

# 2011 General Assembly Session Updates

**DATE:** March 4, 2011

## **2011 LEGISLATIVE SESSION MEMO #5**

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On Tuesday, the Joint Appropriations Subcommittee on Education met to discuss the budget target and to hear a variety of issues and take questions. Staff will be bringing responses, as they are able, to the concerns raised by members. The committee members are trying to understand as much as they can about the three education budgets, to enable them to make decisions on how to make the budget cuts. There were more than 20 specific questions or requests for information. Some of these included: How many non-profits receive state funding, paperwork requirements, handheld diagnostics taking 1-2 hours to enter data, different credit hours for high schools across the state, teacher performance, funding formula study, education lottery formula, eliminate vacant/temporary positions, teacher assistant turnover and effectiveness across K-4, public and private higher education success rates (graduation rates, freshman retention etc.), non-instructional staff cuts relative to national standards, at what point do the cuts violate the State Constitution, funding waivers to use Exceptional Children's funds, and continuation budget line item by line item allotments.

On Wednesday, the Joint Appropriations Subcommittee on Education met to hear a presentation on Higher Education base budget questions and responses. Next staff provided information on public schools base budgets questions. Some of the areas included: Diagnostic Pilot program with 479 schools participating in 2010-2011, but with an unknown impact on student academic success. Additional issues included: limited English proficiency program funding, and student success, exceptional children headcount and cap of 12.5 percent, performance-based layoffs, National Board Certification (value), teacher assistants, how many and evidence of effectiveness. A handout was provided with an overview of DPI, including Race to the Top positions, (102 requiring 12 million in salaries and benefits), External reports on size and structure of DPI, District and School Transformation, residential schools position requests, DPI division personnel and duties, and DPI Federal funding flexibility.

On Wednesday, Senate Education met to hear the House bill eliminating certain standardized tests in high school, which has subsequently brought the ire of Judge Howard Manning. NCAE spoke in support of the legislation, while the legislative liaison for the State Board spoke against the bill. Several members tried to convince the committee of the need to keep the Algebra II test, though the bill sponsor told members he expects DPI to come forward with new recommendations on tests that will put these tests back in high schools. The Governor is expected to sign the bill once it reaches her desk. Then we will have to see if the Judiciary branch decided to get in the middle of the law.

On Thursday, Joint Appropriations Subcommittee on Education met to hear an overview of the Race to the Top Federal grant. RttT is a competitive Federal grant that NC (one of 12 states) was awarded. The grant provides \$400 million over the next four years to DPI and the local districts. The Federal funds will allow NC to move farther and faster to modernize the state's public

education system. Some of the areas of focus are: standards and accountability, effective principals and teachers, data systems, and turnaround of the lowest achieving schools. The following is a link to the handouts provided at the committee meetings over the past few weeks: <http://www.ncleg.net/gascripts/documentsites/browsedocsite.asp?nid=127>

The Joint Appropriations Subcommittees will spend the next four weeks finalizing their budget recommendations and then the House will have another two weeks to complete their version of the budget for a final vote on April 22. Everything is on the table and if the budget cuts weren't enough of a distraction, there are numerous bills being filed and passed that are also controversial and are distracting to the budget process.

**To view entire Bill, click on Bill number and follow directions:**

### **Joint Education Appropriations Subcommittee**

Budget Discussions, Tuesday, Wednesday, and Thursday.

### **House Environment**

[SB 22](#) APA Rules: Increasing Costs Prohibition **Favorable Report** to proposed committee substitute. NC has adopted 15,111 regulations over the past ten years. Stops rules and regulations if there is \$500,000 cost to regulated entity (including substantial additional costs), as well as other exceptions. The bill sunsets in 2012.

### **House Finance**

[HB 92](#) (Howard) Repeal Land Transfer Tax **Favorable Report**

### **House Insurance**

[HB 138](#) Amend Health Insurance Risk Pool Statutes **Favorable Report** to the proposed committee substitute.

[HB 161](#) Transfer State Health Plan to State Treasurer **Favorable Report** to the proposed committee as amended.

### **Senate Appropriations Base Budget**

[SB 109](#) Spending Cuts for the Current Fiscal Year **Favorable Report**

### **Senate Education**

[HB 48](#) No Standardized Testing Unless Required by the Feds **Favorable Report**

[SB 114](#) No Standardized Testing Unless Required by the Feds **No Action**

### **House Floor**

#### **Senate Floor**

[HB 48](#) No Standardized Testing Unless Required by the Feds **Passed** second and third readings.

[SB 49](#) Increase Fine for Speeding School Zones **Passed** second and third reading after it was amended to allow the fine to be between \$100 and \$250.

[SB 77](#) MDPV/Scheduled I Controlled Substance **Passed** second and third reading. Bath Salts prohibition with MDPV chemical compound additive.

[SB 109](#) Spending Cuts for the Current Fiscal Year **Passed** second reading as amended and then objected to on third reading by Senator Stein. Senator Clodfelter raised some Constitutional issues on what funds would be taken by the Governor and if they were legally eligible to be moved to the General Fund. An amendment was approved to prohibit the Governor from going after trust funds to fill the budget requirement of \$537.7 million, included in the legislation. **Passed** third reading, as amended on Wednesday.

### **Bills Introduced:**

#### **House Bills**

[HB 197](#) (Frye) School Calendar Flexibility/Inclement Weather

[HB 200](#) (Brubaker) Appropriations Act of 2011 This will be the bill where the House will include its 2011-2013 budget. Right now the bill is a placeholder and does not contain any 2011-2013 budget information.

[HB 218](#) (Insko) Legislative Task Force on Childhood Obesity

[HB 223](#) (Adams) Healthy Families and Workplaces/Paid Sick Day

[HB 232](#) (Spear) Safe Driver Incentive Plan Change

#### **Senate Bills**

[SB 125](#) (Hartsell) NC School of Biotechnology and Agriscience

[SB 169](#) (Hartsell) Innovations/Incentives in Education

[SB 172](#) (Hartsell) Classroom Experience for School Personnel

[SB 196](#) (Stevens) Appropriations Act of 2011

[SB 204](#) (Allran) Public Entities & Contractors/Use E-Verify

### **Major Bill Deadlines: House Resolution 1 Rules**

<http://www.ncga.state.nc.us/Sessions/2011/Bills/House/PDF/H19v3.pdf>

### **Major Bill Deadlines: Senate Resolution 1 Permanent Rules**

<http://www.ncleg.net/Sessions/2011/Bills/Senate/PDF/S1v3.pdf>

**Crossover Deadline for House and Senate Bills:** Thursday, May 12, 2011.

### **What's Up Next Week**

Joint Appropriations Subcommittee on Education-Tuesday, Wednesday and Thursday with two meetings a day on Tuesday and Wednesday.

[SB 22](#) APA Rules: Increasing Costs Prohibition

[HB 145](#) Work/School Zones- Speed Camera Pilot Program

[HB 115](#) North Carolina Health Benefit Exchange Act