

The Public School Forum's Friday Report

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Special Abbreviated Issue

And They Said It Couldn't Be Done!

Since the Forum offices are closed in observance of Good Friday, we had not planned to issue a *Friday Report* this week. However, we couldn't pass up the opportunity to congratulate the bi-partisan House majority that succeeded in doing what so many others have been unable to do. The House has just passed a budget on April 17th – the earliest date a budget has been passed by either house in over 20 years. The budget passed on third reading 75 to 42.

Most inside-the-beltline observers of the General Assembly predicted that the unique shared power arrangement that resulted in two Speakers of the House who alternate leadership on a daily basis would result in legislative gridlock. Instead, a level of civility has been created within the House that is in sharp contrast to the divisiveness that has haunted the House in recent years. Speakers Black and Morgan, their Committee Chairs and members within both parties, deserve credit for doing what many said could never be done – a budget in April.

If the Senate can match the House in moving the budget process along, it is conceivable that schools, community colleges, the UNC System and state agencies could enter the new fiscal year that begins on July 1 knowing exactly what their budgets will be for the 2003-04 budget year. What a concept!

Key to successfully passing the budget was a decision to delay scheduled tax cuts for two years as well as decisions to increase college tuition, and utilize highway funds and tobacco settlement money. Under the proposed budget state employees and teachers would receive small salary increases, education funds are largely protected and \$100 million would be earmarked for the state's rainy day fund, creating a buffer against further declines in the economy. Education spending accounts for 56.4% of the state budget, slightly higher than Governor Easley's budget requested. See page 2 for a brief overview of educational highlights.

**A Budget Has Been Passed on April 17th
And They Said It Couldn't Be Done!**

Education Highlights

SALARIES AND BENEFITS

- Pay increase for teachers, averaging 1.81 percent, and other state employees at 1.6 percent: \$132.4 million.
- Pension fund contribution: \$26.5 million.

PUBLIC SCHOOLS

- Second-grade class-size-reduction initiative: \$25.3 million.
- Projected bonuses under ABCs plan: \$91 million.
- Discretionary cut to local school system budgets **-\$42 million**.
- Reduce principal allotment, eliminating 67 positions: **-\$5 million**.
- Reduce assistant principal allotment, eliminating 131 positions: **-\$5 million**.
- Eliminate 26 positions in local schools central office administration: **-\$1.9 million**.
- Reduce clerical and custodial staff by 533 positions: **-\$13 million**.
- Revise school bus replacement schedule, with 692 buses to be bought with three-year lease purchase contract: **-\$11 million**.
- Reduce transportation costs **-\$5 million**.
- Cut vocational education program, eliminating 555 positions: **-\$25.6 million**.

UNIVERSITIES

- Tuition increase of 5 percent for in-state students and out-of-state students: **-\$25 million**.
- Add 518 positions to meet a projected 4.5 percent enrollment increase: \$46.6 million.
- Offset financial aid by using money from the state Escheat Fund: **-\$13.5 million**.
- Flexible campus reductions: **-\$58.6 million**.
- Increase need-based aid: \$5.1 million.
- Increase aid for in-state students who attend private colleges: \$2.8 million.

COMMUNITY COLLEGES

- Increase in-state tuition by 3.2 percent and out-of-state tuition by 8.2 percent: **-\$3.8 million**.
- Staff and supplies for enrollment increases: \$30.9 million.
- Offset need-based financial aid by taking money from state Escheats Fund: **-\$7 million**.
- Flexible reductions to campuses: **-\$11.2 million**.
- 50 percent reduction in summer school instruction funding: **-\$3.6 million**.

Source: *News & Observer*

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