



# Legislative Link

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

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## **General Assembly To Adjourn Next Week**

The State Senate completed its work at 4 p.m. today before sending Senators home for the remainder of 2009. Meanwhile, the State House had only a handful of its members in Raleigh, but that chamber has announced plans to complete the bulk of its work on Monday. Both chambers are set to end the 2009 long session officially on Tuesday, with plans to reconvene for the 2010 short session on May 12.

## **State Budget To Be Signed Into Law Today**

The House and the Senate gave final approval Wednesday to the state budget legislation that Governor Beverly Perdue is expected to sign into law today, despite some reservations she has with some of its contents.

With the state facing a revenue deficit of \$4.5 billion for 2009-10, budget negotiations have been long and difficult. Legislators ultimately agreed to \$990 million in new revenue to fund the \$19 billion total state budget. The final state budget, contained in Senate Bill 202, includes federal stimulus funding that offset roughly \$743 million of the total deficit and also helped prevent deeper cuts to education.

During the final week of negotiations, the General Assembly removed a state-mandated increase in class size in grades 4-12 and replaced it with a directive for school districts to manage a discretionary reduction of \$225 million for the 2009-10 year and \$304.8 million for 2010-11. With the exception of a prohibition on increasing class sizes in grades K-3, this reduction will give school districts the option of covering their portion of the budget shortfall by using multiple line items, including increasing class size in grades 4-12.

Gov. Perdue stated in a Raleigh press conference that she did not expect cuts in teacher positions.

"We have had a pot, a very large pot of federal recovery dollars coming in to North Carolina and that money coming to counties and to school systems across the state is supposed, according to the federal legislation, to be used to prevent cuts to teachers in the school systems across North Carolina," Perdue said.

As reported in last week's *Legislative Link*, NCASA Executive Director Bill McNeal has voiced his concern about a discretionary reduction of this magnitude that ultimately puts school leaders in the difficult position of making tough choices on where to cut. In a written statement this week, McNeal acknowledged the challenge of achieving a balanced budget during difficult recessionary times and

indicated his appreciation to the Governor and legislators for their efforts to protect K-12 classrooms, but again expressed worry about the impact of the discretionary reduction.

“With discretionary reductions of \$225 million in 2009-10 and \$304.8 million in 2010-11, even with the integration of federal stimulus funds, larger classes in grades 4-12 will be unavoidable,” McNeal said. “Administrators will continue to make every effort to protect the classroom and keep educators employed.”

The LEA discretionary reduction is part of the \$789,080,587 in total cuts the state budget makes to public schools. The final budget provides \$7,456,261,240 in state funding for public schools and reflects a 9.60 percent cut from the 2008-09 funding. When federal stimulus funding is factored in, public schools will have 4.75 percent less funding in 2009-10 than they had for 2008-09. The public school spending plan includes the following highlights:

- **LEA Discretionary Reduction** (\$225 million) in 2009-10 and (\$304.8 million) in 2010-11
- **Central Office:** (\$14.6 million) This cut will be based on ADM. LEAs with fewer than 8,000 students will have a 7.5 percent cut from 2008-09, those with 8,000 to under 30,000 students will be cut 14 percent, and those with 30,000 ADM or more will face an 18 percent cut.
- **Improving Student Accountability:** (\$38.4 million) to eliminate this state allotment
- **Non-Instructional Support:** (\$10 million) recurring cut in addition to a (\$379 million) non-recurring cut that is to be offset by federal Education Stabilization Funding
- **Staff Development:** (\$12.6 million), meaning no state funding for either 2009-10 or 2010-11
- **Textbooks** (\$48 million) non-recurring cut for 2009-10 and (\$115 million) non-recurring cut for 2010-11. A \$50 million cut made under state emergency budget actions in 2008-09 is repaid.
- **Transportation:** (\$15 million)
- **Career-Technical Education:** No cut
- **Classroom Materials & Supplies:** No cut
- **Teacher Assistants:** No cut
- **District & School Transformation:** \$2.5 million increase
- **Dropout Prevention:** \$13 million increase
- **Learn and Earn:** \$3.72 million increase to make 12 new sites operational with 68 total sites
- **NC Virtual High School:** \$2 million increase
- **Longevity** – No changes although a proposed freeze was discussed earlier this year.
- **Salaries** – No pay increases for anyone. (Note: The state budget bill has INCORRECT salary schedules for principals and assistant principals, and the General Assembly approved House Bill 1172 to enact the correct salary schedules for school-based administrators. That information is at <http://www.ncleg.net/Sessions/2009/Bills/House/PDF/H1172v5.pdf>.)
- **Retirement** – No cost-of-living adjustment, but the state is contributing \$21 million in 2009-10 and \$160 million in 2010-11 to keep the Teachers’ and State Employees’ Retirement System financially sound.
- **State Health Plan** – Maintained fully paid premiums for employees & retirees but out-of-pocket costs increased as of July 1, 2009 (as covered in enacted Senate Bill 287.)

A comprehensive summary of all state budget line items and special funding directives that impact public schools will be made available by NCASA next week. Additional information on the state budget and access to the budget bill and its accompanying money report are available at <http://www.ncasa.net/displaycommon.cfm?an=1&subarticlenbr=199>.

## Non-Certified School Personnel Bill Stalls In Senate

The State Senate today decided to withhold action on a bill that would have made major changes to the employment rights for non-certified school personnel. That legislation, House Bill 1292, will remain eligible for action in the 2010 short session of the General Assembly.

At the request of the Teamsters, the Senate Education/Higher Education Committee amended this bill earlier this week in a way that would adversely impact disciplinary actions involving non-certified school personnel. The revised bill would require a local school board hearing before a non-certified employee could be suspended, demoted or dismissed.

NCASA adamantly opposed the changes written into this legislation this week and worked with the school boards association, other local government organizations and business groups to raise concerns about the bill as revised. Thanks to the quick action of many of our members, we were successful in educating Senators about the harmful effects this bill would have in public schools, and action on the bill was ultimately delayed until the Senate reconvenes next May.

School administrators will have additional work to do on this legislation next year to ensure that its final outcome does not erode the ability of school districts to manage personnel decisions as they deem appropriate.

The Senate's amended version of House Bill 1292 may be viewed at <http://www.ncleg.net/Sessions/2009/Bills/House/PDF/H1292v3.pdf>.

## **Fines And Forfeitures Payback Plan Hits House Roadblock**

Legislation that would implement a payback plan for \$747 million in school technology funds collected through fines and forfeitures hit a snag on the House floor on Monday night, when it was sent to the House Judiciary III Committee for additional work.

While that committee met and began revising the bill on Wednesday, the committee ultimately decided to hold the bill over until the 2010 short session for additional changes.

[Senate Bill 269](#), if signed into law next year, could begin to satisfy a 2008 court judgment entitling North Carolina public schools to \$747 million in school technology funds collected through fines and forfeitures that the courts have determined the state unconstitutionally withheld from schools.

The bill would establish a pilot program of speed-measuring cameras that would detect speeding violations in highway construction areas and school zones. Under the proposed legislation, there would be up to 16 cameras, 8 in the work zones and 8 in school zones. Violations in school zones would result in a fine of \$125 (up from the current range of \$25-\$100) by the Department of Transportation, while work zone violations would result in the regular work-zone speeding fine of \$250. Seventy-five percent (75%) of the fines will be dedicated exclusively for paying down the judgment. Estimates are that this program would generate approximately \$47 million per year for school technology.

The North Carolina School Boards Association filed the lawsuit that led to the 2008 court ruling on fines and forfeitures, and it also has led the advocacy efforts to generate this legislation, which is supported by the North Carolina Association of School Administrators.

## **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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