

Conference Report on Continuation, Expansion, and Capital Budget

Public Education

GENERAL FUND

FY 04-05

Total Budget Approved 2003 Session

\$6,034,995,183

Budget Changes

A. Adjustments - State Public School Fund

- 1 Average Daily Membership (ADM)** \$31,404,945 R
Revise projected increase in ADM for FY 2004-05 to reflect 10,130 more students than originally projected. Dollar amount of adjustment includes increase to all position, dollar, and categorical allotments.
Total funded ADM for FY 2004-05 is 1,369,062, an increase over FY 2003-04 of 25,256.
- 2 Budgeted Average Salary** (\$11,969,091) R
Revise budgeted funding for certified personnel salaries based on actual salary data from December 2003. Adjustment does not decrease any salary paid to certified personnel.
- 3 Exceptional Children** (\$3,181,728) R
Revise budgeted funding for children with special needs to reflect actual April 1, 2004 headcount. Continuation budget was based on projected headcount. Adjustment does not reduce funding per child.
- 4 Principals** (\$3,865,520) R
Revise allotment to LEAs for Principals to reflect projected 2,252 schools for FY 2004-05.
-50.00
- 5 Improving Student Accountability** (\$11,294,221) R
Revise funding for improving student accountability to reflect the lower number of students scoring at Levels I and II on end-of-grade tests.
- 6 Continually Low-Performing Schools** (\$1,413,819) R
Revise funding for continually low-performing schools based on fewer schools being so designated. Revised funding will support the one school currently identified as continually low-performing.

B. Reductions - State Public School Fund

- 7 School Bus Replacement** (\$10,512,901) R
Revise school bus replacement schedule for FY 2004-05 to reflect replacement of 600 buses with a three-year lease purchase contract.
- 8 Textbooks** (\$1,547,040) R
Reduce dollar allotment for textbooks to reflect an inflationary increase of 3% (rather than 5%).
- 9 Classroom Materials, Supplies, & Equipment** (\$1,273,228) R
Reduce dollar allotment for materials, supplies, and equipment to reflect an inflationary increase of 2% (rather than 4%).

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<p>10 Discretionary Teachers Eliminate five of the 10.7 unallotted discretionary teacher positions that have not been utilized in FY 2003-04.</p>	<p>(\$228,775) R -5.00</p>
<p>11 Reduce Contract Labor Costs Direct State Board of Education to transfer up to \$3,200,000 from the State Public School Fund to the UERS Budget within the Department of Public Instruction as contractual obligations are converted into up to thirty-five positions over two years. The net effect of this action will be a recurring savings of \$500,000, \$220,000 of which will be realized in FY 2004-05.</p>	<p>(\$220,000) R</p>
<p>12 Local Education Agency Discretionary Reduction Reduce funds allotted by the State Board of Education to the local education agencies (LEAs), which will have discretion in determining what budget items are reduced.</p>	<p>(\$27,660,000) NR</p>
<p>13 Recruitment & Retention Bonus Discontinue \$1,800 bonus, as defined in Section 7.20(a) of S.L. 2003-284, due to lack of evidence supporting its effectiveness as a recruitment and retention incentive.</p>	<p>(\$2,890,000) R</p>
<p>14 ADM Contingency Reserve Reduce ADM Contingency Reserve.</p>	<p>(\$1,000,000) NR</p>
<p>15 Technology Fund Reduce appropriation for School Technology fund in light of anticipated \$12 million FY 2003-04 year-end cash balance, \$13 million in receipts from fines & forfeitures, \$50 million in funds from other allotment categories expended for technology, and \$44.6 million in federal e-rate reimbursements to LEAs. Total remaining State and federal funds available to support technology expenditures are anticipated to be at least \$120 million.</p>	<p>(\$5,000,000) NR</p>

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D. Expansion - Department of Public Instruction

16 Receipt Supported Positions

Create the following permanent receipt supported positions in the Department of Public Instruction:

- A. Closing the Achievement Gap - Federal ESEA Title I Funds
 - 6 Education Consultants - \$472,344
 - 4 Regional Coordinators - \$314,896

Consultants will assist schools in identifying achievement gaps in student performance and in designing strategies for addressing them; and in implementing school choice and supplemental services requirements per the No Child Left Behind Act.

- B. Exceptional Children - Federal IDEA Funds
 - Education Consultant II - \$81,046
 - Office Assistant IV - \$32,051

Consultant will provide technical assistance to LEA preschool programs as mandated under the Individuals with Disabilities Act (IDEA). Office Assistant position will assist in ensuring that DPI complies with IDEA mandate to investigate and resolve complaints filed by parents regarding exceptional children's services.

- C. Child Nutrition - Federal Child Nutrition Funds
 - School Meals Program Consultant - \$53,044

Position will assist local education agencies in ensuring that all compliance requirements of federal child nutrition programs are met.

- D. Enhancing Education Through Technology - Federal Technology Grant
 - Regional Telecommunications Specialist - \$55,017

Position will assist schools in implementing their technology plans, particularly as NC Windows of Information on Student Education (NCWISE) systems deployed statewide.

E. Expansion - State Public School Fund

17 ABC Bonuses

Provide funding for ABC bonuses for schools that in FY 2003-04 met or exceeded expected growth. \$108,000,000 NR

18 Third Grade Class Size

Provide funds to support the reduction of the teacher to student allotment ratio for grade three from 1:22.23 to 1:18. \$50,467,765 R

19 Vocational Education

Increase categorical allotment to LEAs for Vocational Education. \$4,000,000 R

20 Vocational Education Program Support

Increase categorical allotment to LEAs for Vocational Education Program Support. 83.42

\$448,038 R

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21 Small County Supplemental Funding		\$2,500,000	R
	Increase categorical allotment for Small County Supplemental Funding.		
22 Low Wealth Supplemental Funding		\$5,000,000	R
	Increase categorical allotment for Low Wealth Supplemental Funding.		
23 Food Services Pilot Program		\$25,000	NR
	Provide funding to support a pilot initiative to ensure that school food services serve only healthful, nutritious foods.		
F. Expansion - Other Funds			
24 High School Workforce Development Project		\$1,744,799	R
	Provide funds for five pilot projects in which an LEA, community college or university, and employers work together to ensure that (a) high school and higher education curricula are aligned with the workforce training needs of employers, and (b) students have access to accelerated training opportunities. Also provides for planning grant funds for ten additional projects. Provides funds for administrative and program positions in DPI (2.5 FTE), LEAs, and at participating colleges and universities. This funding is the first installment toward a \$10 million State match required to activate a \$10 million commitment from the Gates Foundation.	\$462,500	NR
		2.50	
25 Financial Literacy Pilot Program		\$73,000	NR
	Provide funds to the State Board of Education to continue the pilot program to assist LEAs in teaching personal financial literacy.		
26 ExplorNet		\$100,000	R
	Provide funds to support ExplorNet, a non-profit organization that promotes effective use of information technology in the public schools.	\$100,000	NR
Budget Changes		\$47,269,224	R
		\$75,000,500	NR
Total Position Changes		1133.92	
Revised Total Budget		\$6,157,264,907	