



2017 Cabarrus County Board of Education's

Legislative Agenda

To the Honorable Senator Newton and Representatives Johnson, Pittman and Ford, Cabarrus Delegation to the North Carolina General Assembly:

Following is an **"9-Point Request"** from the Cabarrus County Board of Education for the North Carolina General Assembly's 2017 session(s), regarding:

1. Low Performing School Labels / A-F School Grades
2. Sales Tax Refund / Exemption
3. School Calendar
4. School Technology – Fines and Forfeitures
5. Teacher Assistant Funding
6. Staffing for Student Success
7. Fund 8 Stability
8. K-3 Class Sizes
9. School Board - County Commission Relations / Local Funding Authority

We, the Cabarrus County Schools (CCS) Board of Education, strongly feel our Delegations' full support of legislative efforts to resolve these pressing matters (outlined below) will positively and materially benefit teachers, staff, and Cabarrus communities dedicated to the successful education of nearly 32,000 students in PreK-12 classrooms across our county.

With sincere gratitude for your considerations of these proposals, and your dedication and service to Cabarrus County, we are

Members,

CCS Board of Education

March 13, 2017

1. Low-Performing School Labels / A-F School Grades

A. Background

The definition of a low-performing school was changed by the General Assembly in 2015, yet the new definition needs further revision to better identify schools most in need of assistance. Specifically, a school that has met growth should not be identified as low-performing.

When a school or school district is identified as low-performing, a funding stream needs to be in place to support additional interventions.

B. Cabarrus impact

Changing the school labels to a 10-point scale would increase the number of 'failing' schools in CCS, and could have negative impacts on community spirit, business opportunities, and home values. Accordingly, the number of CCS schools with a grade of F would increase from 1 to 13, and the number of CCS schools with a grade of D would increase from 4 to 10. It is important to note that CCS's Free and Reduced Lunch population averages 44%. This statistic increases every year.

C. Request

CCS recommends that the General Assembly maintain the current 15-point grading scale, and set up a program whereby low-performing schools and districts can secure additional State funds through an application process that includes explanations and proposals as to how the State funds will be used to improve local outcomes.

D. 2017 NCSBA Whitepaper

<http://www.ncsbac.org/advocacy/issue-briefs/>

2. Sales Tax Refund / Exemption

A. Background

From 1998 until 2005, local boards of education were allowed, by state statute, to provide additional educational opportunities with funds from a sales tax refund. Currently, cities, counties, public universities, public charter schools, private schools and other entities either receive a sales tax refund, or are exempt from paying sales taxes.

B. CCS impact

- North Carolina's sales tax rates are legislated in two brackets:
State = 4.75%
Local = 2.25%
- Currently, NC schools are allowed to ask for reimbursement only of local sales taxes paid (2.25%)
- The state portion (4.75%) which CCS paid in 2016 was **\$762,784**

C. Request

If North Carolina's tax code is going to continue to allow many governmental entities, including select educational institutions supporting the K-12 student population, to not pay sales tax in the hundreds of millions of dollars, then local boards of education should have the same opportunity and either be granted a sales tax exemption, or have the sales tax refund reinstated.

D. 2017 NCSBA Whitepaper

<http://www.ncsbac.org/advocacy/issue-briefs/>

3. School Calendar

A. Background

The school calendar can have an impact on student achievement. While NC's public charter schools have complete flexibility to design calendars to best fit their student's needs, NC's public school districts remain subject to calendar restrictions that are not conducive to student learning and success. Problems created by the current school calendar include:

- Major disruption when scheduling make-up days caused by significant inclement weather.
- First semester exams conducted after Christmas break.
- The late second semester starting point shortens the time available for AP / IB students to receive instruction prior to administration of those exams

Further, NC General Statute 115-C mandates that each LEA establish their own school calendars, yet also constricts that mandate with explicit limitations and imposes statewide calendar rules to traditional public schools.

B. CCS impact

Current school calendar law is highly inefficient in practice at the local level, with teachers paid in advance, and working two or fewer weeks in August but being paid a full month of salary. Problems are compounded when teachers go on leave, resign, or retire. The calendar requirements result in unnecessary personnel situations and hard feelings among teachers, who are required to work in June but receive no paycheck, in order to balance accounts.

C. Request

CCS requests that the General Assembly revise the current school calendar law. [HB 53- School Calendar Modification](#) would give all LEAs additional calendar flexibility and move the earliest school start date to **August 10**. The bill as filed also has a provision that would eliminate any requirement that calendars have a minimum number of instructional days (in exchange for a requirement for a minimum number of hours). The General Assembly's Program Evaluation Division declined to modify the School Calendar Law citing multiple competing interests. The report is posted on the Division's website at [this link](#).

D. 2017 NCSBA Whitepaper

<http://www.ncsbac.org/advocacy/issue-briefs/>

4. School Technology – Fines and Forfeitures

A. Background

In August, 2008, the courts found that the State owed public schools \$747 million in technology funding. North Carolina's Constitution requires that clear proceeds of all civil penalties, fines and forfeitures collected by State agencies be distributed to the public schools and the court ruled that this requirement was not being followed. As of 2017, no arrangement for settling the full debt has been established. School board members have identified school technology funding as a high priority, especially with public school classrooms operating in the digital learning age.

B. Cabarrus Impact

Cabarrus County Schools, alone, is entitled to approximately **\$15,687,000** of these pending funds.

C. Request

The General Assembly could help districts address technology needs by setting up a reliable method to repay forfeitures monies owed to school districts through the court order.

D. 2017 NCSBA Whitepaper

<http://www.ncsbac.org/advocacy/issue-briefs/>

5. Teacher Assistant Funding

A. Background

School districts continue to have significant needs for more teacher assistants in early grades, especially with implementation of Read to Achieve and the amount of one-on-one assessments required by the state.

B. Cabarrus impact

Because of the decision to remove flexibility and the inability to pay teachers from teacher assistant funds, the CCS used **\$4,086,738** from local fund balance to pay 80 teachers who were currently employed.

Using fund balance and growth in teaching positions, CCS has reduced the impact to local fund balance. However, Cabarrus currently pays 35 teachers, approximately **\$1,800,000**, out of local fund balance.

C. Request

Lawmakers should invest in additional teacher assistant positions to relieve burdens on local districts to fund instructional resources.

D. 2017 NCSBA Whitepaper

<http://www.ncsbac.org/advocacy/issue-briefs/>

6. Staffing for Student Success

Principal / AP Pay

Dr. Chris Lowder's email to Cabarrus Legislators 2/20/17 (Condensed):

Because North Carolina is 50th in the nation for principal pay, I support the view of the North Carolina Association of School Administrators that connects principal pay to the teacher salary schedule. I believe the pay schedules must be linked so we can have continuity with teacher leaders leaving the classroom to become school administrators. The current schedule for Assistant Principals and Principals often pays teachers more than administrators, even though administrators will actually evaluate the teacher's job performance. To avoid this type of inconsistency in the future, please connect the administrator pay scale to the teacher pay scale. Also, the NC Legislature may propose a block grant for principal pay instead of connecting to the teacher salary schedule. Again, this process will make pay very inconsistent between administrators and schools. I believe these types of inconsistencies led to our current poor pay structure. Please correct this wrong by connecting the Teacher Pay Schedule to the Administrator Pay Schedule.

2017 NCSBA Whitepaper:

<http://www.ncsbac.org/advocacy/issue-briefs/>

Teacher Pay

School districts must be able to offer attractive compensation packages in order to hire and retain the highest quality classroom teachers. Lawmakers have improved teacher pay in recent years, but more work remains to ensure the state is regionally and nationally competitive. In addition to ensuring base salaries remain strong, lawmakers should reinstate salary supplements for teachers who earn Master's and Advanced Degrees.

2017 NCSBA Whitepaper:

<http://www.ncsbac.org/advocacy/issue-briefs/>

Non-Certified Personnel Compensation

Raises for non-certified school staff have been relatively low in recent years. School districts need to be able to offer competitive compensation in this area as many of these positions are difficult to recruit and fill.

2017 NCSBA Whitepaper:

<http://www.ncsbac.org/advocacy/issue-briefs/>

Staff Professional Development

The State has not provided funding for professional development since 2008. Local funding has not been able to make up for this shortfall. Professional development programs are more important than ever, as teaching methods have evolved and the role of school staff has become more complex. The State should once again provide professional development funds.

2017 NCSBA Whitepaper:

<http://www.ncsbac.org/advocacy/issue-briefs/>

7. Fund 8 Stability

A. Background

Fund 8 presents pass-thru (temporary) ‘revenues’ generated from governmental entitlements for low-income children, one-time private / agency payments, and family-paid fees. In many cases, these funds were raised or provided by individual citizens for very specific purposes. Examples include:

- Medicaid reimbursements
- Driver’s education fees
- Business and private foundation grants (I3, Confucius, Jimmie Johnson)
- Scholarships (Shine on Sheyenne, Health Alliance)
- School Bible and ROTC programs
- Charitable fundraisers (AWSUM contributions, King of the Court donations for breast cancer patients, Dream on 3, etc.)
- Indirect costs (nutrition, exceptional child, afterschool care programs)
- Rental of local government funded school property (by local churches and community groups)

If Fund 8 requirements force LEAs across North Carolina to share resources, CCS will have to transfer approximately \$409,000 to public charter school companies.

B. Cabarrus impact

Providing funds to public charters will reduce Cabarrus’ annual operating costs / recurring expenses by approximately **\$409,000** in 2017:

Total Fund 8 (July 1, 2015 to June 30, 2016)		(8,946,354.80)
Keep in Fund 8		(2,296,489.17)
Lost Revenue in Fund 8		(6,649,865.63)
	students	
Share to CCS	31,799	(6,240,123.86)
Share to charters (deducted from CCS)	2,088	(409,741.77)
	33,887	(6,649,865.63)

C. Request

Legislators should not change current legislation, and should not require LEAs to re-assign revenues or expenses in Fund 8, thereby forcing monies into Fund 2 (from which public charters receive funding).

D. 2017 NCSBA Whitepaper

<http://www.ncsbac.org/2016/06/ncsba-legislative-update-june-10-2016/>

8. K-3 Class Sizes

A. Background

As of late February 2017, the NC Senate is reviewing HB 13, unanimously passed by the NC House a few weeks earlier. Cabarrus Legislators are aware that passage of HB 13 has been endorsed by Dr. Chris Lowder and CCS Chairperson Barry Shoemaker. (Is there an update to this bill?)

B. Cabarrus impact

If this bill does not pass, there will be an immediate negative impact on the budget of Cabarrus County, as well as Cabarrus County Schools, as follows:

	If HB 13 is <u>not</u> passed in 2017:
More teachers	104 extra teachers (CCS will be required to fund approx. \$312,000 annually of local dollars for teacher supplements to support the class size reduction)
More classrooms	104 extra classrooms (CCS will be required to purchase 88 mobile units at about \$99,000 per unit, totaling \$8.8M in local Cabarrus County capital funds from the 2017-18 budget)

Other considerations include:

- Recruiting and Teacher Assignments -- Districts begin the teacher allotment process in the Spring and need to make decisions about reductions in force if programs are eliminated for the following year. This also affects recruiting for the 2017-2018 school year which starts in February.
- Local Capital Expenses -- Districts need time to address facility needs for additional classrooms this mandate will generate.

C. Request

Passage of HB13 will correct this issue and give CCS the flexibility to maximize the benefit for our students. The Cabarrus School Board respectfully requests our Legislators to pass HB 13 in the 2017 Spring session.

D. 2017 NCSBA Whitepaper

<http://www.ncsbac.org/advocacy/issue-briefs/>

9. School Board - County Commission Relations / Local Funding Authority

A. Background

North Carolina's local school boards must rely on another local governmental unit, the county commissioners, to provide their funding. Good governance and policymaking starts with elected bodies respecting each other's authority and autonomy, but this becomes difficult when funding for one is tied to the other.

B. Cabarrus impact

Currently, local school boards in North Carolina have the ability to initiate lawsuits against county commissioners if local funding is not sufficient. This tool provides important checks and balances that force county commissioners to the negotiating table.

In recent years, representatives of county commissioners have pushed bills to restrict this one method school boards have to influence local school funding. This authority should not be taken away as long as the current funding mechanism is in place.

C. Request

Last session, NCSBA and the NC Association of County Commissioners agreed to have the General Assembly study the current process for resolving education funding disputes between school boards and county commissioners. This study is currently underway and the final report is due by May 1. The Cabarrus School Board is asking lawmakers to hold off on hearing [HB 305](#) until this report's findings and recommendations are released.

D. 2017 NCSBA Whitepaper

<http://www.ncsbac.org/advocacy/issue-briefs/>

Additional background and detailed information on these and other issues of immediate concern to Cabarrus and School Boards across North Carolina can be found at <http://www.ncsba.org/governmental-relations/legislative-agenda-and-issue-briefs/>