



LEGISLATIVE NEWSLETTER

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What's Up

Lottery Expansion Plans: In news important for public schools, N.C. Education Lottery officials said they likely will decide in March whether North Carolina joins 16 other states currently offering the lottery-like gambling game Keno. "It has the potential for generating more revenue for the state and we've been studying it for some time now," Lottery executive director Alice Garland said in a Keno briefing recently from the state's gaming vendor.

Based on recent estimates from Kentucky, which launched Keno last year, North Carolina could initially experience \$11 million in revenues from \$55 million in sales. Lottery officials expect annual revenue would quickly climb to \$40 million a year. Overall, in 2016 the lottery sold \$2.4 billion in ticket sales, with about \$634 million of that going to the state.

Usually played in bars and restaurants, Keno drawings occur every three to five minutes and players determine how many numbers to play and how much to spend. Under state law, the Lottery has the authority to launch Keno.

The Lottery & the Legislature: Garland also provided an update on the Lottery's relationship with the legislature. The Lottery only can spend 1 percent of total annual revenues on advertising. For the past three legislative sessions and never at the request of the Lottery, Garland said, legislators have tried to raise the cap. The debate over more advertising traditionally results in critics maintain that the state ultimately loses because lower-income residents spend too much disposable income on games. Lottery supporters counter that for the lottery to continue increasing sales, it must keep up with consumer interests, new technologies and -- at some point -- advertise more, The Insider reports.

Class Sizes: House lawmakers are aiming to ease the effect of a scheduled reduction in elementary school class sizes next school year, but the proposal was facing increased scrutiny before it emerged from its first committee meeting last week. Currently, school districts have some flexibility to make their average class size slightly larger than the size state officials use to calculate how many teachers to fund for each district.

Traditionally, local school officials have used that flexibility to create and pay for teaching positions in non-core areas such as physical education, music, art and languages and to help delay the need to build new classrooms when enrollment is higher than forecast. However, last year's budget bill included a provision removing that flexibility for class sizes in kindergarten through third grade, beginning in the 2017-18 school year. School district leaders around the state have encouraged state lawmakers either to put the provision on hold for a time or to restore their current flexibility to exceed the cap. [House Bill 13](#) does the latter and was reportedly favorably out of the House Committee on Education, H-12, and referred to Appropriations.

WRAL News reports that while no one on the education committee spoke against the measure, some members expressed concern about its potential political fallout in the 2018 election, still a year and nine months away. "I've been told by people outside this complex that this amounts to an increase in class sizes," said Rep. Frank Iler, R-Brunswick, "and it will be dictated that way in the upcoming elections -- that we increased class sizes." Rep. Jimmy Dixon, R-Duplin, agreed, warning of "political attempts from the news media or other people who have such an appetite for politicizing things like this."

Other News

Legislative Power: The GOP-led General Assembly has the authority to limit Democratic Gov. Roy Cooper's powers, a lawyer on Friday told a panel of three Superior Court judges that is considering whether to block any actions by the state Senate regarding the confirmation of Cooper's cabinet appointees until the courts determine whether the law setting up the confirmation process is legal. Martin Warf, an attorney for Senate President Pro Tem Phil Berger and House Speaker Tim Moore, told the judges that the three branches of state government are "separate and distinct," not "separate and equal," and the legislative branch is the most powerful.

"The ability to make the laws is a pretty supreme ability," Warf said. "(The state constitution) doesn't say that the General Assembly can't pass laws that invade the inherent power of the governor, to the extent that exists."

Cooper's lawsuit against the legislature contends that a state law passed two weeks before he took office requiring the people he picks to head various state agencies be confirmed by the Republican-controlled Senate interferes with his ability to carry out his duties. "The threat that the Senate might veto the governor's most important appointees limits the governor's choices," said Jim Phillips, an attorney representing Cooper. "He must consider not only who he thinks is best for the job but whether they can get confirmed. It has a chilling effect on the governor's decision making." The General Assembly has no "inherent power" to confirm gubernatorial appointments, Phillips said, because the state constitution specifically states senators can advise and consent on appointments to the State Board of Education and to constitutional officers, such as state treasurer or attorney general.

Local News

Charter Schools: A plan to create a town-sponsored charter school campus in the Town of Matthews could introduce a new twist into Mecklenburg County's booming school choice action. The Charlotte Observer reports that an education task force, created by Matthews Mayor Jim Taylor to consider alternatives to Charlotte-Mecklenburg Schools, last week reviewed a plan from task force Chair Landon Dunn to create a campus that would be home to several charter schools.

"Think of it like a business park, but it would be for charter schools," said Dunn, a lawyer. "It's a bold idea." If the task force endorses the approach, it would go before Matthews Town Council. The plan would require a bill from the General Assembly to allow the town additional control over schools using the town campus, and all new charter schools must receive state approval.

Asheville Area Teachers' Bonus: Some Asheville and Buncombe teachers getting state bonus money for their students' performance are divided about the bonuses. The Asheville Citizen-Times reports that as part of a two-year pilot program, the General Assembly earmarked funding to reward the top 25 percent of third-grade teachers in the state and the top 25 percent within school districts.

Bonuses are also going to some Advanced Placement and Career Technical Education teachers. They are based on student performance in the 2015-16 school year. Senate Leader Phil Berger praised the bonuses while speaking at an event last week. Berger said the bonus plan "treats teachers like the professionals they are, and creates a compensation model in line with how most other professionals are paid." "This is the kind of innovative solution -- one based on business principles -- that my colleagues in the General Assembly and I have worked hard to implement over the past six years to improve education outcomes," he said.

But one Asheville City Schools teacher who is getting a bonus believes "business models do not apply within the field of education because quality teaching cannot be so easily quantified or incentivized." Dickson third-grade teacher Rhonda Sizemore spoke to the Asheville City school board at their meeting last week. She read a letter that she sent to state lawmakers.

"Competition does not improve learning outcomes, and children are not commodities," Sizemore said in her letter. She said she was honored to be in the top 25 percent in the city school district, but "I want to make clear that I am not in favor of any merit pay system for teachers. The growth of my students last year was only possible with the direct support of many colleagues."

Seeing the bonuses as potentially divisive, a group of AP math teachers at one high school decided to pool their bonus money and help the entire math department. "I'm very appreciative that the state is looking to support their teachers more financially, but I believe

that AP teachers and third-grade teachers are not the only teachers that deserve to be additionally compensated for their hard work," said Mike Lindenberg, who teaches AP calculus.

Another issue for school districts has been that the bonuses only go to teachers who remain with the district and continue teaching third-grade, AP or CTE courses. In some cases, Asheville and Buncombe teachers changed grades or subjects this school year, and both local districts decided to honor those bonuses using local dollars. But Buncombe school board members recently adopted a resolution asking state lawmakers to change the legislation so teachers would qualify for bonuses if they continued to work for the local school district, according to the newspaper.

Quote of the Week

"I never did anything worth doing by accident, nor did any of my inventions come indirectly through accident, except the phonograph. No, when I have fully decided that a result is worth getting, I go about it, and make trial after trial, until it comes."

- Thomas Edison, businessman and inventor

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