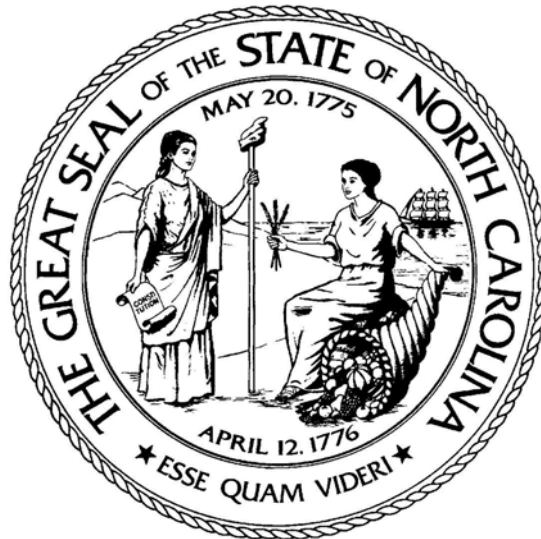


House Appropriations Subcommittee on Education

Proposed Subcommittee Report for S897: Appropriations Act of 2010



May 27, 2010

Public Education

GENERAL FUND

Total Budget Approved 2009 Session	FY 10-11
	\$7,360,833,223

Budget Changes

A. Technical Adjustments

1 Average Daily Membership (\$4,980,046) R

Revises projected increase in ADM for FY 2010-11 to reflect 3,127 fewer students than originally projected. Dollar amount of adjustment includes revisions to all position, dollar, and categorical allotments.

Total funded ADM for FY 2010-11 is 1,475,668, an increase of 10,754 over FY 2009-10. There was a temporary ADM reduction in FY 2009-10 precipitated by a change in the Kindergarten eligibility age.

2 Average Teacher Salary (\$44,950,676) R

Revises budgeted funding for certified personnel salaries based on actual salary data from December 2009. Adjustment does not reduce any salary paid to certified personnel.

3 Education Lottery Receipts (\$126,638,646) R

Adjusts the receipts budgeted for the Classroom Teachers allotment to reflect an updated distribution between the four Lottery programs, as well as the redirection of \$16.8 million in the Lottery Reserve and \$19.3 million in projected overrealized FY 2009-10 net revenues.

4 Exceptional Children Headcount (\$6,000,000) R

Adjusts funding previously budgeted for the Children With Disabilities allotment to reflect actual student headcount and does not reduce funding per student. The continuation budget includes anticipated growth based on the projected headcount of children with disabilities. This adjustment revises budgeted funding for both preschool and school-age children with special needs to reflect the April 1, 2010 headcount.

5 Small County Supplemental Funding

(\$2,400,000) R

Reduces funding to adjust for the expiration of Currituck County's funding eligibility in FY 2009-10 as well as a surplus of funding needed to fully fund the other eligible counties. The remaining \$44.1 million is sufficient to fully fund the 28 eligible counties.

6 Learn and Earn Early College High Schools

(\$306,200) R

Adjusts funding to reflect the delayed opening of one Learn and Earn School scheduled to open in FY 2009-10. S.L. 2009-451 provided funding to open twelve Learn and Earn schools that had been given planning funding in FY 2008-09. Only ten of the twelve planning schools were ready to open in FY 2009-10, but one of them will be ready to open in FY 2010-11. Currently 66 Learn and Earn "Bricks and Mortar" schools are operating in North Carolina.

B. Other Public School Funding Adjustments

7 ADM and BRAC Contingency Reserve

(\$2,618,501) R

Reduces the Contingency Reserve by 50%. The Reserve is maintained to provide additional support to school systems that experience greater than projected student headcount growth. \$2.6 million will remain to support the Reserve.

8 More at Four

(\$6,200,000) R
(\$32,986,721) NR

Reduces recurring program funding by 3.7% from its \$165.5 million combined appropriation of General Fund and Lottery proceeds. The Joint Task Force on Early Childhood Education and Care estimates that \$5 million in program savings can be achieved by the capping of administrative costs, as proposed in section 7.x of the Budget Bill. In addition, it replaces, on a one-time basis, General Fund appropriations for More at Four Pre-kindergarten services provided to TANF-eligible children with Temporary Assistance for Needy Families (TANF) Emergency Contingency Funds.

9 Instructional Supplies

(\$6,000,000) R

Reduces the Instructional Supplies allotment by 6.4%. \$88.2 million will remain for this purpose.

10 Central Office Administration	Reduces the dollar allotment to LEAs for the salaries and benefits of central office staff by 2.2%. This staff includes, but is not limited to, superintendents, associate and assistant superintendents, finance officers, athletic trainers, and transportation directors. \$107.5 million will remain to support these local staff.	(\$2,400,000)	R
11 Mentoring	Eliminates all State funding for LEA mentoring programs on a nonrecurring basis in FY 2010-11 only.	(\$9,214,190)	NR
12 Limited English Proficiency	Reduces funding for this allotment by 5.0%. \$76.5 million will remain available for this allotment.	(\$4,000,000)	R
13 Transportation	Reduces funding for the allotment, which supports the salaries of transportation personnel as well as the maintenance of yellow buses, by approximately 2.4%. \$403 million will remain available for this allotment.	(\$10,000,000)	R
14 Child and Family Support Teams	Reduces this allotment by 21.4%. This allotment provides funding for a dedicated social worker and school nurse in 100 schools. \$9.2 million will remain available for this allotment. The State Board of Education shall allocate this reduction by eliminating funding to those schools it deems to be implementing the program ineffectively.	(\$2,500,000)	R
15 School Bus Replacement	Eliminates funding for the purchase of new replacement school buses in FY 2010-11. \$44 million will remain available to support the extended financing payments required for buses purchased in FYs 2007-10, and an additional \$1 million will be available for emergency bus replacement purchases.	(\$11,900,000)	NR

<p>16 Career and Technical Education Program Support Reduces this allotment by 10.3%. This allotment supports funding to assist LEAs in expanding, improving, modernizing, and developing quality Career and Technical Education (CTE) education programs. \$17.4 million will remain available for these purposes. This reduction does not impact the \$382.2 million provided in additional State support for CTE teachers in the CTE Months of Employment allotment.</p>	<p>(\$2,000,000) R</p>
<p>17 Tarheel Challenge Adjusts State support for this program to reflect new Federal matching requirements. The required State funding share for this activity has been adjusted from 40% to 25%. \$348,527 of the unneeded State match funding will be reinvested into the National Guard Tuition Assistance Program, which is transferred into the UNC budget in Item #68.</p>	<p>(\$460,631) R</p>
<p>18 HMCUC Funds Transfer Transfers funds from the Historically Minority Colleges and Universities Consortium Closing the Achievement Gap project in the UNC system into the Department of Public Instruction to expand funding of the Dropout Prevention Grant initiative.</p>	<p>\$527,212 R</p>
<p>19 Connectivity Reduces funding for the School Connectivity Initiative (SCI) as it is deployed in all LEAs and is in the operations and maintenance phase. This adjustment also includes a \$3 million nonrecurring reduction of the cash balance. The recurring cut of \$1 million represents a reduction to recurring appropriations of approximately 4.5%, and leaves recurring appropriations at \$21.0 million per year. The nonrecurring cut of \$3 million reduces initiative funding projected to be unexpended in FY 2009-10.</p>	<p>(\$1,000,000) R (\$3,000,000) NR</p>
<p>20 Education Value Added Assessment System (EVAAS) Provides \$250,000 to expand funding for EVAAS licenses that had previously been funded out of reversions and \$750,000 to purchase EVAAS Teacher Analysis.</p>	<p>\$1,000,000 R</p>
<p>21 JOBS Commission Schools Provides funding to support the creation of two school sites in Wake County and Cumberland County recommended by the Joint Legislative Joining Our Businesses and Schools (JOBS) Study Commission.</p>	<p>\$200,000 R</p>

- 22 North Carolina Science, Math and Technical Education Center** \$100,000 R
 Provides funding to the North Carolina Science, Mathematics and Technology Education Center, Inc. (NCSMTEC) to support interscholastic science competitions.
- 23 Kids Voting** \$50,000 R
 Provides funding to support continued operation of the Kids Voting program.
- 24 Diversity in Public Schools Commission** \$26,244 R
 Supports the establishment of a Joint Legislative Study Commission on Diversity in Public Schools as designated in section 7.x of the Budget Bill. The Commission will explore the benefits of diversity in public school enrollment, examine best practices for maintaining diversity in other states or school systems, and consider the impact of diversity on the achievement gap.
- 25 Student Diagnostic and Intervention Initiative** \$5,000,000 NR
 Provides nonrecurring funding to extend the Student Diagnostic Pilot program an additional year in the existing 40 pilot schools. Additional funding will expand the pilot program to additional schools that have been deemed to be low performing.

C. Department of Public Instruction

- 26 North Carolina Center for the Advancement of Teaching** (\$236,529) R
 Reduces funding for the North Carolina Center for the Advancement of Teaching (NCCAT) by 4.0%, bringing annual recurring funding for the program to \$5.7 million. To the extent possible, this reduction is to be taken to administrative positions before impacting direct services to teachers. NCCAT is encouraged to utilize the Department of Public Instruction's existing administrative capacities to mitigate the impact of the reduction.
- 27 NC WISE** (\$2,000,000) R
(\$10,000,000) NR
 Reduces the annual appropriation for the North Carolina Window on Student Education (NC WISE), as this project is deployed and is in operations and maintenance phase. As such, its annual budgetary needs are \$2 million less than previously budgeted. This item also includes a \$10 million nonrecurring reduction of the cash balance. The remaining balance will support the hardware and reporting projects associated with NC WISE.

28 Department of Public Instruction Technology Services

(\$2,828,444) R

Eliminates 26 positions in order to find efficiencies and reduce redundancy in the Department of Public Instruction Technology Services area. The reduction includes departmental NC WISE positions, Offices of the Chief Information Officer, Chief Technology Officer, Technology Business Services, and Project Management. NC WISE has been deployed, reducing the need for personnel.

-26.00

29 Legacy Fund Balance

(\$1,300,000) NR

Eliminates the cash balance for this project. Funds were appropriated on a nonrecurring basis in three consecutive years to enable DPI to bring information technology applications into compliance with the statewide architecture requirements. This project has now been completed. The total appropriation for this purpose was \$6 million.

Budget Changes	(\$225,616,217)	R
	(\$63,400,911)	NR
Total Position Changes	-26.00	
Revised Total Budget	\$7,071,816,095	

Community Colleges

GENERAL FUND

Total Budget Approved 2009 Session

FY 10-11
\$1,012,467,778

Budget Changes

A. Technical Adjustments

30 Fully Fund Enrollment Growth \$85,041,632 R

Provides funds to fully fund enrollment growth. According to the 2009-10 spring semester census, enrollment has increased by 15.8% (34,118 full-time equivalents or FTE) above the 2009-10 adjusted budgeted enrollment of 213,472. This increase brings FY 2010-11 budgeted enrollment to 247,590.

This funding is in addition to the \$41,126,850 in the continuation budget for FY 2010-11 enrollment growth, for a total of \$126,168,482 in enrollment growth funding.

B. State Aid Adjustments

31 Management Flexibility Reduction (\$22,750,000) R

Reduces funds in the State Aid budget, bringing the total management flexibility reduction for FY 2010-11 to \$36 million. The State Board of Community Colleges shall distribute the flexibility reduction, accounting for the unique needs of each college. Each college reduced shall have the flexibility to adjust its budget to implement this reduction, but shall not impact those activities directly involved in retraining displaced workers.

32 Tuition Increase (\$37,147,110) R

Increases curriculum tuition from \$50 to \$58 for residents (\$8 increase) and from \$241.30 to \$250 for nonresidents (\$8.70 increase). Tuition for full-time resident students will increase by a maximum of \$256 per year, from \$1,600 to \$1,856.

33 Overrealized Tuition Receipts (\$10,000,000) NR

Increases the amount budgeted for tuition receipts to more accurately reflect anticipated receipts. Given recent enrollment growth trends, it is anticipated that enrollment in FY 2010-11 will increase by more than the budgeted amount.

<p>34 One-time Increase in Federal Literacy Receipts Increases the amount budgeted for federal literacy receipts, due to a one-time increase, and takes a corresponding one-time reduction in State funding.</p>	<p>(\$4,500,000) NR</p>
<p>35 Supplemental Multi-Campus Center Funds Reduces supplemental multi-campus center funds by 5.2%, leaving \$13,073,611 for supplemental multi-campus center funds. Community colleges will continue to receive FTE funding for enrollment at multi-campus sites.</p>	<p>(\$711,006) R</p>
<p>36 Equipment and Technology Provides funds for the purchase of instructional equipment and technology at all 58 colleges. These funds are in addition to the \$43.3 million included in the base budget for this purpose. Funds shall be distributed in accordance with the existing equipment formula.</p>	<p>\$4,000,000 R</p>
<p>37 Restore Small Business Center Funding Restores the reduction made to the Small Business Center allotment in 2009. This funding will be added to each colleges' base allocation. With this restoration, the total funding available for this program will be \$5,756,853.</p>	<p>\$402,861 R</p>
<p>38 Minority Male Mentoring Provides funds to assist Minority Male Mentoring programs at community colleges. These programs provide such activities as academic and personal counseling, drug intervention, and personal growth and development. These funds will be distributed through a competitive application process.</p>	<p>\$900,000 R</p>

39 Restore Funding for Prisoner Education

\$22,500,000 R

Restores substantial funding to the prisoner education program. In 2009, the prison education program underwent a continuation review. Using FY 2007-08 FTE estimates, \$32.9 million was eliminated from the program and \$32.9 million was appropriated in non-recurring funds for FY 2009-10. When FY 2008-09 numbers were finalized, it was estimated that \$35,949,015 was expended on prisoner FTE; therefore, \$3.0 million remains in the continuation budget for this program.

Funding is not restored to fund prison FTE in federal prisons, local jails, or programs not related to job skills or basic skills education. In FY 2008-09, a total of 587 FTE were served in these categories, resulting in a reduction of \$2,741,189.

To increase efficiency an additional \$7.7 million was reduced, for a total restoration of \$25.5 million. First priority for use of these funds shall be to restore the FTE for basic skills courses to the FY 2008-09 level. Funds not used for this purpose may be used for continuing education and curriculum courses related to job skills training.

C. System Office Adjustments

40 Move Position to Receipt Support

(\$60,747) R

Reduces appropriations by shifting one Education Consultant position entirely to proprietary school receipts. This position oversees the activities that generate these receipts.

-0.75

41 Reduce State Board Reserve

(\$160,000) R

Reduces funding for the State Board Reserve by 24% from \$660,000 to \$500,000.

42 Reduce Advertising Budget

(\$100,000) R

Reduces funds for advertising, due to unprecedented enrollment growth. The remaining \$100,000 shall be used to target advertising to underserved populations.

(\$100,000) NR

43 Reduce System Office Operating Budget

(\$158,764) R

Reduces the System Office operating budget with specific reductions to be identified by the System Office. Reductions should focus on travel, printing, postage, and registration fees.

44 Eliminate Positions

(\$575,022) R

Eliminates 7 positions in the Community College System Office. The duties of these positions shall be eliminated or absorbed by other System Office employees. The positions are:

-7.00

-Education Program Director #60088191 (Bionetwork) - \$94,250 salary and \$22,045 benefits.

-Technology Support Analyst #60088065 (Information Technology) - \$54,724 salary and \$14,867 benefits.

-Information Technology Manager #60088013 (Information Technology) - \$98,976 salary and \$22,903 benefits.

-Education Program Director II #60088192 (Workforce Development and Continuing Education) - \$102,750 salary and \$23,588 benefits.

-Television Production Asst III #60088049 (Distance Learning) - \$35,497 salary and \$11,375 benefits.

-Business Officer -C #60088111 (Facilities and Administration) - \$34,283 salary and \$11,155 benefits.

-Office Assistant IV #60088142 (Student Services) - \$36,966 salary and \$11,642 benefits.

Budget Changes	\$51,181,844	R
	(\$14,600,000)	NR
Total Position Changes		-7.75
Revised Total Budget	\$1,049,049,622	

UNC System

GENERAL FUND

Total Budget Approved 2009 Session

FY 10-11

\$2,656,552,008

Budget Changes

A. Base Budget Adjustments

- | | | |
|---|------------------------|----------|
| <p>45 Management Flexibility Reduction
 Mandates a management flexibility reduction for the UNC operating budget with a priority on non-teaching related budget cuts. This reduction is in addition to the \$100 million management flexibility reduction authorized for the FY 2010-11 base budget.</p> | <p>(\$139,264,862)</p> | <p>R</p> |
| <p>46 Vacancies Longer Than Two Years Abolished
 Abolishes 47 positions in the UNC system that have been vacant two years or longer.</p> | <p>(\$2,500,000)</p> | <p>R</p> |
| <p>47 Repeal of Nonresident Athlete Tuition Waiver
 Repeals the reimbursement to UNC institutions for their loss of revenue due to their compliance with GS 116-143.6 that grants resident tuition to nonresident student athletes.</p> | <p>(\$9,432,978)</p> | <p>R</p> |
| <p>48 Faculty Recruiting and Retention Fund
 Reduces a portion of the \$1.7 million unexpended fund balance in this program. \$10 million has been appropriated to this fund since FY 2006-07.</p> | <p>(\$1,500,000)</p> | <p>R</p> |
| <p>49 HMCUC Funds Transfer
 Transfers funds from the Historically Minority Colleges and Universities Consortium Closing the Achievement Gap project to the Department of Public Instruction to expand funding of the Dropout Prevention Grant initiative.</p> | <p>(\$527,212)</p> | <p>R</p> |
| <p>50 UNC Advertising Reduced
 Reduces the General Fund advertising budgets of UNC campuses by 47%.The campuses spent \$10.6 million from the General Fund and \$13.2 million from institutional trust funds on advertising in FY 2008-09.</p> | <p>(\$5,000,000)</p> | <p>R</p> |

<p>51 IT Reserve Eliminated Eliminates the remaining balance of a \$10 million reserve appropriated in 1999 for Information Technology (IT). UNC General Administration used the reserve to provide grants to campuses for IT software and hardware.</p>	<p>(\$755,917) R</p>
<p>52 Distance Education Reserve Eliminated Eliminates the remaining balance of a \$1.93 million reserve appropriated in 1996 for distance learning efforts. The expansion of distance learning is now funded by the enrollment growth model and by reserves for UNC Online and 2+2 efforts.</p>	<p>(\$651,483) R</p>
<p>53 UNC-TV Utilities Reduction Reduces the \$1.8 million UNC-TV utilities budget due to savings from the station's conversion from analog to digital in June 2009.</p>	<p>(\$410,863) R</p>
<p>54 ECU MRI Account Reverted Reverts \$2 million from magnetic resonance imaging (MRI) lease and equipment fund [Budget Code 06067, Fund Code 0142] at East Carolina University Brody School of Medicine to the General Fund. Created in 1993, this fund has been inactive in recent years.</p>	
<p>55 Aid to UNC Hospitals Reduced Reduces the \$44 million annual appropriation to UNC Hospitals due to the entity's \$501.1 million in unrestricted reserves.</p>	<p>(\$10,000,000) R (\$5,000,000) NR</p>
<p>56 Professional Development Grants Eliminated Eliminates grants to Salem College for summer professional development workshops for teachers and to Wake Forest University for their Master Teacher Fellows graduate program.</p>	<p>(\$63,635) R</p>
<p>57 Enrollment Growth Increases the UNC system enrollment growth funding in the FY 2010-11 base budget due to projected increase of 441 FTE over previous estimates. This funding is in addition to the \$53,432,226 for 4,485 FTE included in the FY 2010-11 base budget.</p>	<p>\$5,636,814 R</p>

58 Tuition Repeal	\$34,776,301	R
Repeals the FY 2010-11 legislative tuition rates enacted in the 2009 legislative session and restores the associated appropriation reduction.		
59 Need-Based Financial Aid	\$12,000,000	R
Increases UNC Need-Based Financial Aid to restore need-based aid that was nonrecurring in FY 2009-10.		
60 Building Reserves Restored	\$12,220,902	R
Restores the building reserves cut in the 2009 Session. These reserves pay for the operating costs of 55 new or renovated buildings completed in FY 2009-11. The funds are for the housekeeping, maintenance, and security requirements for the added building square footage.		
	184.00	
61 UNC High School Funding Restored	\$282,016	R
Restores base budget cuts made in FY 2009-10 to the two high school programs in the UNC system. The North Carolina School of Science and Math will receive \$80,851 for lab and educational supplies and the University of North Carolina School of the Arts will receive \$201,165 for cost of living increases in their residential high school.		
62 ECU Dental School Operations	\$6,000,000	R
Continues the phase-in of funding for the additional faculty and operating needs of the new School of Dentistry at East Carolina University that will open with 50 students in the Fall of 2011. To date, \$5.5 million has been appropriated for the school's operating budget.		
	36.00	
63 Energy Production Infrastructure Center (EPIC)	\$3,000,000	R
Completes the staffing and operational needs of the Energy Production Infrastructure Center (EPIC) opening at UNC-Charlotte in the Fall of 2011. These funds will enable the hiring of research faculty in electrical power, power system infrastructure, and power plant engineering. These funds are in addition to the \$2 million appropriated in 2009.		
	23.00	

<p>64 NC A&T/UNC-G Joint School of Nanoscience and Nanoengineering Continues the phase-in of faculty and staff for the NC A&T/UNC-G Joint School of Nanoscience and Nanoengineering located at the Gateway University Research Park in Greensboro. The program will conduct research in areas such as drug design and delivery, nanobioengineering, and genetic screening. There has been \$3.9 million appropriated to date for the operating budget for this program.</p>	\$1,000,000	R
<p>65 NC A&T College of Engineering Provides funds to North Carolina A&T State University's College of Engineering for 1) enhancement of the research infrastructure, 2) faculty retention, 3) recruitment of high quality students, and 4) additional support staff.</p>	\$1,000,000	R
<p>66 CASTLE Continues State support for the Center for the Acquisition of Spoken Language through Listening Enrichment (CASTLE) at UNC-Chapel Hill. The funds will be used to 1) train teachers and therapists to work with deaf preschool- age children with cochlear implants and 2) provide oral preschool classes to these children. The program has received nonrecurring appropriations annually since 2005.</p>	\$575,000	R
<p>67 Veterinary Medicine Clinical Teaching and Research Fund Continues state funding for the North Carolina State University College of Veterinary Medicine Clinical Teaching and Research Fund. This fund was created in 2007 to allow advanced diagnostic and treatment options for animals where a) owner financing of such options are limited, b) significant instructional value exists, or c) the diagnostic and treatment options have the potential of adding significantly to the core knowledge in the relevant clinical area.</p>	\$200,000	R
<p>68 Aid to Private College Students Increases funding to the Legislative Tuition Grant (\$2,713,176) and the State Contractual Scholarship Fund (\$1,838,588) for a 2.9% growth in enrollment in FY 2010-11.</p>	\$4,551,764	R

69 National Guard Tuition Assistance Program Transfer

\$1,862,815 R

Transfers the National Guard Tuition Assistance Program from the Department of Crime Control and Public Safety (CCPS) to the North Carolina State Education Assistance Authority (SEAA). CCPS transfers \$1,514,288 from their budget to SEAA for the program. Another \$348,527 is transferred into the program from a cut in Tarheel Challenge funds. SEAA may use \$50,000 of the funds for program administration.

Budget Changes**(\$87,001,338) R****(\$5,000,000) NR****Total Position Changes**

243.00

Revised Total Budget**\$2,564,550,670**