



LEGISLATIVE UPDATE

July 2, 2015

On Tuesday of this week, the General Assembly passed, and the Governor signed, [SB 534](#) – 2015 Continuing Budget Authority, which provides for the temporary funding and operations of State government through August 14th. At that time, the State will need either a full budget or another Continuing Resolution (CR) to continue funding. Some might interpret the August 14th deadline as a sign that the General Assembly plans to work in earnest (after their 4th of July break next week) on negotiating their differences and finalizing [HB 97](#) 2015 Appropriations Act before that time. Schools and administrators will obviously need that level of certainty in funding as we gear up for the 2015-16 school year.

Highlights of the 2015 Continuing Budget Authority:

- Funds are provided to cover ADM growth for all LEAs and charters (\$100,236,542).
- No step increase included for teacher or state employee salaries.
- Beginning teachers at steps 0-4 will be paid \$ 3,500 per month, up from \$3,300.
- Guarantees that no teachers or administrators will be paid less in 2015-16 than they were in 2014-15.
- No funds are made available for Driver's Education. However, current law requires all LEAs to offer noncredit driver education courses in high schools and are authorized to charge participants a fee of up to \$65 and/or utilize other State or local funds for this purpose.
- All nine Cooperative Innovative High Schools approved by the SBE are permitted to operate under that model. However, they are not entitled to receive the \$300,000 in supplemental funding, but will have their tuition costs covered by the State. The supplemental funding will be determined in the final budget.

For the purposes of beginning school and LEA operations, LEAs should use the [Governor's Recommended Allocations](#), subject to the following guidance:

1. These allotments were not substantively changed in the Governor's expansion budget. So, for your planning purposes, please use:
 - Classroom Teachers (the Senate budget did have a substantial increase, but that will be determined in the final budget)
 - Non-Instructional Support
 - School Building Administration
 - Instructional Support
 - CTE Months of Employment and Program Support
 - Small County
 - Disadvantaged Student Supplemental Fund
 - Low Wealth

- Exceptional Children
 - Academically or Intellectually Gifted
 - Limited English Proficiency
 - Transportation (changed identically in all three proposed budgets)
2. These allotments were substantially adjusted in the Governor’s budget or likely will be in the final budget. As such, although expenditures are authorized for the following purposes, please do not use the Governor’s Recommended Allocations in order to plan:
- Central Office Administration (reduced 2% in the Governor’s budget, but not included in House or Senate)
 - Textbooks (combined with Classroom Materials in the Governor’s budget, and increased by varying amounts in all three budgets)
 - Teacher Assistants (held harmless in the Governor’s and House budgets, reduced 52% in Senate budget, effectively reduced 6% in the CR)
 - At-Risk (reduced 2% in the House budget)

On Tuesday, the House Appropriations Committee on Education heard from the General Assembly’s Fiscal Research Division staff regarding differences between the House and Senate in the respective [money reports](#) and [special provisions](#). Representatives asked questions and sought clarification on many items, including the popular topics of teacher assistants, driver training, and LEA spending flexibility. Much information has been disseminated about the number of potential teaching assistant positions cut by the Senate plan. Staff clarified that, under the Senate version, around 5,289 possible positions will lose funding in 2015-16 and around 8,592 total positions could be lost by 2016-17. The Senate plan (Section 8A.6) would also limit LEA waiver requests for class sizes to further facilitate the Senate’s goal of reducing class size in grades K-3.

On Wednesday, the House Committee met again to hear from the various education sectors (K-12, community colleges, universities, private colleges/universities) and education organizations. Legislators encouraged the public, state agencies, and organizations to comment on the two proposed versions of the budget. Many praised the efforts of both Chambers for fully funding enrollment growth. The House was also acknowledged for maintaining Teacher Assistant funding, increasing pay for every teacher, preserving driver’s education funding, and significantly increasing textbook/digital resources funding.

State Board of Education Chairman Bill Cobey and State Superintendent Dr. June Atkinson spoke to the Committee and echoed the sentiments above, while also specifically highlighting the need to increase support for our lowest achieving schools, the continued support and success of the *Excellent Public Schools Act/Read to Achieve*, and DPI’s transition to an all new automated licensure system (beginning August 1). Both Chairman Cobey and Dr. Atkinson emphasized the need for LEA flexibility to fund teaching assistants based on districts’ individual needs. Concerns were raised regarding capital costs that may arise as districts reduce class size and assistance for low achieving schools in light of the Senate’s

proposed redefinition and the conclusion of *Race to the Top* funding. Fortunately, 67% of North Carolina's original lowest achieving schools no longer fall within the bottom 10% statewide thanks to strong collaborations between schools, LEAs, and DPI's District and School Transformation team.

Other Education News This Week:

On Wednesday, July 1, the SBE filed its court-required plan in *Leandro* to Judge Manning. The plan is a 54-page document-in-chief with hundreds of pages in supporting materials, entitled "The Constitutional Mandate to Provide an Opportunity for a Sound Basic Education, an Update and Recommendation." The Plan consists of three levels. Level 1 describes how the SBE is currently fulfilling its objective to provide every child the opportunity for a sound basic education, including the vast array of educational services and resources being offered statewide to support curriculum, testing, educators, at-risk children, and student health services. Level 1 demonstrates that the SBE is, in fact, meeting its constitutional mandate under the *Leandro* decision. Level 2 describes a proposed expansion of the services and resources currently offered by the SBE in order to reach more children. Level 3 is an even further extension of services to encompass inter-agency cooperation and partnerships. The ultimate goal is to leverage all State resources and expertise along with key partnerships to improve access to the opportunity for a sound basic education for all of North Carolina's public school children. The Wake County Superior Court hearing is currently scheduled for July 21-23, 2015.

Relevant Bills on the Floor This Week:

[SB 545](#) Workforce Enrichment Veterans

On Monday, the House voted unanimously to give final legislative approval to SB 545. It is now on the Governor's desk. The bill will make it easier for active military, veterans, and their spouses to receive occupational licenses in their field of expertise. It will allow applicants to receive licensure/certification with proper documentation demonstrating certification or experience in the relevant field and passage of a proficiency examination. For the purposes of this bill, the SBE is considered an occupational licensing board, and the provisions would apply to teacher licensing.

Other Bills with Action This Week:

[HB 495](#) OSHR Modernization/Technical Changes

- Senate Conference Committee Appointed

[HB 669](#) Juvenile Law Changes/Abuse/Neglect/Dependency

- Presented to the Governor

[SB 333](#) Teacher Attrition Data

- Signed by the Governor; SL 2015 - 126

[SB 455](#) Iran Divestment Act

- Signed by the Governor; SL 2015 - 118

[SB 578](#) Transition Certain Abuse Investigations/DCDEE

- Signed by the Governor; SL 2015 – 123

[SB 676](#) Autism Health Insurance Coverage

- Referred to the House Committee on Rules, Calendar and Operations

Meetings Next Week (July 6-July 10):

The Legislature is on break next week. There will be no Legislative Update next week, but they will resume in mid-July. Best wishes for a wonderful 4th of July Holiday.

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