

# The 2007 Legislative Briefing

SREB

## *Summary*

All 16 SREB states were scheduled for regular legislative sessions in 2007, and several states held special sessions. Generally, the budgets adopted provided considerable increases for both K-12 and higher education, but as states started the fiscal year, it became evident that in some cases, the slowdown in the economy will cause leaders to reduce budgets in light of adjusted revenue estimates.

States continue to work on improving teaching and learning in elementary and secondary schools. High school completion is receiving attention — several states are expanding efforts that help at-risk students stay in school and graduate, and that place academic or graduation coaches in schools. Several states also passed bills addressing career and technical education in high schools that will lead to improvements in career-themed curricula. States continue to expand state virtual schools and charter school programs.

In higher education, tuition increases and affordability continue to be of concern. The rising cost of college textbooks has become a contentious issue, and several states are attempting to curb practices that can lead to higher costs. Colleges and universities have worked hard to increase access to students seeking higher education, and attention is now beginning to turn toward ensuring that students continue their studies and graduate.

SREB's *Challenge to Lead* Goals for Education set a powerful education agenda for the region: SREB states can lead the nation in educational progress. SREB monitors and reports on progress on each goal and has released SREB's *Action Agenda: From Goals to Results ... Making it Happen*, which includes 50 specific actions to help states continue the momentum of educational improvement. For the complete set of *Challenge to Lead* goals reports, click on "Challenge to Lead Goals" on the home page at [www.sreb.org](http://www.sreb.org).

## *State and education budgets*

State budget increases adopted during the 2007 sessions varied considerably across the region. Increases in state funds of less than 5 percent were seen in Florida, Maryland and Virginia. Legislatures in Delaware, Georgia, North Carolina, South Carolina, Tennessee and West Virginia passed state-funded budgets of 5 percent to 10 percent. Larger increases (more than 10 percent) were approved in Kentucky, Louisiana, Mississippi, South Carolina and Texas (for the biennium). Arkansas's budget was authorized to increase by a maximum of 7 percent, but funds available will mean that the budget will be 2.7 percent less than the 2006-2007 budget. Oklahoma's budget is also lower, by about 1 percent. Alabama legislators adopt two budgets — one for education and one for the remainder of the state. The budget for non-education agencies grew 14 percent, while the education budget increased 7.3 percent.

September 2007

Southern  
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Education  
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For elementary and secondary schools, budgets in Alabama, Delaware, Florida, Georgia, Kentucky, Mississippi, North Carolina, Oklahoma and South Carolina increased by 5 percent to 10 percent. Increases of more than 10 percent were adopted in Louisiana, Maryland, Tennessee and Texas (for the biennium). K-12 education budgets in Arkansas, Virginia and West Virginia grew by less than 5 percent.

Higher education saw larger increases, but many will argue that these funds are, to a degree, replacing allocations cut during lean financial times. Legislatures adopted budgets for higher education that provided increases exceeding 10 percent in Alabama, Arkansas, Florida (four-year colleges and universities), Georgia, Louisiana, Mississippi, North Carolina (four-year colleges and universities) and West Virginia (two-year colleges). Increases of 5 percent to 10 percent were approved in Kentucky, Maryland, North Carolina (two-year colleges), Oklahoma, South Carolina, Tennessee and West Virginia (four-year institutions). Budgets for colleges and universities in Delaware and Virginia and for two-year colleges in Florida were increased by less than 5 percent.

### *Economic slowdown affects SREB states*

Legislative sessions started out in 2007 with fairly strong economic indicators in most states, but by the time the 2007-2008 fiscal year opened, several states were seeing revenues coming in below estimates. Maryland has been struggling with revenues in light of the continued implementation of its 2002 Bridge to Excellence in Public Schools Act and an income tax cut that was fully phased in during the same year. Growth in revenue was expected to support both efforts. In July, the governor cut the budget by more than \$280 million (including \$213 million in general funds) as an initial step to closing the \$1.4 billion budget gap.

Following another tax cut in Florida, the slowing of the state's housing market and lower-than-expected population growth, the governor asked state agencies, K-12 schools, colleges and universities to plan for budget reductions of 4 percent to 10 percent. The Legislature plans to hold a special session to make cuts necessary to balance the budget. South Carolina's comptroller general has reported "consistent signs that the economy is beginning to soften." Virginia's governor, in referring to the fifth year of economic expansion, cited signs of slower rates of growth in jobs and income, in addition to the slowing of the housing market, which began last year.

### *Tax and revenue measures*

Several SREB states continue to give consumers a break on sales taxes at certain times of the year. The most common are sales tax holidays for back-to-school shopping. Alabama, Florida, Georgia, Louisiana, North Carolina, Oklahoma, South Carolina, Tennessee, Texas and Virginia offered sales tax breaks on items such as clothing and school supplies. Three states have additional tax holidays: Florida for hurricane supplies, and Tennessee and Virginia for energy efficient products.

*Some states  
face revenue  
shortfalls*

Property taxes triggered actions in several states. As a part of revenue changes tied to a school finance lawsuit, Texas passed legislation in 2006 that will result in continued implementation of tax cuts of \$14.2 billion over the biennium. In Florida, property tax legislation passed in a 2007 special session is being called “the largest tax cut in Florida history.” The legislation immediately rolled back property taxes to the 2006 level and will provide further property tax relief if voters approve a constitutional amendment. A bill in Arkansas increased the homeowner’s property tax credit by \$50 to \$350.

In other tax reduction measures, Arkansas and Tennessee reduced the sales tax on groceries. Arkansas halved its tax to 3 percent, and Tennessee’s went from 6 percent to 5.5 percent. Legislation in Oklahoma expedited an income tax cut approved in 2006.

Forty-three states (including 13 SREB states) plus the District of Columbia have raised cigarette taxes since 2000. Further increases were adopted in Delaware (up 60 cents to \$1.15 per pack) and Tennessee (up 42 cents to 62 cents per pack). Delaware last increased its cigarette tax in 2003, while Tennessee’s last increase was in 2002.

### *School finance measures*

Texas and Arkansas continue working on reforms resulting from court action. Texas is implementing its revised K-12 education finance system. In Arkansas, several measures affect school facility construction, one of the major issues in its school finance lawsuit. In addition to significant appropriations for facilities and equipment, legislation authorized interest-free loans to school districts for academic facilities when the debt payments are expected to exceed the amount the district can raise through taxation.

Tennessee reformed its education funding formula and is using increased cigarette tax revenues to cover the entire cost of programs for at-risk students (up from the 38.5 percent the state previously covered) and the cost of growing student enrollments. The cigarette tax increase also will fund increased teacher salaries, and the state will fund a larger portion of teacher salary costs.

West Virginia will phase in over two years changes in its funding of schools. Actions taken reduce the percentage of local funds in the finance formula, with the net effect of providing more state funds for public schools. The bill also provides extra funding for high-growth school districts.

*Actions revise  
finance formulas*

### *Teacher and faculty pay raises*

In a number of SREB states, state budgets do not address pay raises for college and university faculty — increases are determined by institutional boards. In those states that do include pay raises, salary increases of 3 percent were approved for faculty in Georgia, South Carolina and Tennessee.

*States raise  
pay for teachers  
and faculty*

Faculty in Louisiana and North Carolina will receive 5 percent raises. In Delaware and Maryland, the budgets include increases of 2 percent. Two-year college faculty in Alabama will receive 7 percent salary increases; raises for faculty at four-year colleges and universities are determined by institutional boards. No pay raises were stipulated in Mississippi's appropriation, but the Board of Trustees of State Institutions of Higher Learning used increased funding to provide pay raises averaging 5 percent.

Legislatures in most SREB states do address teacher salary increases as part of the budgeting process, though local districts often consider further increases. Specific pay raises are not included in the state budget in Florida and Maryland; increases are determined through local collective bargaining agreements. Funds for pay raises were included in Texas' budget, but local districts will determine actual increases.

Teachers in Alabama and Kentucky likely will see the largest pay raises in the region in 2007-2008. Alabama's budget included funds for 7 percent pay raises, while raises of \$3,000 were included in Kentucky. Louisiana teachers will receive an additional \$2,375. North Carolina teachers will see 5 percent raises.

Oklahoma teachers will receive \$1,000 in the fourth part of a five-year plan to increase teacher pay to a level comparable with surrounding states. Funds for 3 percent increases were allocated in Georgia, Mississippi, South Carolina, Tennessee and Virginia. West Virginia teachers will receive 3.5 percent and those in Delaware, 2 percent. In Arkansas, the teacher salary schedule was increased by 1 percent.

*Other teacher compensation issues*

Performance and incentive pay continue to be discussed in capitols across the region. While the idea is gaining popularity with policy-makers, teachers continue to voice displeasure with many of the efforts. Much of the controversy seems to be about putting too much weight on student test scores when determining bonuses, pitting one teacher against another for bonus money, and finding appropriate ways for those who teach in subjects not tested to participate.

During 2007 sessions, Texas increased funding for its teacher incentive effort, which distributes grants to schools and districts based on locally developed plans. Legislation in Florida replaced the year-old Special Teachers Are Rewarded performance pay plan with the Merit Award Program, funded at \$147.5 million. The new program provides pay supplements of 5 percent to 10 percent of the average teacher salary within the school district to high-performing teachers and administrators. At least 60 percent of an employee's assessment must be based on student academic proficiency and gains in student learning as measured through standardized tests. The balance must be based on an employee's professional knowledge and abilities.

Legislation in Arkansas permits teachers to opt into an alternative pay program that will base 10 percent or more of their salaries on increases in student achievement. At least half of the achievement measures must be based on factors other than increases in test scores. A new state-level pilot program for alternative pay will base

*Performance  
and incentive pay  
gain momentum*

40 percent to 60 percent of a teacher's pay on gains in student performance, while the remaining amount will depend on a teacher's knowledge and skills. Pilot sites must have the approval of teachers to participate. The program requires that pilot sites reform the teacher salary schedule and prevent a teacher's pay from being reduced in the initial implementation of the program.

Tennessee legislation requires districts to adopt differentiated pay plans to attract and retain highly qualified teachers, and it requires all teachers to be formally evaluated at least once every five years. North Carolina will continue to reward teachers in schools that improve student performance. A new program designed to strengthen middle grades education includes salary incentives of up to \$5,000 per year for certified teachers in subject shortage areas. Also approved is a pilot teacher performance pay program in five schools.

Oklahoma's Academic Achievement Awards will go to the four top-performing schools and the four schools showing the greatest increase in student achievement in each of five groups that are defined by enrollment. Qualified employees at all schools that achieve the maximum score in the state accountability program also are eligible. Awards range from \$3,000 per person in top-performing and most improved schools to \$500 per person in fourth-place schools.

States continue to support teachers who obtain certification through the National Board for Professional Teaching Standards. Bills in Maryland renew the program that pays for two-thirds of the certification fee charged to teachers seeking the certification and expand participation from 750 to 1,000 teachers annually. West Virginia increased its annual stipend by \$1,000 to \$3,500 per year. Georgia is continuing its policy that teachers who obtain certification after June 2006 must serve in a high-needs school to be eligible for the stipend, which is equal to 10 percent of the teacher's salary. Delaware increased significantly funding to support teachers who gain knowledge and skills leading to more effective instruction or who obtain National Board Certification.

Employee benefits, which add considerably to the value of a teacher's salary, were addressed in a few states. In Kentucky, a task force will study options for reforming the retirement systems. In North Carolina, charter school teachers will be able to participate in the state health plan and retirement system available to other public school teachers.

West Virginia's long-term substitute teachers are now eligible for benefits under the state health insurance plan if they are expected to serve in the same position for at least 90 consecutive days. If the employment lasts more than 133 days, the substitute may retain those benefits until the following September 1. Health insurance eligibility for employee's dependents was expanded to age 25, regardless of whether they are college students or not.

In other actions, retired teachers in Alabama will receive a one-time bonus of \$24 per year of service. Arkansas will provide one-time bonuses to teachers and paraprofessionals defined as "highly qualified" under the federal *No Child Left Behind Act*.

*Support increases  
for National Board  
Certified teachers*

*Efforts aim  
to attract and  
retain teachers*

Texas requires public schools to allow resigning teachers to keep their health insurance through the summer if their resignations were effective after the last day of the school year.

For more information on state actions relating to teacher compensation, see the SREB publications *Focus on Teacher Pay and Incentives: Recent Legislative Actions and Update on Salary Averages* and *States Remain on Top in the Number of Teachers Achieving National Board Certification* at [www.sreb.org](http://www.sreb.org).

### *Issues affecting teachers and education leaders*

Professional development leading to more effective teaching is an important part of maintaining a quality teaching work force. Alabama is creating a new teacher-mentoring program. Legislation permits the Oklahoma Commission for Teacher Preparation to award one-year grants, renewable for up to two additional years, to help reform reading instruction in the early grades. Virginia requires school boards to make professional development courses on effective classroom management available to teachers and principals.

Arkansas and West Virginia are initiating programs that will help teachers in the field. The new Arkansas Traveling Teacher Program will assist rural school districts in delivering all required courses in grades nine through 12. In West Virginia, the state superintendent of education may designate up to 25 National Board Certified teachers as 21st Century Learner Fellows. Each will undertake a project at a higher education institution or a private research corporation, with his or her salary paid by the state Department of Education.

Certification and licensure issues are commonly addressed during legislative sessions. Arkansas established the Professional Licensure Standards Board and requires the board to develop minimum college-level preparatory and grade-point average requirements for all persons seeking initial or additional teacher licensure. The board also will conduct audits of teacher preparation programs at Arkansas colleges and universities.

In Louisiana, teachers with valid out-of-state teaching certificates will be permitted to obtain in-state certification without taking the certification exam after completing one year of employment as a teacher in an approved nonpublic school. South Carolina permits school districts to hire as teachers individuals who are certified through the American Board for the Certification of Teacher Excellence.

Georgia school districts can now provide an alternative teacher certification program for prospective secondary school teachers in core academic subjects, upon approval of the Professional Standards Commission. These candidates must possess a master's or doctoral degree in the subject area they will be teaching, participate in high-quality professional development, receive intensive supervision and make progress toward full certification. For prospective teachers in non-core academic subjects, a master's or doctoral degree in the subject area and progress toward full certification is required.

The North Carolina State Board of Education will establish a pilot lateral-entry teachers program that will allow professionals with nonteaching college degrees to obtain the teacher training and licensure required to enter the teaching profession. Another bill requires teachers to take credits in their academic subject area as a part of licensure renewal.

Other bills affecting the teaching profession were passed. Florida provides most teachers with stipends for the purchase of classroom materials. Legislation in 2007 extends eligibility for the stipends to prekindergarten, public charter school and “job share” teachers. Georgia teachers and other public school employees are now included under the state’s whistleblower statute to protect them from retaliation for reporting fraud, waste or abuse in local school systems. Teachers also may not be required, coerced or intimidated by the local board of education, superintendent or school administrator to change the grade of a student.

Arkansas’s requirements for substitute teachers were tightened by requiring substitutes to hold at least a high school diploma or the equivalent. Substitutes must hold a bachelor’s degree if they will be teaching for 30 days or more. Applicants also will have to successfully pass a criminal background check before being eligible to work as substitute teachers.

Legislation affecting school and district leadership was addressed in several states. Georgia legislation allows school systems to employ school administrative managers in lieu of or in addition to assistant principals. The North Carolina State Board of Education will adopt new standards for school administrator preparation programs. A bill in Oklahoma set certification requirements for district superintendents. Virginia now will require a school board to publicly announce severance benefits provided to an official appointed by the board, prior to that official’s departure.

For more information on efforts by SREB states to recruit, support and retain well-qualified teachers and school leaders, see the SREB publications *States Take Action to Support Beginning Teachers; Increasing Accountability for Teacher Preparation Programs; Good Principals Aren’t Born — They’re Mentored: Are We Investing Enough to Get the School Leaders We Need?; We Know What Works in the Middle Grades: Smart District Leadership Can Make It Happen;* and *Schools Need Better Leaders Now: State Progress in Creating a Learning-Centered School Leadership System* at [www.sreb.org](http://www.sreb.org).

## *Standards, assessment and accountability in elementary and secondary schools*

State assessment programs have been under revision for some time, and several SREB states took action during the 2007 sessions. Texas will dismantle the current high school graduation testing system, phasing the exams out in favor of end-of-course exams in a number of subjects. These new exams will be given to students entering high school in fall 2009 or later. Tennessee is replacing the current high school exit examination with a series of three mandatory assessments administered in grades eight, 10 and 11.

West Virginia established a comprehensive statewide student assessment program for grades three through 12 and is requiring the state Board of Education to incorporate the 21st Century Skills Initiative into the state's education standards. In addition, the board must assess and weigh annual performance measures in considering school accreditation.

Alabama's Voluntary Universal ACT Assessment Program will provide every 11th-grade student with the opportunity to take the ACT college admission test free of charge, beginning in 2008-2009. Also beginning in 2008-2009, the Mississippi Department of Education will identify early literacy and numeracy screening instruments for use by local school districts. The department will gather data to determine their effectiveness. Districts are specifically prohibited from using them to determine student promotion.

Several states addressed financial or educational accountability. Alabama will require the state Department of Education to audit each school district every two years to ensure that districts are adequately maintaining and constructing facilities according to their master facilities plans. The Delaware Department of Education is required to determine a standard format for district and charter school financial reports. Districts and charter schools must post the financial reports monthly on their respective Web sites. Tennessee's Local Education Support Group Financial Accountability Act requires a school district to adopt a policy prior to recognizing any local school support groups.

In Maryland, part of the Bridge to Excellence in Public Schools Act (2002) required each local school district to establish a comprehensive master plan for improving student performance. Annual updates to these master plans will continue until school systems establish new master plans in 2010. The bill also strips the state Board of Education of the power to withhold funds from districts that do not demonstrate improvement in student performance and that fail to submit adequate master plans.

Tennessee established new accountability measures for schools that do not make adequate yearly progress in improving student academic performance, as required by *No Child Left Behind*. The commissioner of education is required to impose certain corrective actions on a school in its first year of probation, and it allows the commissioner to assume governance of a school that is on probation for two consecutive years. The Tennessee Department of Education also is required to report annually on, and post to the Internet, high school graduation rates for individual schools and school systems. South Carolina is requiring schools that receive unsatisfactory ratings on the state's school report card to offer an orientation class for parents.

More information can be found in *The Changing Roles of Statewide High School Exams; Improving ACT and SAT Scores: Making Progress, Facing Challenges*; and *Getting State Standards Right in the Early and Middle Grades* at [www.sreb.org](http://www.sreb.org).

## *Health and safety in the schools*

Florida, Mississippi, Texas and Virginia passed measures to improve student physical fitness, while Arkansas amended its existing law to limit the physical activity requirements established in prior legislation for K-12 students in order to increase instructional time.

Florida legislation requires public schools to provide students in kindergarten through grade five with 150 minutes of physical education each week. Mississippi, too, will require at least 150 minutes physical activity instruction per week for children in kindergarten through eighth grade, beginning in 2008-2009, along with at least 45 minutes of health education. High school students must complete one-half credit of physical education for graduation. In addition, schools must adopt a school wellness plan that promotes increased physical activity, healthy eating habits and avoiding tobacco and illegal drugs.

Texas students in kindergarten through fifth grade are required to participate in 30 minutes of physical activity daily, while students must take at least four semesters of physical education in grades six through eight. Students in grades three through 12 also will receive an annual physical fitness assessment.

In other health related actions, Mississippi created a public school nurse program within the state Department of Education. Through the program, the department will provide nurses with health education resources, develop criteria for measuring school nurse effectiveness and recommend a salary structure for use by school districts. Virginia's Superintendent of Public Instruction and the State Health Commissioner will work together to combat childhood obesity and other chronic health conditions. In Maryland, guidelines for providing emergency medical care to students with special health needs will be developed.

Student discipline and safety were discussed in several states. Maryland approved two measures concerning student discipline. One requires the state Department of Education to review the discipline, suspension and expulsion policies of all local school boards, and to report the findings to the General Assembly before the end of the year. Another measure established a Truancy Reduction Pilot Program in two county juvenile courts, while continuing existing pilot programs in four other counties.

Delaware requires all school districts and charter schools to prohibit bullying and to provide their employees with one hour of training each year in the identification and reporting of criminal youth gang activity. Texas permits a public school to remove a student who commits certain felony offenses (regardless of where the offense occurred) and to place that student in an alternative education setting.

The West Virginia School Access Safety Act empowers the School Building Authority to fund projects specifically related to maintaining safe and controlled access to and from public school buildings. School districts are required to finance at least 15 percent of such projects and are required to develop a school safety plan

*Actions combat  
obesity and other  
health concerns*

for all schools that will be utilizing the funding. In Virginia, school boards are required to annually review their school crisis, emergency management and medical emergency response plans

### *High school completion*

High school completion is an issue on the radar in states across the region. Georgia is expanding its high school graduation coaches program into 12 newly opened high schools and the three state schools. In addition, the program will expand to middle grades schools and provide increased pay to coaches who have increased their levels of training and experience. Increased funding in Delaware will complete the initiative of placing a math specialist in each of the 42 schools statewide containing seventh and eighth grades. North Carolina is expanding its program that places literacy coaches in schools that have an eighth grade.

Strengthening curriculum is an important part of state efforts to redesign high schools. Texas is aiming to improve curriculum and increase graduation rates through several existing initiatives. It also will provide grants to secondary schools throughout the state to implement a number of curriculum and instruction improvements and technical assistance programs. Louisiana is providing new funding for high school redesign, including a revised curriculum, initiatives to aid students in earning credit for courses that they have previously failed, and additional support for the Louisiana Virtual School.

Delaware will delay phasing in new proficiency-based graduation requirements until the 2011 graduating class. This change will coincide with improvements to the Delaware Student Testing Program (DSTP), which measures the abilities of students relative to state educational standards. The first administration of the revised DSTP will occur in 2009.

Keeping at-risk students in school and progressing toward graduation received attention in the states. North Carolina will initiate a new competitive grant program to fund local dropout prevention initiatives. Virginia legislation requests the state Board of Education to study dropout and graduation rates within the state. The Mississippi State Board of Education will create guidelines that provide broad authority for local school districts to create alternative school programs that suit their specific needs.

North Carolina is establishing a pilot program in three schools to strengthen middle grades education with the goals of reducing dropout rates and increasing both high school and college graduation rates. The program is designed to reduce class sizes to one teacher for every 17 students, provide salary incentives of up to \$5,000 per year for certified teachers in high-need subject matter areas, encourage participating students to meet certain standards, and provide students who successfully participate with college scholarships.

Tennessee is expanding opportunities for high school students by permitting school districts to pair with colleges or universities to jointly establish innovative

*Efforts redesign  
and strengthen  
high school*

programs that target students at risk of dropping out or students who would benefit from accelerated instruction. Florida will increase access to Advanced Placement and other advanced courses through the Florida Partnership for Minority and Underrepresented Student Achievement.

Read more on strengthening high schools in SREB's *Giving Students a Chance to Achieve: Getting Off to a Fast and Successful Start in Grade Nine*; *SREB States Lead the Nation in Advanced Placement and International Baccalaureate Programs*; *Comprehensive School Reform: Making a Difference in Improving High Schools*; *Establishing an Effective Guidance and Advisement System*; *10 Strategies for Improving High School Graduation Rates and Student Achievement*; and *High School to College and Careers: Aligning State Policies 2007*. All can be found at [www.sreb.org](http://www.sreb.org).

### *Career and technical education in high schools*

The importance of career and technical education in secondary schools continues to get attention. In 2006, Florida passed legislation that increased academic requirements and placed an emphasis on students pursuing major and minor areas of interest. This year, the Legislature created the Florida Career and Professional Education Act, providing a statewide planning partnership between the business and education communities to improve academic performance among students and to provide a rigorous, career-themed curriculum.

The Mississippi State Board of Education will implement a pilot program to redesign at least 15 secondary schools to serve a dual function as educational entities and work force development centers. In Texas, two bills require the state Board of Education to establish requirements for a technical high school diploma that meets or exceeds the requirements of a standard diploma and includes a concentration in career and technical education. Another bill requires local school boards to report the number of career and technical education graduates in their annual reports.

### *Charter schools and school choice*

Arkansas, Georgia, Mississippi and Oklahoma have increased the avenues available for charter school creation. The Arkansas Legislature has lifted restrictions on the number of charter schools that may be established by non-profit groups in any one of Arkansas's six congressional districts. Other legislation makes funds available, both statewide and in high-poverty areas with demonstrated student success, for charter school facilities construction.

Georgia will now permit public school systems to petition the state Board of Education to convert the entire system to charter school status. Up to five petitions can be approved in the coming fiscal year, and each approved charter system will receive an implementation grant of \$125,000. The implementation grants are funded out of the \$3.2 million allocated for charter schools in 2007-2008 (an increase of 160 percent), which also includes funds for planning grants, equipment and facilities construction.

*Avenues to  
charter school  
creation expand*

Mississippi reauthorized the procedures for local public schools to petition the state Board of Education for conversion to charter school status. Oklahoma permits state colleges and universities to sponsor charter schools in counties with populations of 500,000 or more, but it specifies that only three charter schools may be established per year in those counties.

In other actions relating to the ability of parents to choose schools for their children, South Carolina passed an open-enrollment bill that would have permitted students to apply for attendance at any public school in the state. However, the governor vetoed the bill because it lacked options for students to attend private schools, would have allowed school trustees to limit the number of transfers between schools, and would have phased in the provisions over three years, which the governor considered too long.

The Georgia Special Needs Scholarship Act entitles the parent of a disabled student either to transfer the student to another public school or to receive a scholarship for the student to attend a private school in Georgia. To be eligible, the student must have spent the previous year in a Georgia public school and have an Individualized Education Program. Scholarship awards will be equivalent to the cost of the student's educational program at the student's local public school.

### *State virtual schools expand*

Nearly all SREB states now operate state virtual schools. South Carolina and Texas became the two latest SREB states to pass bills to establish such schools, while Alabama nearly doubled funding for its distance learning program. Louisiana also is providing additional support for the Louisiana Virtual School.

The state Department of Education in South Carolina will administer the virtual school program and establish a pilot program to determine whether the virtual school can be used to provide adult education services as well. The Texas Legislature created a state virtual school network to provide students with courses online that are not available through their local schools. A pilot grant program was also established for rural school districts to provide technology-based instruction in core subject areas to students in grades six through 12.

North Carolina's Virtual School began operation during 2006-2007. Legislation passed in 2007 created the new Learn & Earn Online program to provide online college credit courses to high school students.

For more information on state-sponsored virtual schools and online learning, see the SREB publications *Report on State Virtual Schools; The Strengths and Benefits of SREB State Virtual Schools; State Virtual Schools in SREB States: Legislation, Policies, Regulations and Procedures; Standards for Quality Online Courses; Cost Guidelines for State Virtual Schools; and Standards for Quality Online Teaching*. These reports are available at [www.sreb.org](http://www.sreb.org).

*Two more  
states create  
virtual schools*

## *Early childhood programs*

Educational opportunities for young students were addressed in Delaware, Louisiana, North Carolina and Mississippi. Delaware is continuing the phase in of full-day kindergarten statewide and has funded programs in nine school districts, nine charter schools and one pilot classroom each in two school districts.

Louisiana's LA4 program will receive additional funding to provide spaces to an estimated 5,000 more children, enough to cover all at-risk 4-year-old children in the state. A new pilot program to screen all students in kindergarten through third grade for dyslexia and related disorders will get under way. North Carolina's More at Four prekindergarten program has been supported by lottery funds. For 2007-2008, the General Assembly provided an additional \$56 million in general funds, enough for 10,000 more participants.

Mississippi's Early Learning Collaborative Act of 2007 requires the Department of Human Services to implement a matching grant program for early child care and education.

More information is available in *Ready to Start: Ensuring High-Quality Prekindergarten Programs in SREB States* at [www.sreb.org](http://www.sreb.org).

*Opportunities  
for young  
children increase*

## *Other K-12 education issues*

In other actions, Arkansas now will provide state employees with eight hours of leave annually to participate in their children's educational activities. South Carolina permits schools to provide history and literature courses on the Bible.

West Virginia established the 21st Century Schools Technology Initiative, which replaces several other school technology programs. The bill requires plans to provide technology equipment and services to schools, students and teachers to be aligned with the 21st Century Strategic Learning Plan.

Relative to class size, local school boards in Georgia can increase to 32 (from 23) the number of students in mathematics, science, social studies and language arts classes in grades nine through 12. North Carolina continues its effort to reduce class sizes; general funds are offsetting a decrease in lottery funds.

Kentucky is funding an additional two instructional days during the academic year (up to 177 days). Last year, Alabama extended its school year by five days to 180 days.

Students with disabilities were the subject of discussions in Mississippi and North Carolina. Mississippi is creating a task force to study dyslexia and other learning disabilities, early childhood education and mentoring programs. North Carolina schools will provide homebound instruction for students with disabilities when it is the least restrictive option. Standards for homebound instruction also were established. The Department of Public Instruction will study the delivery of instruction and services to students with disabilities and the University of North

Carolina System will study whether the state's teacher preparation programs adequately prepare teachers to instruct students with disabilities.

### *Changes to tuition and required fees*

In Florida, tuition did not increase (the governor vetoed an across-the-board increase of 5 percent) but most universities raised required fees so that tuition and required fees together went up by an average of 1.7 percent. One of the state's 28 community colleges raised required fees; students there will pay 1.49 percent more. Legislation allows three universities to raise tuition over the next three years by up to 40 percent and others to raise their tuition by up to 30 percent, but no more than 15 percent from one year to the next.

In Georgia, students who entered an institution prior to fall 2006 will pay 5 percent more at community colleges and 6 percent to 7 percent more at four-year colleges and universities in 2007-2008. For freshmen entering an institution beginning in fall 2006, Georgia implemented the Fixed-for-Four guaranteed tuition program, in which students pay the same tuition rate each year for up to four years. The difference in the guaranteed rate for students beginning in fall 2007 compared with one year earlier is 9.1 percent at community colleges, 12 percent at regional and state universities, and 15.5 percent at research universities.

### Estimated Changes to Tuition and Required Fees for Undergraduates at Public Institutions, 2007-2008

	Two-year colleges	Four-year colleges
Alabama	0	0 to 12.5%
Arkansas	-17% to 8%	1% to 21.6%
Delaware	4.9%	0 and 5.1%
Florida	0	1.7% average
Georgia	5%	6% to 7%
Kentucky	5.5%	5% to 9.9%
Louisiana	-4.4% to 2.7%	-2.1% to 13.7%
Maryland	0	2% average
Mississippi	0.7% average	4% to 8.3%
North Carolina	6.3%	6.5%
Oklahoma	3.6% to 9.4%	6.5% to 10%
South Carolina	3.1% to 4.6% average	6.1% average
Tennessee	5.3% to 6.6%	5.4% to 10.7%
Texas	NA	NA
Virginia	5.4% average	6.8% average
West Virginia	0 to 4.5%	4% to 9.5%

"NA" indicates data not available.

Oklahoma joins Georgia in offering a guaranteed tuition plan for undergraduate students. Students entering college in fall 2008 and beyond will be given the option to participate in a program that charges tuition at a set rate for four years at four-year colleges and universities, and for two years at community and junior colleges. For a student's freshman year, the guaranteed tuition rate may not exceed 115 percent of the tuition rate charged to other entering freshmen who choose not to participate in the program.

North Carolina will now permit a community college to charge a 33.3 percent tuition surcharge for a new academic program designed to attract industry to the local area; in certain cases, the college may use the proceeds of an endowed scholarship to offset the tuition surcharge.

Texas established a pilot program to charge reduced tuition for courses at off-peak hours at three universities.

The *SREB Fact Book on Higher Education* and the SREB-State Data Exchange are two of the oldest sources of comparative data on public higher education. Both provide the most up-to-date statistics on postsecondary education in the 16-state SREB region. Published biennially for 50 years, the *Fact Book on Higher Education* is updated online continually. For information from the Data Exchange and the *Fact Book*, click on "Postsecondary Education" on the home page at [www.sreb.org](http://www.sreb.org).

*Tuition policies  
allow better  
cost planning*

### *Other actions affecting higher education*

State manpower shortages were the subject of legislation in several states. Florida legislation addressing the need for teachers across the state permits community colleges to develop proposals for bachelor's degree programs in mathematics and science that would prepare graduates to enter into teaching. Four-year colleges and universities near a community college proposing such a program would be able to submit alternative proposals to deliver the program on the community college's campus.

In response to the shortage of registered nurses, legislation directs the South Carolina Commission on Higher Education to provide salary enhancements to attract and retain nursing faculty and to provide financial aid for nursing students. The new Office for Health Care Workforce Research will predict the need for registered nurses and encourages the use of technology to expand nursing education offerings in the state. Texas' new Professional Nursing Shortage Reduction Program will fund additional nurse faculty positions and provide salary supplements to current nurse faculty.

*Nursing  
shortage  
gains attention*

The rising cost of college textbooks spurred several pieces of legislation. Arkansas passed a number of bills, one of which prohibits colleges and universities from linking to out-of-state Internet textbook retailers on their Web sites or the Web sites of their bookstores. Another requires colleges and universities to provide equal access for local textbook retailers to advertise in orientation packets or electronic media. State colleges and universities now will be required to post lists of course-required textbooks by

*Rising costs  
of college textbooks  
addressed*

certain dates. Additionally, all colleges and universities must develop guidelines for the use of royalties received by a faculty member for textbooks used in that faculty member's courses.

In Maryland, the Department of Legislative Services will study the cost of college textbooks, evaluate proposals that would post textbook information online and require that tuition charges cover the cost of textbooks. Tennessee now requires the college and university systems to develop policies to minimize the cost of textbooks. The policies must require that copies of textbooks be available at no cost to students through academic departments or institutional libraries and must provide options for students to purchase textbooks without purchasing additional study materials packaged with those books, if possible.

Florida is continuing to fine-tune its higher education governance system. In 2000 the Legislature abolished the Board of Regents, the State Board of Community Colleges and the Postsecondary Education Planning Commission, transferring certain duties and responsibilities to the state Board of Education. However, in 2002 voters approved a constitutional amendment creating the Board of Governors, which oversees state colleges and universities. Legislation this year modified relevant statutes so that they conform to the constitution regarding the authority of the Board of Governors.

Texas has a law on the books that provides automatic admission to public colleges and universities for students who graduate in the top 10 percent of their high school class. Addressing concerns of fairness, the Texas Higher Education Coordinating Board will establish a uniform high school grade-point average calculation for use in computing the top 10 percent of a high school class and for college admissions generally.

Colleges and universities have succeeded at increasing access for students seeking higher education. Attention now is being given to ensuring that more students complete their studies and graduate. In 2009 Arkansas will begin providing incentive funding for institutions of higher education based on retention and graduation rates. The State Council of Higher Education for Virginia will begin annually reporting the number of community college transfer students each state university has admitted, enrolled and graduated.

*States focus  
on college  
completion*

Texas is funding the Higher Education Performance Incentive Initiative, which is intended to improve teaching and educational excellence at public colleges and universities and can be used to provide scholarships to students who graduate in the top 10 percent of their high school classes. Also funded is each institution's Texas Competitive Knowledge strategy to support faculty in improving educational instruction and research.

In other actions, Oklahoma prohibits public institutions of higher education from selling student data to creditors for purposes of marketing consumer credit to students. Kentucky legislation permits college and university governing boards to adopt policies and procedures governing the approval of a contract with an outside business in which an employee of the institution has a financial interest.

Recent SREB reports relating to higher education policy include *Clearing Paths to College Degrees: Transfer Policies in SREB States*; *Focus on State Policies Limiting Excess Undergraduate Credit Hours*; and *The Economic Benefits of Addressing the Nursing Shortage*, available at [www.sreb.org](http://www.sreb.org).

## *Student financial aid*

Several states addressed need-based student aid programs. Arkansas passed bills that require the recipients of the need-based Academic Challenge Scholarship to serve as literacy tutors for children in kindergarten through grade six for at least 20 hours per year. The Higher Education Opportunities Grant Program also was created to provide grants of up to \$1,000 per year to help low-income students attend college, and the maximum family income lever was raised for student eligibility for the need-based Academic Challenge Scholarship.

The new Florida Public Postsecondary Career Education Student Assistance Grant Program will provide need-based financial aid to postsecondary career certificate students. Maryland created a dual enrollment grant program for students with financial need who are enrolled in both high school and college. Maryland also reorganized the Educational Excellence Awards program and renamed it after Delegate Howard P. Rawlings. The legislation applies minimum academic standards for eligibility and specifies criteria in determining family income eligibility. Support was increased for the Tennessee Student Assistance Awards program, a need-based grant program for undergraduates.

North Carolina established the EARN (Education Access Rewards North Carolina) scholarship program to provide for students with financial need, including grants of up to \$4,000 per year for the first two years of a student's education at a state college or university. Louisiana established the need-based GO Grant program, which is planned to provide awards to approximately 10,000 undergraduate Pell Grant recipients with unmet financial need.

States also took action to provide financial aid to meet workforce needs. Maryland's Workforce Shortage Student Assistance Grant program provides financial aid to students who pledge to work in fields of critical shortage upon graduation. Part-time students also are eligible. To address a shortage of doctors in rural areas, the Mississippi Legislature created the Rural Physicians Scholarship Program. Beginning in 2008-2009, up to 15 scholarship recipients will be identified annually. For every year of financial aid, recipients will be required to serve for a year as a physician in a rural or underserved area within the state.

Virginia's Community College Transfer Grant Program is designed to help more two-year college graduates obtain four-year degrees. The grant will provide \$1,000 per year to graduates from two-year colleges who go on to attend one of the state's four-year institutions. Students in engineering, mathematics, nursing, teaching and science programs will be eligible for an additional \$1,000 per year.

*New aid programs  
help students with  
financial need*

*States fine-tune  
merit aid  
programs*

Relating specifically to teachers, Virginia reauthorized the Virginia Teaching Scholarship Loan Program and refocused it on producing teachers in critical shortage areas and increasing diversity within the teaching ranks. West Virginia revised the tuition and fee reimbursement program for continuing teacher education so that, if funding is constrained, priority is given to teachers serving in shortage areas.

States continue to fine-tune their merit-based assistance programs. Texas is now permitting college students who were home schooled to be eligible for the B-On-Time Loan Program, which provides loans to undergraduate students that can be forgiven based on good grades and timely graduation. Delaware is expanding its merit-based SEED scholarship program, which provides tuition to associate's degree program students. Oklahoma, too, increased funding for the merit-based Oklahoma Higher Learning Access Program. Several changes were made to the program, including the establishment of a permanent general revenue funding source, beginning in 2008-2009. The bill adds minimum academic requirements that a college student must meet in order to maintain eligibility.

South Carolina modified the merit-based LIFE and Palmetto Fellows scholarship programs to provide certain students majoring in math and science with an additional annual stipend of up to \$2,500 and \$3,300, respectively. The bill also doubles the book award for HOPE recipients to \$300. Tennessee increased its merit-based HOPE Scholarship awards from \$3,800 to \$4,000 at four-year schools and from \$1,900 to \$2,000 at two-year schools. Virginia, too, increased the awards for its merit-based Tuition Assistance Grant program. The maximum undergraduate grant increased \$100 to \$3,200 annually.

Louisiana made several changes to its merit-based TOPS program. Beginning in 2008-2009, a 3.0 grade-point average (previously, 3.5) will be required to qualify for the top levels of awards. In addition, the minimum ACT score needed for home-schooled students to qualify will be 1 point greater (previously 2 points greater) than is required for public and private high school graduates. In addition, TOPS eligibility is extended under certain circumstances to students displaced by the 2005 hurricanes who graduate from an out-of-state high school and receive a Louisiana Distance Diploma.

Several states addressed financial assistance programs for military or law enforcement personnel and their families. Kentucky increased the maximum age at which children of deceased veterans may attend college tuition-free from 22 to 25. The bill also increased the length of time for which children or spouses of deceased veterans may attend without paying tuition from 36 months to 45 months.

The newly enacted Virginia Military Survivors and Dependents Education Fund will cover college expenses other than tuition and fees for children and spouses of soldiers killed or permanently disabled in the line of duty. Virginia also expanded the eligibility for waived tuition and fees at public colleges and universities to spouses (previously, only to children) of law enforcement officers and National Guard soldiers killed in the line of duty.

West Virginia legislation extends eligibility for free tuition to National Guard members in master's programs (previously limited to those in bachelor's degree programs). The bill also extends to the spouses of deceased armed services personnel higher education benefits previously available only to their children. In addition, tuition and fees will be waived for Medal of Honor and Purple Heart recipients for a maximum of eight semesters.

Summaries of SREB states' final legislative actions are available upon request. To order any publication listed in this report, contact the Southern Regional Education Board. The reports and the *2007 Legislative Report: Final Legislative and Budget Actions* also are available at [www.sreb.org](http://www.sreb.org).

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