

STATE BUDGET EDUCATION PROVISION SUMMARIES

Section 4.3.(a) Education Lottery Funds *pg. 15*

	FY 2021-2022	FY 2022-2023
Noninstructional Support Personnel	\$385,914,455	\$385,914,455
NC Pre-K	\$78,252,110	\$78,252,110
Public School Building Capital Fund	\$100,000,000	\$100,000,000
Needs-Based Public School Capital Fund	\$145,252,612 (plus \$230 million surplus)	\$153,252,612
Public School Repair & Renovation	\$30,000,000	\$50,000,000
LEA Transportation	\$21,386,090	\$21,386,090

Section 4.4 Needs-Based Changes

Needs-Based Public School Capital Fund *pg. 16*

Codifies the Needs-Based Public School Capital Fund for the Department of Public Instruction (DPI) to award grants to counties to assist with critical public school building capital needs (the Fund was created in [S.L. 2017-57](#))

- Prioritizes the following:
 - Tier one counties (no longer lists tier two counties)
 - Counties with greater needs and less ability to generate sales tax and property tax revenue
 - Counties with a high debt-to-tax revenue ratio
 - The extent to which a project will address critical deficiencies to serve current and future students
 - Projects with new construction or complete renovation of existing facilities (new priority)
 - Projects that will consolidate two or more schools into one new facility (new priority)
 - Counties that have not received a grant under this Article in the previous three years (new priority)
- Adds county requirements based on adjusted market value of taxable real property
- Requires awarded counties to provide local matching funds
- Changes the requirement from only new construction to construction of new school buildings, additions, repairs, and renovations
- Replaces the cap on grants of \$15 million for tier one and \$10 million for tier two to the following maximum grant awards:
 - Up to \$30 million for an elementary school
 - Up to \$40 million for a middle school
 - Up to \$50 million for a high school
- Requires grant recipients to submit an annual report to DPI by April 1 and a final report within three months of completion of the project

- Deletes language that would prevent a grant recipient of a Needs-Based Public School Capital Fund award from being eligible to receive allocations from the Public School Building Capital Fund for five years
- Allows counties that were previously awarded grant funds but have not started construction to apply for the increased grant award
- Increases funding for the Needs-Based Public School Capital Fund to allow for \$375.3 million (includes surplus) in new grants in the 2021-2022 fiscal year and \$153.3 million in new grants in the 2022-2023 fiscal year

Public School Building Repair and Renovation Fund *pg. 18*

- Creates the new Public School Building Repair and Renovation Fund that provides each county with \$300,000 in the 2021-2022 fiscal year and \$500,000 in the 2022-2023 fiscal year (and annually thereafter) for the “enlargement, improvement, expansion, repair, or renovation of classroom facilities”
- Prohibits funds from being used to pay off debt

Section 4.6 Civil Penalty and Forfeiture Fund *pg. 19*

	FY 2021-2022	FY 2022-2023
School Technology Fund	\$18,000,000	\$18,000,000
Drivers Education	\$27,393,768	\$27,393,768
State Public School Fund	\$183,041,640	\$147,041,640
TOTAL	\$228,435,408	\$192,435,408

Section 4.8 Modifications of Previous Appropriations and Reporting on ARPA Funds *pg. 19*

- Section 3.2 of S.L. 2021-25 reads as rewritten:

Elementary and Secondary School Emergency Relief (ESSER) Fund	\$3,601,780,364
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- (Was \$3.26 billion – a \$341 million increase)
- Funds are allocated in Section 7.27

Section 7.1 Children with Disabilities *pg. 53*

- Requires the State Board of Education (SBE) to allocate an additional \$4,600 per child for both years of the fiscal biennium
- LEAs will receive the lesser of (i) all children identified as children with disabilities or (ii) 13% (was 12.75%) of its 2021-2022 allocated average daily membership (ADM)

Section 7.2 Funds for Academically Gifted Children *pg. 53*

- Requires the SBE to allocate an additional \$1,364.78 per child for both years of the fiscal biennium
- LEAs will receive a maximum of 4% of its 2021-2022 allocated ADM, regardless of the number of children identified as academically or intellectually gifted

Section 7.4 Small County School System Supplemental Funding *pg. 57*

- Combines the first two ADM tiers to be one tier of 0-1,300
 - This results in an increase of supplemental funding to LEAs with 0-600 ADM from \$1.71 million to \$1.82 million
- Continues the rest of the ADM tiers, supplemental funding amounts, and phase-out provisions

Section 7.6 School Psychologists Allotment *pg. 59*

- Creates a new School Psychologist Allotment to allow each LEA to receive funding for at least one school psychologist position
- Transfers funding for 362 school psychologist positions from the Instructional Support Allotment to the new School Psychologist Allotment
- Adds \$9.9 million to the new allotment for an additional 115 positions
- Appropriates a total of \$40.9 million to the new allotment in each year of the biennium
- States that funds cannot be transferred out of this allotment
- Allows positions to be converted to contracted services directly related to school psychology
- Requires each to LEA to employ at least one full-time, permanent school psychologist

Section 7.7 School Health Support Personnel Professional Entry Report *pg. 59*

- Requires the SBE to submit a report to the General Assembly no later than May 15, 2022, on:
 - Policies, standards, and curriculum for individuals receiving training, licensure, and employment as school health support personnel
 - Barriers individuals face when entering school health support professions (based on previous bullet)
 - Recommendations and actions already taken to (i) reduce and eliminate barriers and (ii) improve the number and quality of school health support personnel
- School health support personnel includes psychologists, counselors, nurses, and social workers

Section 7.12 Permit Use of Special State Reserve Fund for Transportation/Establish Transportation Reserve Fund for Homeless and Foster Children *pg. 64*

- In addition to the purposes for which funds in the Special State Reserve Fund (SSRF) for children with disabilities are used, beginning with the 2021-2022 fiscal year, allows the SSRF to also be used to cover extraordinary transportation costs for high-needs children with disabilities
- Establishes the Transportation Reserve Fund for Homeless and Foster Children to provide for a grant program to cover extraordinary school transportation costs for homeless and foster children, beginning with the 2021-2022 fiscal year
 - \$3 million in fiscal year 2021-2022 and \$2.8 million in fiscal year 2022-2023 (and annually thereafter)

Section 7.14 Transition from the Innovative School District Model *pg. 65*

- Ends further selection of schools for the ISD
- Requires the SBE to develop a transition plan to return Southside-Ashpole Elementary School (the only school in the ISD) to Robeson County Schools for the 2023-2024 school year
- Requires the State Superintendent to report on recommendations about the following to the Joint Legislative Education Oversight Committee (JLEOC) no later than February 15, 2022:
 - Initiatives to support low-performing schools using federal funding provided to assist with the impacts of COVID-19
 - Recommendations on research-based models for intervention and facilitation of long-term improvement for low-performing schools
 - Alignment of requirements for low-performing school identification and transformation with other reform efforts in State and federal law

Section 7.15 Excellent Public Schools Act of 2021 Implementation Guide/Report *pg. 67*

- Requires the State Superintendent to establish a working group to develop an implementation guide for the Excellent Public Schools Act of 2021, S.L. 2021-8
- Requires a report to the General Assembly by January 15, 2022, including proposed implementation components and a timeline of publishing in preparation for 2022-2023 school year

Section 7.19 School Safety Grants Program *pg. 68*

- Continues the School Safety Grants Program (Program) for the fiscal biennium
- The purpose of the Program is to improve safety in public school units (PSUs) by providing grants for (i) services for students in crisis, (ii) school safety training, and (iii) safety equipment in schools

Section 7.20 TeachNC Recruitment Initiative *pg. 70*

- Requires DPI to adopt the TeachNC recruitment initiative for future teachers to find information and connect with resources on (i) the teaching profession, (ii) opportunities for educators in NC, and (iii) the process of obtaining an educator's license in NC
- <https://northcarolina.teach.org/>

Section 7.22 Feminine Hygiene Products Grant Program *pg. 71*

- Requires DPI to establish a Feminine Hygiene Products Grant Program for the 2021-2022 fiscal year to provide grants of up to \$5,000 to PSUs to provide feminine hygiene products for students
- Grants are awarded on a first-come, first-served basis

Section 7.23 Average Daily Membership/Hold Harmless *pg. 71*

- Holds PSUs' ADM harmless for the 2021-2022 fiscal year
 - Meaning the SBE will not reduce ADM allocations due to a discrepancy between actual and anticipated ADM
- Provides a \$64.6 million reserve in the 2022-2023 fiscal year for enrollment increases at UNC, the Community College System, and changes in allotted ADM in public schools (*Money Report, pg. 16*)

Section 7.24 Children with Disabilities Reserve *pg. 72*

- For the 2021-2022 fiscal year, requires DPI to allocate funds from the Reserve to PSUs that enroll more children with disabilities during the first two months of school than DPI anticipated prior to the beginning of the 2021-2022 school year
 - Prohibits funds from exceeding 13% of the 2021-2022 ADM during the first two months of school

Section 7.25 Special Education Due Process Hearings/Permit Immediate Judicial Review of ALJ Decision *pg. 72*

- Alters the appeals process for special education due process hearings by eliminating State Hearing Review Officers (SHROs)
 - Administrative law judge decisions would be appealed in state or federal court
 - (Currently SHROs review, upon the request of a party, the decisions made by administrative law judges)

Section 7.27 Elementary and Secondary School Emergency Relief Fund/Use of Reserve Funds *pg. 74*

- Appropriates the entire 10% DPI reserve of federal ESSER III funds (\$360 million) to 35 different allotments
 - Includes \$100 million for \$1,000 bonuses to teachers and instructional support personnel who participate in at least one training between March 12, 2020, and January 1, 2022, that addresses mitigation, learning loss, and virtual instruction related to COVID-19
 - Each allotment is included in NCSBA's [chart](#) that summarizes State budget appropriations
- Requires SBE and DPI to develop a strategic plan for deployment of a competency-based education program that provides credit by demonstrated mastery for students in grades 7-12 to address impacts of COVID-19

Section 7.31 Operating Balance Restrictions for School Nutrition Programs

pg. 88

- Prohibits PSUs from getting reimbursed for costs incurred while operating and administering a school nutrition program, unless the program has a minimum of two month's operating balance

- Caps the rate at which PSUs can get reimbursed for these costs at 8% of a school nutrition program’s annual budget (the current average is around 14%)
- Requires DPI to report to the General Assembly by May 15, 2022, and every six months thereafter, the number of months of operating balance held by school nutrition programs for each PSU and the amount and percentage of indirect costs charged to school nutrition programs by PSUs

Section 7.38 Advanced Teaching Roles Changes *pg. 91*

- Adds a list of information that the SBE is required to review when evaluating each participating LEA’s compliance with its approved Advanced Teaching Roles Program plan
- Increases the number of years LEAs may be awarded funds from one term (three years) to two terms (six years) and provides term renewal guidance

Section 7.57 Changes to Educator Licensure Requirements *pg. 94*

- Modifies the definition of a lifetime license for professional educators to include educators who meet at least one of the following criteria:
 - The completion of 30 or more years of creditable service with the Teachers’ and State Employees’ Retirement System (TSERS)
 - The completion of a combined total of 30 or more years of employment as a licensed teacher, administrator, or student services personnel in one or more PSUs in NC

Section 7.61 Student Digital Learning Access *pg. 94*

- Requires the SBE to establish and maintain an electronic dashboard to publicly display information related to digital learning that is provided by each PSU
 - The dashboard must include information on in-school digital device access, out-of-school digital device access, and out-of-school internet connectivity

Section 7.67 Revise Personal Leave Costs for Teachers *pg. 97*

- If a teacher provides a reason for a personal leave request, requires that teacher to receive full salary
- If a teacher does not provide a reason for the request, requires that teacher to receive full salary less the full cost of hiring a substitute teacher

Section 7.70 Student Transportation Support *pg. 99*

- Requires DPI to establish the 2021 Smart School Bus Safety Pilot Program, beginning with the 2021-2022 school year and ending on or before January 1, 2025, to modernize the transportation of public-school students through technology, in response to COVID-19
- Lists LEAs and charter schools that are authorized to participate in the Program

Section 7.84 Gizella Abramson Holocaust Education Act *pg. 108*

- Requires the SBE to integrate education on the Holocaust and genocide into English, social studies, and other appropriate courses in middle and high school
- Requires LEAs to provide professional development for this new curriculum

Section 7A.1 Teacher Salary Schedule *pg. 110*

- Provides an average teacher raise of 5% over two years
- Maintains salary supplements for teachers and school personnel paid on the “A” teacher salary schedule
- Adds a \$100 monthly supplement for school counselors
- Adds a \$350 monthly salary supplement for school psychologists, school speech pathologists, and school audiologists

Years of Experience	Current Salary	Annual Salary 2021-2022	Annual Salary 2022-2023
0	\$35,000	\$35,460	\$35,920
1	\$36,000	\$36,470	\$36,940
2	\$37,000	\$37,480	\$37,970
3	\$38,000	\$38,490	\$38,990
4	\$39,000	\$39,510	\$40,020
5	\$40,000	\$40,520	\$41,050
6	\$41,000	\$41,530	\$42,070
7	\$42,000	\$42,550	\$43,100
8	\$43,000	\$43,560	\$44,130
9	\$44,000	\$44,570	\$45,150
10	\$45,000	\$45,590	\$46,180
11	\$46,000	\$46,600	\$47,210
12	\$47,000	\$47,610	\$48,230
13	\$48,000	\$48,620	\$49,250
14	\$49,000	\$49,640	\$50,290
15-24	\$50,000	\$50,650	\$51,310
25+	\$52,000	\$52,680	\$53,360

Section 7A.2 Support Highly Qualified NC Teaching Graduates *pg. 112*

- Provides highly qualified NC teaching graduates salary supplements each month at the highest level for which the graduate qualifies
- Codifies these salary supplements

Section 7A.3 Bonuses for Teachers *pg. 113*

- Provides a \$300 bonus to every teacher whose salary is State funded and who is employed as of January 1, 2022
- States that the General Assembly intends to reinstate teacher bonuses for third through fifth grade reading and fourth through eighth grade math in the 2022-2023 fiscal year

Section 7A.4 Advanced Course and CTE Teacher Bonuses *pg. 114*

- Provides bonuses to qualifying Advanced Course and Career and Technical Education (CTE) teachers in each year of the fiscal biennium, based on 2020-2021 and 2021-2022 school year data, respectively
- Teachers are paid a \$50 bonus for each student earning three or higher on Advanced Placement exams, four or higher on International Baccalaureate exams, and C or higher on Cambridge AICE program exams
- CTE teachers are paid a \$25-\$50 bonus for each student earning an industry certification or credential

Section 7A.5 Small County and Low-Wealth Signing Bonus for Teachers *pg. 116*

- Provides State-matching recruitment bonus funds for teachers and instructional support personnel accepting employment in school districts that receive funding from the Small County or Low Wealth allotments
- Bonuses are matched on \$1.00 in State funds for every \$1.00 in local funds, up to \$1,000 in State funds
- States that a teacher who receives this signing bonus is ineligible to receive the same signing (or similar) bonus until at least July 1, 2024

Section 7A.6 Principal Salary Schedule *pg. 117*

- Provides a 2.5% salary increase in each year of the biennium for school principals
- Includes a hold harmless provision on principal salary that is based on school growth scores
 - Meaning, for the purposes of determining school growth for each school that the principal supervised in at least two of the prior three school years, school growth scores from the three most available school years, up to 2018-2019, must be used

Section 7A.7 Bonuses for Principals *pg. 118*

- Provides a \$1,800 bonus to every principal whose salary is State funded and who is employed as of January 1, 2022

Section 7A.8 Assistant Principal Salaries *pg. 118*

- Maintains the base assistant principal pay and supplements
 - Pay is based on the “A” teacher salary schedule plus 19%
 - Includes the 2.5% average raise applied to the “A” teacher salary schedule in each year of the biennium

Section 7A.9 Central Office Salaries *pg. 119*

- Provides a 2.5% salary increase in both years of the fiscal biennium
- Removes salary minimum (now only salary maximum)

Section 7A.10 Noncertified Personnel Salaries *pg. 121*

- For state funded noncertified public school employees:
 - Implements a \$13 per hour minimum wage in the 2021-2022 fiscal year
 - Implements a \$15 per hour minimum wage in the 2022-2023 fiscal year
- Guarantees noncertified personnel a salary increase that is the greater of 2.5% or an increase to the new minimum wage in each year of the biennium

Section 7A.12 Supplemental Funds for Teacher Compensation *pg. 121*

- Creates a new allotment to increase salary supplements for teachers and qualifying school administrators based on a county's respective tax base, median household income, and effective tax rate
 - Allocations cannot exceed \$4,250 per state-funded teacher
- 95 counties are eligible to receive these funds – the five counties that do not qualify are Wake, Mecklenburg, Guilford, Durham, and Buncombe

Retirement *Money Report, pg. B 27*

- Provides a 2% one-time cost-of-living supplement to retirees of TSERS in the 2021-2022 fiscal year and a 3% one-time cost-of-living supplement in the 2022-2023 fiscal year

Section 8A.3 Equity in Opportunity Act *pg. 155*

- Opportunity Scholarship Grant Program
 - Expands the definition of eligible beginning student from those entering grades K-1 to students entering grades K-2
 - Expands student eligibility to four-year-olds, if approved by the principal (currently at least 5 years old by August 31)
 - Expands eligibility to include students whose parents are honorably discharged from the Armed Services in the past 18 months (income eligibility must be met)
 - Expands income eligibility to include all foster children
 - Increases income eligibility from 150% to 175% of the amount required for the student to qualify for the federal free or reduced-price lunch program
 - The scholarship grant cap increases from a fixed amount of \$4,200 to up to 90% as a full-time student and up to 45% as a part-time student of the average State per pupil allocation for ADM
 - Defines full-time and part-time students
 - (90% as a full-time student is an average of \$6,415, based on 2020-2021 school year data)
- Merges the Personal Education Savings Accounts program and the Special Education Scholarships for Children with Disabilities program to form the Personal Education Student Accounts for Children with Disabilities

- Expands student eligibility to four-year-olds, if approved by the principal (currently at least 5 years old by August 31)
- States that the total amount of funds carried forward for an eligible student in a personal education student account cannot exceed \$30,000
- Creates a 10-year funding program similar to the voucher program and appropriates money for that program

Section 9G.8 Lead and Asbestos Remediation in PSUs and Child Care Facilities *pg. 237*

- Requires \$150 million in nonrecurring funds for the 2021-2022 fiscal year to be allocated as follows for lead and asbestos remediation and abatement programs to benefit PSUs and child care facilities:
 - \$32,812,500 shall be used to fund a program for the testing and remediation of lead levels in drinking water
 - \$117,187,500 shall be used to fund a program for lead paint abatement and asbestos abatement

Section 39.2 Bonuses Awarded to State Employees for Work During the Pandemic *pg. 516*

- Awards bonuses to all local school employees (and all State employees) for their extraordinary work in response to the COVID-19 pandemic:
 - \$1,000 bonus to employees making over \$75,000
 - \$1,500 bonus to employees making less than \$75,000

Broadband

- Provides approximately \$1 billion in federal funds to expand broadband throughout the State, especially to rural areas and unserved/underserved households
- Provides an additional \$4.6 million (for total of \$36.5 million) in each year of the biennium to the School Connectivity Initiative, which brings broadband connectivity to all K-12 public school buildings in the State (*Money Report, pg. B 33*)

Finance *pg. 588*

- Reduces General Fund revenue by \$1.33 billion in the 2021-2022 fiscal year and by \$1.99 billion in the 2022-2023 fiscal year
- Major tax changes are as follows:
 - The personal income tax rate is reduced from 5.25% to 3.99% over six years
 - Effective for taxable years beginning on or after January 1, 2022
 - The income tax on most military retirement income is exempt from taxation, effective January 1, 2021
 - The corporate income tax is phased out over six years, beginning in 2025
 - The franchise tax calculation is simplified, and the amount owed is reduced for some taxpayers
 - Effective for taxable years beginning on or after January 1, 2023