

Highlights of the FY 2019-21 Senate Budget Proposal as of Friday, May 31th, 2019

[Money Report Link \(May 29 version\)](#)

[Budget Bill \(PCS of HB966\)\(May 29 version\)](#)

Educators

K-12 Educator Pay

TEACHERS

Teachers would receive a 3.5 percent average salary increase over two years. This would raise the average teacher salary to \$54,500 by the end of the biennium. (Current average teacher salary as reported by DPI: \$53,945)

The House budget focused on rewarding veteran teachers, who largely have been left behind over the past several years. The Senate budget provides salary bumps to all teachers — however, there are more substantial increases provided to veteran teachers as well, but they are in the form of one-time bonuses instead of actual raises.

- For teachers with between 15 and 24 years of teaching experience, they will receive a bonus of \$500.00.
- For teachers with 25 or more years of teaching experience, they will receive a bonus of \$1,000.

The Senate budget has the base pay for beginning teachers remaining at \$35,000, and the salary schedule would max out at \$52,520.

The Senate budget does not reinstate advanced degree (master's) pay.

The Senate budget includes a Small County Signing Bonus for Teachers, which was also in the House budget.

Unlike the House budget, salary increases would take effect July 1, 2019, instead of January 2020.

PRINCIPALS

The Senate budget includes an additional \$15M in recurring funds for each year of the biennium to provide salary increases. Principals would see an average 6.2% increase; the bonus structure is revised and the option to double the performance bonus for those leading low performing schools has been removed for 2019-20, creating a situation that impacts ~90 principals that NCASA is asking to be remedied.

The Senate budget includes funding for salary supplements to recruit up to 40 high-growth principals to low-performing schools. The supplements are provided to selected school districts for a 3-year period at \$30,000 annually.

The Senate does not tie the principal salary schedule to the teacher schedule, as does the the House budget, which continues a scenario whereby teachers and APs could earn higher salaries than principals.

The Senate budget does not factor in years of experience in their revised principal salary schedule, unlike the House budget.

Principal Preparation

Language in Senate budget would keep the Transforming Principal Preparation program under the purview of the North Carolina Principals and Assistant Principals Association for the next two years. Following that, NC PAPA will help with transitioning the TPP to merge with the new Principal Fellows program, which is slated to be housed at UNC GA.

Advanced Teaching Roles

Provides additional funding to expand the Advanced Teaching Roles program. The revised appropriation for Advanced Teaching Roles is \$2M in FY 2019-20 and \$3M in FY 2020-21, which is the same language as the House budget.

Teacher Prep/Teaching Fellows

The Senate budget expands the new NC Teaching Fellows program from five institutions to eight and includes language that they should represent a diverse selection of UNC and private postsecondary institutions, which is the same language as the House budget.

The Senate budget modifies the provision for the Commission to provide mentoring and coaching support to forgivable loan recipients through the North Carolina New Teacher Support Program. Increases award amount for teachers at low-performing schools from \$2,000 to \$2,200, and removes the \$1,000 award amount for those who are not teaching at low-performing schools.

Teacher Leave/Protests

The House language that would make it nearly impossible for future teacher rallies to take place is not included in the Senate budget.

Infrastructure/Resources/Instruction

Infrastructure

The Senate budget includes capital funding for schools in the amount of \$4.8 billion as follows:

- \$1.67 from the State Capital and Infrastructure Fund (SCIF)
- \$1 billion from the Public School Building Capital Fund
- 2.1 billion from the Needs-Based Public School Capital Fund

This \$4.8 billion in capital funds is referred to as “pay-as-you-go” because unlike a bond, which has been favored by the House, they are not guaranteed funds, provided up front for construction and other infrastructure needs. Instead, funds are contributed to these line items on an annual basis and are subject to availability of state funds and future legislative decisions.

The Senate budget also includes a provision that prevents local school boards from suing county commissions over insufficient capital appropriations.

Classroom Supplies

The Senate budget includes a modified version of State Superintendent Mark Johnson’s classroom supplies bill, which redirects a portion of district funding for classroom supplies into the hands of teachers through a mobile app.

The Senate budget proposes that districts be required to allocate \$300 per teacher for supplies. The House budget, which originally set the per-teacher allocation at \$400, was later amended to include \$145 per teacher, funded through an additional \$15 million designated for supplies rather than coming out of the original \$47 million for supplies given to districts.

The Senate budget, like the House, also includes an additional \$15 million for classroom supplies, but this would not cover the per-teacher allocation of \$300 without also dipping into district classroom supply funds.

Textbooks and Digital Resources

The Senate budget allocates \$74 million for textbooks and digital resources for each year of the biennium. There are additional appropriations of \$10.9M in 2019-20 and \$12M in 2020-21, but those monies backfill previous non-recurring monies. No significant increase over last year's level of funding.

Class Size & Arts Requirement

Unlike the House budget, there is no language in the Senate budget that includes waivers for districts that have a hard time locating facility space and recruiting personnel to satisfy the K-3 class size requirement. Senator Tillman indicated there is a fix in the works in the form of an amendment or stand alone bill.

Instructional Materials Selection

The House's proposal to transfer the responsibility for selection and adoption of school instructional materials (including textbooks and digital resources) from the State Board of Education to local school boards is not included in the Senate budget.

Financial Literacy Instruction

The Senate budget proposal on financial literacy instruction is identical to that in the House budget, which would require that all students receive instruction on financial literacy prior to graduation. Instruction would include, at a minimum, education on the economic principles of: the true cost of credit; choosing and managing a credit card, borrowing money for a car or other large purchases, home mortgages, credit scoring and credit reports, and planning and paying for postsecondary education. The State Board of Education is to determine any other components.

A-F School Grades

The Senate budget proposes no changes to the current A-F school grading system, and would maintain the current formula as-is, with 80% of the grade coming from a school's proficiency score and 20% from growth over time. The House proposed revising the formula to 51% proficiency and 49% growth.

Read to Achieve

The Senate budget would require DPI to purchase the Imagine Learning and Failure Free Reading Camp Pilot with funds appropriated for fiscal year 2019-2020 to conduct a Reading Camp Curriculum Pilot Program. DPI would select one or more local school administrative unit that represents the diversity of the state to implement the curriculum in its reading camp to assess their effectiveness for improving reading proficiency. DPI would be required to report findings on the impact of readings camps on proficiency from the pilot to the Joint Legislative Oversight Committee by November 15, 2020.

School Safety

The Senate budget proposes a school safety grants program to be administered by DPI:

- \$6.1 million non-recurring for school safety equipment grants in first year. (House proposed \$3 million non recurring first year, \$6 million recurring second year.)
- \$4.5 million non-recurring for school safety training grants in first year. (House proposed \$3 million non-recurring year one, \$6 million recurring year two.)

- \$4.5 million non-recurring for students in crisis grants in first year. (House proposed \$2 million non-recurring year one, \$4.6 million recurring year two.)
- \$6 million recurring in each year of the biennium and 1.7 million non-recurring in the first year for employment and training of school resource officers. (House proposed \$3 million non-recurring in first year and 7.7 recurring in second year.)

The Senate budget reduces funding for the instructional support allotment to transfer 326 school psychologist positions to a new school psychologist allotment.

Provides funding to hire an additional 100 school psychologists to ensure at least 1 psychologist for every school district. Some lawmakers have complained that districts that have more pressing needs in other areas would not be able to transfer those funds.

Provides funding for school mental health support personnel grants. \$10 million recurring in both years, 8.2 million non-recurring in first year for school mental health support personnel grants for hiring and training. (NB: This is substantially less than the \$19 million non-recurring in year one and \$30 million recurring in year two proposed by the House.)

Department of Public Instruction

Senate budget eliminates 13 vacant staff positions and allocates two new positions to the Division of School Business.

School Funding Formula

The House budget included a provision that authorizes DPI to issue a RFP by September 15, 2019 seeking proposals from independent research organizations to conduct an evaluation of the current funding system for public schools and to propose alternatives. The Senate budget has no language to this effect.

School Choice

School Vouchers:

The Senate budget does little to change the Opportunity Scholarships Program (traditional vouchers), except to raise the administrative cap from \$1.5M to \$2M annually.

The Senate budget does include language from the House budget that combines the **special education voucher programs**. The Disabilities Grant and Education Savings Accounts would be combined into a new “**Personal Education Student Accounts for Children with Disabilities.**” (PESAs)

Award amounts for the PESAs would not exceed \$9,000 annually (it was \$8,000 in the House proposal), unless the student has one or more of the following disabilities: autism, hearing impairment, moderate or severe intellectual or developmental disability; multiple, permanent orthopedic impairments; or visual impairment, in which case award amounts can be up to \$17,000 annually. All funds can be placed on a debit card and up to \$4,500 can be carried over annually. Expenses are limited to tuition and fees at a private school and qualifying expenses, such as educational therapies, technology, transportation and more.

*Both the House and Senate budgets remove the provision requiring the state to verify 6% of all applicants to ensure eligibility for PESA.

Virtual Pre-K

The Senate budget does not include the House's controversial proposal for creating a virtual Pre-K pilot program.

Charter Schools

The Senate budget broadens enrollment priority for siblings and children of CMO/EMO employees.

Lab Schools

The Senate budget does not include House budget language that would reduce the lab school program from 9 schools to 6; however, it does include House language that lab schools should reasonably reflect the racial, ethnic and socioeconomic composition of the LEA in which they are located.