



Questions?
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Recommendations for Budget Conferees

CORE PRINCIPLES

NC Child has reviewed the House and Senate budget proposals with respect to issues affecting children's health, education, and safety. We respectfully make the following comments and recommendations for items in contention in the House and Senate budget proposals.

State budgets for children give a glimpse of a state's future—over a period of not so very many years, the strength and viability of a state will mirror the health and wellbeing of its youngest people. As the primary instrument of state policy, North Carolina's budget for its 2.3 million children is a strong indicator of the quality of life that will unfold around us, whether or not we are parents ourselves.

For the 2.3 million young citizens who are counting on us to make smart investments in their future, and in North Carolina's future, we urge you to consider these recommendations and make the best possible budget for children in our state.

DHHS—DIVISION OF CHILD DEVELOPMENT AND EARLY EDUCATION

NC Pre-K: The House budget allocates an additional \$4 M for NC Pre-K, which would add an estimated 800 available slots. The Senate includes no additional funding for NC Pre-K.

Recommendation: *NC Pre-K consistently receives high marks for program quality, but is unavailable to too many eligible children. This allocation would begin to address this problem. Conferees should include this modest program expansion in the final budget.*

Market Rate Increase for Child Care Subsidies: The House budget includes a market rate increase for Tier 1 and Tier 2 counties for children ages 3-5. This provision is not in the Senate budget.

Recommendation: *Conferees should adopt the House proposal on the market rate increase for child care subsidies.*

DHHS—PUBLIC HEALTH

Children's Developmental Service Agencies (CDSA's): The budget includes a nonrecurring allocation of \$1.25M to help offset an anticipated decrease in Medicaid receipts. CDSAs provide services to children 0-3 with developmental delays and disabilities. This allocation is not included in the Senate budget.

Recommendation: *Conferees should include this stop-gap funding in the final budget.*

Funding for Local Health Departments: The budget includes \$8.5M in nonrecurring funds to help offset an anticipated decrease in Medicaid receipts. This allocation is not included in the Senate budget.

Recommendation: *Conferees should include this stop-gap funding in the final budget.*

You Quit, Two Quit: The House allocates \$250K in nonrecurring funds for You Quit, Two Quit, a smoking cessation program for pregnant women. The Senate's allocation for You Quit, Two Quit is \$200K.

Recommendation: *Conferees should allocate \$250K for You Quit, Two Quit in the final budget proposal.*

DHHS—DIVISION OF MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE

Funding for Mental Health Treatment: The House budget includes a \$30M nonrecurring increase to partially restore last year's cut.

Recommendation: *Conferees should include the House's proposed restoration of funding to LME/MCOs in the final budget.*

Wright School: The Senate budget eliminates the Wright School, which provides intensive inpatient services for the highest-need children in the state. The elimination of the Wright School is not in the House budget.

Recommendation: *Conferees should not include the Wright School elimination in the state budget.*

Controlled Substance Reporting System: The Senate budget includes additional funding (\$375 K recurring and \$1.3 M non-recurring) for the maintenance and operations of the state's controlled substance reporting system. This funding is not included in the House budget.

Recommendation: *Conferees should include funding for the Controlled Substance Reporting System in the final budget.*

K-12 PUBLIC SCHOOLS

Teacher Pay: The Senate budget includes a \$280 M recurring increase in teacher pay that would raise salaries by an average of 6.5 percent statewide. The House budget includes a \$190 M increase (\$161 M recurring and \$35 M non-recurring) that would raise salaries by an average of 4.1 percent statewide.

Recommendation: *NC Child believes that conferees should approve a compensation plan at the level included in the Senate budget proposal.*

Class Size: The Senate budget allocates an additional \$27 M to reduce class size in second grade. This runs in the opposite direction of the House, which eliminated a scheduled decrease in 1st grade class size. Last year, the budget included a class size reduction for first grade. This recurring budget cut of \$26.9 M eliminates the additional teaching positions to achieve this class size reduction.

Recommendation: *Conferees should adopt the Senate proposal on class size.*

Textbooks and Digital Materials: The House budget includes an increase of \$11.7 M in nonrecurring funds for the purchase of textbooks and digital content. The Senate budget includes a small \$40 K increase in funding and converts over \$9 M in recurring funding to non recurring funding.

Recommendation: *Conferees should adopt the House funding plan for textbooks and digital content.*

School Vouchers: The Senate budget allocates \$34.5 M to the "Opportunity Scholarship Grant Fund Reserve" to be used for private school vouchers in the upcoming school year. The House budget does not include an expansion of the Opportunity Scholarship program.

Recommendation: *Conferees should prioritize improving North Carolina's public schools as opposed to expanding school vouchers for private schools.*

Instructional Supplies: The House budget includes a \$5 M nonrecurring increase, which is not included in the Senate budget.

Recommendation: *Conferees should include \$5 M in additional funding for instructional supplies.*

School Connectivity Initiative: The Senate budget proposal cuts the School Connectivity Initiative by \$10 M. The purpose of this initiative is to ensure schools have high-speed wireless internet access. The House does not include a cut in its proposal.

Recommendation: *Conferees should not include any cuts to the School Connectivity Initiative.*

Department of Public Instruction Funding Cut: The Senate budget proposal cuts the Department of Public Instruction (DPI) by \$2.2 M. The House does not include this cut in its proposal.

Recommendation: *Conferees should avoid any cuts to DPI.*

K-12 EDUCATION—SPECIAL PROVISIONS

Early Childhood Education: A special provision in the Senate Education budget directs HHS and DPI to work together to develop and implement a statewide vision for early education and the transition from Pre-K to Kindergarten. The provision directs HHS and DPI to develop data indicators informed by the NC Pathways project to measure progress in this area.

Recommendation: *Conferees should include this provision in the final budget.*

School Performance Grades: There is a provision in the House budget that would change the school performance grading system so that student growth and performance would be considered equally in the formula. The current formula is weighted heavily towards performance, which doesn't accurately measure a school's effectiveness and often punishes schools in poor communities.

Recommendation: *Conferees should include this provision in the final budget.*

Year-Round Schools: The Senate budget includes a new statutory definition for year-round schools, which states that year-round schools are “multi-track” and must meet at least one of three scheduling criteria. This language would exclude currently operating year-round schools in Durham and New Hanover counties. This provision is not included in the House budget.

Recommendation: Conferees should ensure that any definition of a year-round school is sufficiently broad to encompass all existing year-round schools and does not include the term “multi-track.”

Pilot Program for Raising the Dropout Age: The House budget includes a provision that would establish a pilot program for raising the age of compulsory school attendance to 18 for Hickory Public Schools, Newton-Conover City Schools, and Rutherford County Schools. This program is not included in the Senate budget.

Recommendation: *Conferees should include this pilot program in the final budget..*