

ORANGE COUNTY
BOARD OF EDUCATION

AGENDA ITEM ABSTRACT

Meeting Date: June 6, 2011

AGENDA ITEM No. 11-06-16

ACTION ITEM: (Y/N) N

SUBJECT: 2011-2012 State Budget Discussion

INFO. CONTACT: Donna Brinkley, Finance Director PHONE: 919-732-8126

ATTACHMENTS:

1. FY 2011-2012 Budget Comparisons.
2. Senate Subcommittee on Education-Recommended Continuation Budget (Public Education).
3. Orange County Schools Estimated Impact of Senate Budget.
4. State of N.C. Office of the Governor – June 1, 2011 Press Release.
5. North Carolina State Board of Education RESOLUTION.

PURPOSE: The purpose of this agenda item is to allow the Board of Education an opportunity to discuss the recent legislative budget proposals.

BACKGROUND: For the current fiscal year, Orange County Schools received 53% of its operating revenue from state sources. On May 4, 2011 the N.C. House approved its budget and on May 31, 2011 the Senate approved their budget. The House budget was discussed during the May 16, 2011 Board of Education meeting.

The Senate's budget proposal has a number of significant differences impacting Orange County Schools' financial status. The most significant difference noted is that the Senate budget does not reduce teacher assistants. Instead, the Senate proposal increases the discretionary reduction by \$621,061 representing a 42% increase over the \$1.48 million reversion already in place. This proposal will require the board to determine which categories of funding will be cut.

Other key provisions in the Senate budget include:

- Does not restrict what LEA's may return to the state when making discretionary cuts.
- Cuts 46% of the instructional supply allotment.
- Increases the retirement contribution rate from 10.51% to 13.12%.
- Increases instructional days from 180 to 185 while cutting transportation 2.5%.
- Reduces More at Four by 20%.
- Cuts funding for Dropout Prevention grants.
- Increases textbook funding to \$15.33 per student (\$111,480).

FINANCIAL IMPACT: The total projected loss of funding is \$3.1 million. This represents a reduction when compared to last year's cuts.

RECOMMENDATION: The Superintendent recommends the Board of Education discuss the most recent budget deliberations taking place in Raleigh.

FY 2011-12 Budget Comparisons

Total Beginning Appropriations

2011-12	Senate Proposed Budget
\$ 7,923,543,951	\$ 7,923,543,951

2011-12	House Budget
\$ 7,923,543,951	\$ 7,923,543,951

2011-12	Governor's Proposed Adjustments
\$ 7,923,543,951	\$ 7,923,543,951

2011-12	Continuation Budget
\$ 7,923,543,951	\$ 7,923,543,951

State Public School Fund	Continuation Budget	Governor's Proposed Adjustments	House Budget	Senate Proposed Budget
	2011-12	2011-12	2011-12	2011-12
Academically Gifted Students Allotment	\$ 70,667,591.00		\$ (6,480,111.00) R	
At-Risk Student Services Allotment	\$ 251,049,088.00		\$ (30,215,891.00) R	
Average Daily Membership Adjustment		\$ 38,274,686.00 R	\$ 55,882,651.00 R	\$ 55,882,651.00 R
Average Salary Adjustment		\$ (21,792,273.00) R	\$ (21,838,817.00) R	\$ (21,838,817.00) R
Central Office Admin Allotment	\$ 107,570,586.00	\$ (10,745,059.00) R	\$ (10,757,059.00) R	\$ (17,211,294.00) R
Children with Disabilities Headcount Adjustment	\$ 694,938,293.00	\$ (7,000,000.00) R	\$ (7,000,000.00) R	
Class Size Reduction for Grades 1-3	\$ 3,826,202,378.00		\$ (794,675.00) R	\$ 61,697,942.00 R
Connectivity	\$ 19,942,093.00		\$ 1,000,000.00 NR	\$ (650,000.00) R
Education Reform Studies				\$ 200,000.00 NR
Instructional Supplies/Equipment	\$ 93,760,884.00		\$ (3,450,000.00) R	\$ (3,450,000.00) R
Instructional Supplies/Equipment Allotment recurring			\$ (38,520,358.00) NR	\$ (38,520,358.00) NR
Instructional Support Personnel Allotment nonrecurring	\$ 458,942,443.00	\$ (22,964,555.00) R	\$ (18,126,313.00) R	\$ (22,934,278.00) R
Instructional Support Personnel Allotment			\$ (200,000.00) R	\$ (200,000.00) R
JOBS Commission Schools				
LEA Adjustment/"Discretionary Cut"	\$ (304,774,366.00)		\$ (42,123,478.00) R	\$ (124,217,542.00) R
Learn & Earn Early College High Schools	\$ 22,490,863.00		\$ 200,000.00 R	\$ 200,000.00 R
Learn & Earn Online	\$ 4,875,000.00		\$ (4,875,000.00) R	\$ (4,875,000.00) R
Learn & Earn Virtual	\$ 1,000,000.00		\$ (1,000,000.00) R	\$ (1,000,000.00) R
Liability Insurance for School Personnel			\$ 3,700,000.00 R	\$ 3,700,000.00 R
Limited English Proficiency Allotment	\$ 75,055,124.00		\$ (7,505,512.00) R	
Mentoring Allotment	\$ 9,214,190.00		\$ (9,214,190.00) R	\$ (9,214,190.00) R
More at Four (recurring)	\$ 81,122,426.00	\$ (4,041,386.00) R	\$ (16,000,000.00) R	\$ (16,000,000.00) R
More at Four (nonrecurring)		\$ 6,352,644.00 NR		
More at Four Transfer to MHS			\$ (65,011,651.00) R	\$ (65,011,651.00) R

FY 2011-12 Budget Comparisons

	Continuation Budget	Governor's Proposed Adjustments	House Budget	Senate Proposed Budget
Noninstructional Support Personnel	\$ 396,649,804.00	\$ (59,550,796.00) R	\$ (59,497,471.00) R	\$ (59,497,471.00) R
Retirement Incentive for LEAs		\$ (30,836,878.00) R		
School Building Administration (Assistant Principals)	\$ 326,640,914.00	\$ (24,612,054.00) R	\$ (19,580,256.00) R	\$ (24,612,054.00) R
School Building Administration Position Conversion				\$ (7,700,000.00) R
School Bus Replacement (recurring)	\$ 56,851,619.00	\$ (56,851,619.00) R		
School Bus Replacement (nonrecurring)		\$ 21,627,977.00 NR	\$ (20,000,000.00) NR	
School Technology	\$ 10,000,000.00	\$ (10,000,000.00) R	\$ (10,000,000.00) R	\$ (10,000,000.00) R
Staff Development Allotment	\$ 12,565,063.00	\$ (12,619,829.00) R	\$ (12,565,063.00) R	\$ (12,565,063.00) R
Student Diagnostic Pilot	\$ 10,000,000.00		\$ (10,000,000.00) R	\$ (10,000,000.00) R
Teacher Assistants	\$ 527,793,315.00		\$ (255,197,482.00) R	
Testing	\$ 11,529,114.00		\$ (2,725,029.00) R	\$ (2,725,029.00) R
Textbooks recurring	\$ 118,834,834.00	\$ (40,000,000.00) R	\$ (13,000,000.00) R	\$ (13,000,000.00) R
Textbooks nonrecurring				
Tort Claims Shift to LEAs		\$ (4,599,225.00) R		
Transportation	\$ 419,004,577.00	\$ (40,304,223.00) R	\$ (20,680,229.00) R	\$ (10,340,115.00) R
Uniform Education Reporting System	\$ 12,360,074.00	\$ (2,101,213.00) R	\$ (2,336,859.00) R	\$ (2,101,213.00) R
Worker's Compensation Shift to LEAs		\$ (34,648,327.00) R		

Dept of Public Instruction				
Communications				\$ (246,586.00) R
Curriculum				\$ (457,690.00) R
Learn & Earn Administration	\$ 139,050.00		\$ (139,050.00) R	\$ (139,050.00) R
Management Flexibility Reduction	\$ (40,569,327.00)	\$ (4,374,612.00) R	\$ (6,403,751.00) R	
Residential Schools for Deaf/Blind	\$ 32,632,108.00	\$ (1,691,445.00) R	\$ (1,554,181.00) R	\$ (2,500,000.00) R
Residential Schools for Deaf/Blind Superintendent			\$ (137,264.00) R	
Technology Services				\$ (2,712,988.00) R
Personnel Retirement Incentive		\$ (163,593.00) R		

FY 2011-12 Budget Comparisons

	Continuation Budget	Governor's Proposed Adjustments	House Budget	Senate Proposed Budget
Education Support Organizations				
Communities in Schools	\$ 1,446,750.00	\$ (144,675.00) R	\$ (13,290,683.00) R	\$ (13,290,683.00) R
Dropout Prevention Grants	\$ 13,290,683.00	\$ (13,015,683.00) R	\$ (206,063.00) R	\$ (206,063.00) R
Governor's Education Cabinet	\$ 206,063.00	\$ (50,000.00) R	\$ (50,000.00) R	\$ (50,000.00) R
Kids Voting	\$ 50,000.00	\$ (610,250.00) R	\$ (5,102,495.00) R	\$ (3,000,000.00) R
NCCAT	\$ 6,102,495.00			
NC Professional Teaching Standards Commission				\$ (235,646.00) R
NC Science, Math & Tech Ed Center	\$ 100,000.00	\$ (100,000.00) R	\$ (100,000.00) R	\$ (100,000.00) R
PTA Parent Involvement			\$ 300,000.00 NR	
Science Olympiad	\$ 127,500.00	\$ (127,500.00) R	\$ (127,500.00) R	\$ (127,500.00) R
Science Olympiad (nonrecurring)			\$ 127,500.00 NR	
Tarheel Challenge NGE Academy recurring	\$ 767,719.00	\$ (767,719.00) R	\$ (76,772.00) R	
Tarheel Challenge NGE Academy nonrecurring			\$ 250,000.00 NR	\$ 250,000.00 NR
Teach for America	\$ 900,000.00	\$ (90,000.00) R		
Teacher Academy	\$ 4,762,874.00	\$ (238,144.00) R	\$ (4,762,874.00) R	\$ (4,762,874.00) R
Teacher Cadet	\$ 340,000.00	\$ (340,000.00) R	\$ (340,000.00) R	\$ (340,000.00) R
Teaching Fellows	\$ 12,760,000.00		\$ (210,000.00) R	\$ (210,000.00) R
Additional Items				
Suspension of Corporate Income Tax Diversion to Public School Building Capital Fund		\$ (72,000,000.00) R	\$ (72,110,000.00) R	\$ (72,110,000.00) R
Lottery Funds - Classroom Teachers			\$ 220,643,188.00	\$ 220,643,188.00
Lottery Funds - School Construction				
House Budget allows counties to move funds into K-3 teachers if so requested by LEA			\$ 98,697,370.00	\$ 100,000,000.00
Retirement Rate		11.62%	13.62%	13.12%
Health Benefit	\$	\$ 5,161.00	\$ 4,962.00	\$ 4,931.00

Public Education

GENERAL FUND

	FY 11-12	FY 12-13
Recommended Continuation Budget	\$7,923,543,951	\$7,923,543,951

Legislative Changes

A. Technical Adjustments

1 ADM Adjustment

\$55,882,651 R \$143,087,414 R

Fully funds both years of average daily membership (ADM) growth for public schools, providing \$55.8 million in FY 2011-12 and \$143.1 million in FY 2012-13. This adjustment, which accounts for changes in multiple allotments, has traditionally been included in the continuation budget.

2 Average Salary Adjustment

(\$21,838,817) R (\$22,040,287) R

Adjusts several budget lines to account for the decrease in average salaries between FY 2009-10 and FY 2010-11. This adjustment has traditionally been included in the continuation budget.

B. Other Public School Funding Adjustments

3 LEA Adjustment

(\$124,217,542) R (\$198,293,574) R

Increases the LEA Adjustment reduction. The State Board of Education will distribute this reduction to all LEAs and charter schools on the basis of ADM. LEAs and charters will then be responsible for identifying budget reductions in order to meet their share of the LEA Adjustment. LEAs are expected to utilize federal EduJobs availability to minimize reducing position allotments.

4 Class Size Reduction in Grades 1-3

\$61,697,942 R \$62,767,803 R

Adds funding for 1,124 additional teaching positions in FY 2011-12 and 1,144 additional teaching positions in FY 2012-13 to reduce the classroom teacher allotment ratios for grades 1-3 from 1 teacher per 18 students to 1 teacher per 17 students in both years of the biennium. A related provision, Section 7.1B, expresses the intent of the General Assembly to add additional teachers as funds become available with a goal of reducing the teacher allotment ratio in grades 1-3 to 1 teacher for every 15 students.

5 Education Reform Studies

\$200,000 NR

Provides nonrecurring funding for studies of third grade literacy programs and ways to reduce the need for remedial or developmental education in the State's higher education institutions. Funding will be available to hire an outside consultant to examine these topics.

Senate Subcommittee on Education

	FY 11-12		FY 12-13	
6 Testing Eliminates funding for four End of Course tests eliminated by S.L. 2011-8 and not required by federal law. Those tests are United States History, Civics and Economics, Algebra II, and Physical Science. The remaining testing funds are then reduced a further 10%, leaving \$8.8 million available for testing in each year of the biennium.	(\$2,725,029)	R	(\$2,729,677)	R
7 Dropout Prevention Grants Eliminates funding for the Dropout Prevention Grant program.	(\$13,290,683)	R	(\$13,290,683)	R
8 Student Diagnostics Eliminates funding for the Student Diagnostics pilot program.	(\$10,000,000)	R	(\$10,000,000)	R
9 Learn & Earn Online Eliminates funding for Learn & Earn Online courses provided through the UNC system.	(\$4,875,000)	R	(\$4,875,000)	R
10 Noninstructional Support Personnel Reduces this allotment, which supports clerical, janitorial, substitute teachers, and other personnel, by 15% in both years of the biennium. \$337.1 million will remain in this allotment in FY 2011-12 and \$340.3 million will remain in FY 2012-13.	(\$59,497,471)	R	(\$60,054,792)	R
11 Textbooks Reduces funding for textbooks. \$23.4 million will remain in this allotment in FY 2011-12 and \$27.2 million will remain available in FY 2012-13.	(\$13,000,000)	R	(\$13,000,000)	R
	(\$79,166,861)	NR	(\$76,500,000)	NR
12 Instructional Supplies Reduces funding for this allotment by approximately 46%. \$49.3 million will remain in this allotment in FY 2011-12 and \$50.2 million will remain available in FY 2012-13.	(\$3,450,000)	R	(\$3,450,000)	R
	(\$38,520,358)	NR	(\$38,417,147)	NR
13 Central Office Administration Reduces the allotment to LEAs for the salaries and benefits of central office staff by 16%. This staff includes, but is not limited to, superintendents, associate and assistant superintendents, finance officers, athletic trainers, and transportation directors. \$90.4 million will remain to support these local staff in FY 2011-12 and \$90.5 million will remain available in FY 2012-13.	(\$17,211,294)	R	(\$17,254,494)	R
14 School Building Administration Reduces the funding for assistant principal months of employment by approximately 18.8%. This reduction does not reduce any guaranteed principal positions. \$304.4 million will remain in this allotment in FY 2011-12 and \$306.6 million will remain available in FY 2012-13.	(\$22,193,080)	R	(\$22,403,290)	R

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Senate Subcommittee on Education

	FY 11-12		FY 12-13	
15 School Building Administration Position Conversion	(\$7,700,000)	R	(\$7,700,000)	R
Reduces funding for this allotment based on a modification of the allowable conversion of assistant principal and principal months of employment. Currently, LEAs are allowed to "cash-out" their allotted SBA months of employment at the State-average salary and benefits, and then use the money for other purposes. This section would continue to allow conversions, but only at the equivalent amount for a beginning Principal III for converted principal positions, and the equivalent amount for a beginning assistant principal for cashed-out assistant principal positions.				
16 Instructional Support	(\$22,934,278)	R	(\$23,149,479)	R
Reduces this allotment, which supports guidance counselors, social workers, media specialists, and other miscellaneous personnel, by 5%. \$435.8 million will remain in this allotment in FY 2011-12 and \$439.9 million will remain available in FY 2012-13.				
17 Transportation	(\$10,340,115)	R	(\$10,442,266)	R
Reduces funding for the allotment, which supports the salaries of transportation personnel as well as the maintenance of yellow buses by 2.5%. \$403.3 million will remain in this allotment in FY 2011-12 and \$407.2 million will remain available in FY 2012-13.				
18 School Bus Replacement			(\$20,000,000)	NR
Provides full funding for school bus replacement in FY 2011-12, and reduces the funding on a nonrecurring basis in FY 2012-13. The Department of Public Instruction shall utilize these funds only to support financing payments on previously purchased buses or for finance payments for new replacement buses purchased over the biennium.				
19 Mentoring	(\$9,214,190)	R	(\$9,214,190)	R
Eliminates funding for this allotment. School districts may use State and other funding sources to provide mentoring services for beginning teachers.				
20 School Technology Fund	(\$10,000,000)	R	(\$10,000,000)	R
Eliminates General Fund support for this purpose. An additional \$18.0 million for the Fund will remain available from the proceeds of the Civil Penalty and Forfeiture Fund.				
21 Staff Development	(\$12,565,063)	R	(\$12,626,995)	R
Eliminates funding for this allotment. School districts may use State and other funding sources to support professional development.				
22 Uniform Education Reporting System (UERS)	(\$2,101,213)	R	(\$2,101,213)	R
Reduces funding for the Uniform Education Reporting System (UERS) and the related NC WISE system as it moves into an operations and maintenance phase. This adjustment will leave \$10.3 million in annual appropriations available for UERS operations.				

Senate Subcommittee on Education

	FY 11-12		FY 12-13	
23 More at Four Funding Reduction	(\$16,000,000)	R	(\$16,000,000)	R
Reduces More at Four General Fund support by \$16 million, or approximately 20%.				
24 More at Four Transfer	(\$65,011,651)	R	(\$65,011,651)	R
Transfers the remaining \$65 million in General Fund appropriations to the Department of Health and Human Service's Division of Child Development (DCD) to provide a dedicated high-quality pre-K program within its Child Care Subsidy program. In addition, Section 5.4 of the budget bill redirects \$63 million in Lottery funding for the program to DCD. A related provision in Section 10.7 of the bill details the particulars of the transfer.				
25 Liability Insurance for Public School Personnel	\$3,700,000	R	\$3,700,000	R
Establishes a single State-funded liability insurance policy for all North Carolina public schools employees. The State Board of Education shall use funding provided to establish this policy with the North Carolina Department of Public Instruction serving as the master policy holder.				
26 JOBS Commission Schools	(\$200,000)	R	(\$200,000)	R
Eliminates planning funding for these two schools which will open in the 2011-12 school year.				
27 Learn and Earn Early College High Schools	\$200,000	R	\$200,000	R
Transfers planning funding for the two schools recommended by the JOBS Commission. These schools shall be eligible for Learn and Earn Early College allotment funding.				
C. Pass-through Funds				
28 Teacher Cadet	(\$340,000)	R	(\$340,000)	R
Eliminates State support for this program.				
29 Science Olympiad	(\$127,500)	R	(\$127,500)	R
Eliminates State support for this program.				
30 Kids Voting	(\$50,000)	R	(\$50,000)	R
Eliminates State support for this program.				
31 NC Science, Math and Technical Education Center	(\$100,000)	R	(\$100,000)	R
Eliminates State support for this program.				
32 Tarheel Challenge Academy	\$250,000	NR		
Provides funds for the phase one construction of the National Guard Tarheel Challenge Academy site in Badin, NC.				

Senate Subcommittee on Education

FY 11-12

FY 12-13

33 Teaching Fellows Fund

(\$210,000) R

(\$3,475,000) R

Reduces the General Fund appropriation for the Teaching Fellows Fund. This reduction reflects a decrease in funds available for administrative costs associated with the Teaching Fellows Program in FY 2011-12 and FY 2012-13. Additionally, funds are reduced in FY 2012-13 to phase out support for this program. It is the intent of the General Assembly to support its obligations to the 2011-12 class of Teaching Fellows and prior classes until the State's scholarship commitment is completed.

D. Department of Public Instruction**34 DPI Curriculum Division**

(\$457,690) R

(\$457,690) R

Eliminates 5.5 State-funded positions working on curriculum issues. Of these, 3.5 State-funded positions are eliminated from the Curriculum, Instruction & Technology section, and 2.0 State-funded positions are eliminated from the Career and Technology Education (CTE) section.

-5.50

-5.50

35 DPI Technology Services

(\$2,712,988) R

(\$2,712,988) R

Eliminates 30.0 State-funded positions from DPI's Technology Services section. 102.85 positions (70.72 State-funded) will remain in this section.

-30.00

-30.00

36 DPI Communications

(\$246,586) R

(\$246,586) R

Eliminates 4.0 State-funded positions in the Communications section. 15.0 positions (10.8 State-funded) will remain in this section.

-4.00

-4.00

37 Learn and Earn Administration

(\$139,050) R

(\$139,050) R

Eliminates the State-funded position at DPI supporting Learn & Earn Online.

-1.00

-1.00

38 Governor's Education Cabinet

(\$206,063) R

(\$206,063) R

Eliminates funding for the 2.0 positions that DPI provides to support the NC Education Cabinet housed in the Office of the Governor.

-2.00

-2.00

39 NC Professional Teaching Standards Commission

(\$235,646) R

(\$235,646) R

Eliminates the State funding and positions supporting the NC Professional Teaching Standards Commission.

-2.00

-2.00

40 Teacher Academy

(\$4,762,874) R

(\$4,762,874) R

Eliminates State funding for the Teacher Academy, a provider of professional development services for teachers.

-14.00

-14.00

41 North Carolina Center for the Advancement of Teaching (NCCAT)

(\$3,000,000) R

(\$3,000,000) R

Reduces State support for the operations of this teacher professional development provider.

-40.00

-40.00

Senate Subcommittee on Education

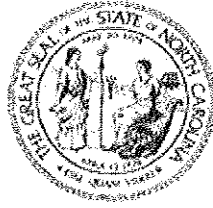
	FY 11-12		FY 12-13	
42 Connectivity	(\$650,000)	R	(\$650,000)	R
Eliminates the \$350,000 annual transfer from Connectivity to support the e-Learning Portal. Also eliminates the \$300,000 annual transfer from Connectivity to support the evaluation of the Connectivity initiative.				
43 Governor's Schools			(\$849,588)	R
Eliminates State funding for the Governor's Schools. A related provision in Section 7.9 provides the State Board with the discretion to make the program receipt-supported beginning with the summer 2012 program. Funding remains available to provide the program in summer 2011.				
44 Residential Schools for the Deaf and Blind	(\$1,691,445)	R	(\$7,191,445)	R
Eliminates State funding for the superintendent of residential schools position within DPI and reduces the operating budget for Residential Schools for the Deaf and Blind by approximately 5%. For FY 2012-13, DPI must close one of the three residential schools. A related provision, Section 7.25, directs DPI to report to the Joint Education Oversight Committee of the General Assembly the school slated for closure and the Department's plan for consolidating the programs with those at the two remaining schools.				
	-1.00		-1.00	
Total Legislative Changes	(\$341,814,675)	R	(\$338,626,804)	R
	(\$117,237,219)	NR	(\$134,917,147)	NR
Total Position Changes	-99.50		-99.50	
Revised Budget	\$7,464,492,057		\$7,450,000,000	

Orange County Schools
Estimated Impact of Senate Budget

	<u>2010-11 Current Allotment</u>	<u>2011-12 Projected Allotment</u>	<u>Projected Reduction Amount</u>	<u>% Reduced</u>	
LEA Adjustment (negative reserve)	(\$1,485,386) *	(\$2,106,447) *	\$621,061 **	42% **	
Non-Instructional Support Personnel	2,077,097 ***	1,653,580	423,517	20.39%	Clerical, custodians and substitutes
Textbooks	12,184	111,480	(99,296)	n/a	
Instructional Supplies	310,967	167,922	143,045	46%	
Central Office Administration	796,732	669,255	127,477	16%	
School Building Administration (principals & assistant principals)	1,981,712 (246 MOEs)	1,845,409 (229.08 MOEs)	136,303 (16.92 MOEs)	18.8%	Reduction is for Assistant Principals Only
Instructional Support	2,363,724 (36 Pos.)	2,245,538 (34.2 Pos.)	118,186 (1.80 Pos.)	5%	Guidance counselors, social workers, psychologists, media specialists, nurses
Transportation	1,876,600	1,829,685	46,915	2.5%	
School Technology	4,874	0	4874	100%	
More at Four	335,750	268,600	67,150	20%	Approximately 1.22 teaching positions
School Connectivity	71,397	69,069	2,328	3.26%	
Driver's Education	173,928	146,100	27,828	16%	Allows a fee up to \$45
			<u><u>\$1,619,388</u></u>		

* LEA discretionary reversion
** Increase in discretionary reduction
*** Stabilization Dollars

BEVERLY EAVES PERDUE
GOVERNOR



STATE OF NORTH CAROLINA
OFFICE OF THE GOVERNOR
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June 1, 2011
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**Wake, Durham, Orange and Chapel Hill-Carrboro School Systems Suffer
\$57.7 Million in Cuts Under Senate Budget**
Senate Leaders Pretend to Protect Classroom While Passing Down Cuts

RALEIGH – Gov. Bev Perdue today announced the results of a budget analysis conducted by the North Carolina State Board of Education and Department of Public Instruction that details the cuts ordered by the Senate leadership in their budget proposal. Early analysis shows that the Wake County, Durham County, Orange County, and Chapel Hill-Carrboro City schools will be required to cut a total of \$57.1 million from their budgets – forcing them to lay off teachers, teaching assistants and administrators.

Senate Republicans this week attempted to hide their frighteningly deep cuts to local school districts.

The truth is that the Republicans, who had already sliced into the public schools budget, slashed deeper, forcing local school districts to cut \$429 million next year alone. Republican Senate leaders are dodging responsibility and shoving the cuts down to local schools. The Senate's additional cuts will require counties to eliminate large numbers of teachers, teaching assistants and administrators.

By contrast, Governor Perdue's proposal would fully protect the classroom, protect critical preschool programs like Smart Start and More at Four and secures access to thousands of critical workforce training programs in our community college and university systems, according to analysis by the Department of Public Instruction and State Board of Education.

If this budget passes, the results will devastate North Carolina's classrooms. Looking at just next year's budget, for example, in the Triangle, the Wake County Public School System will face \$42.3 million in cuts; the Durham County Public School System will face \$9.3 million in cuts; the Chapel Hill-Carrboro School System will face \$3.4 million in cuts; the Orange County Public School System will face \$2.1 million in cuts.

Combined, the Republican plan will force \$57.7 million in those four systems alone.

“The proposed budget appears to be a charade,” said Gov. Perdue. “While the Republican leadership claims to protect teaching positions, they are actually forcing local school districts to make substantial layoffs of education personnel to the tune of more than a quarter billion dollars statewide – meaning thousands of teachers and teaching assistants will be cut.”

“Instead of taking the responsible course of extending a portion of the sales tax to pay for critical education needs, the Senate seems to have continued to pursue an ideologically driven effort to unnecessarily defund education and other crucial programs.”

A close look at their plan shows that the General Assembly has washed their hands of their budgeting responsibility in order to force local school districts to deal with the state’s budget shortfall.

The Republican leaders of the General Assembly are trying to have their cake and eat it too. They want to claim that they’re protecting educators and children, and then they turn around and force counties to make unpopular budget decisions. It’s unfair, it’s short-sighted, and it’s just plain wrong for North Carolina.

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NORTH CAROLINA STATE BOARD OF EDUCATION

Resolution

WHEREAS, the North Carolina State Board of Education has provided in its guiding principles that education should continue to be the top priority of the 2011-2012 General Assembly and the last area to be cut in budget deliberations; and

WHEREAS, we reject the premise of the Senate Budget that the public education system is broken and believe instead that this budget will break an improving system; and

WHEREAS, we reject the Senate claim that teacher assistant and classroom teacher positions are protected and find instead that the Senate Budget forces the local school districts to make the tough choices through the deep flex cuts that will inevitably result in the loss of teachers and teacher assistants; and

WHEREAS, we reject the claim that the Senate Budget will improve early grades when it transfers a nationally recognized prekindergarten program out of the education department and cuts its budget by twenty percent while also removing a pilot program of innovative diagnostics to help young students;

NOW, THEREFORE BE IT RESOLVED:

THAT, the Senate Budget is not in the interest of the people of this great State and urge legislators to support those elements of our public school system most important for student success.

June 2, 2011



William C. Harrison

Dr. William C. Harrison, Chairman
North Carolina State Board of Education