

Senate Appropriations Committee on Education/Higher Education

Differences Between
Senate PCS to House Bill 200
and
House Bill 200

Prepared by Fiscal Research Division

May 24, 2011

Education
Differences Between Senate PCS to House Bill 200 and House Bill 200

	Item Description	Senate PCS to House Bill 200				House Bill 200				Comments:
		FY 2011-12	R/NR	FY 2012-13	R/NR	FY 2011-12	R/NR	FY 2012-13	R/NR	
Public Schools										
1	Children With Disabilities Headcount Adjustment	\$ -		\$ -		\$ (7,000,000)	R	\$ (7,000,000)	R	Actual CWD April headcount was higher than expected so reduction is no longer available.
2	LEA Adjustment	\$ (4,365,359)	R	\$ (65,292,506)	R	\$ (42,123,478)	R	\$ (105,696,322)	R	
3	Class Size Reduction in Grades 1-3	\$ 61,697,942	R	\$ 62,767,803	R	\$ -		\$ -		Senate changes allotment ratio for grades 1-3 from 1:18 to 1:17; 1,124 positions added in FY 11-12 and 1,144 positions added in FY 12-13.
4	Teacher Assistants	\$ (390,519,448)	R	\$ (395,946,237)	R	\$ (255,197,482)	R	\$ (250,743,602)	R	Senate funds TAs on kindergarten headcount only. House funds on K-1 headcount.
5	Decouple Master's & NBPTS Salary Supplements	\$ (4,776,560)	R	\$ (4,776,560)	R	\$ -		\$ -		Senate changes salary supplement for teachers with both a master's and NBPTS from 23.2% to 22.0%.
6	Fund One LEA per County	\$ (2,214,251)	R	\$ (11,071,255)	R	\$ -		\$ -		Senate phases-out additional funding for city LEAs but does not compel these LEAs to consolidate.
7	Education Reform Studies	\$ 200,000	NR	\$ -		\$ 1,000,000	NR	\$ -		Provides funding to hire outside consultants to examine various education topics. Senate study is narrower in scope.
8	At-Risk Student Services	\$ -		\$ -		\$ (30,215,891)	R	\$ (30,374,711)	R	House reduces allotment by 12%.
9	Small County Supplemental Funding	\$ (5,146,985)	R	\$ (8,818,208)	R	\$ -		\$ -		Senate implements formula recommended by consultant study, reducing allotment by 12% in FY 11-12.
10	Textbooks	\$ (13,000,000)	R	\$ (13,000,000)	R	\$ (13,000,000)	R	\$ (13,000,000)	R	Senate and House differ slightly in size of NR cuts.
		\$ (79,166,861)	NR	\$ (76,500,000)	NR	\$ (79,621,968)	NR	\$ (79,000,000)	NR	
11	Instructional Supplies	\$ -		\$ -		\$ (3,450,000)	R	\$ (3,450,000)	R	House reduces funding by approx. 46%, leaving about \$50 million each year for supplies and materials.
						\$ (38,520,358)	NR	\$ (38,417,147)	NR	
12	Academically or Intellectually Gifted	\$ -		\$ -		\$ (6,480,111)	R	\$ (6,559,558)	R	House reduces allotment by 9%.
13	Central Office Administration	\$ (17,211,294)	R	\$ (17,254,494)	R	\$ (10,757,059)	R	\$ (10,784,059)	R	Senate cut is 16%. House cut is 10%.
14	School Building Administration	\$ (24,612,054)	R	\$ (25,023,016)	R	\$ (19,580,256)	R	\$ (19,813,016)	R	Senate reduces funding for assistant principals 21% while House reduction is 17%. Principal positions are not reduced.

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15	School Building Administration Position Conversion	\$ (7,700,000)	R	\$ (7,700,000)	R	\$ -		\$ -		Changes policy regarding how LEAs are allowed to cash-out principal and asst. principal positions. Cash out at first step of salary schedule, rather than average salary.
16	Instructional Support	\$ (22,934,278)	R	\$ (23,149,479)	R	\$ (18,126,313)	R	\$ (18,591,725)	R	Senate reduces allotment by 5%. House reduces allotment by 4%.
17	Limited English Proficiency	\$ -		\$ -		\$ (7,505,512)	R	\$ (8,114,226)	R	House reduces funding by 10%.
18	Transportation	\$ -		\$ -		\$ (20,680,229)	R	\$ (20,884,532)	R	House reduces funding by 5%.
19	School Bus Replacement			\$ (56,851,619)	R	\$ -		\$ -		Senate shifts responsibility for school bus replacement to LEAs beginning in FY 12-13. House funds 700 of 1,587 buses slated for replacement in FY 11-12 and retains responsibility.
				\$ 21,627,977	NR	\$ (20,000,000)	NR	\$ (20,000,000)	NR	
20	Uniform Education Reporting Systems (UERS)	\$ (2,101,213)	R	\$ (2,101,213)	R	\$ (2,336,859)	R	\$ (2,336,859)	R	Senate level reduces available fund balance while House reduces the balance and some DPI IT project operational funding.
21	Geographically Isolated Schools Allotment	\$ (411,503)	R	\$ (411,503)	R	\$ -		\$ -		Senate eliminates support for additional 7.5 teaching positions provided to one school district.
22	Teacher Cadet	\$ (340,000)	R	\$ (340,000)	R	\$ (34,000)	R	\$ (34,000)	R	Senate eliminates funding. House cuts by 10%.
23	Science Olympiad	\$ (127,500)	R	\$ (127,500)	R	\$ (127,500)	R	\$ (127,500)	R	Senate eliminates funding. House provides NR funding in 11-12 and eliminates funding in 12-13.
						\$ 127,500	NR			
24	Tarheel ChalleNGe Academy	\$ -		\$ -		\$ (76,772)	R	\$ (76,772)	R	House reduces recurring funds by 10%.
25	PTA Parental Involvement	\$ -		\$ -		\$ 300,000	NR	\$ -		House funds one year of additional support.
26	Teaching Fellows Fund	\$ (210,000)	R	\$ (3,475,000)	R	\$ (210,000)	R	\$ (210,000)	R	Both House and Senate reduces administrative set-aside from \$810,000 to \$600,000. Senate begins program phase-out in FY 12-13.
27	DPI Management Flexibility Reduction	\$ -		\$ -		\$ (6,403,751)	R	\$ (6,403,751)	R	House DPI administrative funding cuts are mostly contained in this flexible reduction. Senate makes series of targeted cuts to specific DPI offices.
28	DPI Curriculum Division	\$ (457,690)	R	\$ (457,690)	R	\$ -		\$ -		Senate eliminates 5.5 FTE.
29	DPI Technology Services	\$ (2,712,988)	R	\$ (2,712,988)	R	\$ -		\$ -		Senate eliminates 30.0 FTE.

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30	DPI Communications	\$ (246,586)	R	\$ (246,586)	R	\$ -		\$ -		Senate eliminates 4.0 FTE.
31	NC Professional Teaching Standards Commission Staff	\$ (235,646)	R	\$ (235,646)	R	\$ -		\$ -		Senate eliminates 2.0 FTE that work for the Commission.
32	North Carolina Center for the Advancement of Teaching (NCCAT)	\$ (6,102,495)	R	\$ (6,102,495)	R	\$ (5,102,495)	R	\$ (5,102,495)	R	Senate completely eliminates NCCAT funding and provides \$500K NR for upkeep costs while Cullowhee and Ocracoke sites are conveyed to other entities. House cut leaves \$1m for continued operations.
		\$ 500,000	NR							
33	Connectivity	\$ (650,000)	R	\$ (650,000)	R	\$ (794,675)	R	\$ (794,675)	R	Both House and Senate eliminate \$650k in set-asides for evaluation and e-Learning Portal. House cuts operations funding by \$145k and Senate does not.
34	Residential Schools	\$ (2,500,000)	R	\$ (8,000,000)	R	\$ (1,554,181)	R	\$ (1,554,181)	R	House cuts the three residential schools by 5%. Senate cuts the schools by 8% in FY 11-12 and directs the closure of one school in FY 12-13.
35	Residential Schools Superintendent	\$ -		\$ -		\$ (137,264)	R	\$ (137,264)	R	House eliminates Superintendent position. This elimination is included in the Senate Residential Schools cut rather than as a stand-alone item.
Community Colleges										
36	Management Flexibility Reduction	\$ (53,208,568)	R	\$ (60,974,749)	R	\$ (44,095,124)	R	\$ (51,761,305)	R	
37	Botanical Laboratory (Fayetteville Technical CC)	\$ (264,000)	R	\$ (264,000)	R	\$ (264,000)	R	\$ (264,000)	R	
						\$ 100,000	NR			
University System										
38	Management Flexibility Reduction	\$ (434,553,824)	R	\$ (436,441,873)	R	\$ (478,083,473)	R	\$ (479,609,147)	R	
39	UNC Hospitals Subsidy	\$ (19,011,884)	NR	\$ (19,011,884)	NR	\$ (44,011,882)	NR	\$ (44,011,882)	NR	House eliminates the subsidy; Senate cut leaves \$25 million.
40	Coastal Wave Energy Research	\$ -		\$ -		\$ (2,000,000)	R	\$ (2,000,000)	R	
41	NC A&T/UNC-G Joint School of Nanoscience and Nanoengineering	\$ 1,000,000	NR	\$ -		\$ -		\$ -		

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Financial Aid										
42	UNC Need-based Financial Aid	\$ 37,891,429	R	\$ 68,608,867	R	\$ 35,279,237	R	\$ 36,856,237	R	Total funding for scholarships in each year is the same, although the proportion of Lottery, Escheats, and General Fund is different. Forward funding in Senate is \$30 million lower.
43	Academic Common Market	\$ -		\$ (970,747)	R	\$ -		\$ (1,215,000)	R	Technical change; revised based on updated budget information.
44	Nonresident Graduate Student Tuition Remissions	\$ -		\$ -		\$ (8,640,045)	R	\$ (8,640,045)	R	
45	Nonresident Tuition Waivers	\$ -		\$ -		\$ (7,947,640)	R	\$ (7,947,640)	R	
46	Legislative Tuition Grant	\$ (7,283,710)	R	\$ (58,269,681)	R	\$ (5,826,968)	R	\$ (5,826,968)	R	Senate budget reduces existing aid to private college students by 12.5% in FY 2011-12, and creates a new, need-based program for private college students in FY 2012-13.
47	State Contractual Scholarship Fund	\$ (5,737,121)	R	\$ (45,896,963)	R	\$ (4,589,696)	R	\$ (4,589,696)	R	
48	Other Private School Aid	\$ (40,125)	R	\$ (321,000)	R	\$ (32,100)	R	\$ (32,100)	R	
49	Student Financial Aid for Students of Private Higher Education Institutions	\$ -		\$ 62,286,250	R	\$ -		\$ -		

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	Section Number	Special Provision Title	Major Differences Between Senate PCS to House Bill 200 and House Bill 200
Education-related General Provisions			
1	5.2	Other Receipts From Pending Grant Awards	<ul style="list-style-type: none"> - Senate only. - Allows DPI to expend certain federal and privately awarded grant funds. - Appropriated funds do not place any additional obligations on the State.
2	5.4	Education Lottery	<ul style="list-style-type: none"> - Senate funds UNC and CC students in the Education Lottery Scholarship (scholarships for needy students). House provision does not fund this program. - UNC Need-based Financial Aid receives less funding from Lottery Fund in Senate version. - House allows use of capital funds for classroom teachers. Senate does not.
Public Schools			
3	7.1	Education Reform in North Carolina	<ul style="list-style-type: none"> - House studies a number of education topics across all levels of education. - Senate study focuses only on 3rd grade literacy and ways to minimize remedial education at institutes of higher education.
4	7.1A	Career and College Promise	<ul style="list-style-type: none"> - Senate only. - Modified Governor's language, streamlining 3 pathways for high school students to access courses in higher education.
5	7.1B	Class Size Reduction for Grades 1-3	<ul style="list-style-type: none"> - Senate only. - States General Assembly intent to reduce allotment ratio in grades 1-3 to 1 teacher for every 15 students as funds become available.
6	7.2	Funds for Children With Disabilities	<ul style="list-style-type: none"> - Boilerplate. - Money changed in Senate provision to reflect updated headcount numbers that weren't available when House did budget.
7	7.3	Funds for Academically Gifted Children	<ul style="list-style-type: none"> - Boilerplate. - Money changed to reflect House 9% cut, Senate no cut.
8	7.11	Textbooks	<ul style="list-style-type: none"> - House only. - Prevents SBE from new textbook adoptions.
9	7.12	Small School System Supplemental Funding	<ul style="list-style-type: none"> - House uses boilerplate language. - Senate introduces new formula recommended by 2010 School Funding Formula Study.
10	7.13	Elimination of Reporting Requirements	<ul style="list-style-type: none"> - House eliminates School Technology, Local Safe Schools, and At-Risk Expenditures reports. - Senate eliminates School Technology, Local Safe Schools, At-Risk Expenditures, School Improvement Plans, Personal Education Plans, and cuts in half continuing education requirements for teacher licensure renewal.
11	7.14	Allotment of Principals	<ul style="list-style-type: none"> - Both House & Senate change policy for guaranteed principal positions, requiring newly-established schools to have at least 100 students. Current policy is 100 students or 7 teachers. - Senate provision also changes policy on cashing-out of principal and assistant principal positions to follow money.

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12	7.15	Transfer of Federal Agricultural Education Funds	<ul style="list-style-type: none"> - House only. - Transfers certain federal funds for career tech administration from DPI (\$90k) and the CC system (\$45k) over to FFA Program at NC State. - Does not change existing responsibilities.
13	7.16	Geographically Isolated Schools	<ul style="list-style-type: none"> - House maintains allotment of extra 7.5 classroom teacher positions to Ocracoke School. - Senate eliminates allotment.
14	7.17	School Calendar Pilot Program	<ul style="list-style-type: none"> - House allows Wilkes and Stanly school districts to operate shortened calendar that still meets hours of instruction requirements. - Senate language adds Montgomery County to the pilot program.
15	7.18	Performance Pay Model Program	<ul style="list-style-type: none"> - House only. - Senate moves language to Salaries & Benefits section of bill.
16	7.21	LEA Budgetary Flexibility	<ul style="list-style-type: none"> - Two technical changes. - Senate does not mention teacher assistants as an example of a direct classroom service to protect. - Senate removes House language stating that allotment ratios in grades K-3 would be unchanged since the Senate money changes the allotment ratio in grades 1-3.
17	7.22	North Carolina Virtual Public Schools	Technical change: Senate language clarifies which LEA allotments will be reduced to fund NCVPS administration costs and the NCVPS enrollment reserve.
18	7.23	Performance-Based Reductions in Force	<ul style="list-style-type: none"> - House directs the State Board to develop uniform rules requiring LEAs to consider performance when RIF-ing employees. - Senate directs LEAs to develop their own RIF policies incorporating performance.
19	7.25	Residential Schools	<ul style="list-style-type: none"> - House prevents campus consolidation without GA authority. - Senate directs consolidation of one of the three schools, to be chosen by DPI. - Senate adds language so that teachers at residential schools will maintain career status upon transfer of schools to DPI. - Both House and Senate have language regarding instructional schedule, flexibility to create principal positions, and designating one of the school directors to serve as superintendent.
20	7.26	Sixty-Five Percent of School Funding Must Be Used for Classroom Instruction	<ul style="list-style-type: none"> - House only. - Requires 65% of LEA expenditures to be on classroom instruction.
21	7.27	Department of Public Instruction Receipts	<ul style="list-style-type: none"> - Senate only. - Allows OSBM to modify certain budget lines for federal receipts that were erroneously budgeted in the wrong code.
22	7.28	School Bus Purchases	<ul style="list-style-type: none"> - Senate only. - Funds available in 2011-12 can be used to purchase replacement buses and pay existing finance payments for past purchases, but cannot be used to enter into new financing agreements. - Makes General Statute changes to place responsibility for school bus purchases on LEAs effective July 1, 2012.

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23	7.29	Increase Number of Instructional Days	<ul style="list-style-type: none"> – Senate only. – Increases number of instructional days by 5. – Increases mandatory instructional hours from 1,000 to 1,025. – Eliminates 5 protected teacher workdays.
24	7.30	Testing Program	<ul style="list-style-type: none"> – Senate only. – S479 Language, expresses intent to establish certain national tests when funds become available.
25	7.31	Fund One LEA per County	<ul style="list-style-type: none"> – Senate only. – Follows money to phase-in policy to fund one LEA per county. – Base allotments to city LEAs would be reduced 20% in 2011-12, eliminated in 2012-13.

Community Colleges

26	8.8	Equipment Funding	Senate version deletes subsection 8.8(b), which sets aside \$250,000 of equipment funding for the Stokes multi-campus site of Forsyth Technical Community College.
27	8.11	Management Flexibility Reduction/Community Colleges	House only.
28	8.12	Community College Tuition Waivers	Senate version makes clarifying changes suggested by the NCCCS.
29	8.17	Limitation on Community College Tuition	House only.
30	8.18	Exempt Community Colleges From APA	Senate only.
31	8.19	Capital Improvements at Community Colleges	Senate only.
32	8.20	Additional Flexibility With Regard to Community College Investments	Senate only.

University System

33	9.6	UNC Management Flexibility Reduction	<ul style="list-style-type: none"> – House version prohibits any reduction to the following, while Senate version allows up to a 15% reduction: 1) Hickory Metro Higher Education Center; 2) Joint Graduate School of Nanoscience and Nanoengineering at North Carolina A&T and UNC-G; and 3) the North Carolina Research Campus. – House version has no restrictions for the following, while Senate version allows reductions of up to 15%: 1) University of North Carolina School of the Arts; 2) Agricultural Extension; and 3) North Carolina Judicial College of the UNC School of Government. – House version limits reduction to 10% for Ag Research Stations; Senate version allows up to 15% reduction for any Agricultural Research. – House has no restriction on the following, while the Senate version prohibits any reductions: Center for Turfgrass Environmental Research and Education.
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34	9.6A	Advisory Commission On Military Affairs/Modify Membership	– Senate only. – Adds UNC president and NCCCS president to the Advisory Commission on Military Affairs.
35	9.6B	Clarification/General Fund Appropriations Carried Forward By UNC Shall Not Be Used For Capital Improvements	– Senate only. – Statutes allow UNC to carry forward up to 2.5% of budget for one-time purposes in the next year; this provision stipulates that those funds may not be used for capital.
36	9.6C	Allow Chancellors of Constituent Institutions to Approve Certain Repair and Maintenance Projects and Fund Those With Available Operating Funds	– Senate only. – Allows campuses to spend up to \$1 million per project of operating dollars on capital projects (i.e., repairs, renovations, maintenance, and equipment purchases).
37	9.6D	Authorize Board of Governors to Permit North Carolina State University to Self Perform Energy Conservation Measures and to Authorize Energy Savings Realized by North Carolina State University to Be Used As a Source of Repayment For Certain Debts	– Senate only. – Removes NCSU from requirement that energy-saving projects be conducted by private companies who guarantee a set dollar amount of savings.
38	9.6E	Amend Regulation of UNC Institutional Trust Funds and Funds of UNC Health Care System	– Senate only. – Removes The University of North Carolina and the University of North Carolina Health Care System from requirement that funds must be invested with the State Treasurer.
39	9.6F	UNC/Institutional Expenditure Benchmarks	– Senate only.
40	9.6G	UNC Assume Responsibility For Quality Acceptance Inspection Process	– Senate only. – Exempts UNC from Dept. of Administration policies designed to ensure the quality of goods purchased – specifically applies to chemicals, supplies, materials, and equipment.
41	9.6H	NCSU May Sell Timber	Senate only.
42	9.19	Constituent Institutions May Purchase Motor Vehicles Independent of Motor Fleet Management	Senate only.

Financial Aid

43	9.9	UNC Need-Based Financial Aid Program Funding Schedule	Modified to match Senate money.
44	9.10	Consolidate Assets of Millennium Teaching Scholarship Loan Program and Prospective Teachers Scholarship Loan Fund / Give Priority for Scholarship Loans for Prospective Teachers to Certain Former Teacher Assistants	Senate version includes a subsection (c) granting priority in applying to the Prospective Teachers Scholarship Loan program to former teacher assistants who lost their position as a result of a reduction in force.
45	9.11	Limit Certain Financial Aid Grants to the Traditional Time Period Required to Earn a Baccalaureate Degree	Modified to match Senate money.
46	9.13	Eliminate Certain UNC Tuition Waivers for Nonresident Students	House only.
47	9.18	Need-Based Scholarships For Students Attending Private Institutions of Higher Education	– Senate only. – Creates new need-based financial aid program for private college students, beginning with 2012-13 academic year.