



Legislative Link

A Publication for the Members of the N.C. Association of School Administrators

July 11, 2008

Key Topics in This Edition:

- 1. Budget Approved, Awaiting Governor's Action**
- 2. Teachers To Get 2 Leave Days Without Substitute Deduction**
- 3. Revisions Proposed For School Personnel Hiring Process**
- 4. Bills On School Bus Inspections, Retread Tire Purchases Move Forward**
- 5. Summary Of This Week's Action On Bills Affecting Public Schools**

Budget Approved, Awaiting Governor's Action

Lawmakers this week approved and sent to Gov. Mike Easley for his signature a nearly \$21.4 billion state budget, contained in House Bill 2436. Following its initial approval Monday night in both chambers, the spending plan for this fiscal year was approved Tuesday on a vote of 97-20 in the House and 32-14 in the Senate.

Now legislators are hoping the Governor will sign the bill into law before midnight July 18, when the bill would become law without his signature. Easley's signature before that time could expedite the General Assembly's plans to wrap up their current short session and adjourn for the final time late next week. Without his signature on the final budget package, the legislature would need to extend the state's current continuing budget authority that is now set to end July 15, or else certain state funds would revert from their earmarked programs.

Governor Easley was unhappy at times with his fellow Democrats during two weeks of intense House-Senate negotiations on the state budget, but legislative leaders ultimately agreed before the July 4 weekend to delay by a year a pair of tax breaks and make some spending reductions. Easley had demanded changes after tax collections missed estimates by a total of \$63 million in May and June. Easley's office hinted to reporters late Tuesday that the Governor was pleased with the changes, and Easley, who is in his eighth and final year in office, has never vetoed a budget bill.

A majority of House Republicans joined Democrats in voting for the final spending package, which adjusts the second year of the state's two-year budget. They were pleased with the pay raises given to public school teachers and state employees despite a slowing economy. And the overall spending increased by less than 3.4 percent, less than half the growth rate of 2006 and 2007. Those who voted against the budget expressed concerns that the budget authorized too much debt – \$857 million over the next four years – to construct 1,500 additional prison beds and several university and state buildings, all without voter approval through a referendum.

NCASA, in our 7/7/08 edition of this newsletter, provided highlights of the state budget's spending plan for public schools and indicated our plan to prepare a comprehensive summary of all sections of the state budget that impact public schools and their personnel. That summary will be made available shortly after the legislature's final adjournment for this year and will be posted at the following link, where the budget document can be viewed in its entirety along with the accompanying money report on line item spending, a chart comparing the final budget with previous

budget proposals, and a brief budget summary prepared by the Department of Public Instruction: <http://ncasa.net/displaycommon.cfm?an=1&subarticlenbr=199>.

Teachers To Get 2 Leave Days Without Substitute Cost

The House and Senate agreed to a measure Thursday that would end a practice which requires public school teachers to pay \$50 to help cover the cost of a substitute teacher when they take a personal day on a non-protected, non-instructional teacher workday.

The change, which Rep. Tricia Cotham, D-Mecklenburg, inserted into a rewritten version of House Bill 15, now heads to Gov. Mike Easley. While this change is expected to have no fiscal impact on the state, local school districts are expected to lose \$219,290 in 2008-09, and that loss of funds is projected to grow by 2 percent each year for the next five years. To view the full impact of this change in leave policy for teachers, view the following link for the fiscal analysis prepared by the legislative staff: <http://www.ncleg.net/Sessions/2007/FiscalNotes/House/PDF/HFN0015v2.pdf>.

While this change is obviously beneficial for teachers, it is complicated even more for school districts because of a provision included in the final state budget that eliminates the \$50 substitute deduction for teachers who take one day of personal leave on a student instructional day. Lawmakers set aside \$5 million in the budget they sent to Easley this week to cover the cost of the personal day for teachers who are absent on one of the 180 state-mandated days of student instruction.

The combined result of House Bill 15 and the new personal leave provision in the state budget (House Bill 2436) is that teachers statewide will now have, and could be more likely to take, two personal leave days each year with no \$50 substitute deduction on either day. One of the two days will be available on an instructional day, while one or both could occur on one of the 10 non-protected teacher workdays that school districts now have for ongoing teacher training and planning time.

NCASA this week received feedback from several school district finance officers who indicated that accounting for and tracking these new leave options for teachers will be a difficult transition that will require new accounting codes to be deployed from the Department of Public Instruction as well as training for payroll clerks who will have to determine what kind of leave is being taken and if the substitute deduction needs to occur. The finance officers also indicated that school districts may experience a rise in audit exceptions as a result of these changes.

Legislative leaders have said they will monitor the implementation of these leave changes to determine if they are detracting from the quality of student instructional time or are causing other problems for public schools.

NCASA requests that our members also monitor this situation and make the organization aware of any problems that occur, so that NCASA can determine what follow-up actions, if any, are needed regarding the use of personal leave time.

Revisions Proposed For School Personnel Hiring Process

Legislation calling for “priority consideration to qualified current employees” and utilization of an “employee assistance program” when filling public school personnel positions was unveiled in an unscheduled House Education Committee meeting late Thursday afternoon.

The measure, which was proposed as a rewrite of Senate Bill 975, was intended as a means for allowing school districts to conduct “Continuous School Personnel Recruitment” to fill critical positions. However, NCASA and the N.C. School Boards Association both raised concerns about the wording of the bill, after the two organizations were able to obtain feedback from attorneys and school district personnel directors.

NCASA Assistant Executive Director Katherine Joyce told the Education Committee that the legislation seems unnecessary, since school districts already have the authority to leave positions open until a qualified candidate can be identified.

Leanne Winner, NCSBA's Governmental Relations Director, then asked the committee to consider whether the bill's provisions might put pressure on school districts to either hire or pay for training of internal candidates who might otherwise not be considered qualified for an open position.

After hearing these concerns, Committee Co-Chairman Marvin Lucas, D-Cumberland, said it was obvious that this proposal needed more work and consideration before it could move forward, and he adjourned the meeting without calling for a vote on Senate Bill 975.

It is not clear at this time if this measure will be revisited before the legislature's final adjournment. NCASA welcomes member feedback on this issue so that the organization can best represent the views of our members if the legislation does come to a vote. Responses on this proposal should be sent to kjoyce@ncasa.net.

Bills On School Bus Inspections, Retread Tire Purchases Move Forward

Two separate bills affecting school transportation services gained support this week. A summary of those bills and the actions taken on each are as follow:

- **H2265, School Bus Exempt from Duplicate Inspection** – The legislation would eliminate the annual Division of Motor Vehicles' inspection of school buses that are required to undergo the more rigorous and more frequent 30-day inspections that have oversight from the State Board of Education and the Department of Public Instruction. The North Carolina Pupil Transportation Association, which is an affiliate of NCASA, requested this legislation to eliminate what is viewed as an unnecessary duplicate inspection. Ending the annual DMV inspection also is projected to save school districts personnel time and money without adversely impacting school bus safety. The bill, which gained approval this week from the Senate Commerce Committee and ultimately the full Senate, is scheduled for a vote of concurrence by the House in that chamber's Monday July 14 floor session. If approved, it would then be sent to the Governor.
- **S1797, State Tire Contract** – After ultimately surviving three days of debate and proposed amendments in the House Judiciary III Committee, this measure seeking changes to the bidding process for a statewide tire retread contract now goes to the House floor for additional review. The committee on Thursday changed the bill to allow the statewide bid to include all types of tire retreading processes, including the bead to bead process used by White's Tire of Wilson, the current holder of the state retread tire contract. The bill, as amended, would protect the ability of school districts to choose which retread tires are best for their needs.

Summary Of This Week's Action On Bills Affecting Public Schools

For a complete summary of this week's legislative actions on bills affecting public schools and their personnel, please see this week's "Weekly Bill Action Summary" at: <http://www.ncasa.net/displaycommon.cfm?an=1&subarticlenbr=215>. The same site offers a status report on all bills NCASA is tracking for our members during the 2008 legislative session, and that information is arranged in categories to make it easier to locate specific legislation of interest.

*For additional information on these or other legislative issues, contact
NCASA Assistant Executive Director Katherine W. Joyce at 919-828-1426 or kjoyce@ncasa.net.*