

# NCASA Summarizes K-12 Funding & Policy Changes Proposed By House Budget

NCASA Advocacy Team

NC House Republicans held a press conference Wednesday to roll out their two-year state budget proposal in House Bill 259. The proposal, which is reflected in the [Money Report](#) and bill text outlining [Special Provisions](#), then was reviewed by subject areas in Appropriations Subcommittees this morning before moving to the full Appropriations Committee, where it faced discussion and numerous proposed amendments this afternoon. Although that committee was still working at distribution time for this newsletter, the following information summarizes many of the main funding proposals and policy directives affecting K-12 public schools, prior to the adoption of any amendments.

The House budget proposes total spending of \$29.8 billion in 2023-24, which is 6.5% more than the current budget, and \$30.9 billion in 2024-25. It includes roughly \$11.7 billion for 2023-24 and about \$12.3 billion for 2024-25 for K-12 public schools, with the Department of Public Instruction (DPI) managing the allocation of those funds.

The majority of the K-12 budget deals with salaries and benefits of school personnel, as summarized below. Other key components affecting public schools include:

- **Expanding the Opportunity Scholarship (private school voucher)** funding significantly over the next 15 years and extending eligibility to students in Grades 3-8 who had not previously attended a public school,
- **Expanding the Teaching Fellows Program** to all UNC campuses and four private universities, as well as allowing the scholarships to go to any potential teacher rather than just STEM,
- **Focusing on math improvement of middle schoolers by capping class size at 24 students in both fourth and fifth grade and providing \$60 million in recurring funds to support fourth grade teacher assistants**, and
- **Rolling in** all or parts of education policy bills already under consideration this year, including those dealing with **academic transparency, academic standards, remote charter academies, creating career development plans, and changing the governance of the schools for the deaf and blind**, among others.

## Compensation Increases

- **Teachers and Instructional Support Personnel**
  - Appropriates \$292.8 M in FY 2023-24 and \$516.8 M in FY 2024-25 to provide across-the-board raises of 4.25% and 3.25% respectively. When step increases are included, for those who are eligible, teachers will receive an average pay raise of 10.2% over the biennium.
  - Provides an additional \$88 million in pay enhancements for teachers as follows:
    - Restores advanced degree supplements (i.e., master's pay) to those teaching in the content area of their degree.
    - Provides an additional \$70 M in recurring funds for the Teacher Supplement Assistance Allotment for a revised net appropriation of \$240 M each year of the biennium that supports all counties except Wake, Mecklenburg, Durham, and Guilford.
- **Other Public School Personnel & Retirees**
  - Provides \$98.5 M in FY 2023-24 and \$170.2 M in FY 2024-25 to provide the following salary increases:
    - Across-the-board increases of 4.25% for FY 2023-24 and 3.25% in FY 2024-25 for most noncertified staff, central office staff, principals, and assistant principals.
    - Provides an additional \$4.7 M in each year of the biennium for bus driver pay increases. On average, this will increase bus driver salaries by an additional 2%, giving them a total increase of 9.5% over the biennium.
  - Provides 4-8 weeks of paid parental leave for new parents employed by public schools.
  - Provides true, permanent cost-of-living adjustments (COLAs) to retired school personnel and state workers of 1% in FY 2023-24 and 1% in FY 2024-25.

## **Key Changes to Public School Funding**

- **Average Daily Membership Adjustment** – Provides \$20.1 M recurring to cover K-12 enrollment growth to cover an allotted ADM of 1,549,792 students in FY 2022-23.
- **Special Population Headcount Adjustment** – Provides \$20.1 M recurring to adjust Exceptional Children preschool and school-age allotments and the Limited English Proficient allotment to reflect actual headcounts.
- **Teacher Assistants** – Provides \$60 M recurring to fund teachers in fourth grade classes, with 1 TA provided for every 4 classes of 21 students.
- **Small County Supplemental Funding** – Increases funding by \$20 million recurring in FY 2023-24 and an additional \$5 million recurring in FY 2024-25 to enhance support for qualifying schools across all tiers of eligibility.
- **Professional Development** – Provides \$10 M recurring to DPI to support professional development for teachers, with \$500,000 designated to support teacher training in economics and personal finance.

## **K-12 Special Provisions**

**Section 7.1, Codify Funding For Children With Disabilities** — Codifies LEA funding for children with disabilities at the lesser of (i) all children who are identified as children with disabilities or (ii) 13% of its allocated ADM in the LEA for the current school year.

**Section 7.2, Codify Funding For Academically or Intellectually Gifted Students** — Codifies LEA funding for AIG students at a maximum of 4% of the LEA’s allocated ADM for the current school year, regardless of the number of children identified as AIG in the unit.

**Section 7.3, Codify Boilerplate & Change Small County Tiers** — Codifies standardized “boilerplate” language regarding supplemental funding in low-wealth counties; Modifies funding for the small county school system supplemental funding as follows:

- **ADM 0-1,300** = ~~\$2,336,400~~ **\$2,485,400** in Small County Allotment funding
- **1,301-1,700** = ~~\$2,286,400~~ **\$2,435,400**
- **1,701-2,000** = ~~\$2,236,400~~ **\$2,385,400**
- **2,001-2,300** = ~~\$2,186,400~~ **\$2,335,400**
- **2,301-2,600** = ~~\$2,136,400~~ **\$2,285,400**
- **2,601-2,800** = ~~\$2,086,400~~ **\$2,235,400**
- **2,801-3,300** = ~~\$2,036,400~~ **\$2,185,400**

**Section 7.4, Reclassify DPI Positions** — Requires NCDPI to reclassify the following two full-time positions within the Department: one position to be a “consultant for alternative learning” and one position to be a “teaching compensation and advanced teaching roles consultant.”

**Section 7.5, Required Training To Count Toward Continuing Education Credits** — Incorporates language from [House Bill 207](#), requiring hours spent attending mandatory educator training programs contribute to CEUs.

### **Section 7.6, Program Enhancement Teacher Allotment/K-12**

- Expands funding for classroom teacher allotments in the State Public School Fund for program enhancement teachers from Kindergarten through fifth grade to Kindergarten through twelfth grade;
- Requires the State Board of Education to utilize “remaining funds available for classroom teachers in the State Public School Fund” to set teacher-to-student-ratios for class sizes in grades four through 12;
- Revises program enhancement teachers allotment ratio from 1 teacher per 191 students to 1 teacher per 140 students, and makes funding retroactive beginning with the 2021-2022 fiscal year.

**Section 7.7, Weighted Funding For EC Students** — Requires NCDPI to develop a funding model for children with disabilities based on the reported cost of the services provided; Requires NCDPI to report to the Joint Legislative

Education Oversight Committee by January 15, 2024 on the new funding model developed, including a comparison of PSU expenditures on students with disabilities under the current funding model as compared to the new funding model.

**Section 7.8, Clarify PEPSC Role** — Clarifies the powers and duties of the Professional Educator Preparation and Standards Commission (PEPSC), which has been overseeing the creation of the new teacher pay and licensure pilot program for the past few months, to place more emphasis on teacher licensure and less on “all aspects of professional standards for North Carolina educators.”

**Section 7.9, Opportunity Gap Task Force** — Establishes an “Opportunity Gap Task Force” consisting of 14 members that would be required to (i) study the opportunity gap; (ii) consider effective approaches and best practices from across the country to close the opportunity gap for K-12 students; and (iii) propose a plan to reduce the opportunity gap for all subgroups by July 1, 2030.

- Requires the Task Force to request input from various education stakeholders, including qualifying parents, teachers, principals, superintendents, as well as certain education advocacy/research groups.
- Requires Task Force meetings to begin no later than 60 days after the date the legislation becomes law and requires the Task Force to submit a final report on the results of its study, including its proposed plan and any proposed legislation, on or before December 1, 2024, at which time the Task Force shall terminate.

**Section 7.10, Academic Transparency** — Requires districts to ensure that each school posts by June 30 of each year on its school website, organized at least by subject area and grade level, all lesson plans that were used at the school during the *prior* school year; any procedures for the “documentation, review, or approval of the lesson plans;” and the local procedure to request an in-person review of a course material not publicly available on the internet.”

- Lesson plans would include, at a minimum, the “names of all instructional and supplemental materials used by the school from the list of materials included in the instructional materials repository, with an electronic link to the instructional materials website” in addition to “any other course materials used in a course, by the title and the author, organization, or website associated with each material and activity.” These course materials include materials created by the teacher, with the teacher identified as the author.
- “The lesson plan must include a brief descriptor of the course materials, and a link to the course material, if publicly available on the internet, or information on how to request review of a copy of the course material in person. Nothing in this section shall be construed to require the digital reproduction or posting of copies of the course materials themselves.”
- Requires NCDPI to make available to public school units (PSUs) one or more templates for providing the required information.
- Provides an exception from these requirements for governing bodies overseeing schools with fewer than 400 cumulative students.
- Clarifies charter schools, regional schools, lab schools, and other public school types must also meet these requirements, unless an exception is applicable.

**Section 7.11, Modernize Selection of Instructional Materials**

- **Selection of *instructional* materials**— Requires local boards of education to “select and adopt” instructional materials for each standard course of study at each instructional level in elementary and secondary schools, as adopted by the State Board of Education; Clarifies local boards may require qualifying “experts” to create reports evaluating instructional materials prior to board adoption;
- **Selection of *supplemental* materials** — Requires local boards to adopt written policies for the selection and procurement of supplemental materials “for a grade or course or for general education needs at a school or throughout the entire local school administrative unit;” Notes local boards shall have “sole authority” to “select and procure supplemental materials, whether or not the materials contain commercial advertising, to determine if the materials are related to and within the limits of the prescribed curriculum, and to determine when the materials may be presented to students during the school day.”
- **Selection of health and safety instructional and supplemental materials** — Requires local boards to conduct public hearings before “adopting, modifying, or amending” a health and safety program (and the instructional and supplemental materials for that program) after providing **at least 10 days public notice** of the hearing;

Requires local boards to provide both electronic and written notice to all parents of students in the local unit, as well as an opportunity to review those materials, **at least 60 days before** the public hearing occurs.

- **Acquisition of instructional and supplemental materials** — requires local boards to publish on their local school administrative unit’s website the “title, author, and publisher of all instructional and supplemental materials purchased by the local board,” in addition to other acquisition requirements.
- **Instructional materials repository** — requires local boards of education to maintain a “continuous repository” of current instructional and supplemental materials that have been selected and acquired by the local board of education; Local boards must also maintain a continuous repository of “current objectives, entire curricula, texts, and all other materials used in any health or safety program;” Additionally for health and safety programs, local boards must also give both written and electronic notice to parents of participating students **at least 14 days before** students participate in the program.
- Provides parents the **right to purchase** from the local board of education *any* instructional material needed for *any* public school student of the local unit in which the child is enrolled, if the board has purchased, leased, or rented the materials as outlined earlier in the bill; allows local boards to “dispose of discontinued instructional or supplemental materials.”
- **Local community media advisory committee** — require each local board to establish a “local community media advisory committee” to investigate and evaluate challenges from parents, teachers, and members of the public to instructional and supplemental materials on the grounds they are unfit materials. NOTE: This section would **not** apply to *optional* supplemental materials available through the school library; sets out requirements for committee membership, as well as requirements for individuals challenging unfit materials; requires local advisory committees to hold a hearing **within two weeks** of the filing of a challenge and make *recommendations* to the local board of education within two weeks following the hearing on whether the challenge has merit; local board of education may choose to retain the challenged material, but a challenger may appeal the local board’s decision to the State Community Media Advisory Committee.
- **State Community Media Advisory Committee** — requires the State Board of Education (SBE) to establish a State Media Advisory Committee to review appealed challenges to instructional and supplemental materials; sets State Committee membership requirements; requires State Committee to hold an appellate hearing **within four weeks** of a challenger filing an appeal; requires the SBE to consider State Committee’s recommendations at its next meeting and clarifies the decision of the SBE is final.
- **Parents’ right to opt in or out of health and safety programs** — requires local boards of education to adopt policies allowing parents to opt in or opt out of their students’ participation in “any or all health and safety programs” provided by the local school administrative unit.
- **Effective Date** — clarifies no local board of education would be required to hold a public hearing for any program in use prior to the 2023-2024 school year until that program is “amended, modified, or replaced;” requires all local boards to establish a program repository of current programs for parental access prior to the start of the 2023-2024 school year and forbids local boards from implementing any program until that program is included in the repository; states this section is effective when it becomes law and applies beginning with the 2023-2024 school year.

**Section 7.12, Abolish NCDPI Certain Unfilled Positions** — Removes four NCDPI positions that have remained unfilled for over two years.

**Section 7.13, Career Exploration and Development Plans** — Incorporates modified language from [Senate Bill 193](#) requiring career development plans for all middle and high school students; forbids students from being promoted from 7<sup>th</sup> grade until a career development plan is created, and from being promoted from 10<sup>th</sup> grade until the career development plan is revised; requires the State Board of Education (SBE) to adopt rules establishing minimum requirements for career development plans; requires the SBE to establish a pilot of at least 20 local school administrative units during the 2023-2024 school year “to develop the plan requirements and professional development” necessary for *statewide* implementation in the 2024-2025 school year.

**Section 7.14, CTE Pathways** — Requires NCDPI, in consultation with the UNC Board of Governors and State Board of Community Colleges, to study and develop alternative graduation requirements for students following certain career paths chosen as a result of their career development plan. Recommended graduation requirements must align with

minimum undergraduate requirements for admission to UNC institutions, or with requirements for admission to a certificate/diploma course established by the State Board of Community Colleges; requires NCDPI to report on recommendations to the Joint Legislative Education Oversight Committee by July 15, 2024.

**Section 7.15, Remaining ESSER Funds To Failure Free Reading Program and ST Math** — allows up to \$300,000 to be used to continue or expand the “Failure Free Reading program” created by prior state law to address learning loss due to the COVID-19 pandemic; also allows up to \$2 million to be used to contract with “International MIND Education Institute, Inc.” for their *ST Math* program to address math learning loss.

**Section 7.16, Standards Advisory Commission** — Establishes the “Standard Course of Study Advisory Commission,” or SCOS Commission, for the purpose of involving stakeholders in establishing the standard course of study and making recommendations regarding “all aspects...of the standard course of study;” clarifies the Commission will be located at NCDPI and sets forth Commission membership requirements; allows the State Board of Education (SBE) to adopt or reject the recommended standard course of study, but does not allow the SBE to make any substantive changes to any recommended standard course of study it adopts; requires Commission to submit a report by December 1, 2024, and annually thereafter to certain entities regarding its activities during the preceding year, as well as any recommendations and findings regarding the revisions process.

- **Development of standard course of study** — requires the SBE to develop a comprehensive plan to revise, on a regular basis, content standards and the standard course of study; requires SBE to develop and implement an “ongoing process” to align State programs and support materials with the revised academic content standards.
- **Review of standard course of study developed by State Board** — requires the SBE to submit a report outlining any proposed changes to the Joint Legislative Education Oversight Committee (JLEOC) prior to implementation of a standard or competency of the standard course of study; creates a new process allowing the NCGA to disapprove, and possibly forbid, a proposed change to the standard course of study that has been previously submitted to the JLEOC.
- **Effective date** — requires the Standard Course of Study Advisory Commission to review the *social studies* standard course of study during the 2023-2024 school year and provide recommendations to the SBE no later than January 1, 2025; states the section is effective when it becomes law and applies to all standard courses of study implemented on or after that date.

**Section 7.17, Online Digital Instruction** — repeals previous state laws regarding North Carolina’s Digital Learning Plan.

**Section 7.18, Codify and Modify Renewal Schools** — Codifies the Renewal School System program in state law and provides an opportunity for additional renewal school systems if a local school administrative unit meets one of two criteria: (1) the district has the highest percentage of restart schools, is eligible for low-wealth supplemental funding, and has more than 10,000 students; OR (2) at least 60% of the schools in a district meet or exceed growth and the district spends less than \$6,700 in per pupil funding from state funding sources.

**Section 7.19, CTE Grants For Ancillary Items** — Allows NCDPI to use up to \$1 million in nonrecurring funds to provide grants for the 2023-2024 and 2024-2025 school years to fund ancillary items necessary for the CTE program at a given school; allows NCDPI to use up to \$200,000 in recurring funds to assist public school units with program costs associated with CTE programs related to homebuilding; sets forth various requirements for grant applications and reporting.

**Section 7.20, DPI Funding In Arrears** — Requires NCDPI to create a school funding model that utilizes *actual* student average daily membership (ADM) from the prior school year, rather than on projections for the upcoming school year; requires NCDPI to submit the model to the NCGA Fiscal Research Division no later than **February 15, 2024**; Beginning with the 2024-2025 school year, requires NCDPI to distribute funds to public school units in accordance with new funding model; requires NCDPI to provide funds from the ADM Contingency Fund to fund growing schools.

**Section 7.21, Math Interventions And Fourth & Fifth Grade Class Size Requirements**

- **Math Interventions** — Codifies the “Math That Counts” program, which has a goal of ensuring every student has math skills at or above grade level by the end of 5<sup>th</sup> grade and continues to progress; requires 4<sup>th</sup> and 5<sup>th</sup> grade students be assessed at least three times per school year with formative and diagnostic mathematics

assessments meeting listed criteria; requires students who are not grade level proficient in math by the end of 5<sup>th</sup> grade, as demonstrated by the EOG assessment, be provided with intervention and remediation services documented in a “Mathematics Success Plan” (MSP) that meets certain requirements; creates new reporting requirements for local boards of education; requires the State Board of Education to develop mathematics assessment instruments for fourth and fifth grades.

- **Fourth and Fifth Grade Class Size Requirements** — establishes new maximum class size limits for 4<sup>th</sup> and 5<sup>th</sup> grades; new limit for both grades is **1 teacher per 24 students**.

**Section 7.22, Increase Engagement in STEM** — Requires the Superintendent of Public Instruction to establish the “Increasing Engagement in STEM Program” for the 2023-2025 fiscal biennium with the purpose of providing grant funds to public school units “to engage in experiential science, technology, engineering, and math (STEMP) education programs”; sets forth grant application timeline, application requirements, selection criteria, and reporting requirements through December 15, 2025; appropriates \$1 million in nonrecurring funds for each year of the 2023-2025 fiscal biennium for implementation; states the intent of the NCGA to reauthorize the Program for the 2025-2026 school year.

**Section 7.23, After-School Robotics Grant Program** — Establishes the “Educational and Competitive After-School Robotics Grant Program” and sets forth various program criteria and guidelines.

**Section 7.24, Threat Assessment Teams** — Codifies the requirement that all schools have a threat assessment team consisting of specific individuals that would conduct threat assessments in a public school unit “when threatening behavior has been communicated and when a student has engaged in threatening behavior that warrants further evaluation;” requires the Center for Safer Schools to develop guidance for threat assessment teams for public school units; requires local boards to develop a policy for the establishment of threat assessment teams; requires the superintendent of a public school unit to establish a committee charged with coordination and monitoring of threat assessment teams; requires local superintendent to establish a “multidisciplinary threat assessment team” for each school within the unit, although a team may serve more than one school in the unit; requires local boards of education to require peer-to-peer student support programs be established at all schools with grades six and higher; sets forth new program reporting requirements.

**Section 7.25, Schools for the Deaf/Administration** — Incorporates provisions from [House Bill 11/Senate Bill 62](#) that would shift oversight of residential schools for the deaf and blind from the State Board of Education to individual Boards of Trustees for each school; sets forth Board membership criteria and provides Board authority over various aspects of school operations.

**Section 7.26, Remote Charter Academies** — Incorporates language from [House Bill 149](#) authorizing the creation and oversight of remote charter academies and providing a one-year extension of the Virtual Charter School Pilot Program.

**Section 7.27, School Health Personnel Allotment** — Transfers 3,241 school nurses, counselors, and social worker positions from the current Instructional Support Personnel Allotment to the current School Psychologist Allotment and redesignates it as the School Health Personnel Allotment. Provides additional \$10 M recurring to fund 120 additional positions, bringing total support to \$347.4 M each year of the biennium. Also eliminates requirement that school nurses must have 4-year degrees; prohibits school counselors from spending their work time coordinating standardized testing; defines the duties of Career Development Coordinators; and makes it permissible for LEAs to use School Health Personnel funds to contract for related services if they cannot secure employees for that work.

**Section 7.28, Communities In Schools (CIS) Reporting** — Requires CIS to submit information on its services and numbers of students served to the Joint Legislative Education Oversight Committee by Aug. 15, 2023.

**Section 7.29, Allow Schools In All Zoning Districts** — Amends state zoning laws in G.S. 160D-913.1 to allow schools to be permissible in all zoning districts.

**Section 7.30, Codify Use of Special State Reserve Fund For Transportation/Transportation Reserve Fund For Homeless and Foster Students** – Adds two new sections to Chapter 115C of the General Statutes to codify these budget provisions in state law. The new sections include G.S. 115C-250.3, extraordinary transportation costs grants, and G.S. 115C-250.5, homeless and foster student transportation grants.

**Section 7.31, School Health Personnel Profession Entry Report** – Requires the State Superintendent by Jan. 15, 2024, to report to the Joint Legislative Education Oversight Committee on the entry of school nurses, counselors, social workers, and psychologists into public school service, including information on their preparation, training, and licensure; barriers to their entering the profession; and actions taken or recommended for decreasing those barriers to increase the availability of these personnel to support public school students.

**Section 7.32, Medicaid Reimbursement Required For Residential Schools** – Requires DPI to contract with a third-party entity to provide administrative services for seeking Medicaid reimbursements for medical services provided through the state's schools for the deaf and the blind. If the contract is not executed by Jan. 1, 2024, then the estimated amount that would have been reimbursed monthly under the contract will be reduced from DPI's budget and redirected to those residential schools until the contract is executed.

**Section 7.33, Driver Education Administration Funds** – Clarifies that DPI may use up to \$164,690 annually for administration of the state's driver education program for students.

**Section 7.34, Classroom Safety and Anti-Bullying** – Appropriates \$10 M non-recurring in each year of the biennium to DPI to contract with third parties for technology to mitigate cyberbullying, monitor student internet activity, monitor classroom educational devices, and assist with suicide prevention services. Of those funds, \$5 million each year will go to PSUs on an ADM basis for third-party contracting for these same purposes, and \$2.5 M each year will go both to Gaggle.net and GoGuardian under statewide contracts.

**Section 7.35, Reset School Meal Debt (113)** – Requires DPI to use \$7.8 M in non-recurring funds to pay all school food authorities to satisfy any outstanding school meal debt by the end of the 2023-24 school year, and DPI may use additional State Public School Fund money if that amount does not fully eliminate the debt.

**Section 7.36, School Safety Grants** – Provides \$20 M non-recurring in each year of the biennium to provide grants supporting students in crisis, school safety training, and the purchase of safety equipment.

**Section 7.37, Life Changing Experiences** – Provides \$500,000 non-recurring in each year of the biennium to implement this program in the following LEAs: Cleveland County Schools, Greene County Schools, Lenoir County Public Schools, Lincoln County Schools, McDowell County Schools, Mitchell County Schools, Pitt County Schools, and, if funding is adequate, one additional LEA to be determined by DPI. The program shall include theme-specific programs and certain additional follow-up applications that address dangerous life- and community-threatening activities that negatively impact teenagers, including alcohol and other drugs, dangerous driving, violence, and bullying. The goal of these programs is to increase positive intentions and behavioral outcomes by teaching students the techniques and skills that empower them to reach meaningful life goals, employ positive behaviors, and start businesses and social enterprises.

**Section 7.38, Behavioral Intervention Grants** — Directs the Superintendent of Public Instruction to establish the 2023-2025 Behavioral Intervention Grants Program to allow public school units to establish, update, or expand student behavior intervention programs to facilitate a student's continued in-person attendance at school and completion of the student's intended academic program. Prioritizes schools that do not currently have this program and shall also consider the average daily membership, suspension rate, expulsion rate, and dropout rate of the school.

**Section 7.39, Charter School Review Board** — Adds a 12<sup>th</sup> member to the Charter School Advisory Board and reforms it as the Charter School Review Board with direct authority to review and approve or deny charter school applications, renewals, and revocations. Gives the State Board of Education an appellate role only in charter school renewals and approvals, and clarifies when appeals may be pursued.

**Section 7.40, NBPTS Participation Fee Grant Program** — Provides \$1 M recurring to establish a grant program for reimbursing teachers in qualifying schools for fees they incur in pursuing National Board of Professional Teaching Standards certification. Qualifying schools would include those that either are identified as low-performing or just prior to the NBPTS application had at least 10% of its enrolled students identified as at-risk.

**Section 7.41, Require Ethics Training For Certain School Employees and Revise Terms & Conditions of School Finance Officer Employment** – Requires 2 hours of ethics training every odd-numbered year from designated providers for all LEA personnel who make and/or administer contracts. Initial ethics training would be required within 90 days of an employee taking on contracting authority, and all current LEA personnel with contracting authority would be required to have the ethics training within six months of the requirement being enacted as law. Also revises requirements for school finance officer employment contracts to reflect that they may be for terms of 1 to 4 years and the finance officer cannot be dismissed during the term except for misconduct of such a nature as to indicate he or she is unfit for the position, incompetence, neglect of duty, or failure or refusal to carry out validly assigned duties.

**Section 7.42, Career & College Ready Graduate Program Changes/Codification** – Directs the State Board of Education and the State Board of Community Colleges under the auspices of the Career and College Ready Graduate Program, which is codified in state law in Chapters 115C and 115D, to introduce college developmental mathematics and developmental reading and English content during high school and provide opportunities in all high schools statewide for college remediation for students prior to high school graduation through cooperation with community college partners. Students who are enrolled in the Occupational Course of Study would not be required to participate in these mandatory remedial courses unless a parent specifically requests it through the student’s individualized education program (IEP) process.

**Section 7.43, Combining Education And Workforce Innovation Commission Grant Programs** – Combines the Education and Workforce Innovation Grants and the CTE Grade Expansion Grants into one program under the auspices of the North Carolina Education and Workforce Commission, which has the authority to administer grants reflecting both purposes of the currently separate programs.

**Section 7.44, Teacher Assistant Tuition Reimbursement Program** — Provides \$575,000 recurring to make \$875,815 available annually for broadening the Teacher Assistant Reimbursement Program, making more LEAs and teacher assistants eligible to receive up to \$4,600 per year for each teacher assistant who is pursuing a college degree that will result in teacher licensure.

**Section 7.45, Economically Disadvantaged Public School Support Funds** – Provides \$10 M recurring to DPI to allot additional flexible funds to schools with a student population made up of more than 80% economically disadvantaged students who exceed growth on statewide EVAAS measures, with a goal of helping those schools exceed growth expectations in subsequent years.

**Section 7.46, Teacher Assistant Completion Grants Program** — Provides \$10 M non-recurring from the ARPA Temporary Savings Fund to DPI each year of the biennium to support this new program to reward teacher assistants who complete coursework to become teachers.

**Section 7.47, Revise Transportation Funds Requirements** – Changes school transportation funding requirements to allow DPI to withhold no more than 5% (*currently 10%*) of transportation funding that is to be allocated pursuant to the efficiency rating based on the most recently available data from a prior school year.

**Section 7.48, 12<sup>th</sup> Grade Transition Program/ScholarPath** – Provides \$2.5 M non-recurring from the ARPA Temporary Savings Fund each year of the biennium to ScholarPath to facilitate a program focused on helping all high school students prepare for 12<sup>th</sup> grade and giving them an education planning and communication platform helping them transition from high school to college or a chosen career.



## **Other Budget Highlights**

**Section 4.3, Education Lottery/Needs-Based Public School Capital Fund Changes** – Funds the following amounts in 2023-24 from lottery proceeds: Noninstructional Support, \$431,914,455; Pre-K, \$78,252,110; Public School Building Capital Fund, \$100,000,000; Needs-Based Public School Capital Fund, \$208,252,612; Public School Repair & Renovation, \$50,000,000; Scholarship Reserve Fund for Public Colleges and Universities, \$41,194,733; and LEA Transportation, \$21,386,090, for \$931,000,000 in total funding. Of these programs, only Noninstructional Support is slated for an increase, an extra \$5 million, in 2024-25. Also increases maximum grant awards under the Needs-Based Public School Capital grants by \$10 million for each school size to reflect \$40 million for elementary, \$50 million for middle, and \$60 million for a high school, and adds stipulations for LEAs that decline or forfeit grants.

**Section 4.4, Indian Gaming Education Revenue Fund Appropriations** – Directs \$10 M from this fund each year of the biennium to support the Teacher Assistant allotment.

**Section 4.5, Civil Penalty and Forfeiture Fund** – Provides from these funds collected through fines and forfeitures the following: \$18 M both years to the School Technology Fund, \$32,693,768 both years to support Driver Education, and \$226,041,640 in FY 2023-24 and \$166,041,640 in FY 2024-25 to the State Public School Fund (to cover other allotments). Total funding is \$276,735,408 in FY 2023-24 and \$216,735,408 in FY 2024-25.

**Section 8A.5, Revise Selection Criteria for Principal Fellows Program** – Increases grant recipients from 8 to 10 entities that seek to offer principal preparation initiatives and requires that two of the grant recipients be private postsecondary institutions operating directly or through a consortium.

**Section 8A.6, Expand Eligibility and Revise Administration for Opportunity Scholarships** – Allows Grade 3-8 students who did not previously attend a public school to be eligible for the scholarships (private school vouchers); also increases annual expansion funding by \$25 million for this program to reflect \$262,540,000 beginning in 2025-26 and reaching \$352,540,000 in 2031-32.