

EXECUTIVE SUMMARY

Title: Establish Front-end Funding for Governor’s School

Type of Executive Summary:

- Consent
- Action
- Action on First Reading
- Discussion
- Information

Policy Implications:

- Constitution _____
- General Statute # _____
- SBE Policy # _____
- SBE Policy Amendment
- SBE Policy (New)
- APA # _____
- APA Amendment
- APA (New)
- Other _____

Presenter(s): Mr. Philip Price (Chief Financial Officer, Financial and Business Services), Ms. Mary Watson (Director, Exceptional Children Division), and Ms. Becky McConkey (Director, Financial Services Division)

Description:

The Governor’s School’s appropriation for FY 2009-10 covers program costs for the summer of 2009 program. Start-up/preparation costs for the summer of 2010 program are normally covered by the unexpended/carryover balance from the FY 2009 summer programs (normally close to \$100,000). Due to budget reductions for FY 2009-10, there was no unexpended/carryover balance to cover start-up/preparation costs for the summer of 2010 program. In addition, the 2010 summer program will be partially supported by tuition (to be charged to participating students). To assure we have funding to start-up/prepare for the 2010 summer program, we are proposing a one-time/non-recurring reduction to the Academically/Intellectually Gifted Student allotment. In addition, we are presenting for discussion procedures to administer the tuition portion of the program.

Resources:

N/A

Input Process:

N/A

Stakeholders:

LEAs, public schools, teachers, and students

Timeline For Action:

This item is being presented for Discussion at the November 2009 SBE Board meeting and will be presented for Action at the December 2009 meeting..

Recommendations:

It is recommended that the State Board of Education approve this request.

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)

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

*Person responsible for SBE agenda materials and SBE policy updates: Teresa Matthews, 807-3600.

Funding Governor's School Programs for the Summer of 2010

Background:

The FY 2009-10 Continuation Budget for Governor's School was \$1,386,607 (which funds the 2009 summer programs). The General Assembly adjusted out the continuation growth built into the Continuation Budget (\$59,752) and reduced the funding (\$75,000) to bring the FY 2009-10 funding to \$1,251,855. The adjustments for FY 2010-11 were \$72,097 and \$475,000 bringing the funding for FY 2010-11 to \$851,855 (used to fund the 2010 summer programs). The legislation (S.L. 2009-451) also instituted a participant tuition charge for the 2010 summer programs of \$500.

Legislated Language (S.L. 2009-451):

Governor's Schools (\$75,000) **R** (\$475,000) **R**

Reduces program support by \$75,000 in both years of the FY 2009-11 biennium. The Budget will also institute a tuition charge of \$500 per student beginning in FY 2010-11 (2010 summer session) along with an offsetting General Fund reduction of \$400,000. Funding supports the Governor's Schools, which are held each summer for six weeks at two college campuses. Student selection is competitive. The current appropriation supports a total of 800 student participants.

Governor's School Tuition

SECTION 7.39.(a) G.S. 115C-12 is amended by adding a new subdivision to read:

"§ 115C-12. Powers and duties of the Board generally.

The general supervision and administration of the free public school system shall be vested in the State Board of Education. The State Board of Education shall establish policy for the system of free public schools, subject to laws enacted by the General Assembly. The powers and duties of the State Board of Education are defined as follows:

...

(36) Duty to charge tuition for the Governor's School of North Carolina. – The State Board of Education shall implement a five-hundred dollar (\$500.00) tuition charge for students attending the Governor's School of North Carolina."

SECTION 7.39.(b) This section becomes effective January 1, 2010, and applies to sessions of Governor's School beginning after that date.

Start-up/Preparation Costs for the Summer of 2010 Program

Start-up/preparation costs for the summer of 2010 program are normally covered by the unexpended/carryover balance from the FY 2009 summer program (normally close to \$100,000). Due to budget reductions for FY 2009-10, there was no unexpended/carryover balance to cover start-up/preparation costs for the summer of 2010 program.

Proposal:

Reduce the Academically/Intellectually/ Gifted (AIG) student allotment for FY 2009-10 for all 115 local education agencies (LEAs) by \$700 to create a start-up/preparation funding pool of \$80,500. This one-time/non-recurring adjustment to the \$68 million AIG allotment would generate sufficient funding to cover pre-July 1, 2010 costs. Once the tuition charge is implemented/collected, we anticipate this level of carryover funds to be available to cover the start-up/preparation costs for the summer of FY 2011.

AIG funds are distributed to LEAs based on 4% of the school districts K-12 allotted average daily membership (ADM). Allotments for FY 2009-10 range from \$28,171 in Tyrrell County to \$6,629,538 in Wake County.

Procedures to Initiate and Collect \$500 Tuition Charge from Participants

The tuition fee of \$500 will be billed to a local education agency (LEA), charter school, or a private school at the time a student has accepted their invitation to the program. It is the responsibility of the accepting student's nominating agency (LEA, charter, or private school) to collect and submit the tuition to the Department of Public Instruction. The tuition is charged to the student that is attending Governor's School. The nominating agency can cover the tuition fee from any available source as determined by the nominating agency. Possible options include:

- Payment by student
- Payment with local or, where appropriate, State or federal funds. If this decision is selected, the local or charter board for the public school must approve the action and the identified funding source.
- Fundraising activities
- Non-profits or corporate contributions or sponsorships

Payment of tuition must be submitted to the Department of Public Instruction – Attention: Governor's School within 2 weeks of acceptance. If payment is not received within 2 weeks, the student will be disqualified and an alternative student will be identified for the available slot.

Students who accepted their invitation; but, had to withdraw, will not have their tuition refunded to the nominating/paying agency.

Possible Alternative for public schools:

The LEA allotment for AIG and the charter school's basic State allotment could be reduced by \$500 for all accepting Governor School students. The LEA or charter school would continue to collect the funds as previously described; but, if their board approved, they could accept the reduction as payment. If they determined that a different payment source was required, they could submit a refund to the Department of Public Instruction and it would be credited back to their AIG or basic State funding allotments. The advantage is that paperwork is reduced and tracking of tuition payments is minimized.

Development of a Formula for North Carolina Virtual Public School

Legislation Requiring the Development of a Funding Formula

Section 7.9.(g) of Session Law 2009-451

The State Board of Education shall report to the Joint Legislative Education Oversight Committee and the Fiscal Research Division by December 15, 2009, on its implementation of this section. If the State Board of Education fails to report a new allotment formula for NCVPS to the Joint Legislative Education Oversight Committee and the Fiscal Research Division by December 15, 2009, the State Treasurer, the Office of State Budget and Management, and the Office of State Controller shall prevent the expenditure of funds related to the operation of the State Board of Education.

Section 7.4 of Session Law 2008-107

The State Board of Education shall implement an allotment formula developed pursuant to Section 7.16(d) of S.L. 2006-66, for funding e-learning, effective in the 2009-2010 fiscal year. NCVPS shall be available at no cost to all students in North Carolina who are enrolled in North Carolina's public schools, Department of Defense schools, and schools operated by the Bureau of Indian Affairs. The Department of Public Instruction shall communicate to local school administrative units all applicable guidelines regarding the enrollment of nonpublic school students in these courses. The State Board of Education shall report to the Joint Legislative Education Oversight Committee and the Fiscal Research Division by December 15, 2008, on its implementation of this section.

Section 7.16(d) of Session Law 2006-66

The State Board of Education shall develop an allotment formula for funding e-learning, effective in the 2007-2008 fiscal year. In developing the formula, the Board shall consider, at a minimum, the following:

- (1) The number of students in average daily membership (ADM) projected to enroll in e-learning,
- (2) The projected cost of fees for e-learning courses,
- (3) The extent to which projected enrollment in learning courses affects funding required for other allotments that are based on ADM.

Possible Options for a Funding Formula - The first 2 formulas listed were discussed several times last year with the State Board. The 3rd formula is new. We will be presenting detailed impact analyses for formulas 1 and 3 at the Committee meeting.

- 1 - Develop a formula where NCVPS is treated like an LEA with its own ADM (by capturing the 25% cost savings by delivering a course via NCVPS).
Would sustain the program from current appropriations. Would adjust ADM (discounted) based on projected participation. Adjustment would be based on actual savings from on-line course.
- 2 - Charge a fee per course. Could allow LEAs the flexibility to convert teacher positions to dollars to cover the cost of courses (allowing the LEAs to utilize the savings from not having to employ a teacher).
Would require funding to be transferred to cover operational costs.
- 3 - Develop a formula based on the formula utilized to support Florida's Virtual School. This model is similar to the ADM formula outlined above.
The "per pupil" funding is based upon 1 FTE = 6 credits of courses per year (One semester course successfully completed by one student is equivalent to 1/12th of an FTE). The dollar value of the FTE varies from district to district within the state. Funding is based on projected course participation.