



Legislative Link

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

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House Budget Approved, Sent To Senate

The House on Thursday gave final approval to its \$21.3 billion state budget plan with a small spending increase and few new revenues sources. The chamber voted 104-10 and 102-12 in votes over two days for the budget plan that spends about \$180 million less than Governor Mike Easley offered in his budget proposal a few weeks ago.

The House-approved version of the state budget, which is contained in the 4th Edition of House Bill 2436, may be viewed in its entirety with the accompanying "Money Report" outlining spending in various line items and a comparison of this budget's spending for public schools as compared with earlier proposals, at: <http://www.ncasa.net/displaycommon.cfm?an=1&subarticlenbr=199>.

The House spending plan, crafted by Democratic budget writers, would increase year-to-year spending by only 3.2 percent for the lowest increase in five years. The House budget also does not include any of the tax increases Governor Easley recommended to pay for the 7 percent average pay increase he had proposed for teachers. Instead, the House would give teachers 3 percent raises on average, while principals and assistant principals would receive an average increase of 2.69 percent. Teachers at the top of the salary schedule would receive a one-time lump sum bonus of 1.8 percent, while principals at the top of the schedule would get a 2 percent one-time bonus. The House plan offers all other school personnel and most rank-and-file state employees the greater of a 2.75 percent raise or \$1,100. Easley had proposed a 1.5 percent raise, with a \$1,000 one-time bonus and five additional days of paid leave. House leaders said they substantially raised salaries for both public school teachers and state employees in comparison to surrounding states this year that offered meager increases or none at all during trying fiscal times.

House members worked through roughly 80 amendments to the budget plan in committee action this week and ultimately on the House floor before approving the spending plan that has been sent to the Senate. The proposed total spending for public schools remains at \$7,807,807,664, which is the amount the House Appropriations Subcommittee on Education had unveiled last week. That public school spending plan was highlighted in last week's edition of this newsletter.

Changes to the public school spending plan that were approved in this week's House budget actions include a successful budget amendment – offered by Rep. Doug Yongue, D-Scotland, and

supported by Rep. Jim Langdon, R-Johnston, two strong CTE supporters – concerning administrative funding support for agricultural programs in grades nine through 12. Rep. Robert Grady, R-Onslow, said the amendment simply will provide funding – estimated by Yongue at \$180,000 to \$200,000 annually – for three administrative positions that should have been provided 12 years ago when the agricultural curriculum development was transferred from the N.C. Department of Public Instruction to N.C. State University. "It is a very small amount of money, a needle in a haystack, that should've been moved 12 years ago," Yongue said. Grady said the agricultural programs developed at NCSU, in coordination with N.C. A&T State University, involved "4-H type, ag-ed programs" that "we did not feel DPI was giving proper attention to, concentrating instead on tests and academics." The budget amendment, also supported strongly in the House floor discussion by former House Speaker Harold Brubaker, R-Randolph, passed 114-1.

The only other substantive change that occurred in the House spending plan for public schools came from a successful amendment by Rep. Phil Haire, D-Jackson. That amendment took \$600,000 from the \$6.7 million proposed for mentoring of new teachers and instructional support staff and redirected that amount for Learn and Earn Virtual Schools, a pilot project ready for operation in Currituck, Hyde, Jackson and Tyrrell counties. The mentoring proposal is still set to receive \$6.1 million under the House budget proposal.

Senate budget writers this week began work on their own state spending plan, and numerous committees, including the Senate Appropriations Subcommittees on Education and Higher Education, discussed all the legislation that has been introduced this year to seek funding for 2008-09. Senate leaders have indicated they hope to complete their state budget plan by June 20, so that House and Senate conferees can resolve differences to get the final budget in place by June 30.

Action Needed Now To Restore School Sales Tax Refund

Several House members this week worked diligently to have a state sales tax refund for public schools inserted as a part of the House budget, but they ultimately were unsuccessful. Rep. Dan Blue, D-Wake, had an amendment prepared to restore the sales tax refund that was taken away from public schools in 2006-07. He attempted to run this amendment in the House Appropriations Committee, where it was ruled out of order, and he then tried again on the House floor, where House Speaker Joe Hackney ruled it out of order. Working to support Rep. Blue in this effort were Reps. Doug Yongue, D-Scotland; Dale Folwell, R-Forsyth; and Louis Pate, R-Wayne, as well as many other members of the House.

NCASA members are encouraged to thank these individuals for their efforts on this issue and to **urge all members of the House to ensure that legislation to restore the public school sales tax refund moves forward as a stand-alone bill now that is not included in the House budget proposal.** House members should be encouraged to ask that House Bill 2137, School Construction Optimization Act, be scheduled in the House Finance Committee for immediate action, since that is the free-standing legislation that would restore the public school sales tax refund.

NCASA members also should contact Senators now and ask that the companion legislation to this bill, Senate Bill 1792 sponsored by Sen. Walter Dalton, the Democratic candidate for Lieutenant Governor, either move forward as stand-alone legislation or be included in the Senate budget that is now on the drawing board.

Member calls and emails on these House and Senate bills are needed immediately, or else, the loss of the public school sales tax refund will become permanent!

Home and Raleigh contact information for all House and Senate members is at: <http://ncasa.net/displaycommon.cfm?an=3>.

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

For a complete summary of this week's legislative actions on bills 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=215>. The same site offers a status report on all bills NCASA is tracking for our members during the 2008 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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