

STATE BUDGET FREEZE

Questions and Answers

In an effort to provide the LEAs and other stakeholders with the most up to date information we have related to your questions on the budget restrictions (dated 04-09-09) imposed by Office of State Budget and Management (OSBM) we will post questions received from our stakeholders and our answers, based on the best of our knowledge, on our website.

<http://www.ncpublicschools.org/fbs/>

Due to the volume of calls and e-mails we cannot answer all the questions personally. Many of the questions are asked several times by different LEAs. Therefore, we believe the most effective and efficient way to answer your questions is through the web process mentioned above. If you have questions that are not answered please e-mail them to Alexis Schauss aschauss@dpi.state.nc.us . This will help us centralize your questions and concerns. Working together we can make it through this most difficult time.

We have attempted to group the questions by type as best we can. We have listed the questions with the answers in bold. The groupings are:

- Carry Forward
- Purchases of Goods
- Purchases of Services
- Reimbursement of Local and Federal Funds
- Staff Development
- Transportation
- Travel
- Positions and Salary
- Miscellaneous

We will update this list regularly as we receive new questions. We hope this helps disseminate the information quickly to all LEAs since many LEAs share most of these concerns. We encourage you to share this information with your support staff, program directors, etc.

THIS DIRECTIVE PERTAINS TO ALL STATE PRCs, WITH STATE TEXTBOOKS BEING THE ONLY EXCEPTION

THE RESPONSES TO THE QUESTIONS BELOW RELATE TO THE USE OF STATE FUNDS. LOCAL AND FEDERAL FUNDS ARE UNAFFECTED BY THIS DIRECTIVE.

General Status:

1. **CORRECTION: For LEAs, MORE AT 4 is not included. Once the funds are received they are considered local funds.**
2. **NOTE : CAPITAL PROJECTS. Pertaining to questions 30 to 33. OSBM has revisited these questions. Please see the revised statement from OSBM on page 7.**
3. **Drivers Education cars- several requests have been submitted to OSBM, we have not had a ruling as of April 24.**
4. **Requests for PRC 061 funds that were previously transferred from Textbook fund and now would like to have these funds transferred back. DPI is preparing a statewide request for all LEAs and will submit to OSBM on 27th.**

Carry Over Funds

1. **4/23/09** I understand that PRC 15 is frozen. If we had unencumbered money in PRC 15 that was generated from a PSBCF transfer, will it carry-over? Or will we start off next year at \$0 + 09-10 Allocation?

We have no reason to believe that the funds won't carry over, but at this point we do not have information one way or another about carryover.

2. **4/23/09 Update 4/21/09** Does this directive apply to Connectivity funds, Learn and Earn, Collaborative Project funds, Technology Funds, DSSF, 1:1 Pilot, PSBCF, ~~More at Four~~, CTE and Drivers Education?

YES.

3. **4/21/09** Does this directive affect DSSF funds? We have several summer transitions programs for children and end of the year bonus for teachers. Will we still be able to use DSSF funds for these purposes? Also we have preschool children who have a written IEP that they must receive extended services during the summer months. We extend the employment of our preschool teachers using state EC (032) and buy supplies for this program. Will we still be allowed to do this as this is a federal law requirement?

The directive applies to DSSF funds. Only those bonuses that are previously obligated (prior to April 9th) may be paid, i.e. if the teacher was told that the bonus was there on condition of work, then you may pay. Extended services as part of the IEP should be provided and is allowable.

4. **4/21/09** Our remediation programs that are in full swing this time of year, primarily using low wealth dollars. Do those need to stop immediately?

You may continue the remediation program with state funds.

5. **4/17/09** Can you please tell me whether or not the PSBCF money is frozen like the state general allotment funds? Also, are the lottery funds frozen? We are currently working on a application with our County Commissioners to draw down these funds and need to know the status.

All State funds are frozen, this includes PSBCF and lottery construction funds.

6. **4/17/09** Are School Connectivity (PRC 073) funds also frozen? What will happen to them?

These funds are frozen. We hope that they will carry over (it is in the Senate Budget.)

7. **4/21/09** Does this memo pertain to summer school?

If summer school is prior to June 30th, the directive in the April 9th memo applies. You may have summer school in June and you may use state funds. You may employ

teachers and purchase the required and necessary materials to provide direct instruction to the summer school students. The purchase must be for the instruction of those students for this fiscal year.

As of April 13th, 2009, we are uncertain as to the State's ability to carry forward funds past June 30th in any PRC including PRCs 069 (At-Risk) and PRC 072 (Student Accountability).

8. Will textbooks also be reverted?

Textbook funds are currently not part of this directive. At this time orders can continue from these funds and we do anticipate that these funds will carry forward.

Please also note that Classroom Supplies and Materials may NOT be transferred into this fund after April 9, 2009 due to this directive.

Purchase Orders for Goods

9. **4/23/09** I understand that we can continue to pay salaries for Drivers Ed, but how about items necessary to continue operation of the fleet, i.e. gas, oil, tires, etc. Are items like this considered along with transportation? Or is that PRC frozen entirely?
If these are critical in order to run the car, they may be purchased. You may not purchase tires unless the car requires them now (i.e. can not purchase anything to put on the shelf). If you have oil in your warehouse, you should use that.
10. **4/21/09** What about expenses related to athletics? More specifically purchases that have been made for fall sports team next year that have not been received.
No state funds may be used, you are required to cancel the order. Local funds may be used to pay for these. Please contact your finance officer.
11. **4/21/09** We have been working this year to centralize our data services to create a more robust and reliable connection to the state backbone. We were planning on using the State Connectivity Fund (1.6400.073.542.000) to do this. Some of the work in schools has been completed. The final phase (electrical and air conditioning) was to use this funding in May. Could you let us know if the State Connectivity Funding is frozen?
PRC 073 is frozen and comes under the same directives as other state funding. However, if you have a project that is in the middle, the funds may be used to complete the project. Absolutely no new initiatives may be started.
12. **4/21/09** Can supplies be purchased after April 16th for Summer Camps through AIG? We have already received payment from many parents for their kids' participation in these camps.
These supplies will have to be purchased with local funds or camp tuition.
13. **4/21/09** We would like to order review booklets and practice test for the EOGs. Can this be done?
Yes, you may purchase these.
14. **4/21/09** Can we receive calculators that will be used for EOC's and EOG's that will occur in May?
Yes, but please only order the numbers that are required for this year.
15. **4/17/09** Are textbooks from a vendor (not the State warehouse) allowable, or do these have to be canceled.
There is no exemption for these orders, please work with the vendor to see if they will accept a delayed payment.
16. **4/17/09** Are we allowed to pay restocking fees that a vendor may charge due to cancellation of an order?
Yes.
17. Can ABC Transfers continue to be processed? For example, can schools that previously transferred dollars from textbooks to supplies move the dollars back to textbooks?
ABC Transfers will not be processed.
18. We have outstanding transportation purchase orders and service agreements that pertain to transportation department requirements for the safe delivery of children to schools. Must they be cancelled?

See the detailed memo on Transportation Expenditures at <http://www.ncbussafety.org/reports.html>

19. We use state dollars for technology for infrastructure support and networking of our student and financial information systems. Must these service and support agreements be cancelled?

If these agreements were in place prior to April 9th, they do not need to be cancelled. No new agreements may be entered in to.

20. Are Microsoft Voucher Refunds impacted by the cash flow restrictions? Use of these funds is specified by the Settlement Agreement.

These funds are considered local funds and would not come under this directive.

21. Our Driver's Education program has outstanding purchase orders for vehicles. **Several LEAs have asked this question, we will need to check with the Office of State Budget and Management on outstanding Purchase orders on vehicles.**

22. If purchase orders are not related to the classroom, must we cancel the order unless it is local or federal source?

Yes, if they are not related to the classroom you must cancel unless they will be paid with federal or local funds.

23. Will instructional equipment for classrooms be allowed?

If the item(s) has not been received by April 16th, then the purchase order must be cancelled.

24. We have an order to be approved next week to purchase \$15,000 of computers for a lab in an elementary school. Can we proceed?

No, the purchase order must be cancelled if it uses State funds.

25. How about purchase orders in place, items received, invoices ready to pay can we go ahead?

If the goods or services have been received prior to April 16th, 2009, then you can honor those invoices with state funds.

26. We have many items on order that have not been delivered that we consider to be directly related to classroom instruction? An example would be replacement computers. Do we have to cancel these types of purchase orders?

Yes, you will need to cancel those purchase orders.

Only purchases which are critical and necessary to continue the direct classroom instruction for the current fiscal are permissible.

27. We have some obligations that are "special orders". For instance we ordered some drafting tables that are being made. If we cancel this order we will still be liable for payment.

For special "one-of-a-kind" orders, you may be able to receive an exemption, provided the purchase order has been encumbered prior to April 9th, 2009. Please provide the details of this type of transaction, including account number, and \$ amount, type of purchase and why necessary to instructional activities to the Division of School Business so that we may attempt to gain an exception for you.

28. Our schools pay their copy costs for classroom materials from some state funds. Are they allowed to pay these invoices or do those requisitions need to be cancelled and paid from other funds?

If these materials are required for direct classroom instruction, state funds may be used. Please limit the expenditures of this type as much as possible.

29. All POs not directly related to classroom instruction which are already in process need to be canceled, correct? So if we have a PO in process for tires for a bus it needs to be cancelled?

If the tire purchase is necessary to ensure the safety of the children and to ensure the operation of the bus fleet for this fiscal year, then the purchase may be made from state funds. If the tire purchase is for the preparation of the bus fleet for next fiscal year, then no, those purchases may not be made from state funds. See memo at <http://www.ncbussafety.org/reports.html>.

Purchase Orders for Services

4/24/09 The following replaces the previous communication.

It is not the intention of OSBM to stop capital projects that have been bid or are in the process of being bid (construction contracts). Projects that are at least

- Design is in the Construction Documents Phase and
- The project has been approved for funding under the Lottery or ADM portion of the PSBCF
- Construction Documents Phase plans are being reviewed or have been reviewed by School Planning and DOI may continue

New capital projects can not begin unless the project is shown to be an emergency and sufficient funds are not available from other sources. Evaluation of emergency status should be made by School Planning. Please send requests to Ken Phelps at kphelps@dpi.state.nc.us

Projects that are in the earlier stages of design (schematics, design development) should be put on hold.

~~30. 4/21/09 I have a **construction** project that is bidding. Work is to be completed over the summer. Do we bid, and can we award this project? This is not a service contract, but a capital outlay improvement project. We have been working with our local zoning and engineering to get permitting for the past year. The project finally got approved.~~

This project will need to be put on hold if you intend to use state funds. We are hoping the budget and cash situation will improve after July 1. Per OSBM, any project that is not an emergency (e.g. hole in the roof) that has not been started must be put on hold.

~~31. 4/21/09 If construction contracts were signed before April 16, but the contractor has not yet actually begun work on the site, can we continue with the project?~~

NO, per OSBM they can NOT begin.

~~32. 4/21/09 If construction contracts were signed before April 16, the contractor has not begun work on the site, but LEA personnel have begun work on the site by installing mobile classroom units for use during the construction time, by making other preparation for the contractor, or by doing other work that was necessary before the contractor could begin his work, can the LEA authorize the contractor to continue with the project?~~

NO, they can not authorize the contractor.

~~33. 4/21/09 If a renovation project was bid before April 16, but contracts have not yet been signed, can we continue with the project? The work is being scheduled for the summer, when the buildings will not be occupied by students, and postponing the work will mean that we must reschedule it until NEXT summer.~~

They may not incur any State costs on these projects.

34. 4/21/09 Most LEAs have state contracts with the local police forces for their School Resource Officers (SROs). Can these contracts still be honored with state money?

An LEA may continue to pay for the contract with state funds.

35. Service contracts? How about service contracts already approved but the service will not occur until April 2009? Can we honor or do we cancel, if possible? (consultant for staff development activities?)

If the services have not begun and the contract is not related to classroom instruction, then the contract must be cancelled. You may honor service contracts, which are

already in place if they are directly related to classroom instruction with state funds. This would include specialized services such as speech, psychological. EC services

You may NOT pay for service contracts if the service has not been provided prior to April 9, 2009 from State funds. This would include staff development activities.

36. Our Driver's Education program has service agreements with driving schools. Must these be cancelled?

No, these service agreements may continue.

37. We have on going contracts for providing services directly to special needs children. Must these be cancelled?

No, these services do not need to be cancelled; they are already in place and are required for the instruction of the student.

38. What about lease payments on copiers, etc. already encumbered?

Lease and maintenance payments on copiers and other equipment, which are already in possession of the LEA, may be paid from state funds. NO new lease arrangements may be made from state funds.

Reimbursing Local and Federal Funds from State Funds

ALL BUD BATCHES THAT INCREASE STATE EXPENDITURES (SALARY OR GENERAL EXPENSE) WILL BE REVERSED.

If you would like to appeal the reversal, you will need to contact School Business.

39. 4/21/09 We have been asked in the past to pay our child nutrition director or managers from our state central office allotment as a match for the federal cafeteria funds. Our plans were to place our director on state central office funds for April-June. Is this allowed now?

No, this will not be allowed.

40. 4/21/09 May I transfer employees within State programs to avoid possible over expenditure?

You may transfer expenditures within State funds as long as the net effect is zero on state cash flow AND the transfer does not generate additional funds to be spent. You may not convert position allotments.

41. If I have local expenditures for direct classroom instructional supplies that would qualify in state PRC 061 that were dated March 30th or earlier, may I do a 202 and move them to the state allotment?

NO, you CANNOT reimburse local or federal funds from any state fund category, this includes position categories as well as the dollar allotment categories.

42. Instead of splitting a classroom teacher 90% and 10%, we will pay 9 months local and 1 month state. Does this directive mean I cannot change that teacher to 1-month state for the Month of May?

Yes, this directive means that you CANNOT transfer a teacher to state funds from local or federal funds, even for a month. If the teacher is already being paid from a state funding source, you may switch the source of the funds within state resources as long as the net effect on state expenditures is zero.

43. Are there any allowances to refund qualified instructional supplies or teacher salaries that are paid from local funds? I had planned on paying back local for computer purchases and teacher supplements. Is this still possible? Is it ok to pay back local for a teacher with PRC 010 funds? That is what I had set up this PRC for?

No, you may not reimburse local funds for any purchases, instructional or otherwise, from state funds. The directive is specific in its intent to FREEZE the expenditures of state funds from April 9th.

44. With the state freeze, what is the status regarding ABC transfers? I was planning to convert some teaching positions from the 001 to 069 to complete the cost of the remediation programs and summer plus programs. Will I be able to do this? Can code changes for classroom teachers still be processed via BUD?

You may NOT process an ABC transfer, which would cause an increase in the use of state funds.

You may continue to transfer funds for activities if they are related to direct classroom instructional activities for the remainder of this fiscal year as long as the net effect on state resources is zero or a net reduction.

You must provide an explanation on why your ABC transfer meets the state's directive before it will be processed. Please attach or include this explanation on your form before submitting it to the Allotment Section for processing (919) 807-3739.

45. Will transfers from instructional supplies to textbooks be allowed?
Classroom Supplies and Materials may NOT be transferred into this fund after April 9th, 2009 due to this directive

46. Will we be able to continue to code changes to move funds from fund 1 to other sources?

Yes, you may move expenditures from fund 1 to other fund sources. You may not move TO fund 1.

47. BUD batches that we had in the works but hadn't released, awaiting money we ordered, can those still be transmitted?

BUD batches which have not been processed prior to April 9th, 2009 will not be processed if they increase state expenditures, no matter the posting period (April, May or June). If the BUD batch is a net effect of zero or a decrease in state expenditures it will be processed.

48. Every year we run out of money to pay teacher assistants and clerical assistants. We always move some of them to Low Wealth for the last month of the school year. Will we still be allowed to do this?

If personnel are already being paid from state funds then you may switch the source of those funds, provided the net effect on the state resources is zero or a reduction to expenditures.

You may not transfer locally funded or federally funded staff (those not currently being paid from state funds) to state funds after April 9th. This is a state fund FREEZE and these types of transactions are not allowed.

Staff Development Activities

49. **4/23/09** If a teacher is using the 3 days allowable leave for NBPTS preparation, are we allowed to pay a sub (PRC 11)?

Yes, you may use a sub.

50. If staff development is already planned and encumbered, can it happen?
Or will anything not related directly to the classroom need to be canceled at this point?

If the staff development activity has not already taken place you cannot use state funds to pay for that activity. Any activity requiring the expenditure of state funds not directly related to the continued direct classroom instructional activities for this fiscal year must be canceled, if no other funds can be used to pay for the obligations.

51. For workshops that are scheduled for May or June that required prepayment of fees. How do I handle that? Do I get a refund?

Yes, these workshops must be cancelled and a refund must be requested.

52. Any suggestions dealing with the registration fees already paid to agencies for staff development since travel has been frozen, especially if the sponsoring group or agency will not refund the registration fees?

You may not incur any additional expenditures from state funds. If the event will incur any additional state expenditure, the travel must be canceled.

53. Is staff development directly related to classroom instruction frozen (i.e. specific math instruction for teachers or specific EC instruction for teachers)?

This type of activity cannot be paid from state funds after April 9th.

54. What about substitutes for staff development in PRC 014 and 028?

No funds may be expended for any activity from state funds which does not relate to direct classroom instructional activities for this fiscal year.

55. For workshops where the registration has already been paid prior to April 9th, do they need to cancel or can they attend?

They may attend as long as NO additional state funds are used.

56. It sounds like all staff development travel/registrations from state funds is a NO, correct?

Correct, these types of activities cannot be paid from state funds.

Transportation Funds

57. What about transportation expenses?

A separate e-mail has been sent to your transportation directors on this subject, and has been posted on the website. <http://www.ncbussafety.org/reports.html>

Here is the summary:

- **Costs to run the bus fleet to finish out the school year and for remediation and summer school activities is allowed. This includes fuel, oil, and MINOR repair parts should those parts be necessary to ensure the safety of the children and are necessary to keep the fleet in service through this fiscal years instructional activities.**
- **MAJOR repair parts and services can NOT be paid from state funds and will require an exemption (such as transmissions, etc.).**
- **Should a bus driver vacancy occur between now and the end of the year and it is necessary to fill that vacancy to safely operate the fleet for this year's instruction, then you may use state funds for this position.**
- **Overtime funds for bus drivers are also allowed to continue from state funds through the remainder of this year's instructional schedule.**

Please notify Derek Graham with the Transportation Section of DPI if you think you may have an emergency situation or need further clarification. Below are some questions related to the above and transportation issues:

58. If a Bus Mechanic position is vacant and we need this position filled before the fleet is returned to service for next year. Buses must be kept at certain safety standards. Would this position be considered emergency?

NO, this position could not be filled using state funds in this fiscal year.

59. May we reimburse local funds for expenditures incurred?

This paragraph is referencing the ability to reimburse local and federal funds. You cannot reimburse local or federal funds from any state appropriation category. You may continue to use state funds to run the bus fleet; however, you cannot reimburse funds previously paid from local funding sources.

60. We need to hire some bus drivers now. Are they exempt from the hiring freeze?

Only those bus driver vacancies which are necessary for the operation of the bus fleet for the remainder of this fiscal year may be paid from state funds at this time.

61. At this time of year, we order stock parts for our garage. I also have a large order of tires in process right now. Can we spend funds for them?

Unless these orders are critical for the operation of the bus fleet for the remainder of this fiscal year you CANNOT order supplies and parts to have "on-hand" in the garage or for next fiscal year's use. You may purchase MINOR parts to keep the fleet operational and safe.

62. What about fuel PRC 056 transportation? What about open purchase orders for fuel, should they be canceled?

You may purchase fuel for the operation of the bus fleet from state funds for the remainder of your instructional activities this fiscal year. You do not need to cancel open purchase orders for school bus fuel.

Travel

63. 4/23/09 We have a PO encumbered with state funds for a field trip. The PO was approved on April 2, 2009 before the spending freeze. The PO is with The National Coalition for Exemplary Schools for \$4,000. We have contacted the vendor to cancel the trip because of the spending freeze. The vendor has informed us that because of costs they have already incurred they will still invoice us \$2,000 for this trip if the students do not attend. Please see the attached letter with further explanation about this situation. We are requesting an exception to be able to pay the full invoice with the state funds. However if the exception is not granted, can we pay the \$2,000 fee charged by the vendor with state funds?

Per the directive, if the travel results in \$1 of additional state funds being expended, the event must be canceled. I understand that the state will incur the \$2,000 cancellation cost; however you may not use state funds to attend this event. You may use alternate (local or federal) funds, if available.

64. 4/17/09 Can we travel to the state and national CTSO competitions?
No, this is unallowable with State funds. Federal or local funds may be used.

65. We have travel reimbursements in place for travel expenditures for the month of March. Some of them are for out of state travel. It was planned to pay the reimbursements from state funds during this week. Can we go ahead and pay?
Yes, you may reimburse travel expenditures, which were completed prior to April 9th, 2009. If someone was in "mid-travel" during this time period, that is also allowed. However, no travel after April 9th, 2009 is allowed to be paid from state funds.

66. Is travel for students/chaperones who have won instructional competitions frozen (ex. Voc Ed state and regional competitions)?
Yes, these funds are frozen. You cannot use state funds to pay for these travel expenditures.

67. Can we pay travel from 032 (Exceptional Children) funds for psychologists traveling from school to school? Itinerant teachers? Can the AIG coordinator be reimbursed for travel from school to school from state funds?
Only travel for teachers who are working directly with the students is allowed from state funds. In the example above: Yes, if the psychologist is meeting with a student(s), yes, if the itinerant teachers are teaching a class.

Travel for any administrative type activity is not allowed from state funds. No, the coordinator cannot have their travel paid from state funds.

68. Can state 032 (Exceptional Children) funds be used to pay travel to IEP (individual education plan) meetings for EC students after the freeze? Can state EC funds be used to pay EC program specialists travel to schools to provide support for students/staff after the freeze?
Yes, state funds may be used if direct interaction with students is involved. No, if there is any administrative activities involved, such as support for staff.

69. Travel for teachers. Is it strictly if they going to a class somewhere to teach? or is it travel associated with training and certifications for their instructional duties?
Travel directly related to the teacher's ability to carry out their instructional duties is allowed to be paid from state funds. Travel associated with training and certifications for maintaining their certification is NOT allowed from state funds.

70. Travel questions about what is instructional related and what is not?

Instructionally related travel will be allowed only for those teachers who are required to travel in order to administer direct classroom instructional activities. No administrative travel is allowed to be paid from state funds.

Positions and Salary

71. 4/23/09 Can a bonus be paid out of 024? It is part of the DSSF plan. We have paid this bonus to teachers who serve at our most challenging schools for a few years now. When the teachers went to these schools it was understood they would receive this bonus.

As this was committed to prior to the freeze it is considered a prior obligation. You may pay.

72. 4/21/09 We have school bookkeepers that will be retiring effective July 1. That means the position will not be vacant until next fiscal year. Can we advertise and fill the position from state funds since it is in the next year?

At this point we do not have reason to think that this freeze will continue past June 30th, however due to this being a cash crisis not necessarily a budget crisis, we can not say for sure. You can advertise, but any commitment made to a candidate should have the caveat "dependent on State directive". You can choose to pay for this position from local funds if you desire. This would avoid the uncertainty.

73. 4/21/09 Most LEAs have state contracts with the local police forces for their School Resource Officers (SROs). Can these contracts still be honored with state money?

Contracts for SRO may be continued with state funds.

74. 4/21/09 Can we offer teacher contracts for 09-10 vacancies?
Yes.

75. 4/21/09 Can we issue new service contracts for speech therapists for 09-10?
Yes.

76. 4/21/09 I have a teacher assistant that has resigned. Can we fill the TA position with a substitute until the end of the school year?
Yes.

77. 4/17/09 Can we continue to pay the regular subs (object code 162) for our state paid teachers from State PRC003?
Yes, you may use PRC003 to cover sub codes for the classrooms.

78. Can an LEA continue the use of tutors
An LEA may continue the use of tutors to provide direct instruction to students who are below grade level.

79. School based Bookkeepers (Treasurers) are required by state statute in the schools. Are they exempt from the hiring freeze?
These positions are NOT exempt from the hiring freeze.

80. NC Wise Data managers manage student data at the school level. Are they exempt from the hiring freeze?
These positions are NOT exempt from the hiring freeze

81. We want to hire a principal who will be serving in a new school next fiscal year, is this allowed?
No, you cannot use state funds to pay this person in June if they are not involved in this fiscal year's instructional. Since this person would be involved in a school the next fiscal year, they cannot be paid from state funds, if they were not hired prior to April 9th.

82. Non-instructional personnel - If they have been hired prior to April 9th but have not come to work yet, can they be paid from state funds when they begin work?

Yes, if you have made a commitment, either verbally or written. You cannot hire anyone or extend these obligations after April 9th, 2009.

83. If a head custodian is on unpaid leave, can we employ a substitute custodian? (It is an existing position, but not a vacant position.)

No, you cannot use state funds to employ a substitute custodian. This is considered a vacant position, if no one is in the position by virtue of being out on unpaid leave of absence.

84. We understand that we can hire classroom teachers and principals for summer school activities. How about teacher assistants and bus drivers, clerical support, curriculum coordinators, and site directors for our summer program? We have already made contracts with these folks, so to me, this would fall under prior commitment has been made (letter e, page 2). Is that how you see it?

You may not fill any vacant positions except for classroom teachers and principals in direct connection with classroom instructional activities being continued for this fiscal year.

You may also fill vacant bus driver positions if they are necessary to ensure the safety of the students for the summer school activities.

You may not fill teacher assistant positions, unless they are required by law. You may not fill instructional support positions.

Other positions such as clerical support, coordinators and directors are vacant they cannot be filled using state resources.

85. Our Local Board of Education met last night to promote their bus mechanic to Transportation Director. Can this be effective now and paid from State funds?

No vacant positions being filled or a change in positions which are not related to direct classroom instructions (teachers or principals), for this fiscal year, may be paid from state funds. This would include the appointment of finance officers.

MISCELLANEOUS

86. 4/21/09 Any word on how the freeze affects drivers ed?

Drivers Ed restrictions are the same as for other PRCs, i.e. you may use the funds to provide direct instruction for the students this year.

87. 4/21/09 Is NCDPI looking at how much money is frozen or lost per LEA? Is there any accounting to see if each LEA is reverting similar amounts (percentage) of state dollars?

We are monitoring all LEAs and their expenditure patterns and at year end, we will know the reversion by LEA. Unlike a required reversion or negative reserve, we have no way to ensure that the restrictions are equitable for all LEAs.

88. 4/21/09 Does this apply to PSBCF money for purchase of technology by the LEA, money that has already been moved from the PSBCF into the PRC 015 account of the LEA? Can the LEA use these funds even after the 4/16 deadline has expired? (These are not funds that "will revert if unexpended.")

Yes, this does apply to funds an LEA moves from PSBCF to PRC015.

89. 4/17/09 Our LEA has a dropout grant for the 2008-2009 year. The grant is administered through the Raising Achievement and Closing the Gap office at DPI. Funds are sent by check, to us each month.

You may expend what you receive. Once you receive the funds they will not revert as they are considered to be local funds. To date, we have not received information from OSBM that would restrict the drop out prevention grant payments to the LEAs.

90. When the letter states that no salary adjustments may be made, does that include those situations where licensure has changed an educator's license for additional years of experience or education?

If licensure has changed the years of experience or education of a certified person, the LEA must pay them at the additional step. The LEA may not change their source of funding. Answer updated 4/23/09:

- You have to pay the teacher what they are legally due.
- There salary can not be switched from local to state.
So for instance, say you have a beginning lateral entry teacher who has sent in her paperwork for years or experience. You are currently paying her on local, but after she received her 12 years of educator experience, you want to switch her to a position allotment on State. You may not do this.
- If she/he is currently funded on state, the additional pay may be funded on state.

91. Can salary audit exceptions be corrected if those corrections do not increase state expenditures?

Yes, we will continue processing adjustments that have a net impact on state resources of zero, or decrease state expenditures. You cannot reimburse local or federal funds with state resources, even if attempting to clear a salary audit exception.