

2011 General Assembly Session Updates

DATE: May 31, 2011

2011 LEGISLATIVE SESSION MEMO

On Tuesday the Senate held an Appropriations meeting to announce an updated Proposed Committee Substitute to the budget. The major funding changes and special provisions are summarized:

Major Funding Changes include the following:

LEA Adjustment is increased to a cut of \$124, 217,542 million

Teacher Assistants Cut Eliminated: \$0

Decouple Masters and NBPTS Supplements Eliminated: \$0

Fund One LEA per County Eliminated: \$0

Small County Funding Cut Eliminated; \$0

NCCAT Cut Changed: \$3 million

Transportation Operations Cut Added: \$10.3 million

Instructional Supplies Cut Added: \$3.4 million recurring and \$38.5 million non-recurring.

Corporate Tax for School Construction in 2011-2012 sent to General Fund.

Driver Education Requires up to \$45 payment fee from students. Funds cut \$5.21 million for a total funding outlay of \$26.81 million.

Performance Pay Reserve for 2012-2013 reduced \$121.1 million.

Severance Pay Reserves 2011-2012 \$69 million.

Major Provisions Changed include the following:

Section 7.21 (a) Restricts transfer of funds to additional areas. Teachers funds can only be used for Teachers and Teacher Assistants and Teacher Assistant funds can only be used for Teacher Assistants and Teachers.

Section 7.29(a) State Board upon a request from the LEA may waive the additional 5 instructional days included in this provision.

School Bus Purchases will remain State responsibility, but \$20 million cut in 2012-2013

Fund One LEA per county taken out.

Small County Supplemental Fund cuts removed.

Furloughs are prohibited unless LEA requests waiver from Governor.

Salary Related Contributions Adjusted

State Budget Status

Links to the Senate Special Provisions and Senate Money Report:

<http://www.ncleg.net/Sessions/2011/budget/2011/H200-CSLEf-17.pdf>

<http://www.ncleg.net/sessions/2011/budget/2011/MoneyReport-5-31-11.pdf>

The individual income tax is a flat personal exemption of \$2,500 per filing rather than a 0.25% rate reduction.

The plan is to pass the new version of the Senate budget this week and the House will concur and then it goes to the Governor for signature. Not clear whether she has signed off on the budget and will let it pass, but the rumor is the House has four or five Democrats who will vote on concurrence and to not override her veto, but that is yet to be seen.

The House and Senate are planning to adjourn the Session by June 17/24. We will wait and watch this action as well.