

## *Proposed K-12 Education Budgets: From Bad to Worse*

Three K-12 budgets have been proposed, one by the Governor, and one each by the NC House and Senate. Each cuts funding to public education in different and significant ways. North Carolina's public schools have suffered from chronic underfunding. Yet, despite a Constitutional mandate to ensure the delivery of a high quality public education for all students, all three budgets call for reductions in personnel and other critically needed resources that severely compromise that mandate.

The severest cut called for in all three budgets amounts to \$376 million. The Senate budget calls for specific line item cuts, while the Governor's and House budgets propose discretionary cuts. A budget must be approved by the start of the new fiscal year on July 1, or an extension plan created to bridge to the final approval of a new biennial budget. To reconcile differences in the three budgets, negotiations will occur behind closed doors in House and Senate conference committees.

**Governor McCrory's proposed budget** for K-12 education allocates \$85 million or 1.1% less than the amount needed *just to maintain current levels of service*. It does not attempt to restore the cuts of more than 4,000 teaching positions over the past 3 years.

As mentioned previously, the Governor's budget includes discretionary cuts of more than \$376 million. These cuts would be in addition to cuts that could be made to other programs (i.e. professional development, textbooks).

Discretionary cuts are a practice that began as a response to the need to drastically tighten budgets during the recent recession. In practice, they function like a budget "shell game." School districts are allocated state funds, but then have to immediately return that allocation back to the state. The state allows the local district "discretion" to make cuts as they see fit to meet their obligation to return funds. That is why some things called for in the Governor's budget may not happen at the local level. For example, the 981 new teacher positions included in this budget to accommodate student growth may not materialize, as school districts may be forced to fund other necessities in lieu of hiring additional teachers—requiring school systems to either cut more course offerings or overcrowd more classes.

The Governor's budget also ignores the requirements of the Education Lottery law, allocating only 20% (instead of the required 40%) to capital needs. Additional lottery funds are allocated for digital learning (\$43 million) and for 5,000 new NC Pre-K slots (\$17 million).

After salary freezes for four of the last five years, the Governor's budget proposes a slight 1% salary increase for all school employees.

**The Senate budget** eliminates class size maximums, slashes teaching assistants, and offers no salary increases for teachers. By raising class size, it will effectively eliminate 5,200 classroom teachers. Over the last four years, NC's public schools have lost 17,278 positions and laid off 6,167 people (35% teachers, 33% teaching assistants) while the number of public school students has grown about 16,000.

While overall cuts to public education in the **House budget** are not quite as drastic, they do include \$50 million for school vouchers and almost \$1 million over two years for the school "choice" lobby group, Parents for Educational Freedom NC to develop charter schools in rural areas.

**Advocating for high-quality public schools for North Carolina.**

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Item	McCrorry	Senate	House	Comment
Overall view of K-12 budget	Budget short \$85 M needed to maintain current services	Budget short \$135 M needed to maintain current services	Budget short \$79 M needed to maintain current services	
Discretionary Reduction (also known as “LEA adjustment”)	\$376 million	Makes \$376 M in permanent cuts: <i>see below in italics</i>	\$376 M	House reduces this cut by 2% in 2014-15
Teaching positions	Adds 981 positions to meet student growth (see comments above regarding discretionary cuts)	Meets student growth, but cuts \$286.4 M to classroom teachers by changing teacher/student ratios <sup>1</sup>	Meets student growth but (see comments above regarding discretionary cuts)	Student growth (ADM, or average daily membership) projected to increase 6,642 in 2013-14 and 6,636 in 2014-15.
Teaching Assistants	Cuts \$117 M or 3,500 positions and gives local school districts the “flexibility” to place TAs	Cuts \$142 M estimated to be about 4,580 positions	Cuts \$24.6 M, or about 768 positions	
Instructional personnel	-	<i>\$17 M cut</i>	-	
Salary	1% raise for all employees	-	5 bonus vacation days	Senate offers \$500/year for teachers opting to relinquish due process rights
Tenure	No change	Ends tenure for all	No change	
Class size	No change	Lifts limits	Keeps class size in K-3	
Vouchers	-	-	\$50 M over 2 years	Annual recurring funds in future years
Parents for Educational Freedom NC	-	-	\$1 M over 2 years	funds to develop rural charter schools
Textbook/Instructional supplies	\$67 M	Cuts <i>\$6.9 M</i>	Cuts \$4.2 M cut	
English as a Second Language	Cuts \$3 M	Cuts <i>\$6 M</i>	Cuts \$3 M	
Funds for testing	\$7.5 M	\$7.5 M	\$7.5 M	
School bus replacement		Cuts <i>\$28.5 M</i>	Cuts \$29 M	Senate increases bus use from 200,000 miles to 250,000 miles

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Low wealth supplement		Cuts \$14.9 M	Cuts \$18 M	
Lottery funds	20% (instead of required 40%) for capital, \$26 m for computer tablets, \$17 m for 5,000 pre-K slots		Uses some for instructional supplies, above	
Professional development	Eliminates NC Center for the Advancement of Teaching (NCCAT)	Eliminates NCCAT and supplemental pay for teachers with advanced degrees after July 2015;	Does not eliminate NCCAT. No supplement for advanced degrees unless job requires degree	
Recruitment	Phases out NC Teaching Fellows	Phases out NC Teaching Fellows; gives \$5 M to Teach for America	Restores Teaching Fellows and gives \$500K to TFA	

<sup>i</sup> This cut is possible because the Senate budget changes teacher/student ratios for purposes of funding allocations (NOT for specifying class size) as follows:

Grade	2012-13	2013-14 & 2015-16
Kindergarten	1:18	1:19
1 – 3	1:17	1:18
4 - 6	1:22	1:24
7 – 8	1:21	1:23
9	1:24.5	1:26.5
10 - 12	1:26.64	1:29

These increases in ratios will eliminate 5,200 classroom teachers, so class sizes will increase but local school boards will bear the brunt of decisions. There is no change in caps for class size in Governor’s or House budgets.

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