
OFFICE OF GOVERNOR RONNIE MUSGROVE
INTEROFFICE MEMORANDUM

TO: GOVERNOR
FROM: RILEY
SUBJECT: COLUMBIA GROUP'S SCHOOL FINANCE PROJECT : POTENTIAL FOR TAX REFORM STUDY
DATE: 4/21/03
CC: RENICK, KINNEY, BOYD

I attended a meeting of the Columbia Group's School Finance Workgroup the week before last in Lexington, KY. The Columbia Group is assessing the feasibility of pursuing a regional initiative, to be funded by the Rockefeller Foundation, aimed at developing new and focused funding strategies to comply with NCLB and to ensure that all demographic sub-groups of students comply with NCLB. The North Carolina Public School Forum is coordinating this workgroup, which is comprised of 7 planning grant states – AL, GA, KY, MS, TN, NC and SC.

The Public Education Forum invited me to serve on Mississippi's planning grant team. Peggy Howard of PEF and Judy Rhodes of MDE also serve on the team. This was the 3rd of 4 meetings, but the first that I was able to attend due to the session.

The workgroup decided that we would draft a grant proposal with both a regional and independent state initiatives. The regional initiative will focus on the necessity of educating the region's workforce in order to sustain and enhance the region's competitiveness in the market (i.e., perfect fit with our good schools = good jobs = good communities). The regional initiative will take the approach of "we've accomplished a lot, but it is time to finish the job," but NCLB doesn't provide sufficient resources to completely finish the job. Grant activities related to the regional initiative will focus on securing the funding needed to meaningfully attempt to "leave no child behind." This will involve working with major educational organizations in each state to educate our Congressional delegations as to funding needs.

The second part of the working group's proposal to Rockefeller will be comprised of the 7 states' independent state-level strategies. Funding practices differ in the 7 states, so strategies employed by each of the 7 states will be different. Several potentially common strategies – incentive plans to attract quality teachers to hard-to-staff schools; new funding policies to address limited English speaking students; resources needed to bring support to "Needs Improvement" schools – may exist among states. Each state's planning grant team will identify that state's strategy/initiative.

Another potential state strategy could be a tax reform review via a tax study commission. My ears perked up when this was mentioned because I know we've had internal

discussions at staff meetings as to the need for a review, but how Buelow's presence hindered such a review right now. Last Monday during our meeting with NGA, Boyd stated that the only thing he thought Haley might be able to throw out as an unfilled promise from the last campaign was a tax reform review.

The Columbia Group could allow us to address Boyd's concern. John Dornan of the North Carolina Public School Forum instructed us to think state initiatives in terms of \$75,000-\$100,000/state/year for a three-year grant period, i.e, \$225,000 - \$300,000. Of course, the grant proposal is not scheduled to be submitted to the Rockefeller Foundation until July, but if Haley did bring this up during the campaign you could state that we have a plan to conduct the study. And, as I stated earlier, this is something that we've mentioned in earlier staff discussions as needing, outside of the context of the campaign.

I haven't consulted with Peggy Howard or Judy Rhodes yet on Mississippi's initiative because I wanted to get your feedback. Please advise as to if you want me to proceed with the tax reform review idea or if you have another state strategy (either one of those mentioned above or another one that you might have in mind) that you'd like us to develop for Mississippi's state initiative component of the grant proposal.

Tax reform review _____

Other (please specify if possible) _____