2018 SHORT SESSION UPDATE

LEGISLATIVE PERIOD MAY 28-JUNE 1

June 4, 2018
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.
- Avg increase - 6.9%

#### 2017/18:

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

#### 2018-19:

<table>
<thead>
<tr>
<th>ADM</th>
<th>Base</th>
<th>Met Growth</th>
<th>Exceed Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-400</td>
<td>$66,000</td>
<td>$72,611</td>
<td>$79,212</td>
</tr>
<tr>
<td>401-700</td>
<td>$69,311</td>
<td>$76,242</td>
<td>$83,173</td>
</tr>
<tr>
<td>701-1,000</td>
<td>$72,611</td>
<td>$79,872</td>
<td>$87,133</td>
</tr>
<tr>
<td>1,001-1,300</td>
<td>$75,912</td>
<td>$83,503</td>
<td>$91,094</td>
</tr>
<tr>
<td>1,301+</td>
<td>$79,212</td>
<td>$87,133</td>
<td>$95,054</td>
</tr>
</tbody>
</table>
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).

<table>
<thead>
<tr>
<th>School's Schoolwide Growth Percentile</th>
<th>Bonus for Principal</th>
</tr>
</thead>
<tbody>
<tr>
<td>100 – 95th Percentile</td>
<td>$5,000</td>
</tr>
<tr>
<td>94th – 90th Percentile</td>
<td>$4,000</td>
</tr>
<tr>
<td>89th – 85th Percentile</td>
<td>$3,000</td>
</tr>
<tr>
<td>84th – 80th Percentile</td>
<td>$2,000</td>
</tr>
<tr>
<td>79th – 50th Percentile</td>
<td>$1,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>School’s Schoolwide Growth Percentile</th>
<th>Bonus for Principal</th>
</tr>
</thead>
<tbody>
<tr>
<td>100 – 95th Percentile</td>
<td>$10,000</td>
</tr>
<tr>
<td>94th – 90th Percentile</td>
<td>$7,500</td>
</tr>
<tr>
<td>89th – 85th Percentile</td>
<td>$5,000</td>
</tr>
<tr>
<td>84th – 80th Percentile</td>
<td>$2,500</td>
</tr>
<tr>
<td>79th – 50th Percentile</td>
<td>$1,000</td>
</tr>
</tbody>
</table>
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).
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.
<table>
<thead>
<tr>
<th>Organization</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern NC Stem</td>
<td>$400K</td>
</tr>
<tr>
<td>Muddy Sneakers</td>
<td>$400K</td>
</tr>
<tr>
<td>School That Lead Pilot</td>
<td>$350K</td>
</tr>
<tr>
<td>BEGINNINGS for Parents of Children who are Deaf or Hard of Hearing</td>
<td>$300K</td>
</tr>
<tr>
<td>Cabarrus Co. Ed Foundation</td>
<td>$250K</td>
</tr>
<tr>
<td>Johnston Co. School Security Experiment</td>
<td>$250K</td>
</tr>
<tr>
<td>Henderson Co. schools Leader in Me pilot</td>
<td>$200K</td>
</tr>
<tr>
<td>DonorsChoose.org</td>
<td>$200K</td>
</tr>
<tr>
<td>Tri-County Early College</td>
<td>$200K</td>
</tr>
<tr>
<td>Transylvania Co. schools Stop the Bleed program</td>
<td>$126,950</td>
</tr>
<tr>
<td>Gaston Co. school handicapped-accessible playground at Webb St school</td>
<td>$100K</td>
</tr>
<tr>
<td>Avery Co. High School improvements and renovations</td>
<td>$100K</td>
</tr>
<tr>
<td>United Way of Alamance</td>
<td>$75K</td>
</tr>
<tr>
<td>Franklin Co. Ed Foundation</td>
<td>$60K</td>
</tr>
</tbody>
</table>
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)


- 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, Mclniis, 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!
• 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