

Teacher Pay

Teachers would receive a 3.9 percent average salary increase over two years, with the increases going to veteran teachers. The teacher pay plan is similar to the House budget in that it focuses on rewarding veteran teachers; however, the overall average salary increase proposed in the conference budget is less than the House proposal and does NOT restore master's pay for teachers.

- Teachers with 0-15 years of experience would receive no additional salary increases other than the previously enacted step increases of \$1,000 annually.
- Teachers with 16-20 years of experience would receive a \$500 salary increase in 2019-20 and 2020-21.
- Teachers with 21-24 years of experience would receive a \$1,500 salary increase in 2019-20 and a \$500 salary increase in 2020-21.
- Teachers with 25+ years of experience would receive a salary increase of \$600 in 2019-20 and \$500 in 2020-21, as well as two \$500 bonuses; one in October of 2019 and one in October of 2020.

The compromise budget has the base pay for beginning teachers remaining at \$35,000 for the sixth year in a row, and the salary schedule would max out at \$53,100 by the second year of the biennium.

The compromise budget also includes a Small County Signing Bonus for Teachers. Bonuses shall be provided to eligible employees who are employed by an eligible employer and matched on the basis of one dollar in State funds for every one dollar in local funds, up to two thousand dollars in State funds.

All salary increases would take effect July 1, 2019.

Principal Pay

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

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

Principal Preparation

Language in compromise 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.

Teacher Prep/Teaching Fellows

The compromise 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.

The compromise 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 compromise budget does NOT include language that would make it nearly impossible for future teacher rallies to take place (this was only seen in the House budget proposal).

Infrastructure

The compromise budget includes capital funding for schools in the amount of \$4.4 billion over the next ten years. This funding would not be in the form of a bond, but rather as a “pay-as-you-go” mechanism that sets aside funds to the State Capital Infrastructure Fund and other line items. Unlike a bond, which had been favored by the House, these funds are not guaranteed; 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 compromise budget did NOT include the provision that was in the Senate budget that would prevent local school boards from suing county commissions over insufficient capital appropriations.

Classroom Supplies

The compromise 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 compromise budget proposes that districts be required to allocate \$150 per teacher for supplies for the 2019-20 year, and raise that amount to \$200 per teacher in 2020-21. The budget includes an additional \$15 million for classroom supplies, but it is unclear if this would fully cover the per-teacher allocation of \$200 in year two without districts having to dip into classroom supply funds intended for purchasing bulk items or other district-wide needs. Unlike the Senate budget proposal, the \$15M allocation in each year of the biennium is non-recurring.

Textbooks and Digital Resources

The compromise 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 compromise 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 had indicated in the past that there is a fix in the works in the form of an amendment or stand alone bill, but that has yet to materialize.

There is a requirement in the compromise budget that all students complete an arts education class in order to graduate from high school.

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 compromise budget. A standalone bill, [HB 315](#), has passed the House and remains in the Senate.

Financial Literacy Instruction

The compromise budget includes a provision on financial literacy instruction, which would require that all students receive instruction on financial literacy prior to graduation. However, HB 924 has this provision as well and is currently awaiting the Governor's signature. Financial literacy 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. It is important to note that an earlier proposal in the House to include instruction on the racial wealth gap in the curriculum for this course was rejected. The compromise budget allocates funds for this provision in the form of a grant to the NC Council on Economics Education, which will provide professional development and a \$500 stipend to teachers who are responsible for this instruction.

A-F School Grades

The compromise budget permanently codifies the 15-pt scale that the A-F school grading system has used since its inception; however, it makes no change to the formula, which remains 80% performance, 20% growth.

Read to Achieve

The compromise budget includes language from [SB 438](#), which we covered in the April 5, 2019 edition of the [Friday Report](#). Proposed changes to the Read to Achieve program include requiring teachers to create Individual Reading Plans (IRPs) for kindergarten through third grade students identified as below grade level based on diagnostic and formative assessments and requiring districts to obtain DPI approval for their summer reading camps.

Cooperative Innovative High Schools

The compromise budget includes supplemental funding for cooperative innovative high schools and does not include a provision that was in the Senate budget to phase out these funds. The compromise budget allocated \$1.5 million in additional funds [each year, recurring](#) for early colleges, for a total net appropriation of \$28.4 million in each year of the biennium. However, a new provision caps funding for new cooperative innovative high schools to 4 schools per year.

School Safety

The compromise 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.
- \$4.5 million non-recurring for school safety training grants in first year.
- \$4.5 million non-recurring for students in crisis grants in first year.
- \$3 million recurring in year one of the biennium and 6 million recurring in the second year for grants to employ and train school resource officers.

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

The compromise budget does not include the Senate provision to provide funding to hire an additional 100 school psychologists to ensure at least 1 psychologist for every school district.

The compromise budget does not include funding for school mental health support personnel grants that were included in both the House and Senate budgets.

School Funding Formula

The House budget included a provision authorizing 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 compromise budget does not include that provision. Instead, it extends the timeline for the Joint Legislative Task Force on Education Finance Reform to issue its final report from October 1, 2019 to March 31, 2020.

School Vouchers

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

The compromise budget does include language 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 \$8,000 annually, 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.

*The compromise budget does remove the provision requiring the state to verify 6% of all applicants to ensure eligibility for PESA.

Virtual Pre-K

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

Charter Schools

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

Lab Schools

The compromise budget includes language that would require the lab school program establish six schools by 2020-21 and three additional schools be established by 2022-23. The budget also includes language that within one year of the start of their operation, lab schools should reasonably reflect the racial, ethnic and socioeconomic composition of the LEA in which they are located.