

**EXECUTIVE SUMMARY**

**Title:** 2008 – 2009 Supplemental Budget Request

**Type of Executive Summary:**

- Action
- Action on First Reading
- Discussion
- Information

**Policy Implications:**

- Constitution \_\_\_\_\_
- General Statute #115C-12(1a)
- SBE Policy # \_\_\_\_\_
- SBE Policy Amendment
- SBE Policy (New)
- APA # \_\_\_\_\_
- APA Amendment
- APA (New)
- Other \_\_\_\_\_

**Presenter(s):** Mr. Philip Price (Associate Superintendent, Financial and Business Services) and Ms. Becky McConkey (Director, Financial Services Division)

**Description:**

Supplemental budget requests for 2008-09 must be finalized and submitted to the Governor in March 2008. At this meeting there will be an initial discussion of unfunded requests pending from the 2007-09 biennium, new requests submitted by DPI staff and other budget needs. Any additional budget requests can be provided to staff at this meeting for costing and for further discussion in February.

**Resources:**

Additional funding by the General Assembly during the 2008 short session.

**Input Process:**

Input for new requests was sought from State Board of Education and DPI staff. Input for unfunded prior year requests was obtained from State Board of Education, DPI staff, superintendents, principals, teachers, general public and education associations.

**Stakeholders:**

Everyone with an interest in North Carolina public schools.

**Timeline For Action:**

This item is being submitted for discussion at the January 2008 State Board of Education meeting, for discussion at the February 2008 meeting, and then for action at the March 2008 meeting.

**Recommendations:**

It is recommended that the State Board of Education discuss future budget needs and specific budget requests in order to construct the SBE's 2008-09 Supplemental Budget Request.

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**Audiovisual equipment requested for the presentation:**

- Data Projector/Video (Videotape/DVD and/or Computer Data, Internet, Presentations-PowerPoint preferred)

Specify: \_\_\_\_\_

- Audio Requirements (computer or other, except for PA system which is provided)

Specify: \_\_\_\_\_

Document Camera (for transparencies or paper documents – white paper preferred)

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Motion By: \_\_\_\_\_ Seconded By: \_\_\_\_\_  
Vote: Yes \_\_\_\_\_ No \_\_\_\_\_ Abstain \_\_\_\_\_  
Approved \_\_\_\_\_ Disapproved \_\_\_\_\_ Postponed \_\_\_\_\_ Revised \_\_\_\_\_

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\*Person responsible for SBE agenda materials and SBE policy updates: Paula Creech 807-3612



## Comparison of FY 2007-08 Proposed Budgets and Final Budget

	State Board of Education	Governor	House	Senate	FINAL
Beginning Appropriated Budget	\$ 7,466,321,736	\$ 7,466,321,736	\$ 7,466,321,736	\$ 7,466,321,736	\$ 7,466,321,736
<b>State Public School Fund</b>					
Academically or Intellectually Gifted	5,810,832 R		1,750,000 R	1,750,000 R	1,750,000 R
Assistant Principals Ratio	11,441,672 R				
At Risk Student Services				300,000 R	
Child Nutrition	15,000,000 R		7,500,000 NR	800,000 NR	
Children with Disabilities	25,000,000 R		5,000,000 R	5,000,000 R	5,000,000 R
Classroom Teachers (State)			(22,864,291) R	37,500,000 R	37,500,000 NR
Classroom Teachers (Lottery)				(37,500,000) R	(37,500,000) NR
Critical Languages	1,000,000 R		1,000,000 R	250,000 NR	500,000 R
Disadvantaged Student Supplement	39,881,653 R	18,931,676 R	20,000,000 R	10,000,000 R	17,563,000 R
Differential Pay for School Bldg Admi	10,342,313 R				
Dropout Prevention Grants			7,000,000 NR		7,000,000 NR
Ed Reform Pilot				2,080,389 R	2,080,389 R
EVAAS			345,000 R	345,000 R	345,000 R
EVAAS/Teacher Evaluation Model					1,105,000 NR
Graduation Project	750,000 R	500,000 R			
High Priority Elementary Schools			(520,067) R	(520,067) R	(520,067) R
High School Reform - Learn & Earn	8,232,388 R	5,976,694 R	3,260,015 R	2,445,011 R	2,445,011 R
High School Reform - Learn & Earn	1,433,360 NR	1,533,360 NR	120,000 NR	90,000 NR	700,000 NR
HS Reform - Learn and Earn OnLine		12,830,748 R	6,400,000 R	6,500,000 R	6,500,000 R
HS Reform - L & E OnLine Reserve					5,000,000 NR
HS Reform - Restructured High Schools			1,367,254 R	1,367,254 R	1,367,254 R
Impact Grants	4,000,000 R				
Incentive/ABC Awards		70,000,000 NR	70,000,000 NR	70,000,000 NR	70,000,000 NR
Instructional Supplies & Materials			2,833,994 R	2,364,219 R	2,833,994 R
Instructional Supplies & Materials			150,000 NR		
Kindergarten Breakfast	459,255 R				
Lateral Entry Teachers	2,837,500 R				
Literacy Coaches	5,704,400 R	5,704,400 R	3,420,440 R	1,710,220 R	5,704,400 R
Low Wealth Supplemental Funding				3,083,372 NR	5,445,081 NR
Mentors - Teachers & Instructional St	35,000,000 R				
Mentors - Principals	3,837,900 R		2,563,000 R		
Military Family Regional Counselors			240,000 R		240,000 R
Principals in Hard to Staff Schools	2,925,000 R				
School Buses			(4,500,000) R	(4,500,000) R	(4,500,000) NR
School Bus Diesel Emissions A/C			500,000 R	500,000 NR	
School Connectivity Recurring	22,702,999 R	12,000,000 R	12,000,000 R	7,000,000 R	12,000,000 R
School Connectivity Nonrecurring	1,297,001 NR				
School Resource Officer	6,200,000 R	4,464,884 R	2,000,000 R		
School Technology Pilot			1,000,000 NR	3,000,000 NR	3,000,000 NR
Small County Supplement			1,000,000 R	2,100,000 R	2,100,000 R
Staff/Professional Development	2,000,000 R				
Stem School Principals			812,500 R	812,500 R	812,500 R
Teacher Assistants				(10,919,068) R	(5,459,534) R
Training Prog w/21st Century Focus	3,830,000 R				
21st Century Classrooms Recurring	42,726,735 R				
21st Century Classrooms Nonrecurr	79,039,408 NR				
More at Four Program (expansion)	22,903,596 R	55,934,196 R	(14,635,709) R		56,000,000 R
More at Four Program (start-up)		3,400,000 NR			
SPSF Adjustments	354,356,012	191,275,958	107,742,136	105,558,830	199,012,028
<b>Dept of Public Instruction</b>					
AP/IB Exam Fee	250,000 NR	250,000 NR			
Assistance Program	10,300,000 R	2,000,000 R	150,000 R	150,000 R	150,000 R
Data Warehousing				2,000,000 NR	
Ed Tech Grant + 2 positions	375,148 R				
English Consultant (1 position)	67,100 R				
EC Positive Behavior Consultant (1)	90,000 R	90,000 R	90,000 R		90,000 R
EC Intervention Consultant (3 positio	270,000 R				
Financial Literacy			250,000 NR	1,000,000 R	500,000 R
Governor's Schools	126,314 R				
IT Applications Updated	2,000,000 NR		2,000,000 NR	2,000,000 NR	2,000,000 NR
Office of Professional Dev (4 pos)				550,000 R	550,000 R
Personnel Relations Div (1 position)	51,720 R				
Plant Operations	826,164 R				



Comparison of FY 2007-08 Proposed Budgets and Final Budget

	State Board of Education	Governor	House	Senate	FINAL
<b>Safe &amp; Drug Free Grant</b>	431,008 R				
State Board of Education			100,000 R	100,000 NR	100,000 NR
<b>Teacher Academy Literacy Coach Training</b>			629,560 R	314,780 NR	2,000,000 R
Testing (House=3 positions)	391,360 R		234,600 R	234,600 R	234,600 R
<b>Title V Grant</b>	384,549 R				
21st Century Trainers (2 positions)	158,000 R				
DPI Adjustments	15,721,363	2,340,000	3,454,160	6,349,380	5,624,600
<b>Education Support Organizations</b>					
<b>AG in the Classroom</b>			50,000 NR	50,000 NR	50,000 NR
Communities in Schools		1,000,000 R	750,000 NR	500,000 R	500,000 R
Communities in Schools(nonrecur)				250,000 NR	550,000 NR
<b>Explornet</b>			150,000 NR	(300,000) R	125,000 NR
Kids Voting			250,000 NR	250,000 NR	250,000 NR
<b>Military Child Education Coalition</b>		100,000 R			
NC Humanities Council Teacher Institute			100,000 NR		100,000 NR
<b>NCNetwork</b>		200,000 R	(715) R	(312,715) R	
NC Science, Math & Tech Ed Center			125,000 R	50,000 NR	100,000 R
<b>Partnership for Excellence</b>			(37,500) R	(37,500) R	(37,500) R
Project Enlightenment			200,000 NR		200,000 NR
<b>Public School Forum (Ed Reform Pilot)</b>				2,342,705 R	2,342,705 R
NC Congress of Parents & Teachers			225,000 NR	300,000 NR	262,500 NR
<b>Schools Attuned</b>		500,000 R	(520,911) R	500,000 R	300,000 R
Science Olympiad			200,000 R	50,000 NR	100,000 R
<b>Teach for America</b>		800,000 R	200,000 NR	100,000 NR	200,000 NR
Teacher Cadet			500,000 NR		278,500 NR
<b>Teaching Fellows</b>			650,000 R	650,000 R	650,000 R
ESO Adjustments	-	2,600,000	2,840,874	4,392,490	5,971,205
<b>Total Expansion</b>	370,077,375	196,215,958	114,037,170	116,300,700	210,607,833
<b>Total Requirements</b>	7,836,399,111	7,662,537,694	7,580,358,906	7,582,622,436	7,676,929,569
<b>Receipts</b>					
<b>NC Education Lottery (recurring)</b>	-	55,934,196 R	(37,500,000) R	(37,500,000) R	(37,500,000) NR
NC Education Lottery (nonrecurring)	-	3,400,000 NR		0	0
<b>Total Receipts</b>	-	59,334,196	(37,500,000)	(37,500,000)	(37,500,000)
<b>Ending Appropriated Budget</b>	\$ 7,836,399,111	\$ 7,603,203,498	\$ 7,617,858,906	\$ 7,620,122,436	\$ 7,714,429,569
<b>Percentage Increase(Decrease)</b>	4.96%	1.83%	2.03%	2.06%	3.32%
Salary Increases		See Below	See Below	See Below	See Below
Retirement Rate		7.14%	7.96%	7.96%	7.83%
Health Benefit - CMMP		\$ 4,209	\$ 4,284	\$ 4,238	\$ 4,183
Health Benefit - PPO		\$ 4,084	\$ 4,097	\$ 4,061	\$ 4,052

Salary Increases:

Governor: Teachers - Step increase plus \$1,240 which provides an average 5% appropriation = \$187.8 million recurring and \$8 million nonrecurring for one-time top of the scale bonuses.

School Administrators - Step increase plus \$1,364 which provides an average 4.44% increase; appropriation = \$12.2 million recurring .

Other State Paid Employees - 2.5% increase.

House: Teachers - Adds another step to the top of the Salary Schedule; Step increase plus \$1,240 which provides an average 5% increase; plus teachers paid on Step 0 receive a \$250 one time sign-on bonus at the end of the school year.

School Administrators - Step increase plus \$1,364 which provides an average 4.44% increase.

Other State Paid Employees - 4.25% increase.

Senate: Teachers - Step increase plus \$1,240 which provides an average 5% increase.

School Administrators - Step increase plus \$1,364 which provides an average 4.44% increase.

Other State Paid Employees - 4% increase.

Final: Teachers - Step increase plus \$1,240 which provides an average 5% increase; plus new teachers and instructional support paid on step 0 receive a \$250 sign on bonus if employed the full school year; (31+ step added to the teacher's salary schedule).

School Administrators - Step increase plus \$1,364 which provides an average 4.44% increase; if at top of the experience based salary schedule the school based administrator receives a 2% one-time lump sum bonus.

Other State Paid Employees - 4% increase.



Public Schools of North Carolina  
State Board of Education | Department of Public Instruction

2007-08 State Board of Education Budget Request vs. Actual

	State Board of Education	FINAL	Difference
<b>State Public School Fund</b>			
Academically or Intellectually Gifted	\$ 5,810,832 R	\$ 1,750,000 R	\$ (4,060,832)
Assistant Principals Ratio	11,441,672 R		(11,441,672)
Child Nutrition	15,000,000 R		(15,000,000)
Children with Disabilities	25,000,000 R	5,000,000 R	(20,000,000)
Critical Languages	1,000,000 R	500,000 R	(500,000)
Disadvantaged Student Supplement	39,881,653 R	17,563,000 R	(22,318,653)
Differential Pay for School Bldg Admin	10,342,313 R		(10,342,313)
Graduation Project	750,000 R		(750,000)
High School Reform - Learn & Earn	8,232,388 R	2,445,011 R	(5,787,377)
High School Reform - Learn & Earn	1,433,360 NR	700,000 NR	(733,360)
Impact Grants	4,000,000 R		(4,000,000)
Kindergarten Breakfast	459,255 R		(459,255)
Lateral Entry Teachers	2,837,500 R		(2,837,500)
Literacy Coaches	5,704,400 R	5,704,400 R	-
Mentors - Teachers & Instructional Support	35,000,000 R		(35,000,000)
Mentors - Principals	3,837,900 R		(3,837,900)
Principals in Hard to Staff Schools	2,925,000 R		(2,925,000)
School Connectivity Recurring	22,702,999 R	12,000,000 R	(10,702,999)
School Connectivity Nonrecurring	1,297,001 NR		(1,297,001)
School Resource Officer	6,200,000 R		(6,200,000)
Staff/Professional Development	2,000,000 R		(2,000,000)
Training Prog w/21st Century Focus	3,830,000 R		(3,830,000)
21st Century Classrooms Recurring	42,726,735 R		(42,726,735)
21st Century Classrooms Nonrecurring	79,039,408 NR		(79,039,408)
More at Four Program (expansion)	22,903,596 R	56,000,000 R	33,096,404
<b>SPSF Adjustments</b>	<b>354,356,012</b>	<b>101,662,411</b>	<b>(252,693,601)</b>
<b>Dept of Public Instruction</b>			
AP/IB Exam Fee	250,000 NR		(250,000)
Assistance Program	10,300,000 R	150,000 R	(10,150,000)
Ed Tech Grant + 2 positions	375,148 R		(375,148)
English Consultant (1 position)	67,100 R		(67,100)
EC Positive Behavior Consultant (1)	90,000 R	90,000 R	-
EC Intervention Consultant (3 positions)	270,000 R		(270,000)
Governor's Schools	126,314 R		(126,314)
IT Applications Updated	2,000,000 NR	2,000,000 NR	-
Personnel Relations Div (1 position)	51,720 R		(51,720)
Plant Operations	826,164 R		(826,164)
Safe & Drug Free Grant	431,008 R		(431,008)
Testing (requested 5/received 3 positions)	391,360 R	234,600 R	(156,760)
Title V Grant	384,549 R		(384,549)
21st Century Trainers (2 positions)	158,000 R		(158,000)
<b>DPI Adjustments</b>	<b>15,721,363</b>	<b>2,474,600</b>	<b>(13,246,763)</b>
<b>Total Requested Compared to Received</b>	<b>\$ 370,077,375</b>	<b>\$ 104,137,011</b>	<b>\$ (265,940,364)</b>

Area	Division	Amount Requested	Title of Request	Positions	
<b>2008-09 Supplemental Budget Requests (from agency staff as of 12/19/07)</b>					
Financial & Business Services	School Support	n/a receipts	Electrical Engineer III Position for School Planning Section (Receipts)	1	
	School Support	\$ 898,000	School Bus Tires (Transportation Allotment)		
Innovation & School Transformation	Middle & Secondary Ed	89,837	Secondary Social Studies Consultant (Personal Financial Literacy)	1	
	Middle & Secondary Ed	47,454	Program Assistant V (Personal Financial Literacy)	1	
	Exceptional Children	96,662	AIG Consultant	1	
	Exceptional Children	300,000	AIG Monitoring (share cost of 6 consultants with LEAs)		
	Exceptional Children	10,624,605	Fund All AIG Students at Current Year Rate Per Child		
	Exceptional Children	600,000	Fund 6 Regional Responsiveness to Instruction Teams		
	Exceptional Children	44,003	Office Assistant III for Governor's School	1	
	Exceptional Children	96,662	Autism Consultant	1	
	Exceptional Children	10,624,605	Academically & Intellectually Gifted		
	Exceptional Children	512,859	5% Increase in Behavioral Support Services Funding		
	Exceptional Children	579,972	6 Regional Positive Behavior Support Consultant II	6	
	Exceptional Children	82,163	Consultant State Operated Programs & Private Schools (85% state funded & 15% Fed Grant)	1	
	Exceptional Children	5,750,000	Occupational Course of Study		
	Exceptional Children	25,000,000	Increased Funding		
		Instructional Technology	89,837	Convert contractor who evaluates instructional technology for schools	1
		Instructional Technology	15,189,300	Future-Ready Classrooms	
	Instructional Technology	143,517,901	Technology Facilitator and technician for schools (1/1000)		
	Instructional Technology	310,981	Fund Positions & Contractors paid from eliminated federal grants	5.6	
Office of School Readiness	Preschool Handicapped	15,048,327	Increased Funding		
Technology Services	ITPMO	2,000,000	Continuation of Legacy System Migration	0	
	IT Operations	39,200	Software Subscription & Licensure Fee Increase	0	
	NC Wise Program Mgt	462,000	Training Databases for Wave 3	0	
	NC Wise Program Mgt	35,000	Webapps Training Databases for Wave 3	0	
	ITPMO - CTO	428,898	Reporting Competency Team	4	
	IT Operations	89,888	Technology Support Analyst (RACF)	1	
	IT Operations	95,888	Technology Support Analyst (for offices outside DPI)	1	
	IT Operations	78,340	Technology Support Analyst (training DPI staff)	1	
	IT Operations/Systems Tea	118,759	Technology Network Specialist (security & Novell)	1	
	IT Operations	69,102	Administrative Officer (inventory IT software, equip & support agreements)	1	
	IT Program Mgmt Office	94,908	Program Assistant V (administrative support for IT staff)	2	
	ITPMO-IT Svc Mgmt Team	118,759	Bus. & Tech. App. Analyst (new IT Idea Researcher)	1	
	ITPMO-IT Svc Mgmt Team	118,759	Bus. & Tech. App. Specialist (Crossteam Project Manager)	1	
	ITPMO	95,663	Bus. & Tech. App. Analyst (Functional Systems Analyst)	1	
	ITPMO	95,663	Bus. & Tech. App. Analyst (Test Manager)	1	
	ITPMO	95,663	Bus. & Tech. App. Analyst (Technical Writer)	1	
	ITPMO-Tech EC Delivery	168,230	Technology Support Analyst (Help desk for EC)	2	
	ITPMO-HR Svc Mgt Team	107,238	Bus. & Tech. App. Analyst (Licensure and Recruitment/Retention)	1	
	ITPMO-HR Svc Mgt Team	95,663	Bus & Tech App Analyst (QA for Licensure & Recruitment/Retention)	1	
	ITPMO-Finance Mgt Team	89,888	Bus. & Tech. App. Analyst (Developer/Support Analyst)	1	
	ITPMO-Finance Mgt Team	95,663	Bus. & Tech. App. Analyst (QA for Finance Team)	1	
	ITPMO-Finance Mgt Team	95,663	Bus & Tech App Analyst (Functional Syst Analyst for Finance Team)	1	
ITPMO-Instruct. Mgt Team	89,888	Bus & Tech App Analyst (Developer/Support for Instructional Team)	1		
ITPMO-Instruct. Mgt Team	118,759	Bus & Tech App Specialist (Tech Architect for Instructional Svc Team)	1		
ITPMO-Instruct. Mgt Team	95,663	Bus. & Tech. App. Analyst (QA for Instructional Svc Team)	1		
<b>Other Possible 2008-09 Supplemental Budget Requests</b>					
		\$2,934,390	Payments to State IT for Oracle paper sold to LaSalle Bank		
			Comprehensive Support for Districts and Schools		
			Staff and Support for Financial & Business Services Area as the Area aligns with Innovation & School Transformation Restructuring		
			NCVPS		
			Impact of Change to Kindergarten Start Age		
<b>Totals \$ 237,430,703</b>				<b>45.6</b>	