



Legislative Link

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

April 9, 2009

Key Topics in This Edition:

- 1. Senate Plan Cuts \$615 Million From Schools**
- 2. State Health Plan Family Coverage To Rise 10%**
- 3. 2 Teacher Groups Oppose Workday Changes; Bill Stalls**
- 4. Senate Poised To Require Arts Education Credit For Graduation**
- 5. Summary Of This Week's Action On Bills Affecting Public Schools**

Senate Plan Cuts \$615 Million From Schools

The State Senate this week rolled out its \$20.5 billion state budget proposal for 2009-2010 and quickly moved the legislation through a series of committees before giving final approval to the plan in a Senate floor vote earlier today.

As the North Carolina Association of School Administrators (NCASA) reported in our legislative alert on Tuesday, the Senate budget contained in Senate Bill 202 makes a 7.5 percent cut in public education funding for a net loss of \$615 million for 2009-2010, and this cut is larger than the 1.2 percent cuts the chamber approved for both community colleges and universities. The Senators who lead the Appropriations Subcommittee on Education said this week that the deep cut to public schools is “misleading,” since lawmakers intend for federal stimulus funding to backfill much of that amount and bring the public school cut more in line with percentages of cuts outlined for other education entities.

“We appreciate the Senate’s inclusion of our request to minimize the flexibility reduction that school leaders have indicated they do not want to face on a recurring basis for the next few years,” said NCASA Executive Director Bill McNeal. “At the same time, we are concerned about the magnitude of the cuts outlined for public schools because we are uncertain on how much of the total can be covered by federal stabilization funds or funds specified for Title I or special education services. We also know that deep cuts are looming at the local level for many school districts as counties grapple with their own revenue shortfall, and federal funding cannot offset any of those local losses.”

McNeal pledged that NCASA will encourage the House of Representatives to take the best proposals that both Governor Beverly Perdue and the Senate have outlined for public schools and work to develop a budget plan that minimizes the negative impact on public school services for the coming year.

“We hope that after the House budget emerges, all lawmakers and the Governor will make a concerted effort to develop a final state budget that protects public schools as much as possible in these tough economic times,” McNeal said.

Key highlights of the Senate budget plan proposed for public schools and their personnel include the following:

- Increases class size by two students in Grades K-12 to save \$322 million per year and results in a reduction of 5,986 teaching positions.
- Cuts \$60.5 million in 2009-10 and \$64.5 million in 2010-11 from the Public School Building Capital Fund and shifts that funding to school operations.

- Reduces to \$9.4 million the LEA flexibility cut of \$144 million that the Governor had proposed and directs the State Board of Education to allow more flexibility within public school funding allotments to help offset the cut.
- Does not include the Governor's proposed freeze on longevity payments but does include her proposal for a salary step increase for teachers and principals, as well as a lump sum bonus for those at the top of the salary schedule. No pay increases are proposed for other school personnel or state employees, and the budget plan does not include a cost-of-living adjustment for retirees.
- Provides no funding for ABC bonus payments in 2009-2010 and calls for the State Board of Education to review the bonus system and make recommendations for changes.
- Reduces the central office allotment by 5.3 percent to save the state \$6,470,262 in recurring funds each of the next two years.
- Enables state agencies and school districts to furlough employees.
- Directs the Department of Public Instruction to cut a net of 77 positions in 2009-10 and another 200 in 2010-11. NCASA is concerned that this level of reductions in the department, if ultimately enacted in the final state budget, would impair DPI's capacity to support school districts as needed.
- Provides \$200,000 for a new leadership academy for superintendents and principals.
- Calls for no pay decrease for teachers who become assistant principals as of July 1, 2009. This provision would not affect anyone already serving as an assistant principal because the state has determined it would be too cost-prohibitive to make this change retroactive.

The Senate budget originally included a proposal for the state to fund only one school system per county beginning in 2010-11 for an annual savings of \$11.4 million. A successful amendment deleted this proposal from the Senate budget plan before it cleared the chamber's Appropriations Committee on Tuesday.

Another amendment proposed by Sen. Jerry Tillman, R-Randolph, aimed to eliminate another Senate budget provision that he said could leave counties and school districts with a significant unfunded liability exposure they have not budgeted for in the next fiscal year. That provision – Section 16.6 (a) and (b) – calls for shifting 50 percent of the costs for school bus negligence and liability claims from the state to local boards of education. These claims now are covered under the State Tort Claims Act through the Department of Public Instruction, and they have a cap of \$1 million per accident. While Sen. Tillman's amendment that NCASA supported ultimately failed, another amendment delayed the effective date of this provision to 2010.

The approved Senate budget aims to narrow a \$3.4 billion budget gap for next year in part through spending reductions, laying off a total of 712 state workers, keeping another 910 positions vacant for the fiscal year starting July 1, relying on federal stimulus money and planning for \$500 million in new revenue through a package of tax increases that will be handled in a separate Senate bill next week.

For more information on the Senate's budget and what it means for public education, including the complete budget text and a summary of the proposed plan, visit NCASA's website at: <http://www.ncasa.net/displaycommon.cfm?an=1&subarticlenbr=199>.

The Senate budget now heads to the House, which is expected to roll its own version of the 2009-10 state spending plan by mid-May.

State Health Plan Family Coverage To Rise 10%

The House Appropriations Committee approved Senate Bill 287 on Wednesday in an attempt to shore up the State Health Plan, but House Majority Leader Hugh Holliman told reporters he is interpreting the narrow margin of the 44-40 vote as a sign that he may have some work to do before the bill reaches the House floor next week.

"I think there's a lot of concern about ... employees," said Holliman, D-Davidson. "We're working to make this bill as good as we can." Holliman said the intention is to keep the plan solvent and then study how to restructure it for the future.

The State Health Plan is facing a shortfall this year of \$250 million. The bill would keep the plan afloat for this year, set premiums, and establish coverage for dependants. The bill would increase premiums for spouses and children of state employees and school personnel by 10 percent per year, beginning July 1. That increase grew from a proposed annual increase of 8.6 percent after House lawmakers added approximately \$54 million in costs over two years to move the plan to a calendar year beginning in 2011, and voted to cover chiropractic services and physical, occupational and speech therapy at the same level as primary care.

The plan maintains free premiums for employees but is likely to make dependent coverage unaffordable for many to purchase for their families.

Rep. Jeff Barnhart, R-Cabarrus, voted against the bill in the Appropriations Committee in part because it doesn't include any direct efforts to fix the structural problem. "We're not fixing the plan in this bill; we're making the problem worse," he said.

The bill came to the House after the Senate passed a version of it at the end of March. Despite legislative leaders warning that the plan revisions needed to be enacted in law by April 9 to avoid additional costs for the state, the House has not scheduled a floor debate on the bill until after the holiday weekend.

Additional information summarizing the changes the House has made to Senate Bill 287 may be accessed at <http://www.ncasa.net/displaycommon.cfm?an=1&subarticlenbr=231>.

2 Teacher Groups Oppose Workday Changes; Bill Stalls

On Tuesday the House Education Committee met to consider House Bill 636, which would expand the permissible use of five restricted teacher workdays. The bill, sponsored by Rep. Phil Haire, D-Jackson, would amend the school calendar law to allow those particular workdays to be used for professional development for teachers or for making up instructional days lost due to inclement weather or emergency conditions.

The current school calendar law requires five protected workdays for teachers to complete instructional and administrative duties on which LEAs are not allowed to assign additional tasks to teachers. One of the five protected workdays must be scheduled at the beginning of the school year, and one must be scheduled at the end of each academic quarter.

House Bill 636 would permit additional uses of these five protected teacher workdays in the school calendar but would not require that local boards take away planning time from teachers. This bill would allow for local flexibility in areas that are frequently affected by adverse weather conditions as well as for school districts seeking time to meet requirements to offer required professional development. Due to the current school calendar law and workday restrictions, many districts have been forced to make up instructional days missed because of inclement weather on Saturdays and during spring break. These make-up days are unpopular with families and teachers. Schools have reported a significant decrease in attendance on those days, reducing instructional classroom time for many students.

In addition, the bill would help prevent the need for school districts to schedule "early release" days in which students are sent home early so that professional development can be conducted for staff.

"We are seeing an increase in early release days in school districts across the state, and that trend detracts from instructional time for students and is unpopular with parents," NCASA Assistant Executive Director Katherine Joyce told the committee.

But although the bill is strongly supported by school administrators, two organizations representing teachers – the North Carolina Association of Educators (NCAE) and the Professional Educators of North Carolina (PENC) – voiced opposition to the bill, saying it would take away planning time for teachers.

Rep. Rick Glazier, D-Cumberland, said he could see the arguments on both sides of this debate and he suggested that “a subcommittee is the appropriate place to work through these issues.” The committee then decided not to vote on the bill but instead sent it to the House Education Subcommittee on Pre-school, Elementary, and Secondary Education.

School administrators who want to see this legislation move forward should ask your House member(s) to urge the subcommittee to schedule the bill for action soon and to support it. In addition, school leaders who are hearing from teachers who support providing this proposed additional flexibility with the usage of the five restricted teacher workdays should encourage them to contact House members as well.

Senate Poised To Require Arts Education Credit For Graduation

The State Senate earlier today took the first of two votes needed to approve a bill that would require all high school students to complete at least one unit of arts education in order to graduate, beginning with students entering ninth grade in 2011.

Senate Bill 66, sponsored by Sen. Katie Dorsett, D-Guilford, drew a lengthy debate on the Senate floor before it passed its second-reading vote; however, the third-reading vote was delayed until April 14 to give Senators additional time to determine its potential impact.

The North Carolina Association of School Administrators (NCASA) told the bill sponsor and other Senators that while we support enhancing arts education offerings for students, we are concerned that the bill as written could result in increased costs for school districts to hire additional art teachers for high schools. At the very least, the bill may cause school districts to cut teachers in foreign language, career technical education or other concentration areas and shift those resources toward meeting the new arts education requirement.

Despite these concerns, legislative analysts say they believe the requirement will have no fiscal impact on school districts, and that information helped Senate Bill 66 clear the Senate Education/Higher Education Committee and move on to the Senate floor this week.

Since Senators have delayed final action on this bill, it is important that they hear from school administrators regarding the potential fiscal impact this may have. Those contacts should be made before the Senate’s April 14 floor session.

If approved by the full Senate next week, the bill will move on to the House for consideration.

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
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