

ORANGE COUNTY
BOARD OF EDUCATION

AGENDA ITEM ABSTRACT

Meeting Date: April 18, 2011

AGENDA ITEM No. 11-04-(2)-19

ACTION ITEM: (Y/N) N

SUBJECT: Joint Meeting with the Board of County Commissioners/State Budget Discussion

INFO. CONTACT: G. Patrick Rhodes PHONE: 919-732-8126

ATTACHMENTS:

1. Breakdown of State Cost Transfer to Local Level.
2. House Subcommittee Chairs' Budget Proposal.
3. House Education Subcommittee Chairs' Proposed Special Provisions – April 12, 2011.
4. DPI's Statewide Proposed Reduction and General Impact of the House Proposed Budget.
5. News and Observer article: Driver ed classes could soon cost \$75.
6. OCS Estimated Impact of House Budget Proposal Funding Reductions.

PURPOSE: The purpose of this agenda item is to provide the Board of Education an opportunity to discuss the April 26, 2011 joint meeting with the Board of County Commissioners (BOCC) and the Chapel Hill-Carrboro School Board and to discuss state budget information available.

BACKGROUND: The spring 2011 joint meeting is scheduled for 7:00 p.m. on Tuesday, April 26, 2011 at the Hillsborough Commons – DSS Building in Hillsborough. At this meeting, the superintendent will present the Orange County Board of Education's 2011-2012 local current expense budget and respond to BOCC questions. Among other things, it is anticipated there will be discussion of the state budget situation and the Governor's proposal to transfer costs for bus replacement and worker's compensation from Raleigh to the local level.

The North Carolina House released budget information late on April 12, 2011. We are including information that was available to staff at the time of packet preparation.

FINANCIAL IMPACT: Unknown.

RECOMMENDATION: The superintendent recommends that the board identify and discuss important points of emphasis for the joint meeting and state budget information received.

Workers' Compensation:

As of 12/31/2010 Orange County Schools had 11 open claims. Outstanding reserves were \$475,000, estimated at present day value in the self-insured workers' compensation program.

Orange County Schools will incur approximately \$390,000 of additional workers' compensation premium for state paid employees. This is an estimate and does not include any additional fees or commissions OCS will pay to a private insurer. This does not include the workers' compensation premium OCS currently pays for local/federal employees.

OCS will incur approximately **\$865,000 of additional expenses** should the workers' compensation payment claims become a local responsibility.

Transportation:

Tort: The Governor is recommending a transfer of 100% of yellow school bus accident claims to LEAs. They are currently covered by the State Tort Claims Act, handled by the Attorney General's office. The Governor has proposed making payment on claims a local responsibility. When this was proposed in 2009, NCSBA received estimates that it would cost as much as \$500 per bus. OCS currently has 70 buses. Assuming a cost of \$600 dollars in 2012 to insure a yellow school bus, for OCS this would mean approximately **\$42,000 annually** in insurance for the school bus accident insurance.

Bus Purchases:

The North Carolina Department of Public Instruction's Transportation Services has estimated that Orange County (**Orange County Schools and Chapel Hill-Carrboro City Schools**) will need to purchase 17 yellow buses in 2011-12 at a total cost of **\$1,463,546** (\$86,090.94 per bus). D.P.I. Transportation Services department has said that these numbers have not been broken down into the individual school districts. They do not plan to do so until this action is approved.

Education Summary – House Subcommittee Chairs' Budget Proposal

FY 2011-12						
	Continuation	Governor	Governor - Continuation	House	House - Continuation	House vs Cont.
Public Schools	\$7,923,543,951	\$7,572,712,912	(350,831,039)	7,229,503,708	(694,040,243)	-8.8%
Community Colleges	\$1,102,475,214	\$1,016,629,522	(85,845,692)	991,962,860	(110,512,354)	-10.0%
UNC	\$2,887,492,464	\$2,657,835,835	(229,656,629)	2,439,931,132	(447,561,332)	-15.5%
Total	\$11,913,511,629	\$11,247,178,269	(666,333,360)	10,661,397,700	(1,252,113,929)	-10.5%

FY 2012-13						
	Continuation	Governor	Governor - Continuation	House	House - Continuation	House vs Cont.
Public Schools	\$7,923,543,951	\$7,598,568,534	(324,975,417)	7,253,185,771	(670,358,180)	-8.5%
Community Colleges	\$1,102,475,214	\$1,022,312,530	(80,162,684)	991,962,860	(110,512,354)	-10.0%
UNC	\$2,886,730,386	\$2,670,455,384	(216,275,002)	2,439,287,176	(447,443,210)	-15.5%
Total	\$11,912,749,551	\$11,291,336,448	(621,413,103)	10,684,435,807	(1,228,313,744)	-10.3%

Public Schools

#	Item	Continuation Budget		House					
		FY 2011-12	FY 2012-13	2011-12		FY 2012-13			
		R	NR	R	NR	R	NR		
	Technical Adjustments								
1.	ADM Adjustment			55,882,651	-	143,087,414	-		
2.	Average Salary Adjustment			(21,792,273)	-	(22,040,287)	-		
3.	Children w Disabilities Headcount Adjustment*	694,938,293	695,979,534	(7,000,000)	-	(7,000,000)	-		
4.	ADM Fund	72,110,000	74,750,000	-	-	-	-		
	Other Public School Funding Adjustments								
5.	LEA Adjustment (negative reserve)	(304,744,366)	(304,744,366)	(42,170,022)		(105,696,322)			
6.	Teacher Assistants (fund only K-1)	527,793,315	544,432,298	(258,647,482)	-	(254,193,602)	-		
7.	Education Reform Studies			-	1,000,000	-	-		
8.	Testing*	11,529,114	11,575,598	(2,725,029)		(2,729,677)			
9.	Dropout Prevention Grants	13,290,683	13,290,683	(13,290,683)	-	(13,290,683)	-		
10.	Student Diagnostics	10,000,000	10,000,000	(10,000,000)	-	(10,000,000)	-		
11.	Learn & Earn Virtual Schools	1,000,000	1,000,000	(1,000,000)	-	(1,000,000)	-		
12.	Learn & Earn Online	4,875,000	4,875,000	(4,875,000)	-	(4,875,000)	-		
13.	At-Risk Student Services*	251,049,088	252,372,593	(30,125,891)	-	(30,284,711)	-		
14.	Noninstructional Support Personnel*	396,649,804	400,365,281	(59,497,471)	-	(60,054,792)	-		
15.	Textbooks*	115,598,088	116,672,015	-	(79,000,000)	-	(79,000,000)		
16.	Instructional Supplies*	91,226,790	92,085,735	-	(38,245,358)	-	(38,417,147)		
17.	Academically or Intellectually Gifted*	70,667,591	71,329,653	(8,480,111)	-	(8,559,558)	-		
18.	Central Office Administration*	107,570,586	107,840,586	(10,757,059)	-	(10,784,059)	-		
19.	School Building Administration (principals & assistant principals)	326,604,352	328,971,112	(24,790,256)	-	(25,023,016)	-		
20.	Instructional Support	458,685,560	462,989,580	(22,934,278)	-	(23,180,222)	-		
21.	Limited English Proficiency*	75,055,124	81,142,256	(7,505,512)	-	(8,114,226)	-		
22.	Transportation*	413,604,577	417,690,635	(20,680,229)	-	(20,884,532)	-		
23.	School Bus Replacement	56,851,619	56,851,619	-	(20,000,000)	-	(20,000,000)		
24.	Mentoring	9,214,190	9,214,190	(9,214,190)	-	(9,214,190)	-		
25.	School Technology	10,000,000	10,000,000	(10,000,000)	-	(10,000,000)	-		

Public Schools

#	Item	Continuation Budget		House			
		FY 2011-12	FY 2012-13	2011-12		FY 2012-13	
				R	NR	R	NR
26.	Staff Development*	12,565,063	12,626,995	(12,565,063)	-	(12,626,995)	-
27.	Uniform Education Reporting System (UERS) More at Four (transfer remaining funds to Div. of Child Development, DHHS)	12,360,074	12,360,074	(2,101,213)	-	(2,101,213)	-
28.	Geographically Isolated School Allotment	81,122,426	81,122,426	(16,000,000)	-	(16,000,000)	-
29.	Liability Insurance for Public School Personnel	411,503	411,503	(411,503)	-	(411,503)	-
30.		-	-	3,700,000	-	3,700,000	-
	Pass-throughs						
31.	Communities in Schools	1,446,750	1,446,750	(144,675)	-	(144,675)	-
32.	Teacher Cadet	340,000	340,000	(34,000)	-	(34,000)	-
33.	Science Olympiad	127,500	127,500	(127,500)	-	(127,500)	-
34.	Teach for America	900,000	900,000	(90,000)	-	(90,000)	-
35.	Kids Voting	50,000	50,000	(50,000)	-	(50,000)	-
36.	NC Science, Math, & Technical Educ. Center	100,000	100,000	(100,000)	-	(100,000)	-
37.	Tarheel Challenge	767,719	767,719	(76,772)	-	(76,772)	-
	Department of Public Instruction						
38.	Curriculum	3,016,799	3,016,799	(1,119,336)	-	(1,119,336)	-
39.	Technology Services	9,198,839	9,198,839	(2,712,988)	-	(2,712,988)	-
40.	Communications	912,368	912,368	(246,586)	-	(246,586)	-
41.	District and School Transformation	7,206,325	7,206,325	(1,328,617)	-	(1,328,617)	-
42.	Accountability	1,324,713	1,324,713	(94,441)	-	(94,441)	-
43.	Instructional Technology	926,475	926,475	(93,682)	-	(93,682)	-
44.	Office of Early Learning	134,252	134,252	(134,252)	-	(134,252)	-
45.	School Planning	261,963	261,963	(261,963)	-	(261,963)	-
46.	Educator Recruitment & Development	411,886	411,886	(411,886)	-	(411,886)	-
47.	Teacher Academy	4,762,874	4,762,874	(4,762,874)	-	(4,762,874)	-
48.	NCCAT	6,102,495	6,102,495	(6,102,495)	-	(6,102,495)	-
49.	Governor's Education Cabinet	206,063	206,063	(206,063)	-	(206,063)	-
50.	NC Professional Teaching Stds Commission	235,646	235,646	(235,646)	-	(235,646)	-
51.	Residential Schools for the Deaf and Blind	32,632,108	32,632,108	(1,691,445)	-	(1,691,445)	-
52.	Connectivity	19,942,093	19,942,093	(650,000)	-	(650,000)	-

Public Schools

	Continuation Budget		House			
	FY 2012-13		2011-12		FY 2012-13	
	FY 2011-12	FY 2012-13	R	NR	R	NR
#	Item					
53.	Governor's School	849,588	849,588	-	(849,588)	-
54.	Learn and Earn Administration	139,050	139,050	(139,050)	(139,050)	-
Total Adjustments				\$ (557,794,886)	\$ (136,245,358)	\$ (137,417,147)
Certified Budget						
Total Adjustments				7,923,543,951	(694,040,243)	7,923,543,951
Recommended Budget				\$7,229,503,708		\$7,253,185,771

* Includes ADM and Average Salary Adjustments not included in the Continuation Budget.

House Education Subcommittee Chairs' Proposed Special Provisions

April 12, 2011

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H28A

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

1 **EDUCATION REFORM IN NORTH CAROLINA**

2 SECTION #.(a) It is the intent of the General Assembly that the children of North
3 Carolina are ready to succeed when they start school, learn the appropriate foundational
4 education in the early grades, are prepared for a career or higher education upon graduation,
5 and have job and learning skills appropriate to the global economy.

6 SECTION #.(b): To implement this, the Joint Education Oversight Committee shall
7 study the following and report to the 2012 Session of the 2011 General Assembly with a
8 comprehensive plan, including implementation dates and schedules, to accomplish this vision.

9 (1) Elementary and Secondary Education – It is a priority of the General
10 Assembly that by the end of third grade, North Carolina children receive a
11 foundational education in reading and mathematics upon which to build
12 future educational achievement. Further, it is a priority that children in all
13 grades receive quality education from high quality teachers that are ready
14 and able to teach and that children are promoted in an educationally
15 appropriate manner. To that end, the Committee shall study:

- 16 a. Teacher tenure and its relationship with student performance.
- 17 b. Teacher pay and its relationship with student performance, including:
 - 18 1. Salary supplements for employees with masters degrees and
19 national board certification, and their relationship with
20 student performance.
 - 21 2. Methods of implementing a performance pay plan for school
22 employees.
- 23 c. Strategies for reducing teacher paperwork to assist teachers in
24 spending more time with students.
- 25 d. Kindergarten as a transition year between pre-K and elementary
26 education, including looking at:
 - 27 1. Kindergarten specific class size ratios.
 - 28 2. Effectiveness of teacher assistants.
- 29 e. Reducing teacher-student ratio to 1:15 in first through third grade. In
30 studying this reduction, the Committee shall consider:
 - 31 1. Professional development requirements.
 - 32 2. Physical classroom constraints.
 - 33 3. Integration of the third grade literacy policy, including third
34 grade reading specialists, including Florida's reading
35 specialist program.

36 (2) Transition from High School – It is a priority of the General Assembly that
37 high school graduates enter the workforce or higher education fully
38 prepared. To that end, the Committee shall study:

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- a. Ways to reduce the need for remedial or developmental education in the State's higher education institutions, so that students and the State do not pay repeatedly for the same education, including:
 - 1. Ensuring clear, rigorous secondary school standards, such as using college assessment tests in high school, including reviewing models in Florida and California, and using college assessment tests as entrance requirements for universities.
 - 2. Ways to hold high schools accountable for the higher education performance of their students, including requiring funding for developmental education to come from high schools.
 - 3. The most cost-effective way to provide remedial education in higher education, including funding summer-term developmental courses at community colleges based on successful course completions, focusing remediation at the community colleges, and redirecting university appropriations for remedial education to the community colleges.
 - b. The most efficient and effective way to give high school students access to higher education, including
 - 1. Career preparation, including the Governor's Career and College Promise recommendation
 - 2. College preparation, including the Governor's Career and College Promise program and existing Learn and Earn programs
 - 3. Revising statutes for high school students in higher education
- (3) Higher Education – It is a priority of the General Assembly that the State's higher education system produce college graduates in the most efficient and effective manner possible, to improve productivity and public accountability for performance in postsecondary education, and ultimately to increase the educational level and earning potential of the State. To that end, the Committee shall study:
- a. A revised set of accountability measures and performance standards by which to evaluate and measure student progress and student success in the North Carolina Community College System, as described in Section 8.X, including how to incorporate these measures into formula funding.
 - b. A revised method of projecting and funding UNC enrollment growth, as described in Section 9.X.
 - c. Ways to increase transparency in the university system spending and revenues
 - d. Other states' performance funding systems, including efforts in Ohio, Florida, and Washington.
 - e. Ways to increase college graduation rates, by funding based on performance.
 - f. The impact of directing more students to the community colleges for their freshman and sophomore years of a four-year degree, including requiring a certificate of transfer from the North Carolina Community College System before transferring to The University of North Carolina System.

1 **SECTION #(c):** In all cases, any program implemented needs to be structured so
2 that ongoing, evaluable performance and outcome data is available.
3 **SECTION #(d):** Funds appropriated to implement this section may be used by the
4 Committee to hire one or more external consultants to complete these studies.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H3

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

2 ***FUNDS FOR CHILDREN WITH DISABILITIES***

10 **SECTION #.** The State Board of Education shall allocate additional funds for
11 children with disabilities on the basis of three thousand five hundred ninety-eight dollars and
12 fifty-five cents (\$3,598.55) per child. Each local school administrative unit shall receive funds
13 for the lesser of (i) all children who are identified as children with disabilities or (ii) twelve and
14 five-tenths percent (12.5%) of its 2011-2012 allocated average daily membership in the local
15 school administrative unit. The dollar amounts allocated under this section for children with
16 disabilities shall also adjust in accordance with legislative salary increments, retirement rate
17 adjustments, and health benefit adjustments for personnel who serve children with disabilities.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H4

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

2 ***FUNDS FOR ACADEMICALLY GIFTED CHILDREN***

11 SECTION #. The State Board of Education shall allocate additional funds for
12 academically or intellectually gifted children on the basis of one thousand one hundred
13 ninety-two dollars and ninety cents (\$1,192.90) per child. A local school administrative unit
14 shall receive funds for a maximum of four percent (4%) of its 2011-2012 allocated average
15 daily membership, regardless of the number of children identified as academically or
16 intellectually gifted in the unit. The dollar amounts allocated under this section for
17 academically or intellectually gifted children shall also adjust in accordance with legislative
18 salary increments, retirement rate adjustments, and health benefit adjustments for personnel
19 who serve academically or intellectually gifted children.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H5

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

2 **USE OF SUPPLEMENTAL FUNDING IN LOW WEALTH COUNTIES**

11 SECTION #.(a) Use of Funds for Supplemental Funding. – All funds received
12 pursuant to this section shall be used only (i) to provide instructional positions, instructional
13 support positions, teacher assistant positions, clerical positions, school computer technicians,
14 instructional supplies and equipment, staff development, and textbooks and (ii) for salary
15 supplements for instructional personnel and instructional support personnel. Local boards of
16 education are encouraged to use at least twenty-five percent (25%) of the funds received
17 pursuant to this section to improve the academic performance of children who are performing
18 at Level I or II on either reading or mathematics end-of-grade tests in grades 3-8 and children
19 who are performing at Level I or II in grades 4 and 7.

12 SECTION #.(b) Definitions. – As used in this section:

- 15 (1) "Anticipated county property tax revenue availability" means the
16 county-adjusted property tax base multiplied by the effective State average
17 tax rate.
- 17 (2) "Anticipated total county revenue availability" means the sum of the
18 following:
18 a. Anticipated county property tax revenue availability,
21 b. Local sales and use taxes received by the county that are levied under
22 Chapter 1096 of the 1967 Session Laws or under Subchapter VIII of
23 Chapter 105 of the General Statutes,
23 c. Sales tax hold harmless reimbursement received by the county under
24 G.S. 105-521, and
25 d. Fines and forfeitures deposited in the county school fund for the most
26 recent year for which data are available.
- 28 (3) "Anticipated total county revenue availability per student" means the
29 anticipated total county revenue availability for the county divided by the
30 average daily membership of the county.
- 31 (4) "Anticipated State average revenue availability per student" means the sum
32 of all anticipated total county revenue availability divided by the average
33 daily membership for the State.
- 37 (5) "Average daily membership" means average daily membership as defined in
38 the North Carolina Public Schools Allotment Policy Manual, adopted by
39 the State Board of Education. If a county contains only part of a local school
40 administrative unit, the average daily membership of that county includes all
41 students who reside within the county and attend that local school
42 administrative unit.
- 38 (6) "County-adjusted property tax base" shall be computed as follows:

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- a. Subtract the present-use value of agricultural land, horticultural land, and forestland in the county, as defined in G.S. 105-277.2, from the total assessed real property valuation of the county,
 - b. Adjust the resulting amount by multiplying by a weighted average of the three most recent annual sales assessment ratio studies,
 - c. Add to the resulting amount the following:
 - 1. Present-use value of agricultural land, horticultural land, and forestland, as defined in G.S. 105-277.2,
 - 2. Value of property of public service companies, determined in accordance with Article 23 of Chapter 105 of the General Statutes, and
 - 3. Personal property value for the county.
- (7) "County-adjusted property tax base per square mile" means the county-adjusted property tax base divided by the number of square miles of land area in the county.
- (8) "County wealth as a percentage of State average wealth" shall be computed as follows:
 - a. Compute the percentage that the county per capita income is of the State per capita income and weight the resulting percentage by a factor of five-tenths,
 - b. Compute the percentage that the anticipated total county revenue availability per student is of the anticipated State average revenue availability per student and weight the resulting percentage by a factor of four-tenths,
 - c. Compute the percentage that the county-adjusted property tax base per square mile is of the State-adjusted property tax base per square mile and weight the resulting percentage by a factor of one-tenth,
 - d. Add the three weighted percentages to derive the county wealth as a percentage of the State average wealth.
- (9) "Effective county tax rate" means the actual county tax rate multiplied by a weighted average of the three most recent annual sales assessment ratio studies.
- (10) "Effective State average tax rate" means the average of effective county tax rates for all counties.
- (11) "Local current expense funds" means the most recent county current expense appropriations to public schools, as reported by local boards of education in the audit report filed with the Secretary of the Local Government Commission pursuant to G.S. 115C-447.
- (12) "Per capita income" means the average for the most recent three years for which data are available of the per capita income according to the most recent report of the United States Department of Commerce, Bureau of Economic Analysis, including any reported modifications for prior years as outlined in the most recent report.
- (13) "Sales assessment ratio studies" means sales assessment ratio studies performed by the Department of Revenue under G.S. 105-289(h).
- (14) "State average current expense appropriations per student" means the most recent State total of county current expense appropriations to public schools, as reported by local boards of education in the audit report filed with the Secretary of the Local Government Commission pursuant to G.S. 115C-447.

1 (15) "State average adjusted property tax base per square mile" means the sum of
2 the county-adjusted property tax bases for all counties divided by the
3 number of square miles of land area in the State.

4 (16) "Supplant" means to decrease local per student current expense
5 appropriations from one fiscal year to the next fiscal year.

6 (17) "Weighted average of the three most recent annual sales assessment ratio
7 studies" means the weighted average of the three most recent annual sales
8 assessment ratio studies in the most recent years for which county current
9 expense appropriations and adjusted property tax valuations are available. If
10 real property in a county has been revalued one year prior to the most recent
11 sales assessment ratio study, a weighted average of the two most recent sales
12 assessment ratios shall be used. If property has been revalued the year of the
13 most recent sales assessment ratio study, the sales assessment ratio for the
14 year of revaluation shall be used.

15 **SECTION #.(c) Eligibility for Funds.** – Except as provided in subsection (g) of this
16 section, the State Board of Education shall allocate these funds to local school administrative
17 units located in whole or in part in counties in which the county wealth as a percentage of the
18 State average wealth is less than one hundred percent (100%).

19 **SECTION #.(d) Allocation of Funds.** – Except as provided in subsection (f) of this
20 section, the amount received per average daily membership for a county shall be the difference
21 between the State average current expense appropriations per student and the current expense
22 appropriations per student that the county could provide given the county's wealth and an
23 average effort to fund public schools. (To derive the current expense appropriations per student
24 that the county could be able to provide given the county's wealth and an average effort to fund
25 public schools, multiply the county's wealth as a percentage of State average wealth by the
26 State average current expense appropriations per student.) The funds for the local school
27 administrative units located in whole or in part in the county shall be allocated to each local
28 school administrative unit located in whole or in part in the county based on the average daily
29 membership of the county's students in the school units. If the funds appropriated for
30 supplemental funding are not adequate to fund the formula fully, each local school
31 administrative unit shall receive a pro rata share of the funds appropriated for supplemental
32 funding.

33 **SECTION #.(e) Formula for Distribution of Supplemental Funding Pursuant to**
34 **This Section Only.** – The formula in this section is solely a basis for distribution of
35 supplemental funding for low-wealth counties and is not intended to reflect any measure of the
36 adequacy of the educational program or funding for public schools. The formula is also not
37 intended to reflect any commitment by the General Assembly to appropriate any additional
38 supplemental funds for low-wealth counties.

39 **SECTION #.(f) Minimum Effort Required.** – Counties that had effective tax rates
40 in the 1996-1997 fiscal year that were above the State average effective tax rate but that had
41 effective rates below the State average in the 1997-1998 fiscal year or thereafter shall receive
42 reduced funding under this section. This reduction in funding shall be determined by
43 subtracting the amount that the county would have received pursuant to Section 17.1(g) of
44 Chapter 507 of the 1995 Session Laws from the amount that the county would have received if
45 qualified for full funding and multiplying the difference by ten percent (10%). This method of
46 calculating reduced funding shall apply one time only. This method of calculating reduced
47 funding shall not apply in cases in which the effective tax rate fell below the statewide average
48 effective tax rate as a result of a reduction in the actual property tax rate. In these cases, the
49 minimum effort required shall be calculated in accordance with Section 17.1(g) of Chapter 507
50 of the 1995 Session Laws. If the county documents that it has increased the per student

1 appropriation to the school current expense fund in the current fiscal year, the State Board of
2 Education shall include this additional per pupil appropriation when calculating minimum
3 effort pursuant to Section 17.1(g) of Chapter 507 of the 1995 Session Laws.

4 **SECTION #.(g) Nonsupplant Requirement.** – A county in which a local school
5 administrative unit receives funds under this section shall use the funds to supplement local
6 current expense funds and shall not supplant local current expense funds. For the 2011-2013
7 fiscal biennium, the State Board of Education shall not allocate funds under this section to a
8 county found to have used these funds to supplant local per student current expense funds. The
9 State Board of Education shall make a finding that a county has used these funds to supplant
10 local current expense funds in the prior year, or the year for which the most recent data are
11 available, if the following apply:

12 (1) The current expense appropriation per student of the county for the current
13 year is less than ninety-five percent (95%) of the average of the local current
14 expense appropriations per student for the three prior fiscal years; and

15 (2) The county cannot show (i) that it has remedied the deficiency in funding or
16 (ii) that extraordinary circumstances caused the county to supplant local
17 current expense funds with funds allocated under this section. The State
18 Board of Education shall adopt rules to implement this section.

19 **SECTION #.(h) Reports.** – The State Board of Education shall report to the Joint
20 Legislative Education Oversight Committee prior to May 1, 2012, if it determines that counties
21 have supplanted funds.

22 **SECTION #.(i) Department of Revenue Reports.** – The Department of Revenue
23 shall provide to the Department of Public Instruction a preliminary report for the current fiscal
24 year of the assessed value of the property tax base for each county prior to March 1 of each
25 year and a final report prior to May 1 of each year. The reports shall include for each county the
26 annual sales assessment ratio and the taxable values of (i) total real property, (ii) the portion of
27 total real property represented by the present-use value of agricultural land, horticultural land,
28 and forestland, as defined in G.S. 105-277.2, (iii) property of public service companies
29 determined in accordance with Article 23 of Chapter 105 of the General Statutes, and (iv)
30 personal property.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H6

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

2 **LITIGATION RESERVE FUNDS**

5 **SECTION #.** The State Board of Education may expend up to five hundred
6 thousand dollars (\$500,000) each year for the 2011-2012 and 2012-2013 fiscal years from
7 unexpended funds for certified employees' salaries to pay expenses related to litigation.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H7

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

2 ***UNIFORM EDUCATION REPORTING SYSTEM (UERS) FUNDS***

4 **SECTION #.(a)** Funds appropriated for the Uniform Education Reporting System
5 shall not revert at the end of the 2010-2011 fiscal year.

5 **SECTION #.(b)** This section becomes effective June 30, 2011.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H8

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

2 ***FOCUSED EDUCATION REFORM PROGRAM FUNDS DO NOT REVERT***

6 **SECTION #.(a)** Funds appropriated for the Focused Education Reform Pilot
7 Program that are unexpended and unencumbered at the end of the 2010-2011 fiscal year shall
8 not revert but shall remain available for expenditure for that purpose through the 2011-2012
9 fiscal year.

7 **SECTION #.(b)** This section becomes effective June 30, 2011.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H10

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

2 ***DISADVANTAGED STUDENT SUPPLEMENTAL FUNDING (DSSF)***

5 **SECTION 7.8.(a)** Funds appropriated for disadvantaged student supplemental
6 funding shall be used, consistent with the policies and procedures adopted by the State Board of
7 Education, only to:

- 7 (1) Provide instructional positions or instructional support positions and/or
8 professional development;
- 8 (2) Provide intensive in-school and/or after-school remediation;
- 9 (3) Purchase diagnostic software and progress-monitoring tools; and
- 12 (4) Provide funds for teacher bonuses and supplements. The State Board of
13 Education shall set a maximum percentage of the funds that may be used for
14 this purpose.

18 The State Board of Education may require districts receiving funding under the
19 Disadvantaged Student Supplemental Fund to purchase the Education Value Added
20 Assessment System in order to provide in-depth analysis of student performance and help
21 identify strategies for improving student achievement. This data shall be used exclusively for
22 instructional and curriculum decisions made in the best interest of children and for professional
23 development for their teachers and administrators.

22 **SECTION 7.8.(b)** Funds appropriated to a local school administrative unit for
23 disadvantaged student supplemental funding shall be allotted based on: (i) the local school
24 administrative unit's eligible DSSF population and (ii) the difference between a
25 teacher-to-student ratio of 1:21 and the following teacher-to-student ratios:

- 24 (1) For counties with wealth greater than ninety percent (90%) of the statewide
25 average, a ratio of 19.9.
- 26 (2) For counties with wealth not less than eighty percent (80%) and not greater
27 than ninety percent (90%) of the statewide average, a ratio of 1:19.4.
- 28 (3) For counties with wealth less than eighty percent (80%) of the statewide
29 average, a ratio of 1:19.1.
- 30 (4) For LEAs receiving DSSF funds in 2005-2006, a ratio of 1:16. These LEAs
31 shall receive no less than the DSSF amount allotted in 2006-2007.

32 For the purpose of this subsection, wealth shall be calculated under the low-wealth
33 supplemental formula.

35 **SECTION 7.8.(c)** If a local school administrative unit's wealth increases to a level
36 that adversely affects the unit's DSSF allotment ratio, the DSSF allotment for that unit shall be
37 maintained at the prior year level for one additional fiscal year.

GENERAL ASSEMBLY OF NORTH CAROLINA

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DRAFT
SPECIAL PROVISION



2011-DPI-H11

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

2 ***TUITION CHARGE FOR GOVERNOR'S SCHOOL***

3 SECTION #. G.S. 115C-12(36) reads as rewritten:

7 "(36) Duty to Charge Tuition for the Governor's School of North Carolina. – The
8 State Board of Education shall may implement a five hundred dollar
9 (\$500.00) tuition charge for students attending the Governor's School of
10 North ~~Carolina~~. Carolina to cover the costs of the School."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H12

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

2 **SCHOOL CONNECTIVITY INITIATIVE FUNDS**

3 SECTION #.(a) Section 7.9(b) of S.L. 2010-31 reads as rewritten:

8 "SECTION 7.9.(b) Up to three hundred fifty thousand dollars (\$350,000) of the funds for
9 the School Connectivity Initiative may be used for ~~this and subsequent fiscal years the~~
10 2010-2011 fiscal year by the Office of the Governor for education innovation and the education
11 E-learning portal. These funds may be used to provide services to coordinate e-learning
12 activities across all education agencies and to support the operating of the E-learning portal."

10 SECTION #.(b) Section 7.6(a) of S.L. 2008-107, as rewritten by Section 7.12(b) of
11 S.L. 2009-451, reads as rewritten:

15 "SECTION 7.6.(a) Up to three hundred thousand dollars (\$300,000) may be transferred
16 annually through June 30, ~~2013~~, 2011, to the Friday Institute at North Carolina State University
17 to evaluate the effectiveness of using technology and its impact on 21st Century Teaching and
18 Learning outcomes approved by the State Board of Education. The Friday Institute shall report
19 annually to the State Board of Education on the evaluation results."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H13

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

2 **TEXTBOOKS**

4 **SECTION #.** The State Board of Education shall not adopt any new textbooks
5 prior to July 1, 2013.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H14

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

2 ***SMALL SCHOOL SYSTEM SUPPLEMENTAL FUNDING***

11 **SECTION 7.4.(a)** Funds for Small School Systems. – Except as provided in
12 subsection (b) of this section, the State Board of Education shall allocate funds appropriated for
13 small school system supplemental funding (i) to each county school administrative unit with an
14 average daily membership of fewer than 3,175 students and (ii) to each county school
15 administrative unit with an average daily membership from 3,175 to 4,000 students if the
16 county in which the local school administrative unit is located has a county-adjusted property
17 tax base per student that is below the State-adjusted property tax base per student and if the
18 total average daily membership of all local school administrative units located within the
19 county is from 3,175 to 4,000 students. The allocation formula shall do all of the following:

- 12 (1) Round all fractions of positions to the next whole position.
- 16 (2) Provide five and one-half additional regular classroom teachers in counties
17 in which the average daily membership per square mile is greater than four,
18 and seven additional regular classroom teachers in counties in which the
19 average daily membership per square mile is four or fewer.
- 18 (3) Provide additional program enhancement teachers adequate to offer the
19 standard course of study.
- 20 (4) Change the duty-free period allocation to one teacher assistant per 400
21 average daily membership.
- 25 (5) Provide a base for the consolidated funds allotment of at least seven hundred
26 seventeen thousand three hundred sixty dollars (\$717,360), excluding
27 textbooks, for the 2011-2012 fiscal year and a base of seven hundred
28 seventeen thousand three hundred sixty dollars (\$717,360) for the 2012-2013
29 fiscal year.
- 35 (6) Allot vocational education funds for grade 6 as well as for grades 7-12. If
36 funds appropriated for each fiscal year for small school system supplemental
37 funding are not adequate to fully fund the program, the State Board of
38 Education shall reduce the amount allocated to each county school
39 administrative unit on a pro rata basis. This formula is solely a basis for
40 distribution of supplemental funding for certain county school administrative
41 units and is not intended to reflect any measure of the adequacy of the
42 educational program or funding for public schools. The formula also is not
43 intended to reflect any commitment by the General Assembly to appropriate
44 any additional supplemental funds for such county administrative units.

40 **SECTION 7.4.(b)** Nonsupplant Requirement. – A county in which a local school
41 administrative unit receives funds under this section shall use the funds to supplement local
42 current expense funds and shall not supplant local current expense funds. For the 2011-2013
43 fiscal biennium, the State Board of Education shall not allocate funds under this section to a
44 county found to have used these funds to supplant local per student current expense funds. The

1 State Board of Education shall make a finding that a county has used these funds to supplant
2 local current expense funds in the prior year, or the year for which the most recent data are
3 available, if the following apply:

- 4 (1) The current expense appropriation per student of the county for the current
5 year is less than ninety-five percent (95%) of the average of the local current
6 expense appropriations per student for the three prior fiscal years; and
- 7 (2) The county cannot show (i) that it has remedied the deficiency in funding or
8 (ii) that extraordinary circumstances caused the county to supplant local
9 current expense funds with funds allocated under this section. The State
10 Board of Education shall adopt rules to implement this section.

11 **SECTION 7.4.(c) Phase-Out Provisions.** – If a local school administrative unit
12 becomes ineligible for funding under this formula because of (i) an increase in the population
13 of the county in which the local school administrative unit is located or (ii) an increase in the
14 county-adjusted property tax base per student of the county in which the local school
15 administrative unit is located, funding for that unit shall be continued for seven years after the
16 unit becomes ineligible.

17 **SECTION 7.4.(d) Definitions.** – As used in this section, the following definitions
18 apply:

- 19 (1) "Average daily membership" means within two percent (2%) of the average
20 daily membership as defined in the North Carolina Public Schools Allotment
21 Policy Manual adopted by the State Board of Education.
- 22 (2) "County-adjusted property tax base per student" means the total assessed
23 property valuation for each county, adjusted using a weighted average of the
24 three most recent annual sales assessment ratio studies, divided by the total
25 number of students in average daily membership who reside within the
26 county.
- 27 (3) "Local current expense funds" means the most recent county current expense
28 appropriations to public schools, as reported by local boards of education in
29 the audit report filed with the Secretary of the Local Government
30 Commission pursuant to G.S. 115C-447.
- 31 (4) "Sales assessment ratio studies" means sales assessment ratio studies
32 performed by the Department of Revenue under G.S. 105-289(h).
- 33 (5) "State-adjusted property tax base per student" means the sum of all
34 county-adjusted property tax bases divided by the total number of students in
35 average daily membership who reside within the State.
- 36 (6) "Supplant" means to decrease local per student current expense
37 appropriations from one fiscal year to the next fiscal year.
- 38 (7) "Weighted average of the three most recent annual sales assessment ratio
39 studies" means the weighted average of the three most recent annual sales
40 assessment ratio studies in the most recent years for which county current
41 expense appropriations and adjusted property tax valuations are available. If
42 real property in a county has been revalued one year prior to the most recent
43 sales assessment ratio study, a weighted average of the two most recent sales
44 assessment ratios shall be used. If property has been revalued during the year
45 of the most recent sales assessment ratio study, the sales assessment ratio for
46 the year of revaluation shall be used.

47 **SECTION 7.4.(e) Reports.** – The State Board of Education shall report to the Joint
48 Legislative Education Oversight Committee prior to May 1, 2012, if it determines that counties
49 have supplanted funds.

1 **SECTION 7.4.(f)** Use of Funds. – Local boards of education are encouraged to use
2 at least twenty percent (20%) of the funds they receive pursuant to this section to improve the
3 academic performance of children who are performing at Level I or II on either reading or
4 mathematics end-of-grade tests in grades 3-8.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H16

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

2 **ELIMINATION OF REPORTING REQUIREMENTS**

3 SECTION #.(a) G.S. 115C-12(25) reads as rewritten:

4 "**§ 115C-12. Powers and duties of the Board generally.**

8 The general supervision and administration of the free public school system shall be vested
9 in the State Board of Education. The State Board of Education shall establish policy for the
10 system of free public schools, subject to laws enacted by the General Assembly. The powers
11 and duties of the State Board of Education are defined as follows:

9 ...
22 (25) Duty to Report to Joint Legislative Education Oversight Committee. – Upon
23 the request of the Joint Legislative Education Oversight Committee, the
24 State Board shall examine and evaluate issues, programs, policies, and fiscal
25 information, and shall make reports to that Committee. Furthermore,
26 beginning October 15, 1997, and annually thereafter, the State Board shall
27 submit reports to that Committee regarding the continued implementation of
28 Chapter 716 of the 1995 Session Laws, 1996 Regular Session. Each report
29 shall include information regarding the composition and activity of
30 assistance teams, schools that received incentive awards, schools identified
31 as low-performing, ~~school improvement plans found to significantly~~
32 ~~improve student performance, personnel actions taken in low-performing~~
33 ~~schools, and recommendations for additional legislation to improve student~~
34 ~~performance and increase local flexibility."~~

23 SECTION #.(b) G.S. 115C-47(38) is repealed.

24 SECTION #. (c) G.S. 115C-84.2(a)(1) reads as rewritten:

36 " (1) (See notes) A minimum of 180 days and 1,000 hours of instruction covering
37 at least nine calendar months. The local board shall designate when the 180
38 instructional days shall occur. The number of instructional hours in an
39 instructional day may vary according to local board policy and does not have
40 to be uniform among the schools in the administrative unit. ~~Local boards~~
41 ~~may approve school improvement plans that include days with varying~~
42 ~~amounts of instructional time. If school is closed early due to inclement~~
43 ~~weather, the day and the scheduled amount of instructional hours may count~~
44 ~~towards the required minimum to the extent allowed by State Board policy.~~
45 ~~The school calendar shall include a plan for making up days and~~
46 ~~instructional hours missed when schools are not opened due to inclement~~
47 ~~weather."~~

37 SECTION #. (d) G.S. 115C-84.2(a)(5) reads as rewritten:

40 "(5) The remaining days scheduled by the local board in consultation with each
41 school's principal for use as teacher workdays, additional instructional days,
42 or other lawful purposes. ~~Before consulting with the local board, each~~

1 principal shall work with the school improvement team to determine the
2 days to be scheduled and the purposes for which they should be scheduled.
3 Days may be scheduled and planned for different purposes for different
4 personnel and there is no requirement to schedule the same dates for all
5 personnel. In order to make up days for school closing because of inclement
6 weather, the local board may designate any of the days in this subdivision as
7 additional make-up days to be scheduled after the last day of student
8 attendance."

9 **SECTION #.(e)** G.S. 115C-98(b2) reads as rewritten:

10 "(b2) Local boards of education may:

11 (1) ~~Select, may select~~ procure, and use textbooks that have not been adopted by the
12 State Board of Education for use throughout the local school administrative unit for selected
13 grade levels and ~~courses; and~~ courses.

14 (2) ~~Approve school improvement plans developed under G.S. 115C-105.27 that~~
15 ~~include provisions for using textbooks that have not been adopted by the~~
16 ~~State Board of Education for selected grade levels and courses.~~

17 All textbook contracts made under this subsection shall include a clause granting to the
18 local board of education the license to produce braille, large print, and audiocassette tape copies
19 of the textbooks for use in the local school administrative unit."

20 **SECTION #.(f)** G.S. 115C-105.20(b)(5) is repealed.

21 **SECTION #.(g)** G.S. 115C-105.25 reads as rewritten:

22 **"§ 115C-105.25. Budget flexibility.**

23 ...

24 (b) Subject to the following limitations, local boards of education may transfer and may
25 approve transfers of funds between funding allotment categories:

26 (1) ~~In accordance with a school improvement plan accepted under G.S.~~
27 ~~115C-105.27, State funds allocated for teacher assistants may be transferred~~
28 ~~only for personnel (i) to serve students only in kindergarten through third~~
29 ~~grade, or (ii) to serve students primarily in kindergarten through third grade~~
30 ~~when the personnel are assigned to an elementary school to serve the whole~~
31 ~~school. Funds allocated for teacher assistants may be transferred to reduce~~
32 ~~class size or (iii) to reduce the student-teacher ratio in kindergarten through~~
33 ~~third grade so long as the affected teacher assistant positions are not filled~~
34 ~~when the plan is amended or approved by the building level staff entitled to~~
35 ~~vote on the plan or the affected teacher assistant positions are not expected~~
36 ~~to be filled on the date the plan is to be implemented. Filled. Any State funds~~
37 ~~appropriated for teacher assistants that were converted to certificated~~
38 ~~teachers before July 1, 1995, in accordance with Section 1 of Chapter 986 of~~
39 ~~the 1991 Session Laws, as rewritten by Chapter 103 of the 1993 Session~~
40 ~~Laws, may continue to be used for certificated teachers.~~

41 (2) ~~In accordance with a school improvement plan accepted under G.S.~~
42 ~~115C-105.27, (i) State funds allocated for classroom materials/instructional~~
43 ~~supplies/equipment may be transferred only for the purchase of textbooks;~~
44 ~~(ii) textbooks. State funds allocated for textbooks may be transferred only~~
45 ~~for the purchase of instructional supplies, instructional equipment, or other~~
46 ~~classroom materials; and (iii) materials. State funds allocated for~~
47 ~~noninstructional support personnel may be transferred only for teacher~~
48 ~~positions.~~

49 ...

1 (8) Funds allocated for academically or intellectually gifted students may be
2 used only (i) ~~for academically or intellectually gifted students; (ii) to~~
3 ~~implement the plan developed under G.S. 115C-150.7; or (iii) in accordance~~
4 ~~with an accepted school improvement plan, for any purpose so long as that~~
5 ~~school demonstrates it is providing appropriate services to academically or~~
6 ~~intellectually gifted students assigned to that school in accordance with the~~
7 ~~local plan developed under G.S. 115C-150.7.~~

8 ..."

9 SECTION #.(h) G.S.115C-105.26 reads as rewritten:

10 "**§ 115C-105.26. Waivers of State laws, rules, or policies.**

11 (a) ~~When included as part of a school improvement plan accepted under G.S.~~
12 ~~115C-105.27, local~~ Local boards of education shall submit requests for waivers of State laws,
13 rules, or policies to the State Board of Education. A request for a waiver shall (i) identify the
14 school making the request, (ii) identify the State laws, rules, or policies that inhibit the school's
15 ability to improve student performance, (iii) set out with specificity the circumstances under
16 which the waiver may be used, and (iv) explain how the requested waiver will permit the
17 school to improve student performance. Except as provided in subsection (c) of this section, the
18 State Board shall grant waivers only for the specific schools for which they are requested and
19 shall be used only under the specific circumstances for which they are requested.

20 (b) ~~When requested as part of a school improvement plan, the~~ The State Board of
21 Education may grant waivers of:

- 22 (1) State laws pertaining to class size and teacher certification; and
- 23 (2) State rules and policies, except those pertaining to public school State salary
24 schedules and employee benefits for school employees, the instructional
25 program that must be offered under the Basic Education Program, the system
26 of employment for public school teachers and administrators set out in G.S.
27 115C-287.1 and G.S. 115C-325, health and safety codes, compulsory
28 attendance, the minimum lengths of the school day and year, and the
29 Uniform Education Reporting System.

30 ..."

31 SECTION #.(i) G.S. 115C-105.27 is repealed.

32 SECTION #.(j) G.S. 115C-105.30 is repealed.

33 SECTION #.(k) G.S. 115C-105.31(b)(3) is repealed.

34 SECTION #.(l) G.S. 115C-105.32 is repealed.

35 SECTION #.(m) G.S. 115C-105.33 reads as rewritten:

36 "**§ 115C-105.33. Safe and orderly schools.**

37 ~~A school improvement team or a parent organization at a school may ask the local board of~~
38 ~~education to provide assistance in promoting or restoring safety and an orderly learning~~
39 ~~environment at a school. The school improvement team or parent organization shall file a copy~~
40 ~~of this request with the State Board. If the local board fails to provide adequate assistance to the~~
41 ~~school, then the school improvement team or parent organization may ask the State Board to~~
42 ~~provide an assistance team to the school.~~

43 The State Board may provide an assistance team, established under G.S. 115C-105.38, to a
44 school in order to promote or restore safety and an orderly learning environment at that school
45 if one of the following applies:

- 46 (1) The local board of education or superintendent requests that the State Board
47 provide an assistance team to a school and the State Board determines that
48 the school needs assistance.
- 49 (2) The State Board determines within 10 days after its receipt of the request for
50 assistance from a ~~school improvement team or parent organization of a~~

1 school that the school needs assistance and that the local board has failed to
2 provide adequate assistance to that school.

3 If an assistance team is assigned to a school under this section, the team shall spend a
4 sufficient amount of time at the school to assess the problems at the school, assist school
5 personnel with resolving those problems, and work with school personnel and others to develop
6 a long-term plan for restoring and maintaining safety and an orderly learning environment at
7 the school. The assistance team also shall make recommendations to the local board of
8 education and the superintendent on actions the board and the superintendent should consider
9 taking to resolve problems at the school. These recommendations shall be in writing and are
10 public records. If an assistance team is assigned to a school under this section, the powers given
11 to the State Board and the assistance team under G.S. 115C-105.38 and G.S. 115C-105.39 shall
12 apply as if the school had been identified as low-performing under this Article."

13 **SECTION #. (n)** G.S. 115C-105.37A(a) reads as rewritten:

14 "(a) Definition of Continually Low-Performing Schools. – A continually low-performing
15 school is a school that has received State-mandated assistance and has been designated by the
16 State Board as low performing for at least two of three consecutive years. ~~If the State Board~~
17 ~~identifies a school as continually low-performing:~~

18 ~~(1) The school improvement team at that school shall review its school~~
19 ~~improvement plan to ensure consistency with the plan adopted pursuant to~~
20 ~~G.S. 115C-105.38(b)(3), and~~

21 ~~(2) The plan must be reviewed and approved by the State Board of Education."~~

22 **SECTION #.(o)** G.S. 115C-105.38(b)(6) reads as rewritten:

23 "(6) Report, as appropriate, to the local board of education, the community, and
24 the State Board on the school's progress. ~~If an assistance team determines~~
25 ~~that an accepted school improvement plan developed under G.S.~~
26 ~~115C-105.27 is impeding student performance at a school, the team may~~
27 ~~recommend to the local board that it vacate the relevant portions of that plan~~
28 ~~and direct the school to revise those portions."~~

29 **SECTION #.(p)** G.S. 115C-105.47(b)(13) is repealed.

30 **SECTION #.(q)** G.S. 115C-174.12(a)(3) reads as rewritten:

31 "(3) No school shall participate in more than two field tests at any one grade level
32 during a school year ~~unless that school volunteers, through a vote of its~~
33 ~~school improvement team, to participate in an expanded number of field~~
34 ~~tests without the approval of the principal of the school."~~

35 **SECTION #. (r)** G.S. 115C-238.31(a) reads as rewritten:

36 "(a) Local school administrative units are encouraged to implement extended services
37 programs that will expand students' opportunities for educational success through high-quality,
38 integrated access to instructional programming during nonschool hours. ~~Extended services~~
39 ~~programs may be incorporated into school improvement plans developed in accordance with~~
40 ~~G.S. 115C-105.27.~~ Calendar alternatives include, but are not limited to, after-school hours,
41 before-school hours, evening school, Saturday school, summer school, and year-round school.
42 Instructional programming may include, but is not limited to, tutoring, direct instruction,
43 enrichment activities, study skills, and reinforcement projects.

44 **SECTION #.(s)** G.S. 115C-288(h) reads as rewritten:

45 "(h) ~~To Make Available School Budgets and School Improvement Plans. Budgets. –~~
46 ~~The principal shall maintain a copy of the school's current budget and school improvement~~
47 ~~plan, including any amendments to the plan, budget and shall allow parents of children in the~~
48 ~~school and other interested persons to review and obtain such documents in accordance with~~
49 ~~Chapter 132 of the General Statutes."~~

50 **SECTION #.(t)** G.S. 115C-288(l) is repealed.

1 **SECTION #.(u)** G.S. 143B-146.6(b)(6) reads as rewritten:

2 "(6) Report, as appropriate, to the Secretary, the State Board, and the parents on
3 the school's progress. ~~If an assistance team determines that an accepted~~
4 ~~school improvement plan developed under G.S. 143B-146.12 is impeding~~
5 ~~student performance at a school, the team may recommend to the Secretary~~
6 ~~that he vacate the relevant portions of that plan and direct the school to~~
7 ~~revise those portions.~~

8 **SECTION #.(v)** G.S. 143B-146.12. is repealed.

9 **SECTION #.(w)** G.S. 115C-47(32a) reads as rewritten:

10 "(32a) To Establish Alternative Learning Programs and Develop Policies and
11 Guidelines. – Each local board of education shall establish at least one
12 alternative learning program and shall adopt guidelines for assigning
13 students to alternative learning programs. These guidelines shall include (i) a
14 description of the programs and services to be provided, (ii) a process for
15 ensuring that an assignment is appropriate for the student and that the
16 student's parents are involved in the decision, and (iii) strategies for
17 providing alternative learning programs, when feasible and appropriate, for
18 students who are subject to long term suspension or expulsion. In developing
19 these guidelines, local boards shall consider the State Board's standards
20 developed under G.S. 115C-12(24). ~~Upon adoption of policies and~~
21 ~~guidelines under this subdivision, local boards are encouraged to incorporate~~
22 ~~them in their safe school plans developed under G.S. 115C-105.47.~~

23 The General Assembly urges local boards to adopt policies that prohibit
24 superintendents from assigning to any alternative learning program any
25 professional public school employee who has received within the last three
26 years a rating on a formal evaluation that is less than above standard.

27 Notwithstanding this subdivision, each local board shall adopt policies
28 based on the State Board's standards developed under G.S. 115C-12(24).
29 These policies shall apply to any new alternative learning program or
30 alternative school that is implemented beginning with the 2006-2007 school
31 year. Local boards of education are encouraged to apply these standards to
32 alternative learning programs and alternative schools implemented before
33 the 2006-2007 school year.

34 Local boards shall assess on a regular basis whether the unit's alternative
35 schools and alternative learning programs comply with the State Board's
36 standards developed under G.S. 115C-12(24) and whether they incorporate
37 best practices for improving student academic performance and reducing
38 disruptive behavior, are staffed with professional public school employees
39 who are well trained and provided with appropriate staff development, are
40 organized to provide coordinated services, and provide students with high
41 quality and rigorous academic instruction."

42 **SECTION #.(x)** G.S. 115C-105.27(b)(2) reads as rewritten:

43 "(2) Shall include a plan to address school safety and discipline ~~concerns in~~
44 ~~accordance with the safe school plan developed under Article 8C of this~~
45 ~~Chapter; concerns.~~

46 **SECTION #.(y)** G.S. 115C-105.46 reads as rewritten:

47 "**§ 115C-105.46. State Board of Education responsibilities.**

48 In order to implement this Article, the State Board of Education:

49 ~~(1) Shall adopt guidelines for developing local plans under G.S. 115C-105.47.~~

1 ~~(2) Shall provide, in cooperation with the Board of Governors of The University~~
2 ~~of North Carolina, ongoing technical assistance to the local school~~
3 ~~administrative units in the development, implementation, and evaluation of~~
4 ~~their local plans under G.S. 115C-105.47.~~

5 ~~(3) May require a local board of education to withhold the salary of any~~
6 ~~administrator or other employee of a local school administrative unit who~~
7 ~~delays or refuses to prepare and implement local safe school plans in~~
8 ~~accordance with G.S. 115C-105.47.~~

9 ~~(4) May revoke the certificate of the superintendent, pursuant to G.S.~~
10 ~~115C-274(e), for failure to fulfill the superintendent's duties under a local~~
11 ~~safe school plan.~~

12 (5) Shall adopt policies that define who is an at-risk student."

13 **SECTION #.(z)** G.S. 115C-105.47 is repealed.

14 **SECTION #.(aa)** G.S. 115C-102.6C is repealed.

15 **SECTION #.(bb)** G.S. 115C-102.6D(d) is repealed.

16 **SECTION #.(cc)** G.S. 115C-102.7 reads as rewritten:

17 **"§ 115C-102.7. Monitoring and evaluation of State and local school system technology**
18 **plans; reports.**

19 (a) The Department of Public Instruction shall monitor and evaluate the development
20 and implementation of the State and ~~local school system technology plans, technology plan.~~
21 The evaluation shall consider the effects of technology on student learning, the effects of
22 technology on students' workforce readiness, the effects of technology on teacher productivity,
23 and the cost-effectiveness of the technology.

24 (a1) Repealed by Session Laws 1997-18, s. 15(k).

25 (b) Repealed by Session Laws 2009-451, s. 7.31, effective July 1, 2009.

26 ~~(c) The Department of Public Instruction shall randomly check local school system~~
27 ~~technology plans to ensure that local school administrative units are implementing their plans~~
28 ~~as approved. The Department shall report to the State Board of Education on which local~~
29 ~~school administrative units are not complying with their plans. The report shall include the~~
30 ~~reasons these local school administrative units are out of compliance and a recommended plan~~
31 ~~of action to support each of these local school administrative units in carrying out their plans."~~

32 **SECTION #.(cc)** G.S. 115C-150.6 and 115C-150.7 are repealed.

33 **SECTION #.(dd)** G.S. 115c-150.8 reads as rewritten:

34 **"§ 115C-150.8. Review of Disagreements.**

35 In the event that the parents or guardians of a child and the local school administrative unit
36 disagree when a child is not identified as an academically or intellectually gifted student or
37 concerning the appropriateness of services offered to the academically or intellectually gifted
38 student, the parents and guardians and the local school administrative unit shall attempt to
39 resolve the disagreement in accordance with local board policy. In the event that the procedure
40 ~~developed under G.S. 115C-150.7(b)(7) fails to resolve a disagreement, they fail to resolve the~~
41 disagreement, the parent or guardian may file a petition for a contested case hearing under
42 Article 3 of Chapter 150B of the General Statutes. The scope of review shall be limited to (i)
43 whether the local school administrative unit improperly failed to identify the child as an
44 academically or intellectually gifted student, or (ii) whether the local plan developed under G.S.
45 115C-150.7 has been implemented appropriately with regard to the child. Following the
46 hearing, the administrative law judge shall make a decision that contains findings of fact and
47 conclusions of law. Notwithstanding the provisions of Chapter 150B of the General Statutes,
48 the decision of the administrative law judge becomes final, is binding on the parties, and is not
49 subject to further review under Article 4 of Chapter 150B of the General Statutes."

1 **SECTION #.(ee)** Section 7.61(b) of S.L. 2005-76, as rewritten by Section 7.22(d)
2 of S.L. 2010-3, is repealed.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H17

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

2 *ALLOTMENT OF PRINCIPALS*

4 SECTION #.(a) A school with less than 100 students in final ADM is not entitled
5 to twelve months of employment for a principal.

5 SECTION #.(b) This section applies only to schools created after July 1, 2011.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H18A

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

2 **TRANSFER OF FEDERAL AGRICULTURAL EDUCATION FUNDS**

9 **SECTION #.** The Agricultural Education Program in the Department of
10 Agricultural and Extension Education at North Carolina State University shall develop the
11 secondary agricultural education curricula. The Program shall recommend the curricula and
12 corresponding assessment instruments to the State Board of Education, which shall adopt the
13 curricula for inclusion in the Standard Course of Study. This curricula shall include as part of
14 its core content the Future Farmers of America (FFA) student youth organization and the
15 Supervised Agricultural Experience learning program.

18 Effective with the 2011 federal grant, the State Board of Education shall transfer a prorated
19 share of funds from all federal Career and Technical Education funds available for State-level
20 usage to the Agricultural Education and FFA Program housed in the Department of
21 Agricultural and Extension at North Carolina State University. The transfer of funds shall be a
22 percentage of the total based upon the grades 9-12 duplicated agricultural education enrollment
23 as compared to the total career and technical education grades 9-12 duplicated enrollment.
24 These funds shall be used to support the secondary Agricultural Education Program State-level
25 administration, leadership, curriculum and professional development, operations, innovations
26 and expansions, and the FFA and the Supervised Agricultural Education learning program.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H19

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

2 *ALLOTMENT OF TEACHERS FOR GEOGRAPHICALLY ISOLATED SCHOOLS*

3 SECTION #. Section 7.26 of S.L. 2009-451 is repealed.

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GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

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SPECIAL PROVISION



2011-DPI-H20

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

2 ***SCHOOL CALENDAR PILOT PROGRAM***

6 **SECTION #.** The State Board of Education shall establish a school calendar pilot program
7 in the Wilkes County Schools and the Stanly County Schools. The purpose of the pilot program
8 is to determine whether and to what extent a local school administrative unit can save money
9 during this extreme fiscal crisis by consolidating the school calendar.

10 Notwithstanding G.S. 115C-84.2(a)(1), the school calendar for the 2011-2012 calendar
11 years for the pilot school systems shall include a minimum of 180 days or 1,000 hours of
12 instruction covering at least nine calendar months. Notwithstanding G.S. 115C-84.2(d), the
13 opening date for students shall not be before August 24.

15 If the local board of education in a pilot school system adds instructional hours to
16 previously scheduled days under this section, the local school administrative unit is deemed to
17 have a minimum of 180 days of instruction and teachers employed for a 10-month term are
18 deemed to have been employed for the days being made up and shall be compensated as if they
19 had worked the days being made up.

18 The State Board of Education shall report to the Joint Legislative Education Oversight
19 Committee by March 15, 2012, on the administration of the pilot program, cost-savings
20 realized by it, and its impact on student achievement.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

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SPECIAL PROVISION



2011-DPI-H21

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

2 ***PERFORMANCE PAY MODEL PROGRAM***

6 **SECTION #.** The State Board of Education shall establish a performance pay
7 model program. A local school administrative unit that is approved by the State Board of
8 Education as a performance pay model unit may use State funds, except for funds allotted for
9 salaries, to implement a performance pay model.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H22

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

2 ***BUDGET REDUCTIONS/DEPARTMENT OF PUBLIC INSTRUCTION***

9 **SECTION #.(a)** Notwithstanding G.S. 143C-6-4 or Section 7.14 of S.L. 2009-451,
10 the Department of Public Instruction may, after consultation with the Office of State Budget
11 and Management and the Fiscal Research Division, reorganize if necessary to implement the
12 budget reductions set out in this act. This consultation shall occur prior to requesting budgetary
13 and personnel changes through the budget revision process. The Department shall provide a
14 current organization chart in the consultation process. The Department shall report to the Joint
15 Legislative Commission on Governmental Operations on any reorganization.

12 **SECTION #.(b)** The Department of Public Instruction shall not increase the
13 number of State-funded positions in any Department of Public Instruction divisions identified
14 for reductions in this Act.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

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SPECIAL PROVISION



2011-DPI-H23

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

2 ***LEA BUDGET ADJUSTMENT***

7 **SECTION #.(a)** Within 14 days of the date this act becomes law, the State Board
8 of Education shall notify each local school administrative unit and charter school of the amount
9 the unit or charter school must reduce from the State General Fund appropriations. The State
10 Board shall determine the amount of the reduction for each unit and charter school on the basis
11 of average daily membership.

12 **SECTION #.(b)** Each unit or charter school shall report to the Department of
13 Public Instruction on the flexibility budget reductions it has identified for the unit within 30
14 days of the date this act becomes law. In identifying reductions, a unit or charter school shall
15 not reduce the allotment for classroom teachers more for the 2011-2012 school year than it was
16 reduced for the 2010-2011 school year.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

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SPECIAL PROVISION



2011-DPI-H24

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

2 ***LEA BUDGETARY FLEXIBILITY***

8 **SECTION #.** For fiscal years 2011-2012 and 2012-2013, the State Board of
9 Education is authorized to extend its emergency rules, in accordance with G.S. 150B-21.1A,
10 granting maximum flexibility to local school administrative units regarding the expenditure of
11 State funds. These rules shall not be subject to the limitations on transfers of funds between
12 funding allotment categories set out in G.S. 115C-105.25. These rules shall not permit the
13 transfer of funds into central office administration.

15 **SECTION #.(b)** For fiscal years 2011-2012 and 2012-2013, local school
16 administrative units shall make every effort to reduce spending whenever and wherever such
17 budget reductions are appropriate with the goal of protecting direct classroom services.
18 Notwithstanding G.S. 115C-301 or any other law, local school administrative units shall have
19 the maximum flexibility to use allotted teacher positions to maximize student achievement in
20 grades 4-12. Allocation of teachers and class size requirements in grades K-3 shall remain
21 unchanged.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H26

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

2 ***NORTH CAROLINA VIRTUAL PUBLIC SCHOOLS ALLOTMENT FORMULA***

8 **SECTION #.(a)** The State Board of Education shall implement an allotment
9 formula for the North Carolina Virtual Public Schools (NCVPS) beginning with the 2011-2012
10 school year. In accordance with Section 7.16 of S.L. 2006-66, the allotment formula shall
11 create a sustainable source of funding that increases commensurate with student enrollment and
12 recognizes "the extent to which projected enrollment in e-learning courses affects funding
13 required for other allotments that are based on ADM."

10 **SECTION #.(b)** The State Board shall use only funds provided through the North
11 Carolina Virtual Public Schools Allotment Formula to fund NCVPS.

12 **SECTION #.(c)** The Department of Public Instruction shall take the following steps
13 to implement the North Carolina Virtual Public Schools Allotment Formula:

- 14 (1) Project NCVPS student enrollment by semester and year-long course types
15 for each local school administrative unit and charter school.
- 15 (2) Establish a per course fee for each course type.
- 19 (3) Multiply the projected NCVPS student enrollment by semester and
20 year-long course for each local school administrative unit and charter school
21 type by the per course fees to determine the total NCVPS cost for each local
22 school administrative unit and charter school.
- 24 (4) Transfer a dollar amount equal to the local school administrative unit's or
25 charter school's total NCVPS cost to NCVPS. For local school
26 administrative units, funds shall be transferred from the classroom teacher
27 allotment to NCVPS. For charter schools, the allotment of state funds will be
28 reduced and transferred to NCVPS.

27 **SECTION #.(d)** NCVPS shall use the funds transferred to it to provide the NCVPS
28 program at no cost to all students in North Carolina who are enrolled in North Carolina's public
29 schools, Department of Defense schools, and schools operated by the Bureau of Indian Affairs.

29 **SECTION #.(e)** NCVPS shall provide only high school courses and shall not
30 provide any courses in physical education.

33 **SECTION #.(f)** The State Board shall establish a separate per student fee structure
34 for out-of-state students, private school students, and home-schooled students. For the
35 2011-2012 school year, NCVPS shall provide specific instructions on its website, describing
36 the steps required for such students to enroll in NCVPS courses and all applicable fees.

35 Beginning with the 2012-2013 school year, NCVPS shall provide an online process
36 by which such students can enroll in NCVPS courses online.

38 **SECTION #.(g)** The Board shall direct NCVPS to develop a plan to generate
39 revenue from the sale of courses to out-of-state educational entities. NCVPS shall submit its
40 plan to the Board by September 15, 2011.

39 **SECTION #.(h)** The Director of NCVPS shall continue to ensure that:

- 40 (1) Course quality standards are established and met.

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- (2) All e-learning opportunities offered by State-funded entities [other than charter schools] to public school students are consolidated under the North Carolina Virtual Public School program, eliminating course duplication.
- (3) All courses offered through NCVPS are aligned to the North Carolina Standard Course of Study.

SECTION #.(i) Funds for the administration of NCVPS shall be capped at a maximum of fifteen percent (15%) per year of the funds transferred to NCVPS.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H25B

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

2 **PERFORMANCE-BASED REDUCTIONS IN FORCE**

6 SECTION #.(a) The State Board of Education shall adopt a Reduction in Force
7 policy that is consistent across all local school administrative units. Under the policy, the
8 following criteria shall apply to local school administrative units conducting any necessary
9 reductions in force:

8 (1) In determining which positions shall be subject to a reduction in force, a
9 local school administrative unit shall consider the following:

14 a. Structural considerations, such as identifying positions, departments,
15 courses, programs, operations and other areas where there are: (i)
16 less-essential, duplicative, or excess personnel; (ii) job responsibility
17 and/or position inefficiencies; (iii) opportunities for combined work
18 functions; and/or (iv) decreased student or other demands for
19 curriculum, programs, operations or other services.

16 b. Organizational considerations, such as anticipated organizational
17 needs of the school system and program/school enrollment.

19 (2) In determining which employees in similar positions shall be subject to a
20 reduction in force, a local school administrative unit shall consider work
21 performance.

20 The State Board of Education shall have this policy in place on or before July 15, 2011.

21 SECTION #.(b) G.S. 115C-325(3)(2) reads as rewritten:

41 "(2) Reduction in Force. – Before recommending to a board the dismissal or
42 demotion of the career employee pursuant to G.S. 115C-325(e)(1)l., the
43 superintendent shall give written notice to the career employee by certified
44 mail or personal delivery of his intention to make such recommendation and
45 shall set forth as part of his recommendation the grounds upon which he
46 believes such dismissal or demotion is justified. The notice shall include a
47 statement to the effect that if the career employee within 15 days after
48 receipt of the notice requests a review, he shall be entitled to have the
49 proposed recommendations of the superintendent reviewed by the board.
50 Within the 15-day period after receipt of the notice, the career employee
51 may file with the superintendent a written request for a hearing before the
52 board within 10 days. If the career employee requests a hearing before the
53 board, the hearing procedures provided in G.S. 115C-325(j3) shall be
54 followed. If no request is made within the 15-day period, the superintendent
55 may file his recommendation with the board. If, after considering the
56 recommendation of the superintendent and the evidence adduced at the
57 hearing if there is one, the board concludes that the grounds for the
58 recommendation are true and substantiated by a preponderance of the
59 evidence, the board, if it sees fit, may by resolution order such dismissal.
60 Provisions of this section which permit a hearing by a case manager shall not

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apply to a dismissal or demotion recommended pursuant to G.S. 115C-325(e)(1)l.

When a career employee is dismissed pursuant to G.S. 115C-325(e)(1)l. above, his name shall be placed on a list of available career employees to be maintained by the board. ~~Career employees whose names are placed on such a list shall have a priority on all positions in which they acquired career status and for which they are qualified which become available in that system for the three consecutive years succeeding their dismissal. However, if the local school administrative unit offers the dismissed career employee a position for which he is certified and he refuses it, his name shall be removed from the priority list."~~

House Proposed Budget 2011-2012
DPI's Statewide Proposed Reduction and General Impact

Allotment Category	Continuation			% Cut	Approx. # of staff eliminated ⁽¹⁾	
	Budget	Proposed \$ Cut				
Central Office	\$ 107,570,586	\$ 10,757,059		10%	130	Directors
Instructional Support	\$ 458,685,560	\$ 22,934,278		5%	380	instructional Support
School Building Admin	\$ 326,604,352	\$ 24,790,256		8%	400	Asst Principals
Teacher Assistants	\$ 527,793,315	\$ 258,647,482		49%	8,814	Teacher asst.
Non-Instruction Support	\$ 396,649,804	\$ 59,497,471		15%	560	clerical
					1,112	custodian
Academically Gifted	\$ 70,667,591	\$ 8,480,111		12%	135	Teachers
Limited English	\$ 75,055,124	\$ 7,505,512		10%	138	Teachers
At-Risk	\$ 251,049,088	\$ 30,125,891		12%	190	Teachers
					17	Asst Principals
					143	Teacher asst.
					112	Instruct Support
					78	Other
					12,209	Total
Other non Personnel Allotment						
Classroom materials & Supplies	\$ 91,226,790	\$ 38,245,358		42%		
Textbooks	\$ 115,598,088	\$ 79,000,000		68%		
Transportation	\$ 413,604,577	\$ 20,680,229		5%		
School Bus Replacement	\$ 56,851,619	\$ 20,000,000		35%		
LEA adjustment		\$ 346,914,388				
Eliminated Allotments						
Dropout Prevention Grants		\$ 13,290,683				
Student Diagnostics		\$ 10,000,000				
Learn and Earn Virtual		\$ 1,000,000				
Learn and Earn Online		\$ 4,875,000				
Mentoring		\$ 9,214,190				
School Technology		\$ 10,000,000				
Staff Development		\$ 12,565,063				
Geographically Isolated School		\$ 411,503				

Note 1. Eliminated positions based on personnel paid directly from these allotments.

Driver ed classes could soon cost \$75

BY BRUCE SICELOFF - Staff Writer

RALEIGH -- House Republican leaders want high school students to pay as much as \$75 for driver education classes they now take for free, funded entirely by state taxpayers.

A proposed budget made public this week would cut \$8.7 million or 27 percent from a \$32 million yearly appropriation that provides driver education classes across the state.

Schools could either make up the difference with local money or charge students a fee of up to \$75 for driver education classes.

The GOP budget proposal would make other transportation spending cuts and would shift funds to make more money available for road construction and maintenance.

It would reduce the state ferry subsidy by \$10 million a year, requiring the Ferry Division to collect tolls on ferries that are now free and to charge higher rates where riders already pay.

Rep. Ray Rapp, a Madison County Democrat, said a cut in driver education funds would force cash-strapped schools to levy a fee that could put the classes out of reach for low-income families.

"You're basically cutting off a significant population," Rapp said Wednesday at a meeting of the House transportation appropriations subcommittee.

"One reason many students stay in school is so they can get their driver's license. I think this is an \$8 million item that has about an \$80 million impact across the system."

Rapp said legislators should consider keeping driver education free for low-income students. But Rep. Ric Killian, a Mecklenburg County Republican, said that would force schools to collect higher fees from other students.

"My final thought on this is that driving is a privilege" and not a right, said Killian, a co-leader of the budget-writing subcommittee.

A must before 18

Driver education is required for any North Carolinian who seeks to get a license or permit before age 18.

Students get 30 hours of classroom instruction and six hours of training behind the wheel.

The Wake County school system receives \$3.2 million from the state to provide the classes for about 11,000 students each year. The county would lose about \$870,000 under the proposal.

"It's always been paid for and taken care of," said Bobby Guthrie, who oversees driver education for Wake schools. "If our budget was reduced, it would certainly have an effect on what we could provide."

Reggie Flythe of Raleigh, president of a 600-member group that represents driver education teachers, fears that the prospect of a fee would keep some students out of the class.

"It will be a hardship to a lot of students and families," Flythe said. "We're really concerned that it's going to have an adverse effect on the numbers of kids that can take driver education."

Orange County Schools
Estimated Impact of House Budget Proposal Funding Reductions
Preliminary Estimation Based on DPI Projections of 13.3%

	2010-11 Current Allotment	2011-12 Projected Allotment	Projected Reduction Amount	% Reduced	
LEA Adjustment (negative reserve)	(\$1,485,386) *	(\$1,693,340) *	\$207,954 **	14% **	Reversion increases by \$311,931 in 2012-13.
Teacher Assistants (Fund Only K-1)	2,425,481	1,236,995	1,188,486	49%	Approximately 40 positions
At-Risk Student Services	935,396	823,148	112,248	12%	
Non-Instructional Support Personnel	1,924,169 ***	1,635,544	288,625	15%	Clerical, custodians and substitutes
Textbooks	12,184	3,899	8,285	68%	
Instructional Supplies	158,200	91,756	66,444	42%	
Academically or Intellectually Gifted	343,568	302,340	41,228	12%	Approximately .75 positions
Central Office Administration	796,732	717,059	79,673	10%	
School Building Administration (principals & assistant principals)	1,981,712 (246 MOEs)	1,823,175 (226.32 MOEs)	158,537 (19.68 MOEs)	8%	Reduction is for Assistant Principals
Instructional Support	2,363,724 (36 Pos.)	2,245,538 (34.2 Pos.)	118,186 (1.80 Pos.)	5%	Approximately 1.06 positions; guidance counselors, social workers, psychologists, media specialists, nurses
Limited English Proficiency	302,328	272,095	30,233	10%	Approximately .55 positions
Transportation	1,876,600	1,782,770	93,830	5%	
School Technology	4,874	0	4,874	100%	
More at Four	335,750	268,600	67,150	20%	Approximately 1.22 teaching positions
			<u>\$2,465,753</u>		

* LEA discretionary reversion
** Increase in discretionary reduction
*** 2008-09 allotment