

**ORANGE COUNTY  
BOARD OF EDUCATION**

**AGENDA ITEM ABSTRACT**

**Meeting Date:** January 18, 2011

**AGENDA ITEM No.** 11-01-(2)-18

**ACTION ITEM: (Y/N)** N

**SUBJECT:** Legislative Breakfast Update

**INFO. CONTACT:** Anne Medenblik, Stephen Halkiotis, Donna Coffey **PHONE:** 919-732-8126

**ATTACHMENTS:**

1. N.C. School Boards Association 2011-2012 Legislative Agenda.

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**PURPOSE:** The purpose of this item is to allow members of the board's legislative subcommittee to present and discuss recommendations with the full board related to the legislative breakfast.

**BACKGROUND:** At the January 3, 2011 board meeting, a legislative subcommittee report was given to the full board following the subcommittee's planning meeting. Board members agreed to hold a legislative breakfast on Monday, January 24, 2011 in the central office boardroom. Legislators have been sent an invitation to the breakfast beginning at 7:45 a.m. on the 24<sup>th</sup>.

Board members also discussed and agreed to use the approved NCSBA legislative agenda noting the number one priority being funding and also adding discussion of the state driver education funding.

Board members will have an opportunity to discuss plans for the breakfast including the proposed agenda.

**FINANCIAL IMPACT:** N/A

**RECOMMENDATION:** The superintendent recommends the Board of Education hear a report from the legislative subcommittee and discuss the upcoming legislative breakfast.

## **NCSBA 2011-2012 LEGISLATIVE AGENDA**

Public education represents society's collective investment in its most precious resource- children. Regardless of their circumstance, socioeconomic status, ancestry, spoken language, or disability, every child born into every community gains free access through the public education system to the tools they need to achieve prosperity; the provision of this invaluable gift being absolutely critical to ensuring a well-educated, economically mobile citizenry, it is, therefore, a fundamental function of government, and the only fundamental function that is not a "safety net." North Carolina has long recognized the essential nature of public education- enshrining in its constitution a child's right to a free, appropriate public education, and consistently dedicating the resources necessary to preserve its strength. A skilled workforce educated in the public school system has been the engine fueling the state's exceptional growth over the past few decades. Only through a continued commitment to public education's vibrancy and health will the state be able to achieve strong economic development into the 21<sup>st</sup> century.

### ***Public School Funding***

State support for public education in North Carolina was severely slashed during the 2009-10 legislative session, with K-12 funding cut 15 percent even as ADM continued to grow, leaving school districts across the state with strained budgets. School districts were burdened by over \$700 million in recurring cuts over the two-year period, the most harmful being the "discretionary cut," which created significant compliance issues and left many districts with no alternative but to remove teaching personnel from the classroom.

The unprecedented curtailing of public school funding over the past two years will significantly hinder the ability of school boards to do their jobs as stewards of the state's public education system and deliver high quality education to children. But with the State facing more large budgetary shortfalls in the coming years, NCSBA accepts that new funding for budgetary line-items will not be occurring. NCSBA will, therefore, ask the General Assembly to restore funding to budgetary line-items that are most critical to our school districts- beginning, first and foremost, with a restoration of funds to eliminate the "discretionary cut."

### ***New Revenue***

As the State confronts a potential \$3 billion plus shortfall, NCSBA believes it is important to minimize further budget cuts to education and other essential services. NCSBA, therefore, supports the General Assembly finding additional revenue sources. As a beginning point the General Assembly should maintain the current sales and use tax rate, which is scheduled to be reduced in 2011, and maintain the corporate and income surtaxes, which are scheduled to be eliminated in 2011.

### ***School Technology – Fines and Forfeitures***

The Constitution of North Carolina requires the State to pay public schools all fines and forfeitures collected. In August, 2008, the state courts ruled that North Carolina has consistently failed to fulfill this constitutional obligation and owes public schools \$747 million in school technology funding.

To become 21<sup>st</sup> century schools, the NC Department of Public Instruction estimates that public schools will require at least \$500 million in upgrades, plus an additional \$90 million annually to maintain the

technology. This would equip every school with digital whiteboard technology, data projectors, computers, document cameras and school technology facilitators. These numbers do not include any expansion of the 1:1 laptop computer initiative, replacement costs, or other technology initiatives.

The General Assembly made a good first step in complying with the state court ruling by instructing the UNC system in 2009 to remit \$18.1 million in parking fines that had been held in escrow to the Civil Forfeiture Fund to be allocated to school technology. More needs to be done, however, to ensure a regular stream of payments, and to this end the General Assembly should create a repayment schedule that will satisfy the debt and give students the tools they need to compete in the 21<sup>st</sup> century. NCSBA worked to craft a solution to this issue in 2009 by sponsoring a bill that would have established a pilot program to enforce speed limits in highway work zones and school zones using photographic equipment, with 75% of the resulting proceeds going towards the payment of the State's obligation.

### ***Sales Tax Refund/Exemption***

NCSBA urges the General Assembly to either reinstate the state sales tax refund for school districts that was eliminated in 2005, or provide school districts with a sales tax exemption. School boards should be able to collect a sales tax refund in the same way that cities, counties, private schools and many other entities are currently able to do. **Withholding the state sales tax refund costs public schools \$33-\$43 million annually.**

### ***Funding for the NC Virtual Public School (NCVPS)***

During the 2010 legislative session, the State eliminated the appropriation of funds for NCVPS, and shifted the cost of the program to the LEAs. School districts across the state feel that the current method adopted by the State Board of Education and the Department of Public Instruction to assess the costs to the school systems is unfair. The State Board of Education and the Department of Public Instruction and the General Assembly need to revisit the formula and mechanism by which NCVPS is funded.

### ***School Construction***

In 2005-06, the NC Department of Public Instruction identified nearly \$10 billion in school construction funding needs through 2011 to enable school districts to keep pace with increasing enrollment. The State should provide local governments with the tools to address this staggering need. NCSBA's preferred method of alleviating this backlog is through a statewide school bond referendum. However, understanding the State's bond indebtedness capacity, NCSBA also supports the following as alternatives:

- Establishment of a local option sales tax dedicated to school construction. Under any such option no more than 25% of the proceeds would be used to service any debt incurred on or before enactment of the tax.
- Approval of a menu of options which would be dedicated to school construction. Under any such option no more than 25% of the proceeds would be used to service any debt incurred on or before enactment of the tax.

### ***School Calendar***

In 2004, the General Assembly revoked local school boards' authority to decide the beginning and end of the school year. The calendar law has drastically impaired the delivery of public education in North Carolina and should be repealed in its entirety.

### ***School Year Length***

The United States ranks at the bottom of industrialized nations in the average number of instructional days provided per school year. For example, after 12 years of schooling students in Japan have had more than 4 more years of school days than American students. With the continuous emergence of studies and articles showing that information retention by children is negatively affected by long gaps in schooling and too little time spent in the classroom, and with other states around the country refocusing on this issue, NCSBA believes the time has come to make students more competitive by extending the school year.

### ***Funding the Classroom***

Local school districts are burdened each year by a large number of excessive rules, regulations and laws which divert scarce resources away from the classroom. NCSBA supports putting funds back into the classroom through the elimination of rules, regulations and laws which do not aid or benefit the education of children.

### ***Teacher Performance Pay***

North Carolina's Race to the Top grant allows local school districts to use federal funds to experiment with teacher performance pay models. The State should follow suit and allow local school districts the flexibility to use State funds for teacher performance pay models if they choose to implement one.

### ***Teacher Contracts***

School board members have a responsibility to their communities to ensure that only competent and effective teachers are employed in their schools. This responsibility cannot be properly exercised when laws create barriers to school boards' ability to remove ineffective teachers. NCSBA therefore supports changing state teacher employment law to a system of 4-year renewable contracts in lieu of career status, similar to that which was done for principals in the early 1990's. Any such system would need to provide for the grandfathering of those teachers who currently have career status; as well as becoming effective to teachers employed on or after July 1, 2011. NCSBA also supports granting local districts the authority to offer additional compensation for career status teachers who voluntarily switch to 4-year contracts.

### ***State-Level Public Education Governance***

There is growing concern among school districts and local school board members that the current structure of the State Board of Education, with long member terms and appointments made entirely by the Governor, has put the State Board of Education at a disadvantage in advocating on behalf of public schools. Local board members are concerned that the appointment process results in a situation where State Board of Education members become reluctant/discouraged to offer opinions contrary to those of

the Governor. By contrast, the governing bodies of the other education entities in the state are made up of appointments by the General Assembly, or a mix of Gubernatorial appointments and legislative appointments, allowing them a more independent voice. NCSBA supports putting K-12 public schools on a level playing field with the other education entities through the shortening of State Board of Education member term lengths from 8 years to 4 years, and through the restructuring of the appointment process to create a mixture of Gubernatorial and General Assembly appointments.

### ***School Board Fiscal Accountability***

NCSBA supports making school boards fiscally accountable. While over 90 percent of the 15,000 school boards in the nation have been granted fiscal autonomy, North Carolina school boards remain in the small minority of those who must rely upon another local government for local public education funds. **The General Assembly should enact legislation that would allow for a transfer of public school fiscal accountability to the school board.** In such instances, school boards will be held directly accountable for all aspects of public education in that service area.

### ***2010 Changes to Personnel Records Law***

Public bodies, including school boards, want to comply with the “intended” changes to the personnel records statute but must not be put in a position where employee rights are violated. The adopted changes raise a number of questions. The General Assembly must clarify the changes to personnel records statutes made in Section 18 of HB 961 – Gov’t Ethics and Campaign Reform Act of 2010.

### ***Charter Schools***

NCSBA will not oppose a change in the charter school cap if the following requirements are instituted:

- charter schools are required to provide transportation for their students;
- charter schools are required to provide food services for their students;
- all teachers at charter schools are to be properly licensed as in the traditional public schools;
- money shall truly follow the child;
- charter schools will guarantee to accept children with special needs and provide appropriate services;
- if, within 45 school days before the administration of any EOG or EOC in the LEA, any student transfers from a charter school to a traditional public school, then that student’s test data shall be reported in the charter school’s test data;
- LEAs are to be given the authority to create charter schools under the control and direction of the local board.

### ***Tuition Tax Credits and Vouchers for Education***

NCSBA opposes the use of public funds for tuition tax credits and vouchers for education, including those for special education children. Any such program would divert funding away from public schools at a time when public school budgets are already under unprecedented strain. The State should focus on the investments necessary for the improvement of the public education system available to all children.

## ***Achievement Gap***

NCSBA supports legislation, consistent with the guiding principles, that would help close the achievement gap for African American, Hispanic, Native American, economically disadvantaged, limited English proficient and disabled students.

## ***Governmental Immunity***

School boards are protected by the doctrine of governmental immunity, except to the extent that they purchase commercial insurance. If the protections afforded by governmental immunity were to be eliminated, school boards would be at risk of being held liable for large monetary damage awards for which insurance might not be available. NCSBA believes that, given the inability of school boards to raise funds, any weakening of the governmental immunity law would cripple school boards financially, and devastate their ability to provide sound basic education opportunities to every student.

## ***Collective Bargaining***

NCSBA opposes any legislation that would remove North Carolina's current prohibition on state and local governments and public employee labor unions entering into collective bargaining agreements.

## ***Guiding Principles***

During each legislative session there are always unanticipated bills introduced that affect public schools. The following are guiding principles NCSBA will use to evaluate legislation that is introduced during the legislative session.

- NCSBA opposes any legislation that would violate federal laws or the state constitution.
- NCSBA opposes any legislation that would require school systems to expend additional financial resources without the State providing those necessary resources. NCSBA also will continue to advocate for funding for mandates that currently exist.
- NCSBA opposes any legislation that attempts to diminish or take away local control and supports legislation that provides additional local control and decision making.
- NCSBA supports legislation that creates safe environments for students and staff as long as it is consistent with the aforementioned principles.
- The General Assembly should provide sufficient funds to guarantee that all funding formulas are fully funded.

For more information, please contact:

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