

## K-12 PUBLIC SCHOOL FUNDING CUT

- Per the NC Department of Public Instruction, “Total funding for public schools increased \$60,214,282 since FY 2008-09; but, if you back out the funding added for benefit cost increases and salary adjustments, the funding available for classroom activities (textbooks, transportation, teacher assistants, teachers, etc.) has been reduced by over \$1 billion.”
- NC’s per pupil expenditure has dropped from \$5,896 in 2008-09 to \$5,766 in 2014-15—\$130 less per pupil. NC’s per pupil expenditure ranking of 46th nationally is likely to continue to drop.
- Historically, school districts were provided with “planning allotments” at the beginning of the school year that accounted for a district’s in average daily membership (ADM). In 2015, a new budget provision eliminates these up-front dollars used to fund additional staff and other resources needed to accommodate student population growth. School districts that do not have a fund balance (“rainy day” account) will be forced to make cuts to their current operating budget to cover costs. Moreover, school districts will not know until the following fiscal year whether their enrollment growth will actually be funded.

## TEACHER WORKING CONDITIONS = CHILDREN’S LEARNING CONDITIONS

- In 2013-14, the budget eliminated 5,184.5 teachers and 272 support personnel positions (guidance counselors, psychologists, social workers, etc.). Additional cuts are anticipated in 2014-15.
- Approximately 3,300 teacher assistant positions were cut in 2014-15, in addition to the 3,850 positions cut last year. While the certified budget allocation for teacher assistants was \$477.4 million, \$368.3 million is what actually remained in the allotment. The allotment includes \$24 million in lottery funds.
- The budget allocates \$275M in recurring funds for an average 5.5% teacher pay raise. The new teacher salary schedules:
  - Offer larger increases to teachers newer to the profession.
  - Eliminate longevity pay, which rewarded teachers with 10+ years of service with a bonus.
  - Cap annual teacher salaries at \$50,000. A certified teacher with a bachelor’s degree would earn \$50,000 at 25 years of service. The U.S. average public school teacher salary for 2012—13 was \$56,103.
- In May 2014, Superior Court Judge Robert Hobgood ruled that ending teacher career status, which protects teachers from being fired arbitrarily (without due process), was unconstitutional. Teachers who have already earned career status will keep this right.
- Teachers who have yet to earn career status are effectively temporary employees and are given only one-year contracts. Beginning in 2016, teachers without career status can be offered one, three or four-year contracts.
- Only teachers who already hold a master’s degree or who have begun a master’s program prior to July 1, 2013 or whose job requires a master’s degree or higher will receive a salary supplement for holding an advanced degree. For all others, master’s pay has been eliminated.
- No limits on class size in grades 4 – 12. However, the student: teacher allotment ratio for kindergarten will now be 18:1, a reduction of one student per teacher and the ratio for first grade will now be 17:1, also a reduction of one student per teacher. This represents an increase in funding for an additional 761 teaching positions.
- More underprepared students entering Kindergarten, as 2,500 slots for pre-K were cut in 2013-14. 11,678 children remain on the waiting list for pre-K.

- According to the North Carolina Budget and Tax Center, classroom materials and instructional supplies funding has been cut by nearly 47 percent since FY 2009-10, down from \$90.7 million when adjusted for inflation to around \$50 million for the current school year.
- In 2014-15, textbooks will be funded at \$24 million, or roughly one-fifth of the 2009-10 budget of \$116 million. This amounts to less than \$20 per student; a textbook typically costs \$35-85.
- At-risk student services were reduced by \$9.3 million. These funds are used for a variety of programs, including preschool screening, alternative instruction and alcohol and drug prevention, designed to help students at-risk of dropping out of school.

## PRIVATIZATION, TEACHING FELLOWS, AND MERIT PAY

- A school voucher program that would have used \$12.6 million of our tax dollars to offer up to \$4200 per student to qualified families was determined to be “unconstitutional, beyond a reasonable doubt” by Superior Court Judge Robert Hobgood. However, on September 19, 2014, the Court of Appeals ruled that 1,878 students who were originally awarded school vouchers would receive those taxpayer dollars—up to \$7.9 million in total—despite the fact that the case still remains under appeal.
  - Vouchers take public dollars and use them to fund attendance at private and religious schools, which do not have to provide transportation, meals, have certified teachers, meet legal safeguards for special needs children or use the same tests as students in traditional public schools or charter schools.
- While phasing out NC’s nationally recognized Teaching Fellows program, the budget maintains \$11 million in funding for Teach for America, a program with far less teacher training and a less successful track record.

	<b>Recruiting</b>	<b>Preparation</b>	<b>Persistence</b>
<b>Teaching Fellows</b>	In-state grads	4 years during college	78% stay at least 5 years
<b>Teach for America</b>	Grads from all over the country	5 weeks with coaching	Less than 10% stay 5 years

- Merit Pay: School districts must submit a local proposal to the Senate Appropriations/Base Budget Committee, the House Committee on Appropriations, and the Joint Education Oversight Committee by January 15, 2015 for how they wish to award differentiated pay (salary increases or bonuses). Salary increases may be awarded to classroom teachers who receive a “highly effective” rating. Bonuses may be awarded to classroom teachers and Title I instructional support for placement in hard-to-staff schools, hard-to-staff subjects, and for teachers who take on select additional responsibilities.
  - The General Assembly has allocated \$1 million to the NC Education Endowment Fund for this purpose. This recently established endowment is an uncertain source, as it is funded through the sale of “I Support Teachers” license plates and voluntary contributions, along with any additional dollars allotted to the fund by the General Assembly.
  - Merit pay has been tried in several states, without appreciable success. Moreover, a recent study reported that 89% of NC teachers thought merit pay would disrupt collaboration in teaching, and only 1% of NC teachers agreed that pay for performance would positively impact teacher morale, retention, or quality.

## **GRADING PUBLIC SCHOOLS A-F**

NC public schools are required to administer a variety of EOG and EOC tests that will be used to grade each school on a scale from A to F. On the other hand, private schools receiving vouchers are not required to use these tests, nor will these schools be graded. The A-F grading system is a combination of the absolute achievement score that counts 80%, and a growth score that counts 20%. In Indiana and Florida, where similar grading schemes are employed, schools that serve a high proportion of low-income students are graded D or F at a much higher rate than schools that serve high-income students. While NC's A-F system does not call for school closures or takeovers as have happened in other states, it lays the groundwork for such actions in the future.

## **CHARTER SCHOOL ACCOUNTABILITY**

The number of Charter schools, with student achievement results from ineffective to highly successful, significantly increased this year. In 2011, charters were allowed to expand without any cap on the number that could operate in a community. Now, a 2014 provision allows them to expand by one grade level each year without prior approval of the State Board of Education. Local boards of education are no longer allowed to submit impact statements about the effects of charter schools on local district ability to provide a sound basic education as guaranteed by the state constitution. Only 50% of charter school teachers need to be certified. Charters remain free of requirements to provide transportation and meals to students who need these services.

In 2014, the General Assembly amended legislation such that charter schools are not required to protect students against discrimination based on sexual orientation and gender identity. In addition, charter schools are now statutorily required to follow the Open Meetings Law and the Public Records Act. Finally, the law also allows teachers to sit on the board of the charter school where they teach, although they cannot vote.

## **FUNDS ALLOCATED FOR ONLINE CHARTER SCHOOL PILOTS**

The 2014-15 budget also authorizes the creation of two pilot K-12 online charter schools. The length of the pilot will be four years. Each pilot school will receive up to \$790/student from the student's home school district. The maximum enrollment in each pilot is capped at 1,500 students in the first year, rising to 2,592 in year four. The law further states, "The school shall have a withdrawal rate below twenty-five percent (25%). Two-thirds of students at industry-leading K-12, Inc.'s online charter schools leave after less than two years.

## **OTHER BUDGET ITEMS**

The budget also:

- Cuts \$4.6 million in transportation "which supports the salaries of transportation personnel and the maintenance of yellow school buses." In 2013-14, the General Assembly changed the mileage and age standards, substantially lengthening the time school buses can remain on the road.
- Driver Education – Beginning in July 2015, the state Highway Fund will no longer support the cost of local driver education programs. Instead, local school districts will have to fund courses and may charge students up to \$65 if they wish to participate.
- Eliminates childcare subsidies for nearly 12,000 children ages 6 -12. There is concern over the fact that many children may now be left unsupervised.

- Reduces the North Carolina Department of Public Instruction budget by 10 percent—\$5,026,050—more than any other state agency. This cut will result in the abolishment of 54 positions, including some that aid schools with low academic performance.

## BUDGET RESOURCES

National Association of Educators Research, Rankings and Estimates March 2014:

<http://www.nea.org/home/44479.htm>

NC Association of Educators 2014-2015 Legislative Wrap-Up: <http://www.ncae.org/whats-new/2014-2015-legislative-wrap-up/>

Top Frequently Asked Salary Questions Stemming from the 2014-15 State Budget: <http://www.ncae.org/whats-new/top-frequently-asked-salary-questions-stemming-from-the-2014-15-state-budget/>

NC Certified Budget: [http://www.osbm.state.nc.us/files/pdf\\_files/BD307\\_2013-15\\_080\\_DPI.pdf](http://www.osbm.state.nc.us/files/pdf_files/BD307_2013-15_080_DPI.pdf)

NC Child 2014 Legislative Summary:

<http://www.ncchild.org/wp-content/uploads/2014/08/2014-Legislative-Session-Overview.pdf>

NC Department of Public Instruction, Financial and Business Services:

<http://www.ncpublicschools.org/fbs/>

NC Department of Public Instruction, Statistical Profile

<http://apps.schools.nc.gov/pls/apex/f?p=1:21:1007929380808901::NO>

NC General Assembly Appropriations Act of 2014 (budget):

<http://www.ncleg.net/Sessions/2013/Bills/Senate/PDF/S744v9.pdf>

NC General Assembly Joint Conference Committee Report on the Continuation, Expansion, and Capital Budgets (“Money Report”): [http://www.ncleg.net/sessions/2013/budget/2014/Committee\\_Report\\_2014-07-30\\_final.pdf](http://www.ncleg.net/sessions/2013/budget/2014/Committee_Report_2014-07-30_final.pdf)

NC Justice Center Budget and Tax Center: <http://ncjustice.org/?q=budget-and-tax>

NC Justice Center Education and Law Project: <http://ncjustice.org/?q=education>

NC Policy Watch: <http://www.ncpolicywatch.com/>

NC School Boards Association 2014 Legislative Summary:

<http://www.ncsba.org/clientuploads/DocumentsPDF/Advocacy/NCSBA%202014%20Legislative%20Summary.pdf>

North Carolina Public School Teachers: Reactions to Teacher Evaluations and Merit Pay, May 2014:

[http://people.uncw.edu/robertsonj/documents/NC%20Teacher%20Evaluation%20and%20Merit%20Pay%20survey%20results%20Report.pdf?utm\\_content=buffer76bd2&utm\\_medium=social&utm\\_source=twitter.com&utm\\_campaign=buffer](http://people.uncw.edu/robertsonj/documents/NC%20Teacher%20Evaluation%20and%20Merit%20Pay%20survey%20results%20Report.pdf?utm_content=buffer76bd2&utm_medium=social&utm_source=twitter.com&utm_campaign=buffer)

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