

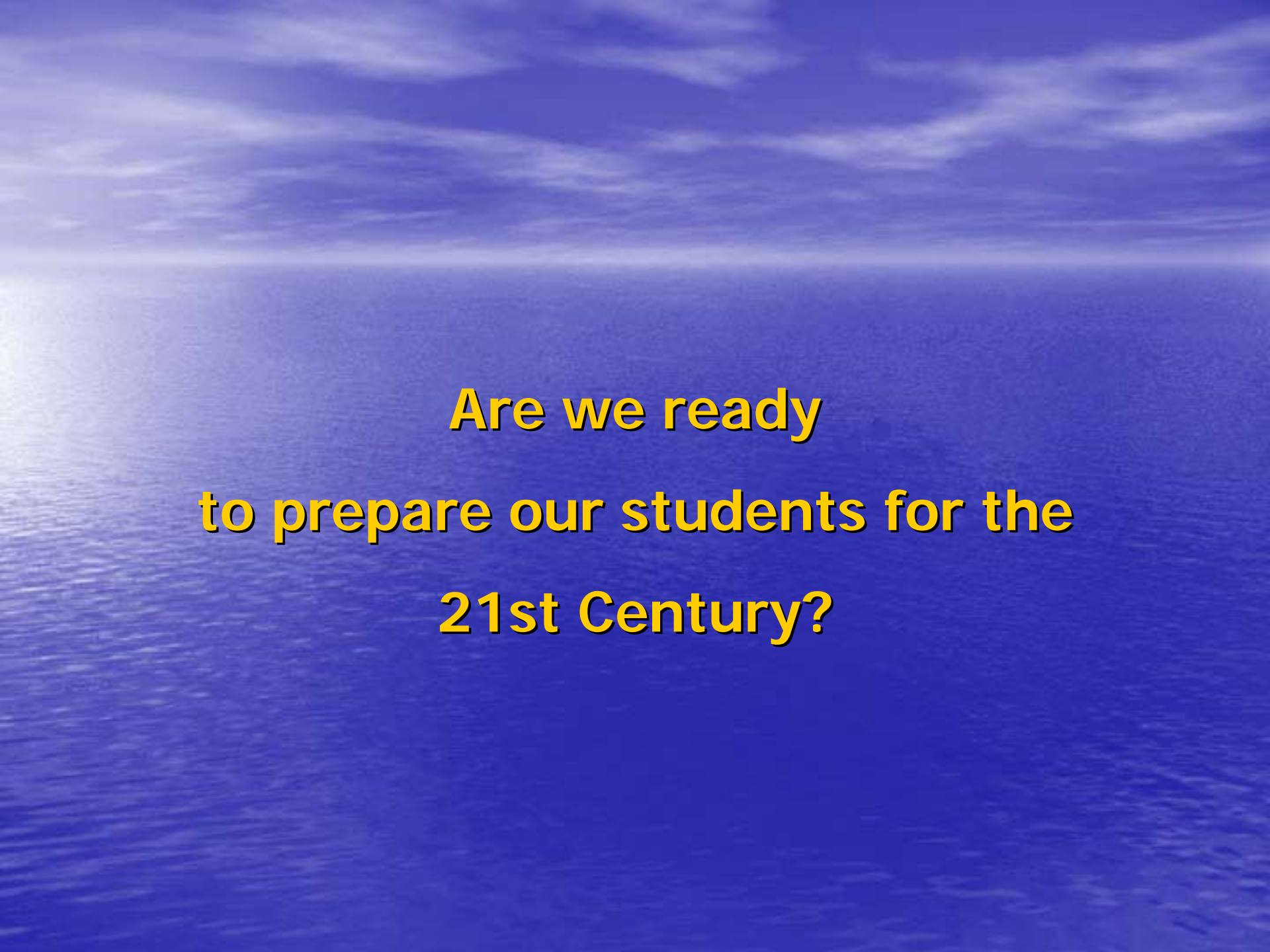
FUND SCHOOLS FIRST
STOP BUDGET CUTS TO K-12 EDUCATION

AS PREPARED BY THE:

N.C. SCHOOL BOARDS ASSOCIATION
AND
N.C. ASSOCIATION OF SCHOOL ADMINISTRATORS

MONDAY, MAY 10, 2010
PAMLICO COUNTY PRIMARY SCHOOL MULTI-
PURPOSE ROOM (GYMNASIUM)

6:30 P.M.

The background of the slide is a photograph of a vast blue ocean under a bright blue sky with wispy white clouds. A bright reflection of the sun is visible on the left side of the water's surface, creating a shimmering path. The overall scene is serene and expansive.

**Are we ready
to prepare our students for the
21st Century?**

Welcome Back/Keynote-Superintendent

Budget for 2009-2010

State Superintendent June Atkinson's Message

“This year will go **down in history as the worst financial year in North Carolina since the Great Depression**. I mention that because it is the backdrop to everything that we are doing in government right now. Not only does the **approved budget reflect a reduced amount of funding for public schools**, but the state continues to **balance cash flow and other issues** that affect our ability to return to work as usual. **All of us feel the pinch of this situation**. On the positive side, **federal stimulus money**, new revenues and additional budget flexibility **are helping local districts to avoid losing classroom teachers** and to avoid some of the worst case scenarios that could have occurred. **These times are difficult**. But, at the end of the day, we all know that children come to school each fall eager to learn and grown. They do not wait for better budgets or brighter economic times. **They need our best today**, and together, I am confident that North Carolina's public schools will offer the best educational opportunities that we can offer. I also am confident that **our state's leaders will work to reinstate some of our losses as the economy turns around**”.

Welcome Back/Keynote-Superintendent

Budget 2009-2010

- State Budget
 - Less Than 2008-2009 (next page)
 - Loss of Low Wealth Funding
 - Loss of Enrollment (Less \$ and Allotments)
- County Budget
 - Status Quo "Current and Local" Budget from 2008-2009
 - \$200,000 Less in Capital Fund from 2008-2009
- Federal Budget
 - Local Stimulus Budget Saved 5 Jobs in 2009-2010
 - State Stimulus Budget Saved Other Non-Instructional Positions

Welcome Back/Keynote-Superintendent

Budget for 2009-2010

Loss of State Funding to Pamlico County Schools
from 2008-2009 to 2009-2010.

\$10,844,561	2008-2009 Initial State Allotments
<u>\$10,024,412</u>	2009-2010 Initial State Allotments
-\$820,149	Decrease in funding from '08-'09 to '09-'10
<u>-\$222,721</u>	Required Reversion to be sent back to DPI
-\$1,042,870	Total Decrease in State Funding for 2009-2010

Welcome Back/Keynote-Superintendent

SUMMARY OF BUDGET CUTS 2009-2010

<u>Local Cuts 1st Round</u>		<u>2nd Round Cuts (House/Senate)</u>		<u>Total Cuts</u>	
7.0	Teachers	3.0	Teachers	10.0	Teachers
5.0	Teacher Assistants	1.0	Teacher Assistants	6.0	Teacher Assistants
1.0	Assistant Principal	.4	Assistant Principal	1.4	Assistant Principal
		5.5	Clerical/Custodians	5.5	Clerical/Custodians
		1.0	Guidance Counselor	1.0	Guidance Counselor
		.2	CFST (Nurses)	.2	CFST (Nurses)
		.6	Central Office	.6	Central Office
13	Positions	11.7	Positions	24.7	Positions

N.C.S.B.A. Disappointed in Governor Perdue's Proposed Budget

Overall the Governor's budget calls for an additional 3.8% in cuts plus another \$90 million in General Fund reductions to the K-12 budget over the budget approved by the General Assembly last year for the 2010-2011 fiscal year. "School districts are already reeling from the 2,466 classroom teachers they were forced to cut in 2009-10 to meet last year's discretionary cut, and struggling to figure out how they are going to minimize job losses from the next round of already discretionary cuts," said NCSBA President Wendell Hall. "By increasing the amount of money that local districts have to give back to the state, Governor Perdue is ensuring more layoffs to classroom teachers, teacher assistants and instructional support personnel; cuts for which local school boards will have to take the heat." School districts across North Carolina have 16,253 fewer paid public education jobs, including 4,701 state paid classroom teachers, in the 2009-2010 academic year. The additional \$135 million discretionary cut could mean as many as 2,430 teaching positions would be eliminated. Leanne Winner, N.C.S.B.A.'s Director of Governmental Relations said, "With less resources to educate a continuously growing number of children, school boards, especially those in our poorer counties, will have an even harder time doing the jobs they were elected to do..... Our elected leadership must reprioritize". *"Since the enactment of the ABC's for Public Education in the mid 90's, North Carolina has made great strides in student performance. This level of cuts will stagnate or reverse those gains for many years to come,"* said Ed Dunlap, NCSBA Executive Director.

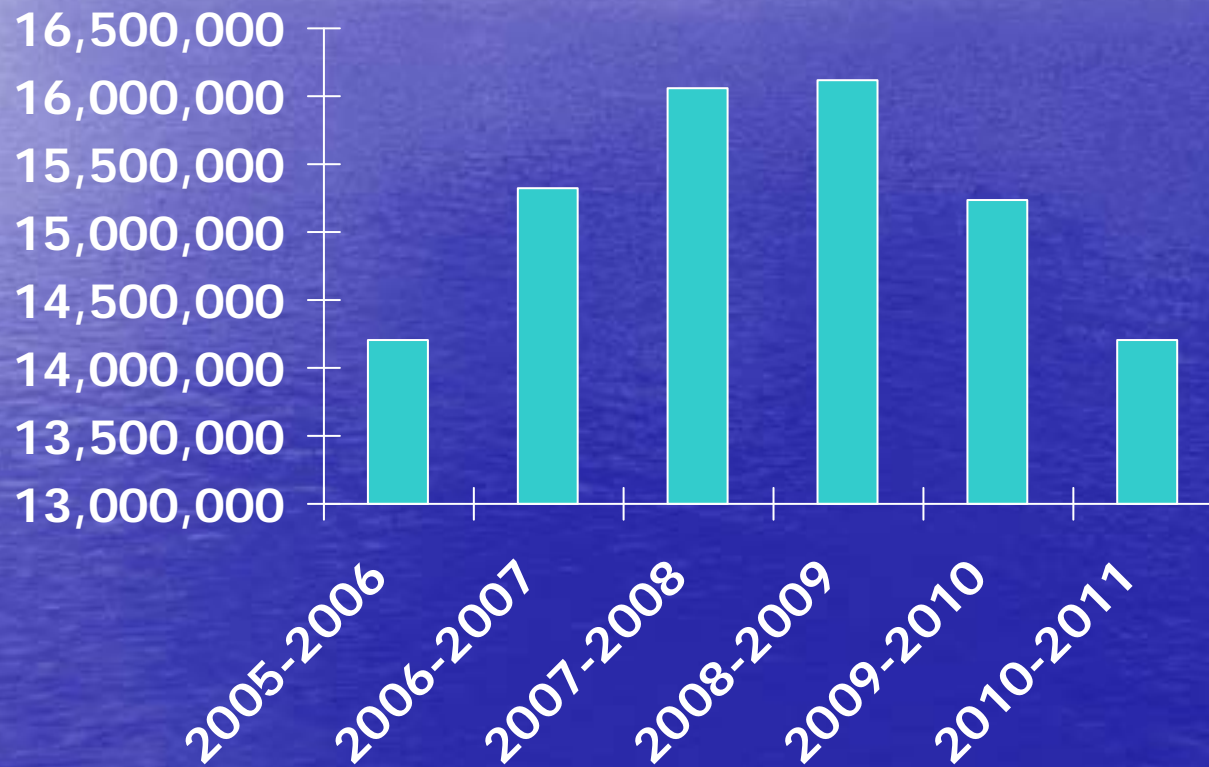
Public Schools at Risk Under Governor's Budget – DPI – 4/23/10

Under the Governor's proposed budget North Carolina Public Schools are bearing the burden of balancing the state's budget. "I don't think people understand that the vast majority – over 90 % of the public school fund – is tied to salary and benefits, which is why last year's cuts resulted in fewer teachers (5.44 % drop) fewer administrators (4.73% drop), fewer instructional support personnel, central office positions, non-certified staff and clerical staff" Atkinson said. "You can't cut the Public School Fund in any significant way and not impact the classroom." Atkinson also expressed concern regarding what is facing public schools next year when the American Recovery and Reinvestment Act funds end. "We will be facing a funding cliff that will easily exceed \$1 billion more," she said. "I'm amazed at what we've been able to accomplish despite declining resources, but everything has it's limit and we've reached ours." Atkinson said.

Estimate of Total State and Federal Funding Cuts in 2010-2011

	Reductions Based on 2010-2011 Planning Allotments *	Reductions Based on the Proposed Governor's Budget
State Program Cuts	\$308,361	\$438,582
State Discretionary Cuts	\$285,842	\$412,456
Federal Program Cuts	\$274,022	\$274,022
<i>Total Funding Cuts</i>	<i>\$868,225</i>	<i>\$1,125,060</i>

Total Budget Amount Comparisons 2005-2006 through 2010-2011



Definite Reductions in 2009-2010

Possible Reductions in 2010-2011

Positions	2009-2010	2010-2011*	Totals
Teachers	10.0	5.8	15.8
Teacher Assistants	6.0	1.0	7.0
Assistant Principals	1.4	1.0	2.4
Clerical/Custodian	5.5	1.5	7.0
Guidance Counselor	1.0	1.0	2.0
CFST (Nurses)	0.2	2.0	2.2
Central Office	0.6	1.4	2.0
<u>Totals</u>	<u>24.70</u>	<u>13.70</u>	<u>38.40</u>

* Either these positions, or others, of similar financial value.

INTRODUCTION

- North Carolina's public schools were hit with \$409 million in cuts for the 2009-10 school year, with more than 5,400 educator jobs lost. The General Assembly concluded the 2009 legislative session with a final budget 11% less than the previous year. It was predicted that without \$1.4 billion in federal stimulus money, K-12 classrooms would have been sliced by another \$380 million. Current appropriations for K-12 education are barely above spending levels for the 2006-2007 school year.

INTRODUCTION--*Continued*

- Discretionary cuts, the most harmful to K-12 education in the 2009-10 budget, mandated that the 115 local school districts cull through their respective budgets and collectively return \$225 million to the state's General Fund. However, school districts were directed to protect the classroom by using stimulus funds.

INTRODUCTION-- *Continued*

- The \$225 million discretionary cuts, combined with the \$80 million budget reduction, the \$14 million cuts to local school district central offices, and positions rified by LEAs, resulted in the loss of 5,401 jobs in K-12 public education in the 2009-2010 academic year. In spite of budget recommendations to protect the classroom, the vast majority (88.34%) of K-12 funding cuts directly impacted the classroom: 3,000 fewer teachers (55.55%), 219 fewer instructional support personnel (4.05%), and 1,552 fewer teacher assistants (28.74%) employed in North Carolina's K-12 public schools in 2009-10. If discretionary cuts budgeted for 2010-11 are implemented, projected teacher job losses alone could grow to 3,700 or greater.

Budget Woes Hit Educators' Pockets

- Educators employed this year under a frozen pay schedule were given a .5% decrease in pay and are burdened with an 8.9% increase in dependent premiums, as well as increased out-of-pocket costs (co-pays and co-insurance) under the State Health Plan. Educators also lost additional income due to the elimination of ABC bonus funds. These combined woes drastically cut educators' purchasing power. Many educators continue to spend personal funds to supplement classroom needs, such as supplies, instructional materials, and other classroom needs not adequately funded by state or the local school district.

Budget Woes Hit Educators' Pockets--*Continued*

- The 2009-2010 academic year stalled North Carolina's gains towards reaching the national average in teacher pay. Preliminary estimates rank North Carolina's average teacher salary (\$48,648) as 31st in the nation, dropping from 25th last year, while starting pay is just over 30,430 annually. The teaching profession in North Carolina continues to lay a foundation for future recruitment problems as an aging workforce begins retiring en masse over the next 10 years.

Class Size: More than a Line Item

- Although directed by the Governor in the budget to protect the classroom in 2009-2010 it only protected K-3 classrooms where class sizes were to remain unchanged. Grades 4-12 were left unprotected explicitly. Class sizes increased tremendously in middle schools and even more in high schools. Across the state, educators report large increases in class size, with many classrooms reaching close to 40 students/class.

Class Size: More than a Line Item

-- *Continued*

- Smaller class size in NC benefits students and communities, according to the NC Education Research Council:
 - Gains associated with small classes are stronger for the early grades – PK-3.
 - Gains are stronger for students who come from groups that are traditionally disadvantaged in education - minorities and immigrants – PK-3.
 - Gains from class size reduction in the early grades, PK-3, continue for students in the upper grades, 4-12, because students are less likely to be retained, and more likely to stay in school and earn better grades.

Class Size: More than a Line Item

-- Continued

Academic gains are not the only benefit of lowering class size. A recent study published by the *American Journal of Public Health* revealed that reducing class sizes in elementary schools may be more cost-effective than most public health and medical interventions. This is because students in smaller classes are more likely to graduate from high school, and high school graduates earn more and also enjoy significant better health than high school dropouts.

Teacher Assistants: Essential and Non-Expendable

Cuts to teacher assistant positions represent nearly 30 percent of all public school personnel cuts in the 2009-2010 budget year. Teacher Assistants are relied upon to provide essential instructional and clerical support for classroom teachers. This support allows teachers more time for lesson planning and teaching. While their work in the classroom is not calculated in the class size ratio for K-12 education, teacher assistants in the classroom are a key indicator as to whether a class will get through the year's curriculum, according to classroom teachers. Teacher assistants are especially valuable in providing students with individualized attention when the majority of the class has mastered a subject and is ready to advance. These professionals generally provide instructional reinforcement to children under the direction and guidance of teachers. They work with students individually or in small groups, listening while students read and reviewing or reinforcing class lessons.

Teacher Assistants: Essential and Non-Expendable *-- Continued*

- It should be underscored that teacher assistants are required to be highly qualified under the federal “No Child Left Behind” legislation. This requires all teacher assistants serving in Title I schools in an instructional capacity to have an associate's degree or hours equivalent from an institute of higher education.

Universities and Community Colleges Protected, While K-12 Education Funding Continues Downward Spiral

- While the General Assembly simplistically describes its commitment to public education by touting 52% of expenditures dedicated to the general line item which represents \$11.5 billion. Of this \$11.5 billion, it should be noted that 33% actually goes towards universities and private colleges. K-12 public education received 35% of the General Public Education Fund in 2009-10, and it is projected to be even lower in 2010-11.

Universities and Community Colleges Protected, While K-12 Education Funding Continues Downward Spiral--*Continued*

- Historically, the percentage of the General Fund dedicated to K-12 public education continues to slide, dropping over 17 percentage points from 1970 to the present. During the same time period, the percentage of the General Fund for North Carolina's public universities and community colleges escalates or remains relatively unchanged.

Universities and Community Colleges Protected, While K-12 Education Funding Continues Downward Spiral--*Continued*

- After a Rand Study showed rampant growth in the middle management ranks throughout the UNC system, the General Assembly required a \$72.9 million management flexibility reduction targeted at senior and middle management, centers and institutes, low-enrollment degree programs, faculty workload, speaker series', and institutional trust fund balances. There were no cuts to faculty reported in the budget or in news accounts since the budget's passage.

North Carolina Not Making the Grade for Funding K-12 Education

- According to *Education Week's Quality Counts* report, released in January, 2010, North Carolina is not making the grade on total spending for K-12 education, scoring a dismal "F" and ranking 11th when compared to the 12 southeastern states. Only Tennessee scored less than North Carolina. The study indicates that a well-prepared profession in the state is undermined by a finance system that ultimately affects the entire K-12 system.

North Carolina Not Making the Grade for Funding K-12 Education -- *Continued*

- School financing was the most hurtful to North Carolina's position as the state committed only 2.8% of its taxable resources to K-12 education. North Carolina per-pupil expenditure, even after adjusted for regional cost differences, was an abysmal \$8,345 per student, while the rest of country spent \$10,557 per student on average. North Carolina is notably behind South Carolina (\$9,503), West Virginia (\$11,488), and Mississippi (\$8,980), according to *Education Week's* study. A failing funding system has repercussions on student performance, teacher retention, and recruitment.

North Carolina Not Making the Grade for Funding K-12 Education *-- Continued*

- In 2008-09, the amount the state funds per pupil in Pre-K-12 increased by 5 percentage points from the previous year, while the amount spent per capita at the university level increased by 10 percent during the same time period. North Carolina ranks 10th out of the 12 southeastern states on average per pupil expenditure for 2008-09. In the nation, North Carolina ranks 43rd out of the 50 states and the District of Columbia in funds spent on K-12 education.

Teachers Continue Making the Grade, in Spite of Poor K-12 Funding

- In spite of poor funding for K-12 education, *Education Week's Quality Counts* report ranks North Carolina's teaching profession as the 5th best system in the 12 southeastern states. The state is known nationally for the high standards North Carolina places on teachers who enter the profession, basic skills, and subject knowledge taught. The state also leads the nation in numbers of teachers holding National Board Certification, where research shows the positive impact on student achievement.

Summary and Key Recommendations

- Finally, we have to stop K-12 funding from shrinking further and retain North Carolina's top teaching force. According to the North Carolina Retirement System, as of December 31, 2007, 4,326 certified teachers were eligible to retire with full benefits. Teacher turnover, added to the shortage of teachers projected for the next decade, continues to lay a foundation for future recruitment problems as an aging workforce begins retiring en masse over the next ten years.

Summary and Key Recommendations-- *Continued*

- The goal of the North Carolina Association of Educators is twofold: first, work with the General Assembly to prioritize K-12 in the budget, and second, stop all funding cuts to K-12 education. To this end, we offer the following list of recommendations to legislators:

Summary and Key Recommendations-- *Continued*

1. Fund schools first by restoring to school districts the \$225 million discretionary cuts and jobs lost from the 2009-10 state budget. **Note:** 88.34% of all discretionary cuts in K-12 education directly hurt the classroom (cuts to teachers, instructional support staff, and teacher assistants).
2. Increase K-12's percent share of the General Fund to the level of 1970. Historically, universities and community colleges' share of the General Fund has remained relatively unchanged, while K-12 funding has dropped by 17%.

Summary and Key Recommendations-- *Continued*

3. Reinstate class size regulations in grades 4-12 and put a moratorium on granting waivers allowing class size to increase. Academic achievement for students is greatly increased when class size is reduced.
4. Assist local school districts on how to maximize the flexibility in designating Stimulus Title I funds received to save jobs.

Summary and Key Recommendations-- *Continued*

5. Protect the classroom and services to all students, particularly special education and at-risk students.
6. Restore teacher assistant positions to ensure adequate academic support is provided for students, and instructional support and assistance is given to teachers. Fifty-four percent of all teacher assistants hold an associate's degree or hours equivalent, or a bachelor's degree or higher.

Summary and Key Recommendations-- *Continued*

7. Restore school transportation safety and maintenance training to local school districts, eliminated due to budget reductions in the State Department of Public Instruction.
8. A recent report released by the Council on State Taxation and the Ernst and Young Accounting firm ranked North Carolina dead last in state and local taxes paid by businesses. Where will businesses find the educated workforce needed if budget cuts directly impacting the classroom continue?

The background of the slide is a photograph of a vast blue ocean under a bright blue sky with wispy white clouds. A bright reflection of the sun is visible on the left side of the water's surface, creating a shimmering path. The text is centered in the middle of the image.

**Are we ready
to prepare our students for the
21st Century?**

Public Comments !!!!!

and/or

Questions ??????