

State Board Discusses Wish List for 2010-11 Public School Budget

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Associate State Superintendent and Chief Financial Officer Philip Price on Wednesday guided the State Board of Education's Business/Finance and Advocacy Committee through a discussion on what funding priorities to seek in any expansion funding provided for public schools in 2010-2011. Although state budget analysts are predicting legislators will face a deficit of \$500 million or more when they convene in May to create the 2010-2011 state budget, the State Budget Office has instructed the SBE and the Department of Public Instruction to move forward with creating an expansion budget request that cannot exceed a cap of \$220.8 million, which is 3 percent of the current 2010-11 certified budget of \$7.36 billion for public schools.

Price began the discussion by telling the committee that the previous State Budget Office's directive for the SBE to identify 3 percent, 5 percent and 7 percent reductions in public school funding for 2010-2011 is on hold for now, but he warned that the SBE may have to revisit those reduction options, which range from cuts of \$214 million to \$500 million, in the coming months before Governor Bev Perdue sends her state budget recommendations to the General Assembly. For now, the SBE is being asked to submit by Feb. 22 its so-called wish list for public school funding increases that the Governor will consider as part of her budget-writing process.

Price gave the committee a listing of expansion funding possibilities that total \$791.4 million, which is \$570.5 million over the expansion funding cap. He then provided a pared down version of that listing by taking out several funding items that already are scheduled to be restored to the public school budget after the current biennium, and the shorter list of funding options still exceeded the cap by \$17,298,874.

"Our conversation today needs to be: 'Where do you want to focus the limited resources you are being allowed to work with in this supplemental budget request,'" Price told the committee. "We have tried to put together a list that includes items that have historically been priorities of the State Board of Education."

Topping the proposed expansion funding list, and drawing praise from the SBE's Superintendent Advisor Jack Hoke of Alexander County, was a recommendation for seeking \$152,387,183 in new funding to cut in half the LEA ADM Adjustment (also known as the LEA Discretionary Reduction), which already is set for \$304.8 million in the public schools' certified budget for 2010-2011.

"I am happy to see this at the top of the list, and I certainly wish we could ask for completely eliminating this LEA Discretionary Reduction," Hoke said. "By at least cutting it in half, LEAs would have an opportunity to restore some of the personnel we had to cut this year, and this more than anything else in the items we are considering will do positive things for our students."

Price noted that requesting a complete elimination of the LEA Discretionary Reduction of \$304.8 million, which he says is his personal preference, is not allowable for the SBE to consider in its expansion request, since that amount alone exceeds the \$220.8 million cap the SBE has been given. By asking to cut the LEA Discretionary Reduction in half, the SBE also can include a few other major funding priorities in its expansion request.

The committee discussed other line items for inclusion in the expansion funding request and ultimately agreed by consensus to:

- Take out \$4,071,469 that could have restored a portion of the \$14.6 million in Central Office cuts that are recurring for 2010-11,
- Take out the Transportation expansion request of \$7.5 million now that bus fuel prices seem to have stabilized in line with current budgeted amounts, and

- Reduce from \$3.4 million to \$800,000 the request for minimizing DPI's own personnel cuts in 2010-11, which now require an additional 36 positions to be cut in the year beginning July 1.

Price said that with these changes and few other minor tweaks, the SBE's proposed expansion budget request for public schools should fall within the \$220.8 million cap.

Public school line items that remain in the proposed expansion funding request include the following:

▪ LEA ADM Adjustment/Discretionary Reduction	152,387,183
▪ Textbooks, 30,000,000	
▪ General Support Services (Legal/Tort Claims/Disability/Longevity etc.) 16,825,195	
▪ School Buses	10,000,000
▪ Small Specialty High Schools	3,222,496
▪ Limited English Proficiency	2,000,000
▪ Mentor Teachers	2,000,000
▪ Learn & Earn Online	1,476,752
▪ Child & Family Support Teams	1,252,183
▪ Testing	1,242,814

Next steps will involve creating the revised listing of line items for the expansion funding request, drafting an accompanying cover letter that will go with the request to the Governor and State Budget Office, and getting feedback from all SBE members before the final documents are submitted by the Feb. 22 deadline.