

ALABAMA EDUCATION NEWS

NEWS AND ISSUES IN ALABAMA PUBLIC EDUCATION, K-12

AUGUST 2003

WHAT'S INSIDE ...

- Amendment One
- Section Spotlight – LEA Financial Assistance
- School System Highlight – Jefferson County Schools
- AEN Receives Nat'l Award

THE FUTURE OF EDUCATION IN ALABAMA HOW WILL YOU VOTE?

Over the last several years, Alabama's teachers, administrators, and support staff have done a great job of increasing student achievement and lowering the dropout rate. Additionally, Alabama has been named one of the five most accountable education systems in the nation by the Fordham Foundation. The result is that more Alabamians now support an increase in funding for education.

Unfortunately, our good works and progress are in danger. The lack of resources is beginning to show, and we are seeing our progress stagnate and begin to fall backward. Statewide, schools have been asked to slash staff and programs to the point that we are now beginning to see the gains in student achievement made over the last decade move backward. It is not just education that is suffering. Alabama is at a crossroads in its modern history. We are facing the most severe financial crisis since the Great Depression. After decades of neglect, waiting for someone else to fix the problem, and putting off tough decisions, our state is now beginning to see and feel the repercussions. Alabamians must deal now with these long-standing issues or continue to drift in the economic backwater of the American economy. The more we continue to delay, the more crises will build in our state's future, impacting our children for generations to come.



WHAT IS AMENDMENT ONE?

GOVERNOR RILEY supports – and the state legislature has approved – legislation that will bring tax fairness, accountability, and additional funds to support education and

The success of our schools and colleges will determine the success of our children. The success of our children will determine whether or not sufficient monies exist to fund health care, public safety, public utilities, and education. If we fail them, we are only failing ourselves.

Amendment One

"Proposing an amendment to the Constitution of Alabama 1901, establishing the Alabama Excellence Initiative Fund which may be used to fund programs including, but not limited to, the furtherance of excellence in public education, college scholarships, health care benefits for senior citizens and job training programs to attract new high paying jobs and otherwise provide for distributing state tax revenues; to adjust income and property taxes; to establish the General Fund Rainy Day Account; to provide for the replenishment of the General Fund Rainy Day Account and the Education Trust Fund Rainy Day Account."

Yes

No

other essential services. On September 9 – less than one month from now – the future of Alabama will change. Whether Amendment One passes or fails, our schools, our prisons, our services for senior citizens, and our public safety programs will all be affected in one way or another.



HOW DOES AMENDMENT ONE IMPACT OUR STATE AND PUBLIC EDUCATION?

In fiscal year 2004, Alabama is projected to have a deficit of \$675 million in state budgets. The K-12 education budget alone is staring at a \$300 million shortfall. Without increased revenue, and a more stable system of funding public services, across-the-board cuts are certain.

(Continued on Page 4)

*Don't Forget
To Vote*



Section Spotlight

LEA FINANCIAL ASSISTANCE

If you think accounting is green eye shades and stubby pencils, then move over, Bob Cratchitt, and make way for Web sites and spreadsheets in the 21st century accounting world of LEA (Local Education Agency) Financial Assistance.



When a local school system needs financial advice or technical assistance, they can turn to the LEA Financial Assistance Section in the Alabama Department of Education. As part of the Division of Administrative and Financial Services, this section is responsible for the overall financial reporting of Alabama's public school systems.

CONITHA KING is the coordinator of LEA Financial Assistance, which is the point of contact for school systems' central office personnel seeking answers to questions on financial matters. The knowledgeable staff of LEA Financial Assistance is organized into two groups: LEA Financial Support, with BARRY KACHELHOFER as supervisor, and LEA Funds Management, supervised by NANCY SMITH.

Staff members review all budgets, budget amendments, and financial statements submitted by local school systems, as well as develop policies and procedures to improve financial reporting and accountability in Alabama schools. Throughout the year, section staff members monitor local school systems and assist local personnel to achieve

ADDITIONAL LEA FINANCIAL ASSISTANCE SECTION RESPONSIBILITIES INCLUDE:

- Preparing required financial reports to other agencies;
- Calculating federal formula grant allocations;
- Updating software applications as needed;
- Recommending and developing policy guidance for LEA personnel;
- Preparing financial reports such as the SDE Annual Report, Annual Report Card, and National Public Education Finance Survey, which is used by the U.S. Department of Education to determine the state's Title I allocation;
- Providing some of the data elements used in calculating the LEA Foundation Program, Transportation Operations, and other state allocation amounts;
- Interpreting NCLB legislation related to accounting and fiscal issues; and
- Fulfilling requests from SDE staff, government agencies, media, legislature, students, and the general public.

better reporting and accountability. This section is also responsible for disbursing state and federal flow-through funds to school systems each month. Section staff members

participate in the department's consolidated monitoring process, spending two or more days (depending on the system's size) in each school system. Additionally, they help systems prepare corrective action plans to resolve any findings that may result from monitoring visits.

In this modern age, many accounting procedures have been computerized and streamlined to save time and money for local school systems. Examples include reducing the need for separate LEA financial reports, automating the Child Nutrition Program

Annual Report, and accessing LEA financial systems via the Intranet. [Click here](#) to view many helpful financial documents, including state and federal guidelines, forms, and manuals. You may also contact LEA Financial Assistance at 334-242-9914. 🍏

JEFFERSON COUNTY

Back on track ...

Since 1996, the Alabama Department of Education has financially intervened in 13 of the state's 129 public school systems. Of that number, only four remain under financial intervention.

The most recent school system to be released from financial intervention is Jefferson County. Placed on intervention in February of 2000, the state's second largest school system successfully came off financial intervention in June of this year.

"Jefferson County was faced with a large deficit and depleted reserves," said ASSISTANT STATE SUPERINTENDENT ROBERT MORTON, who heads the Alabama Department of Education's Administrative and Financial Services division. "The hard work and determination of those working in and with the Jefferson County School System has really paid off, once again creating a successful, working school system."

Former JEFFERSON COUNTY SCHOOLS SUPERINTENDENT

DR. BOBBY NEIGHBORS, credits guidance from state financial personnel with helping to turn the system's finances around. "I am encouraged by the Department's track record in bringing around financially troubled school systems. Thanks to the assistance from Robert Morton and his staff, our school system is again financially solvent and ready for business," said Neighbors. "Assistance from the Jefferson County Commission and the state really helped us expedite the process in turning our finances around, allowing us to be released from state intervention earlier than expected, which was 2005."

Alabama's Education Accountability Law requires local school systems to be financially accountable. Local boards of education are required to submit annual budgets and financial statements to the state Department of Education for review and approval.

If a local board is unable to submit a financially sound budget, the state superintendent of education will appoint a financial adviser to provide on-site continuous advice on the day-to-day financial operations of the local board. If a local

5 GOALS ESTABLISHED AND MET TO RETURN THE JEFFERSON COUNTY SYSTEM TO A SOUND FINANCIAL POSITION INCLUDED:

- ✓ Eliminating the current deficit (\$5 million in fiscal year 1999).
- ✓ Identifying the reasons that caused a deficit and taking steps ensuring it doesn't occur again. (\$10.8 million remains in reserve to cover debt service.)
- ✓ Establishing proper funding and accounting procedures.
- ✓ Establishing one month's operating reserve (approximately \$17-plus million for the Jefferson County School System. In fact, an additional \$9 million remains in reserve in case of proration.)
- ✓ Maintaining that reserve fund for one full year.

... Jefferson County is in great shape for the future.

board remains in an unsound financial position, or cannot make improvements without additional assistance, a request by the state Superintendent will be made to the state Board of Education for direct control of the local board's financial operations. Approval to directly intervene gives the state Superintendent authority to appoint a chief financial officer to manage the financial operations of the local board.

The intention of the state Department of Education is to raise academic standards and to improve performance in every school system, guarding against a reduction in student achievement as a result of financial intervention. Generally, an improvement in academic achievement in school systems has been noticed as financial conditions improve. Morton added, "Jefferson County is in great shape for the future. Plus, we anticipate three of the four remaining school systems on financial intervention will be released before the year ends due to the solid cooperation between school system personnel and support staff in meeting their goals. This plan really works." 🍏

Amendment One: The Need

\$675 million state budget deficit.

- Education
 - 38 school systems have practically no financial reserves
 - FY '04 Budget cuts are projected at 6.5%
 - Alabama Reading Initiative could be drastically cut
 - Thousands of teachers and support workers face layoffs projected in FY '05 Budget
- General Fund agencies affected (examples)
 - Medicaid reductions affecting 450,000 Alabamians
 - Reduction in services to over 6,000 senior citizens
 - State trooper force reduced by one-third
 - Over 5,000 prisoners released

(Continued from Page 1)

This year marks the 15th time proration has occurred for Alabama's education system in the last 53 years. On average, that's once every three-and-a-half years. School systems have not recovered from budget cuts made in 2001. Further reductions were seen last school year and now the '03 budget is in proration. No, money can't solve all our problems, but at the same time, students don't have textbooks. Teachers are being asked to do more with less and buildings are crumbling before our eyes. It takes reliable funding to make things right.

And, while education is our main concern, there are many other areas of state government suffering under this deficit. One-time revenue has been used to pay recurring expenses. Federal courts have mandated improvements to prisons and mental health facilities. And Medicaid costs continue to rise. The state continues to work to reduce the budget by cutting spending.

Amendment One: Reducing Government Expenditures

- Governor Riley has already implemented cuts to save taxpayers more than \$230 million next year.
- Banning pass-through "pork" projects
- Freezing merit raises for state employees
- Revising state agency budgets
- Reducing new hires
- Selling nearly 600 state vehicles
- Cutting Medicaid drug program costs

Amendment One: Financial Accountability

- Prohibits public funds from being passed through by legislators for non-budgeted items.
- Requires the state Superintendent to monitor the financial performance of school systems.
- Increases penalties for school administrators who provide inaccurate financial information.
- Requires increased training of local superintendents in finance, law, and instruction.
- Requires local school system's Chief Financial Officer to meet state requirements.
- Requires local school systems to develop a plan that establishes and maintains a reserve of one month's operating expenses.

RESULTS IN PUBLIC EDUCATION IF AMENDMENT ONE IS PASSED

- ✓ Money will be directed to the classroom;
- ✓ The state Department of Education will have the tools and the authority to monitor school finances carefully helping local districts anticipate problems and solve them before they become a crisis;
- ✓ School employees responsible for ensuring each school system is financially sound will be held accountable for the information they provide to the public and the state Department of Education. Those who break the law can be fined and sent to prison;
- ✓ Both elected and appointed superintendents will have to pass a rigorous course in school finance, law, and instruction;
- ✓ Each school system must have a qualified chief financial officer who will make sure funds are spent as intended; and
- ✓ Being prepared for a crisis for your family or a school system requires a savings account. Amendment One requires all systems to plan for just such a crisis.

Approximately 90% of all children in Alabama attend public schools.

Additionally, the state Department of Education has also been working to reduce costs. While there are those who believe the state Department of Education is a bloated bureaucracy, it is just the opposite. The staff has been reduced by approximately 15 percent in the last six years. Additionally, the department has not seen any increase in its state budget in the past eight years.

Many local school systems have cut staff, discontinued or delayed programs, failed to meet SACS standards, have been unable to purchase equipment and books,

and delayed building maintenance and renovations.

Amendment One takes the progress we have made in financial accountability to a higher level.

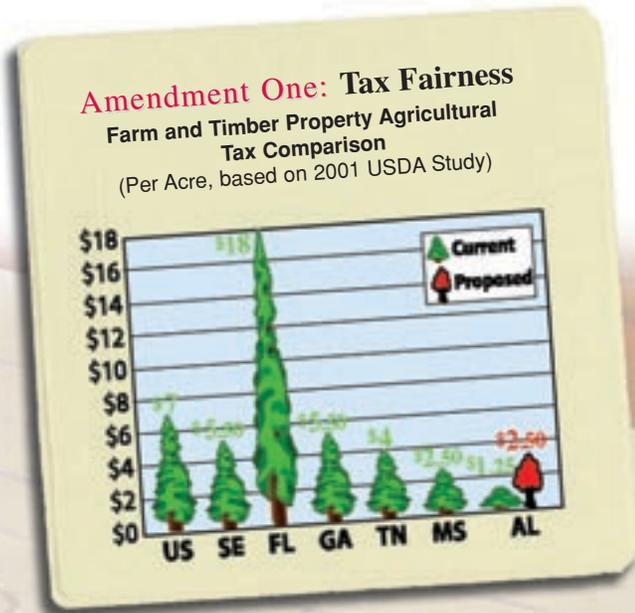


WHAT ABOUT INCREASED TAXES?

Amendment One allows Alabamians to make a small investment in our state that will help fundamentally change the way we operate. It also keeps Alabama among the lowest taxed states in the nation. Raising the tax exemption on a family of four is at the heart of tax fairness. Today, Alabama starts taxing any income over \$4,600 per year, the lowest threshold in the nation. Under Amendment One, that will increase over five years to \$20,000. About two-thirds of Alabamians will pay the same or lower state income taxes under Amendment One. When Federal tax cuts are considered with the new taxes set by Amendment One, even most higher income families will see a net gain. Families who live on their farms of 200 acres or less will be exempt from state property tax. Seventy percent of Alabama farms are less than 200 acres.

There are many large corporations that own hundreds of thousands of acres of farm and timber land. These corporations, many that are not even based in Alabama, pay very little in property taxes – simply because the land is in Alabama.

(Continued on Page 6)



Amendment One: Tax Fairness

TAX IMPACT – INCOME

Two-thirds of Alabamians will pay the same or less.

- \$ A family of four earning less than \$20,000 will no longer pay any state income tax.
- \$ A married couple with two children making \$20,000 will receive a tax cut of about \$275.
- \$ A family of four making \$40,000 will receive a tax cut of about \$200.
- \$ A family of four making \$75,000 will receive a tax increase of about \$350.
- \$ For the first time, the first \$40,000 of defined contribution pension income (IRA, 401k) will become exempt.

TAX IMPACT – PROPERTY

- \$ Property taxes on the average home (\$80,000) will only increase by \$7 per month.
- \$ Alabamians over 65 will continue to be exempt from paying state property tax on their homes.
- \$ A farmstead exemption will be created that excludes the first 200 acres from state property tax.
- \$ Current use provisions are still in place for the first 2,000 acres of agricultural and timberland and will continue to protect their property value. (That covers more than 98% of Alabama landowners.)

Today's students are our future doctors, bridge builders, caregivers, accountants, merchants, and educators. Our futures will, to a large extent, be determined by the creative genius of our youth. Better education is the tool for its release.

Amendment One: Results

- Alabama will continue to be below the Southeastern average on taxes per person.
- Full tuition scholarships will be provided for eligible Alabama students to any public college, university, community college, or technical college in the state.
- Incentives will be given to teachers who agree to work in underserved areas or subjects.
- Loans will be forgiven for students who agree to be certified in hard to staff subjects or teach in underserved areas.
- Tenure laws will be reformed.

(Continued from Page 5)

Amendment One: What It Means To Alabama Schools When Fully Implemented

- Fixing the FY '04 state allocation shortfall
- Instructional support
- Textbooks for every student
- Alabama Reading Initiative
- Alabama Math, Science, and Technology
- Professional development units
- Ending social promotion
- Five more student instructional days
- Leave reimbursement
- Meeting Southern Association of Colleges and Schools (SACS) Standards



WHAT CAN YOU EXPECT IF AMENDMENT ONE PASSES?

Alabama students who meet reasonable academic requirements will receive scholarships to any Alabama public college, university, two-year college, or technical college in the state. This represents a return on your investment.

Certain schools either lack the funds or are located in areas that have a difficult time attracting teachers. Nearly all systems have a shortage of qualified teachers in certain subject areas like math and science. Amendment One will offer incentives and scholarships to teachers and/or prospective teachers who choose to fill these gaps.

Amendment One revamps the Tenure Law. Tenure is being eliminated for many administrators in schools and in the central office. The Tenure Commission is being replaced with binding arbitration, streamlining the process for hearings. The same system will be used for both certified and support staff and most of the cost of the process will be paid for by the state rather than local systems.

One major concern for many education employees had been the stability of their health insurance plan. For the first time, Amendment One guarantees the Public Education Employees' Health Insurance Program (PEEHIP) as a benefit to education employees. School employees will be asked to contribute more to their health insurance cost. However, the increases would only occur in years when state-mandated raises occur. If Amendment One fails, health insurance costs will still increase and there will be no alternative but to reduce benefits and/or increase employee contributions.



HOW WILL ALABAMA STUDENTS AND TEACHERS BE AFFECTED?

Amendment One funds will ensure every school will have many of the basics that are so often missing including:

- ✓ **Books and supplies, technology for libraries, and student textbooks;**
- ✓ **Ongoing training for school employees;**
- ✓ **Full funding of the Alabama Reading Initiative and the Alabama Math, Science, and Technology Initiative;**
- ✓ **Funding to allow schools to implement programs to end social promotion;**
- ✓ **Increased days of instruction from 175 to 180;**
- ✓ **Increased amounts the state reimburses a school for teacher substitutes from \$35 to \$55 per day; and**
- ✓ **Funding to allow schools to meet SACS standards for administrators, counselors, and librarians.**

This is not a complete list of education improvements. If Amendment One passes, additional programs/improvements may be added. If local systems are already meeting or exceeding state standards with these programs/improvements, it will allow them greater flexibility with other areas to spend local dollars. 🍏

AMENDMENT ONE: TO FIND OUT MORE CLICK ON THE WEB SITES BELOW

Alabama Partnership for Progress – www.abetteralabama.org

Office of the Governor – www.governor.state.al.us

Alabama Legislative Fiscal Office – www.lfo.state.al.us

Public Assistance Research Council of Alabama – parca.samford.edu/taxcalculator/index.html

BOARD BRIEFS

MAY AGENDA ITEMS INCLUDED:

- ◆ Adopted a New Chapter Administrative Code to the Alabama Administrative Procedures Act Pertaining to Chief School Finance Officers
- ◆ Passed Resolution Commending Dr. Betsy Rogers for Being Named 2003 National Teacher of the Year
- ◆ Passed Resolutions Commending David Rooney, Jordan Myers, and Xue Sun for Achieving Perfect ACT Scores
- ◆ Extended Approval of Teacher Education Programs, Huntingdon College, Montgomery
- ◆ Passed Resolution Approving Writing Test from the WorkKeys System for Use in the Alabama Prospective Teacher Testing Program
- ◆ Passed Resolution to Receive Report from the Special Education Advisory Panel
- ◆ Passed *The No Child Left Behind Act of 2001* (NCLB) Expression of Commitment, Appreciation, and Concerns Resolution
- ◆ Approved the Resignation of Alabama Department of Education Initiatives/Academic Intervention Program Director James Lowe
- ◆ Approved the Appointment of Craig Pouncey, Alabama Department of Education Director of Administration and Finance
- ◆ Endorsed National Association of State Boards of Education Nominated Officers

JUNE AGENDA ITEMS INCLUDED:

- ◆ Passed Resolution Commending Jeaneane Moore, Adapted Physical Education Teacher, Huntsville City Schools, as the Recipient of Alabama's First Public School Nationally Certified Teacher in Adapted Physical Education
- ◆ Passed Resolutions Commending the 2004 Alabama District Teachers of the Year
- ◆ Passed Resolution Commending Rebecca McKay, 2004 Elementary Teacher of the Year and Alabama Alternate Teacher of the Year
- ◆ Passed Resolution Commending Tammy Rickard, Alabama's 2004 Teacher of the Year and Secondary Teacher of the Year
- ◆ Passed Resolution Recognizing Neel B. Srikishen, Helen L. Eckinger, and Matthew P. Austin as 2003 Presidential Scholars
- ◆ Approved Appointment to the 2003-04 Alabama State Textbook Committee
- ◆ Extended Approval of Teacher Education Programs, University of Alabama, Tuscaloosa
- ◆ Approved Resolution Regarding Parental Notification Letter Requirement of NCLB
- ◆ Approved Resolution of a Definition for Meeting the Highly Qualified Teacher Requirement Included in NCLB
- ◆ Approved the School/School System Academic Accountability Plan
- ◆ Approved Resolution Removing the Jefferson County School System from State Financial Intervention

JULY AGENDA ITEMS INCLUDED:

- ◆ Elected Dr. Ethel Hall Vice President for the Alabama Board of Education
- ◆ Elected David Byers President Pro Tem for the Alabama Board of Education
- ◆ Passed Resolution Naming Phillip Johnson as the "Barbara Fannin Memorial Employee of the Quarter" for July-Sept. 2003

ALABAMA EDUCATION NEWS WINS NAT'L AWARD

The Alabama Department of Education's newsletter, *Alabama Education News* has received national recognition from the National School Public Relations Association (NSPRA). *Alabama Education News* received NSPRA's 2003 Award of Excellence in the Publications and Electronic Media Mark of Excellence Awards Program.

NSPRA's Publications and Electronic Media Contest recognizes outstanding education publications and electronic media programs. Entries were judged on excellence of graphic layout and design, writing, and content. The top award in the Publications and Electronic Media Contest is the Award of Excellence.

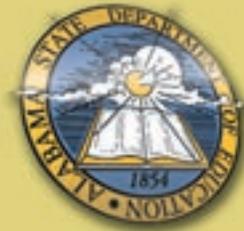
There were a total of 920 publication entries in this year's Publications and Electronic Media Contest, of which less than seven percent received the prestigious Award of Excellence. 🍏



The staff of *Alabama Education News* (l-r) Mary Nell Shaw, Rebecca Leigh White, Mitch Edwards, Tom Salter, Rita Smith, and Anne Graham.

AUGUST	
8/14	ALABAMA BOARD OF EDUCATION MEETING
8/14	STATEWIDE TEST SCORES RELEASED FOR STANFORD 10, ALABAMA HIGH SCHOOL GRADUATION EXAM, ALABAMA ALTERNATE ASSESSMENT, AND ALABAMA DIRECT ASSESSMENT OF WRITING: GRADES 5 & 7
8/28	ALABAMA BOARD OF EDUCATION WORK SESSION

SEPTEMBER	
9/1	LABOR DAY (State & School Holiday)
9/6-14	AMERICAN CHARACTER WEEK
9/11	ALABAMA BOARD OF EDUCATION MEETING
9/22-25	ALABAMA HIGH SCHOOL GRADUATION EXAM ADMINISTRATION
9/25	ALABAMA BOARD OF EDUCATION WORK SESSION



ALABAMA Education News

VOL 27 • NO 1 AUGUST 2003

Alabama Board of Education Members

Gov. Bob Riley, President

- Dist. 1 - Vacant
- Dist. 2 - Betty Peters, Dothan
- Dist. 3 - Stephanie W. Bell, Montgomery
- Dist. 4 - Ethel H. Hall, Vice Pres., Fairfield
- Dist. 5 - Ella B. Bell, Montgomery
- Dist. 6 - David F. Byers Jr., Birmingham
- Dist. 7 - Sandra Ray, Tuscaloosa
- Dist. 8 - Mary Jane Caylor, Scottsboro

Ed Richardson,
State Superintendent of Education
and Secretary and Executive Officer
of the Alabama Board of Education

Editorial Staff - (334) 242-9950
 Managing Editor - Mitch Edwards
 Editor - Rebecca Leigh White
 Contributing Editor - Tom Salter
 Contributing Editor - Anne Graham
 Graphic Artist - Mary Nell Shaw

TOP PRINCIPALS FOR JUNE AND JULY

Two principals – **DR. DOT RILEY** in June and **BRUCE PRESCOTT** in July – earned \$1,000 each through the Teacher of the Month program. Their schools also each received \$1,000 from Alfa Insurance Co. and the Alabama Farmers Federation.



DOT RILEY

Riley has been principal of Trace Crossings School in the Hoover City School System since 1993. She encourages her teachers to “hook kids on learning” and to pursue professional development opportunities for themselves. Riley begins every school day by addressing the entire school over the intercom.

Tuscaloosa City’s Oak Hill School benefits from Prescott’s hands-on management style and his commitment to helping students reach their full potential. Prescott has served as principal of this school for children with physical and mental disabilities since 1997.

More than 60 educators have been honored since the Alfa Teacher of the Month program began in 1998. In 2004, Alfa will honor one teacher from each of Alabama’s eight school board districts as well as two principals and two private school teachers. [Click here](#) to view application information online.



BRUCE PRESCOTT

The Alabama Department of Education publishes *Alabama Education News* (USPS 387-290) monthly except for June, July, and December. Editorial offices are located in the Gordon Persons Building, Montgomery 36130-2101. *Alabama Education News* is composed by the Department of Education’s Communication Section and printed by EBSCO Media of Birmingham. Periodicals are postage paid in Montgomery and at an additional mailing office.

This publication, authorized by Section 16-2-4 of the Code of Alabama, as recompiled in 1975, is a public service of the Alabama Department of Education designed to inform citizens and educators about programs and goals of public education in Alabama.

POSTMASTER: Send address changes to *Alabama Education News*, Alabama Department of Education, P.O. Box 302101, Montgomery, AL 36130-2101.

It is the official policy of the Alabama Department of Education that no person in Alabama shall, on the grounds of race, color, disability, sex, religion, national origin, or age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program, activity, or employment.

Copies available in Braille or other forms upon request.