



# Legislative Link

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

**August 13, 2009**

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## **State Board Authorizes Budget Flexibility**

The State Board of Education met in a special called meeting Wednesday to respond to directives outlined in the enacted state budget law. The board's main focus was to adopt policy revisions that will provide school districts with more flexibility to transfer funds between line items to help address the \$225 million discretionary reduction that the budget requires of LEAs for 2009-2010.

As approved by the board Wednesday, many of the previous restrictions on transferring funds between various public school line items have been lifted for the 2009-2010 and 2010-2011 fiscal years. One example of the new flexibility approved for school districts includes the option for LEAs to increase class size in Grades 4-12 without first seeking a waiver from the State Board of Education.

Associate State Superintendent Philip Price provided the board with a listing of proposed funding flexibility changes, and all were approved as proposed, with the exception of one recommendation on the Children with Disabilities allotment. Lt. Governor Walter Dalton asked, and the full board agreed, that flexibility with the Children with Disabilities allotment will be granted only to the extent that it does not decrease the per-pupil allotment from 2008-09. This change still will allow districts to have more flexibility with the increased funding provided through the federal Individuals with Disabilities Education Act as part of the American Recovery and Reinvestment Act.

A complete listing of the funding flexibility changes the board has approved for school districts (excluding the change to the Children with Disabilities allotment noted above) is available at <http://www.ncasa.net/displaycommon.cfm?an=1&subarticlenbr=199> by viewing "State Board of Education – Chart of Proposed LEA Funding Flexibility for FY 2009-10 and FY 2010-11 (Attachment 3)." Other information regarding the state budget directives the State Board reviewed is available at the same website.

Several board members expressed their hope that school districts will heed the directives in the state budget law that calls on them to take maximum advantage of federal stimulus funding they are receiving and to "minimize the impact on the classroom." Others requested that the board be given an update on the impact the \$225 million discretionary reduction is having on school districts and their efforts to manage this major cut through increased budget flexibility.

Price told the board that all line item funding transfers can be tracked by the Department of Public Instruction, since each LEA must complete a form outlining the specific transfers that the LEA chooses to make. A synopsis of funding transfers made by the LEAs will be part of a follow-up report the board will receive from the DPI staff in three or six months. Price also told board members that the line item

flexibility approved Wednesday will end June 30, 2011 unless additional action is taken by the State Board to extend or alter that flexibility.

State Board Chairman Bill Harrison concluded the meeting by thanking board members for taking action to help school districts manage the difficult budget situation they are facing.

“As we all know, 90 percent of the (public school) budget is in personnel, and I don’t think there’s any way the LEAs could manage without this type of flexibility,” Harrison said.

## **General Assembly Wraps Up 2009 Session**

The N.C. House of Representatives and N.C. Senate completed their work for 2009 shortly after 1 p.m. Tuesday. Both chambers adjourned what is commonly known as their “long session” and set May 12, 2010 as the date to reconvene for their “short session,” that will focus mainly on legislative adjustments to the 2009 Appropriations Act so that a new state budget can be enacted for the 2010-2011 fiscal year.

Lawmakers gave final approval to 578 bills and 33 resolutions this year, according to Gerry Cohen, director of the Legislative Drafting Division. Cohen also reports that 470 bills have been enacted into law, and 108 bills currently await action by Gov. Beverly Perdue, who has until Sept. 10 to act on them. After that, any remaining bills will become effective without her signature.

Of the roughly 500 pieces of legislation that the North Carolina Association of School Administrators (NCASA) has been monitoring this session for our members, 68 have been enacted into law, and another 19 are awaiting action by the Governor.

NCASA is working to prepare a comprehensive summary of all of the bills signed into law this year that impact public schools and their personnel.

These summaries will be completed in the next few weeks and will be made available to NCASA members through future editions of this newsletter and on the bill tracking portion of our website at <http://www.ncasa.net/displaycommon.cfm?an=1&subarticlenbr=227>.

Following the distribution of those summaries to our membership, NCASA will publish and send out this newsletter only on an as-needed basis until the legislative session convenes in May 2010.

## **NCASA Analyzes Budget’s Impact On Schools**

The North Carolina Association of School Administrators has completed our comprehensive summary of the recently enacted state budget, Senate Bill 202, Session Law 2009-451.

This summary, which highlights all line item spending and policy directives affecting public schools and their personnel, and links to the actual budget documents are available on the NCASA website at: <http://www.ncasa.net/displaycommon.cfm?an=1&subarticlenbr=199>.

## **Summary Of This Week’s Action On Bills Affecting Public Schools**

For a complete summary of this week’s actions on legislation affecting public schools and their personnel, please see this week’s “Weekly Bill Action Summary” on NCASA’s website at: <http://www.ncasa.net/displaycommon.cfm?an=1&subarticlenbr=227>. The same site offers a status report on all bills NCASA is tracking for our members during the 2009 legislative session, and that information is arranged in categories to make it easier to locate specific legislation of interest.

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