

Introduction

The 2003 General Assembly was marked by a nearly evenly divided House resulting in the historic selection of co-Speakers in the North Carolina House of Representatives. It also featured a third year of declining revenue to support General Fund appropriations. Even in a tight budget year, legislators kept improving public schools as a key priority and provided funds for step increases for teachers and school-based administrators, for ABCs incentive awards, for reducing class size at grade two, and additional funds for low-wealth schools and small school systems.

Despite the difficulties of crafting a budget when there is not enough money to fund many worthy programs and philosophical differences about budgeting are heightened, the General Assembly passed the budget by the beginning of the fiscal year. It was signed into law by Governor Easley just hours before the new fiscal year began on July 1. School systems across North Carolina were able to begin the school year knowing how much money was available to them, and for that they and the State Board of Education and the Department of Public Instruction are profoundly grateful.

Education policy issues that dominated the 2003 General Assembly included testing, teacher licensing and reciprocity, teacher recruitment and retention (including mentoring), programs for at-risk students (including drop-outs, LEP, low-performing students, and students in alternative programs), and student health issues. These issues have not been resolved and will surely have continued emphasis in the 2004 short session.

The major focus of the 2004 session will be economic recovery. Fortunately and accurately, strong public schools have been viewed as a critical component of the economic engine of North Carolina. We must maintain that focus.

The State Board has begun development of its legislative agenda for 2004. Budgets for the last 3 years have relied on a combination of cuts and using state reserves, temporary extensions of taxes, and one-time sources of revenue. If revenue projections used to balance the 2003-2005 budget fail to materialize, North Carolina could be faced with its fourth consecutive year of budget deficits and many more difficult funding choices.

Report on Education Legislation includes the continuation, expansion and capital budget and a synopsis of all the special provisions and enacted bills affecting public schools from the 2003 session of the General Assembly. Full text of the special provisions and bills affecting public schools including local bills are included in the Appendix. For additional information on the actions of the General Assembly, please contact the State Board of Education Legislative Office, Education Building, 301 N. Wilmington Street, Raleigh, NC (919-807-3403). The DPI website, www.ncpublicschools.org, has an extensive section on the legislature, including archives of daily reports on the 2003 session.

