



# Legislative Link

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

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**Special Edition**

## Public Schools Spared from 2<sup>nd</sup> Round of Cuts

Newly-elected Governor Bev Perdue's call on Thursday for a second round of state budget cuts will require **no additional impact** on public schools, based on information sent out today from Associate State Superintendent Philip Price.

Price notified superintendents and finance officers that public schools at this time are not being asked to revert more than the collective **\$58 million** that then-Governor Mike Easley asked them in November to identify for reversion.

"As of January 15, 2009, public schools and the Department of Public Instruction are required to revert \$158,948,312," Price stated in emails to school leaders. "Of this amount, Local Education Agencies and charter schools were required to return \$58 million of their appropriated funds. We are not requesting that additional mandatory reversions occur at the current reversion target. However, it is important that all public schools help us reach our required reversion by placing restrictions on state expenditures to assure that we use our limited state resources for only the most critical and essential travel and purchases."

Price sent this information to school districts today in response to questions about the impact the new Governor's budget directive could have on public schools and classroom operations in the current fiscal year. Gov. Perdue on Thursday issued a call for state agencies and other state-supported programs to return almost \$1 billion to help address a shortfall for 2008-09 that is quickly approaching \$2 billion. In her first week in office, she traveled to Washington to seek federal assistance for covering almost half of the state's current budget shortfall and vowed to take immediate actions to cover \$1 billion of the total deficit.

Perdue then directed that the majority of state agencies revert 7 percent of their total budget and asked public schools and DPI to revert a combined 2 percent that roughly equates to \$158 million. In announcing the budget cuts, Perdue promised to minimize the impact on students and public school classrooms as much as possible, and thereby, did not seek deeper cuts than those already made by public schools in the current fiscal year.

The North Carolina Association of School Administrators (NCASA) urges our members to take every opportunity to thank Gov. Perdue for minimizing the cuts to public schools, which she has called the state's "seed corn," and also to thank leaders at DPI for their efforts to absorb the state-mandated cuts without asking for additional reversions from school districts.

Along with this information that Price provided today, he also issued a warning that more cuts may be on the way that could impact every school district.

"The Governor's actions to impose budget restrictions reflect the urgency of our current budget crisis," Price stated. "If the latest actions do not bring expenditures in line with declining revenue, additional steps will be required. We must recognize that this economic emergency is very real and will continue for some time. We must all do our part to restrict expenditures to enable us to minimize the possible impact on state-supported employment (for this fiscal year and next fiscal year)."

Price also reminded school leaders that DPI has been directed to identify continuation budget reductions ranging from 3 percent to 7 percent, meaning that public schools might receive only 97 percent to 93 percent of their anticipated funding for the 2009-2010 fiscal year that begins July 1.

“Any additional reversions we are able to generate for FY 2008-09 will help reduce the reductions required for 2009-10,” Price said. “Please help us by implementing cost saving processes immediately.”

The Governor’s press release announcing the cuts she mandated as well as a memo from State Budget Director Charles E. Perusse that outlines specific measures state agencies are being instructed to take may be viewed at: <http://www.ncasa.net/displaycommon.cfm?an=1&subarticlenbr=199>.

NCASA will continue to monitor state budget developments that impact public schools and will share additional updates with our membership as needed.

## Oversight Committee Approves 8 Recommendations

The Joint Legislative Education Oversight Committee (JLEOC) this week approved findings and recommendations to the 2009 General Assembly on eight issues that impact public schools in North Carolina. All the recommendations are listed below, and those highlighted in blue reflect objectives included in the North Carolina Association of School Administrators’ 2009-2011 Legislative Platform:

1. **Child Nutrition** – The committee had two recommendations in this category:
  - a) Appropriating \$20 million non-recurring state funds to implement child nutrition standards adopted by the State Board of Education for elementary schools and to improve the overall operations of the child nutrition program.
  - b) Endorsing the work of the Task Force on Preventing Childhood Obesity, which has outlined several goals for helping the state reverse the rising trend of obese children in North Carolina and the health concerns associated with it.
2. **Dropout Prevention** – The committee recommends that the General Assembly continue to support initiatives aimed at reducing the dropout rate and increasing the graduation rate, including the following specific actions:
  - a) Supporting additional funding awarded for new grants from among those that were submitted and not selected in the first rounds of grants awarded as a result of the House Initiative on High School Dropout Reform,
  - b) Reauthorizing the Joint Commission on Dropout Prevention and High School Graduation, and
  - c) Continuing funding for the recommendations of the Joint Legislative Commission on Dropout Prevention and High School Graduation, and the high school reform efforts in place across the state.
3. **The Collaborative Project – A 21<sup>st</sup> Century Initiative of the NC General Assembly** – The committee strongly recommends continued funding for the remainder of this three-year education reform program, which aims to have a positive impact on student performance and recruitment and retention of teachers, and to provide access to high quality professional development resources.
4. **Teachers** – The committee had two recommendations in this category:
  - a) Due to last year’s “cap” on ABC bonus spending, the committee recommends that the Appropriations Committees study and evaluate the current process for awarding ABC bonuses and then reconsider their decision to “cap” the amount appropriated to the State Board of Education to provide incentive funding for schools that meet or exceed the projected levels of improvement in student performance.

- b) To alleviate the state’s teacher shortage, the committee recommends extending the sunset on current legislation that allows teachers to return to the classroom after a six month, complete break in service. The committee further recommends that the break in service be reduced from six months to four months.
5. **Assistant Principals Salaries** – Having strong, capable educators leading schools is critical to the academic success of students. The committee strongly supports a recommendation allowing National Board Certified Teachers who move into the role of assistant principals to be allowed to receive the higher of their salary as a teacher or their salary as an assistant principal, provided they are working with teachers as assistant principals. This recommendation will help build the “bench strength” of qualified administrators, while eliminating the financial disadvantages currently in place.
  6. **Tuition Forgiveness for Social Workers** – The committee recommends that the General Assembly provide \$260,000 recurring state funds to develop and implement a loan scholarship to train social workers to deliver mental health, substance abuse, and developmental disability services in under-served areas.
  7. **Sales and Use Tax Refund** – The committee had two recommendations in this category:
    - a) The committee recommends the enactment of legislation to repeal the transfer of a percentage of state sales and use tax revenue by the Department of Revenue to the State Public School Fund, and to re-enact the refund of the state sales and use tax to LEAs.
    - b) In addition, the committee recommends the enactment of legislation to provide a refund of the state sales and use tax to institutions of the Community College System.
  8. **Exceptional Children** – The committee believes that the Positive Behavior Support Initiative improves the learning environment for all students by establishing and reinforcing clear behavioral expectations throughout the school building and school day. The committee recommends the enactment of legislation that will provide \$285,000 recurring state funds to establish three personnel positions at the Department of Public Instruction to support and expand the Positive Behavior Support Initiative.

The JLEOC’s findings and recommendations will be sent to the 2009 General Assembly, which will convene on Jan. 28. All proposals outlined by the committee are eligible for introduction as legislation in 2009, but none of the proposals can become law without approval by both the House and Senate. NCASA will update our members on additional actions pertaining to these recommendations as they go through that legislative process.

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*For additional information on these or other legislative issues, contact  
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