



Legislative Link

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

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House Panel Alters State Health Plan Bill

The House Insurance Committee narrowly recommended on Thursday a bill aimed at bailing out the State Health Plan, but not before adding changes that increased the measure's price tag from \$650 million to nearly \$700 million.

The legislation, even before the changes were made this week, includes higher premiums and deductibles and eroded benefits for the 667,000 state employees, school personnel, retirees and dependents covered by the plan. But House lawmakers agreed to new provisions that will cost the state more in the short term even though supporters say they'll lead to long-term savings. The additions weren't enough for some legislators to approve the bailout because they said it was a rush job that fails to fix the plan's chronic financial problems.

"All we're doing is putting a Band-Aid on a gaping wound," said Rep. Jerry Dockham, R-Davidson, who voted against the revised bill, which passed 9-7 and now goes to the full House Appropriations Committee for further review.

The House Insurance Committee agreed to lower co-payments for patients who see chiropractors and physical, occupational and speech therapists; under the approved revision, visits to these groups of medical practitioners will be subject to primary care co-payments rather than specialty care charges. But a cost analysis said the changes would raise premiums for dependent coverage by another 0.2 percent, which already had been slated to rise 8.6 percent annually for the next two years, and cost another \$24 million for the state. Another approved amendment, which would change the plan's fiscal year to follow the calendar year starting in 2011, would save money and attract new, younger workers, supporters said. But it still would cost the state as much as \$24 million in one-time transition costs, a legislative analyst said.

Legislative leaders had set an April 1 deadline for getting the legislation to Gov. Beverly Perdue because Health Plan Administrator Jack Walker warned the plan will run out of money. But lawmakers are trying to finalize the plan changes and get the law enacted before April 9, which legislative analysts have said is an absolute deadline that must be reached if premium and benefit changes that are now proposed are to take effect July 1. If that deadline is not reached, the plan changes will not be able to go into effect until Oct. 1, due to the required enrollment period in which covered plan members may change coverage options for themselves and their dependents, and that three-month delay would cost the state an additional \$45 million, according to legislative analysts.

Before the House committee voted on the revised bill Thursday, a North Carolina Association of Educators spokesman outlined concerns that his group shares with the North Carolina Association of School Administrators (NCASA) and the North Carolina Retired School Personnel. NCASA earlier this week expressed those same concerns in a letter to all members of the House Insurance Committee.

A copy of that letter, a summary of changes proposed for the State Health Plan and the latest version of the bill are available at <http://www.ncasa.net/displaycommon.cfm?an=1&subarticlenbr=231>.

Senate Expected To Unveil Budget Next Week

Senate budget writers plan to roll out their budget plan next week, with budget subcommittees taking up portions of the plan as early as Monday, Senate Appropriations Committee Co-Chair Linda Garrou told reporters this week. Garrou, D-Forsyth, said on Wednesday that she hopes the plan could be considered on the Senate floor by the end of the next week ahead of the Easter weekend break.

She acknowledged that Senate budget writers are considering increasing public school class size by one to two students, a proposal that Gov. Beverly Perdue has criticized. Garrou cited studies showing that a slight increase in class sizes has no measurable effect on student performance. She added that she had heard little opposition from school officials regarding increasing class size.

"A number of superintendents have told me, 'We can't afford to build any more classrooms,'" Garrou said. Increasing the average by one student equals as much as \$170 million in savings. Perdue, a former teacher, recently told the N.C. Association of Educators that she would oppose any measures raising class size and that doing so would mean less individual instruction for students.

Senate budget writers are also working to come up with a plan to raise revenue. Garrou, whose district is home to Reynolds American Tobacco, said she has no interest in including Perdue's proposal to raise the tobacco tax by \$1 a pack in the Senate budget plan. Perdue would also increase the tax on alcohol sales by 5 percent. Both tax hikes would raise an additional \$677 million a year once fully implemented. Senate Finance Committee Co-Chair David Hoyle, D-Gaston, also said he had no intentions of supporting a \$1-per-pack cigarette tax either. Hoyle, though, said Senate budget writers are attempting to put together a tax and revenue proposal that would raise a similar amount of money to Perdue's tax hikes. He said they are looking at a number of options but may not come up with a final proposal until after a spending plan is being debated by appropriations subcommittees. One option apparently being discussed would structurally reconfigure personal and corporate income taxes, potentially changing deductions or how income is calculated.

Senate budget writers are also believed to be considering changing or dropping Governor Perdue's proposal for a two-year freeze on longevity pay for state employees and school personnel. Dropping the proposal would mean that the Senate would have to come up with an additional \$170 million. Longevity pay is provided to personnel with at least 10 years on the job and ranges from 1.5 to 4.5 percent of base pay.

With the rollout of the Senate budget looming, members of the North Carolina Association of School Administrators are encouraged to make contacts with all Senators now to discuss public school budget priorities and requests to protect current pay and benefits for school personnel. Contact information for all Senators is available at <http://www.ncleg.net/Senate/SenateReports.html>.

2 Calendar Bills Fail; 3rd On Workday Changes Scheduled

A House committee on Wednesday voted down two separate bills that would have exempted a handful of mountain school districts from a requirement that classes not start before Aug. 25 each year. The bills seeking exemptions from the law come five years after legislators established the date in response to complaints from parents and tourism-related business owners that school systems were beginning classes earlier and earlier each year and cutting into family vacation time.

Rep. Phil Haire, D-Jackson, whose bill would have exempted six mountain county school systems from the school start date, told members of the House Local Government II Committee that mountain counties, because of missed days due to snow, need more flexibility. But tourism industry opponents cited poll results showing that 71 percent of the small sampling of North Carolinians who were contacted for the poll support the current school start date. Both Haire's bill and a similar bill affecting Buncombe County, sponsored by Rep. Bruce Goforth, D-Buncombe, both failed on 8-5 votes.

A separate school calendar measure proposed by Rep. Haire has been scheduled for consideration by the House Education Committee at 11 a.m. Tuesday, April 7.

House Bill 636, Staff Development OK on Protected Workdays, would not adjust the mandated start and end dates for any public schools but would seek to address another problem concerning the lack of time available within the current school calendar to provide necessary professional development for teachers and other personnel. Rep. Haire's proposal would allow some of the five current teacher workdays that are now restricted only for teacher planning and paperwork time to also be used for scheduling training that all teachers need. In addition, upon a request from the North Carolina Association of School Administrators (NCASA), Rep. Haire has agreed to amend the bill to allow the five days to also be used for making up lost instructional days due to weather-related closings and other state emergencies.

It is imperative that NCASA members who support these proposed changes to the allowable uses of restricted teacher workdays contact all House Education Committee members before their April 7 meeting to urge them to vote in favor of Rep. Haire's bill and his proposed change on making up lost instructional time. Please also encourage teachers to support this measure, since it may provide school districts with a viable option for making up lost instructional time without cutting into spring break, as many districts are now forced to do when they encounter weather-related closings mid-way through the school year.

A key point to make in all contacts with legislators on this particular school calendar bill is that it does not affect the opening and closing dates preferred by the state's tourism industry, and it could actually help preserve spring break time, which is mid-year family vacation time for many school personnel.

Contact information for all House Education Committee members and access to Rep. Haire's House Bill 636 are available at <http://www.ncasa.net/displaycommon.cfm?an=1&subarticlenbr=200>.

Members who receive feedback from their contacts with representatives on this issue are asked to share that information with NCASA Assistant Executive Director Katherine W. Joyce at kjoyce@ncasa.net.

State Superintendent Filing Lawsuit On K-12 Governance Issue

Superintendent of Public Instruction June Atkinson will sue to attempt to regain her authority as chief administrative officer of North Carolina's schools, a legal advocacy group said Thursday. The North Carolina Institute for Constitutional Law said Atkinson will file a lawsuit today challenging the constitutionality of actions by the executive and legislative branches that allegedly took away her power. The institute is led by former state Supreme Court Justice Bob Orr.

Atkinson, elected to a second term as State Superintendent in last November's statewide election with nearly 2.2 million votes, has publicly challenged the authority of Governor Beverly Perdue to name her choice for Chairman of the State Board of Education to also become Chief Executive Officer of Public Schools.

The State Board elevated Dr. Bill Harrison, former Superintendent of Cumberland County Schools, to both positions last month. Perdue said she wanted to consolidate power so that she and her appointees would become ultimately responsible for the state's nearly 1.5 million-student system. Atkinson has few inherent powers thanks to rules approved over the years by both the Legislature and the State Board. Perdue said in January that Atkinson would remain an "ambassador" for the schools.

Atkinson asked legislative leaders earlier this year to either work to pass a law to restore authority to her job, give the Governor complete control over the Department of Public Instruction or let voters decide in a constitutional referendum. Lawmakers have filed bills with statewide referenda to make the State Superintendent's post an appointed position or to abolish it.

The state constitution calls the State Superintendent the chief administrative officer of the State Board, whose voting members largely are appointed by the Governor and are directed to supervise and administer the public schools. Legislation approved in 1995 gave the board flexibility to craft the State Superintendent's job. The power of the post has ebbed and flowed since then, depending on who was on the job. During Atkinson's first term, the board gave most of the day-to-day authority of the schools to a deputy superintendent.

Summary Of This Week's Action On Bills Affecting Public Schools

For a complete summary of this week's legislative actions on legislation affecting public schools and their personnel, please see this week's "Weekly Bill Action Summary" 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.

*For additional information on these or other legislative issues, contact
NCASA Assistant Executive Director Katherine W. Joyce at 919-828-1426 or kjoyce@ncasa.net.*