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## Schools' budget ship comes in

Backers say 10 percent hike is long overdue, but some see deficits ahead

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Teachers get a fat increase in pay. School districts don't have to cut spending. More money is provided for disadvantaged students.

And, for the first time, poor districts will get all the money the legislature promised them more than a decade ago.

For the state's public schools, the \$18.9 billion budget the legislature tentatively approved Wednesday is akin to a winning lottery ticket, adding more than \$100 million in new spending in addition to extra funding to cover growing enrollments.

When big-ticket costs such as pay increases and enrollment growth are included, the state's total budget for public schools is up nearly 10 percent from last year, climbing from \$6.88 billion to \$7.5 billion.

"It looks pretty darn good," said Cecil Banks, chief lobbyist for the N.C. Association of Educators, the state's largest teacher organization.

On average, teachers will get an 8 percent pay boost. Teachers with less experience will get a bigger percentage raise than their more experienced colleagues. Teachers in their fourth year will get a 14 percent increase; those with more than 25 years will get about 6.5 percent.

Lawmakers had the benefit this year of a \$2.4 billion



Rep. Beverly Earle and others get copies of the budget before debate begins Wednesday.  
 Staff Photo by Takaaki Iwabu

surplus. Democrats, who control the legislature, said they used that money to cover a variety of needs that did without in previous years, while starting to make good on tax reductions they promised three years ago.

"This is a day that for some of us has been a long time coming, because in the last few years we have not been able to do budgets that we feel as good about and are as publicly praised as this one," said House Majority Leader Joe Hackney, an Orange County Democrat.

Some Republicans criticized the nearly 10 percent increase in spending over last year's budget, saying that not enough money was given back to taxpayers. Others expressed disappointment that the budget didn't give more relief to counties for rising Medicaid costs.

"Passing this budget is going to create the next budget problem," said Senate Minority Leader Phil Berger, a Rockingham County Republican who predicted a \$1 billion budget hole next year.

Schools, though, found much to like in the budget.

The budget fulfills a 15-year effort by the state's poor districts to fully fund a special allocation created in 1991 to offset inequities in local support for schools. The additional \$41.9 million included in the budget brings to \$175.6 million the amount in the fund for about 80 districts considered poor -- or below the state average in local tax support from county governments.

"It is both a great leap forward and in many ways a great start in recognizing that many school systems and children need additional and special help to succeed," said Gerry Hancock, a lobbyist for the poor districts.

In addition to the fund for poor districts, the legislature added \$27 million to an allocation created two years ago in response to a judge's order that the state do more for struggling students. That allocation, which will now reach nearly \$50 million, will provide additional funding for disadvantaged students in all districts.

"The folks we've been litigating for have made some great steps, and we're pleased about that," said Bob Spearman, a Raleigh lawyer who represents five poor, rural districts in a long-running lawsuit against the state that has resulted in two landmark state Supreme Court rulings in their favor.

"But we haven't gotten to what's required," he said. "These school districts are dealing with populations with students who don't have lesser needs, but greater needs. You still haven't gotten all the way home."

And what the legislature can give, it can also take away. School leaders prevailed in getting legislators to rescind a \$44 million cut that districts have had to absorb since 2002. But the budget also includes a provision -- approved last year -- that ends the practice of reimbursing school districts for the sales tax they pay -- estimated at \$33 million.

Lawmakers must approve the budget in a second vote, scheduled for today, for final passage.

(Staff writer Lynn Bonner contributed to this report.)

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