

FY 2023-2024 Budget Update: *Latest timeline is after July 24th*

Operating after July 1 under a State Continuation Budget

When North Carolina does not have a budget before July 1, the direction on operating is provided by GS.143C-5-4. Based on this legislation and consistent with prior years, the following will apply until we have a signed budget:

- Public school units are authorized to continue to expend at a level not to exceed the level of recurring expenditures from State funds for the prior year.
- Public school units are authorized to request state cash to support these allowable activities.

We will assess the budget status as the month of July progresses, but the following may be helpful information for your planning.

Local Education Agencies

The continuation budget translates to the 2023-24 Base Budget and does not permit expenditures on the following:

- 2022-23 non-recurring items.
- Carryforward for allotment categories that have a carryforward provision will be requested from the Office of State Budget and Management (OSBM). **If approved**, spending authority will be made available to the public school units.
- The Office of School Business (SBS) will continue to assess the projected budget timeline and will determine how to proceed with initial allocations.

SALARY

- All Personnel, who are **required** to be paid based on the State salary schedules, **shall be paid at the same level as 2022-23.**
 - This means No Salary Increase and No Experience Step Increase.
 - This means No changes to the Benefit rates (retirement and hospitalization) without legislation.
- The "Bump" for experience steps will be processed on July 10, 2023.
- DPI will post the preliminary "NO BUMP" List in LicSal on July 15, 2023. This is for staff who do not qualify for an experience step "bump."
- The current FY 22-23 salary schedules will be modified to reflect NO experience step increase in pay. They will be updated in LicSal by July 15, 2023, if we do not have a budget at that time. Those schedules will remain active until we load in the updated schedules after we have a ratified budget.

- LEAs should review and pay close attention to the certified salaries of educators on the NO BUMP List.

Should there be any questions related to the LicSal processes please do not hesitate to contact Salary@dpi.nc.gov.

Independent Public Schools

If it appears that the budget delay will be extended, School Business will provide, an authority to draw funds to independent public schools to ensure schools have funding available.

- This funding will be available no later than Tuesday, July 18th.

This should allow for the IPS's to draw cash to cover any payroll and other expenditures for the month of July and August, at minimum. We will continue to monitor the budget situation and update as may be necessary.

The IPS authority to draw/spend will be calculated, as in prior years, at:

20% x Initial average daily membership * the FY22-23 State average base for initial funding.

- *The Charter and Lab Schools may use \$6,439 for planning purposes.*
 - *The Virtual Schools may use \$6,207 for planning purposes.*
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Federal Grant Funds

Federal grant funds are not impacted by the State budget process.

The carryover funds for all federal grants (other than PRC 017 – CTE Program Support) automatically roll forward after July 13, 2023. You will be able to see those carryover funds reflected in both the CCIP system and the BAAS system.

You have access to draw down the cash associated with the federal carryover funding.

Initial Federal allocations for the new year are executed in the allotment system after State initial allotments are executed for all PSUs.

We will continue to keep you updated throughout the state budget process.

This information is subject to change based on the State budget process.
