

Summary of Appropriations Bill

SB 257 / SL2017-57

(See “Comparison” sheet for details of salary proposals)

SALARY AND PERSONNEL

8.1 TEACHERS AND INSTRUCTIONAL SUPPORT \$101,732,591 (R)

- Bachelor schedule starts at \$35,000 with no change to the beginning step.
- Bachelor schedule top of the scale for 25 years and above is \$51,300 (a \$300 increase).
- The increase with the step for Bachelor level teachers with less than 25 years of experience, ranges from \$550 to \$3,300 – or 1.5% to 6.9%
- For Bachelor level teachers with 25 years of experience or more, the increase to the base pay is \$300 (0.6% increase) plus the one time lumpsum Veteran Teacher Retention Bonus (8.8A) of \$385.
- There are approximately 12,000 teachers with 25 years and above
- Continues the hold harmless based on 2013-14 schedule + longevity + \$1Kbonus.
Estimated FTE 1,600.

8.8A Veteran Teacher Retention Bonus \$5,000,000 (NR)

- Provides a \$385 bonus to teachers with 25 years and above
- Bonus not subject to TSERS
- Must be paid by October 31

8.2 Bonus for Highly Qualified NC Teaching Graduates \$700,000 (R)

Highly qualified

- New teacher
- Graduate from an approved educator preparation program located in NC.
- GPA of 3.75 or higher and a score of 48 or higher on the edTPA or equivalent assessment.

A highly qualified graduate is paid a monthly supplement of the equivalent of the difference in salary of a Bachelor level teacher with zero years of experience and

- 3 years of experience, if teaching in a low performing school for the first 3 years of employment.
- 2 years of experience, if licensed and teaching in EC, science, technology, engineering or mathematics for the first 2 years of employment.
- 1 year of experience, for all others for the first year of employment.

7.29 8.8B Revise Teacher Bonus Program starting with bonuses paid in January 2018

I. AP/IB and CTE Bonuses:

- Continues the bonuses as a recurring item
- Removes requirement to be a “licensed” teacher to be eligible
- Adds teachers in charter schools
- Removes requirement to be still teaching Advanced courses/CTE
- Adds Cambridge AICE exams to the bonus program for grade E or better
- Increases the maximum per teacher to \$3,500 (previously \$2,000).

II. Third Grade Bonuses:

- Removes “licensed” teachers and requirement to be still teaching third grade
- No cap in the bonus for January 2018. Cap on bonus for 2018-19 (see 8.8C)

8.8C 3rd Grade Bonus starting in 2018-19

- Adds Lab Schools to the exclusion from LEA-level bonus
- Allotment formula remains the same but the bonus is capped at \$3,500 for each bonus (i.e., Maximum *total* = \$7,000)
- SBE shall study the effects of the bonus on teacher retention and performance. Due March 15, 2019.

8.8D 4th and 5th Grade Reading Teacher Bonus

\$9,470,832 (NR)

- Top 25% of the State and the top 25% of each LEA
- Based on EVAAS growth scores
- Bonus amount \$2,150
- Not subject to TSERS.
- Payable in January.
- Must be teaching in the same LEA the following year to be eligible
- SBE shall study the effects of the bonus on teacher retention and performance. Due March 15, 2018.

8.8E 4th to 8th Grade Math Teacher Bonus

\$15,870,356 (NR)

- Top 25% of the State and the top 25% of each LEA
- Based on EVAAS growth scores
- Bonus amount \$2,150.
- Not subject to TSERS
- Payable in January.
- Must be teaching in the same LEA the following year to be eligible.
- SBE shall study the effects of the bonus on teacher retention and performance. Due March 15, 2018.

8.5 ASSISTANT PRINCIPALS

\$11,359,405 (R)

- Schedule linked to A schedule at A + 17% (2013 M + 1%)
- Range \$4,505 to \$6,855 (previous range \$3,968 to \$6,358)
- Increase with step from teachers Masters schedule ranges from 6.99% to 13.67 (not considering the loss of longevity)
- No longer eligible for longevity
- Advanced and Doctorate supplements still apply
- No ABC Bonus (unless under hold harmless)
- Hold harmless clause

8.3 PRINCIPALS

\$17,005,370 (R)

- Eliminates current Principal schedules
- Implements schedule based on size of the school and principal's past performance.
 - Size of school - ADM of school in the current year
 - Principal's past performance - School growth at the school(s) for each school the principal supervised in at least 2 of the prior 3 years.
- 5 categories of school size
- 3 categories of performance – Base, Met and Exceeded
- Range from \$61,751 to \$88,921
(previous pay range principals were paid (\$56,100 to \$109,848+ longevity)
- No longer eligible for longevity
- No longer eligible for Advanced and Doctorate supplements
- Hold harmless clause to the 2016-17 schedule + longevity
- No ABC Bonus (unless under hold harmless)

8.4 Principal Bonuses

\$7,000,000 (R)

I. Bonuses for the top 50% in the State measured by growth of the school supervised.

Top 5%	\$5,000
Top 10%	\$4,000
Top 15%	\$3,000
Top 20%	\$2,000
Top 50%	\$1,000

II. Bonuses to principals who supervised a school in 2015-16 and 2016-17

AND

The school did not exceed growth in 2015-16

AND

The school exceeded growth in 2016-17.

Bonus amount - \$5,000 if a A,B or C school

OR

\$10,000 if the school was a D or F school in 2015-16

Bonuses I and II are not subject to TSERS

Principal must be must be employed on July 1, 2017 to be eligible.

8.7 NONCERTIFIED AND CENTRAL OFFICE

\$61,537,448 (R)

- Increases annual salary by \$1,000 for permanent, full time employees employed for 12 months.
- Prorated for
 - less than 12 months employed,
 - part time employees and
 - temporary and permanent hourly employees.

Bus Drivers

- Of the salary funds appropriated, \$16,855,081 shall be allocated to LEAs to increase the average rate of pay for all **bus drivers**, on an equitable basis. This is in lieu of the \$1,000 increase.

35.18A Special Annual Leave Bonus

Any full time permanent employee on July 1, 2017 and eligible to earn leave shall have a one-time additional 3 days of annual leave. The leave carries over but has no cash value at termination.

8.8 Occupational Therapists and Physical Therapists

Every local board shall adopt a minimum salary schedules based on SBE ranges. No experienced based interval shall be greater than 5 years.

8.10 School Bus Driver Compensation and Employment Study

DPI shall study the compensation of bus drivers and the challenges of recruiting and retaining Report due April 1, 2018.

35.19 Benefits

Retirement	17.13%
Health	\$5,869

ALLOTMENTS

Budget Flexibility (GS 115C-105.25)

Effective July 1, 2017

- 7.1 No funds shall be transferred out of Children with Disabilities
- 7.12 No funds shall be transferred out of LEP allotment

Effective July 1, 2018

- 7.2 No funds shall be transferred out of Academically & Intellectually Gifted
- 7.13 Funds allotted for Textbooks and Digital Resources may only be used for the purchase of textbooks and digital resources.

7.23J Allotment Transfer Report

- Modifies Reporting on the transfer of funds from allotment categories
- Requires LEAs to provide the following *for all transfers over 5%*
 - Amount, and the allotment the transfer was made in to
 - The purpose code for the funds following the transfer
 - A description of any teacher positions fully or partially funded as a result of the transfer, including all subject areas taught by the teacher in that position
 - The educational priorities that necessitated the transfer
- The LEA shall maintain the information on their website for at least 3 years
- DPI shall collect the information and report the aggregate information to Joint Legislative Education Oversight Committee by December 1 annually. This includes all expenditure data, description on each object code and program report code
- Reports shall include data for 2016-17 and available data for 2015-16 and 2014-15

7.1 Funds for Children with Disabilities \$6,319,908 (R)

\$4,125.27 per headcount (2017 \$3,985.53 per headcount)
Increase funding cap from 12.5% to 12.75%

7.2 Funds for Academically Gifted

\$1,314.56 for 4% of Allotted ADM (2017 \$1,280.70 for 4% of the allotted ADM)

7.3 Low Wealth Supplemental Funds

Exempts from the funding formula and non-supplanting requirement any LEA with 23,000 ADM that also has an Armed Forces base. Provides to such LEAs the same funding as provided in 2012-13 (same language as in 2015-17 biennium, but different impact).

7.4 Small School Supplemental funds

- No change in supplemental amounts provided or ADM ranges
- \$3,618,482 reduction is a budget correction and has no impact on the amount provided per the funding formula

7.5 Disadvantaged Supplemental Funding

No change in funding formula from prior years

7.15 Class size Flexibility for Current Pilot Programs

Provides K-3 class size exemptions to:

- Schools participating in the teacher compensation models and advanced teaching roles pilot program (affects Chapel Hill, CMS, Edgecombe, Pitt, Vance and Washington) and
- LIFT schools in CMS and
- R3: Career Pathways Program in Pitt.
- Dual language immersion classes. (Modifies 115C-301)

Central Office

7.4% reduction **(\$7,000,000) (R)**

Increases the reduction to \$11m in 2018-19

Textbook and Digital Resources

\$11,285,000 (NR)

Note: \$10 m in 2016-17 was nonrecurring funding, therefore \$10 m of the proposed funding for 2017-18 will not increase the allotment relative to prior year appropriations.

7.19 Teachers/Isolated K-12 Schools

\$506,064 (R)

Provides funding for geographically isolated K-12 schools based criteria of ADM density and acreage of national forest owned by the federal government.

Advanced Teaching Roles

\$7,180,000 (NR)

Funding for the 3-year pilot program established in the 2016-17 budget

7.22 Cooperative Innovative High Schools (CIHS)

(\$2,246,612) (R)

563,662 (NR)

Study: Directs a collaborative study of the operation and cost of Career and College Promise and CIHS. Due by February 1, 2018.

Report : Annual report to JLEOC on the success of students in Career and College Promise Program. Due January 15.

Funding: NC Commerce Tier designations for NC counties are located [here](#)

Changes funding as follows

CIHS located in Tier I	\$275,000
CIHS located in Tier II	\$200,000
CIHS located in Tier III	\$180,000 (R)
	\$20,000 (NR) ⁽¹⁾

Exceptions: Virtual CIHS \$200,000 NERSBA \$310,000

(1) For 2018-19, funding shall be \$180,000

Harnett County Early College **\$100,000 (NR)**
Funds to Harnett County Schools to support the planning and development of the early college.

Wayne County Schools Stabilization Funds **\$2,000,000 (NR)**
Stabilization funds for the operation of Wayne County Public Schools

Haywood Community Learning Center **\$250,000(NR)**
Funds to Haywood County School District to support Community Learning Center to provide enrichment opportunities to students.

Richmond Senior High School **\$200,000 (NR)**
Funds to support the school.

7.35 Charter School Transportation Grant **\$2,500,000 (R)**

- Funds are transferred from DOT (not in Public School Budget)
- Grant program for charter school transportation to reimburse of up to 65% of transportation costs
- Eligible schools shall have at least 50% of the students eligible for Free or reduced priced lunch,
- DPI shall establish the criteria by August 1
- Applications shall be accepted until December 31
- Maximum award \$100,000
- DPI shall report on the details of the grant by March 15, 2018

CAPITAL

5.3(d) Lottery Funds for Needs Based Public School Capital Fund **\$30,000,000 (R)**

- \$75m in 2018-19
- Dependent on Lottery funds available.
- Grant program for Tier I and Tier II counties for public school capital needs
- Subject to a match of and maximums
 - Tier I \$1 of county funds for every \$3 of grant funds. Maximum grant \$15m
 - Tier II \$1 of county funds for every \$1. Maximum grant \$10m
- Use for new capital projects only.
- Reporting requirement

PROFESSIONAL DEVELOPMENT

7.20 Turning TAs in to Teachers **\$315,000 (R)**

- Expands existing pilot to Alamance, Beaufort, Bertie, Duplin, Guilford, Edenton, Edgecombe Halifax, Northampton, Nash-Rocky Mount, Randolph, Tyrrell, Vance and Washington.
- Provides tuition assistance to teacher assistants who are in educator prep programs at a NC IHE.
- LEAs shall report to JLEOC by September 1, 2017

7.23K Digital Learning Plans/Program Funds **\$2,420,000 (R)**

Funds development and implementation of a comprehensive professional development strategy and solution for teachers and students in UNC educator preparation program for the use of technology and digital resources as teaching tools for K-12 students.

See 7.23A: Of the funds appropriated for the Digital Learning Plan, \$200,000 shall be used to develop and implement the new cybersecurity and risk management services to support public schools.

ACADEMIC

7.23B Report on Cursive Writing and Multiplication Tables

SBE and DPI shall report to JLEOC by March 2018 on measures taken by LEAs to implement requirements.

7.23E Eliminate Analysis of Student Work Process for Teacher Evaluations **(\$325,000) (R)**

7.23F 6th and 7th Grade CTE program extension Grant Program **\$700,000 (R)** **\$3,500,000 (NR)**

- Competitive grant provided to selected LEAs for up to 7 years to prioritize the inclusion of 6th and 7th grade students.
- LEA reporting requirement
- Superintendent shall provide a report to the Commission by October 15 of each year.
- Funds shall not revert.

7.23G Transfer Education Workforce Innovation Commission to DPI **\$2,001,118 (R)**

Transfers program from the Governor's office to DPI. Provides no additional funding.

7.23H Future Ready Students

\$200,000 (R)

- Changes terminology from “Vocational” to “Career”
- Adds to 115C-154.1 a requirement that LEAs establish a business advisory council
- Requires that all CTE agriculture personnel positions shall be for 12 months, however provides a waiver when it is impracticable for LEAs to provide adequate funds to support 12 months of employment for these teachers.
- Funds to establish 2 new full time positions at DPI to assist LEAs in developing business advisory councils, local career pathways, work based learning opportunities and elementary school career awareness curriculum.

7.26A Student Consent to Receive College and Scholarship information

7.26B Career and College Ready Literacy Skills Improvement Commission

\$200,000 (NR)

Establishes Reading Improvement Commission

7.26C Nationally Norm Referenced College Admission Tests

Removes the ACT requirement and requires the State make at least 2 tests available

7.28A Testing Transparency

- Directs study of SAT and ACT and their alignment with Standard Course of Study
- Requires extensive notification of local testing.

7.28D Waive Fees for AICE Program Course

State pays for the test fees for students who at the Cambridge Advanced International certificate of Education Course including AS-Level and A-Level.

7.26 School Performance Grades/ESSA Compliance

Adds promotion rates, students’ progress in English proficiency. Adds grades for performance of certain subgroups. And grades in reading and math for K-8.

7.27 Read to Achieve Diagnostic Changes

Requires reading assessment data for K-3

7.28 Reimburse Teacher Licensure Fee for Certain NC Teaching Graduates

\$245,000 (R)

Directs that the SBE shall reimburse the initial Teacher Licensure application fee for first time an applicant submits an application for teacher licensure if the applicant is a graduate of an approved educator prep program located in NC and has successfully earned an initial teaching license in NC. Reimbursement shall be within 30 days.

7.23 Preparing Future Workforce in Coding and Mobile App Development Grant Program

\$400,000(R)

Directs DPI to establish the Coding and Mobile Application Grant Program for middle and high school students. Funds shall be used to award competitive programs up to \$400,000 each year. Grants shall be used to purchase equipment, digital materials, teacher PD. 5% cap on admin. State Superintendent is to select recipients.

7.24 Extended Learning & Integrated Student Supports Competitive Grant Program

Of the funds appropriated for the At-Risk Student Services Allotment, the DPI shall use up to \$6,000,000 for the 2017-2018 fiscal year for the Extended Learning and Integrated Student Supports Competitive Grant Program. DPI may use up to \$200,000 to administer the program.

7.25 Life Changing Experiences School Pilot Program

\$360,000 (NR)

DPI shall contract with Children and Parent Resource Group Inc to design and implement a 2 year Life Changing Experiences School Pilot Program. For grades 6-11 in Mitchell, Pitt, Wayne and WSFCS. for the Extended Learning and Integrated Student Supports Competitive Grant Program. DPI may use up to \$200,000 to administer the program.

7.32 Financial Literacy Elective Course Pilot Program

State Superintendent shall establish a 3 year Financial Literacy Course Pilot Program.

OTHER

7.6 UERS

Funds shall not revert

7.7 DPI Reduction

(\$3,239,205) (R)

Reduces DPI by 6.2% (reductions shall not come from residential schools, community in schools. TFA, Excellent Public Schools Act, School Connectivity Program, NCCAT, Innovative School District, Eastern NC STEM, or positions appointed by and direct report to the State Superintendent)

Additional Listed Positions to be eliminated from DPI and the SBE

- 1 filled position– receipt supported **receipt supported**
 - 3 filled positions from DPI **(\$254,002) (R)**
 - 7.04 vacant positions from DPI **(\$643,484) (R)**
 - 1 filled positions from SBE **(\$188,030) (R)**
- Total itemized position reduction – 12.04 positions** **\$1,085,516 (R)**

7.10 Superintendent of Public Instruction Staff **\$700,000 (R)**

Superintendent may use funds appropriated to DPI to appoint up to 10 full time exempt policy making positions

Provides funds for the State Superintendent for legal fees for active law suit **\$300,000 (NR)**

7.18 State Board of Education Use of State Funds

Prohibits the use of state funds for litigation services. Specifies, the positions in the Office of the State Board.

Additional funds to NCCAT **\$300,000 (R)**

Educator Preparation Approval and Evaluation **\$200,000 (R)**

2 positions at DPI to support educator preparation approval and evaluation

Eastern NC School for the Deaf - Residential Schools **\$1,000,000 (NR)**

Funds for major vehicle and equipment purchases.

7.23L DPI Audit **\$1,000,000 (NR)**

Audit to provide cost saving measures, federal funding levels and MOE requirements. Money report provides (\$1,000,000) cut to the operating budget of DPI in 2018-19 for anticipated efficiencies.

7.9 Administration of Excellent Public Schools Act

Directs DPI to use the funds on time-limited basis for 13 specified positions

7.11 Carryover of Certain Funds

Allows carry-forward for evaluation of Teacher Compensation Models, LATP, ISD and Connectivity funds

7.16 School Business System Modernization **\$19,000,000 (NR)**

- The State Superintendent shall work with eth Friday Institute, GDAC, LEA and charter personnel.
- \$1,420,000 may be used to establish positions and or contract for project management
- 3,250,000 shall be transferred to GDAC to leverage existing public private partnerships for the development and deployment of a data integration service.
- Report to JLEOC and FRD on the progress of GDAC
- The State Superintendent is responsible for issuing a RFP for an ERP software by October 1, 2017
- Funds shall not revert. \$10m non recurring funds for 2018-19.

7.17 Office of Charter School web based record and Data Management

Of funds appropriated for UERS DPI shall use up to \$200,000 for a Web based Electronic records and data reporting management system

7.23A Cybersecurity and Risk Management

Provides funds to expand School Connectivity initiative to include cybersecurity and risk management services supporting LEAs and charters

Of the funds appropriated for the Digital Learning Plan, \$200,000 (7.23K) shall be used to develop and implement the new cybersecurity and risk management services to support public schools.

7.23D Joint Legislative Task Force on Education Finance Reform

Directs study of NC public school funding on weighted student funding, due October 2018

7.23I Establish B-3 Interagency Council

\$250,000 (R)

A joint Council between DHHS and DPI to facilitate the development and implementation of an interagency plan for a coordinated system of early care, education and child development services

Establishes a position of Assoc. Superintendent of Early Education appointed by the State Superintendent and one other position.

7.26E Achievement School District

- Changes the name to Innovative School District (ISD).
- Defines the ISD as a LEA for purposes of federal and State law.
- Adds: if the LEA has more than 35% of schools identified as low performing the LEA may request SBE may make it an innovation zone with all the low performing schools in the LEA.
- Adds: low performing school in an innovation zone shall become an innovative school if that school does not exceed growth in the last 2 years of 5 consecutive years in the innovation zone.
- \$450K recurring funds for 2018-19 for innovation zone grants.

BUDGET ADJUSTMENTS

The following budget adjustments, have no impact on allotment formulas.

- State Public School Fund (\$6,442,382) (NR)
- Benefits Adjustment (\$5,000,000) (R)
- Low Wealth (\$2,000,000) (NR)
- NC Education Endowment Fund (\$4,550,000) (NR)
- Transfer Cash Balance in the NC Education Endowment Fund (\$6,145,461) (NR)
- Small School Supplemental Funds (\$3,618,482) (R)
- Small Specialty HS (\$2,199,336) (R)

Funding from Lottery Receipts

The following items do not affect the funding formula, but shifts the source for funding reducing the General fund and increasing receipt supported

Non instructional support - increase receipt support by (\$11,622,037) (R)
100% of allotment is receipt supported \$384m.

Transportation Allotment (\$1,386,090) (R)
(\$41,891,102) (NR)

Driver education

Continues to be funded out of Civil Fines and Forfeitures, with an estimated revenue of \$27.4m .
Therefore, there is NO change to driver education.

UNC BUDGET

10A.3 NC Teaching Fellows – Endowment fund

Provides forgivable loans up to \$8,250 per year for up to 4 years (available to those with STEM, EC licensure areas)

10A.4 Personal Education Savings Account Program \$450,000 (R)

Provides and scholarship for students with special needs

10A.5 Amend Transforming Principal Preparation \$80,000 (R)

Establishes a competitive grant program for entities to elevate educators by transforming the preparation of principals of the State. The program shall be administered by SEAA through a cooperative agreement with a private nonprofit corporation. Amended (A15) adds a reporting requirement.

10.9 Future Teachers of North Carolina

\$278,500 (R)

Establish a program to develop a program to teach courses that encourage high achieving high school students to the teaching profession.

UNC Lab Schools

\$930,000 (R)

On-going administrative support and start-up funds for Lab Schools

\$1,000,000 (NR)

New Teacher Support

\$1,000,000 (R)

Additional funds for new teacher support – total appropriation \$2.2m.

10A.6 Opportunity Scholarship Student Assessment

SEAA, DOA, Division of Nonpublic Education and the DPI shall establish a task force to study the evaluation of students receiving Opportunity Scholarships.

Report due to JLEOC by March 1, 2018.