

## Public Schools Money Report Draft Language

**Item 15. LEA Adjustment 2009-10 (225,000,000) 2010-11 (304,774,366)**

The State Board of Education shall distribute this adjustment on the basis of ADM. A related provision, section 7.8, will provide additional flexibility to the LEAs to manage this reduction.

*There would no longer be an Item #21, Classroom Teachers Allotment.*

### PROTECTION OF THE CLASSROOM WHILE MAXIMIZING FLEXIBILITY

**SECTION 7.8.(a)** The State Board of Education is authorized to adopt emergency rules in accordance with G.S. 150B-21.1A to grant maximum flexibility to local school administrative units regarding the expenditure of State funds. These rules shall not be subject to the limitations on transfers of funds between funding allotment categories set out in G.S. 115C-105.25. These rules:

- (1) Shall authorize the transfer of textbook funds to other allotments to manage funding cuts; and
- (2) Shall not permit the transfer of funds from school-based positions to the central office.

**SECTION 7.8.(b)** For fiscal years 2009-2010 and 2010-2011, local school ~~administrators~~ administrative units shall make every effort to reduce spending whenever and wherever such budget reductions are appropriate with the goal of protecting direct classroom services, services for students at risk and children with special needs. Local school ~~administrators~~ administrative units shall implement administrative and other operating efficiencies and ~~mitigate the reduction~~ minimize the dismissal of classroom-based personnel by maximizing funds received from the American Recovery and Reinvestment Act of 2009 (ARRA), P.L. 111-5. Notwithstanding G.S. 115C 301 or any other law, local school administrative units shall have the maximum flexibility to use allotted teacher positions to maximize student achievement in grades 4-12. Allocation of teachers and class size requirements in grades K-3 shall remain unchanged.

**SECTION 7.8.(c)** Within 14 days of the date this act becomes law, the State Board of Education shall notify each local school administrative unit and charter school of the amount the unit must reduce from the State General Fund appropriations. The State Board shall determine the amount of the reduction for each unit on the basis of average daily membership.

**SECTION 7.8.(d)** Each unit shall report to the Department of Public Instruction on the flexibility budget reductions it has identified for the unit within 30 days of the date this act becomes law.