitution, itself, however, conferred upon the State Board of Education the powers so enumerated, including the powers to regulate the salaries and qualifications of teachers and to make needful rules and regulations in relation to this and other aspects of the administration of the public school system. Thus, in the silence of the General Assembly, the authority of the State Board of Education to promulgate and administer regulations concerning the certification of teachers in the public schools was limited only by other provisions of the Constitution itself. *Id.*, at 710. (emphasis added). The Court noted that the changes made in the 1971 Constitution (during the pending of the case) retained in §5 of Article IX the provision making the State Board of Education's powers "subject to the laws enacted by the General Assembly," and the Court concluded that "(t)here is no difference in substance between the powers of the State Board of Education with reference to this matter under the old and the new Constitutions." *Id.*

Without question, the Supreme Court decided in *Guthrie* that, even as to powers expressly conferred on the State Board of Education by the Constitution, exercise of the State Board of Education's enumerated powers is subject to laws enacted by the General Assembly. If the General Assembly may change the State Board of Education's enumerated constitutional powers and duties, the General Assembly likewise may change, the State Superintendent's enumerated constitutional powers and duties.

In *State v. Whittle Communications*, 328 N.C. 456 (1991), the Supreme Court held that the State Board of Education is bound by the General Assembly's policy determinations. In *State v. Whittle Communications*, the State Board of Education attempted to prevent local school districts from contracting with Whittle Communications for receipt of a short video news program known as Channel One. The determination of what type of educational materials could be presented to school children across the State logically comes within the ambit of the State Board of Education's constitutional power to "supervise and administer" the State's public school system. That is what the State Board of Education contended in court to support the rules it enacted to prevent local school boards from entering into Channel One contracts. However, the Supreme Court focused on the language in Article IX, §5 that the School Board's power was "subject to the laws enacted by the General Assembly" and concluded that "we must examine our statutes to ascertain whether the General Assembly has enacted laws which would limit the power of the State Board of Education in the area of selection of materials such as Channel One which we conclude is a supplementary instructional material." 328 N.C. at 464. The Court then concluded that the General Assembly had enacted a statute -- N.C.G.S. §115C-98(b) - that placed the responsibility for selection of supplementary materials in the hands of the local school boards. As a consequence, the Supreme Court held that the State Board of Education acted in excess of its authority by taking actions in contravention of that statute: Thus, the General Assembly, by adopting [N.C.G.S. §115C-98(b)] placed the decision making process for the selection and procurement of these supplementary instructional materials in the exclusive domain of the local school boards . . . Since Channel One is a supplementary instructional material and since the General Assembly placed the procurement and selection of supplementary instructional materials under the control of the local school boards, the State Board of Education acted in excess of its authority in enacting this rule because the State Board of Education had no authority to enact a rule on this subject. *Whittle Communications*, 328 N.C. at 466. The *Whittle* case made clear that the General Assembly has the preeminent constitutional power to make policy decisions relating to the public school system which are binding on the State Board of Education and the State Superintendent.



Exhibit 3-5 (Continued)

Attorney General's Advisory Opinion: Authority of the North Carolina General Assembly and the State Board of Education to Supervise and Control the Administrative and Secretarial Duties of the State Superintendent of Public Instruction (Article IX of the North Carolina Constitution; N.C.G.S. §§115C-19, and 115C-21)

Finally, the intent of the General Assembly to subordinate the State Superintendent to the will and authority of the State Board of Education when it enacted N.C.G.S. §§115C-19 and 115C-21 is beyond question. The General Assembly made all of the statutorily designated duties and responsibilities of the State Superintendent "subject to the direction, control, and approval of the State Board of Education." (emphasis added) Because the General Assembly did not define the words "direction," "control," or "approval," we look elsewhere to see what those words commonly mean. Black's Law Dictionary, Deluxe Fourth Edition (1951) defines those words as follows:

Direction - the act of governing; management; supervision. That which is imposed by directing; a guiding or authoritative instruction; order; command. Control - to exercise restraining or directing influence over; regulate; restrain; dominate; curb; to hold from action; overpower; counteract; govern.

Approval - the act of confirming, ratifying, sanctioning, or consenting to some act or thing done by another.

Although it would have sufficed for the General Assembly to indicate its intent that the State Board of Education would clearly predominate over the State Superintendent in this regard by the use of only one of those three words, it chose three of the strongest expressions indicating authority over another.

Based on the clear language of Article III, §7(2) of the Constitution that the State

Superintendent's "duties shall be prescribed by law," and the clear language of N.C.G.S. §§115C-19 and 115C-21 that all of the State Superintendent's prescribed duties as chief administrative officer and secretary to the State Board of Education are "subject to the direction, control, and approval of the State Board of Education," it is our opinion that the State Board of Education has the authority to determine and control the duties and responsibilities of the State Superintendent. Should the State Board of Education conclude that the day-to-day operation of the Department of Public Instruction should be the responsibility of someone other than the State Superintendent, it is our opinion that the State Board of Education has that authority by virtue of the laws enacted by the General Assembly. In exercising that authority, we are confident that the State Board of Education recognizes that the State Superintendent is a constitutional officer, and that the State Board of Education and the State Superintendent will work together for the good of all our citizens, and especially for our children.

Andrew A. Vanore, Jr.

Chief Deputy Attorney General

Source www.NClegal.com/NCattyGenOps.htm.

Furthermore, it must be noted that on page two of the Attorney General's Advisory Opinion (provided in **Exhibit 3-5**), it states that "Unquestionably, the framers of the Constitution intended for the State Superintendent's powers and duties to be adjusted from time to time by the General Assembly."

Beginning with the term of former State Superintendent Bobby Etheridge—continuing through the tenures of former State Superintendent Mike Ward, Interim Superintendent Tricia Willoughby and Interim State Superintendent Janis Davis—and throughout the tenure of the current State Superintendent June St. Clair Atkinson, the State Board of Education had exercised its power and duty to make rules and regulations by means of State Board policies that have defined the State Superintendent's authority. Although the N.C.G.S. 115C-19 and 115C-21 delineate the powers and duties of the State Superintendent, the clear language of the Constitution regarding the State Board of Education's power to make rules and regulations; as well as the clear language of the Attorney General's opinion regarding direction, control, and approval of the State Board of Education regarding the State Board of Education's authority over



the State Superintendent, the scope of authority delegated to the State Superintendent for the past 13 years has varied.

During the term of State Superintendent Bobby Etheridge in 1995, the Board limited the role of the State Superintendent and entrusted the Deputy State Superintendent Richard Thompson with managerial duties of DPI. Yet, State Superintendent Ward, by virtue of his relationship with the State Board of Education, enjoyed a full range of responsibility and authority subject to the State Board of Education's approval. Then, beginning with the two Interim State Superintendents and continuing with the incumbent State Superintendent, the State Board of Education has restricted the authority and responsibilities of the State Superintendent.

In the September 2, 2004 version of State Board of Education's Policy EEO-C-013, entitled *Policy Delineating the Delegation of Authority from the State Board of Education to the Superintendent of Public Instruction*, the Deputy Superintendent is stated as "solely and directly" reporting to the State Superintendent. This policy is shown in **Exhibit 3-6**.

This same State Board of Education's Policy (EEO-C-013), as amended in February 2007, changes the Deputy Superintendent's reporting relationship from the State Superintendent to, "report to the State Board of Education." Further, "the State Board of Education delegates to the Deputy the power and duty to manage the Department of Public Instruction....." This revised policy is shown in **Exhibit 3-7**.

The consequence of this change of policy relegates the State Superintendent to have only three staff to appoint and supervise (a policy advisor and two support staff), whereas the Deputy—subject to the direction, control, and approval of the State Board of Education—has the power and duty "to approve all agency employment decisions for the position of section chief and below..."

Policy EEO-C-013 articulates that "the Deputy, after consultation with the State Superintendent, recommends employment decisions regarding the positions of director and above to the State Board of Education, which shall make the employment decision." Interviews with the State Superintendent, the Chairman of the State Board of Education, and the Deputy Superintendent, and a review of State Board of Education minutes, have confirmed that a professional courtesy has been extended to the State Superintendent to make personnel recommendations to the State Board of Education at the Board meetings. However, this act is one of mere professional courtesy and protocol as the Superintendent is neither hiring nor supervising the staff the State Superintendent officially recommends.

To illustrate this very point in the extreme, the State Superintendent was called upon to recommend to the State Board of Education the employment of the Deputy Superintendent in February 2007. This position no longer reported to the Superintendent, and the individual who was being recommended for employment had neither been interviewed nor selected by the State Superintendent. During the campaign for the elected State Superintendent in 2004, the individual recommended for the position as Deputy Superintendent in 2007 was a rival of the State Superintendent and had finished third in the race. Interviewees generally remarked that the Superintendent's and Deputy's relationship was set up to fail. DPI interviewees expressed that there is a "very awkward relationship between the Deputy and the Superintendent."



Exhibit 3-6
State Board of Education Policy EEO-C-013
on Role of State Superintendent and Deputy Superintendent

NORTH CAROLINA STATE BOARD OF EDUCATION
Policy Manual

Policy Identification

Priority: Effective and Efficient Operations

Category: State Board of Education/Department of Public Instruction Op

Policy ID Number: EEO-C-013

Policy Title: Policy delineating the delegation of authority from the State Board of Education to the Superintendent of Public Instruction

Other Historical Information: Previous board dates: 01/08/1997, 06/05/1997, 09/04/1997, 10/04/1997, 11/06/1997, 12/04/1997, 03/05/1998, 11/05/1998, 10/07/1999, 12/06/2001, 12/04/2003, 05/06/2004, 09/02/2004

Statutory Reference:

Administrative Procedures Act (APA) Reference Number and Category:

Pursuant to Article IX, sec. 5 of the Constitution of North Carolina, G.S. 115C-12 and G.S. 143A-44.1 through 44.3, the State Board is responsible for the general supervision and administration of the North Carolina free public school system and is Head of the Department of Public Instruction. In accordance with Article IX, sec. 4(2) and G.S. 115C-19 and 21 and G.S. 143A-44.3, the State Superintendent is the Secretary and Chief Administrative Officer of the State Board and carries out these duties subject to the direction, control and approval of the State Board.

In accordance with the Article IX, Sec. 4(2) of the Constitution of the State of North Carolina, G.S. 115C-19 and 21, G.S. 143A-44.1 through 44.3, and other pertinent laws, the State Board of Education (the State Board) hereby adopts these policies for the purpose of (1) describing the duties of the State Superintendent of Public Instruction (the State Superintendent) and (2) delegating certain powers and duties to the State Superintendent. This delegation shall be effective for a one-year period ending on December 31. On or before December 31 of each year, the State Board shall review the delegation to determine whether it is resulting in effective and efficient implementation of the delegated powers and duties. Based upon its review, the State Board may extend the delegation of any or all of the delegated powers and duties for an additional one-year period. It may also add to or remove from the delegated powers and duties as it may deem appropriate for the effective and efficient implementation of the State Board's authority. These policies may be further modified or repealed by the State Board at any time the Board deems such action appropriate.

PROPOSED AUTHORITY FOR STATE SUPERINTENDENT

The State Board hereby delegates to the State Superintendent the power and duty:

1. To organize and reorganize the Department of Public Instruction to effectively implement the policies and rules of the State Board of Education and to report such actions to the State Superintendent. Associate Superintendents and other Department staff will report to the Deputy Superintendent, unless otherwise approved by the State Board;
2. To administer the Department of Public Instruction consistent with the State Board policies and rules as well as all relevant State and federal laws;
3. To implement policies and rules of the State Board and to report regularly to the State Board regarding implementation of those policies and rules;
4. To employ all staff of the Department of Public Instruction; provided, the State Board retains the authority to employ all State Board staff; and provided further, the State Board retains the authority, after consulting with the State Superintendent, to employ the Deputy Superintendent of Public Instruction, Associate Superintendents, Division Directors, and other policy-making employees of the Department of Public Instruction who are exempt from the State Personnel Act.
5. To execute and issue for and on behalf of the State Board documents signifying compliance with State or federal law or State Board policies or rules, including, but not limited to licenses for principals, teachers and all other school personnel required to have licenses;
6. To advise the State Board promptly and fully about problems and issues concerning the operation of the uniform system of free public schools and the education of the State's children, and take actions to address such problems and issues;



Exhibit 3-6 (Continued)
State Board of Education Policy EEO-C-013
on Role of State Superintendent and Deputy Superintendent

7. To execute financial transactions on behalf of the State Board to assure that funds under the control of the State Board and the Department of Public Instruction are deposited and disbursed in accordance with State and federal laws and State Board policies and rules;
8. To execute grant applications and other grant documents approved by the State Board and to administer all grant programs in accordance with their terms and applicable State and federal laws;
9. To assign to employees of the Department of Public Instruction such of her duties and responsibilities as the State Superintendent deems reasonable and prudent, including the duty and responsibility to execute documents and contracts and to employee staff; provided the State Superintendent shall regularly report assignments of her duties and responsibilities to the State Board;
10. To keep the public informed as to the problems and needs of the public schools in accordance with G.S. 115C-21(a)(2);
11. To sign Charter School agreements in those instances where the State Board of Education has approved the Charter School, but the local education agency has refused to sign;
12. To review and respond to LEA requests for individual class size waivers;
13. To review and respond to textbook publishers' requests to substitute a newer copyright edition for an older edition on contract, and review and respond to publishers' requests for contract assignment of a title(s) or entire contract to another publisher;
14. To approve and execute all contracts entered into by the Department of Public Instruction on behalf of the State Board of Education, and to report these contracts to the Board monthly as information;
15. To approve all legislative reports that do not mandate that the State Board of Education develop policy or take specific actions and to distribute these reports to board members as information;
16. To approve requests from local boards of education to assign one principal to administer two or more schools;
17. To set annual compliance dates for the charter school application process as specified in law;
18. To settle cases during the litigation for license suspension and revocation cases. Department of Justice Education Section lawyer(s) and DPI and SBE staff members will advise State Superintendent on settlement matters; and
19. To review, accept, or reject the local improvement plans which are related to the legislation for Aid to Low-Performing and At-Risk Schools. The State Superintendent must take action on all submitted plans within 15 days of receipt of these plans;
20. Upon the receipt of a written request for reinstatement of a suspended or revoked license or granting of a new license after denial of licensure and substantiating information, the Superintendent of Public Instruction will conduct an investigation sufficient to determine whether reasonable cause exists to reinstate the license or to grant a new license. The Superintendent shall prepare and file a written recommendation relative to the request with the SBE.
21. To meet the requirements of SB 708, An Act to Eliminate Unnecessary and Duplicative Paperwork in the Public Schools.

Last amended by the State Board of Education this 2nd day of September 2004 and revised as needed by action of the State Board of Education.

Howard N. Lee, Chairman
Position Description: Deputy Superintendent
Department of Public Instruction

REPORTING LINES:

The Deputy Superintendent reports solely and directly to the State Superintendent.

Source [www.http://sbepolicy.dpi.state.nc.us/policies/EEO-C-013.asp](http://sbepolicy.dpi.state.nc.us/policies/EEO-C-013.asp).



Exhibit 3-7
Revisions to State Board of Education Policy EEO-C-013
Made on February 1, 2007

NORTH CAROLINA STATE BOARD OF EDUCATION
Policy Manual

Policy Identification

Priority: Effective and Efficient Operations

Category: State Board of Education/Department of Public Instruction Op

Policy ID Number: EEO-C-013

Policy Title: Policy delineating the delegation of authority from the State Board of Education to the Superintendent of Public Instruction

Current Policy Date: 02/01/2007

Other Historical Information: Previous board dates: 01/08/1997, 06/05/1997, 09/04/1997, 10/04/1997, 11/06/1997, 12/04/1997, 03/05/1998, 11/05/1998, 10/07/1999, 12/06/2001, 12/04/2003, 05/06/2004, 09/02/2004

Statutory Reference:

Administrative Procedures Act (APA) Reference Number and Category:

Pursuant to Article IX, sec. 5 of the Constitution of North Carolina, G.S. 115C-12 and G.S. 143A-44.1 through 44.3, the State Board is responsible for the general supervision and administration of the North Carolina free public school system and is Head of the Department of Public Instruction. In accordance with Article IX, sec. 4(2) and G.S. 115C-19 and 21 and G.S. 143A-44.3, the State Superintendent is the Secretary and Chief Administrative Officer of the State Board and carries out these duties subject to the direction, control and approval of the State Board.

In accordance with the Article IX, Sec. 4(2) of the Constitution of the State of North Carolina, G.S. 115C-19 and 21, G.S. 143A-44.1 through 44.3, and other pertinent laws, the State Board of Education (the State Board) hereby adopts these policies for the purpose of (1) describing the duties of the State Superintendent of Public Instruction (the State Superintendent) and (2) delegating certain powers and duties to the State Superintendent. This delegation shall be effective for a one-year period ending on December 31. On or before December 31 of each year, the State Board shall review the delegation to determine whether it is resulting in effective and efficient implementation of the delegated powers and duties. Based upon its review, the State Board may extend the delegation of any or all of the delegated powers and duties for an additional one-year period. It may also add to or remove from the delegated powers and duties as it may deem appropriate for the effective and efficient implementation of the State Board's authority. These policies may be further modified or repealed by the State Board at any time the Board deems such action appropriate.

The State Board hereby delegates to the State Superintendent the power and duty:

1. To keep the public informed as to the problems and needs of the public schools in accordance with G.S. 115C-21(a)(2); and in alignment with State Board policy;
2. To advise the State Board promptly and fully about problems and issues concerning the operation of the uniform system of free public schools and the education of the State's children;
3. Following approval by the Associate Superintendent for Financial and Business Services and Deputy, to execute all contracts entered into by the Department of Public Instruction on behalf of the State Board and to report these contracts to the State Board monthly as information;
4. Upon recommendation by the Associate Superintendent for Financial and Business Services and Deputy, to determine on behalf of the State Board the annual premium rate to be charged for the insurance of school properties as provided by Article 38 of Chapter 115C of the North Carolina General Statutes and to report these rates to the State Board as information;



Exhibit 3-7 (Continued)
Revisions to State Board of Education Policy EEO-C-013
Made on February 1, 2007

5. To execute and issue for and on behalf of the State Board documents signifying compliance with State or federal law or State Board policies or rules, including, but not limited to licenses for principals, teachers and all other school personnel required to have licenses;
6. To settle cases during the litigation for license suspension and revocation cases. Department of Justice Education Section lawyer(s) and DPI and SBE staff members will advise State Superintendent on settlement matters; and
7. Upon the receipt of a written request for reinstatement of a suspended or revoked license or granting of a new license after denial of licensure and substantiating information, the Superintendent of Public Instruction will conduct an investigation sufficient to determine whether reasonable cause exists to reinstate the license or to grant a new license. The Superintendent shall prepare and file a written recommendation relative to the request with the SBE.

The Deputy shall report to the State Board. The State Board hereby delegates to the Deputy the power and duty:

1. To manage the Department of Public Instruction subject to the direction, control, and approval of the State Board; and
2. To approve all agency employment decisions for the positions of section chief and below, which decisions the Deputy shall report to the State Board. After consultation with the Superintendent, the Deputy shall recommend employment decisions regarding positions of director and above to the State Board, which shall make the employment decision.

Last amended by the State Board of Education this 1st day of February 2007 and revised as needed by action of the State Board of Education.

Howard N. Lee, Chairman

Source: Hard copy provided by the Office of the State Board of Education, 2008.

Note: On-line policy was not up to date as of 12/5/08.

FINDING

The State Board of Education has acted within its constitutional and statutory capacity to define and limit the State Superintendent's role, responsibilities, duties, and authority. The State Board has taken clear steps to limit the Superintendent's authority as being subordinate to the State Board and "subject to the direction, control, and approval of the State Board of Education".

The policy actions taken by the State Board of Education relative to the duties of the State Superintendent has relegated the position to one lacking in authority, substance, and influence. In the past few years, once again (as in mid-1990s) the State Board of Education has taken steps to further limit the authority of the State Superintendent of Public Instruction, to eliminate the responsibility of the State Superintendent to administer and supervise the Department of Public Instruction, and to place the responsibility of management of the agency responsible for carrying out Board policies in the hands of a Deputy Superintendent who reports directly to the State Board and not to the State Superintendent.

These actions have sent a mixed and confusing message to stakeholders throughout North Carolina. The local superintendents and other stakeholders, who expect to see the elected State Superintendent have authority and administer the Department of Public Instruction, witness that



the elected State Superintendent has no authority and little responsibility. They see the authority for the operations of the Department of Public Instruction divorced from the State Superintendent.

The LEAs lament that there is frequent reorganization and turnover in the department. DPI also has difficulty in finding highly qualified individuals to hold key positions. There is a frustration that the state agency cannot assist them and does not have the capacity or capability to do so. They realize that the State Superintendent, who is visible in the field and interactive with the LEAs and stakeholders, simply does not have the authority to address their needs nor to represent them as their chief advocate and spokesperson for public education in the State.

LEAs and other stakeholders see a highly visible Chairman of the State Board who often articulates the Board's vision, goals, and policies; a State Superintendent who is visible in the field; and a Deputy who is in control of the Department of Public Instruction. Yet, LEAs and other stakeholders are unclear as to the relationship of the Chairman, the State Superintendent, and the Deputy Superintendent with regard to the coherence of policy, expectations, and authority.

Should the Board continue with its current policy that the Superintendent is to have this limited role and not manage the DPI, then steps need to be taken to redefine the State Superintendent's and her staff's responsibilities as well as to officially invest the authority and responsibility into a single, identified position to be the leader of public education in the state, and of course, "subject to the direction, control, and approval of the State Board of Education."

NOTE:

Recommendations 3-1 through 3-7 which follow provide a pathway to a new unitary governance system for public education in North Carolina, short of a constitutional question to eliminate a statewide elected official. These recommendations, collectively, satisfy the Constitutional powers and duties vested in the position of the State Superintendent, and maintain the Constitutional authority for the State Board of Education to administer and supervise public education.

Evergreen's recommendations provide a governance structure consistent with the intent of the North Carolina State Constitution and one that is familiar as the common corporate model: an appointed or elected board member serving as both the Chairman and Chief Executive Officer. Creating and implementing such a model places the State Board in its rightful position and authority of setting policy, and carrying out its administrative as well as supervisory role.

In this revised governance model applied to the State Board of Education, the individual nominated to be the Board member (and Chairman/CEO-designee) would be appointed by the Governor and confirmed by the General Assembly, as per the required process as provided for in the Constitution). The official process of the selection of a Chairman by the State Board, who would become the Chairman and Chief Executive Officer, would be a transparent one.

In addition, the very public and visible nature of this process would focus public attention on the importance of the selection of the individual to serve in the dual role—the appointment and the confirmation process. This transparent action would also send a strong message regarding the vested responsibility in the new Chairman/Chief Executive Officer as well as the clarification of the constitutional duties of the Chief Administrative Officer/Secretary to the Board (State Superintendent) to assist with clarification of the existing diffused governance structure, and provide public education with its identified leader and advocate.

By virtue of the fact that the Constitution calls for the State Superintendent to serve as the secretary and chief administrative officer of the State Board of Education, this pathway as articulated, continues those roles for the elected State Superintendent and augments the duties as Chief Administrative Officer by assuming the responsibilities of the position currently in existence called Executive Director to the State Board. In so doing, this governance model honors the Constitution and the statutes of the General Assembly. Also, this modification does not require statutory changes. The State Board can modify its own policies and job descriptions. Finally, this new governance structure continues the tradition of a strong role played by the Office of the Governor, further augmented by the selection of the Chief Executive Officer of DPI and public education in North Carolina, and confirmed by the General Assembly.



RECOMMENDATION

Recommendation 3-1:

Delegate the duties of the Executive Director of the State Board to the Chief Administrative Officer (CAO) of the State Board (i.e., the State Superintendent), and eliminate the staff positions of Executive Director to the State Board, Assistant Executive Director to the State Board, and two support positions in the State Board Office. Replace these individuals with the three staff positions who currently report to the State Superintendent.

The State Superintendent, by virtue of the Constitutional authority to be the Chief Administrative Officer (CAO) of the State Board of Education, should serve in that capacity by assuming the administrative duties of the position serving the State Board. There is the position of Executive Director which is current vacant.

N.C.G.S. 115C-19 restates Article IX, Section 4(2) of the Constitution that “the Superintendent of Public Instruction shall be the Secretary and Chief Administrative Officer of the State Board of Education of Education subject to the direction, control, and approval of the State Board of Education of Education,” and N.C.G.S. 115C-21 designates the administrative and secretarial duties of the State Superintendent “subject to the direction, control, and approval of the State Board of Education of Education.” The relevant Attorney General opinions also emphasize that the role of Chief Administrative Officer is specifically “of the Board.”

In November 1991, by means of Executive Directive 21, Governor James Martin established a fund within the state budget for three positions:

- Executive Director of the Department of Public Education;
- Assistant to the Executive Director; and
- a clerical position.

The State Board had requested such positions in a September 1991 resolution requesting staff to “enable it to perform its constitutional duties and to properly discharge its duties to supervise and administer the state’s free public school system.....” Superintendent Etheridge immediately filed a letter in protest to the Governor, but was rebuked. Since that time, these positions have existed to serve the State Board of Education and report to the State Board directly through the Chairman.

The duties of the Executive Director rightfully should be assumed by the State Superintendent. The Assistant Executive Director, as well as the two clerical positions, should be replaced by the Superintendent’s appointees.

Since the State Superintendent, as Chief Administrative Officer of the State Board of Education, would assume the duties of the Executive Director, then the current position of Policy Advisor to the State Superintendent (one of the positions allotted to the elected State Superintendent) would assume another position in service to the Superintendent/Chief Administrative Officer of the Board—that being the position currently titled as Assistant Executive Officer.

In the spirit of reducing the cost of personnel in the State Superintendent’s Office, and consistent with the defined role of the State Superintendent as Chief Administrative Office of the Board,



the two support staff positions in the State Board Office would be eliminated. The two current support staff allotted to and appointed by the State Superintendent would replace two support staff in the State Board Office, and work in service to the State Board while reporting to the State Superintendent.

FISCAL IMPACT

This recommendation will generate an annual savings and include the salary and benefits of four positions:

- the Executive Director, a position which is currently vacant but budgeted (\$137,600 plus benefits estimated at 25 percent = \$172,000);
- the Assistant Executive Director with salary of \$92,000 plus 25 percent benefits or \$145,000; and
- two clerical positions in the State Board of Education Office (at about \$44,000 each and 25 percent benefits equals \$110,000).

Recommendation	2009-10	2010-11	2011-12	2012-13	2013-14
Eliminate Executive Director	\$172,000	\$172,000	\$172,000	\$172,000	\$172,000
Eliminate Assistant Executive Director	\$145,000	\$145,000	\$145,000	\$145,000	\$145,000
Eliminate Two Support Positions	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000
Total Savings	\$527,000	\$527,000	\$527,000	\$527,000	\$527,000

FINDING

The General Assembly delineates the powers and duties of the State Superintendent. These powers and duties were included previously in **Exhibit 3-4**.

In order for the general public and stakeholders in education to best understand the limitation of the State Superintendent’s role and newly assigned responsibilities by the State Board, an opportunity exists for the General Assembly to memorialize the shift in the role of the State Superintendent, as deemed by the State Board of Education. Although such an action by the General Assembly is not required, as the State Board of Education has the authority to expand or limit the State Superintendent’s role, such action would assist with the clarification of the public’s understanding of the redefined role.

RECOMMENDATION:

Recommendation 3-2:

Amend Statute 115C-21 (shown in Exhibit 3-4) which designates the administrative and secretarial duties of the State Superintendent “subject to the direction, control, and approval of the State Board of Education” to specifically articulate the administrative



duties as Chief Administrative Officer of the Board aligned with the current duties of the Executive Director of the State Board of Education.

This action would specifically define the duties which is within its prerogative. Such action would create a clear definition and limitation of the role of the State Superintendent. Such an amendment to statute would serve to reduce some of the confusion in the field as to the role and authority of the State Superintendent.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

3.1.2 State Board of Education

The composition, appointment process, terms of office, powers, and duties of the State Board of Education are established in the Constitution and shown in **Exhibit 3-8**. **Exhibit 3-9** provides the General Assembly’s definition of who may and may not serve as a member of the State Board of Education.

**Exhibit 3-8
Constitution of the State of North Carolina
Regarding the State Board of Education**

<p style="text-align: center;">ARTICLE IX</p> <p>EDUCATION</p> <p>Sec. 4. State Board of Education.</p> <p>(1) Board. The State Board of Education shall consist of the Lieutenant Governor, the Treasurer, and eleven members appointed by the Governor, subject to confirmation by the General Assembly in joint session. The General Assembly shall divide the State into eight educational districts. Of the appointive members of the Board, one shall be appointed from each of the eight educational districts and three shall be appointed from the State at large. Appointments shall be for overlapping terms of eight years. Appointments to fill vacancies shall be made by the Governor for the unexpired terms and shall not be subject to confirmation.</p> <p>Sec. 5. Powers and duties of Board. The State Board of Education shall supervise and administer the free public school system and the educational funds provided for its support, except the funds mentioned in Section 7 of this Article, and shall make all needed rules and regulations in relation thereto, subject to laws enacted by the General Assembly.</p>
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Source <http://statelibrary.dcr.state.NC.us/NC/stgovt/article-vii-xiv.htm#IX>.



Exhibit 3-9
Administrative Organization of
State and Local Education Agencies

Article 2.
State Board of Education.

§ 115C-10. Appointment of Board.

The State Board of Education shall consist of the Lieutenant Governor, the State Treasurer, and 11 members appointed by the Governor, subject to confirmation by the General Assembly in joint session. Not more than one public school employee paid from State or local funds may serve as an appointive member of the State Board of Education. No spouse of any public school employee paid from State or local funds and no employee of the Department of Public Instruction or his spouse, may serve as an appointive member of the State Board of Education. (underlined for emphasis) Of the appointive members of the State Board of Education of Education, one shall be appointed from each of the eight educational districts and three shall be appointed as members at large. Appointments shall be for terms of eight years and shall be made in four classes. Appointments to fill vacancies shall be made by the Governor for the unexpired terms and shall not be subject to confirmation.

The Governor shall transmit to the presiding officers of the Senate and the House of Representatives, on or before the sixtieth legislative day of the General Assembly, the names of the persons appointed by him and submitted to the General Assembly for confirmation; thereafter, pursuant to joint resolution, the Senate and the House of Representatives shall meet in joint session for consideration of an action upon such appointments. (1955, c. 1372, art. 1, s. 2; 1971, c. 704, s. 2; 1981, c. 423, s. 1; 1985, c. 479, s. 36; 1989, c. 46.)

Source <http://statelibrary.dcr.state.NC.us/NC/stgovt/article-vii-xiv.htm#>.

FINDING

The Office of the Governor is empowered to shape and influence education policy by means of the constitutional authority invested in the Governor for making the appointments to the State Board of Education for eight-year terms, subject to confirmation by the General Assembly.

The length of terms, and the fact that several Board members have been reappointed, have provided a base of continuity for the State Board of Education. For example, the State Board member representing the 5th District was appointed in 2003 to fill an unexpired term and reappointed in 2005 until 2013. The Board member representing the 1st District was appointed in 1995 and reappointed in 2003.

COMMENDATION

The State Board of Education structure, by virtue of its members being appointed by the Governor and confirmed by the General Assembly for eight-year terms, establishes stability and continuity in the governance of public education in North Carolina.

FINDING

The Governor has the authority to make appointments when the General Assembly is not in session and, as a result, the appointments of some State Board members have not come before the General Assembly for confirmation. This situation has occurred during the past eight years.

RECOMMENDATION

Recommendation 3-3:

Amend the statute to ensure that all appointments to the State Board of Education are brought to the General Assembly for confirmation.



The General Assembly should ensure that all appointees of the Governor complete the confirmation process. This action would reinforce that the intent of the Constitution is upheld. The transparency of this appointment and confirmation process should be preserved, as intended.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

The composition of the State Board of Education—with statewide elected officials, at-large appointees, and appointees representing eight educational districts—provides balance and statewide representation.

A review of minutes of Board meetings and conversations with interviewees revealed that attendance of some Board members has been sporadic. Sporadic attendance is especially evident with regard to constitutionally-appointed Board members who, perhaps due to the demands of their own positions, are unable to devote the time to State Board meetings and member duties. Inconsistent attendance or prolonged absences by Board members places greater responsibility, policymaking, and decision making in the hands of a smaller number of Board members.

Neither the state constitution nor state statutes provide for a means to remove a Board member for lack of attendance or other reasons.

RECOMMENDATION

Recommendation 3-4:

Enact legislation that defines the expectations for attendance and other responsibilities of State Board members, and the process by which Board members may be removed.

Providing a legislative mechanism to ensure that State Board members are fulfilling their responsibilities on a regular basis, and a legislative mechanism for addressing situations where Board members are not fruitfully fulfilling their responsibilities, in regular attendance, should ensure the integrity of the composition of the State Board of Education.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

The General Assembly has created legislation authorizing a full range of stakeholders to hold advisory seats on the State Board of Education, as stated in **Exhibit 3-10**.



Exhibit 3-10

115C-11. Organization and Internal Procedures of the State Board of Education

(a1) Student advisors. – The Governor is hereby authorized to appoint two high school students who are enrolled in the public schools of North Carolina as advisors to the State Board of Education. The student advisors shall participate in State Board of Education deliberations in an advisory capacity only. The State Board of Education may, in its discretion, exclude the student advisors from executive sessions.

The Governor shall make initial appointments of student advisors to the State Board of Education as follows:

- (1) One high school junior shall be appointed for a two-year term beginning September 1, 1986, and expiring June 14, 1988; and
- (2) One high school senior shall be appointed for a one-year term beginning September 1, 1986, and expiring June 14, 1987. When an initial or subsequent term expires, the Governor shall appoint a high school junior for a two-year term beginning June 15 of that year. If a student advisor is no longer enrolled in the public schools of North Carolina or if a vacancy otherwise occurs, the Governor shall appoint a student advisor for the remainder of the unexpired term.

Student advisors shall receive per diem and necessary travel and subsistence expenses in accordance with the provisions of G.S. 138-5.

(a2) State Teacher of the Year Advisor. – Each State Teacher of the Year, as designated by the Department of Public Instruction, shall serve ex officio as advisor to the State Board of Education of Education. Each State Teacher of the Year shall begin service as advisory member to the State Board of Education at the commencement of the teacher's term as State Teacher of the Year and shall serve for two years. The State Teachers of the Year shall participate in State Board of Education deliberations and committee meetings in an advisory capacity only. The State Board of Education may, in its discretion, exclude the State Teachers of the Year from executive sessions.

In the event a vacancy occurs in the State Teacher of the Year's advisory position, the teacher who was next runner-up to that State Teacher of the Year shall serve as the advisory member to the Board for the remainder of the unexpired term. The State Teacher of the Year advisors to the State Board of Education shall receive per diem and necessary travel and subsistence expenses in accordance with the provisions of G.S. 138-5.

(a3) Superintendent Advisor. – The Governor shall appoint a superintendent of a local school administrative unit as an advisor to the State Board of Education. The superintendent advisor shall serve for a term of one year. The superintendent advisor shall participate in State Board of Education deliberations and committee meetings in an advisory capacity only. The State Board of Education may, in its discretion, exclude the superintendent advisor from executive sessions.

In the event that a superintendent advisor ceases to be a superintendent in a local school administrative unit, the position of superintendent advisor shall be deemed vacant. In the event that a vacancy occurs in the position for whatever reason, the Governor shall appoint a superintendent advisor for the remainder of the unexpired term. The superintendent advisor to the State Board of Education shall receive per diem and necessary travel and subsistence expenses in accordance with the provisions of G.S. 138-5.

(a4) State Principal of the Year Advisor. – Each State Principal of the Year, as designated by the Department of Public Instruction, shall serve ex officio as an advisor to the State Board of Education of Education. Each State Principal of the Year shall begin service as an advisory member to the State Board of Education at the commencement of the principal's term as State Principal of the Year and shall serve for one year. The State Principal of the Year shall participate in State Board of Education deliberations and committee meetings in an advisory capacity only. The State Board of Education may, in its discretion, exclude the State Principal of the Year from executive sessions.

In the event a vacancy occurs in the State Principal of the Year's advisory position, the principal who was next runner-up to that State Principal of the Year shall serve as the advisory member to the State Board of Education for the remainder of the unexpired term. The State Principal of the Year advisor to the State Board of Education shall receive per diem and necessary travel and subsistence expenses in accordance with the provisions of G.S. 138-5.

(a5) Local Board of Education Advisor. – The current Raleigh Dingman Award winner shall serve as an advisor to the State Board of Education of Education. The local board of education advisor shall serve for a term of one year. The local board of education advisor shall participate in State Board of Education deliberations and committee meetings in an advisory capacity only. The State Board of Education may, in its discretion, exclude the local board of education advisor from executive sessions.

In the event that the Raleigh Dingman Award winner ceases to be a local board of education member or notifies the State Board of Education of Education that he or she is unable to fulfill his or her duties as a local board of education advisor member, the position of local board of education member shall be deemed vacant. In the event that a vacancy occurs in the position for whatever reason, the President of the North Carolina School Boards Association shall serve as the advisory member to the State Board of Education for the remainder of the unexpired term. The local board of education advisor to the State Board of Education shall receive per diem and necessary travel and subsistence expenses in accordance with the provisions of G.S. 138-5.

Source <http://statelibrary.dcr.state.NC.us/NC/stgovt/article-vii-xiv.htm#IX>, Statute 115C-11.



As can be seen in the exhibit, among those who serve as advisors and representing stakeholders are:

- two student advisors;
- an advisor representing local superintendents;
- an advisor who is the principal of the year;
- an advisor who is the teacher of the year; and
- an advisor who is a local board member.

COMMENDATION

The General Assembly has provided for a wide range of stakeholders to serve in an advisory role to the State Board of Education.

FINDING

The General Assembly, through Statute 115C-11 as shown in **Exhibit 3-11**, has the authority to establish and amend, as necessary, the role of the Chairman of the State Board of Education.

Exhibit 3-11 Organization and Internal Procedures of State Board's Presiding Officer

(a) Presiding Officer. – The State Board of Education shall elect from its membership a chairman and vice-chairman. A majority of the Board shall constitute a quorum for the transaction of business. Per diem and expenses of the appointive members of the Board shall be provided by the General Assembly. The chairman of the Board shall preside at all meetings of the Board. In the absence of the chairman, the vice chairman shall preside; in the absence of both the chairman and the vice-chairman, the Board shall name one of its own members as chairman pro tempore.

Source <http://statelibrary.dcr.state.NC.us/NC/stgovt/article-vii-xiv.htm#IX>, Statute 115C-11.

In addition, the State Board of Education has established a policy which clearly defines the role and responsibilities of the Chairman, as shown in **Exhibit 3-12**.

As described in **Exhibit 3-12**, the job description of the Chairman of the State Board, is very comprehensive and carries with it broad authority. When a comparison of the Chairman's job description is made to the responsibilities delegated to the State Superintendent, it becomes certain that the Chairman has far greater authority, influence, and responsibility. For example, the Chairman's job description in the area of **Vision/Leadership** is remarkably clear and forthright regarding the high visibility of the Chairman to represent the State Board and public education at all levels: media, the Governor's Office, the Legislature, the CEOs of other state agencies, and governing boards. No such mention of these responsibilities can be found in the Superintendent's delegated role.



Exhibit 3-12
State Board of Education Chairman's Job Description

NORTH CAROLINA STATE BOARD OF EDUCATION

SBE Chairman's Job Description

VISION/LEADERSHIP

1. Works cooperatively with the State Superintendent of Public Instruction to create a vision for the public school of the state, articulates the reason for raising expectations for North Carolina's students, and keeps the focus of education policymaking on high academic standards.
2. As the Board's chief spokesperson, the Chair regularly visits schools, engages in dialogue about education issues with the media, including holding news conferences and interviews, speaks to constituent groups, and is liaison between the State Board of Education and the Governor's Office, the Legislature, and other state government entities.
3. As a member of the NC Education Cabinet, works with the CEOs of the other North Carolina Education Governing Boards, the Governor, and the Legislature to create, implement, and fund education initiatives that support goals to move North Carolina to First in America by 2010.
4. Engages the public in dialogue regarding the importance of standards and accountability in education and receives input from the Board's constituents as to how best to achieve and sustain this dialogue in the state.
5. Advocates with other members of the state's education community to recognize and sustain educational programs that demonstrate student success and academic gain and communicates these best practices as standards for other schools to emulate.
6. Collaborates with other state boards of education in promoting public education and in communicating to federal officials the importance of maintaining a national public education system with high standards and accountability.

BOARD LEADERSHIP

1. Ensures that the Board's monthly meetings are well planned and aligned with the Board's priorities and that the appropriate materials for the Board's deliberation are provided to the members with adequate time to review.
2. Collaborates with Board members to establish the most effective governance structure and process to accomplish the Board's business and facilitates productive board meetings.
3. Appoints an Executive Committee, as outlined in the Board's Rules of Procedure, with the power to act on behalf of the Board.
4. Gives direction to and holds Board members accountable for meeting attendance, familiarity with the agenda materials, feedback on proposed policy issues, support of Board actions, participation in Board functions and general behavior during Board meetings.
5. Assists in the planning of the orientation for new board members and participates if schedule permits.
6. Provides a job description for Board members.
7. Encourages and models acceptable board-staff relations.
8. Provides opportunities for Board member professional growth through on-going training opportunities and through an annual planning session.
9. Communicates performance expectations to the Executive Director of the SBE, and annually evaluates the Director as to the services provided Board members by the State Board of Education Office.

ETHICS

1. Ensures that Board members are aware of and conform to the Board's Standards of Conduct as outlined in SBE policy.
2. Ensures that Board members comply with rules and regulations of the NC Board of Ethics that govern all North Carolina public officials and seeks guidance from this agency if questionable ethics circumstances occur.

GENERAL

1. Communicates to the Superintendent clear expectations and performance standards and schedules biannual performance reviews of the Superintendent based on these agreed-upon responsibilities.
2. Delegates, in cooperation with the State Board of Education, to the State Superintendent those responsibilities associated with the day-to-day management of the Department of Public Instruction.
3. Works with the State Superintendent to keep as a focus during all Board meetings the Board's primary role of education policy making.

Source Provided by State Board of Education Office, upon request, not available on Web site.



The current Chairman of the State Board of Education has executed his role in accordance with his job description. For example, in addition to being highly visible when he assumed office in accordance with the **Board Leadership** portion of the job description, the Chairman of the State Board of Education changed the way of work of the State Board of Education from a Committee of the Whole to a subcommittee structure to support the work of the Committee of the Whole. The use of subcommittees has been widely praised by Board members who attest that the subcommittee structure facilitates Board member engagement. Moreover, the organization of the subcommittees around the five Board goals ensures that the Board is focused and strategic in its oversight of education and the Department of Public Instruction.

The State Board of Education's meeting agendas are structured so that they reflect what topics Board members wish to place on the upcoming agendas as well as the necessary business brought before the Board by staff. The Board's sustained focus on its mission, and the goals it adopts to support the mission, remain the controlling focus for the Board's work.

State Board of Education Policy EEO-C-006: *Policy Outlining State Board of Education Rules of Procedure* (2005), Section 5.2, indicates that the Board shall consider issues related to five priorities:

- High Student Performance;
- Healthy Students in Safe, Orderly, and Caring Schools;
- Quality Teachers, Administrators, and Staff;
- Effective and Efficient Operations; and
- Strong Family, Community, and Business Support.

(Note: the State Board policies on the Web site are not up to date and do not reflect changes to this policy).

An examination of Board agendas, and discussions with those staff who prepare the subject matter for the agenda items, found that the items are tightly structured around the above priorities listed in Board policy, and linked to the Board mission and goals. These are identified in **Exhibit 3-13**. State Board actions are also consistent with the **Board Leadership** section of the Chairman's job description shown previously in **Exhibit 3-12**.

The Chairman of the State Board of Education has established an office in the Department of Public Instruction, and he maintains a regular and visible presence in the state education agency. He has worked closely with the State Superintendent and the Deputy Superintendent, as well as Board staff. The Chairman has established a visible presence statewide, and in the General Assembly on behalf the State Board.

There is some debate among Board members interviewed regarding the impact of the Chairman having an office and a highly visible role in the Department of Public Instruction. One State Board member believes "a strong Chair is vital, but the Chair's presence in the DPI is confusing and problematical." On the other hand, another Board member shared that "the Chairman's presence in the building is a positive force.

Evergreen consultants believe that the Chairman has executed the responsibilities of his job description as well as expanded the traditional presence of the Chairman. Nonetheless, under the current structure, the Chairman's presence in many arenas sends a diffused message of authority and responsibility.



Exhibit 3-13 Future Ready Students for the 21st Century*

The guiding mission of the North Carolina State Board of Education is that every public school student will graduate from high school, globally competitive for work and postsecondary education and prepared for life in the 21st Century.

Goal: NC public schools will produce globally competitive students.

- Every student excels in rigorous and relevant core curriculum that reflects what students need to know and demonstrate in a global 21st Century environment, including a mastery of languages, an appreciation of the arts, and competencies in the use of technology.
- Every student's achievement is measured with an assessment system that informs instruction and evaluates knowledge, skills, performance, and dispositions needed in the 21st Century.
- Every student will be enrolled in a course of study designed to prepare them to stay ahead of international competition.
- Every student uses technology to access and demonstrate new knowledge and skills that will be needed as a life-long learner to be competitive in a constantly changing international environment.
- Every student has the opportunity to graduate from high school with an Associates Degree or college transfer credit.

Goal: NC public schools will be led by 21st Century professionals.

- Every teacher will have the skills to deliver 21st Century content in a 21st Century context with 21st Century tools and technology that guarantees student learning.
- Every teacher and administrator will use a 21st Century assessment system to inform instruction and measure 21st Century knowledge, skills, performance, and dispositions.
- Every education professional will receive preparation in the interconnectedness of the world with knowledge and skills, including language study.
- Every education professional will have 21st Century preparation and access to ongoing high quality professional development aligned with State Board of Education priorities.
- Every educational professional uses data to inform decisions.

Goal: NC public school students will be healthy and responsible.

- Every learning environment will be inviting, respectful, supportive, inclusive, and flexible for student success.
- Every school provides an environment in which each child has positive, nurturing relationships with caring adults.
- Every school promotes a healthy, active lifestyle where students are encouraged to make responsible choices.
- Every school focuses on developing strong student character, personal responsibility, and community/world involvement.
- Every school reflects a culture of learning that empowers and prepares students to be life-long learners.

Goal: Leadership will guide innovation in NC public schools.

- School professionals will collaborate with national and international partners to discover innovative transformational strategies that will facilitate change, remove barriers for 21st Century learning, and understand global connections.
- School leaders will create a culture that embraces change and promotes dynamic continuous improvement.
- Educational professionals will make decisions in collaboration with parents, students, businesses, education institutions, and faith-based and other community and civic organizations to impact student success.
- The public school professionals will collaborate with community colleges and public and private universities and colleges to provide enhanced educational opportunities for students.

Goal: NC public schools will be governed and supported by 21st Century systems.

- Processes are in place for financial planning and budgeting that focus on resource attainment and alignment with priorities to maximize student achievement.
- Twenty-first century technology and learning tools are available and are supported by school facilities that have the capacity for 21st Century learning.
- Information and fiscal accountability systems are capable of collecting relevant data and reporting strategic and operational results.
- Procedures are in place to support and sanction schools that are not meeting state standards for student achievement.

Source: 2004-2006 Biennial Report, 2008.

*Goals approved by the North Carolina State Board of Education on September 7, 2006.



It is clear that the North Carolina State Constitution places the State Board of Education in the position to administer and supervise the public education system. The Chairman has assumed the mantle of responsibility, and he plays an active role on behalf of the Board to assure that the responsibilities for administration and supervision are closely directed and monitored.

COMMENDATIONS

The Chairman of the State Board of Education is commended for the effective subcommittee structure that he created so that the Board members will be engaged and focused on the Board's mission and goals.

The Board meeting agendas are well constructed and ensure that the State Board of Education addresses the responsibilities entrusted to it by statute and Constitution.

The Chairman of the State Board of Education has carried out his duties according to his job description in a very active and comprehensive manner. He has exercised the prerogative of his position to establish and maintain a highly visible profile within the Department of Public Instruction as well as throughout the State.

FINDING

As discussed previously, the vast majority of education stakeholders have expressed the lack of clarity as to who is the actual leader of the North Carolina public education system, and who speaks authoritatively on behalf of the State Board of Education, the Department of Public Instruction, and the North Carolina public education system as a whole.

There appears to be a three-pronged approach to leadership with unclear, and sometimes conflicting messages, as well as different expectations. Yet, the Constitution, Statutes, and Attorney General opinions authorize the State Board of Education to administer and supervise the public school system. This authorization is clearly articulated in **Exhibit 3-14**.

Exhibit 3-14 Powers and Duties of the State Board of Education

<p>The State Board of Education shall supervise and administer the free public school system and the educational funds provided for its support, except the funds mentioned in Section 7 of this Article, and shall make all needed rules and regulations in relation thereto, subject to laws enacted by the General Assembly (Section 5).</p>

Source <http://statelibrary.dcr.state.NC.us/NC/stgovt/article-vii-xiv.htm#IX>.

This clear statement of authority must be kept in mind when considering alternatives to the current governance structure.

Throughout the past few decades, there have been ongoing considerations and attempts to change the role of the State Superintendent and the governance structure of an elected State



Superintendent, or to further minimize the role of the State Superintendent, and thus modify the governance structure in North Carolina.

For example, the 1992 GPAC study, entitled *Governance Structure for Public Education*, concluded that the State Board of Education “should appoint the State Superintendent who will then report and be accountable to the Board.” However, this recommendation did not provide a pathway for making such a complicated change a reality.

Clearly, such a change to the elected position of State Superintendent would require the State Constitution to be modified. In 1993, the Senate passed Senate Bill 28 which was designed to change the elected position to an appointed State Superintendent, and for this change to be brought to a constitutional question. This proposal did not pass the House. There have not been any further efforts to do so, for many political and practical reasons. Evergreen consultants conclude that such an effort to change the Constitution and eliminate a statewide elected official, is unlikely to be initiated and passed by the General Assembly, and much less approved by the electorate.

In 1985, the General Assembly considered the creation a position of “Commissioner of Public Schools” while amending the statute to make the Superintendent the non-voting Chairman of the State Board of Education. This position was to be created essentially to perform the duties of a de facto State Superintendent and educational leader of public education, while the State Superintendent remained, in title, in the position. When requested to review the draft legislation, the Attorney General opined that the creation of the position of Commissioner of Public Schools, to serve in the intended capacity, must “act through the Superintendent or under his direction.” The Attorney General concluded that the Commissioner would perform duties through the Superintendent rather than independent of the Superintendent. Since the very purpose of the legislation to separate the Commissioner from the Superintendent and to imbue the Commissioner with the duties and authority independent of the Superintendent was deemed not advisable and illegal, it was determined that the effort and subsequent legislation must be abandoned.

Several other states, most notably Kentucky in 1990, have pursued a similar route to minimize the elected State Superintendent and create an appointed position to fulfill the same duties. Although that legislative tactic was successful in Kentucky (the action was part of an entire state reform effort known as the Kentucky Education Reform Act), that specific action had not been controlled by an Attorney General’s opinion, as is the case in North Carolina. In addition, Kentucky did not have its State Constitution placing the responsibility for the administration and supervision of the public education system in the hands of the State Board of Education.

This language of the North Carolina State Constitution is what makes any effort improbable to circumvent the authority of the State Board of Education. Moreover, this constitutional language makes the issue of changing the role of the State Superintendent also more difficult to circumvent, except by Board action specifically to limit or expand the State Superintendent’s duties.

The 1995 *Attorney General’s Advisory Opinion: Authority of the North Carolina General Assembly and the State Board of Education to Supervise and Control the Administrative and*



Secretarial Duties of the State Superintendent of Public Instruction (Article IX of the North Carolina Constitution; §§115C-19, and 115C-21) states:

*...Should the State Board of Education conclude that the day-to-day operation of the Department of Public Instruction should be the responsibility of someone other than the State Superintendent, it is our opinion that the State Board of Education has that authority by virtue of the laws enacted by the General Assembly (see **Exhibit 3-5**).*

The State Board of Education, in its 2007 amendment of Policy EE0-C-013, which gives the Board the authority to appoint a Deputy Superintendent who reports directly to the State Board and is empowered to manage the Department of Public Instruction, exercised its authority as delineated by the above Attorney General’s advisory opinion. The action, although legal and consistent with the Board’s prerogative, has not assuaged the diffused role of leadership. In fact, Evergreen Solutions concludes this action has exacerbated the matter and further confused stakeholders regarding state education leadership, since it further diffused responsibility.

The aforementioned options of changing the Constitution from an elected to an appointed State Superintendent, appointing a de facto Superintendent to be called Commissioner, and appointing a Deputy Superintendent to manage the DPI have not been and cannot be successful policy options. Furthermore, these contemplated or real actions have not solved the pressing matter of statewide education leadership and have resulted in diffused governance.

The current diffused leadership and authority of public education in North Carolina can not be addressed satisfactorily in a way consistent with the spirit of the North Carolina Constitution and state statutes, so long as the current State Board of Education chooses to limit and not enhance the role of the State Superintendent to be the identified leader of the public education system, to administer and supervise the system, and to manage the Department of Public Instruction, “subject to the direction, control, and approval of the State Board of Education”.

Evergreen Solutions concludes that other avenues that have been contemplated or tried—whether politically impractical or illegal—are not worth pursuing. Evergreen’s recommendations that follow are consistent with the State Board’s policy of limiting the State Superintendent’s role, maintaining the role of that position as “Chief Administrative Officer of the Board” in accordance with the Constitution, and honoring the role of the State Board of Education as constitutionally intended to administer and supervise.

RECOMMENDATIONS

Recommendation 3-5:

Amend the job description of the Chairman of the State Board of Education to include the title of Chief Executive Officer.

The role of the Chairman, by virtue of his current job description, is very expansive and encompassing. Changing the title of the Chairman to include Chief Executive Officer and adding responsibilities of the administration and management of the DPI provides a governance structure akin to the common corporate model—an appointed or elected board and a chief



executive officer who may or may not also be the Chairman. Under this proposed model, there would be a Governor-appointed Board member (confirmed by the General Assembly), and elected by the State Board of Education to serve as both the Chairman of the Board and Chief Executive Officer of the Department of Public Instruction.

Creating and implementing such a model confirms the State Board of Education in its rightful position and authority of setting policy and carrying out its administrative as well as supervisory roles, as per the North Carolina Constitution and statutes. Policy decisions should continue to be made by the full State Board of Education and not by the Chairman/CEO. This firewall should allow for a division between policy and administration.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Recommendation 3-6:

Appoint a State Board of Education member, subject to confirmation by the General Assembly (in accordance with the Constitution), who possesses the qualifications to serve as the Chairman of the State Board of Education and Chief Executive Officer of the Department of Public Instruction—who is capable of leading, administering, and supervising the public education system of North Carolina—subject to the direction, control, and approval of the State Board of Education.

In this revised governance model, the individual nominated to be the Chairman/CEO would be appointed by the Governor and confirmed by the General Assembly (as per the required confirmation process stated in the Constitution). Once confirmed by the General Assembly as a Board member, the State Board of Education would elect its Chairman/Chief Executive Officer.

In addition, the very public and visible nature of this process would focus public attention on the importance of the selection of the individual to serve in the dual role through the appointment and the confirmation process. The process of the appointment of a Board member who would become the Chairman/Chief Executive Officer would be a transparent one. This notion of transparency was one of the key recommendations of those interviewed. This transparent action would also send a very strong signal regarding the vested responsibility in the Chairman/Chief Executive Officer to assist with clarification of the existing diffused governance structure, and provide pre-K–12 education with an identified leader.

The State Board of Education would formally elect its Chairman who would also serve as the Chief Executive Officer, in accordance with a revision of the Chairman's job description. The term of the Chairman/CEO established by the State Board of Education should be for one to four years, and the salary of the Chief Executive Officer and specifics of the appointment should be set by the State Board of Education, in accordance with the revised job description of the Chairman.



FISCAL IMPACT

This recommendation will generate an annual cost of the salary and benefits of one position. Since the position of Deputy Superintendent will no longer be needed to run the department (at \$140,000 a year), only a \$60,000 increase is being projected.

Recommendation	2009-10	2010-11	2011-12	2012-13	2013-14
Create CEO Position	(\$60,000)	(\$60,000)	(\$60,000)	(\$60,000)	(\$60,000)

Note: It should be recognized that there may be highly qualified individuals who wish to serve in the capacity of CEO and, due to their personal financial situation and their commitment to public service, may eschew a salary from the State of North Carolina. If someone was selected to fill the position as CEO and would eschew the salary, then the above salary calculation would not be applicable.

3.1.3 Education Cabinet and Education Commission

There are two statutory entities which are intended to help shape education policy across pre-K–12 and higher education in North Carolina—the Education Cabinet and the Education Commission. These two entities and their respective roles are important to consider in this study.

In 1992, the North Carolina General Assembly enacted N.C.G.S.116C-1 which created an Education Cabinet. The stated purpose of the Cabinet is to ensure collaboration among all entities responsible for the state’s educational system, both pre-K–12 and higher education.

Exhibit 3-15 provides the statute creating the Education Cabinet.

**Exhibit 3-15
Statute Creating the Education Cabinet**

<p>§ 116C-1. Education Cabinet created.</p> <p>(a) The Education Cabinet is created. The Education Cabinet shall be located administratively within, and shall exercise its powers within existing resources of, the Office of the Governor. However, the Education Cabinet shall exercise its statutory powers independently of the Office of the Governor.</p> <p>(b) The Education Cabinet shall consist of the Governor, who shall serve as chair, the President of The University of North Carolina, the State Superintendent of Public Instruction, the Chairman of the State Board of Education, the President of the North Carolina Community Colleges System, the Secretary of Health and Human Services, and the President of the North Carolina Independent Colleges and Universities. The Education Cabinet may invite other representatives of education to participate in its deliberations as adjunct members.</p> <p>(c) The Education Cabinet shall be a nonvoting body that:</p> <ol style="list-style-type: none"> (1) Works to resolve issues between existing providers of education. (2) Sets the agenda for the State Education Commission. (3) Develops a strategic design for a continuum of education programs, in accordance with G.S. 116C-3. (4) Studies other issues referred to it by the Governor or the General Assembly. <p>(d) The Office of the Governor, in coordination with the staffs of The University of North Carolina, the North Carolina Community College System, and the Department of Public Instruction, shall provide staff to the Education Cabinet. (1993, c. 393, s. 1; 1995, c. 324, s. 15.12(b); 2001-123, s. 1; 2005-276, s. 7.38(a).)</p>
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Source http://www.NCleg.net/EnactedLegislation/Statutes/HTML/BySection/Chapter_116C/GS-116C-1.html



The General Assembly had the foresight to define specific tasks for the Education Cabinet as well as to create a reporting mechanism. The role of the Cabinet, as defined by the General Assembly, is provided in **Exhibit 3-16**.

Exhibit 3-16
Strategic Design for a Continuum of Education Programs
by the Education Cabinet

The Education Cabinet shall develop a strategic design for a continuum of education programs. A continuum of education programs is the complement of programs delivered by the State to learners at all levels.

The new design shall take into account issues raised by the Government Performance Audit Committee of the Legislative Research Commission.

The design process shall:

- (1) Include vigorous examination of all programs as if they were being created for the first time.
- (2) Compare the existing structures, funding levels, and responsibilities of each system to the new design.
- (3) Focus on issues concerning coursework articulation and plan for how to improve coursework articulation among existing providers of education.

The Education Cabinet shall report to the Joint Legislative Education Oversight Committee on the strategic design it develops prior to January 1, 1995. (1993, c. 393, s. 1; 1993 (Reg. Sess., 1994), c. 677, s. 12.1.

Source <http://www.NCleg.net/EnactedLegislation/Statutes/HTML/BySection/Chapter 116C/GS-116C-3.html>

As shown in **Exhibit 3-17**, the General Assembly updated its charge to the Education Cabinet during the 2002 legislative session.

Exhibit 3-17
First in America Innovative Education Initiatives Act
which Updated Charge to Cabinet

(a) The General Assembly strongly endorses the Governor's goal of making North Carolina's system of education first in America by 2010. With that as the goal, the Education Cabinet shall set as a priority cooperative efforts between secondary schools and institutions of higher education so as to reduce the high school dropout rate, increase high school and college graduation rates, decrease the need for remediation in institutions of higher education, and raise certificate, associate, and bachelor degree completion rates. The Cabinet shall identify and support efforts that achieve the following purposes:

- (1) Support cooperative innovative high school programs developed under Part 9 of Article 16 of Chapter 115C of the General Statutes.
- (2) Improve high school completion rates and reduce high school dropout rates.
- (3) Close the achievement gap.
- (4) Create redesigned middle schools or high schools.
- (5) Provide flexible, customized programs of learning for high school students who would benefit from accelerated, higher level coursework or early graduation.
- (6) Establish high quality alternative learning programs.
- (7) Establish a virtual high school.
- (8) Implement other innovative education initiatives designed to advance the state's system of education.

(b) The Education Cabinet shall identify federal, state, and local funds that may be used to support these initiatives. In addition, the Cabinet is strongly encouraged to pursue private funds that could be used to support these initiatives.

(c) The Cabinet shall report by January 15, 2004, and annually thereafter, to the Joint Legislative Education Oversight Committee on its activities under this section. The annual reports may include recommendations for statutory changes needed to support cooperative innovative initiatives, including programs approved under Part 9 of Article 16 of Chapter 115C of the General Statutes. (2003-277, s. 1.)

Source <http://www.Ncleg.net/EnactedLegislation/Statutes/HTML/BySection/Chapter 116C/GS-116C-4.html>



FINDING

The Education Cabinet, as statutorily designed in 1992 and updated by the General Assembly in 2002, offers a valuable mechanism to bring together the leaders of education in the State to address current issues and future challenges that affect the pre-K–20 educational system.

According to statute, the Governor is to serve as the Chair of the Education Cabinet. Provided that the Governor uses this entity and actively chairs the Education Cabinet, as designed, then the Governor has an important tool to use in shaping the educational policies of the State across the pre-K–20 educational continuum.

During the tenure of Governor Easley for the past eight years, the Cabinet had met once a year, with the exception of 2005 when the Cabinet did not meet. During these years, Cabinet meetings were held on:

- August 12, 2003;
- February 16, 2004;
- November 28, 2006;
- February 15, 2007; and
- February 6, 2008.

A review of agendas found that the Governor neither attended nor chaired the meetings (except for the first meeting in 2003). In addition, the review of Cabinet meetings between 2003 and 2008 found that all of the required educational entities, except the Governor, were in attendance. The meetings were attended by the leaders of K–12 education, career and technical education, the community college system, the state university system and independent colleges and universities. A search was conducted for the minutes and recommendations from these meetings; neither minutes nor recommendations could be found.

In previous gubernatorial administrations, there were more frequent and regular meetings of the Education Cabinet offering opportunities to test ideas and initiatives, and to develop avenues of articulation among the leaders of the State Board of Education, Department of Public Instruction, community colleges, universities and the independent colleges and universities.

Interviewees noted “the Education Cabinet had been effective during Hunt’s tenure, but not during Easley’s tenure. It can be more effective and work to align education policy at all levels if the new Governor properly uses it as a tool.” An interviewee with 20-year perspective said, “the current Cabinet is not effective, it meets rarely. The Cabinet once was effective in removing barriers to pre-K–20 education, but that was during Hunt’s administration.”

The following statement from one individual provides the general feeling of several interviewees about the Education Cabinet:

There has been little effective effort to bring about collaboration between the various education sectors in NC: K-12 schools, community colleges, four-year colleges and universities. The Cabinet... is supposed to foster collaboration on matters of common interest such as teacher quality and licensing, the problems with college remediation, and other issues. Some matters of substance were addressed by the Cabinet because



Governor Hunt charged the Cabinet with these topics. The current Governor has not been very active in seeking input from the Education Cabinet.

Evergreen Solutions determined from its interviews that Governor Easley did not make effective use of the Cabinet in a way that had been established during the tenure of Governor Hunt. The meetings were obligatory, called once a year, infrequently chaired by the Governor, and that there was little continuity from one meeting to another due to the length of time between meetings. Little follow-up occurred as a result of the meetings. Former Governor Hunt had used the Cabinet as a forum for ideas, and possible policy options and initiatives, and he encouraged input into the issues at hand. Governor Easley did not use the Cabinet in the same manner.

Each Governor has her/his own management and certainly there are times when a Governor's schedule and demands of the role will be in conflict with called meetings. The Education Cabinet is an important vehicle to shape statewide education policy and initiatives, and future governors should use this vehicle judiciously as intended. At the very least, there should be an assigned Vice Chairman who would be responsible for chairing meetings in the Governor's absence.

When the Cabinet was not convened by the Chairman and the members of the Education Cabinet felt they had issues to discuss, the members scheduled informal meetings on their own to discuss concerns and policies. Conversations with members of the Education Cabinet indicated that a professional working relationship exists among the heads of the agencies. These groups meet informally from time to time when there were items to be discussed or issues to be addressed, in lieu of officially called meetings by the Governor.

COMMENDATION

The statutory creation of the Education Cabinet positioned the State of North Carolina and Governor to address issues and establish systemic policies across the continuum of pre-K–20 education. The specific topics charged to the Cabinet and the formal reporting mechanism to the General Assembly are commendable and continue to address an important need.

RECOMMENDATIONS

Recommendation 3-7:

Emphasize the importance of the Governor's role in serving as the Chair of the Education Cabinet.

Chairing the Education Cabinet is a valuable tool for a Governor to use for assuring articulation among all educational leaders, to address issues, and to gather input into shaping policy across the pre-K–20 education continuum. Holding more frequent meetings and having the meetings chaired by the Governor, creates an environment for substantive engagement and assists with shaping policy in all educational entities across the State. It is also an effective environment for initiatives that are being considered to be brought to the heads of the educational entities for discussion and input.



Recommendation 3-8:

Amend Statute 116C-1 to require the Governor to appoint an official designee to chair Cabinet meetings, and set agendas when the Governor is unable to chair the meeting.

When the schedule of the Governor does not allow for attendance at Education Cabinet meetings, the Governor should officially notify the members of the Cabinet who the Governor has appointed to be his/her designee (in the capacity of Vice Chairman) to chair the meetings and represent the Office of the Governor. This action would create continuity and ensure the frequency of the meetings.

Recommendation 3-9:

Amend Statutes 116C-3 and 116C-4 to require that the Education Cabinet meet at least three times per year, set specific tasks for the Cabinet, and provide a written summary to the General Assembly within two weeks after each meeting.

Requiring regular meetings of the Cabinet ensures the implementation of the intention of the original statute; the reporting of the meetings memorializes the actions of the Cabinet, as well as keeps the General Assembly abreast of issues, emerging policies, and possible needed legislation.

When constructed, Statutes 116C-3 and 116C-4 were timely and appropriate to address legislation and placed the General Assembly in a position to assist with the shaping of public education policy. The 2009 legislative session offers the opportunity to set a strengthened course for the Education Cabinet.

FISCAL IMPACT

These recommendations can be implemented with existing resources.

FINDING

In 1993, the General Assembly created the Education Commission (116C/GS) as shown in **Exhibit 3-18**. As can be seen, the purpose of the Education Commission, as stipulated in the statute, is to have the education boards discuss matters of mutual interest as well as to make recommendations to the General Assembly as to how to improve of public education at all levels.

Exhibit 3-18
Statute Creating the Education Commission

§ 116C-2. State Education Commission.

The State Education Commission shall consist of the Board of Governors of The University of North Carolina, the State Community College Board, and the State Board of Education. The Governor shall call the meetings of the State Education Commission.

The Commission shall be a forum for airing proposals and engaging in board-to-board dialogue about issues the Education Cabinet is addressing. The agenda for Commission meetings shall be set by the Education Cabinet. (1993, c. 393, s. 1.)

Source http://www.NCleg.net/EnactedLegislation/Statutes/HTML/BySection/Chapter_116C/GS-116C-2.html



The General Assembly created almost identical legislation in Statute 115C/GS as shown in **Exhibit 3-19**. This legislation requires the State Board of Education to meet at least once a year with the Board of Community Colleges and the Board of Governors of the University of North Carolina System.

Exhibit 3-19
Organization and Internal Procedures of Education Boards

(b1) Annual meeting with the State Board of Education of Community Colleges and the Board of Governors of The University of North Carolina. The State Board of Education shall meet with the State Board of Education of Community Colleges and the Board of Governors of The University of North Carolina at least once a year to discuss educational matters of mutual interest and to recommend to the General Assembly such policies as are appropriate to encourage the improvement of public education at every level in this State. The meeting in 1987 and every three years thereafter shall be hosted by the University Board of Governors, the meeting in 1988 and every three years thereafter shall be hosted by the State Board of Education of Education, and the meeting in 1989 and every three years thereafter shall be hosted by the State Board of Education of Community Colleges.

Source [http://www.NCleg.net/EnactedLegislation/Statutes/HTML/BySection/Chapter 116C/GS-115C-11\(b1\).html](http://www.NCleg.net/EnactedLegislation/Statutes/HTML/BySection/Chapter 116C/GS-115C-11(b1).html)

There is significant value for the governing boards of the three public education entities to meet on a regular, ongoing basis. The need for pre-K–20 articulation to assure a seamless scope of educational policy and services is critical in the 21st Century. In addition, this is a valuable opportunity for Boards to discuss their organizational and operational structures so that each Board may learn from each other on ways to improve effectiveness. Also, the three Boards can advocate for necessary funding across the boundaries of the pre-K–20 system in order to best serve the educational community’s needs.

There has not been substantive activity of the Education Commission over the past eight years. In fact, during interviews, most of the respondents were not aware of the existence of the Education Commission. A review of the agendas for the State Education Commission indicates that the current Governor called one meeting of the Commission on February 11, 2004.

When asked about the State Education Commission, the most common response by an interviewee was “the what? I never heard of it.” Several interviewees stated, “the Education Commission should be eliminated.” Others stated, “the Commission should be activatednow they are once a year perfunctory meetings.” One interviewee stated: “the Education Commission is in place, meeting once a year and has been worthwhile as a conversation point, but there has been no gubernatorial/cabinet direction. It has largely been meeting its statutory requirement of once a year meetings.”

COMMENDATION

State Board of Education members have met annually with other boards, including higher education boards, to fulfill the statutory requirements of 116C/GS-115C-11(b1).



RECOMMENDATIONS

Recommendation 3-10:

Abolish the Education Commission.

The State Education Commission has not been active and has not recognized as being of value. The elimination of Statute 116C-2 resolves the discrepancies that currently exist in statute between 115C-11 and 116C-2 (**Exhibits 3-18 and 3-19**). This action relieves the obligation of the Governor to call the meetings and for the Cabinet to set the agendas.

Recommendation 3-11:

Amend Statutes 116C and GS-115C-11(b1) to require that more frequent meetings are conducted of the State Board of Education, the State Board of Education of Community Colleges, and the Board of Governors of the University of North Carolina, and that written reports—including the agenda, minutes, and recommendations—be sent to the General Assembly.

State Board of Education members have met annually with the other boards to fulfill the statutory requirements of 116C/GS and 115C-11(b1). Although the meetings were reported by interviewees as professional, the agendas for the meetings lacked substance. Interviewees believed that the forum was needed to become substantive with specific topics for discussion and issues to be resolved to best shape educational policy across the pre-K–20 education continuum.

FISCAL IMPACT

These recommendations can be implemented with existing resources.

3.2 GOVERNANCE

In addition to addressing roles and responsibilities, **Section 3.1** also discusses governance. Nonetheless, the RFP specifically asks the consultant to address the following:

Determine if the governance structure diffuses responsibility and hinders accountability.

The response to this charge is addressed in this short section. **Section 3.2** ties together many of the findings in **Section 3.1** to directly respond to the RFP charge stated above. These two sections of the report are inextricably linked.

As part of the study, Evergreen Solutions conducted a survey of the district superintendents, in cooperation with the North Carolina School Superintendents Association (NCSSA). The district superintendents responded to the survey and the following quote is representative of the responses: “Each LEA needs to know what the governance is, and it should be communicated to all stakeholders first and foremost.”



The district superintendents were asked the question: “Knowing the current governance structure for K-12 education in North Carolina, is the process effective and efficient? Please give examples of how or how not.” Selected responses follow:

- *It is not efficient. The SBE, an appointed body, has taken all authority from an elected official, the State Superintendent. The Deputy Superintendent, a political appointee, is in charge of daily operations and reports to the SBE – not the Superintendent. The SBE takes direction and guidance from the Governor’s Office, a political body, instead of the elected educator, the State Superintendent.*
- *A clear pathway for accountability and leadership is non-existent in our state. Districts currently recognize multiple “islands” of governance with mandates coming from DPI, SBOE, Lt. Governor, and the Governor. Add Judge Manning’s directives from the bench to the mix and we have chaos. The appearance is that none of these bodies of governance are communicating a shared vision for K-12 education in our state.*
- *It is virtually ineffective and inefficient --- no one is really in charge. Without the State Superintendent having authority to act as a superintendent, there is no real leadership and no one seen as having authority. Research is clear ---- the effectiveness of the organization is directly tied to the real and perceived effectiveness of the leader at the top. When one is not defined (as we currently have in NC), we can hope for no more than chaos.*

FINDING

As stated in **Section 3.1**, the decision of who to entrust with authority, responsibility and leadership is determined by State Board policy, and of course, the prevailing politics in the State of North Carolina.

Evergreen Solutions concludes, based on extensive interviews, the results of surveys, and its own experience and judgment, that to achieve the goal of solving the vacuum of leadership, for the state to make education improvement, and for alignment or coherence among entities entrusted for policy setting as well as for the effective administration and supervision of public education, then the current governance structure that diffuses responsibility and hinders accountability needs to be changed. The current hybrid situation does not work.

Evergreen Solutions concludes that there is a need to put this matter of uncertain leadership and diffused governance to rest so that both the perceived and very real redundancies, diffused authority for governance and accountability, and related issues can be resolved.

North Carolina is at a crossroads regarding the pathway to take to address and resolve its current governance structure for public education. The timing of this report coincides with the November 2008 statewide re-election of the State Superintendent of Education and the election of a Governor, who has been the Lieutenant Governor of North Carolina and who has served as a State Board of Education member. This would be an appropriate time for the State Board of Education and the Governor to take action to improve governance.



RECOMMENDATION

Recommendation 3-12:

Address and resolve the current governance structure which diffuses responsibility and hinders accountability by implementing the recommendations articulated in Section 3.1.

Certainly, the State Board could choose to delegate to the State Superintendent an enhanced role and more comprehensive responsibilities. The person occupying the position would need to be empowered to lead, manage, and supervise the public education system and the Department of Public Instruction. If the State Board of Education exercised its prerogative to empower the State Superintendent, subject to the SBE's "control, direction, and approval", then the recommendations contained herein in **Section 3.1** regarding empowering the Chairman to serve in the dual role as Chief Executive Officer would not be needed.

Should the policymakers determine that the State Superintendent's role is to continue to be limited, then the recommendations made regarding the State Board of Education and State Superintendent in **Section 3.1** provide a pathway, short of a constitutional question/issue of the elimination of a statewide elected official, to satisfy the Constitutional powers and duties vested in the position of the State Superintendent, while satisfying the Constitutional authority for the State Board of Education to administer and supervise public education.

Evergreen's recommendations in **Section 3.1** provide a governance structure consistent with the intent of the North Carolina State Constitution and are similar to the common corporate model: an appointed or elected board member serving as both the Chairman and Chief Executive Officer, or an appointed or elected board and a Chief Executive Officer who may or may not also be the Chairman. Creating and implementing such a model places the State Board in its rightful position and authority of setting policy, and carrying out its administrative as well as its supervisory role.

In this revised governance model applied to the State Board of Education, the individual nominated to be the Board member (and Chairman/CEO-designee) would be appointed by the Governor and confirmed by the General Assembly, as provided for in the Constitution. Once confirmed, the Board Chair would be elected by the State Board of Education. The process of the selection of a Chairman, who would become the Chairman/Chief Executive Officer, would be a transparent one.

In addition, the very public and visible nature of this process would focus public attention on the importance of the selection of the individual to serve in the dual role, the appointment and the confirmation process. This transparent action would also send a very strong and clear signal regarding the vested responsibility in the new Chairman/Chief Executive Officer to assist with clarification of the existing diffused governance structure, and provide public education with its identified leader and advocate.

This governance model does not require a change in the Constitution, nor does not take away from the electorate the vote for a statewide elected official. Also this modification does not require statutory changes.



FISCAL IMPACT

This recommendation can be implemented with existing resources.

3.3 EXTERNAL ACCOUNTABILITY

Section 3.3 addresses the following RFP requirement:

Determine if the State Board of Education members and State Superintendent of Public Instruction have effective oversight information such as that provided through a “Balanced Scorecard,” Dashboard,” or any other equivalent system and if the officials use and are satisfied with the information?

The powers and duties of the State Board of Education are established in the Constitution and shown previously in **Exhibit 3-3**. The State Board has the power and responsibility for the administration and supervision of the public education system. The administrative arm of the State Board is the Department of Public Instruction and its employees. The Department of Public Instruction is accountable to the State Board of Education for carrying the Board’s policies, and the Board can rightly expect to be provided effective oversight information by the state education agency.

In addition, the General Assembly has delineated the powers and responsibilities of the State Board regarding accountability and reporting in great detail. The critical aspects of the duties for the purposes of this section lie in the references to accountability and financial powers contained in statute. One important aspect of the Board’s responsibilities delineated in statute is to establish, monitor, and report on the progress of the public education system as well as to assure the state school funds and federal funds are administered in a timely fashion and used by school districts and schools appropriately.

Statutory requirements include:

- *To issue an annual report card for the State and for each local school administrative unit, assessing each unit's efforts to improve student performance based on the growth in performance of the students in each school and taking into account progress over the previous years' level of performance and the State's performance in comparison with other states. This assessment shall take into account factors that have been shown to affect student performance and that the State Board considers relevant to assess the State's efforts to improve student performance.*
- *To develop and implement a uniform education reporting system, which shall include standards and procedures for collecting fiscal and personnel information.*
 - a. *The State Board of Education shall adopt standards and procedures for local school administrative units to provide timely, accurate, and complete fiscal and personnel information, including payroll information, on all school personnel. All local school*



administrative units shall comply with these standards and procedures by the beginning of the 1987-88 school year.

- b. *The State Board of Education shall develop and implement a Uniform Education Reporting System that shall include requirements for collecting, processing, and reporting fiscal, personnel, and student data, by means of electronic transfer of data files from local computers to the State Computer Center through the State Communications Network. All local school administrative units shall comply with the requirements of the Uniform Education Reporting System by the beginning of the 1989-90 school year.*

Source: <http://www.NCleg-net/EnactedLegislation/Statutes/Statutes;HTML/BySection/Chapter 115C-12>

The focus on accountability in **Section 3.3** requires a clear understanding of the meaning of the term. Evergreen Solutions uses the word ‘accountability’ in this section to refer to the State Board’s ability to determine if the statutes set by the General Assembly and the policies and objectives set by the Board of Education are being met by DPI, local districts and schools. Oversight information means information that provides the Board and Superintendent not only with evidence of whether desired results are being accomplished, but also information that suggests where new policies, programs or strategies might be needed. “Balanced Scorecard” and “Dashboard” are names of information systems designed to monitor management’s accomplishments or lack thereof over the Board’s goals and objectives.

Since the RFP asked the consultant to examine the use of a balanced scorecard and dashboard, a brief background section follows.

In the early 1990s, Robert Kaplan, faculty member at the Harvard Business School, and a professional associate, David Norton, devised a management information system that addressed what they considered a problem among many businesses in America. At the time, many company executives tended to manage their business solely on financial measures. Kaplan and Norton maintained that, while financial measures are necessary, such information can only report what has happened in the past. “Financial information reveals where a business has been, but not where it is headed. It’s like driving a car by looking in the rearview mirror.”

Kaplan and Norton published numerous articles on their ideas on how to overcome the problem and, in 1996, published a book on the subject—*The Balanced Scorecard*. Since this book was published, a substantial industry has developed in which management consulting firms help companies develop a balanced scorecard. One of them, the Balanced Scorecard Institute (located in Cary, North Carolina), has published a brief synopsis of what a Balanced Scorecard is, as originated by Kaplan and Norton. The synopsis is shown in **Exhibit 3-20**.

Kaplan and Norton identify what they consider essential components of a balanced scorecard. They propose four perspectives, and for each perspective, a strategic plan that contains four components. **Exhibit 3-21** is summarization of the measures that drive performance.

In the March–April 2005 edition of the *Journal of Education for Business*, Demetrius and Patricia Karathanos published an article “Applying the Balanced Scorecard to Education.” The following are abbreviated excerpts from this publication:



Exhibit 3-20 The Basics of a Balanced Scorecard

The balanced scorecard is a strategic planning and management system that is used extensively in business and industry, government and nonprofit organizations worldwide to align business activities to the vision and strategy of the organization, improve internal and external communications, and monitor organization performance against strategic goals. It was originated by Drs. Robert Kaplan (Harvard Business School) and David Norton as a performance measurement framework that added strategic non-financial performance measures to traditional financial metrics to give managers and executives a more ‘balanced’ view of organizational performance. While the phrase balanced scorecard was coined in the early 1990s, the roots of this type of approach are deep, and include the pioneering work of General Electric on performance measurement reporting in the 1950’s and the work of French process engineers (who created the *Tableau de Bord* – literally, a “dashboard” of performance measures) in the early part of the 20th century.

The balanced scorecard has evolved from its early use as a simple measurement framework to a full strategic planning and management system. The “new” balanced scorecard transforms an organizations strategic plan from an attractive put passive document into the “marching orders” for the organization on a daily basis. It provides a framework that not only provides performance measurements, by helps planners identify what should be done and measured. It enables executives to truly execute their strategies.

The new approach to strategic management was first detailed in a series and books by Drs. Kaplan and Norton. Recognizing some of the weaknesses and vagueness of previous management approaches, the balanced scorecard approach provides a clear prescription as to what companies should measure in order to ‘balance’ the financial perspective. The balanced scorecard is a management system (not only a measurement system) that enables organizations to clarify their vision and strategy and translates them into action. It provides feedback around both the internal business processes and external outcomes in order to continuously improve strategic performance and results. When fully deployed, the balanced scorecard transforms strategic planning from an academic exercise into the nerve center of an enterprise.

Kaplan and Norton (in their book) describe the innovation of the balanced scorecard as follows:

The balanced scorecard retains the traditional financial measures. But financial measures tell the story of past events, an adequate story for industrial age companies for which investments in long-term capabilities and customer relationships were not critical for success. These financial measures are inadequate, however, for guiding and evaluating the journey that information age companies must make to create future value through investment in customers, suppliers, employees, processes, technology and innovation.

Source: <www.balancedscorecard.org/BSCResources/AbouttheBalancedScorecard/tabid/55>.

Exhibit 3-21 Measures that Drive Performance

Kaplan and Norton proposed organizing strategic planning around four perspectives for achieving the organization’s vision.

- Financial: Measures should answer, “How should we appear to our shareholders?”
- Customer: Measures should answer, “How should we appear to our customers?”
- Internal Business Processes: “In what processes must we excel?”
- Learning and Growth: “How will we sustain our ability to change and improve?”

For each perspective, Kaplan and Norton proposed developing a strategic plan that contained the following:

- Objectives
- Measures
- Targets
- Initiatives

Source: Adapted from, Kaplan, R.S., & Norton, D.P. (1992). *The Balanced Scorecard – Measures that Drive Performance*. Harvard Business Review, 70, 71-79.



The Baldrige National Quality Program, created by Congress in 1987, embraced the concept of the balanced scorecard. The centerpiece of the Baldrige Program is its Criteria for Performance Excellence which call for the integration of seven areas in a comprehensive management system: 1. Leadership; 2. Strategic planning; 3. Student, stakeholder and market focus; 4. Measurement, analysis and knowledge management; 5. Faculty and staff focus; 6. Process management; and 7. Organizational performance results.

In 1995, the Baldrige Program began the process of converting the business criteria for use in the education sector. This process culminated in the development of the Education Criteria for Performance Excellence and with Congressional approval of the Malcolm Baldrige National Quality Award for Education in 1999. In 2001, three educational institutions became the first recipients of the Baldrige Award.

The Baldrige Program still identifies the seven categories that embody the Programs Core Values in its “Systems Perspective.” They have been slightly modified in recent years.

Exhibit 3-22 provides this information. As can be seen, test results are not the only performance goals in the Baldrige Program.

Exhibit 3-22
Education Criteria for Performance Excellence

Organizational Profile: Environment, Relationships and Challenges
1. Leadership
2. Strategic Planning
3. Student, Stakeholder and Market Focus
4. Measurement, Analysis and Knowledge Management
5. Workforce Focus
6. Process Management Focus
7. Results

Source: Education Criteria for Performance Excellence, Baldrige National Quality Program, page iv.

Business, non-profit, and education institutions consider the dashboard to be one feature of a balanced scorecard, one that provides an on-line, real-time summary view of the status of accomplishing the various objectives and indicators relative to targets set for the organization.

Information on a dashboard is shown in **Exhibit 3-23**.



Exhibit 3-23 The Basics of a Dashboard

In management information systems, a dashboard is an executive information system user interface that (similar to an automobile's dashboard) is designed to be easy to read. For example, a product might obtain information from the local operating system in a computer, from one or more applications that may be running, and from one or more remote sites on the Web and present it as though it all came from the same source. Digital dashboards may be laid out to track the flows inherent in the business processes that they monitor. Graphically, users may see the high-level processes and then drill down into low level data. This level of detail is often buried deep within the..... enterprise and otherwise unavailable to the senior executives.

Three main types of digital dashboard dominate the market today: stand alone software applications, web-browser based applications, and desktop applications also known as desktop widgets. The last are driven by an engine. Specialized dashboards may track all corporate functions. Examples include human resources, recruiting, sales, operations, security, information technology, project management, customer relationship management and many more departmental dashboards. Digital dashboard projects involve business units as the driver and the information technology department as the enabler. The success of digital dashboard projects often rely on the correct selection of metrics to monitor. Key performance indicators, balanced scorecards and sales performance figures are some of the content appropriate on business dashboards.

To some extent, most graphical user interfaces (GUIs) resemble an automobile dashboard. Although a computer dashboard is more likely to be interactive than an automobile dashboard, some product developers consciously employ this metaphor (and sometimes the term) in the interface design so that the user instantly recognizes the similarity. Some products that aim to integrate information from multiple components into a unified display refer to themselves as dashboards. Based on the metaphor of the instrument panel in a car, the computer or digital dashboard provides a business manager with the input necessary to "drive" the business. Highlights with colors similar to traffic lights, alerts, drill-downs, summaries, graphics such as bar charts, pie charts, bullet graphs, spark lines and gauges are usually set in a portal-like environment that is often role-driven and customizable.

History

The idea of digital dashboards followed the study of decision support systems in the 1970s. With the surge of the Web in the late 1990s, digital dashboards as we know them today began appearing. Many systems were developed in-house by organizations to consolidate and display data already being gathered in various information systems throughout the organization. Today, digital dashboard technology is available "out-of-the-box" from many software providers. Some companies however continue to do in-house development and maintenance of dashboard applications. For example, GE Aviation has developed a proprietary software/portal called "Digital Cockpit" to monitor the trends in aircraft spare parts business.

Benefits of Digital Dashboards

Digital dashboards allow managers to monitor the contribution of the various departments in their organization. To gauge exactly how well an organization is performing overall, digital dashboards allow you to capture and report specific data points from each department within the organization, thus providing a "snapshot" of performance.

Benefits of using digital dashboards include:

- *Visual presentation of performance measures*
- *Ability to identify and correct negative trends*
- *Measure efficiencies/inefficiencies*
- *Ability to generate detailed reports showing new trends*
- *Ability to make more informed decisions based on collected business intelligence*
- *Align strategies and organizational goals*
- *Save time over running multiple reports*

Source: www.wikipedia.org/wiki/Executive_dashboard



FINDING

At this time, the North Carolina State Board of Education does not have a balanced scoreboard, and does not have a fully developed dashboard. Yet, a balanced scorecard and dashboard would serve the responsibility to monitor success of the state education agency by the State Board of Education as well as to intervene in those areas where success is lagging.

The following list identifies the key components of a balanced scorecard and dashboard system of accountability and the status of the State Board's progress in each component:

- **The mission and goals for which the Department will be held accountable has been set by the Board of Education. These may be statements of aspiration.**

The North Carolina State Board adopted "Future-Ready Students for the 21st Century" sometimes referred to as "Goals for the 21st Century" or "Goals 21" that have established mission and goals.

- **A number of objectives for accomplishing each of these goals are clearly stated so that there is consensus on to what they mean. Some of these objectives maybe measurable or be statements of aspiration, such as "All students will..."**

The "Future-Ready Students for the 21st Century" adopted by the State Board contains clearly stated objectives.

- **The objectives address more dimensions of the responsibilities of the agency than just increasing student achievement. The objectives also include functions which impact on student achievement as well as the strength of the schools to meet future challenges, such as to be innovative.**

The State Board adopted "Future-Ready Students for the 21st Century" with objectives that are not limited to student achievement.

- **For each objective, specific indicators or measures are adopted by the Board. These measures include what data will be used to gauge the amount of progress and for which the Board will hold the Department accountable.**

The Board has adopted such measures. DPI staff is making progress on the development of a Performance Management Tool to be presented to the State Board in January 2009.

- **Targets for periodic levels of expected accomplishment are set by the State Board. Usually, these would be annual targets.**

The State Board has not set these targets, but they are in the process of being set. However, targets have been set for DPI divisional objectives.

- **Data are entered into the balanced scorecard's system in relation to the targets, such as "decline or no improvement, improvement, but not to the level of the target, target has been met or exceeded."**

This has not been established, but is in progress.



- **Data that reflect the accomplishment of targets are entered in real-time meaning as soon as they are available. In education, this will be annually for some measures and daily, weekly or monthly for others.**

The State Board has not yet accomplished this task. The Board will receive an update on selected state-level measures in January 2009.

- **A balanced scorecard contains files cross referenced to each objective that identify strategies, initiatives or programs being followed to accomplish the objectives, and which organizational unit or units in the department are responsible for effectively implementing the strategies, initiatives or programs.**

This has not been accomplished to date at the agency level.

- **A dashboard is part of the performance management reporting system that presents, in summary fashion, the status of the department's accomplishment for each objective. It is a visual summary of accomplishment, usually on one page, that reports what things are going well and what things are not.**

A dashboard has not been fully developed.

- **The balanced scorecard is an on-line system so that members of the board members as well as the Superintendent and other staff can "drill down" to the status of specific measures and also review what strategies (initiatives, programs, etc.) that the department has underway.**

This has not been accomplished to date.

- **A performance management system that makes effective and efficient use of the Board's time. The system allows Board members, if they wish, to give major attention and ideas to those objectives where accomplishment seems to be lagging and less attention to those less important objectives.**

This has not been done.

- **The balanced scorecard is not only a management information system—its production is a strategic planning process that includes the State Board as well as DPI employees.**

This has not been done below the director's level. The State Board should use a balanced scorecard and dashboard—when fully developed, operational, and implemented—as tools to focus its efforts at strategic planning and appropriate policy interventions.

RECOMMENDATION

Recommendation 3-13:

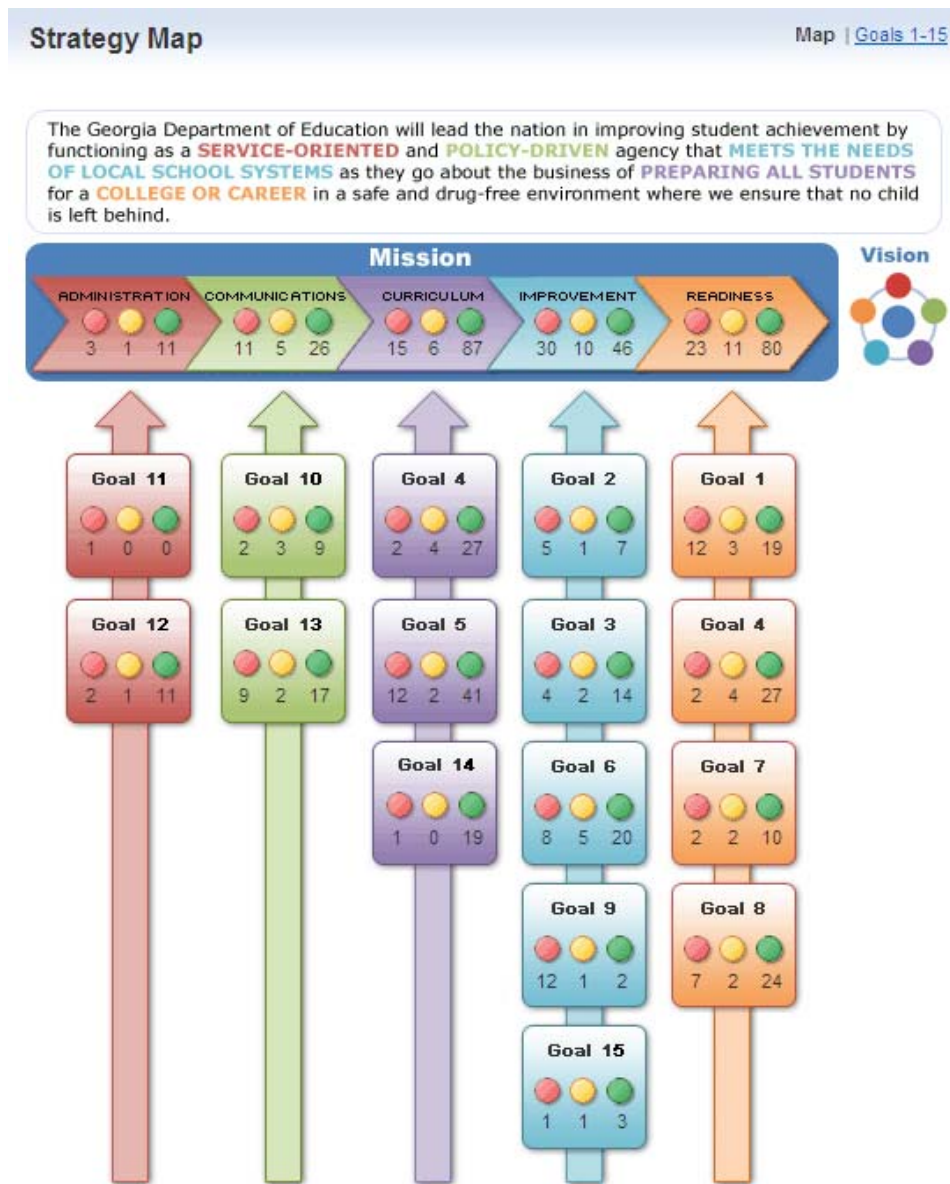
Develop a balanced scorecard and complete the development of a dashboard that facilitate the Board's ability to exercise effective oversight over the Department of Public Instruction.



One example of a balanced scorecard with a dashboard at the State Department of Education level has been developed and implemented by the Georgia Department of Education (DOE) and its Board of Education.

Exhibit 3-24 shows the Georgia DOE Dashboard. **Exhibit 3-25** lists the measurable indicators for one of the Board’s goals. In addition, **Exhibit 3-26** lists the strategies being followed by the Georgia DOE to accomplish that goal. Other pages that identify who is responsible for the strategies being followed are not shown in this exhibit.

Exhibit 3-24
Georgia State Department of Education: Goal Status



Source: <http://public.doe.k12.ga.us/strategicframework.aspx?&PageReq=Mission>, 2008.



**Exhibit 3-25
Georgia Department of Education: Goal 4: Indicators Status**

Goal (4)								
Significantly improve SAT/ACT/NAEP scores of Georgia students								
Indicator	2005	2006	2007	2008	Trend	Target	Tolerance	Status
State aggregate average on combined SAT with essay, beginning in 2006	NA	1468	1458	1453	▼	1478	6	■
State aggregate average on SAT reading and math	989	985	980	976	▼	997	4	■
State aggregate average on ACT composite score	19.7	20	20.1	20.30	▲	20.4	0.1	◆
Percentage of AP exams scored at three (3) or higher, public schools	53	53	53	51	▼	50	0	■
Number of sophomore PSAT participants, public schools	91530	91241	92589	94898	▲	94000	300	■
NAEP Percent Performing at Basic or Above in Mathematics - Grade 8	62	NA	64	NA		64	2	■
NAEP Percent Performing at Basic or Above in Reading - Grade 8	67	NA	70	NA		70	2	■
NAEP Percent Performing at Basic or Above in Mathematics - Grade 4	76	NA	79	NA		79	2	■
NAEP Percent Performing at Basic or Above in Reading - Grade 4	58	NA	66	NA		66	2	■
NAEP Percent Performing at Basic or Above in Science - Grade 4	57	NA	63	NA		63	2	■
NAEP Percent Performing at Basic or Above in Science - Grade 8	52	NA	53	NA		53	2	■
Number of SAT On-line accounts	NA	103507	151151	159645	▲	155000	2250	■
Number of students taking exams in AP Calculus AB	5064	4557	4745	5472	▲	5200	0	■
Number of students taking exams in AP Calculus BC	1444	1235	1299	1393	▲	1369	0	■
Number of students taking exams in AP Statistics	2989	3091	3058	3650	▲	3300	0	■
Number of teachers, high school administrators, and counselors trained to use PSAT/SOAS data.	NA	NA	228	614	▲	400	0	■
Number of LEAs where teachers, high school administrators, and counselors have been trained to us PSAT/SOAS data.	NA	NA	33	71	▲	50	0	■
Number of teachers participating in academic content at AP regional workshops	NA	NA	NA	347		200	0	■
Number of LEAs whose teachers have participated at AP regional workshops	NA	NA	NA	107		30	0	■
AP Summer Institutes Participation due to AP Teacher Quality Grants	NA	78	86	232	▲	111	0	■
Number of LEAs whose teachers have participated in AP Summer Institutes due to support of AP Teacher Quality Grants	NA	38	36	51	▲	50	0	■
Number of AP Honors Schools	NA	NA	NA	87		88	2	◆
LEAs with AP Honors School(s)	NA	NA	NA	38		36	0	■
Number of AP Test Takers, public schools, Total	31054	37631	43050	50251	▲	40560	1000	■
Number of IB technical assistance phone calls, visits, presentations, and meetings conducted annually	NA	NA	NA	5		5	0	■
Critical Thinking Skills Workshops for Teachers	NA	NA	NA	25		5	0	■
LEAs Critical Thinking Skills training for teachers	NA	NA	NA	21		5	0	■
Teachers trained SAT on-line course	NA	55	276	530	▲	275	0	■
Teacher training in LEAs: SAT On-line course	NA	NA	30	44	▲	25	0	■
Number of LEAs whose teachers have been trained in College Readiness/Success Workshops	NA	NA	45	167	▲	100	0	■
PSAT Composite average, public schools	NA	NA	39.26	39.16	▼	40	1	◆
Number of AP Exams scored 3 or higher	26686	31657	35705	40506	▲	39000	0	■
Direct contacts to principals and SAT liaisons regarding best practices for SAT.	NA	NA	538	556	▲	550	0	■
Number of high school counselors and administrators receiving professional development in ACT awareness.	NA	NA	NA	35		50	15	◆

Source: www.doe.k12.ga.us/strategicframework.aspx



Exhibit 3-26
Georgia Department of Education: Goal 4: Strategies

Goal (4) Significantly improve SAT/ACT/NAEP scores of Georgia students
<i>Strategy: Implementation of GPS for Mathematics</i>
<i>Strategy: Support the administration of the PSAT and the utilization of PSAT data.</i>
<i>Strategy: Ensure the quality and expansion of the AP program statewide and support local districts implementing IB programs.</i>
<i>Strategy: Support high schools in designing instruction that enhances critical thinking skills aligned to GPA as well as ACT and SAT exams.</i>
<i>Strategy: Increase GaDOE and stakeholder awareness about the NAEP assessment.</i>
<i>Strategy: Increase end user knowledge of and access to released NAEP test items and show value of NAEP items to state assessments</i>
<i>Strategy: Improve NAEP participation through parental education and increased incentive opportunities for sampled schools and students</i>
<i>Strategy: Expand access to the Gifted Infield Endorsement</i>

Source: www.doe.k12.ga.us/strategicframework.aspx?&PageReq=Goal&GoalID=4

This dashboard represents the Board’s and the department’s strategic plan for accomplishing the mission and goals. This strategic framework has been approved by the State Board of Education and represents the goals and objectives the Board and the State Superintendent expect the Georgia DOE to accomplish.

The Georgia State Board of Education has identified five mission areas to be addressed by the Department of Education:

- Administration
- Communication
- Curriculum
- Improvement
- Readiness

The Georgia State Board of Education has identified 15 goals to address the five mission areas.

When logging on the Georgia Dashboard’s homepage, the display is a series of gauges that reveal the status for each of the 15 overall goals in the strategic plan or whether there is some problem with one or more of the individual measures in each goal. The gauge for each goal contains the number of indicators that address that goal. The status of each goal is shown with red, yellow, and green lights.

For instance, as shown in **Exhibit 3-25**, in Goal 4 there are two indicators with red lights, four indicators with yellow lights, and 28 measures with green lights. An examination of that Dashboard by Board members or other stakeholders identify the status of each indicator or measure.

A click on Goal 4, “Significantly improve SAT/ACT/NAEP scores of Georgia students” brings up the second page (**Exhibit 3-26**). **Exhibit 3-26** contains the following kinds of information:

- For the goal, a total of 34 measurable indicators are identified.



- For each indicator, multi-year trend data or at least a current year baseline have been established with the intent to report trends in future years.
- For each indicator, an arrow is displayed: green if the target is being met; yellow if the trend is up, but not at target levels; and red if the trend is down. The number of green, yellow and red arrows for each goal is reported on the dashboard.
- For each indicator, there is an improvement target. For example, one of Georgia's goals is to improve SAT/ACT/NAEP scores of students and one indicator (out of many) is the state's aggregate average on SAT reading and math. The aggregate average for 2004-2008 is displayed showing a decline from 989 in 2004 to 976 in 2008. The target is shown as 997. There is a red arrow pointing downward because of the decline.

The last column on the display is dedicated to status. If the trend is down and not reaching the target, a red mark is displayed. If the last measure is at or above the target, a green mark is displayed. If progress has been made, but slower than the target calls for, a yellow light is displayed.

An examination of **Exhibit 3-26** shows the strategies that the department is following to accomplish the targets of Goal 4, which may or may not be working effectively depending on whether targets for Goal 4 are being met in satisfactory numbers.

The Georgia strategic framework contains the main features of a dashboard and balanced scorecard, and represents the product of a strategic plan and a way to monitor progress towards accomplishing the goals and objectives of that plan.

FISCAL IMPACT

An electronic dashboard acquires performance data on each of the indicators or measures in the balanced scorecard, and then evaluates the data relative to the set targets requires sophisticated software development and maintenance. Fortunately, inexpensive software development tools have recently come on the market which make the development of software for a dashboard like the one proposed here very economical (e.g., a user license at \$500 per user). The software development tools could be secured with available resources at minimal cost.

Staff time, however, to design and maintain the system needs to be considered. In the Georgia State Department of Education, approximately two full-time-equivalent (FTE) positions were dedicated to software development and are still dedicated to the support and maintenance of the electronic dashboard for the Department's Strategic Management Plan. DPI IT managers indicated that some support would be available by NC WISE staff so Evergreen is projecting one FTE staff to support the proposed electronic dashboard.

The employment of one technical support staff to design and implement the dashboard at \$75,000 each per year (\$60k salary plus 25 percent benefits).



Recommendation	2009-10	2010-11	2011-12	2012-13	2013-14
Hire Staff	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)
Acquire User License	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)
Total Cost	(\$76,000)	(\$76,000)	(\$76,000)	(\$76,000)	(\$76,000)

FINDING

In order to establish a system of State Board accountability for public education in North Carolina, the State Board must provide adequate guidance to the Department of Public Instruction about the goals and objectives it intends to hold itself and DPI accountable for accomplishing.

In September 2006, the State Board adopted its strategic goals. This document is contained in **Exhibit 3-27**.

The adopted goals are appropriate vision statements that identify, in a broad way, what the State Board considers of major importance on the areas of:

- Globally Competitive Students;
- 21st Century Professionals;
- Healthy and Responsible Students;
- Innovative Leadership; and
- Schools Governed and Supported by 21st Century Support Systems.

Those goals identify the major priorities of the State Board of Education.

Exhibit 3-27 shows a common display for vision statements. They are consistent with the concept of a mission statement, objectives, and goals. The goals and objectives do not identify specific measurable outcomes desired, and by themselves, are not sufficient for holding the DPI accountable.

For many of the objectives listed under each goal, specific targets to measure the indicators of accomplishment need to be identified. Data could reveal the degree of success or lack of it. For example, consider the last item under Goal 1: “Every student has the opportunity to graduate from high school with an associates degree or college transfer credit.” With some further decision about how “opportunity” will be measured, the accomplishment of that objective would be rather easy to measure on an annual or even more frequent basis. The results of progressing from how many students now have such an opportunity as compared to last year could be a measure of progress.

For other objectives, data that would be a reasonable measure of accomplishment are not apparent, partly because the language of the objective is very broad. Consider the first objective under the Goal 3 about healthy and responsible students: “Every learning environment will be inviting, respectful, supportive, inclusive, and flexible for student success.” The measure under consideration by the Department staff is as follows: Objective 3.1 The number of violence and discipline-related incidents per 1000 pupils as measured by 17 reportable offenses.”



Exhibit 3-27

North Carolina Board of Education Mission, Goals and Objectives

Future-Ready Students for the 21st Century

The guiding mission of the North Carolina State Board of Education is that every public school student will graduate from high school, globally competitive for work and postsecondary education and prepared for life in the 21st Century.

Goal: NC public schools will produce globally competitive students.

- Every student excels in rigorous and relevant core curriculum that reflects what students need to know and demonstrate in a global 21st Century environment, including a mastery of languages, an appreciation of the arts, and competencies in the use of technology.
- Every student's achievement is measured with an assessment system that informs instruction and evaluates knowledge, skills, performance, and dispositions needed in the 21st Century.
- Every student will be enrolled in a course of study designed to prepare them to stay ahead of international competition.
- Every student uses technology to access and demonstrate new knowledge and skills that will be needed as a life-long learner to be competitive in a constantly changing international environment.
- Every student has the opportunity to graduate from high school with an Associates Degree or college transfer credit.

Goal: NC public schools will be led by 21st Century professionals.

- Every teacher will have the skills to deliver 21st Century content in a 21st Century context with 21st Century tools and technology that guarantees student learning.
- Every teacher and administrator will use a 21st Century assessment system to inform instruction and measure 21st Century knowledge, skills, performance, and dispositions.
- Every education professional will receive preparation in the interconnectedness of the world with knowledge and skills, including language study.
- Every education professional will have 21st Century preparation and access to ongoing high quality professional development aligned with State Board of Education priorities.
- Every educational professional uses data to inform decisions.

Goal: NC public school students will be healthy and responsible.

- Every learning environment will be inviting, respectful, supportive, inclusive, and flexible for student success.
- Every school provides an environment in which each child has positive, nurturing relationships with caring adults.
- Every school promotes a healthy, active lifestyle where students are encouraged to make responsible choices.
- Every school focuses on developing strong student character, personal responsibility, and community/world involvement.
- Every school reflects a culture of learning that empowers and prepares students to be life-long learners.

Goal: Leadership will guide innovation in NC public schools.

- School professionals will collaborate with national and international partners to discover innovative transformational strategies that will facilitate change, remove barriers for 21st Century learning, and understand global connections.
- School leaders will create a culture that embraces change and promotes dynamic continuous improvement.
- Educational professionals will make decisions in collaboration with parents, students, businesses, education institutions, and faith-based and other community and civic organizations to impact student success.
- The public school professionals will collaborate with community colleges and public and private universities and colleges to provide enhanced educational opportunities for students.

Goal: NC public schools will be governed and supported by 21st Century systems.

- Processes are in place for financial planning and budgeting that focus on resource attainment and alignment with priorities to maximize student achievement.
- Twenty-first century technology and learning tools are available and are supported by school facilities that have the capacity for 21st Century learning.
- Information and fiscal accountability systems are capable of collecting relevant data and reporting strategic and operational results.
- Procedures are in place to support and sanction schools that are not meeting state standards for student achievement.

Source: www.doe.k12.nc.us/Goals approved by the North Carolina State Board of Education on September 7, 2006.



This is a valid measure of the objective. However, to maintain that the learning environment is only a reflection of violence and disciplinary incidents is questionable. It would be appropriate for the State Board to change the objective to address only violence and disciplinary incidents or add more measures to adequately address such environmental features as inviting, inclusive and flexible.

Most objectives listed under the Board's five goals are aspirational statements. They charge DPI with accomplishing the objective with "every student" or "every teacher." There is nothing wrong with adopting aspirations as policy. However, for purposes of accountability, DPI needs to be charged with accomplishing results that are measurable in time and that answer questions such as: "How much improvement in statewide SAT, ACT and NAEP scores will the Board expect DPI to accomplish annually?" Annual (or more often in some cases) reasonable and measurable targets need to be set by the State Board of Education.

COMMENDATION

The adoption of goals for the 21st Century and related objectives represents an important step in deciding for what accomplishments the Board will hold the DPI accountable. DPI is called upon to address five goals that the State Board of Education considers important.

RECOMMENDATION

Recommendation 3-14:

Review "Future-Ready Students for the 21st Century" and revise the objectives to ensure clarity of meaning. Determine the measures or indicators of accomplishment for which DPI will be held accountable, and set annual or more frequent targets that indicate the extent and nature of change expected by the agency.

"Future-ready Students for the 21st Century" was adopted two years ago. Many of the objectives under the five goals are not clear. For the Department of Public Instruction to be accountable to the State Board, the criteria for holding DPI accountable must be very clear and not subject to different interpretations. Clarifying the objectives and determining what information will be used for accountability is necessary.

The Board's charge to the Department of Public Instruction in "Future-Ready Students for the 21st Century" contains suitable vision statements or general goals. The charge has objectives that are statements of aspiration which are also suitable. Vision and aspiration, however, are not sufficient for holding DPI accountable for results. For some objectives, it is apparent what kind of data would be needed to determine progress or improvement. Some objectives, however, are rather vague and what information would be used by the State Board to exercise suitable accountability monitoring of the department's work is not apparent.

Such data need to be specified for each indicator or measure, and annual or more frequent targets set for how much improvement is expected. The goals must be clarified, indicators or measures of results must be identified, and targets for accomplishment must be set.



FISCAL IMPACT

This recommendation can be implemented with existing resources

FINDING

Interviews with Board members revealed mixed opinions about satisfaction with information provided by the Department of Public Instruction. Most Board members said they were satisfied with the information they received from the state agency concerning Board meeting agenda items; other Board members expressed concerns about agenda items. Several commented that DPI staff members were always helpful in providing information requested by individual Board members.

There did appear, however, in some of the Board comments, a lack of ease with the information being received. The unease may derive from Board members, as lay persons, having to deal with issues and procedures that are very complex. Also, some Board members may not be familiar with the kind of information that would be most helpful.

The State Superintendent said she believed that most Board members are satisfied with the information provided by DPI staff on meeting agenda matters. She also added that DPI employees are very responsive in providing ad hoc information that Board members request.

RECOMMENDATION

Recommendation 3-15:

Advise the Department of Public Instruction on information that the State Board needs to receive for monitoring the state agency's effectiveness.

DPI needs to be more proactive in soliciting information from the State Board on the kind of data it desires. Board dissatisfaction with the type of information it receives is not in the interest of the State Board nor the Department of Public Instruction. Unless the concern is addressed periodically, it can lead to frustration and mistrust. Currently, many Board members have positive attitudes toward information they receive in response to ad hoc inquiries. However, the mixed feelings felt by some over agenda material should be addressed.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

North Carolina statutes require many types of statewide data and the publication of reports. In recent years, as a consequence of federal initiatives with *No Child Left Behind*, all state departments of education have collected increased amounts of data. Most states are in varying stages of developing a data warehouse system and unique student identifiers so that sophisticated types of collection and reporting of data can be used to inform policymaking and policymakers.



North Carolina has had robust data for many years. The DPI has extensive data files related to its responsibilities. For example, one objective is to improve student performance on tests administered by the State or some other organization outside the school (such as the ACT, SAT, NAEP, and local district assessments). Tests are administered and reports generated that show whether student achievement in schools, districts and the state has improved or not. Data on many specific objectives are available and provided, almost always on an annual basis. Many reports on assessments which occur on an annual basis show trends as well as school to school comparisons.

For the most part, information to Board members, the General Assembly, and the public are one-dimensional reports. Annual test data are in a series of reports. Dropout statistics and graduation rates are reported as stand alone information. For the purpose of monitoring the work of the schools, districts and DPI on results that occur annually, these data are certainly useful, but not linked or correlated.

Sometimes annual reports are provided even when data are collected by DPI on a monthly or even daily basis. For example, school withdrawals and dropouts are reported to DPI daily. When possible, such real-time data are far more useful to the Board and to the state agency in determining success than data in annual reports that arrive months after the end of the school year.

Two valuable systems are being developed and implemented to produce better information about the education of students in North Carolina.

The first system is a student information system, the North Carolina Window of Information on Student Education (NC WISE). NC WISE is a student accounting system that is Internet-based and contains data on a wide variety of matters about students and education. The data are stored centrally. Every student is assigned a unique ID number and extensive information about each student's education is coded to that number.

One example of its value is based on the fact that the Department of Public Instruction produces master schedules and student progress reports for high schools. The course requests are transmitted to the State for each high school on-line and on a real-time basis. With this information, DPI monitors whether each student is requesting enrollment in the required core curriculum and ensures that the student's course assignments are in compliance. In addition, NC WISE can produce such information as what percentage of students in each high school are enrolled in more academic courses than the minimum required, and whether such enrollment has a positive relationship on school test results.

The first wave of NC WISE implementation began in 2004. The participation of the third and final wave of local school districts and charter schools is scheduled to be complete in early 2009. At that time, all 115 school districts and about 100 charter schools will be sending and retrieving student data throughout NC WISE.

More information about NC WISE is addressed in **Chapter 4** of this report. The point here is that NC WISE will soon be fully operational and the State Board will have extensive data to use to monitor the success of DPI on the various objectives.



The second system is the data warehouse, called the NC Common Education Data Analysis and Reporting System (NC CEDARS). This system is intended to bring NC WISE and 21 other North Carolina education data files into one data warehouse and is now under development. In July 2007, DPI was awarded a \$6 million grant from the US Office of Education to be matched with a like amount of state education funds and in-kind support.

As stated in the DPI's July 26, 2007 News Release:

NC CEDARS will integrate previously incompatible education databases into a single data repository so that teachers, principals, researchers and other educators can analyze them with easy-to-use intelligence tools.

A senior staff member involved in the development of this new data warehouse said:

NC CEDARS will be a strategic tool to help make decisions about programs and where to spend money. It will be a longitudinal system, thus facilitating the study of trend information.

Both NC WISE and NC CEDARS will overcome a current problem; that is, different files are not currently linked to readily determine if the information in one file has some relationship to that in another. For example, DPI administers a questionnaire annually to all the teachers in every school that provides a measure of school learning environment, but the file containing these data can not be efficiently correlated with student achievement data. Making correlations between data in different files that currently have no electronic connections is very time consuming and expensive. NC CEDARS should meet this need. In addition, these tools will very helpful to the State Board in monitoring the work of DPI.

COMMENDATION

The NC CEDARS Data Warehouse, with NC WISE and 21 other data files related to education in North Carolina, will greatly increase the information easily accessible to Board members, DPI staff, and educators across the State.

RECOMMENDATION

Recommendation 3-16:

Expedite the development and implementation of the North Carolina Window of Information on Student Education (NC WISE) and the North Carolina Common Education Data Analysis and Reporting System (NC CEDARS).

Balanced scorecard and dashboard systems, with on-line and real-time data to be used for strategic and tactical planning purposes by the State Board of Education and the Superintendent, are dependent upon the full implementation of NC WISE and NC CEDARS. The new data systems will make accessible a wealth of information for monitoring the degree to which the Board's goals are being accomplished.



FISCAL IMPACT

This recommendation can be implemented without additional resources. Funds have been appropriated for these efforts.

FINDING

An instrument needs to be developed that will measure the progress of the State Board's goals and the health of the public education system. The State Board publishes a Biennial Report and is in the process of publishing the 2006-2008 Biennial Report at the time of this study. Yet, the data are presented as a retrospective look at traditional indicators of public education in North Carolina. The Board and staff realize that a more specific, on-time reporting mechanism is needed.

A new form of report, based on the Future-Ready Students for the 21st Century Goals, has been under development in DPI and a draft version was recently made available to State Board members. This Performance Measurement Tool will be formally presented to the Board in early 2009. This tool is being proposed to measure progress towards the Board's mission, goals and objectives.

One example of a measure is the Board's objective that high school students earn credits that will transfer to postsecondary institutions in North Carolina. The Board would measure its success on the basis of three kinds of courses accepted by postsecondary schools:

- learn and earn;
- learn and earn on-line; and
- advanced placement courses.

With this emerging Performance Management Tool, DPI proposes to count what percent of students actually earn such credits while in high school.

The draft Performance Management Tool could be further refined by setting annual state targets for increasing the percent of students who earn such credit while in high school, then monitoring whether the proposed increase is being accomplished. In collaboration with the State Board, DPI would need to introduce a time frame on accomplishing the objective that "every student" will earn such credit, by indicating how much increase is expected to be accomplished each year.

A section of the Performance Management Tool is presented in **Exhibit 3-28**. In addition to a cover page (**Exhibit 3-28**) which explains what the tool is for, performance measures are organized by four goals areas:

- excellent students;
- excellent teachers;
- excellent executives; and
- enabling systems.

These four goal areas are illustrated in **Exhibits 3-29** through **3-32**.



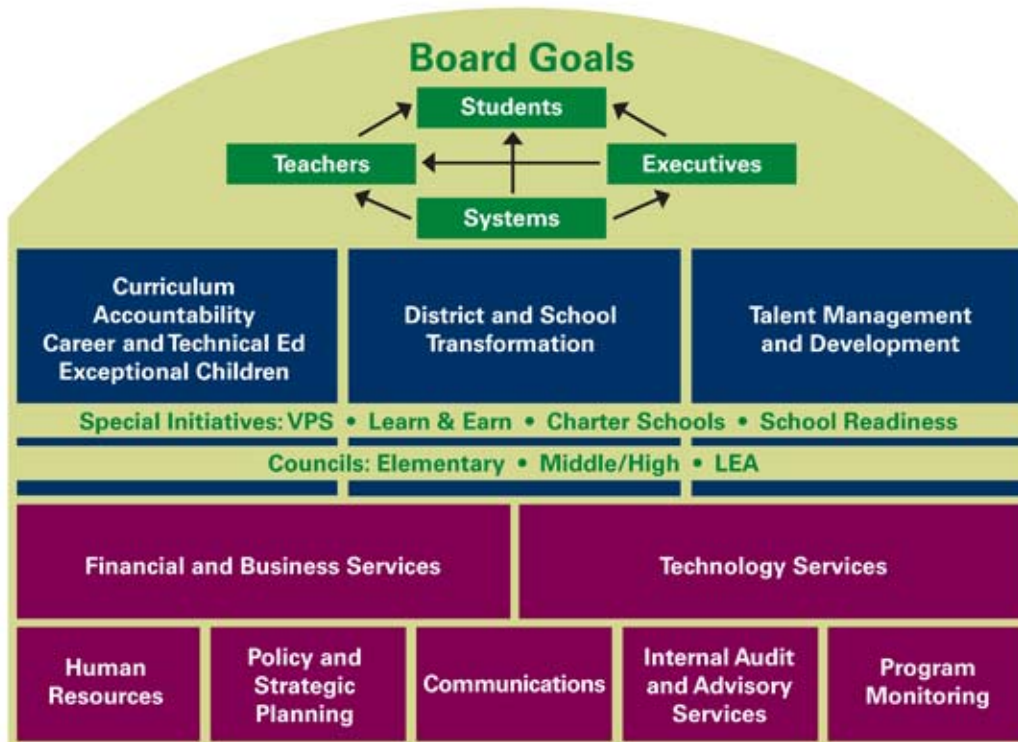
Exhibit 3-28 Performance Management Tool

STRATEGIC PLANNING & PERFORMANCE

In response to the North Carolina State Board of Education (SBE) guiding mission, the Department of Public Instruction developed a Performance Management Tool. This tool defines measures of progress toward the Board’s mission and goals and defines priority objectives for Departmental divisions and facilitates internal monitoring of progress toward those objectives.

A “school house” was chosen to represent the agency. The school is divided into two parts:

1. **The Roof**
In the roof are key “state of the state” measurements that align with the SBE goals. By clicking on the text in the roof, you can view key measures of success. Making progress statewide on these measures indicates that our state is moving toward the Board’s mission of ensuring that every public school student in North Carolina is a globally competitive graduate.
2. **The Walls and Foundation**
The walls and foundation of the building represent the department’s divisions or offices. By clicking on the text in each division you will find two important pages:
 - **Divisional Priority Objectives:** Priority objectives are the most important objectives and targets that each division is working toward in the 2008-09 school year. Each division is held accountable for achieving the goals for that year. Each division’s objectives support the Board’s mission and goals for improving student outcomes across the state.
 - **Core Activities:** The core activities are a concise list of the categories of work generally performed by the division. They are intended to capture in simple form the division’s broader work scope beyond the priority objectives for the year.



Source: www.dpi.state.nc.us/performance.



**Exhibit 3-29
Board Goal: Excellent Students**

**EXCELLENT STUDENTS
GLOBALLY COMPETITIVE, HEALTHY AND RESPONSIBLE STUDENTS**

	State Measures	SBE Goal	Current
1	% of students graduating from High School within 5-years of entering the 9 th grade.	1.1	70.3
2	% of students passing both math and reading end of grade assessment % of students passing end of course assessments	1.1	EOG – 63.9 EOC – 66.4
3	% of Adequate Yearly Progress targets met statewide.	1.1	80.5
4	% of schools meeting the ABCs Expected Growth Standard or High Growth Standard.	1.1	72
5	% of students enrolled in the equivalent of the Future-Ready Core curriculum.	1.1 1.3	New Measure
6	% of students responding affirmatively to 4 key health-related survey questions.	3.3	68
7	# of violence and discipline-related incidents per 1000 pupils as measured by 17 reportable offenses.	3.1 3.4	7.77
8	# of students enrolled in post-secondary credit-granting courses including Learn and Earn, Learn and Earn on-line and AP courses.	1.5 4.4	L & E(5183) LEO(4123) AP(43152)
9	# of 21 st Century Tools per student.	1.4 5.2	New Measure

Source: <www.dpi.state.nc.us/performance.

**Exhibit 3-30
Board Goal: Excellent Teachers**

EXCELLENT TEACHERS

	State Measures	SBE Goal	Current
1	Average proficiency level of sample teachers on the 5 New Teacher Evaluation Standards in pilots <ul style="list-style-type: none"> • Demonstrates Leadership • Establishes Respectful Environment for a Diverse Group of Learners • Knows Content • Facilitates Student Learning • Reflects on Practice 	All	New Tool
2	% teacher turnover.	2.1	12.31
3	# of teachers Nationally Board-Certified.	2.4	12,770
4	% of schools that use a high-quality benchmark or formative assessment model that allows for the collection of regular student performance data to inform instructional decision-making.	1.2 2.2 2.5	New Measure
5	Average response (on a scale of 1 to 5 with 5 being the highest) of principals and teachers to 5 key questions correlated to <u>professional development quality</u> in the Teacher Working Conditions Survey.	2.4	3.59
6	% of Institutions of Higher Education submitting plans by June 30 th , 2009 that meet expectations for alignment of teacher training programs to the new teacher standards.	2.4 >4.3	New Measure

Source: <www.dpi.state.nc.us/performance.



**Exhibit 3-31
Board Goal: Excellent Executives**

EXCELLENT EXECUTIVES

	State Measures	SBE Goal	Current
1	Average response (on a scale of 1 to 5 with 5 being the highest) of principals and teachers to 10 key questions about <u>leadership quality</u> in the Teacher Working Conditions Survey.	2.4 4.2	3.82
2	% of Institutions of Higher Education submitting plans by June 30 th , 2009 that meet expectations for alignment of executive training programs to the new executive standards	2.4 4.3	New Measure
3	Average proficiency level of executives on the 7 new Executive Evaluation Standards in pilots <ul style="list-style-type: none"> • Strategic Leadership • Instructional Leadership • Cultural Leadership • Human Resource Leadership • Managerial Leadership • External Development Leadership • Micropolitical Leadership 	All	New Tool
4	% of principals who have been at their school for more than 3 years whose schools meet ABC growth targets.	1.1 4.2	New Measure

Source: www.dpi.state.nc.us/performance.

**Exhibit 3-32
Board Goal: Enabling Systems**

ENABLING SYSTEMS

	STATE MEASURES	SBE Goal	Current
1	# of days between General Assembly adjournment and receipt of allotments by LEAs and Charter Schools.	5.1	10
2	% of districts and schools connected at sufficient bandwidth (100 mps or more).	5.2	75.2
3	# of LEAs in which NC Wise is operational.	5.2	75
4	% of time key State data collection and management systems are up and available when needed by end users.	5.3	New Measure
5	<ul style="list-style-type: none"> • % of schools served by comprehensive support model that meet ABCs growth targets • Performance composite in schools served by the new comprehensive support model. 	5.4	{07-08 Achievement Data forthcoming}
6	% of local staff responding positively to survey prompts about DPI support of schools and districts (including comprehensive support, EC and CTE).	5.4	New Survey

Source: www.dpi.state.nc.us/performance.



The goals pages are organized with identifying information that would measure performance, followed by the specific Board objective the data address (i.e., 1.1 means the 1st goal and its 1st objective). The last entry on each line provides current status data when they are available. For some of the recommended measures, the data to be used have not been identified or is not yet collected. These measures have a notation “new measure” or “new tool.”

There are links to other pages such as ones that identify the various strategies designed to accomplish the desired results, and which organizational units are responsible for implementing those strategies successfully. The full management tool can be viewed on the Internet Web site: www.dpi.state.nc.us/performance/

One of the recommendations made above concerning the status of the Board’s goals was that the goals and their specific objectives need to be reviewed by the State Board for clarification and possibly revision. Considering the wealth of information that will soon be readily accessible to the Board, staff and others, it seems reasonable for the Board to engage in a review of the data files that are in NC WISE and that will be in NC CEDARS as part of a review of its goals and objectives.

The State Board of Education needs to receive the kind of information that will allow it to focus on certain functions, including:

- Measures or objectives need to have intermediate annual goals and not just some unspecified date when “every student will.” The Board needs not only to determine the education results in North Carolina that need to be improved, but how much improvement is expected each year. The level of such annual targets warrant re-examination every year to ensure that expectations are realistic.
- In monitoring the state education agency’s accomplishments and holding DPI accountable for results, data are needed so that the Board can give in-depth attention to the objectives that are not being met in the timeframe expected. For targets not being reached, the Board should expect DPI to describe what new or expanded strategies are proposed to meet the target, or make a case for why the target needs to be changed.
- Information is needed so that the State Board can give suitable accolades for those objectives that are being met, but not time-consuming examinations. If objectives are being accomplished as expected, Board members need to know that, but do not need a lengthy report and presentation on programs, unless such is requested. Spending extensive time on things that are going well is not an efficient use of Board attention.
- The State Board of Education should expect DPI to conduct extensive research on the variables that positively and negatively impact the accomplishment of the various objectives.
- Data should be made readily accessible to Board members that facilitate their own examination of policy and program effectiveness, and their examination of whether new or revised policies and programs should be considered.



The current intent of DPI is to provide a report to the Board once or twice each year using the Performance Management Tool. Some data for several objectives, however, are entered into the DPI database on a daily, weekly, or monthly basis. In those cases, the Board would be better served by objectives written in a way to assess progress on a more frequent basis than annually or semiannually. This would be one major purpose of a dashboard—providing real-time data.

For example, under the “Excellent Students” Goal, data on the “number of violence and discipline-related incidents per 1000 students ...” is reported to the NC WISE on a frequent basis. There is a way to provide on-line, year-to-date information that reveals on any day whether the number of incidents is increasing or decreasing compared to the prior year. Peaks in such incidents in individual schools or districts serve as early warnings and raise the prospect for intervention. Rapid increases in improvement warrant examination to learn how a specific school is accomplishing that improvement so that best practices can be shared with others. Data about dropouts which occur during this year are also entered on a frequent basis. Being able to examine year-to-date information is more supportive of the Board’s as well as DPI’s responsibilities.

A second problem with the Performance Management Tool, as an instrument for Board monitoring, is that it is organized around the information to be collected while the Board’s objectives are relegated to a code number. If one has not memorized the narrative after each number, then the objective the measure addresses is lost. If the collecting and reporting of data are not linked to the objectives they are measuring, they could become an end in themselves.

The ambiguity of some Board’s goals and objectives exacerbates the problem caused by the format of the Performance Management Tool. The Board would be better served if the data which are part of the Performance Management Tool were organized around the narrative statements of State Board goals.

A fourth problem is that the Performance Management Tool does not address intermediate targets. The results achieved in relation to some expected improvement on a monthly or annual basis is not a part of the current pattern of reporting to the Board. In the 21st Century goals, the Board has said “every student.” Yet, DPI reports that the State, the districts, and the schools achieved a given percentage last year. What additional percent increase should the Board hold DPI accountable for accomplishing next year? Some accomplishment target, that is less than the long-range aspiration of “every student,” is needed. In summary, accountability for measures of improvement on an annual or frequent basis must be built into the measures proposed by DPI.

COMMENDATION

The measures of progress described in the Performance Management Tool being developed by the Department of Public Instruction on behalf of the State Board of Education represent a significant step in providing the State Board with information needed for the Board to effectively monitor its goals and indicators with some of the features of a balanced scorecard.



RECOMMENDATIONS

Recommendation 3-17:

Revise the Performance Management Tool so that it organizes the data it presents in a format consistent with the design of a balanced scorecard and dashboard that is on-line, and contains real-time data.

The draft Performance Management Tool can be improved if this information tool contains the components of a balanced scorecard: goals, objectives, measures and annual or more frequent targets. The Georgia Dashboard provides a good example of the presentation of information that is most helpful to the State Board and Superintendent in exercising oversight over the Department of Education and in holding DPI accountability for accomplishing results.

Recommendation 3-18:

Reevaluate the current data and future needs for data and reporting processes by the State Board, to ensure that the Performance Management Tool meets these needs while assuring linkage and accessibility to supporting data and reports.

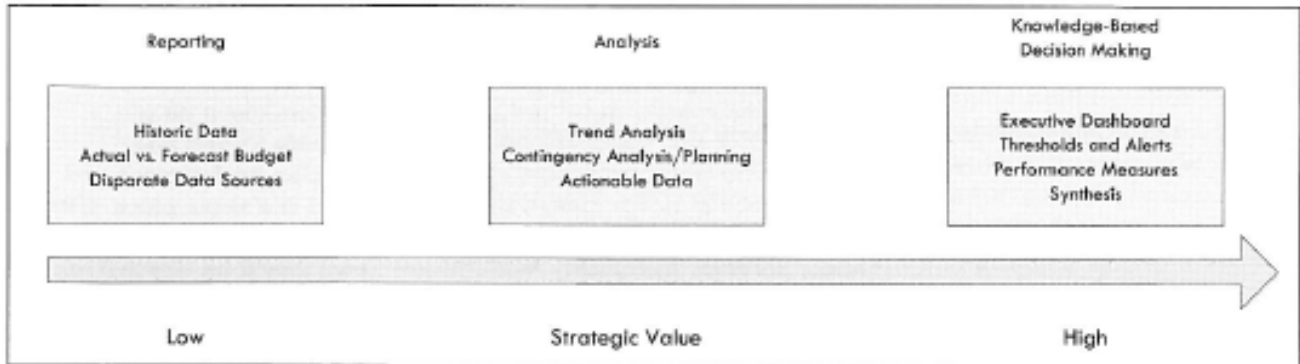
To be useful, performance data must be analyzed, easily accessible, and used for knowledge-based decision making. A review of the number and format of reports is critical. There must be a balance of executive and legislative leadership's ability to access high-level summary information as well as more detailed reports.

The Department of Public Instruction is collecting vast amounts of data and will do so even more when NC WISE is fully implemented. Efforts to analyze the data and use these data to inform program changes and development; however, have been limited. This is due to the fact that the State Board has yet to adopt indicators to measure its goals and objectives. Data reports alone, as now being submitted by the Board to the General Assembly and to stakeholders throughout North Carolina, do not comprise effective and systemic policy and program oversight. There is an essential difference between reporting data and using information for decision making. Reporting makes critical and data available in a timely and consistent manner. Knowledge management involves persistent efforts to use available information to identify critical elements for system success.

Exhibit 3-33 provides a flowchart for a conceptual knowledge development framework.



Exhibit 3-33
Information Flow and Knowledge Development Framework



Source: Program Evaluation Division adapted CGI Group, Inc.'s (2004) *Business Intelligence—Enabling Transparency Across the Enterprise*.

FISCAL IMPACT

These recommendations can be implemented with existing resources.

CONCLUSION

As part of its responsibility to administer and supervise public education, the State Board of Education has the responsibility to develop and implement a robust and timely accountability system. Like most states, North Carolina has annually reported necessary data in recent years, as required by NCLB. North Carolina has also met its own state's statutory requirements with regard to the collection and reporting of the data.

The leaders of the State Board of Education and the Department of Public Instruction recognize that the monitoring and reporting systems of the State Board's goals are in need of immediate attention to be of value to the State Board as the policymaker for the public education system. The development of the performance management system that is underway and expected to be fully operational in Spring 2009 is a major step in the direction of monitoring the status of the Board's goals. However, there is a need to review and revise the goals, the indicators, and the data collection system to make the accountability initiative beneficial and robust.

The manner in which the State Board collects, organizes, synthesizes, and analyzes data, and how the Board transmits the knowledge to its stakeholders, can have long reaching impact on policymaking and accountability. Identifying the correct performance measures that are meaningful, tracking against defined goals and performance targets, and communicating systemwide performance in understandable ways to North Carolina stakeholders help to improve policy decision making, program management, and efficiency and effectiveness. Appropriate information must get to the State Board in a manner to facilitate decision making as well as oversight, accountability, and policymaking.



Once the statewide data collection and management system and warehouse are fully implemented, through NC WISE and NC CEDARS, the State Board of Education will have available the type of on-time, real-time and immediate data needed to build a true dashboard and balanced scorecard system that will provide the highest level of accountability for the public education system of North Carolina. The State Board will be able to examine, on an ad-hoc and systematic basis, any of the inputs affecting the outcomes in the public education system. In addition, the Board will have the system at its disposal to determine immediate, strategic, and tactical interventions when the data indicate that some aspect of the system needs attention, that the Board can place a “warning note” if any part of the system needs to be put on notice for future action, or that the Board can see the “green lights” for all of the inputs and outcomes that are progressing as intended.

Most importantly, a fully-developed balanced scorecard and dashboard will cause the State Board of Education to refocus its attention on its strategic responsibilities and oversight of the public education system, and will hopefully position the State Board of Education not to be engaged in the tactical responsibilities of its administrative arm—the Department of Public Instruction.



***CHAPTER 4:
INTERNAL ANALYSIS OF THE
DEPARTMENT OF PUBLIC INSTRUCTION***



4.0 INTERNAL ANALYSIS OF THE DEPARTMENT OF PUBLIC INSTRUCTION

The Department of Public Instruction (DPI) is responsible for technical assistance and monitoring of North Carolina local education agencies under the direction of the State Board of Education. As described in **Chapter 3**, the State Board establishes policies for the DPI to administer in its oversight of local education agencies (LEAs) in North Carolina.

State policies governing DPI are adopted by the State Board. Once policies are adopted, it is the responsibility of the Superintendent, Deputy Superintendent, and staff to establish administrative procedures to achieve end results. This involves the hiring and retention of DPI employees as well as ongoing communication with the LEAs to ensure an understanding of the statewide goals and the efforts to accomplish those goals.

This chapter focuses on an internal analysis of the state education agency. The two sections of this chapter include:

- 4.1 Organizational and Structural Issues
- 4.2 Internal Accountability and Quality Management

4.1 ORGANIZATIONAL AND STRUCTURAL ISSUES

Section 4.1 addresses the following RFP requirements:

- *identify Department of Public Instruction problems that are duplicative, wasteful, or inefficient, impede performance, impede accountability, or create other problems;*
- *determine the cost of any inefficiency of the current organization and management structures;*
- *identify organizational problems that may affect student access, re-entry, and progression within the pre-K–12, community college, state university, or workforce training system; and*
- *identify organizational problems that may affect local school districts or other organizations funded or interacting with the Department of Public Instruction.*

This section of **Chapter 4** addresses internal issues in the Department of Public Instruction (DPI) in the following subsections:

- 4.1.1 Organization
- 4.1.2 Management
- 4.1.3 Student Access
- 4.1.4 Service to Local Education Agencies and Other Agencies



This macro-level discussion will focus on the organization and management of DPI relating to governance and interrelationships between the Superintendent of Public Instruction, Deputy Superintendent of Public Instruction, and the State Board of Education. **Section 4.1** specifically addresses practices and structures within the divisions of the agency. This section also identifies effective areas within the DPI as well as opportunities for improvement, and suggests strategies to accomplish them.

As previously described in **Chapter 3**, in North Carolina, the Superintendent of Public Instruction is elected by the populace. The State Board currently delegates authority for the organization and management of DPI to the Deputy Superintendent. Once the State Board sets goals and objectives, it is the responsibility of the Deputy Superintendent and staff to:

- establish policies and procedures to achieve end results;
- set accountability procedures to ensure that actions are channeled toward achievement of State Board goals;
- organize the structure and assignment of staff towards that end; and
- communicate within the organization and its external communities to ensure an understanding of these goals and the state's efforts to accomplish them.

North Carolina has a lengthy history of pro-actively addressing educational reform for the benefit of its public and its students. In 1985, the General Assembly directed the State Board to adopt a Basic Education Program that called for a comprehensive basic education for all students, and clearly defined what was meant by basic education. As often happens in education, it was not fully funded as originally designed.

The School Improvement and Accountability Act of 1989 gave local districts flexibility in exchange for additional accountability. This Act initiated school improvement planning, the ability to waive certain laws and policies, district report cards, and differentiated pay plans. Subsequent to the inception of End-of-Grade tests in 1993, the General Assembly in 1995 proposed the ABCs of Public Education to increase accountability, improve student achievement, teach the basics, and increase local flexibility and control. Thus began rewards for high-performing schools and interventions for those not performing as expected.

Two other outgrowths of this Act directly impacted DPI and its work:

- DPI staff was cut almost in half; and
- funding for regional assistance centers was turned over to local districts to continue the centers or not, as they chose. Many regions chose not to continue these centers.

The 1995 legislation also initiated the assignment of “state assistance teams” to low-performing schools. The reality of the teams, as noted in the report as well as in testimony during Evergreen’s site visit to DPI in October 2008, was that resources were not sufficient to assist all



schools requiring support. One of DPI's current intents in restructuring is to better deploy its resources toward support of schools and districts in need of additional state assistance.

The governance structure, organization and staffing, and support for low-performing schools have been studied multiple times over the past 10 to 15 years with related recommendations having been made and, in some cases, guiding organizational and staffing changes. Regardless of studies, recommendations, and DPI responses, the same findings continue to arise in subsequent reports.

In 1992, GPAC conducted an extensive study. As it relates to **Section 4.1**, the question of proper placement of functional areas in DPI was analyzed to achieve maximum results. The GPAC study made specific recommendations for reducing staff and offices, streamlining functional areas, shifting the organizational structure, and redeploying staff to more efficiently use resources. At that time, specific inefficiencies in the area of teacher certification were found and multiple recommendations were made to streamline those processes. The study also found a need to coordinate staff development activities for all DPI divisions and work more collaboratively with other organizations that provide training. The study also found a need to better refine principal training opportunities and the identification of candidates. With respect to support for low-performing schools, the study examined the effectiveness of DPI to assist and support schools and districts, specifically investigating types of assistance, delivery models, the use of technology in service delivery, and the question of centralization/de-centralization of services. GPAC researchers noted that the role of DPI in North Carolina centered largely on compliance monitoring and control, more than assistance.

A subsequent study, specifically addressing the state's capacity to respond to the Leandro Ruling, was commissioned and a report made available in March 2005.

4.1.1 Organization

Exhibit 4-1 displays the organizational structure of DPI in 2006. **Exhibit 4-1** shows the Deputy Superintendent reporting directly to the State Board of Education. At that time, DPI was organized into three areas with three Associate Superintendents reporting directly to the Deputy:

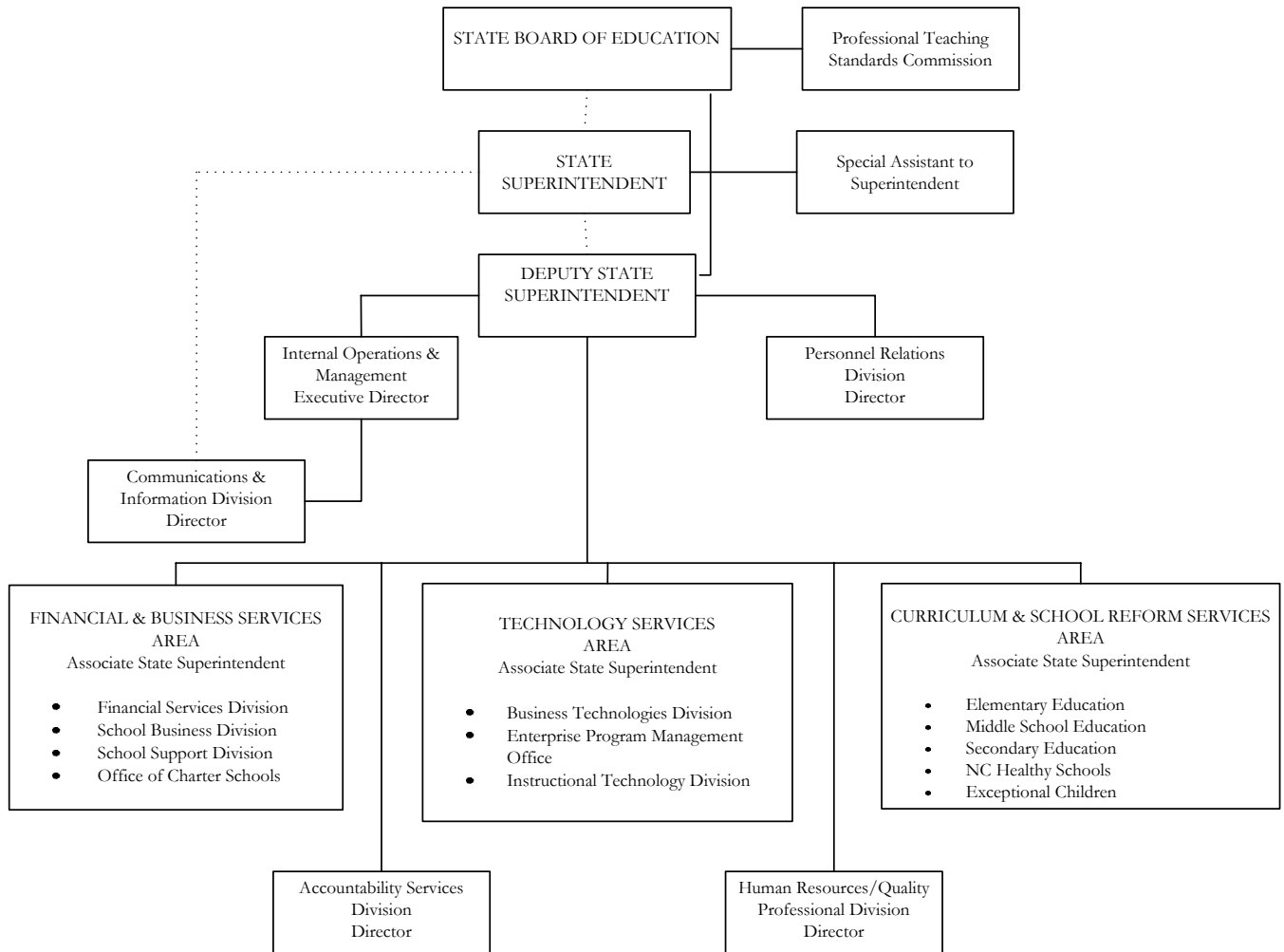
- Financial and Business Services;
- Technology Services; and
- Curriculum and School Reform.

Also reporting to the Deputy were:

- the Executive Director of Internal Operations and Management; and
- the Division Directors of:
 - Personnel Relations,
 - Accountability Services, and
 - Human Resources/Quality Professional Division.



Exhibit 4-1 Organizational Structure of the North Carolina Department of Public Instruction 2006



Source: North Carolina State Workplace Satisfaction Survey at the NC Department of Public Instruction, 2006.

Besides the Deputy Superintendent, the Professional Teaching Standards Commission reported to the State Board of Education.

The communications function was located in the Internal Operations and Management Office with the Communications and Information Division Director who reported directly to the Executive Director.

FINDING

More recently, the DPI leadership has begun to restructure the organization to better deploy the agency's resources toward supporting low-performing schools, to focus on core activities, and to



be more service-oriented towards schools and school districts. Several specific benefits of this reorganization were identified to have positive impacts on school districts, including:

- The consolidation of support and technical assistance services within the Office of District and School Transformation organizes groups of staff in that office with a variety of staff, skills, resources, and support systems to be strategically tasked with providing support to districts and schools.
- The development of a “lean monitoring” structure based on Ohio’s tiered approach to supporting schools and districts has resulted in a consolidation of monitoring and compliance roles within the Division of Program Monitoring and Support. Previously, Student Support Services mainly monitored Titles I and IV, and 21st Century Grants. Now, the division also houses Title X, Homeless Education, Supplemental Education Services, character education, migrant education, a senior research and evaluation coordinator for dropout and discipline data, and parental involvement. This change potentially enhances state-level opportunities for streamlining and merging federal requests and reporting for schools and districts.
- The creation of councils with representatives from various offices across the state education agency has added transparency to the DPI structure and formalized communication and collaboration across funding streams. The councils have essentially created think tanks to work together across programs at the elementary, secondary, and district levels to develop K–12 approaches to addressing initiatives and challenges. Such cross-divisional meetings hold promise of breaking down structural barriers and identifying human and fiscal resources to focus holistically on children’s learning needs. This practice, when further institutionalized, will focus agency thinking on what children need, as opposed to which program they are enrolled in, and should serve to expand participant horizons beyond programmatic funding restrictions. Such intentional collaboration should result in more cost-effective uses of both employee time and district funds.

Exhibit 4-2 shows the current configuration and reporting structures of the Department of Public Instruction. As shown, the Deputy Superintendent reports directly to the State Board of Education with three Associate Superintendents reporting directly to the Deputy:

- Financial and Business Services;
- Academic Services and Instructional Support; and
- Technology Services.

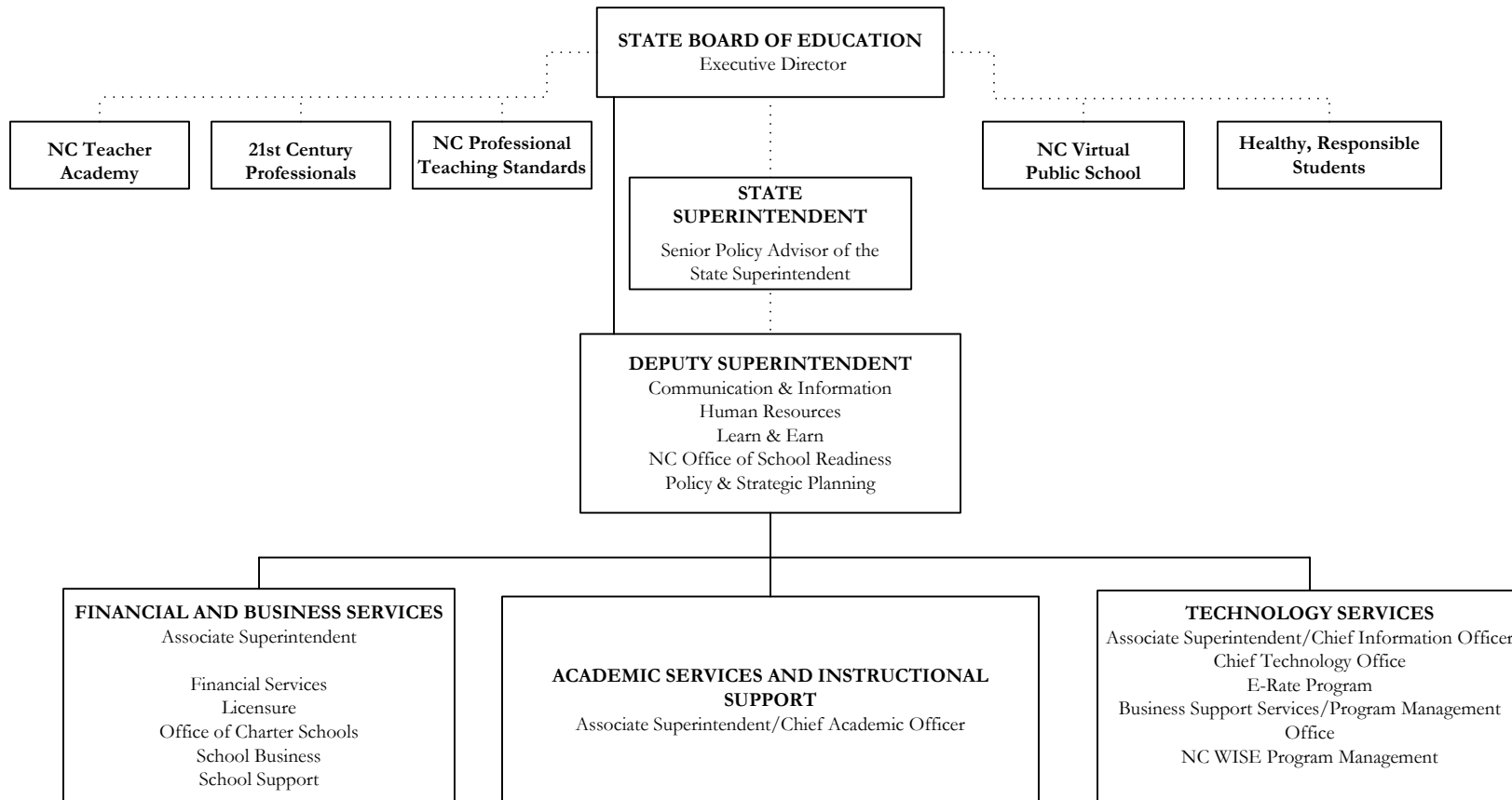
Staff across the agency expressed the belief that the new organizational structure will better serve schools and districts, and has improved cross-divisional communications and planning.

COMMENDATION

The Department of Public Instruction has begun a concerted effort to reorganize the state education agency to better serve educators across the State.



**Exhibit 4-2
Organizational Structure of the North Carolina Department of Public Instruction
2008**



Source: North Carolina Department of Public Instruction, 2008.

FINDING

Two of the reported intents of the recent DPI reorganization were to clarify core and non-core activities and to break down silos, some of which were caused by funding streams. However, several programs that relate directly to Curriculum and Instruction are not located in the Division of Academic and Instructional Support, reportedly because these programs are important to the Governor.

For example, the NC Office of School Readiness reports directly to the Deputy Superintendent rather than to the Associate Superintendent/Chief Academic Officer, yet there is a separate section in Curriculum, Instruction, Technology and Accountability Services for PreKindergarten and Early Childhood Education. These closely-related functions should not report to different administrators. Learn and Earn, too, is a secondary program allowing high school students to earn credits in programs on postsecondary campuses.

The functions that now reside within the Office of the Deputy Superintendent include:

- Communications and Information
- Human Resources
- Learn and Earn
- North Carolina Office of School Readiness*
- Policy and Strategic Planning

RECOMMENDATION

Recommendation 4-1:

Move offices related to curriculum and instruction from directly reporting to the Deputy Superintendent to the Division of Curriculum, Instruction, Technology and Accountability Services.

Although leaders of Learn and Earn and the Office of School Readiness are included in DPI leadership meetings, having them report to someone at a different level than others with direct curriculum and instruction responsibilities causes silos. Having those offices with different reporting structures in the agency creates the potential for gaps in communications, coordination, and planning. Furthermore, with the Deputy Superintendent's current role of overseeing the entire organization, freeing him of direct supervision of five offices allows him to better focus on macro issues, and better communications and planning with the State Board, the General Assembly, and other external organizations.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

*The Elementary Council was deliberating regarding the notion of moving the Office of School Readiness under Academic Services at the time this report was issued.



FINDING

There are 27 positions located in five disparate groups which report to the State Board of Education. These offices are:

- North Carolina Teacher Academy (14 positions)*
- 21st Century Professionals (1 position)
- North Carolina Professional Teaching Standards Commission (2 positions)*
- North Carolina Virtual Public School (9 positions)
- Healthy, Responsible Students (1 position)

Only two of those offices report to the State Board of Education by action of the General Assembly. The Office of School Readiness was transferred effective July 2006 per Senate Bill 1741. With that transfer, the office essentially became another division of DPI, reporting directly to the Deputy Superintendent and operating under the same procedures and policies as the rest of the agency. Effective January 2007, also per Senate Bill 1741, the Teacher Academy was transferred, but only administratively. It maintains its own board of trustees. Although its financial activity is shown as part of DPI's financial reports, it has no reporting requirements or accountability to the State Board of Education. Representatives of those offices are included on the Superintendent's Leadership Council.

A number of interviewees noted that reporting structures for offices under the State Board of Education (SBE) are unclear or appear to be non-existent. Even one representative of a statewide external educational organization noted the lack of alignment between SBE staff in these offices and the potential for these offices and DPI not to synchronize actions toward the same goals. Staff interviewed also testified that, in most cases, there is currently excellent coordination among SBE offices and with DPI staff; however, they also observed that is only due to the specific individuals who lead those units and not due to any specifically defined reporting structures or accountability systems.

Accountability and collaboration must be integrated into the organizational and management structures and practices of DPI to ensure the achievement of SBE goals over the long term, particularly considering turnover rates in the state education agency. In some cases, an SBE office has the authority to interpret policy for practices and actions in a DPI office. Interpretations have conflicted with past practice, placing the two offices at odds with no clear authority to make a final decision. This practice perpetuates inefficiency and a lack of both accountability and the service orientation that the agency is seeking.

RECOMMENDATION

Recommendation 4-2:

Move all offices that have been directly placed under the State Board of Education into the Department of Public Instruction.

*Would require legislative action.



In conjunction with the move, DPI should also develop explicit procedures and reporting structures that clarify final authority for decisions and ensure all offices within DPI use the same accountability procedures.

The current reporting structure, with various groups reporting to different staff members, reduces transparency and increases the potential for waste, duplication, and inefficiency. This dual location of similar programs prevents clear, seamless planning, coordination, and collaboration from prekindergarten through postsecondary education.

As DPI continues to refine its reorganization towards higher levels of service to schools and districts, the Superintendent and Deputy Superintendent should include discussions of service gaps and redundancies on agendas of meetings with superintendents, assistant superintendents and curriculum leaders in districts. As feedback identifies barriers standing in the way of transparency, accountability, and support for local education agencies (LEAs), DPI should continue to re-evaluate its organizational structure. This is particularly critical with offices such as the NC Virtual Public School and Healthy Responsible Students which should have seamless reporting and planning ties to the Division of Academic Services and Instructional Support in the Department of Public Instruction.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Although there is currently no one in DPI to coordinate the research agenda, with that function having been lost with the 1995 downsizing of the agency, the Associate Superintendent of Business and Finance has, within the past few years, begun involving university students in research projects on topics of interest to the state education agency and educators in the field. The Associate Superintendent's Office has created an internal research program for the agency. This office solicits items that districts or DPI staff would like to have more data on and list them on the DPI Web site. Staff reports that many universities look at the list and identify items to research. The project has prompted close ties to Duke University on research initiatives.

Through this initiative, DPI now hires three to five interns for specific projects during the summer. The Associate Superintendent or his delegate reports to the State Board of Education to make sure the initiatives are related to State Board priorities. Plans for the future are to hire an intern to build on past research instead of continually initiating new projects with each new group of interns.

Research is posted on DPI's Web site at www.ncpublicschool.org/intern-research. The State Board hosts a special dinner each year where interns present their findings. The agency also holds an agency-wide meeting for all staff to discuss research with the interns. Reports of their findings are published and disseminated to interested educators.



COMMENDATION

The Division of Business and Finance is commended for identifying a void in agency needs and creatively addressing the need for a research and evaluation function in the Department of Public Instruction.

FINDING

During interviews, many DPI employees stated that the new reorganizational structure has broken barriers down and allowed the right people to sit at the table to make decisions and leverage available resources toward action much more quickly than in the past. The organizational redesign has created more cross-functional teaming at the leadership level, especially with the creation of councils focused on elementary, middle/high school, and LEA/central office needs and issues.

DPI has also begun agency roundtables where decision makers discuss how to support specific needs and integrate resources for district and school support. Two leader groups convene regularly to identify priority activities, coordinate approaches, and discuss how to best focus resources.

- The State Superintendent's Cabinet is comprised of the Superintendent, Deputy, Associate Superintendents, the SBE Assistant Executive Director, and the Superintendent's Senior Policy Advisor.
- The Superintendent's Leadership Council is expanded beyond those members to also include directors, assistant directors, council directors, and some section chiefs and lead consultants.

Both groups offer the agency opportunities for cross-pollination of ideas and initiatives as well as to keep staff across DPI informed to best deploy available resources toward State Board goal attainment. One senior manager observed that within the past year, "we have gotten better at bringing DPI together and bringing in the voice of school districts. We used to take on any project, so would fail at everything; we now prioritize the 5-10 issues that are most important."

The formation of councils created a matrixed approach to coordination of DPI activities as well as provided opportunities for cross-DPI teams to conduct research in greater depth on issues senior managers identify as critical. Each of the councils has representation from every DPI division. Each of those members is responsible for sharing information to their constituency, as appropriate. For instance, an Exceptional Children representative is responsible for sharing the councils' work within the Exceptional Children Division as well as to schools and districts through the exceptional children list-serve and networks.

Each of the council directors attends the Superintendent Quarterly meetings, providing and receiving information in those venues. They have each also presented to various Regional Education Service Areas (RESAs) and use them as conduits of information to local districts. The council directors each disseminate monthly reports to superintendents and principals through



DPI's Communications Department. Beyond those formal means of communicating and coordinating their work, they vet their information more informally through phone, email, and site visits to districts.

As part of the reorganization, the curricular functions of DPI have been redesigned with many offices reporting directly to a Chief Academic Officer (CAO). Functional areas reporting to the CAO include:

- Accountability, which has been repositioned within that office rather than reporting directly to the Deputy;
- Career/Technical Education;
- Exceptional Children; and
- K–12 Curriculum, Instruction, and Technology.

Also reporting to the Associate Superintendent/Chief Academic Officer are the offices of:

- Talent Management and Development;
- Program Monitoring and Support; and
- District and School Transformation.

Exhibit 4-3 shows the new organizational structure for the Division of Academic Services and Instructional Support.

The new organizational structure for Academic Services has better integrated most functions related to support for curriculum and instruction within one centralized area of DPI. This integration facilitates coordination and communication among offices which have responsibility directly related to improving teaching and learning within the districts and schools of the State.

COMMENDATION

The North Carolina Department of Public Instruction has developed multiple processes to encourage coordination and collaboration across divisions and offices within the agency, and especially within the Division of Academic Services and Instructional Support.

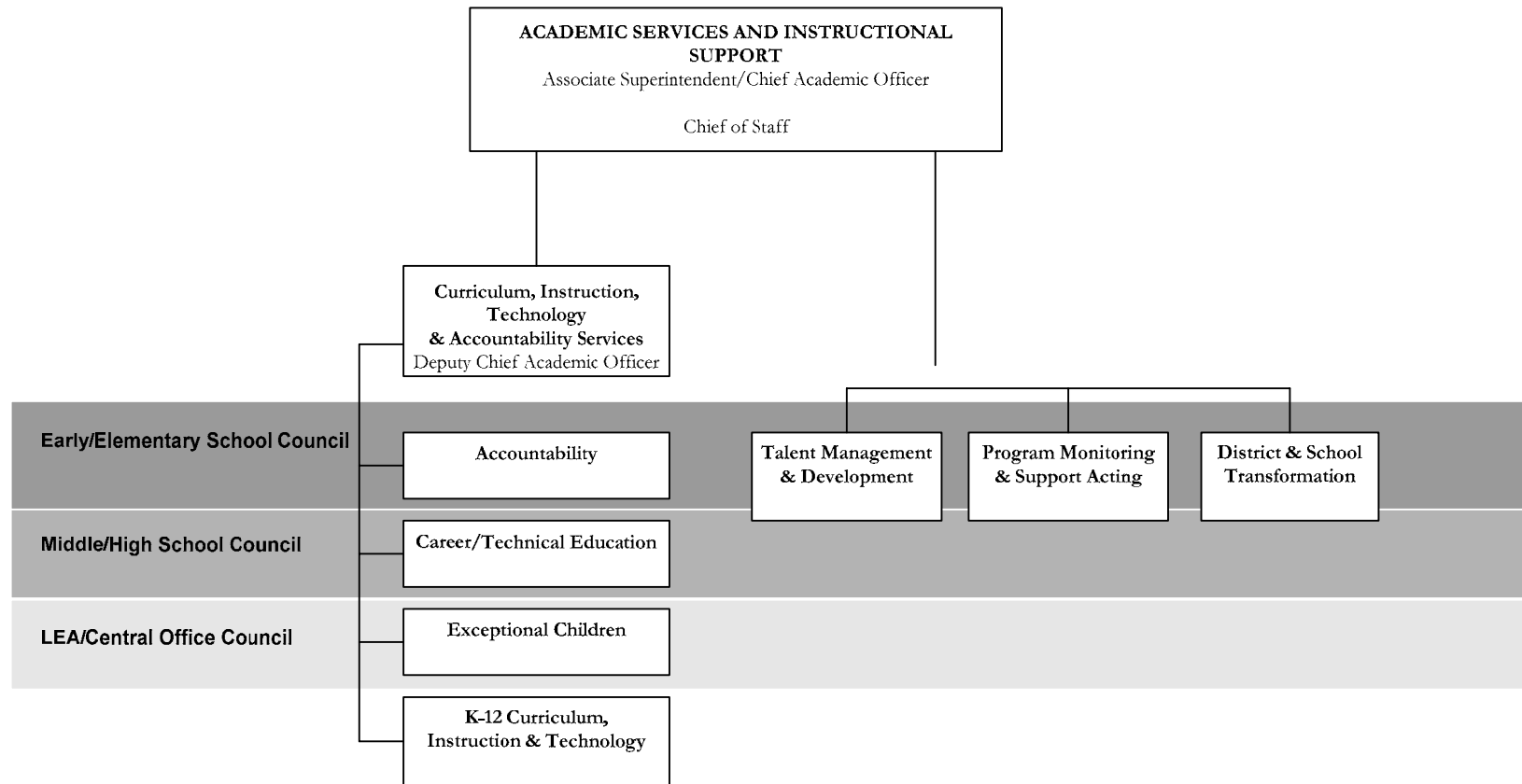
FINDING

As DPI has worked towards a more cohesive, service-oriented approach to conducting work, leaders have begun identifying key functions toward which resources should be channeled. In joint meetings, DPI administrators have discussed re-purposing positions from one division or unit to another to better serve clients.

Specifically, five employees and their positions were redeployed to the newly formed Office of District and School Transformation. Additional vacancies were also allocated to that office. Existing staff in the units of Reading First and Raising Achievement/Closing the Gap were reassigned to this office.



Exhibit 4-3
Organizational Structure of the Division of Academic Services and Instructional Support
2008-09 School Year



Source: North Carolina Department of Public Instruction, 2008.

The intent behind these changes was to more concertedly unify offices and positions to provide higher levels of service to schools and districts needing additional support in order to be transformed into highly functioning teaching and learning institutions. Five of eight new positions for the new Common Education Data Analysis and Reporting System (CEDARS) initiative came about through redeployment of existing positions.

Despite these intentions to better focus staff in areas deemed critical to DPI, reports reflect that not all leaders in the agency were willing to forego positions for the project. Although CEDARS is a business project of which technology is a part, all of the redeployed positions came from Technology Services.

Several staff reported that some DPI units refused to have any of their employees redeployed to the Office of District and School Transformation, too, while others willingly reduced staff size. Speculation included the perception, if not the reality, that these offices had close ties to individuals in strong political positions so were protected from having to give up positions—regardless of agency, district, or, more importantly, student needs being better served by the reallocation of existing positions to other offices.

RECOMMENDATION

Recommendation 4-3:

Establish clear, unequivocal and non-negotiable expectations that decisions made by DPI leaders are supported by the State Board of Education and the General Assembly, when necessary.

If the goal is to provide better service to clients, then some DPI administrators should not be allowed to stand in the way of reaching that goal while others cooperate. In every state capital, politics is the unfortunate fabric weaving decisions together. If the General Assembly, State Board and DPI leaders and staff are to most effectively and efficiently achieve SBE goals and continue to raise the achievement of all students through equitable opportunities, then all three entities should coalesce around elimination of political power and connections toward the greater good and student needs.

If necessary, leaders in the General Assembly, the State Board, and DPI should convene to discuss intended outcomes and processes with respect to staffing needs in each office anticipated with the DPI reorganization. Officials should agree to exercise their powers to communicate those needs and encourage their peers to stand together to support intended improvements.

Re-purposing positions benefits the state and LEAs in two ways:

- First, it makes a more appropriate use of staff skills and abilities to more quickly serve local school districts. This contrasts with past approaches where the agency would seek approval for new positions, and if approved, recruitment would occur and positions then be filled.



- Second, it allows the state to identify and hire staff more rapidly who could quickly move into identified districts and schools to provide services more immediately than going through the hiring process and spending funds for additional positions.

In the past, the hiring of new staff was costly and needs were not met in a timely manner. As is noted in testimony by superintendents and others in the field, this has a negative impact on the agency's credibility with local districts when services promised are not delivered.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

4.1.2 Management

The organization and management of a State Department of Education involves cooperation among elected members of the Board of Education, the Legislature and staff of the Department of Education as well as other state agencies. The Board's role is to set goals and objectives for the State in both instructional and operational areas, determine the policies by which the state will be governed, approve the plans to implement those policies, work with the Legislature to provide the funding sources necessary to carry out the plans, and evaluate the results of the plans.

Once the goals and objectives of the state are adopted by the Board, it is the responsibility of the Superintendent (or, in the case of North Carolina, Deputy Superintendent) and staff to recommend policies and establish procedures to achieve these end results. This achievement involves:

- communication and collaboration with the State Board of Education;
- direction and support for districts and schools;
- leadership in curriculum, instruction, testing, accountability, and professional development;
- guidance and support regarding the hiring and retention of employees; and
- ongoing communication with stakeholders to ensure an understanding of those goals and the State's efforts to accomplish them.

FINDING

The Department of Public Instruction has created an Office of Enterprise Project Management. Testimony across the agency verifies the tactical success of this organizational decision. One interviewee described the office's role as that of an air traffic controller. The office serves as a central locus where all needs are identified so that DPI can forecast what can be accomplished with existing staff. Once that identification process occurs, the Superintendent, Deputy and Associate Superintendents can then decide on priorities and where resources may need to be reallocated. The office enables the agency to make business decisions that align with service to LEAs through programs, use of funds, and staff assignments.



COMMENDATION

The Department of Public Instruction has effectively embedded business processes into its approach in serving the North Carolina educational community.

FINDING

DPI has begun implementing its new reorganization plan and discussing aligning agency processes to further institutionalize service orientation. Nonetheless, the agency has not yet taken those next steps that will embed accountability into its way of work.

A strong foundation has been created with a Performance Navigator on the DPI Web site. The Web site describes priority objectives and targets that are to be measured internally, and the strategies used to do so. They have also begun requiring every division to have goals and measurable objectives. However, one administrator interviewed called DPI accountability “sketchy.” Others noted a need for increasing accountability procedures, but acknowledged that the need to do so was in future plans. Some offices/divisions have developed procedures that embed accountability, direct communications, and monitoring at all levels, but such procedures are not yet systemic and agency-wide.

The Technology Services Division, as an example, has initiated numerous activities that encourage dialogue, maintain awareness of expectations, and solicit feedback regarding its service orientation within DPI and in LEAs. Division leaders meet monthly with their employees for a 3+/3- discussion identifying three areas doing well and three areas needing improvement. They, also survey stakeholders both internally and externally every six months regarding the division’s level of service and try to respond accordingly.

Exhibit 4-4 shows the results of the surveys conducted by the Technology Services Division since November 2006.

As another example, the Business and Finance Division has developed an extensive “FBS Master Rocks” spreadsheet that enumerates:

- SBE goals;
- FBS “rocks” (strategies) to achieve goals;
- specific objectives, the target percentage, the current percentage, area strategies and the particular SBE goal(s) they relate to the 11 FBS core activities and the SBE goal to which each relates;
- a master activity calendar that specifies 475 activities and strategies, identifies the division and section responsible, and specifies the particular function it will entail; and
- SBE goals and DPI objectives as well as how each is to be measured.



**Exhibit 4-4
Technology Services Division
Survey of DPI and Local Education Agencies
November 2006 - May 2008**

Reporting Group for Question: Please rate your SATISFACTION with our overall quality of service	Department of Public Instruction			
	Percent Rated Excellent/Good November 2006	Percent Rated Excellent/Good May 2007	Percent Rated Excellent/Good November 2007	Percent Rated Excellent/Good May 2008
Total DPI	86	93	86	87
Operations	88	98	87	79
Finance	92	91	78	73
HRMS	100	100	100	90
Exceptional Children	75	89	100	100
Curriculum	85	80	89	88
Accountability	NA	100	83	100
Total LEAs	82	89	91	87
Instructional Technology	89	95	85	Not available
Finance	93	89	33	97
NC WISE/SIMS	81	89	91	84
HRMS	97	92	94	100
Exceptional Children	75	88	75	87
Curriculum	100	92	50	93
Accountability	NA	57	94	89

Source: Division of Technology Services, October 2008.

The state education agency has not yet developed a procedure to capture such DPI best practices in order to replicate them agency-wide. Without developing procedures that will embed accountability, communications, and collaborative work processes into all agency activities, reorganizational efforts will likely not render intended results over the long term. Considering it is early in the implementation stage, the lack of embedded, universal processes is to be expected. However, the agency must move towards the identification of procedures, such as performance measurement, throughout agency operations that will embed its goals into its way of work and provide checkpoints throughout the year and ensure accountability for progress. It is imperative that the agency reinforce procedures that regularly hold all staff accountable for their job performance and contributions to the achievement of State Board goals. The information flow throughout the agency should continually inform DPI leaders of progress and impediments to goal attainment.

A more detailed discussion on accountability is contained in **Sections 3.3** and **4.2**.

RECOMMENDATION

Recommendation 4-4:

Develop procedures that ensure that the intended collaboration, communications, and accountability are woven throughout DPI actions and decisions.



The use of a tool such as the FBS comprehensive spreadsheet should be tied to staff evaluations along with regular checkpoints. The procedures should be developed or adopted in every division and reported throughout the organizational structure effectively linking agency activities to explicit goals and embed accountability. This tool should clarify expectations for each unit and each employee, and give all staff a straightforward means of assessing progress towards goal attainment as well as each individual's and unit's contribution to success. Using strategies such as those in the Technology Services Division would also contribute to development of a culture of accountability across agency functions.

The Superintendent and Deputy Superintendent, along with the Leadership Council, should identify effective procedures in DPI offices that are currently integrating practices that create accountability for achieving SBE and DPI goals into work processes. DPI leaders should then use them as a basis for expansion throughout the agency.

FISCAL IMPACT

This recommendation can be accomplished with existing resources.

FINDING

Until the creation of the position of Talent and Management Development Director, professional development provided by DPI had taken a duplicative, shotgun approach with each division/department/office scheduling and conducting its own training and conferences. Superintendents testifying before the Joint Legislative Oversight Committee in March 2008 and responding to a survey conducted by the Committee expressed a clear concern that this often provided the same people the same information, pulling them multiple times from district responsibilities. In addition, sometimes there are gaps that no one is addressing.

Additional Evergreen survey feedback from district superintendents reiterates the same concerns about professional development not being aligned and coordinated. There has been little alignment of purpose with SBE or DPI goals or priorities, or a uniform base in research, such as the National Council of Staff Development (NCSD) standards, that ensure that learning translates into changed practice. One staff member mirrored concern in the field regarding the high turnover rate of DPI staff in stating that DPI professional development staff had been trained in NCSD standards four or five years ago when North Carolina had adopted them, but that, with the agency's turnover rate, staff now has mixed levels of knowledge and application. Similarly, some DPI staff expressed concerns that professional development was not based on the most recent research.

Although there is not yet a cohesive, comprehensive approach to consolidate and channel the best resources toward each office's strengths, several efforts are currently geared toward that end. DPI has increased its use of on-line learning as well as using video and voice conferencing as follow-up sessions after initial face-to-face training. Both of these methods save time and money, and keep LEA staff from being pulled from their responsibilities as much as in the past. The new Director of Talent and Management Development is actively soliciting information on where strengths and needs in the state are and has plans to identify all resources that are



research-based, to tie training to the new teacher and principal evaluation instruments and 21st Century Skills, and to explore the possibility of regional centers, using technology and moving beyond past training opportunities.

COMMENDATION

The DPI leadership is commended for recognizing the need to better plan and coordinate professional development efforts and to focus professional development on State Board goals.

FINDING

North Carolina is one of the few states in the nation that creates, scans, and scores its own student achievement tests. DPI has been doing so since before national NCLB requirements. With this internal testing function, the State can administer tests later in the year than other states that have to administer them in March in order to get test data back to schools before summer vacation. This function allows students more time to learn state standards before being tested. Since DPI scans and scores the tests without sending them to an external contractor, results are available in North Carolina almost immediately after the tests are administered. Staff interviewed noted that the US Department of Education looks at North Carolina's testing ability as an exemplary model.

COMMENDATION

North Carolina's internal testing program and timeliness of providing results to LEAs and state audiences are both cost effective and efficient.

FINDING

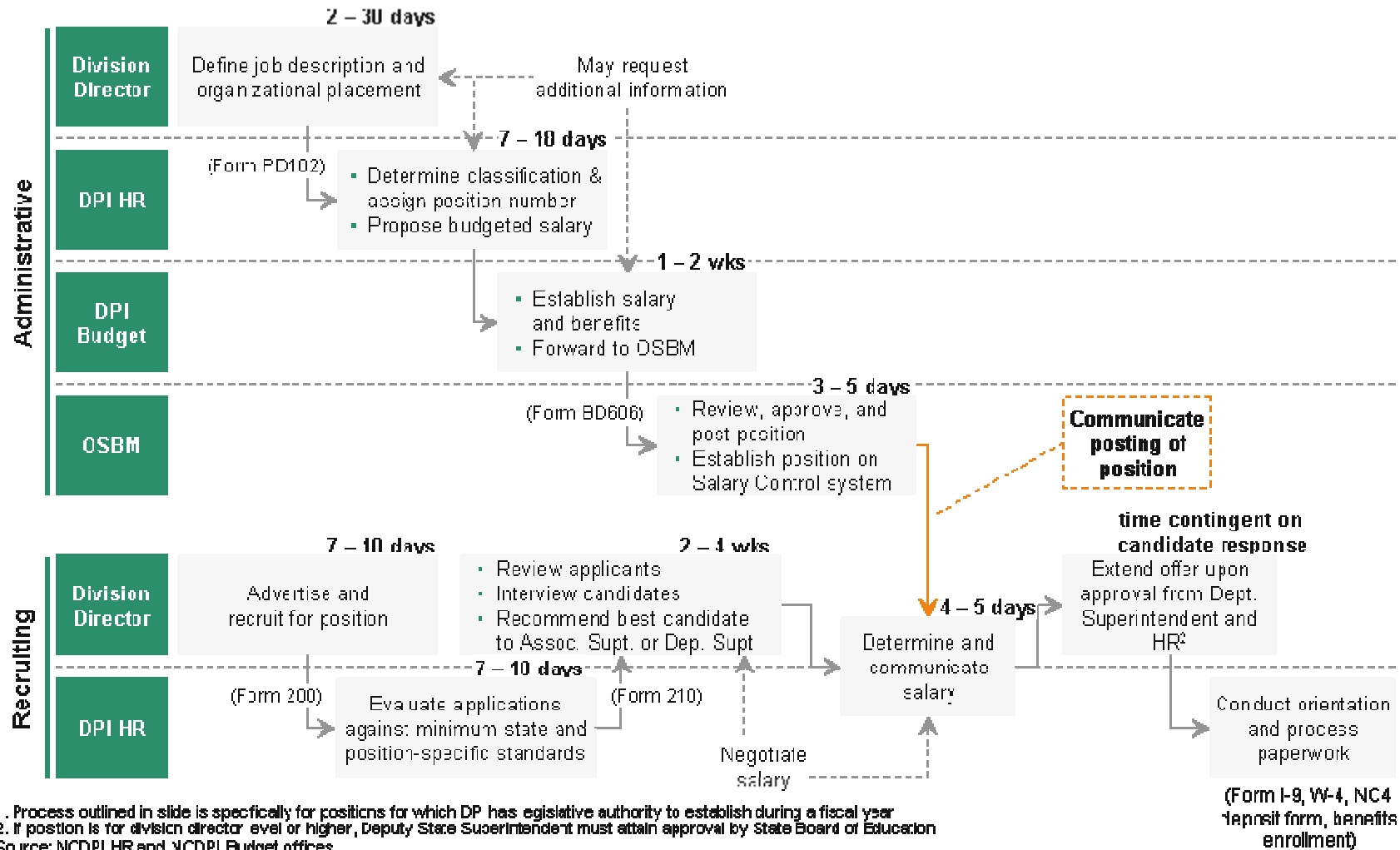
Substantive impediments in meeting both DPI and LEA needs exist within the state statutory and regulatory systems and requirements. They are costly to DPI and likely other agencies in terms of time, energy, and money. Besides navigating the channels of DPI for approval of a new initiative or redeployment of an existing position to a new use either to better address state goals or to support a new initiative, approval from the Office of State Personnel, the State Budget Office, and the State Information Technology Services (ITS) Office may be required. DPI interviewees noted that approval sometimes went through eight layers including DPI and other state offices.

Exhibit 4-5, a hiring flow chart developed by the Boston Consulting Group (GCG), shows that in order to establish a new position, coordination among the DPI Division Director, HR staff, Budget staff, and OSBM can take from 45 to 100 days.

Several DPI employees gave specific examples of how the Office of ITS prolongs DPI and other state agencies from streamlining processes through automation. No one interviewed estimated less than six months to navigate ITS approval processes once DPI approval of an initiative was given. A number of staff members confirmed without equivocation that going through ITS has required various offices to hire project managers to handle the paperwork.



Exhibit 4-5 Hiring Flow Chart for Establishing a New Position



Source: North Carolina Department of Public Instruction, Human Resources, October 2008.



DPI staff provided specific evidence of ITS procedures delaying an DPI attempt to refresh NC WISE servers. They noted that this example was a multi-million project which should take about 2-3 months to make occur; instead, it had been a nine-month journey without the equipment in place. DPI provided Evergreen a detailed log listing 22 specific items raised by ITS, related issues, the potential risks, DPI staff assigned, original and revised due dates, and dates of actual resolution.

Based on the log, ITS noted information that needed to be provided for them to take further action had, in at least seven cases been either provided to ITS earlier or discussed with ITS representatives. DPI had not received needed information or comments from ITS to move forward. Documentation also showed that, with respect to one initiative, DPI was hampered in moving forward because they had experienced three changes to internal ITS teams that required DPI to go over strategy and start the initiative once again.

The log also shows that, in two issues related to NC WISE testing, DPI determined that contracting would be less expensive for the State than suggestions by ITS to add an Oracle plug-in to ITS service and not to contract for load and stress testing with an external vendor.

Other examples cited by DPI include:

- the lack of procurement review responsiveness;
- no clear set of policies and rules for communication;
- the lack of an Oracle RAC test environment;
- telephone billing problems; and
- vendor management issues.

ITS requirements are as follows:

- if a project costs more than \$100,000 within a five-year period, it must be officially registered with ITS;
- if it is \$500,000, it requires ITS approval; and
- if it is \$1 million or more, it requires full monthly reporting for three years.

As a result of these requirements, the Technology Services Division has 47 projects requiring reports. Staff agreed that some requirements are clearly needed, largely because of cost overruns associated with sizable state projects, such as NC WISE, but note that “limits have been set too low and, at times, cripple the state education agency.”

In response to questions from Evergreen regarding DPI staff testimony about the length of time it takes DPI staff to navigate the ITS process to move a project from conception to actuality, ITS noted:



The time required for approval of a project depends on its size, complexity and documentation. If the agency project manager provides the necessary information for state approvers, projects are approved within five to ten business days. If information is missing or unclear, it takes longer.

The length of time for implementation of technology is based on the project size and is determined by the agency project manager.

A number of areas that many school districts and states across the nation have automated are still not automated at the state level in North Carolina. These technological applications vastly improve productivity and expedite services and hiring. The Human Relations Division needs to move towards Web-based applications and on-line, password-protected evaluation systems—both of which would expedite and facilitate hiring and employee growth. In fact, staff noted that UNC at Chapel Hill automated their performance evaluation system in 1981. This institution could automate because (unlike DPI and other state agencies) universities, community colleges, and LEAs are exempt from the ITS requirements. The Licensure Department needs to automate the licensure process which would greatly accelerate the application and approval process. The Licensure Department, though, would also have to go through ITS to do so.

Specific examples where DPI and the State would benefit from automation are:

- on-line consolidated federal applications for Title funds;
- licensure;
- employee evaluation; and
- applications for DPI job vacancies.

DPI can enter job vacancies on its own database, but must also enter them on the State Personnel Web site even though the Office of State Personnel has a link to the DPI Web site. This wastes time on the part of DPI staff in duplication of effort. The market for DPI vacancies is broader than the state, too, making on-line vacancies on the DPI Web site much more beneficial to the agency in hiring quality staff with broad experience both in and out of North Carolina.

In fact, state law governing state government employment has not been updated to reflect Internet posting—§126-7.1 notes that:

...vacancies for which any state agency, department, or institution openly recruit shall be posted within at least the following:

- *the personnel office of the agency, department, or institution having the vacancy; and*
- *the particular work unit of the agency, department, or institution having the vacancy.*

State regulations further restrict agencies from conducting continuous recruitment in order to build a talent bank of external and internal individuals that would enable the agency to better plan for succession. Section 3 of the State Personnel Policy on the “Recruitment and Selection of the Vacancy Announcement” states:

(3) for all vacancy listings: a closing date shall be given unless the classification has been determined as critical....Such critical classifications shall be approved by the State



Personnel Commission. On those classes determined to be critical, which are considered open, continuous postings, agencies shall determine how long applications shall be considered active.

This requirement prevents DPI from being able to keep applications on file longer than the posted time in order to have them available when unanticipated vacancies arise. In that way, the policy handicaps the agency from having an ongoing knowledge of talented people potentially interested in working at the state level.

RECOMMENDATION

Recommendation 4-5:

Create an interagency Task Force to address the time, energy, efficiency, and financial costs of the approval processes required in the State Office of Budget, Information Technology Services, and the State Office of Personnel in order to refine and streamline realistic procedures, limits and timelines to balance the need for accountability with each agency's ability to function efficiently and effectively.

Sufficient numbers of DPI employees across divisions reported similar experiences with external agency bureaucratic hurdles to lead to the conclusion that other agencies are experiencing the same impediments to efficiency and effectiveness that stand in the way of their being innovative, hiring quality staff in a timely manner, and able to minimize related costs. One of the purposes of this study is to identify processes that impede performance and accountability. Without a doubt, this finding impedes DPI and may, in fact impede other state agencies in North Carolina.

FISCAL IMPACT

Barriers were so pervasive throughout DPI offices that estimating savings just within this one state agency are not quantifiable. However, it is clearly apparent that, with implementation of this one recommendation and related changes to state law, regulations and policy, cost savings in the first year across state agencies would be in the multi-millions.

FINDING

DPI testimony revealed that the requirement for approval by the State ITS Office was particularly problematic for Accountability Services and DPI Technology Services staff. Furthermore, within the next year and a half, the transfer of accountability data systems to ITS is potentially going to become very costly to the State as well as even more time-consuming for DPI staff, making them less responsive to school districts. Additionally, current ITS constraints place the state in an untenable position with respect to meeting federal reporting requirements in a timely manner.

Before the enactment of SB 991, when a need to develop or revise a program arose, the DPI supervisor could give approval and programmers would write a new application within one week. Now, before the week to write the program, it takes an estimated six to seven months to receive ITS approval. If ITS disagrees with a DPI decision, requests for additional documents may stop or slow it down further. Required documents are extremely detailed, including even



how servers communicate with one another; thus requiring much staff time to develop instead of focusing time on actually implementing changes.

Currently, in order for DPI to collect new required information (such as daily student absences, through a Web survey where teachers can log in, enter student identifications, and have information immediately on the state database), it could take a programmer just days to write the program and have it available for data collection. However, with current ITS requirements, DPI must first figure the cost of the proposed change. If it will be used for more than three years and costs will exceed \$500,000, other reporting requirements are triggered. All of these issues must be resolved before programmers can begin programming, and staff in DPI and LEAs can have access to the program. The Technology Services staff for accountability has been forced to hire an additional project manager just to comply with ITS reporting requirements.

Compared to other state agencies, DPI is in a unique position in having to navigate ITS requirements while, at the same time, having to meet stringent state and federal timelines for testing and reporting. Failure to meet federal reporting timelines can place the State in the position of losing federal funds. The Director of Accountability Services is required to negotiate proposed changes with the US Department of Education. Sometimes approval may not be received until 10-15 days before the federal NCLB required report is due. Once that approval is received, it can take ITS as long as six more months to render approval. Yet, all NCLB and ABCs reports are due mid to late July of each year to meet federal requirements for due notice to parents in selected schools for making school choice decisions.

Additionally, by requiring DPI and other state agencies to go through ITS for technology needs, DPI cannot request competitive proposals for purchases, but must comply with ITS recommendations, regardless of cost. In some instances, DPI employees stated that they knew they could save state funds by writing their own RFPs. This practice potentially eliminates, or at least minimizes competition, and costs DPI and the State additional funds.

Another factor that is more costly is the requirement that when functions are transferred to ITS, as accountability data systems will be in the near future, current servers that are effectively conducting tasks cannot be transferred to ITS, but new ones must be purchased, installed and maintained at ITS. This requirement makes the State duplicate the purchase of equipment used for the same function.

North Carolina has an exemplary record of providing student achievement data to LEAs and other interested parties in an extremely timely, cost-effective and efficient manner with its own “test company” in the DPI Accountability Services Division. However, with the transfer of this function to ITS in a year and a half, DPI staff will not have direct access to the servers. In order to respond to LEA requests and needs related to student achievement results, DPI staff will have to request the changes from ITS. Current processes lend themselves to responsiveness to district needs and concerns. That responsiveness may be impaired with the addition of another external approval layer at ITS. This is a particularly critical concern with respect to student achievement assessment and reporting from both the perspective of the state and local districts. Movement of the process from DPI to ITS most likely will also cost staff time and fiscal resources with two agencies involved as well as other agencies ITS serves.



One interviewee noted that the staff to conduct work related to testing and accountability has not increased significantly since the enactment of NCLB, despite the fact that there are over 90 file specifications required by USED for reporting student achievement results in addition to North Carolina requirements. NCLB requirements are very detailed and complicated, and are audited for accuracy. DPI has hired contractors for some of the submissions to deal with the reporting details. DPI has also had to convert file structures to required structures. There has been no real staffing initiative to analyze staffing needs and increase Accountability or Technology Services staff in response to additional federal requirements.

RECOMMENDATION

Recommendation 4-6:

Examine the implications of NCLB requirements and the movement of accountability data systems to ITS on DPI staff in the Divisions of Accountability Services and Technology Services.

Federal accountability for funds, national and state test data reporting requirements and timeliness are too critical to take a wait and see approach to determining where testing functions would more appropriately reside within the State. With the imminent transfer of accountability data systems to ITS, the State must act in all due haste to identify and plan for transfer issues or to make policy changes that would allow for the most cost-effective and efficient processes to remain at DPI.

Staffing requirements related to the essentially doubling of data and reporting requirements resulting from NCLB must be examined and remedied, as well, in order for DPI's testing and accountability responsibilities to remain effective. Additionally, streamlining processes to ensure that the state does not jeopardize its federal funds is critical. **Note:** This recommendation should be implemented in conjunction with the Task Force called for in **Recommendation 4-5**.

FISCAL IMPACT

It is likely that savings will be accrued by not purchasing additional servers with the potential transfer of testing responsibilities to ITS.

FINDING

Cost overruns and delays in the implementation of the North Carolina Window of Information on Student Education (WISE) have been extensive and purportedly instigated state concerns leading to the enactment of SB 991. The intended purposes of Senate Bill 991 (2003), regarding DPI information technology actions, were to systematize planning and financing processes of the state's information technology resources and to create standards and accountability processes for IT projects, including project management.

The original budget for NC WISE was reported to be \$100 million, at one point had increased to \$260 million, and with relatively recent oversight and accountability by the Associate Superintendent for Technology Services, is now at \$247 million.



Several interviewees expressed displeasure that it is still not effectively implemented and is very far over budget. When the current Associate Superintendent came in two and a half years ago, the system was, in one interviewee's words, "defunct."

The process had begun with the hiring of an outside contractor in 1999 to develop a student information system. Part way through development, IBM bought the company and, thus, contracted with DPI for completion. By 2006, the project was late and over budget, so IBM was fired and the decision made to develop the system internally. In the last two years, the number of vendors involved has decreased and the anticipated costs have been reduced by \$13 million.

With the elimination of vendor contracts and hiring temporary LEA staff for implementation and regional deployment of the system, an immediate \$10 million in savings was accrued. In March 2009, temporary contractors are due to complete the job with that portion of NC WISE expenditures thus being eliminated. Division surveys reflect that, although initial local district reaction to NC WISE was mixed, there is currently little criticism from districts and schools because they recognize the rich data the system provides on their students in a user-friendly, accessible manner. Benefits of the system, when fully implemented, will be consolidation of student data from attendance and achievement to high school schedules and production of student progress reports on an as-needed basis. The system will also allow analysis of course-taking patterns beyond the core curriculum.

COMMENDATION

The Associate Superintendent for Technology Services has implemented multiple, effective management strategies, and caused a reduction in cost overruns relating to NC WISE.

FINDING

One barrier to DPI effectiveness noted by both superintendents and RESA Directors is a lack of parity of DPI salaries with those in LEAs. One specific example given Evergreen consultants was that of an executive to whom an offer was extended being offered a promotion with a salary matching DPI's offer made by the district in which he worked. This was reinforced by participants in a focus group conducted by Evergreen with the Executive Committee of the Public School Forum. The group is comprised of legislators, business CEOs, and representatives of the Governor's Office. One of the concerns they expressed was that salaries in DPI are so low that they drive prospective employees away. Similarly, they may prevent the agency from soliciting an array of high quality candidates to apply in the first place.

In its reorganization to be more responsive to the needs of low-performing schools and districts, DPI leaders decided to redeploy many positions to the Office of District and School Transformation. Additionally, in order to draw well-qualified candidates from LEAs, DPI used salary data relative to NC urban districts as a basis to request exceptions to salary ranges from the Office of State Personnel. This process, again, takes time and potentially places DPI in the position of losing excellent candidates who find other employment while the agency navigates layers of bureaucracy. While interested parties are awaiting that process, they may find employment in other organizations that are quicker to respond to salary needs.



A 2006 NC study of DPI noted a need for additional transparency specifically as it pertains to in-range salary adjustments. The Director of Human Resources provided Evergreen documents that DPI developed in response to survey responses identifying internal dissatisfaction with the comparability of salaries of long-term employees with new hires. With funds accrued from hiring new staff with less experience for positions vacated by high-end retirees, DPI has created a reserve with which it can, upon the recommendation of associate superintendents, move employees up on the salary schedule with an in-range increase. Although this was an effort to increase transparency and is an excellent first step in retaining strong employees, there is still a sense among staff interviewed that there is disparity in the allocation of those funds. DPI has also developed a career interest form for staff to complete to move from one role in the agency to another to encourage growth of internal personnel as well as opportunities to maintain interest in continuation as a DPI employee.

The HR Department uses a Salary Equity Comparison worksheet to determine educational and experience levels above the minimums required for specific jobs to attempt to equalize pay with the external job market. However, it is apparent from both internal and external continuing concerns that there is work to be done in order to draw a diverse group of highly qualified and experienced leaders to apply for positions in the agency.

RECOMMENDATION

Recommendation 4-7:

Extend the use of comparability of salaries within the State, and use it as a basis to revise policies, practices, and funding to facilitate recruitment of exceptional candidates for DPI positions.

Concerns about the ability of DPI to recruit and retain highly qualified employees have persisted for years. Although the agency has developed a number of processes to attempt to remediate the legitimate concerns, DPI does not have the flexibility nor authority itself to increase salaries to the point of comparability with other entities seeking similar candidates. The State should examine its policies, practices, and allocation formulas in order to determine impediments standing in the way of having the kind of leadership experience and education in its primary educational pre-K–12 organization in order to continue to lead the changes desired at all levels.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Multiple requests for data from the Accountability Office present challenges to the responsiveness and timeliness of the office to essential reporting requirements. Many stakeholders have not gotten timely reports from DPI. Legislators have been most vocal about their displeasure, noting that “the annual report on test scores for last year is still not out and it is over a year since the test was given.” Many responses from Superintendents to the Evergreen survey also noted concern that information DPI provides is not timely.



One staff member interviewed stated that requests from outside agencies have hampered the office. Currently, DPI is still running both NC WISE and the SIMS data systems, so often the two have to be merged in order to provide requested information. Since NCLB, many more requests have arisen from the public for state data.

Sources for requests include, but are not limited to:

- State Board of Education
- General Assembly
- Education Week
- Center for Education Policy
- Standard and Poors

Additionally, demands from LEAs, such as the recent request for retesting to count for students or requests for changing data after deadlines, each potentially affect timeliness, efficiency and effectiveness of the Accountability Office. Each year in grades 3-8, 200,000 tests per grade are administered for a total of 1.2 million first administration tests. Retests, thus, are potentially a sizable percentage of those 1.2 million tests with numbers increasing with each administration. Furthermore, school districts are on differing schedules, with some on year-round calendars, and staff in the districts must, with retests, also be hired sometimes after school is out for both remediation prior to testing.

With each revision of data, the possibility for errors increases. Progress stops on other assignments. Staff also has to be reassigned first to fix the issue, then to reconfigure, analyze, and report the data. At the same time, DPI must meet NCLB reporting timelines even though staff time is reallocated towards responding to changes in interpretation of state guidelines. Those who are making these requests need to be fully aware of their impact on staff, external deadlines such as NCLB reporting, and final results.

It should be noted that if the dashboard were developed as recommended in **Section 3.3**, then some of these data requests could be handled through immediate access to this on-line, real-time data system.

RECOMMENDATION

Recommendation 4-8:

Conduct a cost-benefit analysis in terms of costs, time involved, impact on other data requirements (such as NCLB timelines), and effect on AYP on the Office of Accountability before changing state deadlines or reconsidering state decisions.

Decisions that so substantively affect the work of an entire office should be weighed along with the effect on schools, districts, and students. Before making a decision that may be more politically beneficial than educationally sound, a cost-benefit analysis should be conducted.

FISCAL IMPACT

The implementation of this recommendation can be accomplished with existing resources, and is very likely to save both DPI and LEAs time, and enable their employees to more effectively focus on core activities.



FINDING

Unlike the vast majority of other states, DPI operates a state textbook warehouse that is extremely cost effective, saving both DPI and school districts money. The warehouse has operated since 1955.

Because it is so unusual for a state warehouse to be cost effective, many studies have been conducted over the years. A May 8, 2001 letter from the Legislative Services Office notes that files contain copies of internal audits on textbook services dating back to 1987. A performance audit in 1990 and one released in May 1997 provided recommendations to modernize and improve communications with LEAs. The 1997 audit recommended that negotiation with publishers and textbook adoption remain at the state level.

Two studies by the Office of State Budget and Management were also conducted in 1992 and 1997. The 1997 report concluded that the textbook warehouse should remain at the state level. In 1999-2000, the Facilities, Technology and Organizational Issues Subcommittee of the Joint Education Oversight Committee again studied the warehouse and estimated that the existing system saved LEAs approximately \$2.40 per textbook over a proposal to provide the State's eight percent discount to a private warehouse operation for shipping and handling. Most studies examined both costs and timeliness of delivery to LEAs.

In 2003, the most recent study of warehouse operations by Innovate eCommerce concluded:

North Carolina's textbook warehouse operations successfully manage the distribution of standard texts at a lower cost than distribution solutions found in the states surveyed. The warehouse operates with less staff, meets delivery deadlines and within the 1.75 percent operational budget.

The 2003 study found an average savings in FYs 2000, 2001, and 2002 of \$2,945,065. This savings represents the remainder of the eight percent discount after expensing the textbook warehouse, the textbook commission, freight, and miscellaneous expenses.

Textbooks arrive at the warehouse and are "cross-docked" with little placement of books in inventory. When a viable number of textbooks have accumulated at the warehouse for a district, they are scheduled for shipment.

COMMENDATION

The Department of Public Instruction operates an efficient and cost-effective textbook warehouse that saves both the State and school districts money, and disseminates books quickly to LEAs.

FINDING

Within the past few years, DPI has diligently moved expensive contracted positions to less expensive full-time employee status. The Division of Financial and Business Services maintains a spreadsheet of projected savings in converting contracted positions to employees. The



spreadsheet allows DPI to use the approved budgeted salary level to compare against contract costs. This spreadsheet provides DPI comparison data for paygrades, position numbers, and contractor costs to calculate potential costs/savings. Projected savings since October 2005 are almost \$1.7 million.

An increase in the number of positions in DPI has been authorized by the General Assembly. The total number of DPI positions, as of June 30, 2008, is 781.75. This compares to 508.75 in 2001-02. One hundred thirty-two and one-half (132.5) additional positions have been added through office transfer or new initiatives. Additional staff that has been added through transfer of offices to DPI include:

- 14 positions in the Teacher Academy;
- 31.5 positions in the Office of School Readiness; and
- nine positions in the Office of North Carolina Virtual Public School.

Major initiatives that have created additional positions are:

- District and School Transformation Office - 58 contracted assistance teams were converted to employee positions; and
- NC WISE - added 20 positions when support was brought in-house.

COMMENDATION

The North Carolina Department of Public Instruction has recently begun careful analysis and reduction of costly contracted positions.

FINDING

The report, *Responding to the Leandro Ruling* (March 2005), recommended that the State assume “full responsibility for insuring all young people are taught by qualified teachers.” One of the key elements essential for that to occur is swift responsiveness to teacher licensure needs. Yet, complaints are rife about the lack of expeditious processing. One contributing factor to the backlog is that processes at this point are largely paper and pencil, rather than automated.

The Licensure Office receives over 52,000 requests per year and, according to superintendent testimony in March 2008 before the Joint Legislative Education Oversight Subcommittee, there are multiple complaints from districts about the length of time it had been taking to process certification requests. RESA Directors mirrored that concern with one stating that the superintendents in their region had been so concerned about it that they sent a letter to the State expressing their concern with a lack of speed in processing applications. Time and again, superintendents noted a need to streamline and decentralize the Licensure Office to reduce volume. Slow processing had a direct impact on the ability of school districts to hire highly-qualified teachers as required in NCLB.

Statewide concerns are also indicated by the enactment of the UNC-NCCCS Joint Initiative For Teacher Education and Recruitment [SL 2005-276, Sec. 9.3(c), (SB 622, the 2005 Budget Act)]



authorizing eight regional positions to assist in increasing the number of certified teachers in NC public schools and an annual report to the SBE, the UNC Board Of Governors, the State Board of Community Colleges, the Education Cabinet, the JLEOC, and OSBM due September 1, 2008.

Addressing the March 2005 *Responding to the Leandro Ruling* recommendation, DPI has recently recruited a strong administrator with experience in technology, who is from the business community, to attempt to reform the Licensure Office, expedite languishing certification, and address myriad of complaints from local districts. The Licensure Office has recently implemented qualitative measures of processing and accuracy. Instead of sending whole packets of application documents back when one piece was missing, as previously occurred, staff have begun going through entire packets to identify all data that are missing and call or email for the specific information. Before these recent changes, email addresses were not a part of applications, further reducing communications opportunities to resolve and expedite licensure issues. Staff reported that the field seems to be responding very positively to recent changes.

DPI employees noted the average number of minutes each application should take to be processed and the number of days to turn each application around; a turnaround goal of no more than 25 days was set. They have also begun prioritizing applications so that those most essential—for getting a teacher into a classroom, for instance, instead of having a name change—are processed first. However, without automation, the numbers of applications that can be processed in a given time is limited. Automating licensure by having on-line applications, as the State of Georgia and other states, do would increase efficiency as well as accuracy.

RECOMMENDATION

Recommendation 4-9:

Expedite plans to automate licensure.

With the severity of the effect of slow processing of educator licenses on the ability of local districts to maintain a corps of highly-qualified teachers as well as the lengthy time it takes to navigate technology purchases through ITS, the State should move immediately to enter the process of automating licensure applications. The number of testimonies by local superintendents indicates frustration regarding its impact on filling existing vacancies. Superintendent testimonies, as well as their responses to the Joint Legislative Education Oversight Committee surveys, reflected almost universal concern regarding the length of time it takes to process teacher applications for licensure at the state level.

In the Licensure Office, as in other areas of the agency, there is a need to automate processes to expedite service to clients in school districts. Not only does processing paperwork slow application processing down, it also increases the potential for errors.

FISCAL IMPACT

Without ITS estimates of hardware and software costs, estimating costs versus cost savings is not possible. However, it is very likely that, with automation, the number of staff who process applications could be reduced. There are currently five processing assistants and 14 specialists



in DPI, as well as eight positions added in Regional Alternative Licensure Centers to assist in increasing the numbers of certified teachers in the state.

4.1.3 Student Access

No Child Left Behind sets forth clear expectations for all students to achieve proficiency, regardless of their abilities or the challenges they experience related to learning. Additional legislation regarding the needs and rights of separate groups of students (such as exceptional children and those for whom English is a second language) reinforce the federal government's assurances to all children and their families that schools will provide equal access to programs and educational opportunities.

An important consideration in ensuring such access is the thoughtful, ongoing identification of potential barriers in the structure, practices, and policies of pre-K–12 education, colleges, universities, and workforce training. Universal access requires purposeful collaboration across school levels whether throughout the pre-K–12 level or between pre-K–12 and postsecondary institutions. Once barriers are identified, those having the authority and knowledge regarding how to overcome those barriers must collaborate to identify and take action to dismantle them.

Examples of issues presenting obstacles to student access include equal opportunity to take courses that prepare them for success in higher level classes (such as advanced placement), guidance that helps students realize those opportunities are available, and streamlined processes that are not so burdensome they prevent access. Agreement among institutions at all levels, too, is critical to minimize bureaucratic barriers to access.

FINDING

Educators reported a spirit of encouragement of innovation through waivers, but they are not yet being tracked to recommend possible legislation that would enable innovation to flourish in school districts other than those that have taken the initiative to request waivers.

The Innovative Education Initiatives Act, Section 2, Article 16 of Chapter 115C-238, Part 9, Cooperative Innovative High School Programs, encourages high school innovation by authorizing:

Boards of trustees of community colleges and local boards of education, boards of governors of the UNC System and the independent colleges to jointly establish cooperative innovative programs in high schools and community colleges that will expand students' opportunities for education success through high quality instructional programming. These cooperative innovative high school programs shall target: (1) high school students who are at risk of dropping out of high school before attaining a high school diploma, or (2) high school students who would benefit from accelerated academic instruction.

The State Board of Education generally handles the majority of waiver requests in one meeting per year. In terms of success for innovation, DPI provides an annual report to the General Assembly on these programs. It is not clear what the General Assembly does with the reports in



terms of introducing legislation to further support innovation based on this information. Staff reported that most of the programs are too new at this point to have definitive data, but the trends are in the right direction regarding high school graduation. Staff also observed anecdotally that the programs are “a real boost for non-traditional college students.” DPI plans a major study when there is a significant cohort of students who have completed non-traditional programs.

RECOMMENDATION

Recommendation 4-10:

Use data collected in the waiver study to guide legislative action and State Board of Education policy development to replicate and institutionalize effective processes across the State.

One of the failings seen in other states is the lack of follow through in capturing, disseminating, and supporting innovative practices with policy and legislation that will expand their use to other schools and students. The State of North Carolina has realized the need for a study to document the impact of waivers on students, and should take efforts to the next step with the implementation of this recommendation.

FISCAL IMPACT

The implementation of this recommendation can be achieved with existing resources.

FINDING

The State of North Carolina has introduced a number of either effective or promising programs to increase access for all students to postsecondary educational opportunities. Many are founded in collaborative efforts and articulation agreements among DPI, community colleges, and universities. Through Learn and Earn, high school programs are on 54 community college campuses, six universities, and, in one case, a private school. When early postsecondary concerns arose as Learn and Earn was being implemented, state leaders effectively assembled three committees to address specific concerns from each entity, determine the locus of needed changes, and solve the challenges.

Thousands of courses are available on-line for students with the NC Virtual Public School and at community colleges and universities through Learn and Earn, and Early and Middle College opportunities for at-risk students. The Huskins Bill enables students to take dual enrollment community college courses for credit while they are in high school without having to pay for tuition or books. Both the community college and the high school receive FTE funding for the classes.

Early and Middle Colleges are growing in popularity, providing students ready for a less restricted learning environment than is typical in high schools, the opportunity to take college-level classes early. One leader interviewed observed that Career Tech Education and community colleges have a very strong working relationship, paving the way for access to community college courses for high school students.



COMMENDATION

The State of North Carolina has made an intensive effort to broaden access of high school students to a diversity of on-line and postsecondary educational opportunities.

FINDING

Dropout and graduation rates in North Carolina are of the utmost importance, requiring a strategic and coordinated effort on the part of DPI, community colleges, and external (state and national) organizations. Although there are many efforts underway in the State, there is a need for a statewide, coordinated approach.

DPI has formed a collaborative team with the community college system to begin the conversation and create an initiative aimed at dropout recovery. They are targeting 15-18 year olds that are under-credit and who need academic catch-up services coupled with strong advisory and advocacy services. The organization, Jobs for the Future (JFF), has provided national research and examples of programs proven effective. DPI leaders are interested in initiating a program or program options that combine the best of national models with the state's existing efforts. A draft proposal describing the initiative is anticipated shortly.

COMMENDATION

The State of North Carolina has identified a pressing need that requires collaboration beyond DPI, conducting research on best practices, and convening a broad group to develop a unified approach.

FINDING

Investigations into universal student access to community college and university education in the State revealed several areas where better communications and coordination among DPI, community colleges, and universities have the potential to facilitate access and create more equity of opportunity for all students. As in any state, students whose parents value education and have the time and resources to help their children attain postsecondary education have open access. For other students, who may be academically able, access is hindered by lack of parental interest or knowledge in navigating the system of applications for both scholarships and college entry requirements and is, therefore, largely dependent on teacher and counselor encouragement and guidance. Institutional barriers also impair seamless transitions for all students from high school to postsecondary education.

DPI and the community colleges, in particular, meet from time to time to discuss issues that, when addressed collaboratively, should provide greater access for high school students to postsecondary opportunities. Somewhat regular meetings occur between UNC-General Administration staff and DPI staff approximately every two to three months. Although the bulk of the agenda involves DPI and UNC, community college and private representatives are invited to contribute to the agenda and attend. Several staff interviewed, though, stated that conversations were generally topic or initiative specific rather than ongoing discussions of student needs, potential impediments, and problem solving to facilitate access. These



conversations are also reported to occur much more readily at the community college level than the university level.

One staff member noted that, in previous gubernatorial administrations, there had been greater articulation between pre-K–12, community colleges, and universities with regular meetings of the Education Cabinet (see **Chapter 3**). Others reported that this Governor does not use the Education Cabinet in a meaningful way, despite the Public School Forum Study Group XI recommendation in its 2005 publication *Responding to the Leandro Ruling* that the Education Cabinet be expanded and strengthened. Despite fewer meetings at high levels regarding articulation issues, staff still convenes, on occasion, to discuss various issues.

Interviewees also identified a gap between admissions policies at the college level and some requirements at the high school level. Each sector has testing requirements that are not necessarily synchronous. Several individuals cited that agreeing on a single test, such as the ACT, would enable institutions at both levels to use the same test for different purposes without consuming so much time during high school for students to meet different criteria. The Student Graduation Project could also be used at the postsecondary level as a replacement for an essay requirement, making the work students do on the project even more meaningful.

RECOMMENDATION

Recommendation 4-11:

Schedule regular, ongoing meetings among DPI, community college, and university leaders centered on the topic of student access.

Regular discussions focused on student access should take place more frequently among representatives at all three levels. Since universities seem to be the greatest challenge to pre-K–20 articulation, and they are very interested in participating in CEDARS, perhaps access to CEDARS could be used as an incentive for heightened collaboration.

DPI and postsecondary representatives need to work together, look at common requirements, and identify instruments that are not duplicative or wasteful of student time but meet the needs of both secondary and postsecondary requirements. Also, devising a means of either working towards standardizing course codes between high schools and postsecondary institutions, or creating general agreements about comparable courses especially at the university level, would make credit transfers less challenging for students who take postsecondary credit courses in high school, and make their time spent more valuable to their long-term educational attainment (also see **Chapter 3, Section 3.1**).

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

No Child Left Behind and initiatives such as the *Responsiveness to Instruction in North Carolina* convey the importance of all children having equal and equitable access to rigorous, relevant



core content. Three related specific potential challenges to access for students with disabilities were identified in interviews at DPI:

- First, although there has been a national push for a number of years for an initiative North Carolina calls *Responsiveness to Instruction* (RTI), a lack of recognition of the impact it can have on regular students as well as students with disabilities, has prevented a widespread commitment to implementing it in every school and district. The initiative focuses on ensuring that teaching results in learning for all students, and not just mainstream students or those with disabilities.
- Second, the biggest hurdle identified by staff as an instructional division is that the core instruction needs to be solid, research-based, and differentiated, and that teachers have the skills to be able to differentiate their instruction.
- Third, staff cited frequent turnover of leadership as a challenge to a broader commitment to RTI. The former person in the position of Chief Academic Officer had embraced RTI, but with turnover in that position, building an understanding is again needed for an integrated inclusion of RTI into all curricular processes, training, and initiatives across DPI practices and processes, and for it to be more strongly encouraged in school districts.

In meeting with school districts, reportedly 200 individuals requested that RTI be mandated, certainly not because they embrace mandates, but because they felt that the only way it would be fully implemented was through a mandate. In places across the nation where RTI has been effectively implemented with fidelity, the achievement of all students, and not just those with disabilities, has improved, and in many cases dramatically.

An Executive Summary of a Waiver Request states:

Responsiveness to Instruction is a systematic process emphasizing (a) problem identification, clarification and analysis, (b) early academic and behavioral interventions, and (c) ongoing monitoring and evaluation of intervention effects. The process involves collaboration among general education teachers, special education teachers, school psychologists, other school personnel, and parents. It is anticipated that Responsiveness to Instruction will (1) identify early those children who are at risk for school failure, (2) provide appropriate interventions within general education without having to refer children for special education consideration, and (3) decrease the probability that non-disabled children with academic difficulties will be placed in special education services.

The Waiver Request further notes that, after studying ways to improve the identification and evaluation services for children with disabilities since 2001, a State Task Force concluded that “the most favorable model to be recommended is the *Responsiveness to Instruction* model, based upon its use in other states and its allowance under IDEA 2004.”

RTI mirrors DPI’s cross-functional approach to restructuring the agency. Training bridges district functions, including regular and special education representatives of the central office,



school administration, regular and special education teachers, school counselors, speech/language pathologists, school psychologists, literacy consultants, and other consultants. Thus, RTI serves as a potential model to be integrated into the agency's approach to support for schools and districts.

RECOMMENDATION

Recommendation 4-12:

Assert a more influential position on integration of the *Responsiveness to Instruction (RTI)* across the State of North Carolina.

DPI should take a stronger position on the use of RTI by school districts. Best practices should be shared. Where effectively implemented, RTI has been proven to increase access of students with disabilities to broader curricular offerings and to improve achievement among all student groups. The model focuses on teaching and learning, so is not simply an exceptional children instructional strategy, but one that transcends student abilities and improves instruction by offering teachers a wider array of tools to meet each student's unique learning needs. RTI also offers students more enhanced opportunities for success in the general education classroom as one step along a continuum of services. RTI is further likely to positively address the needs of potential dropouts—a state priority concern.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Data provided Evergreen consultants demonstrate clearly that schools that have implemented Positive Behavior Support (PBS) have experienced continuing decreases in student incidents of misbehavior. Despite that, DPI has not taken a strong stand to instigate its implementation in all schools in the State.

Data provided Evergreen demonstrate clearly that schools that have implemented Positive Behavior Support (PBS) have experienced continuing decreases in student incidents of misbehavior. In 2005-06 and 2006-07, over 820 school employees were trained in PBS with an additional 260 have been scheduled to be trained in 2007-08.

Multiple additional benefits accrue for students, teachers, and administrators:

- for students with disabilities, the application of the positive approach to encouraging appropriate student behavior reduces risk ratios for disproportionate representation and inappropriate referrals;
- for teachers and all students, PBS increases the amount of instructional time available for teaching and learning; and



- for administrators, PBS reduces the amount of time spent on dealing with student misbehavior rather than instructional leadership.

Exhibit 4-6 shows data on office referrals and suspensions for one North Carolina school after two years of implementation of the program. The data clearly identify the merits of implementation of PBS to all students as well as educators in schools.

Exhibit 4-6
Referral and Suspension Data and Teacher and Administrator Time Lost
Before and After Implementation of Positive Behavior Support
2004-05 through 2006-07 School Years

Category	2004-2005 School Year (Before PBS)	2005-2006 School Year 1 PBS	2006-2007 Year 2 PBS
Office Referrals	263	156	107
Suspensions	49	41	16
Administrator Time @ 20 min./referral	5,260 min. (88 hrs.) (15 days)	3,120 min. (52 hrs.) (9 days)	2,100 min. (35 hrs.) (6 days)
Instructional Time Missed @ 30 min./referral	7890 min. (132 hrs.) (22 days)	4680 min. (78 hrs.) (13 days)	3180 min. (53 hrs.) (9 days)
Instructional Time Missed @ 6 hrs./suspension	34,920 min. (582 hrs.) (97 days)	30,240 min. (504 hrs.) (84 days)	6,480 (108 hrs.) (18 days)
<p>Comparing 2005-06(year 1 PBS) and 2006-07(year2 PBS) 3 days of administrator time recovered 70 days of instructional time regained.</p>			

Source: Department of Public Instruction, Office of Exceptional Children, November 2008.

RECOMMENDATION

Recommendation 4-13:

Continue purposefully expanding training in Positive Behavior Support (PSB) to all schools in North Carolina.

Decades of research consistently identify time on task as one characteristic of an effective school. It is clear from data collected from schools that have implemented PBS with fidelity that the program increases teacher time on task, thus increasing student opportunities to learn and achieve at higher levels.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

A partnership within the state, initiated by DPI and funded by a State Improvement Grant, has very effectively linked RTI, PBS and reading (thus PBR) training for teachers along with the



State Performance Plan. Results have been outstanding in terms of improving achievement for students with disabilities.

In collaboration with the Center for Literacy and Disabilities, training has been provided. An additional link includes support for increased parental engagement through collaboration with the Exceptional Children Assistance Center.

Exhibit 4-7 shows a comparison of increases in reading scores for all North Carolina students with those of exceptional children in the State and exceptional children in the SIP-funded reading centers.

Exhibit 4-7
AYP Reading Progress for All NC Students
All NC Students with Disabilities and NC SIP Students
2001-02 through 2006-07 School Years

Student Group	N	% AAGL 2001-02	0/0 AAGL 2002-03	0/a AAGL 2003-04	% AAGL 2004-05	% AAGL 2005-06	% AAGL 2006-07	Gain
All NC Students	631,208	79.5	84.9	85.3	85.7	86.7	87.4	0.7
All NC SWD	62,843	49.9	54.8	55.0	57.4	63.2	64.8	1.6
NCSIP 02-03	162	42.6	61.1	--	--	--	--	18.5
NCSIP Centers/Sites 03-04	486	--	31.7	48.6	--	--	--	16.9
NCSIP Centers/Sites 04-05	473	--	--	39.5	52.0	--	--	12.5
NCSIP Center/Sites 05-06	769	--	--	--	47.3	56.0	--	9
NCSIP Centers/Sites 06-07	1080	--	--	--	--	38	49	11

Source: DPI Office of Exceptional Children, October 2008.

The data verify the power of more purposefully encouraging and supporting both the PBS and RTI approaches in all North Carolina schools.

The availability of on-line courses and on-line services—such as test preparation, career planning services, and credit recovery—has increased access to a greater diversity of high school courses as well as postsecondary credit for all North Carolina students. This approach further increases access to highly-qualified teachers in subjects that students may not have available at their local school.

COMMENDATION

North Carolina has effectively used State Improvement Grant funds to move the achievement of exceptional children more rapidly towards meeting proficiency expectations for *No Child Left Behind*.



FINDING

Testimony revealed that access for students with disabilities to dual enrollment courses in North Carolina is very dependent on the school districts and the community colleges involved. Some community colleges reported that “they do not complete IEPs”

Some institutions work such issues out, sending a teacher or other staff member to work with the professor. Beyond students with more severe disabilities, there are also gifted and talented students and students who have visual or orthopedic disabilities who also need IEPs, but require few accommodations, who, with this philosophy, would miss opportunities for dual enrollment credit.

RECOMMENDATION

Recommendation 4-14:

Develop a communications strategy to inform leaders and admissions staff in community colleges of the legal requirements of providing access to dual enrollment to all students, regardless of disability.

Federal law says that all students have a right to a “free, appropriate public education (FAPE).” As the sending school, it is up to the high school awarding the diploma to ensure that the IEP is being implemented.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

4.1.4 Service to Local Education Agencies and Other Agencies

One purpose of state education agencies (SEAs) is to provide leadership and support for local education agencies (LEAs). One of the state’s roles is to implement and translate federal and state legislation to promote understanding and uniform application of policy and legislation across the state. The way in which state education agencies meet these expectations can either effectively facilitate or ineffectively hinder actions in local districts, wasting time and resources through unnecessary requirements and duplication.

Beyond policy guidance at the state level and coordinating support in response to the needs of local districts, establishing transparent two-way communications systems with representatives at various levels of LEAs is critical. Quality communications lead to uniform implementation, awareness at the state level of district needs, and, in turn, guide the State on how it should organize and channel its resources. Soliciting input from LEA representatives in various roles enriches the ability of DPI to serve state schools and, consequently, raise student achievement. Effective interagency communications also make state education agency staff aware of opportunities within the organization to collaborate and, importantly, to identify ways that they can reduce redundancy in reporting requests, state meetings, and staff development.



The quality, training, and length of tenure of state staff also directly impact service to LEAs in the consistency and accuracy of information provided as well as LEA support. External educational organizations within the State should also be purposefully included in communications and opportunities to work with DPI to identify and disseminate best practices and training needs, and solicit information from the field. These can be effective incubators for innovation when brought into partnership.

FINDING

DPI staff interviewed for this study identified communications to LEAs as a constant challenge. While some expressed the belief that DPI was making a purposeful effort to communicate to LEA staffs, most thought communications could and should be improved. The need for increased and improved communications was almost universal from representatives of local districts.

Superintendent survey responses include the following comments:

- *I have no one to confide in at DPI—June Atkinson seems to be the only one who reaches out to superintendents.*
- *A loss of understanding and responsibilities is very evident among testing/accountability and curriculum folks at DPI. Changes are occurring very swiftly, including new rollouts without adequate communications and preparation to implement the mandated changes.*
- *Superintendents have little or no voice. Decisions are made without our input by the State Board and Deputy Superintendent (e.g., Future Ready Core Curriculum decisions initially came with no input from superintendent).*
- *We do not have current information; it is not accurate and timely.*
- *Some responses to questions/issues have taken two weeks...if they come at all.*
- *DPI gives the appearance of asking for input, but the agency does not give sufficient time to receive the input.*
- *Response time is woefully inadequate due to lack of personnel at DPI.*

Many standing committees in divisions across DPI include representatives of regions or local districts. RESA Directors interviewed said DPI used their centers to communicate with LEA staff, but also noted a need to improve communications. In their responses to the Joint Legislative Oversight Committee Survey in Spring 2008, local superintendents identified a need for a comprehensive, aligned communication plan to deliver essential information to LEAs and to centralize necessary meetings.

Some DPI offices (e.g., Technology, Talent Management and Development, Human Resources) use exemplary processes to communicate with LEAs and garner information on how they can continually improve their services. The only DPI unit Evergreen found that regularly surveyed LEAs regarding service was the Technology Services Division.



Other methods that the Technology Services Division uses include:

- advisory or user board voice teleconference meetings with districts every two to three months which allows DPI staff to hear feedback on how to improve systems, processes, and support;
- NC WISE and CECAS (Comprehensive Exceptional Children Accountability System) send weekly or monthly email bulletins with updates and tips as well as soliciting questions and feedback;
- Sign-on screens to log into CECAS provide updates and the latest news and information for exceptional children;
- NC WISE and CECAS hold two conferences per year to educate users on the latest product developments and respond to questions;
- NC WISE and CECAS usually provide their ongoing training in districts; and
- the Associate Superintendent for Technology tries to visit two districts per month to meet with the Superintendent, Technology Director and one person representing each of the systems, then takes feedback back to his DPI staff.

The new Director of Talent Management and Development has purposefully reached out to units of DPI, LEAs, RESAs, and other organizations offering professional development (such as PEP, the Teacher Academy, and NC Learn) to identify niches, duplication, gaps, strengths, and opportunities for collaboration. This director plans to synthesize that information to develop a comprehensive professional development plan that leverages the resources within the State and uses technology to more effectively deliver training. The director hopes his office can then become an on-line clearinghouse within DPI so that educators are aware of schedules and quality, resources on which to capitalize.

In an effort to better inform DPI employees about staff who have received in-range salary adjustments (a process to try to create greater transparency and equity among long-term staff and those newly hired at possibly higher salary levels), the Human Resources Department sends out an all employee email/newsletter.

DPI is working diligently to re-think and re-design its way of work to be more service-oriented towards school districts and change its culture to one of providing more service. Most DPI interviewees stated a belief that the agency was inclusive in seeking input from the field. Interviewees in the field were not so convinced. During the process of redesign, DPI staff held multiple conversations with superintendents and made presentations at RESAs, as was confirmed by RESA Directors who expressed appreciation for DPI communications through them and responsiveness to their requests for information. DPI staff hoped that informing these leaders would convey their message to others in LEAs.

Not all educational partners who should also be informed were included in that communications process. Nor do all offices within the agency conduct surveys of staff at other levels of LEAs to



determine needs and help guide the re-design process or its refinement. Effective processes in DPI offices should be captured and replicated uniformly across the agency.

RECOMMENDATION

Recommendation 4-15:

Expand concerted communication channels with administrators in the field.

DPI should be more strategic in its communication tactics in order to effectively disseminate the information the agency wants to its intended audiences and for its staff to benefit from the viewpoints of those in the field affected by DPI reorganization and initiatives. This is particularly important since the agency's intention is to reorganize to be more responsive and service-oriented to LEAs, but is also essential with other initiatives.

Administrators at all levels of LEAs can provide valuable information regarding strengths in areas of DPI that should be replicated as well as areas where services need to be improved. Superintendents have quarterly meetings with DPI representatives. Time on those agendas should be protected for superintendents to collaborate with DPI leaders to solve universal issues.

The Communications and Information Services Office, along with Public Information Officers in LEAs, should identify more effective ways to reach target audiences. DPI employees have regular opportunities to meet with LEA staff in related areas, and they should use those opportunities to convey a specific message for the agency as well as solicit input on agency strengths and needs from their important perspectives. Creating a more purposeful communications plan for delivering and receiving information from a broader range of stakeholders in the field should assist DPI in continually improving its service orientation and focusing on core activities. The DPI Leadership Council should identify effective internal practices and develop strategies for embedding these practices in units throughout the agency.

FISCAL IMPACT

The implementation of this recommendation can be accomplished with existing resources.

FINDING

Concerns from numerous groups of individuals—DPI staff members, Evergreen's survey of superintendents, superintendents' testimony to the Legislature, and RESA Directors interviewed by phone—reference a high turnover rate at DPI affecting the service orientation the agency is seeking. One staff member noted apprehension that, with high turnover, there was historical knowledge the agency had attained that they were in danger of losing if they turned over too quickly.



Resulting impacts identified include the:

- responsiveness to district needs;
- quality and consistency of answers to questions; and
- lack of appropriate certification, background, or experience among DPI staff.

One of the concerns mentioned by several interviewees in the field and in superintendent's survey responses is that, in the last decade, the number of administrators with district leadership experience in DPI has decreased, although recent hires bring more district experience. District superintendents were also concerned about retention of quality leaders at DPI. One Superintendent identified the issue as two-fold, "constant reorganization coupled with personnel turnover makes it difficult for LEAs to know whom to contact. It makes it difficult for DPI to provide the services they wish to."

Concerns have been raised that the lack of local administrative perspective limits the viewpoints of DPI leaders regarding the impact of decisions on the field and their ramifications on practice. The Boston Consulting Group (BCG) also identified the need for DPI to hire people with recent experience in school districts. These are likely contributors to high turnover rates.

Interviewees noted that they believed that DPI staff members were "good people who worked hard," but have month- or even year-long learning curves to obtain a solid knowledge base. This reinforces a concern that the agency is "not functioning at the level it should be" with there being little "stability of being able to call someone about a question regardless of area and the person not having background or experience in their area." Meanwhile districts are often left in a quandary trying to get answers to guide their decisions and actions. There is consensus among many superintendents that DPI does not serve them or their districts well.

Many DPI staff as well as LEA interviewees voiced the concern that service to districts had been affected because of the magnitude of DPI downsizing in 1995 that still exists. Data in **Exhibit 2-13**, however, compare staffing of departments of education in North Carolina and selected peer states. These data show that North Carolina's DPI is not understaffed, but in fact, is second only in staff: student ratio among the states. North Carolina's staff: student ratio is 1: 1,814. The only state with a lower ratio is Kentucky with a 1: 1,370 ratio. Other states have far more students to state agency staff with Illinois leading with 1: 4,561.

DPI data provided to Evergreen detail turnover rates by position type (excluding positions above the director's level) within the agency since 2005. The data must be viewed with the understanding that some positions are only occupied by one or two individuals so a single separation would reflect a high percentage. These data show that, of 22 positions included:

- in 2005, 12 positions had zero percent turnover, with turnover in other positions ranging from 11.1 to 50 percent;
- in 2006, 13 positions experienced no turnover, with turnover in other positions ranging from 5.55 to 100 percent;
- in 2007, 11 positions experienced no turnover, with turnover in other positions ranging from 5.5 to 100 percent; and



- in 2008 (from January to June), 15 positions have experienced no turnover, with turnover in other positions ranging from 3.2 to 33.3 percent.

The DPI data appear, without further analysis, to confirm concerns in the field about high rates of turnover among DPI staff.

Comparable seasonally adjusted data for the North Carolina civilian labor force for the same three and a half years show a low unemployment rate of 4.66 percent in 2007 and a higher rate of 5.24 percent from January to May 2008.

One predominant contributing factor to organizational turnover is a sense of lack of control or ambiguity in understanding one's job responsibilities. DPI does not appear to have a uniform system of support in place for new employees that would assist them in understanding their roles and responsibilities. Without a system to inform new employees of expectations, when a new person comes on board, information related to job functions may not be handed down, so time is wasted determining what they are and how to perform one's responsibilities. This leads to frustration and, when experienced over time, may lead to turnover.

RECOMMENDATION

Recommendation 4-16:

Develop and implement a DPI retention policy and plan.

The continuity of knowledge and skills is critical for providing consistent guidance to staff in the field making decisions intended to realize the state's goals for education. Purposefully delving into reasons for separation from the agency, and using that information to create a retention plan, should lead to higher levels of service to LEAs. The effective implementation of this recommendation should also decrease costs related to training new staff and certainly improve consistency of message. Including as a part of the plan training and support for new employees is essential. The agency should also ensure that staff hired to serve as resources to LEA curriculum staff are certified in the field for which they are hired.

Orientations and handbooks could introduce new staff to the organization's culture to success in their jobs, an overview of major initiatives, the agency's philosophy, and an introduction to others within the agency and their responsibilities. New staff provided with this critical information should know resources within DPI and not lose time seeking appropriate staff to respond to questions or needs (also see **Recommendation 4-21**).

FISCAL IMPACT

The implementation of this recommendation can be achieved with existing resources.

FINDING

Many DPI employees expressed deep respect for their colleagues. DPI and RESA staff noted both state and national recognition of one particular leader's knowledge and presentation skills. However, Evergreen found no evidence of a succession plan to ensure that there is continuity of



knowledge and processes with the departure of key leaders. Coupled with concern over recruitment and turnover, this void could further undermine effective service to school districts by DPI. Educational organizations that maintain a concerted focus on priorities and funding directed toward student achievement have intentional succession plans that create seamless, transparent processes when staff members change positions.

DPI leaders recognize the need for strong leaders and leadership development as evidenced with the creation of the Talent and Management Division. The increased focus on leadership development, both in building leadership capacity and in identifying leaders, lends itself to integration into succession planning.

RECOMMENDATION

Recommendation 4-17:

Expand current leadership development processes to ensure sufficient preparedness for succession planning.

The components of a succession plan should include the identification of current promising employees for participation in a mentoring program and a possible cohort academy as part of a larger succession planning structure. Regular meetings should include thematic issues, such as performance evaluations and their link to State Board goals, and other seminal topics throughout the year to build a set of skills identified in succession discussions as realizing DPI's mission. Strategic recruitment and a competitive process for administrative interns would also expand the pool of potential candidates for leadership positions. Promising staff members should be included in administrative activities and given leadership in a variety of responsibilities.

FISCAL IMPACT

The implementation of this recommendation can be achieved with existing resources as DPI continues planning for heightened leadership development.

FINDING

Some DPI offices are identifying duplicative processes, such as needs assessments, that each has historically undertaken and are working together to develop a single, more comprehensive document that serves multiple purposes (e.g. program monitoring; school and district transformation). Some offices have identified the need to merge reports required of districts, too, such as the School Improvement Plan and the Title I Plan. These examinations of duplicative processes and requests for reports have not yet been institutionalized throughout the agency.

Comments in the Evergreen survey revealed much concern about duplicative processes and requests at DPI, and their impact on local district staff. Comments such as the following were made:

- *Choose most any of the reports required from DPI and you will see duplication.*



- *Plans—like strategic planning, Technology Plan, Title I Plan, and other federal and state plans.*
- *Receive multiple requests for contact information for principals and administrators when LEAs are required to provide this information in the SNA database.*
- *Requests for data for state grants when they already have the data.*
- *ESL/Title I student accountability reports could be pulled through NC WISE.*
- *The template for school district improvement should be the same as the template/requirements for all federal grants.*
- *Federal data requirements can be completed at the state level with data the local districts have already supplied.*

This is one more outgrowth of the early stage at which DPI is in its reorganization. However, it is a critical undertaking that should be woven into meetings and processes to ensure the level of service that is the foundation of the new organizational structure and to heighten efficiency, effectiveness, and good stewardship of DPI resources.

RECOMMENDATION

Recommendation 4-18:

Involve representatives of LEAs in purposefully cross-functional identification of processes that could be merged to minimize duplicative requests made of LEAs.

The descriptions of DPI cited above, as operating in silos, cannot be overcome quickly. The more that cross-functional discussions occur at all levels of the agency, and the more that LEA representatives are brought into these conversations, the more effectively DPI will be in reducing wasteful, duplicative demands made on LEA staff, enabling school district staff to more concertedly focus on improving teaching and learning for students.

FISCAL IMPACT

The implementation of this recommendation can be achieved with existing resources.

FINDING

The pendulum of support for low-performing schools and districts in North Carolina has swung over the years along with related studies that have been conducted. Until 1991, eight regional centers were staffed across the State by consultants who were matrixed to report to the center director and a program member at DPI. Most centers had employees linked to curriculum and instruction, early childhood, middle grades, high school, vocational education, student services, exceptional children, school finance, and personnel relations. *Responding to the Leandro Ruling*



(2005) noted that they served as two-way communications conduits between DPI and local education agencies.

In 1991, the centers were repurposed with the intent of improving student achievement in Technical Assistance Centers (TACs) with directors, consultants, and clerical support. The consultants were not, however, tied to DPI staff in Raleigh. Assistance focused on core curriculum, instruction, and courses with particularly high dropout rates. Consultants were generalists tasked to identify student performance needs and develop related plans. Any need unrelated to student performance was then addressed by DPI staff from Raleigh.

The 1992 GPAC Study found that no tracking occurred to ensure coordination. Communication, prioritization and activities were fragmented, placing districts in the position of having to make numerous calls to receive needed services. Without a coordinated approach, staffing was not tied to district needs nor was it sufficient in critical areas. This lack of a coordinated approach, as well as a need to better leverage and target existing resources along with the Leandro ruling and the Governor's prioritization of supporting low-performing schools, are what has led to the creation of the Division of District and School Transformation today with the assistance of the Gates Foundation.

Employees in this office are now tasked with:

- providing support and assistance to all districts, challenged districts, and central offices;
- providing support and assistance to challenged schools; and
- offering support through federal Reading First and Raising Achievement/Closing the Gap units.

A strategic decision was made to bring in more people who have had significant success in schools to promote student achievement and improve graduation rates. Formerly, five-person teams were assigned full-time to low-performing schools. Now, staff does not spend as much time in each school, but offers services that are not available. Examples include principal leadership development and collaborative training of central office leaders, principals and teacher leaders, focused on the relationship of school and district leadership. School plans must now focus on literacy development and research-based strategies founded in raising student achievement. Instructional coaches are on call to support instruction as requested. Universities are also partnering with DPI to assess the social and emotional needs of students in targeted schools.

Staff reported that the current methodology is more efficient, spreading resources more thinly, but organized so that connectivity exists. More schools are being served with resultant stronger gains. Preliminary non-official data, available in November 2008, verified that conclusion. One-fourth of schools are anticipated to make double digit gains in their composite scores—gaining between 10 and 18 points.

Several elements of the reorganization of support for low-performing schools have merit as models for the rest of the agency as it continues refining its organizational structure and support



for all districts and schools. Reorganization did not require a lot of new money for positions or resources, but resulted from a lot of shifting of resources into the division and toward school and district support. The office is flatter than the rest of agency with most staff in the field. However, reporting mechanisms demonstrate ongoing communications and accountability for actions of staff deployed to the field.

COMMENDATION

The Department of Public Instruction’s approach to supporting districts and schools has expanded the set of resources available, has recruited staff with proven experience in turning schools around, and is showing promising results.

FINDING

At one time, regional centers were reportedly well-matrixed with DPI coordinating services to schools and districts with millions of dollars funding them. Today, nine Regional Education Service Alliances (RESAs) and consortia serve districts in regions throughout the State supported with voluntary membership. Services are largely determined by the superintendents of participating districts. RESAs are not specifically tasked with serving low-performing schools or districts, but help districts leverage resources and serve as conduits of information with DPI.

RESA Directors reported consistently that DPI staff use them effectively as communications channels with district administrators and noted an eagerness on the part of DPI staff to participate in their activities to directly convey information from the state agency to educators throughout the State. Superintendent feedback in Evergreen’s survey noted, “I think you are missing out by not using the local RESA more,” with respect to their perception that more academic content experts need to be available to help principals be aware of best practices and lead the change “by training local curriculum leaders.”

Offices vary in size and configuration from several part-time staff to multiple full-time staff members—from one operating from a motel to others housed on postsecondary campuses. Because of that variance, services they offer vastly differ. One RESA Director observed that his organization was constantly seeking ancillary grant funds and suggested that DPI did not fully capitalize on RESAs as centers for growing innovative practices.

RECOMMENDATION

Recommendation 4-19:

Examine the potential of increasing partnerships with North Carolina RESAs and consortia.

DPI recognizes the need for matrixing services to districts and schools as well as stimulating innovation. Broadening those approaches in DPI to embrace other educational entities in the State has the potential to better synthesize planning and communications across the state as well as kindling increased inventiveness. Using organizations that serve multiple districts also provides data from more sources on innovative practices and heightens the potential for



replication of successful innovative practices. The former matrixing of DPI staff in RESAs aligns with current DPI efforts to be more seamless in service delivery as well as focus available resources more purposely on the needs of schools and districts.

FISCAL IMPACT

The implementation of this recommendation can be achieved with existing resources.

4.2 INTERNAL ACCOUNTABILITY AND QUALITY MANAGEMENT

This section of **Chapter 4** addresses the internal accountability and quality management of North Carolina's Department of Public Instruction (DPI) in the following subsections:

- 4.2.1 Quality Improvement Systems
- 4.2.2 Performance Standards
- 4.2.3 Internal Auditing

Section 4.2 of the report responds to the following requirements of the RFP:

Determine if the Department of Public Instruction has an internal accountability and quality management system and if not, what impediments exist. Determine the extent to which the following components exist and are used and useful:

- *measurement of outputs and outcomes (immediate, intermediate, and ultimate) for programs and administrative and other support functions;*
- *activity based costing to gauge unit costs of program and support activities for analysis of efficiency and economy;*
- *performance standards, which serve as “stretch” objectives, to gauge quantities of outputs and outcomes and achievement;*
- *quality standards for outputs and outcomes;*
- *a system for assuring continuous quality improvement of processes; and*
- *periodic reviews of effectiveness and efficiency of agency and program operations and service delivery by internal auditors consistent with the 2007 State Internal Audit Act that are above and beyond traditional reviews of internal accounting and managerial controls.*

DPI is responsible for the administration and oversight of North Carolina's approximately \$9.5 billion education funding.

Exhibit 4-8 provides a summary of the funds administered by the state education agency.



Exhibit 4-8
DPI Education Budgets
2007-08 and 2008-09 Fiscal Years

Funds	Certified FY2007-08	Certified FY2008-09
DPI General Fund	\$9,509,102,990	\$9,540,535,941
School Technology Special Fund	\$32,315,000	\$32,315,000
DPI Trust Fund*	\$23,628,286	\$23,628,286
TOTAL	\$9,565,046,276	\$9,565,046,276

Source: North Carolina DPI FY2007-09 Biennial Budget, 2008.

*As cited on the DPI Web site.

4.2.1 Quality Improvement Systems

Quality improvement systems are more vital today than ever before. No longer are accounting information systems and cost accounting models sufficient as tools for effective decisions to ensure that critical expected outcomes are reached.

Organizations need to have a quality improvement system in place that is constantly monitored in order to assess its effectiveness and to meet the requirements of ever changing laws, rules and regulations, as well as higher level expectations. Organizations today use a myriad of strategies to help ensure quality improvement systems (such as benchmarking, activity-based costing, scoreboards, and performance management). Such strategies rely heavily on data to determine and assess standards and outcomes required to meet and maintain a quality organization.

Benchmarking is one strategy used by organizations to collect key performance indicator data for the purpose of quality improvement. An effective system enables users of information to quickly and easily understand performance in relation to internal and external benchmarking groups. Identifying trends, comparing overheads, achieving staff involvement, discovering areas for improvement, and identifying cost-reducing efficiencies are important for accountability and quality.

Service organizations such as DPI rely heavily on human capital to ensure quality service delivery. Effective quality improvement systems are found in high-functioning organizations with an efficiently aligned and established management structure.

The heart of an organization is its overall organization and management. An organization functioning at a best practices level exhibits these characteristics:

- defines itself as a system, understands the importance of stakeholders and the communities in which the organization operates;
- has a strong perception for receiving current information on all parts of the system and their interactions;
- possesses a strong sense of purpose;



- operates in a “form follows function” mode where work determines the structures and mechanisms for work;
- respects the importance of service;
- is information driven and information rich for decision making;
- encourages and allows decisions to be made at the level closest to the end user;
- has open communication systems;
- has reward systems designed to be congruent with the work and to support individual development appraised against performance and improvement goals;
- operates in a learning mode;
- makes explicit recognition for innovation and creativity, and has a high tolerance for different styles of thinking;
- has policies which support the organization’s mission;
- gives sufficient attention to efficient work, quality, and safety awareness in operations, and identifying and managing change; and
- is generally guided by strong leadership.

An effective organizational structure is essential to the efficient and effective delivery of services within the DPI and to LEAs throughout the state. Efficient central structures have the appropriate spans of control for DPI leaders with clearly defined lines of authority that are reflected in the department’s organization charts. Effective central office structures encourage communication at all levels.

The current organizational chart of the North Carolina Department of Public Instruction was shown early in this chapter in **Exhibit 4-2**.

FINDING

Organization charts are a basic component of a quality management system. DPI lacks adequately communicated and current organization charts aligned with current work tasks and identified work priorities. Organization charts presented to Evergreen consultants as part of this study’s data request were not consistently familiar to DPI staff. Interviews indicate ambiguity as to roles, responsibilities and reporting lines as well as frustration as to the department’s organizational structure and lines of authority. Many DPI employees indicated the organizational charts have changed numerous times over the past few years, as have work task assignments and reporting responsibilities.

Such organizational components are essential for management to develop operating procedures from which an effective system of internal control can be established. Ambiguity of work flows



and responsibilities makes documentation of operating procedures difficult. Operating procedures must be established, documented, and communicated to set forth the basis of an internal control system. An effective internal control system provides the framework for establishing responsibilities for specific work functions and development of quality assurance standards and measures.

Stakeholders external to the DPI indicate similar frustration with the lack of organizational effectiveness at the department level. **Exhibit 4-9** shows Evergreen survey results of district superintendents which indicate support for the need of the establishment of organizational quality control measures.

Exhibit 4-9
North Carolina Superintendent Comments
Regarding ‘Department Efficiency’ on Evergreen’s Survey

Survey Statement
No, it is not efficient or effective. Example- personnel division at DPI. From month to month DPI is reorganized. Telephone calls are not returned and no one really knows who is in charge of what. You can open the education directory and start calling numbers in a division to try to get a live person. You may get 1 out of 10 to answer. The one that answers usually has no clue how to answer your question. Licensure issues are spread throughout several divisions with no one who can ultimately make a decision. Rarely does anyone within the agency agree on an issue, revealing that there is little communication within DPI. If parents received the same service from local central office staff, the superintendent would need to look for other employment!
Constant reorganization coupled with personnel turnover makes it difficult for LEAs to know whom to contact. It makes it difficult for DPI to provide the services they wish to provide.
Communication between the DPI and the field seems to be a constant reoccurring theme. DPI gives the appearance of asking for input, but yet, does not give sufficient time to receive the input. An example might be the quarterly superintendent meetings. These meetings should allow ample time for superintendents to collaborate with members of DPI to solve universal issues. Also, turnover in personnel and constant reorganizing of DPI is problematic.
Not enough specialization in departments; department duties are too broad. Unfilled positions at DPI. Not meeting deadlines or releasing information to LEAs on time. Not sending down funds in an appropriate manner and timeline. This makes it hard to serve our students.
DPI is not properly staffed. Those making decisions rarely have the depth or breadth of experience to advise local school districts. This begins with the Deputy Superintendent who has a very slim resume as an educator.
Better inter-office and intra-office communication within DPI would reduce duplicity and re-work at the local level.
Some key positions not open or filled. Information provided from DPI is not timely. DPI operates too many silos; a real lack of communication among DPI departments & divisions results in conflicting info provided to LEA’s as well as multiple requests for info. Inaccurate & conflicting information from dept (Child Nutrition can’t charge indirect costs that exceed profits, DPI Finance dept says you can) Focus on Department – not cross functional teams. ESL access testing. Mobility – contact people change daily. Lack of decision making process – no empowerment. No infrastructure for determining validity of requirements. RALC positions left open when really needed. Licensure reorganization has solved nothing.
Problems with responses to concerns exist frequently in HR/Licensure, Transportation, and Accountability. To adequately articulate these, there needs to be an opportunity to do so in an open and frank face meeting. While getting this information is appreciated, it will only add to frustrations, as in the past, if no visible response is forthcoming.
It is hard to know who is in charge at DPI. We get one message from the Superintendent, often a different message from the Deputy and almost always something different from staff. The inexperience and the lack of communication are very frustrating and have caused many local districts to just figure things out on their own and do the best they can rather than seek help from the department. It is clear that the focus is mostly on struggling LEAs and schools and districts that are performing otherwise are left to fend for themselves.
For whatever reason there is too much turnover at DPI.

Source: *Evergreen Solutions Survey Results, 2008.*



RECOMMENDATION

Recommendation 4-20:

Update and communicate organization charts.

DPI should update its organization charts to ensure the department's structure aligns to the priorities set forth in its Performance Management Tool. The DPI Web site describes the Performance Management Tool as a means to define "measures of progress towards the Board's mission and goals, and define priority objectives for departmental divisions... and facilitates internal monitoring of progress towards those objectives." All DPI employees should know and understand their roles in meeting the mission, goals, and priorities of the agency.

Recent literature such as *Common Cents* impresses the importance of the involvement of stakeholders in an effective organization. "People embody knowledge and capability." Staff at all levels should be knowledgeable of and aligned with relevant priorities.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

DPI lacks current comprehensive employee handbooks to serve as a basis for internal organization and efficiency. Interviews and surveys indicate a lack of responsiveness and organization at the department. Without internal organization and efficiency, it is difficult for the department to adequately respond to the needs of LEAs. For example, the department is currently experiencing challenges with the Beacon System Legislative Increase Report which now requires numerous manual entries and manual reconciliations resulting in redundancies, inefficiencies, and greater opportunities for errors or misstatements.

Internal interviews indicate some functional areas where DPI has instructions specific to certain operations within their control, such as budget timelines and processes. Discussions with staff indicate that DPI had a handbook at one time, but a new one has not been developed. Nonetheless, interviews consistently indicated recent personnel changes will allow for better organization and communication to establish stronger management control systems. DPI does, however, provide a "whom to call list" and an on-line staff directory at <http://www.dpi.state.nc.us/nceddirectory/>. The timely updates of such documentation provide a helpful tool in communications.

Employee handbooks are important to help provide organization and guidance, especially to new employees, and to improve efficiency and reduce misunderstandings and confusion. Employees must be knowledgeable of system expectations before benchmarks and standards for quality assurance can be developed. Changes such as those resulting from the recent budget reductions make continuous evaluation and updating necessary to ensure proper alignment of the organization. Written employee handbooks serve as a communications tool to set expectations internally as well as externally.



In most large organizations, comprehensive employee handbooks are developed, reviewed, communicated, and placed on-line. An outline for an effective employee handbook is shown in **Exhibit 4-10**. Although employee handbooks are generally tools for employees of the department, it is important that all employees function from the same general base. Such a handbook serves as a communications tool and establishes a basis from which standards and operating procedures can be developed. Consistency in the delivery of services to the districts and within the DPI is imperative for a quality system.

Exhibit 4-10
Outline for an Employee Handbook

1. A statement of welcome and an explanation of the handbook's purposes.
2. A brief history of the DPI.
3. A description of products and services.
4. Current organization charts.
5. A map showing the districts served by the Department.
6. An explanation of authority or reporting procedures.
7. General information on customers, facilities and services, and division activities in the community.
8. A Department mission statement.
9. Department policy statements on equal employment opportunity, affirmative action, a drug-free workplace, ethics, sexual harassment, and ADA requirements.
10. Information on internal and external recruitment and selection, including job posting policies, promotion and transfer policies, separation and rehire policies, and opportunities for training, career counseling, and professional development.
11. Basic compensation and benefits information, including employment classifications, work hours, pay procedures and schedules, overtime pay, holidays, vacations, bereavement, jury and witness duty, sick leave, and other leaves of absence.
12. Summary descriptions of fringe benefits such as health and life insurance, tuition reimbursement, pensions, employee assistance programs, and work/life.
13. Programs—for example, child or adult day-care services or adoption assistance.
14. Emergency information, including numbers to call in case of unforeseen disasters.
15. General rules of workplace conduct—for example, smoking, dress and grooming, or absenteeism and tardiness—and methods for addressing complaints and resolving disciplinary problems.
16. Brief explanations of procedures for purchasing equipment, arranging travel, or receiving expense reimbursements.
17. An acknowledgment receipt form.
18. An alphabetized topic index.

Source: American Association of School Personnel Administrators website (www.aaspa.org), 2007.

RECOMMENDATION

Recommendation 4-21:

Create a comprehensive employee handbook for the Department of Public Instruction and place the handbook on-line.

The creation of a comprehensive employee handbook will help standardize practices and provide guidance through the department's operations. An employee handbook will serve as a basis for organization and establishment of internal procedures from which employees can function.



Establishing a uniform system of internal operations will help provide a basis for intra-departmental efficiencies required as one of the first steps toward better communication and responsiveness to LEAs. Until the department establishes internal efficiencies and standard work practices, it is difficult to adequately and effectively provide services to the LEAs. In addition to a handbook for the internal workings of the department, the DPI should establish work practices consistent with the organization outlined in the handbook.

An employee handbook, outlining the very basics of the department, will be a quick ready reference for employees, and also a valuable tool to better function within the department and serve as a basis to provide consistent information and guidance. Posting the handbook on-line will provide access to employees.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

DPI does not have consistently up-to-date job descriptions tied to an effective performance assessment. Some job descriptions used by DPI employees are more current than others depending on the magnitude of restructuring or changes in job responsibilities. Interviews indicate that, because employees are responsible to perform more and/or different job responsibilities, job descriptions are not consistently current. Some employees expressed reluctance to amend job descriptions until DPI is finished restructuring.

Effective policies establish the range of compensation for each position and call for the lines of authority to be clearly outlined in job descriptions, and administrative regulations and procedures. Current job descriptions are an important component of effective personnel management and quality control systems. Such job descriptions are also essential to help ensure a fair and equitable system for all employees.

Job descriptions serve as an important management tool for setting forth minimum qualifications, knowledge, skills and ability requirements, and essential job functions. Comprehensive job descriptions contain essential information, such as:

- general description of duties and extra duties;
- specific duties and responsibilities;
- minimum training and experience;
- performance aptitudes; and
- ADA compliance;
- employee's supervisor;
- pay grade or salary line;
- terms of employment;
- evaluation requirements; and
- date developed or revised.



Exhibit 4-11 shows an example of the form used by DPI for the Employee Work Plan and Evaluation System.

As shown in **Exhibit 4-11**, the employee work plan and evaluation system describe the initial work plan expectations, final review, and performance rating for each employee. The DPI performance assessment system reportedly is tied to the agency's overall goals with alignment to the State Board of Education goals. Interviews, however, substantially indicate no knowledge of the State Board goals nor the employee roles in achieving these goals. Further, interviews indicate that employees are not consistently evaluated through the Employee Work Plan and Evaluation System. Comprehensive written procedures have yet to be established consistent with current operations in the agency.

To be effective, the employee work plan and evaluation system must be tied to goals relevant to each employee's work responsibilities in accordance with the overall DPI goals. These are important elements of an overall system of quality control and accountability.

RECOMMENDATION

Recommendation 4-22:

Develop current comprehensive job descriptions, and tie job descriptions to the Employee Work Plan and Evaluation System with alignment to DPI goals.

The implementation of comprehensive job descriptions will help ensure consistency and equity in the department's personnel management and assessment system. Aligning each employee's work plan with DPI goals will help ensure a quality system of accountability. Each job description should include, at a minimum, essential functions of the job, minimum education and experience requirements, physical requirements, and the date of creation and last revision. Most organizations also include knowledge, skills, and abilities required to perform the essential job responsibilities.

In accordance with revised job descriptions and work plans, DPI should update its procedures to properly reflect the changes in work practices resulting from changes to work tasks and responsibilities. Current, comprehensive procedures are necessary to provide a basis from which internal and administrative controls can be incorporated into the DPI internal system of accountability and quality control.

Updated procedures constitute the means by which DPI communicates expectations, and should provide the mechanism for:

- establishing expectations;
- establishing documentation of work practices;
- keeping the board and administration out of trouble;
- establishing an essential division between policy making and administrative roles;
- creating guidelines within which personnel operate;
- providing reasonable assurances of consistency and continuity in decisions;
- providing guidance for the allocation of funds, facilities, and other resources; and
- facilitating and guiding the orientation of the employees.



**Exhibit 4-11
Sample Employee Work Plan and Evaluation System
Revised July 15, 2006**

Employee Work Plan and Evaluation System



North Carolina
Department of Public Instruction

Employee Name: _____
Position Title: _____
Position Number: _____
Supervisor Name: _____
Next Level Supervisor: _____
Division: _____

Initial Work Plan		Supervisor	Employee
Comments:			
Signature/Date:		/	/
Interim Review		Supervisor	Employee
Comments:			
Signature/Date:		/	/
Final Review		Supervisor	Employee
Final Rating:		<input type="checkbox"/> Outstanding <input type="checkbox"/> Very Good <input type="checkbox"/> Acceptable Performance <input type="checkbox"/> Below Acceptable <input type="checkbox"/> Unsatisfactory	
Comments:			
Signature/Date:		/	/

Initial Work Plan: Expectations	Final Review: Results	Performance Rating
<i>A. Principal Job Duties (List in order of priority. Concisely describe expectations and how performance will be measured.)</i>	<i>Concisely describe actual results achieved.</i>	<i>O VG AP BA U</i>
1.		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
2.		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
3.		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
4.		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
5.		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
6.		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
7.		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<i>B. Values - List up to six critical behaviors/dimensions of the job, such as: leadership, judgment, work ethic, self starter, dependability, teamwork, respect for others, ethics and integrity, diversity, commitment, client focus, communication, and staff development.</i>	<i>Concisely describe actual behaviors observed.</i>	<i>O VG AP BA U</i>
1.		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
2.		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
3.		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
4.		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
5.		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
6.		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

Source: North Carolina Department of Instruction, Human Resources Office, October 2008.



Developing a document that standardizes procedures will help provide guidance to employees and help ensure a more consistent application of DPI policies and practices. The procedures manual could be developed to include the step-by-step procedure, the policy(s) which the procedure supports, copies of forms and computer screens used in the process, and guidelines for updating the procedures.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

4.2.2 Performance Standards

An important aspect of an effective accountability system is a valid performance measurement system linking organizational strategy to execution. One of the biggest threats to quality organizations is the development of goals and strategies without implementation of a valid measurement component. What gets measured generally gets accomplished. The ability of an organization to deliver upon its goals and strategies will depend upon how well its people get behind and support it.

For an organization to effectively execute its strategy, the agency has to translate that strategy into clear performance goals and take the time to have meaningful discussions with staff about performance expectations and actual results. By using a performance management and reward system that clearly defines individual performance expectations consistent with the organization's strategy and rewards achievement will enable the organization to get the leverage it needs.

Exhibit 4-12 shows an excerpt from the DPI Web site that describes the alignment of the DPI goals with the State Board of Education goals.

FINDING

Connectivity is weak between DPI senior managers and DPI staff regarding quality and performance standards. DPI appears to be in the early stages of development and implementation of performance standards. Core and non-core, as well as divisional measurable objectives and targets, were created with division heads. While senior managers may know the vision and direction of the organization, performance standards have not been inculcated throughout the organization. It appears that external stakeholders have driven the process without adequate internal participation consistently throughout DPI. Interviews and surveys indicate a gap between the DPI employees tasked with responsibilities to meet the organizational goals and those setting forth the goals. The organization appears to be substantially top down in its management structure with little opportunity for genuine input from sources internal to the operation. Genuine participation in such a process needs to come from the grass roots of the organization.

Performance management and reward systems must be tied to the achievement of DPI priorities. It is important for the agency to establish buy-in from the persons responsible for priorities and that these individuals believe they have an ability to influence and achieve results.



Exhibit 4-12

DPI Strategic Planning and Performance
Excerpt from DPI Web Site

In response to the North Carolina State Board of Education (SBE) guiding mission, the Department of Public Instruction developed a Performance Management Tool. This tool defines measures of progress toward the Board's mission and goals and defines priority objectives for Departmental divisions and facilitates internal monitoring of progress toward those objectives.

A "school house" was chosen to represent the agency. The school is divided into two parts:

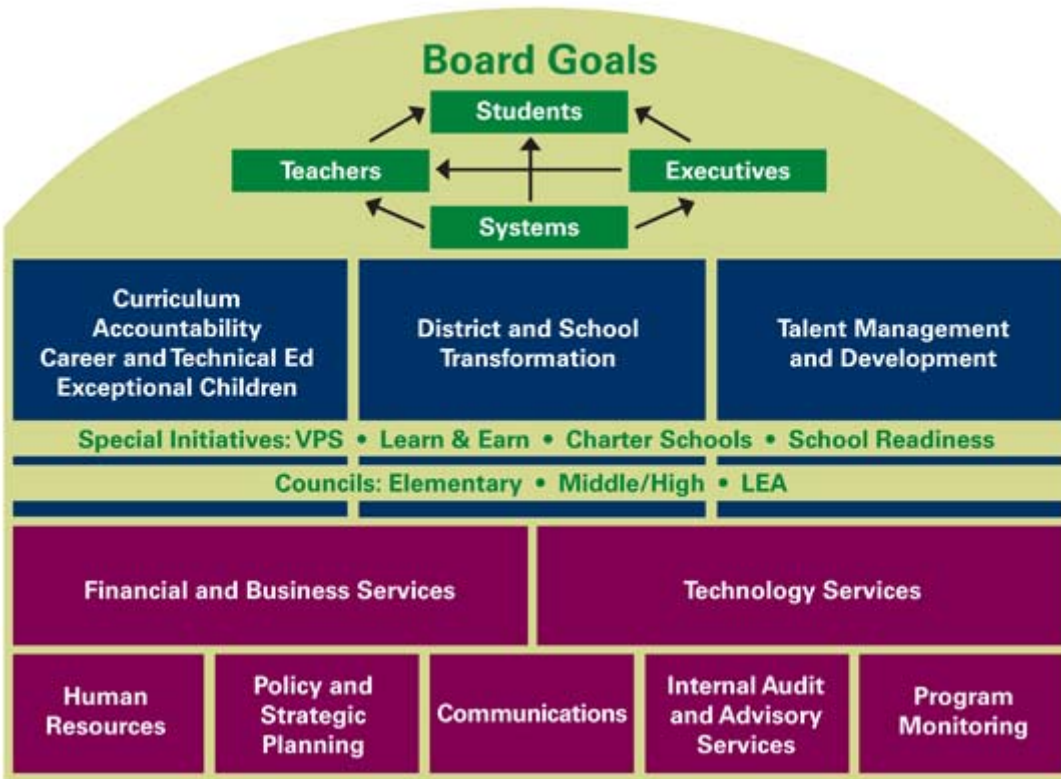
1. **The Roof**

In the roof are key "state of the state" measurements that align with the SBE goals. By clicking on the text in the roof, you can view key measures of success. Making progress statewide on these measures indicates that our state is moving toward the Board's mission of ensuring that every public school student in North Carolina is a globally competitive graduate.

2. **The Walls and Foundation**

The walls and foundation of the building represent the department's divisions or offices. By clicking on the text in each division you will find two important pages:

- **Divisional Priority Objectives:** Priority objectives are the most important objectives and targets that each division is working toward in the 2008-09 school year. Each division is held accountable for achieving the goals for that year. Each division's objectives support the Board's mission and goals for improving student outcomes across the state.
- **Core Activities:** The core activities are a concise list of the categories of work generally performed by the division. They are intended to capture in simple form the division's broader work scope beyond the priority objectives for the year.



Source: www.ncpublicschools.org, 2008.



The implementation of an effective performance management system will help ensure strategic planning efforts will succeed and thus meet the priorities and goals of the agency. The purpose of a performance management system is to help execute strategy. Such a system communicates the strategic plan initiatives to the agency, by identifying outcomes and measurements associated with success. An effective system creates resource and activity plans to accomplish the planned outcomes and target performance measures. A performance management system incorporates analyses to provide feedback on current activities.

Common Cents describes a performance management system as a “method of executing strategy that integrates strategy mapping, resource planning and budgeting, activity-based costing and value creation into a comprehensive system.” Performance management systems incorporate activity-based costing to identify gaps between planned outcomes and current performance. Resources and activities can then be allocated or reallocated to the areas of greatest need for the achievement of strategic goals.

Common Cents describes a performance management system as follows:

The purpose of a performance management system is to help execute strategy. It communicates the strategic plan to the organization. It identifies the outcomes and measurements associated with success. It creates resource and activity plans to accomplish the planned outcomes and target performance measures. It analyzes performance to provide feedback on current performance. And it creates learning that influences future plans and performance.

DPI does not use activity-based costing. Activity-based costing (ABC) is identified as:

...a method of measuring the cost and performance of activities, products, and customers. In product costing applications, for example, ABC allows costs to be apportioned to products on the basis of the actual activities and resources consumed in producing, marketing, selling, delivering, and servicing the product.

Activity-based costing is important to a performance management system for DPI to identify and communicate the true cost and efficiency of providing services to the LEAs. The process of identifying such management information helps connect specific functions to the overall goals of the organization.

RECOMMENDATION

Recommendation 4-23:

Enhance the participation of internal stakeholders in the development of performance standards, and consider the implementation of activity-based costing.

This inclusionary effort will improve the transparency of the process and garner more support and buy-in from stakeholders critical to the success of the organization. DPI employees appear to lack clear direction and expressed that they are “peddling as fast as we can” and are just “trying to keep their heads above water”. Interviews indicate no real sense of linkage of day-to-day work tasks with DPI goals.



DPI should establish benchmarks to determine and evaluate outputs and outcomes in relation to relevant targets. For example, benchmarks for DPI licensure of professional staff should be established such that the process is complete within “x” days with no more than “x” errors, etc.

Performance should be evaluated relative to the established standards and benchmarks. Staff should establish lead measures capable of influencing the ultimate performance outcome and should establish customer service surveys to gauge customer satisfaction.

DPI should encourage genuine input from all stakeholders to help ensure the commitment to quality performance towards DPI established priorities. DPI should integrate performance management and rewards into its strategic planning process, and also develop clear strategic objectives (i.e. specific, measurable, achievable, realistic and time limited) for the agency that can then be translated into specific annual organizational objectives and then individual unit objectives. For some individual units, performance measures may contribute indirectly to the achievement to the annual organizational priorities. Indirect contributions are also critical to the organization’s achievement of annual systemwide objectives.

In addition, DPI should develop stretch-type objectives with follow through by execution and assessment, and ultimately rewards. Stretch objectives are identified as those attainable yet challenging to achieve. Organizations should be careful with lofty objectives because, if the objective is perceived as impossible, employees will be reluctant to buy into it. Soft objectives that are too easy, however, sometimes provide no motivation. Once stretch objectives are established, DPI must follow through by:

- encouraging and training staff;
- allocating resources, as appropriate;
- ensuring timely reporting;
- examining and understanding variances; and
- making changes as required.

DPI should ensure time and accuracy reporting and communication. In establishing objectives, it is important for clear and open communication to ensure buy-in and support at all levels.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

The North Carolina Web site identifies the DPI Section of the Governor’s Results-based Budgeting Initiative, but Evergreen found little actual application within the operations of the state education agency.

The instructions for the Results-based Budgeting Initiative describe the process as follows:

Results-based budgeting was introduced during the development of the 2007-09 budget to encourage more efficient and effective government, and it is the goal of the Office of State



Budget and management to solidify a budget process that emphasizes performance and accountability.

In preparation of the 2007-09 budget, state agencies completed the initial phase of North Carolina's results-based budgeting initiative by outlining the following:

- Why an agency exists through the development of a mission statement;*
- What an agency wants to achieve through the development of goal statements;*
- Why agency programs exist through the development of fund purpose statements;*
- What activities are performed through the development of service statements;*
- How many resources are devoted to an activity through the development of services analyses; and*
- How well agencies are performing their work through the development of performance measures.*

The next phase of Results-based Budgeting challenges agencies to bring goals, strategies, and budgets into alignment to shift resources from past patterns to future priorities. Each agency will assess its current goals and operations and ensure its future direction is transparent, explicit, and corresponds to its mission and expected outcomes.

Interviews with DPI staff indicate numerous budget reallocations. Since the department has experienced budgetary changes, the need for performance measures to identify successful programs and services has become more apparent.

Effective decisions must be data-driven and based on measurable criteria, as is outlined in the results-based budgeting instructions.

Exhibit 4-13 shows an excerpt from the DPI's recent report on the progress towards the Governor's Results-based Budgeting Initiative.

RECOMMENDATION

Recommendation 4-24:

Expand and implement program and service performance measures to more effectively respond to the Governor's Results-based Budgeting Initiative.

The expansion and implementation of performance measures throughout DPI should help provide the agency with a system of accountability to measure outputs and ultimate outcomes consistent with the Governor's Result-based Budgeting Initiative and relevant to department operations. Such an accountability system should also provide a basis to determine the long-term viability and wisdom of continuation or purposeful abandonment of assessed programs or services to help ensure continuous quality improvement of processes.



**Exhibit 4-13
Excerpt from the DPI's Progress Report on the
Governor's Results-based Budgeting Initiative
October 2008**

Results-based Budgeting Report

Public Education

Mission

The guiding mission of the North Carolina State Board of Education is that every public school student will graduate from high school, globally competitive for work and postsecondary education and prepared for life in the 21st century.

Goals

NC public schools will produce globally competitive students

NC public schools will be led by 21st century professionals

NC public school students will be healthy and responsible

Leadership will guide innovation in NC public schools

NC public schools will be governed and supported by 21st century systems

Strategies

Establish for all grades and subject areas new standards that ensure students are taught and master essential knowledge and skills. Ensure the new standards have included the substantive input of internal and external experts and stakeholders.

Ensure that every new assessment designed under the new standards and assessment model includes performance tasks and/or constructed response items.

Revisit and redesign the K–12 accountability model to ensure that it appropriately reflects measurement of 21st Century knowledge and skills.

Design a plan to rebuild DPI compliance and monitoring functions that will be lean and consolidated and utilize on-line resources for efficiency and economy in reporting.

Develop and coordinate professional development statewide in the use and implementation of professional educator (teacher, school executive, superintendent) standards and evaluation processes within a 21st century context.

Establish an on-line Clearinghouse of professional development activities and establish a user-rating system for professional development programs.

Design a plan to rebuild compliance and monitoring functions to be lean and consolidated and utilize on-line resources for efficiency and economy in reporting.

Build and functionalize an agency-wide performance management tool to support continuous agency improvement in pursuit of the SBE's educational mission.

Build an enterprise data management system that allows for ease in collection, extraction, and evaluation of vital data and builds agency and LEA capability in using data to make decisions that further student achievement.

Agency Indicators

	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Percentage of schools meeting the ABCs Expected Growth Standard or High Growth Standard. (percentage)	75.1%	69.2%	54.3%	72.0%	82.0%
Percentage of students graduating from High School within 4-years of entering the 9th grade. (percentage)	-	-	68.7%	69.5%	69.9%
Percentage of Adequate Yearly Progress targets met statewide. (percentage)	85.2%	75.3%	79.3%	80.5%	73.6%

Source: North Carolina Department of Public Instruction, October 2008.



The process of developing a strategic plan with measurable goals congruent with the State Board of Education is one of the first steps toward creating an accountability system. Once measurable goals and the assessment methodology are established, periodic updates on progress at specific intervals will provide guidance on the effectiveness of the important aspects of a measured program or performance. DPI should consider the use of effective tools to ascertain outputs, outcomes and achievements, an activity-based costing methodology, and a results-based performance assessment. It is imperative that DPI employees at all levels are included in the process to ensure they know and understand their roles in achieving agency goals.

One industry authority used widely in the area of performance measures with governmental units is the model developed by the Government Finance Officers Association (GFOA). **Exhibit 4-14** shows the Government Finance Officers Association recommendations on performance measurement.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

4.2.3 Internal Auditing

Internal auditing helps to provide a certain level of trust in the efficiency and effectiveness of an agency. The Institute of Internal Auditors identifies internal auditing as:

...an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. Internal auditing helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

An agency's internal audit function is most effectively used as an internal management tool to improve the delivery of services and ensure that public funds are spent in the most efficient and effective manner in accordance with laws, rules, and regulations.

Generally, there are least three types of auditors customarily associated with the audit of state agencies. These include:

- independent external auditors;
- independent internal auditors; and
- independent federal monitoring and compliance auditors.

External auditors, by virtue of their education training and experience, perform a variety of auditing functions, including financial statement audits, compliance audits, and operational audits. The focus of this section is the internal auditing function.



Exhibit 4-14
Government Finance Officers Association
Recommendation on Using Performance Measurement for Decision Making

Background. A key responsibility of state and local governments is to develop and manage programs, services, and their related resources as efficiently and effectively as possible and to communicate the results of these efforts to the stakeholders. Performance measurement when linked to the budget and strategic planning process can assess accomplishments on an organization-wide basis. When used in the long-term planning and goal setting process and linked to the entity's mission, goals, and objectives, meaningful performance measurements can assist government officials and citizens in identifying financial and program results, evaluating past resource decisions, and facilitating qualitative improvements in future decisions regarding resource allocation and service delivery.

Recommendation. The Government Finance Officers Association (GFOA) recommends that program and service performance measures be developed and used as an important component of long term strategic planning and decision making which should be linked to governmental budgeting. Performance measures should:

- be based on program goals and objectives that tie to a statement of program mission or purpose;
- measure program outcomes;
- provide for resource allocation comparisons over time;
- measure efficiency and effectiveness for continuous improvement;
- be verifiable, understandable, and timely;
- be consistent throughout the strategic plan, budget, accounting and reporting systems and to the extent practical, be consistent over time;
- be reported internally and externally;
- be monitored and used in managerial decision-making processes;
- be limited to a number and degree of complexity that can provide an efficient and meaningful way to assess the effectiveness and efficiency of key programs; and
- be designed in such a way to motivate staff at all levels to contribute toward organizational improvement.

GFOA encourages all governments to utilize performance measures as an integral part of the budget process. Over time, performance measures should be used to report on the outputs and outcomes of each program and should be related to the mission, goals and objectives of each department. Governments in the early stages of incorporating performance measures into their budget process should strive to:

- develop a mission statement for government and its service delivery units by evaluating the needs of the community;
- develop its service delivery units in terms of programs;
- identify goals, short- and long-term, that contribute to the attainment of the mission;
- identify program goals and objectives that are specific in timeframe and measurable to accomplish goals;
- identify and track performance measures for a manageable number of services within programs;
- identify program inputs in the budgeting process that address the amount of resources allocated to each program;
- identify program outputs in the budgeting process that address the amount of service units produced;
- identify program efficiencies in the budgeting process that address the cost of providing a unit of service;
- identify program outcomes in the budgeting process that address the extent to which the goals of the program have been accomplished;
- take steps to ensure that the entire organization is receptive to evaluation of performance;
- integrate performance measurements into the budget that at a minimum contains by program the goals and input, output, efficiency and outcome measures; and
- calculate costs and document changes that occur as a direct result of the performance management program in order to review the effectiveness it.



Exhibit 4-14 (Continued)
Government Finance Officers Association
Recommendation on Using Performance Measurement for Decision Making

As governments gain experience, they are encouraged to develop more detailed information and use a variety of performance measures to report on program outcomes. These measures should be linked to the goals of the programs and the missions and priorities of the organization. Governments should:

- ensure that the benefits of establishing and using performance measures exceed the resources required to establish performance measures;
- develop multiyear series of efficiency indicators to measure the efficiency of service delivery within programs;
- develop multiyear series of quality or outcome indicators to measure the effectiveness of service delivery (are accomplishments being met?) within programs;
- develop a mechanism to cost government services;
- analyze the implications of using particular measures for decision making and accountability;
- use customer or resident satisfaction surveys;
- adopt common definitions of key efficiency and effectiveness performance measures to allow intergovernmental comparisons;
- develop, measure, and monitor more detailed information within programs;
- develop common or improved approaches to utilization of financial and non-financial performance measures in making and evaluating decisions;
- use community condition measures to assess resident needs that may not be addressed by current programs;
- develop and periodically review supportable targets for each performance measure;
- evaluate the data to use in long term resource allocation and budget decisions for continuous improvement; and
- utilize performance information in resource allocation decisions and report the efficiency, effectiveness, and the extent to which the program goals have been accomplished.

It is important that management satisfy itself that the performance measures used are reliable. In the final analysis, GFOA recognizes that the value of any performance measurement program is derived through positive behavioral change. Stakeholders at all levels must embrace the concept of continuous improvement and be willing to be measured against objective expectations. GFOA urges governments to recognize that establishing a receptive climate for performance measurement is as important as the measurements themselves.

Source: Government Finance Officers Association, 2007.

Internal auditors are involved in an independent appraisal activity as a service to the agency with the objective to assist management with effectiveness and efficiency, and the minimization of risk. An internal auditing function includes activities such as:

- reviewing the soundness, adequacy and application of accounting, financial and operating controls;
- ascertaining the extent of compliance with established policies, plans, and procedures;
- ascertaining the extent to which agency assets are accounted for and safeguarded from loss;
- determining the reliability of management data;
- recommending operating improvements;



- ensuring agencies are being run efficiently and effectively; and
- assessing risk to help ensure that fraud and abuse are minimized.

The internal auditing function in DPI is governed and guided by national as well as state laws, rules, and standards. One such law governing the internal function of DPI is the 2007 State Internal Audit Act. The 2007 State Internal Audit Act is intended to improve the state's system of accountability and provide a certain level of confidence in each state agency.

FINDING

The internal auditing function in the Department of Public Instruction is not in compliance with the requirements of the 2007 State Internal Audit Act. In its ongoing efforts toward accountability, the General Assembly of North Carolina amended Chapter 143 of the General Statutes by adding Article 79 entitled, *Internal Auditing*.

DPI lacks compliance with the requirements of Article 79. The mandates of the Internal Audit Act and where DPI is not in compliance are listed below:

- **Implements an effective system of internal controls that safeguards public funds and assets, and minimizes incidences of fraud, waste, and abuse.** As one tangible and documented example, DPI's fixed asset accountability system needs to be improved to provide greater assurance that the agency's assets are identified, accounted for, and secured in accordance with sound management practices.
- **Complies with internal audit standards, such as independence, and establishing an approved internal auditing charter.** The Internal Audit Act states, "The agency head shall appoint a Director of Internal Auditing who shall report to the agency head and shall not report to any employee subordinate to the agency head." DPI represents that the Internal Auditor reports to the State Superintendent with a dotted line to the Deputy as co-management with State Superintendent. Interviews indicate that functionally, the Internal Auditor II reports to the Deputy Superintendent and not the State Superintendent of Public Instruction who is identified in the law as the agency head. The DPI's Audit Plan is approved by the Deputy Superintendent. Moreover, DPI does not have an approved internal auditing charter (although a charter has been drafted).
- **Establishes a Director of Internal Auditing.** While the current employee functioning as DPI's Internal Auditor meets the qualifications set forth in the Article 79, the current position (Internal Auditor II) does not comply with the law.
- **Reviews the effectiveness and efficiency of agency and program operations and service delivery.** The Internal Auditor II has conducted internal reviews of DPI operations such as:
 - Effort Reporting System
 - Cash Collections
 - Travel Reimbursements



– Fixed Assets

These reviews have not specifically focused on effectiveness and efficiency as called for in the Internal Audit Act.

An example of a review which addressed lack of efficiency is the Beacon System Legislative Increase Report which now requires numerous manual entries and manual reconciliations resulting in redundancies, inefficiencies, and greater opportunities for errors or misstatements. DPI has begun implementation of project costing which has merits as a costing model, but does not tie to performance outcomes, such as an activity-based performance management system.

RECOMMENDATION

Recommendation 4-25:

Comply with the 2007 State Internal Audit Act, and conduct efficiency and effectiveness reviews of the Department of Public Instruction.

DPI should review the requirements of the 2007 State Internal Audit Act and ensure compliance with the standards set forth in the law. DPI should establish roles and responsibilities for employees, document procedures and work flows, and evaluate the internal controls once the system is established.

Finance staff have begun implementing the Internal Control Act, Eagle, which requires risk assessment and review of internal controls. Staff should continue with the implementation and ensure internal controls are identified and documented.

As for the independence of the Internal Auditor, DPI should restructure the function to ensure the position of Internal Auditor reports to the Superintendent of Public Instruction or the Chairman of the State Board. The Audit Plan should be approved by an Audit Committee, and not by a subordinate position subject to audit by the Internal Auditor.

DPI should ensure that the agency has a Director of Internal Auditing, as is required by law, and that the position meets the requirements set forth in the Internal Audit Act. A job description has been established and should be implemented with full consideration of the independence requirements.

Excerpts from the proposed DPI Internal Audit Charter reviewed by Evergreen consultants are outlined below. The proposed charter sets forth the overall framework for the internal audit function and should be approved and used as guidance in developing this function in DPI:

As a service to management of the North Carolina Department of Public Instruction (NCDPI) and the State Superintendent, Internal Audit & Advisory Services provides independent, objective assurance and consulting services designed to add value and improve the NCDPI's operations. It helps the NCDPI accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes, which enables management to be more effective in meeting its goals and obligations to the students of North Carolina.



The scope of work of the internal audit function is to determine whether the NCDPI's network of risk management, control, and governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure:

- risks are appropriately identified and managed;*
- interaction with various governance groups occurs as needed;*
- significant financial, managerial, and operating information is accurate, reliable, and timely;*
- employee's actions are in compliance with policies, standards, procedures, and applicable laws and regulations;*
- resources are acquired economically, used efficiently, and adequately protected;*
- programs, plans, and objectives are achieved;*
- quality and continuous improvement are fostered in the NCDPI's control process; and*
- significant legislative or regulatory issues impacting the NCDPI are recognized and addressed properly.*

Opportunities for improving management control, efficiency, and the NCDPI's image may be identified during audits. They will be communicated to the appropriate level of management.

The amended copy of the draft Internal Auditing Charter proposes improvements to accountability as follows:

The Director of Internal Audit is accountable to the State Superintendent, and the Director of Internal Audit shall have with full and independent access to the State Board of Education with established, mandatory reporting to:

- Provide annually an assessment on the adequacy and effectiveness of the NCDPI's processes for controlling its activities and managing its risks in the areas set forth under the mission and scope of work.*
- Report significant issues related to the processes for controlling the activities of the NCDPI, including potential improvements to those processes, and provide information concerning such issues through resolution.*
- Provide information periodically on the status and results of the annual audit plan and the sufficiency of internal audit resources.*
- Coordinate with and provide oversight of other control and monitoring functions both internal and external. This will include areas such as risk management, compliance, security, legal, and external auditors and consultants.*



DPI should promptly review and approve its internal auditing charter as required by law.

FISCAL IMPACT

This recommendation can be accomplished with existing resources.



CHAPTER 5
FISCAL IMPACT OF RECOMMENDATIONS



5.0 FISCAL IMPACT OF RECOMMENDATIONS

The Evergreen Team has developed 43 recommendations in this report. Three (3) of the recommendations have a fiscal implication. **Exhibit 5-1** shows the total costs and savings for study recommendations that have a fiscal impact. As can be seen, the total net savings is almost \$2 million over five years for operational efficiencies in Department of Public Instruction.

The five-year costs and savings are shown in 2008 dollars. It is important to keep in mind that the identified savings and costs are incremental and cumulative.

**Exhibit 5-1
Summary of Annual Costs and Savings by Year
Over Five Years Recommendations**

Costs/Savings	Years					Total 5-Year (Costs) or Savings
	2009-10	2010-11	2011-12	2012-13	2013-14	
Total Costs	(\$136,000)	(\$136,000)	(\$136,000)	(\$136,000)	(\$136,000)	(\$680,000)
Total Savings	\$527,000	\$527,000	\$527,000	\$527,000	\$527,000	\$2,635,000
Total Net Savings	\$391,000	\$391,000	\$391,000	\$391,000	\$391,000	\$1,955,000

Exhibit 5-2 shows costs and savings by chapter for recommendations in **Chapters 3** and **4**.



**Exhibit 5-2
Summary of Annual Costs and Savings by Year**

Chapter	Recommendation	Estimated (Cost)/Savings					Total 5-Year (Costs) or Savings
		2009-10	2010-11	2011-12	2012-13	2013-14	
CHAPTER 3: AGENCY ROLES AND RESPONSIBILITIES, GOVERNANCE, AND EXTERNAL ACCOUNTABILITY							
3-1	Eliminate Executive Director, Assistant Executive Director, and Two Support Positions	\$527,000	\$527,000	\$527,000	\$527,000	\$527,000	\$2,635,000
3-6	Create CEO Position/Eliminate Deputy Superintendent	(\$60,000)	(\$60,000)	(\$60,000)	(\$60,000)	(\$60,000)	(\$300,000)
3-13	Hire ITS Staff and Acquire User License for Dashboard	(\$76,000)	(\$76,000)	(\$76,000)	(\$76,000)	(\$76,000)	(\$380,000)
Chapter 3 Subtotal (Cost)/Savings		\$391,000	\$391,000	\$391,000	\$391,000	\$391,000	\$1,955,000
CHAPTER 4: INTERNAL ANALYSIS OF THE DEPARTMENT OF PUBLIC INSTRUCTION							
NONE							
Chapter 4 Subtotal (Cost)/Savings		\$0	\$0	\$0	\$0	\$0	\$0
TOTAL COSTS		(\$136,000)	(\$136,000)	(\$136,000)	(\$136,000)	(\$136,000)	(\$680,000)
TOTAL SAVINGS		\$527,000	\$527,000	\$527,000	\$527,000	\$527,000	\$2,635,000
TOTAL NET SAVINGS		\$391,000	\$391,000	\$391,000	\$391,000	\$391,000	\$1,955,000