



2018 SHORT SESSION
UPDATE

LEGISLATIVE PERIOD MAY 28-
JUNE 1

June 4, 2018

LET'S BREAK
TO EDUCATE

WEBINAR SERIES

Legislative discussions
Mondays @ noon



2018-19 Budget

- Budget adjustments for 2018-19 released evening of Memorial Day.
- Conference report – Senate Bill 99.
 - Not amendable
 - Did not go through any subcommittees
- Senate – final votes May 30 + 31.
- House – final votes May 31 + June 1.
- Governor’s action????
 - 10 day window (June 11)



2018-19 Budget

- Teacher Salaries
 - Avg salary increases of 6.5% from 2017-18.
 - Salary schedule funded in 1st year of the biennium budget.
 - Veteran teachers (25+) given \$700 salary increase instead of bonus.
- Teacher Bonuses
 - PERMANENT - Grades 4 and 5 teachers – top 25% local/state reading growth scores.
 - PERMANENT – Grades 4-8 Math teachers – top 25% local/state growth scores.
- Funding for program enhancement teachers for K-5 appropriated for 2018-19 by HB90.
 - Part 1 of multi-year phase-in of K-3 max/avg class size reductions.

2018-19 Budget

■ Principal Salaries

- Salary levels at each rung increased over 2017-18.

2017/18:

ADM	Base	Met Growth	Exceed Growth
0-400	\$61,751	\$67,926	\$74,101
401-700	\$64,839	\$71,322	\$77,806
701-1,000	\$67,926	\$74,719	\$81,511
1,001-1,300	\$71,014	\$78,115	\$85,216
1,301+	\$74,101	\$81,511	\$88,921

- Avg increase - 6.9%

2018-19:

ADM	Base	Met Growth	Exceed Growth
0-400	\$66,000	\$72,611	\$79,212
401-700	\$69,311	\$76,242	\$83,173
701-1,000	\$72,611	\$79,872	\$87,133
1,001-1,300	\$75,912	\$83,503	\$91,094
1,301+	\$79,212	\$87,133	\$95,054

2018-19 Budget

- Contains several changes to principal salary structure which NCSBA had been working w/Sen. Tillman since November
 - Extend hold harmless 2018-19 (nobody sees salary drop below 2016-17 level).
 - July 1 – salary placement based on:
 - 2017-18 ADM
 - Performance scores from 2014-15; 2015-16; 2016-17
 - January 1, 2019 – salary placement based on:
 - 2018-19 ADM.
 - Perf scores from 2015-16; 2016-17; 2018-19.
 - Change in the definition of “demotion.”

2018-19 Budget

- Changes requested by NCSBA to Principal Bonus program that are included in budget:
 - 1 bonus program instead of 2.
 - Top 50th percentile bonus program retained.
 - Bonuses doubled if principal is in a D or F school.
 - 2nd bonus program eliminated (the program that gave bonuses to principals for moving from not met/met growth to exceed).

2017-18 Bonuses

School's Schoolwide Growth Percentile	Bonus for Principal
100 – 95 th Percentile	\$5,000
94 th – 90 th Percentile	\$4,000
89 th – 85 th Percentile	\$3,000
84 th – 80 th Percentile	\$2,000
79 th – 50 th Percentile	\$1,000

2018-19 Bonuses

School's Schoolwide Growth Percentile	Bonus for Principal
100 – 95 th Percentile	\$10,000
94 th – 90 th Percentile	\$7,500
89 th – 85 th Percentile	\$5,000
84 th – 80 th Percentile	\$2,500
79 th – 50 th Percentile	\$1,000

2018-19 Budget

- Assistant Principal salaries
 - 'A' teacher schedule + 19% (was, 'A' teacher schedule + 17% in 2017-18).
 - This was already scheduled/funded in the biennium budget.

2018-19 Budget

- Noncertified/Central Office personnel
 - Across-the-board salary increase of 2% for permanent full-time school district personnel.
 - Pro rata increase for those who are not permanent full-time.
 - \$4,387,650 to local boards of education to increase the average rates of pay of their school bus drivers on an equitable basis.
- ADM enrollment growth fully funded (accounts for an estimated 3,503 more students than 2017-18).
- Textbooks/digital resources continues as a non-recurring appropriation now from the Indian Gaming Fund.
 - Per-pupil amount = same level as 2017-18.

2018-19 Budget

- Central Office
 - Keeps in place a \$4 million cut that is scheduled for 2018-19.
 - Combined with \$7 million cut in 2017-18 = \$11 million in reductions across the biennium.
- Both virtual charter school pilots extended 4 years through 2022-23.
- Voucher program gets another \$10 million increase (this is an automatic increase per statute so it doesn't appear in the budget).
- Prohibition on any LEAs part of a regional school from withdrawing until GA establishes a process.

2018-19 Budget

Restrictions on Allotment Transfers

- Started in 2017-18 and will continue
 - No transfers out of LEP.
 - No transfers out of Special Ed.
- New for 2018-19
 - No transfers out of AIG (already scheduled).
 - No transfers out of Textbooks/Digital Resources (already scheduled).
 - No transfers out of Driver Ed (new provision added by this year's budget).

2018-19 Budget

- DPI must take already scheduled \$4.1 million CUT (budget does not change or reduce this scheduled cut).
 - Combined with \$3.2 million cuts taken in 2017-18 = \$7.3 million cut across the biennium.
- School Capital
 - Lottery-based Needs-Based grants for school construction increased from \$75 million to over \$117 million.
 - LEAs who receive Needs-Based grant may use grant funds for lease agreements within certain limitations.
- \$25,000 for New Dimensions charter school in Burke County for school construction.
 - Significant because it would set a precedent **for charters accessing school capital \$\$**.

2018-19 Budget

- \$18 million that have historically gone to school technology from Fines/Forfeitures fund eliminated.
 - \$44.8 million in overrealized receipts appropriated instead.
 - Net gain of \$26.8 million BUT unclear what objective is in future years.
- Cities can appropriate tax \$\$ to public schools (including charters).
 - More information on HB514 slide later in webinar.
- School Safety provisions - \$28 million in total new funding:
 - \$5 million – student threat reporting application.
 - \$10 million – grants for personnel to assist mental health needs of students (nurses/counselors etc.).
 - \$3 million – training for school mental health personnel.
 - \$2 million – community partners to provide grants for students in crisis.
 - \$3 million – school safety equipment grants.
 - \$5 million – new funding for SRO elementary/middle school grant program.
 - Potentially an additional \$30-\$90 million in federal funding through Medicaid reimbursements.

2018-19 Budget - Earmarking in the 2018-19 Budget

- Eastern NC Stem = \$400K
- Muddy Sneakers = \$400K
- School That Lead Pilot = \$350K
- BEGINNINGS for Parents of Children who are Deaf or Hard of Hearing = \$300K
- Cabarrus Co. Ed Foundation = \$250K
- Johnston Co. School Security Experiment = \$250K
- Henderson Co. schools Leader in Me pilot = \$200K
- DonorsChoose.org = \$200K
- Tri-County Early College = \$200K
- Transylvania Co. schools Stop the Bleed program = \$126,950
- Gaston Co. school handicapped-accessible playground at Webb St school = \$100K
- Avery Co. High School improvements and renovations = \$100K
- United Way of Alamance = \$75K
- Franklin Co. Ed Foundation = \$60K

2018-19 Budget - Earmarking in the 2018-19 Budget

- Gaston Co. (4 schools) = \$50K
- Town of Holly Springs for various initiatives for various school programs = \$50K
- REAL School Gardens' Carolinas Region for experimental outdoor teaching methods = \$50K
- Pitt Co. school safety efforts = \$50K
- Communities in Schools of Cape Fear New Hanover = \$45K
- Wayne Co. Communities Supporting Schools program = \$30K
- School construction at New Dimensions charter school = \$25K
- Cary chamber classroom supply program = \$25K
- Clay Middle School guardrail construction = \$15K
- Columbus Career and College Academy = \$10K
- Robeson Co. classroom equipment at the county career center = \$10K
- Robeson Early College High = \$7,500

2018-19 Budget – Teacher Assistant Tuition Reimbursement Program

NEW LEAs

19 LEAs already receive

19 more LEAs will receive:

- Alleghany
- Ashe
- Bladen
- Cherokee
- Clay
- Columbus
- Davidson
- Graham
- Greene
- Jackson
- Jones
- Lenoir
- Macon
- McDowell
- Mitchell
- Robeson
- Swain
- Yadkin
- Yancey

House Bill 514

- Allows cities/towns to apply to set up and operate “municipal charter schools.”
 - Matthews
 - Mint Hill
 - Cornelius (added by Senate)
 - Huntersville (added by Senate)
- Passed House in 2017.
- Senate Ed took up and passed HB514 on May 29.
- Passed the Senate on May 30 (preliminary approval).
 - 30-20
 - 5 Republicans against (Senators Barrett, Barringer, Britt, McInnis, Horner)
- Final Senate vote scheduled for June 4 at 7:00 PM.
 - Needs to return to House for concurrence in Senate changes.

House Bill 514 – NCSBA Concerns

- Budget provision allowing cities to use revenues to enter into leasing agreements for real property or mobile classroom units for use as school facilities for public schools.
- HB514 combined with this budget provision would create a significant policy shift in operation and funding of NC public schools.
- Would set a precedent that impacts students, districts, and communities across the state.
- Currently, cities are not authorized to use property tax revenue for schools.
- HB514 permits the city to operate a public charter school.
- It has been the policy of this state to bar governmental entities from appropriating taxpayer dollars for capital for charter schools.
- Too many potential risks and unintended consequences.

Week Ahead – What We Know

- Senate calendar for tonight (June 4).
 - HB514
- House calendar for tonight (June 4).
 - HB938

- House K-12 Education Committee – June 5 at 10AM
 - National and State Mottos in Schools Act (HB965).
 - Revise Cursive and Multiplication Report (HB986).
 - Teachers/Isolated K-12 Schools (SB15).

- House Jud I – June 6 at 1PM
 - PED Lottery Recs (HB1036)

New Bill Tracking System

- NCSBA will be rolling out a new bill tracking system this week.
- To begin poking around in the system visit:

www.ncsba.org/governmental-relations/billtracking

- If you have trouble accessing the system let us know!

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- Weekly webinars throughout the 2018 session with updates on legislative activity.
 - Mondays at Noon.
 - To sign up for future legislative webinars and access previous legislative webinars:

<https://www.ncsba.org/governmental-relations/webinars>