

**House Appropriations Subcommittee on
Education**

House Budget Recommendations

May 24, 2012

Public Education

GENERAL FUND

Total Budget Approved 2011 Session	FY 12-13
	\$7,444,122,100

Budget Changes

A. Technical Adjustments

1 Average Daily Membership (ADM)	(\$6,423,088)	R
<p>Revises projected ADM for FY 2012-13 to reflect 2,084 fewer students than originally projected. The adjustment includes revisions to all position, dollar, and categorical allotments.</p>		

Total allotted ADM for FY 2012-13 is 1,492,793, an increase of 11,802 students over FY 2011-12.

2 Average Teacher Salary	(\$85,670,329)	R
<p>Revises budgeted funding for certified personnel salaries based on actual salary data from December 2011. The adjustment does not reduce any salary paid to certified personnel, nor does it reduce the number of guaranteed State-funded teachers, administrators, or instructional support personnel.</p>		

B. Other Public School Funding Adjustments

3 LEA Adjustment Reduction	\$106,391,803	R
<p>Provides funding to restore 66.3% of the LEA Adjustment. The remaining amount in FY 2012-13 will be \$169,662,974. The State Board of Education shall distribute the remainder of this reduction to all LEAs and charter schools on the basis of ADM. LEAs and charters will then be responsible for identifying budget reductions in order to meet their share of the LEA Adjustment.</p>		
	\$226,983,163	NR

Some of this funding is appropriated from projected surplus FY 2011-12 Lottery receipts (\$25.6 million) and projected additional FY 2012-13 Lottery receipts (\$16.4 million).

4 Textbooks	(\$3,749,089)	R
<p>Reduces funding for textbooks. \$23.4 million will remain in this allotment in FY 2012-13, the same as the 2011-12 budgeted amount.</p>		

5 Education Value Added Assessment System (EVAAS)

Funds the remaining recurring costs of this student and teacher performance analytics tool, with a total of \$1.95 million in recurring EVAAS support. The nonrecurring appropriation supports two additional EVAAS functionalities: 1) enabling direct access to value-added information for teachers who teach classes with an End Of Course/End Of Grade test, and 2) creating the capability for users to export EVAAS data and merge it with other relevant analyses.

\$105,000 R
\$430,000 NR

C. Pass-through Funds

6 Teaching Fellows Fund

Modifies the budget reduction for program services from a recurring to nonrecurring reduction. The Teaching Fellows Fund Balance may be used on a one-time basis to support the costs associated with providing scholarships to the 2012-13 class. It is the intent of the General Assembly to resume full General Fund support for this program in FY 2013-14.

\$3,265,000 R
(\$3,265,000) NR

7 Teacher Cadet

Provides support for Teacher Cadet Program. The Teacher Cadet Program is part of the North Carolina Foundation for Public School Children, a private non-profit organization that encourages high achieving students to consider teaching as a career.

\$200,000 NR

8 PTA Parental Involvement Initiative

Provides funds to the North Carolina Congress of Parents and Teachers, NR Incorporated, a non-profit organization, to implement the PTA Parental Involvement Initiative.

\$150,000 NR

9 Tarheel Challenge

Provides funds to further develop the National Guard Tarheel Challenge Academy site in Badin, NC. Tarheel Challenge also receives \$767,719 in recurring funding for related activities.

\$4,000,000 NR

10 Teach for America

Provides additional support for Teach for America's (TFA) efforts to recruit, place and support teachers in North Carolina. TFA also receives a recurring \$900,000 appropriation to support this work.

\$900,000 NR

D. Department of Public Instruction**11 Residential Schools**

\$5,150,000 R

Restores nearly all of the \$5.5 million reduction made in anticipation of the closure of one of the three Residential Schools. None of the Residential Schools shall be closed. The Department of Public Instruction is strongly encouraged to maximize the use of all three facilities to generate receipts to further defray General Fund reductions to program operations.

12 Governor's Schools

\$200,000 NR

Provides funding for this program that supports summer enrichment activities for talented high school students.

13 Liability Insurance for Public School Personnel

(\$555,000) R

The actual cost of securing the statewide liability insurance policy in school year 2011-12 was less than the appropriation. This reduction better aligns the appropriation with projected costs.

 Budget Changes

\$18,514,297 R

\$229,598,163 NR

Total Position Changes**Revised Total Budget****\$7,692,234,560**

Community Colleges

GENERAL FUND

Total Budget Approved 2011 Session

FY 12-13
\$985,000,000

Budget Changes

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|--|-----------------------|----------|
| <p>14 Enrollment Growth Adjustments</p> <p>Adjusts funds for FY 2012-13 based on the estimated decline in community college enrollment.</p> <p>According to the FY 2011-12 spring enrollment census, enrollment has declined by 1.1% (2,663 full-time-equivalent students or FTE) from the FY 2011-12 budgeted enrollment of 251,017 and by 2.5% (6,335 FTE) from the current budgeted enrollment for FY 2012-13.</p> <p>Total requirements will be reduced by \$31,705,796. Of this reduction, \$19,597,092 is due to revised tuition and fee revenue estimates based on the new enrollment estimates.</p> | <p>(\$12,108,704)</p> | <p>R</p> |
| <p>15 Management Flexibility Reduction</p> <p>Provides funding to restore 5% of the management flexibility reduction. The remaining amount in FY 2012-13 will be \$83,233,302. The State Board of Community Colleges shall distribute the remaining reduction accounting for the unique needs of each college.</p> | <p>\$4,310,863</p> | <p>R</p> |
| <p>16 Enhance Math Instruction</p> <p>Funds college-level mathematics courses at the same level as science, engineering and technology, providing colleges funding to enhance math instruction.</p> | <p>\$4,210,790</p> | <p>R</p> |
| <p>17 Eliminate Fee Increase</p> <p>Eliminates the \$5 fee increase per continuing education course that was scheduled to take effect in FY 2012-13.</p> | <p>\$664,509</p> | <p>R</p> |

18 Multi-campus College Funding	\$2,922,542	R
<p>Provides additional funds for multi-campus colleges (MCCs). Additionally, the State Board of Community Colleges shall eliminate the categorical allotment for MCCs and instead provide an additional base allotment through the Institutional and Academic Support formula to colleges with approved MCCs. The allotment shall be based on the number of FTE served at each campus.</p>		
19 Textile Technology Center	(\$487,436)	R
<p>Reduces the categorical allotment to the Textile Technology Center at Gaston College. These funds will instead be appropriated under the MCC funding formula. Total funding remaining for the Textile Technology Center will be \$353,952.</p>		
20 Additional Multi-campus College	\$487,436	R
<p>Provides funds for addition of the Kimbrell Campus at Gaston College to the MCC funding formula.</p>		
21 NC Back to Work: Investing in Our Workforce	\$10,000,000	NR
<p>Provides funding for a retraining program to prepare North Carolinians facing long-term unemployment for new careers. This program will provide students with job training, employability skills, and industry-recognized, third-party credentials. Participating colleges will be jointly recommended by the Department of Commerce and the Community Colleges System Office.</p>		
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Budget Changes	\$0	R
	\$10,000,000	NR
Total Position Changes		
Revised Total Budget	\$995,000,000	
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UNC System

GENERAL FUND

Total Budget Approved 2011 Session

FY 12-13

\$2,551,672,698

Budget Changes

22 Center for Public Television	\$9,058,141	R
Restores \$9 million of the \$10.6 million in funding for the Center for Public Television, which was subject to a Continuation Review in FY 2011-12.		
23 Faculty Recruiting and Retention Fund	\$3,000,000	R
Provides funding for the Faculty Recruiting and Retention Fund, which the General Assembly created in S.L. 2006-66, Sec. 22.12A, to offer salary increases to recruit and retain faculty members. This appropriation increases the Fund's total recurring budget to \$13 million.		
24 UNC Hospital Subsidy	(\$44,011,882)	R
Eliminates the State subsidy to UNC Hospitals by converting the existing FY 2012-13 \$26 million non-recurring reduction to a recurring reduction and by eliminating the remaining \$18 million in the FY 2012-13 budget for UNC Hospitals.		
25 Management Flexibility Reduction	\$11,718,483	R
Provides funding to restore 2.8% of the management flexibility reduction. The remaining amount in FY 2012-13 will be \$411,453,778. The University of North Carolina Board of Governors shall allocate this reduction according to the terms of S.L. 2011-145, Sec. 9.6.		
26 NC Need-Based Scholarship	\$4,781,517	R
Increases funding for the NC Need-Based Scholarship for students attending private institutions of higher education by \$4.5 million in FY 2012-13 and \$4.8 million in future years. Total funding for the program in FY 2012-13 will be \$86,351,588.		
	(\$281,517)	NR

27 Certain Private Education Institutions Grant

Provides nonrecurring funding for scholarships authorized under G.S. 116-43.5 for FY 2011-12 program participants.

\$281,517 NR

S.L. 2011-145, Section 9.18 eliminated this program effective 7/1/12. Beginning in FY 2012-13, students formerly served under this program may be eligible for the NC Need-Based Scholarship if they meet certain financial-need criteria.

Budget Changes	(\$15,453,741)	R
	\$26,011,882	NR
Total Position Changes		
Revised Total Budget	\$2,562,230,839	

DPI - Trust Special

Budget Code: 63501

	FY 2012-13
Beginning Unreserved Fund Balance	\$4,286,450
Total Budget Approved 2011 Session	
Requirements	\$10,461,782
Receipts	\$10,461,782
Positions	0.00

Legislative Changes

Requirements:

Teaching Fellows Trust Fund Operations	\$0	R
Restores authority for NC Public School Forum to recruit and support an incoming class of 500 Teaching Fellows in 2012-13. These additional requirements shall be funded from proceeds available in the fund balance on a one-time basis and be supported by General Fund appropriations in future years.	\$3,265,000	NR
	0.00	
Teaching Fellows Trust Fund Transfer	\$0	R
Transfers \$543,526 from the cash balance of the Teaching Fellows Trust Fund to the General Fund for general availability.	\$543,526	NR
	0.00	
Subtotal Legislative Changes	\$0	R
	\$3,808,526	NR
	0.00	

Receipts:

Teaching Fellows Trust Fund	\$0	R
	\$0	NR
Subtotal Legislative Changes	\$0	R
	\$0	NR

House Appropriations Subcommittee on Education

FY 2012-13

Revised Total Requirements	\$14,270,308
Revised Total Receipts	\$10,461,782
Change in Fund Balance	(\$3,808,526)
Total Positions	0.00

Unappropriated Balance Remaining	\$477,924
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