

Summary of House Budget Proposal (SB 257)

(See “Comparison” sheet for details of differences between Senate and House salary proposals)

SALARY AND PERSONNEL

8.1 Teachers and Instructional Support (*Senate and House, with Differences*)

- Increases, including the step, range from 0.6% to 6.9% **\$105,127,363 (R)**
- Salary schedule increased for all steps

- Sections (c) and (d): School Counselors to be paid on the advanced schedule (psychologist and audiologist scale) **\$13,138,898 (R)**

8.8A Veteran Teacher Retention Bonus (*House only*) **\$23,545,881 (R)**

- Provides a \$2,500 bonus to teachers with 27 years and above to remain teaching for 2 years.
- Bonus not subject to TSERS

8.5 Assistant Principals (*Senate and House, with Differences*) **\$38,306,147 (R)**

- Schedule linked to A schedule at A + 22% (2013 M + 1%)
- Eligible for longevity
- Advanced and Doctorate supplements still apply
- No ABC Bonus (unless under hold harmless)
- Hold harmless clause

8.3 Principals (*Senate and House, with Differences*)

- Eliminates current Principal schedules
- Implements schedule with **base** per years of experience + **additional pay** based on school ADM and number of students eligible for free and reduced lunch (FRL)
- No bonuses
- No longer eligible for longevity
- No longer eligible for Advanced and Doctorate supplements
- Hold harmless clause
- No ABC Bonus (unless under hold harmless)

8.7 Noncertified and Central Office (*Senate and House, with Differences*) **\$61,537,448 (R)**

- Increases annual salary by \$1,000
- Of the salary funds appropriated \$16,855,081 shall be allocated to LEAs to increase **bus driver** pay. This is in lieu of the \$1,000 increase.

8.10 School Bus Driver Compensation and Employment Study (*House only*)

DPI shall study the compensation of bus drivers and the challenges of recruiting and retaining (report due April 1, 2018)

35.19 Benefits

	<u>Senate</u>	<u>House</u>
Retirement	16.69%	17.21%
Health	\$5,869	\$5,869

7.29 8.8B Revise Teacher Bonus Program (*Senate and House, with Differences*)

I. AP/IB and CTE Bonuses:

House and Senate

- Continues the bonuses through 2018-19
- Removes “licensed” teachers
- Includes Charter Schools
- Removes requirement to be still teaching Advanced courses/CTE

House only

- Adds Cambridge AICE exams to the bonus program for grade E or better
- Increases the maximum per teacher to \$3,500 (previously \$2,000).

Senate only

- Changes so that the teacher must remain in the same *school* (previously the same *LEA*)

II. Third Grade Bonuses:

Senate and House

- Removes “licensed” teachers
- Removes requirement to be still teaching third grade

II. Retroactive Pay based on 2015-16 exam results:

Senate and House

- Provides charter school teacher bonuses for 2105-16 (previous language excluded charters) Senate - **\$400,000 (NR)**
House - **No funding**
- Provides the bonus to any teacher who was excluded because they were not teaching the same grade or subject.

House only

- Provides bonuses to teachers who taught a Cambridge AICE program course

8.8C 3rd Grade Bonus starting in 2018-19 (House Only)

- Excludes Lab Schools from LEA-level bonus
- Caps the bonus at \$3,500 for the State-level and LEA-level (i.e., Maximum *total* = \$7,000)

Advanced Teaching Roles (House Only)

\$1,000,000 (R)

Funding for the 3-year pilot program established in the 2016-17 budget

\$7,180,000 (NR)

ALLOTMENTS

7.23J Allotment Transfer Report (House Only)

- Modifies Reporting on the transfer of funds from allotment categories
- Requires LEAs to provide the following *for all transfers over 5%*
 - Amount, and the Allotment the transfers was made in to
 - The object code for the funds following the transfer
 - A description of any teacher positions fully or partially funded as a result of the transfer, including all subject areas taught by the teacher in that position
 - The educational priorities that necessitated the transfer
- DPI shall collect the information and report the aggregate information to Joint Legislative Education Oversight Committee by December 1 annually.

7.1 Funds for Children with Disabilities (House and Senate, with Differences)

\$4,125.27 per headcount (2017 \$3,985.53 per headcount)

House only – Increase funding cap from 12.5% to 13%

\$11,300,120 (R)

7.2 Funds for Academically Gifted (House and Senate)

\$1,314.56 for 4% of Allotted ADM (2017 \$1,280.70 for 4% of the allotted ADM)

7.3 Low Wealth Supplemental Funds (House and Senate)

Exempts from the funding formula and non-supplanting requirement any LEA with 23,000 ADM that also has an Armed Forces base. Provides to such LEAs the same funding as provided in 2012-13 (same language as in 2015-17 biennium, but different impact).

Amendment A26 Moves unallotted low wealth funds to a one time allotment to Wayne County Public Schools

7.4 Small School Supplemental funds (House and Senate)

- No change in supplemental amounts provided or ADM ranges
- \$3,618,482 reduction is a budget correction and has no impact on the amount provided per the funding formula

7.5 Disadvantaged Supplemental Funding (*House and Senate*)

No change in funding formula from prior years

7.15 Class size Flexibility for Current Pilot Programs (*House and Senate with differences*)

Provides K-3 class size exemptions to the schools participating in the teacher compensation models and advanced teaching roles pilot program (affects Chapel Hill, CMS, Edgecombe, Pitt, Vance and Washington) and LIFT schools in CMS.

House Only – Modifies 115C-301 to include dual language immersion classes in the allowable reasons to request a K-3 class size waiver.

7.23C K-3 Class size Requirements Report – (House only)

Modifies reporting requirements passed in HB13 to add the requirement to report on any limitations on the capacity of school facilities for each school in the LEA that make it impracticable for the school to meet K- 3 class size maximums without facility expansion.

Central Office (*House and Senate with Differences*)

House - 5.0% reduction (\$5,000,000) (R)

Senate -10.5% reduction (\$10,000,000) (R)

Both House and Senate increase the reduction by \$5m in 2018-19

Textbook and Digital Resources (*House and Senate with Differences*)

House \$10,351,000 (NR)

Senate \$10,000,000 (R)
\$1,100,000 (NR)

Note: \$10 m in 2016-17 was nonrecurring funding, therefore \$10 m of the proposed funding for 2017-18 will not increase the allotment relative to prior year appropriations.

Small Specialty HS (*House and Senate*) (\$2,199,336) (R)

No impact on Budget. This is a budget correction only

7.22 Cooperative Innovative High Schools (*House and Senate with Differences*) (\$2,246,612) (R)

Directs a collaborative study of the operation and cost of Career and College Promise and CIHS

House
Provides \$200,000 for each CIHS school. Funding for the Regional School remains the same.

Senate

Provides a 25% reduction in 2017-18 (50% reduction in 2018-19) for CIHS in Tier III which have received an allotment for at least 3 years

- ~~\$316,646 shall be allocated — Northampton New Tech Early College, Washington County Early College.~~ **Removed through Amendment**
- For all CIHS in Tier I which did not receive funding, the remaining allotment shall be distributed evenly.
- For the remaining CIHS which are not in Tier I, they shall be permitted to operate as CIHS – these include Charlotte Middle College at Merancas, Charlotte Teacher Cadet Early College, Harnett County Early College, Agriculture & Science Early College, Onslow Early College and Wake CTE HS North.

5.3(a) Amendment 37 Lottery Funds

Amendment increases total lottery funding \$726m. Moves funds from UNC Need-Based Financial Aid to LEA Transportation. Total transportation funds from lottery - \$123,277,192

PROFESSIONAL DEVELOPMENT

7.23K Digital Learning Plans/Program Funds (*House only*) **\$2,220,000 (R)**

Funds development and implementation of a comprehensive professional development strategy and solution for teachers and students in UNC educator preparation program for the use of technology and digital resources as teaching tools for K-12 students.

7.28B Private Alternative Teacher Preparation (*House only*)

Modifies statute regarding Lateral Entry educator preparation programs

ACADEMIC

7.15A Arts Education requirement (*House only*)

Requires one required arts credit in grades 6 to 12 for graduation.

7.23B Report on Cursive Writing and Multiplication Tables (*House Only*)

7.23E Eliminate Analysis of Student Work Process for Teacher Evaluations (*House Only*)

(\$325,000) (R)

7.23F 6th and 7th Grade CTE program extension Grant Program (*House Only*)

(\$700,000) (R)

7.23G Transfer Education Workforce Innovation Commission to DPI (*House Only*)

\$2,001,118 (R)
Transfers program from the Governor's office to DPI. Provides no additional funding.

7.23H Future Ready Students (*House Only*)

\$200,000 (R)

- Changes terminology from “Vocational” to “Career”
- Adds to 115C-154.1 a requirement that LEAs establish a business advisory council
- Requires that all CTE agriculture personnel positions shall be for 12 months, however provides a waiver when it is impracticable for LEAs to provide adequate funds to support 12 months employment for these teachers.

7.26A Student Consent to Receive College and Scholarship information (*House Only*)

7.26B Career and College Ready Literacy Skills Improvement Commission (*House Only*)

Establishes Reading Improvement Commission

\$200,000 (NR)

7.26C Nationally Norm Referenced College Admission Tests (*House Only*)

Removes the ACT requirement and requires the State make at least 2 tests available

7.26D Youth Suicide Awareness and Prevention (*House Only*)

Requires training for all school personnel in grades 6-12, either using the SBE training or a locally developed training. DPI is required to audit compliance with requirement.

7.28A Testing Transparency (*House Only*)

- Directs study of SAT and ACT and their alignment with Standard Course of Study
- Requires extensive notification of local testing

7.28C Calendar Flexibility Pilot Program (*House Only*)

Provides calendar flexibility to 20 Select Counties

7.28D Waive Fees for AICE Program Course (House Only)

State pays for the test fees for students who at the Cambridge Advanced International certificate of Education Course including AS-Level and A-Level.

7.26 School Performance Grades/ESSA Compliance (Senate and House with differences?)

Adds promotion rates, students’ progress in English proficiency. Adds grades for performance of certain subgroups. And grades in reading and math for K-8

7.27 Read to Achieve Diagnostic Changes (Senate and House with differences?)

Requires reading assessment data for K-3

7.28 Reimburse Teacher Licensure Fee for Certain NC Teaching Graduates –(Senate and House)

\$245,000 (R)

Directs that the SBE shall reimburse the initial Teacher Licensure application fee for first time an applicant submits an application for teacher licensure if the applicant is a graduate of an approved educator prep program located in NC and has successfully earned an initial teaching license in NC. Reimbursement shall be within 30 days.

7.23 Preparing Future Workforce in Coding and Mobile App development Grant Program

(Senate and House)

\$400,000(R)

Directs DPI to establish the Coding and Mobile Application Grant Program for middle and high school students. Funds shall be used to award competitive programs up to \$400,000 each year. Grants shall be used to purchase equipment, digital materials, teacher PD. 5% cap on admin. State Superintendent is to select recipients.

7.32 Financial Literacy Elective Course Pilot Program (Amendment A21) (House only)

SBE shall establish a 5 year Financial Literacy Course Pilot Program.

OTHER

7.6 UERS (Senate and House)

Funds shall not revert

Position Reductions to DPI and the SBE (Senate and House with Differences)

Senate

1 filled position listed to be eliminated – receipt supported	receipt supported
2 filled positions listed to be eliminated from DPI	(\$182,644) (R)
4 filled positions listed to be eliminated from SBE	(\$513,131) (R)

Addition to DPI (Senate Only)

2 positions to support Educator Preparation Approval and Evaluation	\$200,000 (R)
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House

Eliminate 3 vacant positions (\$525,225) (R)
Eliminate 1 filled position (\$71,358) (R)

Additional funds to NCCAT (Senate and House) \$300,000 (R)

7.23L DPI Audit \$1,000,000 (NR)

Audit to provide cost saving measures, federal funding levels and MOE requirements. Money report provides (\$1,000,000) cut to the operating budget of DPI in 2018-19 for anticipated efficiencies.

7.10 Superintendent of Public Instruction Staff (Senate and House, with Differences)

Superintendent may use funds appropriated to DPI to appoint full time exempt policy making positions

Senate -5 positions \$432,644 (R)

House -10 positions \$921,583 (R)

Provides funds for legal fees for active law suit (*Senate and House*) \$300,000 (NR)

7.9 Administration of Excellent Public Schools Act (Senate and House)

Directs DPI to use the funds on time-limited basis for 13 specified positions

7.11 Carryover of Certain Funds (Senate and House)

Allows carry-forward for evaluation of Teacher Compensation Models, LATP and ASD

7.16 School Business System Modernization (Senate and House, with differences)

House \$10,000,000 (R)

Senate \$18,753,007 (R)

The State Superintendent is responsible for issuing a RFP for an ERP software by October 1, 2017

7.17 Office of Charter School web based record and Data Management (Senate and House)

Of funds appropriated for UERS DPI shall use up to \$200,000 for a Web based Electronic records and data reporting management system

7.23A Cybersecurity and Risk Management (House Only) \$350,000 (NR)

Provides funds to expand School Connectivity initiative to include cybersecurity and risk management services supporting LEAs and charters

7.23D Joint Legislative Task Force on Education Finance Reform (*House Only*)

Directs study of NC public school funding on weighted student funding, due October 2018

7.23I Establish B-3 Interagency Council (*House Only*)

\$250,000 (R)

A joint Council between DHHS and DPI to facilitate the development and implementation of an interagency plan for a coordinated system of early care, education and child development services

Establishes a position of Assoc Superintendent of Early Education appointed by the State Superintendent

7.26E Achievement School District (*House Only*)

\$620,000 (R)

Changes the name to Innovative School District (ISD).

Adds if the LEA has more than 35% of schools identified as low performing the LEA may request SBE may make it an innovation zone with all the low performing schools in the LEA.

Amendment - a low performing school in an innovation zone shall become an IS school if that school does not exceed growth in the last 2 years.

UNC BUDGET

10.A3 NC Teaching Fellows – Endowment fund (*Senate and House*)

Provides forgivable loans up to \$8,250 per year for up to 4 years (available to those with STEM, EC licensure areas)

10A.5 Amend Transforming Principal Preparation (*House Only*)

Establishes a competitive grant program for entities to elevate educators by transforming the preparation of principals of the State. The program shall be administered by SEAA through a cooperative agreement with a private nonprofit corporation. Amended (A15) adds a reporting requirement.

10A.6 Opportunity Scholarship Student Assessment (*House Only*)

Schools shall administer the Iowa Test of Basic Skills

Items that were in the Senate proposed budget and not in the House

PUBLIC SCHOOLS

8.2 Support Highly Qualified NC Teaching Graduates (*Senate Only*)

8.8 Occupational Therapists and Physical Therapists (*Senate only*)

Budget Flexibility (GS 115C-105.25) (*Senate Only*)

- 7.1 No funds shall be transferred out of Children with Disabilities
- 7.2 No funds shall be transferred out of Academically & Intellectually Gifted
- 7.12 No funds shall be transferred out of LEP allotment
- 7.13 Funds allotted for Textbooks and Digital Resources may only be used for the purchase of textbooks and digital resources.
- 7.14 Classroom Teacher allotment for 6-12 may be transferred and converted at the A00 step
No transfers are allowable from the K-5 classroom teacher allotment

7.14 Limitations on K-5 Classroom teacher Positions/Program Enhancement Teachers (*Senate Only*)

Creates 2 classroom teacher allotments

1. K-5
2. 6-12

See change in budget flexibility above

7.19 Teachers/Isolated K-12 Schools (*Senate Only*) **\$506,064 (R)**

Provides funding for geographically isolated K-12 schools based criteria of ADM density and acreage of national forest owned by the federal government

7.21 Driver Safety Incentive Program (*Senate only*) **\$25,830,750 (R)** **(\$27,413,328) (R)**

Changes driver training from Civil Penalty and Forfeiture Fund to General Fund appropriation

No change in funding level.

Program changed to a fee reimbursement program.

Student must be at least 15 and less than 18 years old and must successfully obtain a learners permit on the first attempt to be eligible for a reimbursement.

Maximum reimbursement is \$275

The reimbursement shall be applied for from the DPI

Extensive Reporting Requirement for DPI

7.24 Extended Learning & Integrated Student Supports Competitive Grant Program (*Senate Only*)

Of the funds appropriated for the At-Risk Student Services Allotment, the DPI shall use up to \$6,000,000 for the 2017-2018 fiscal year for the Extended Learning and Integrated Student Supports Competitive Grant Program. DPI may use up to \$200,000 to administer the program.

7.25 Life Changing Experiences School Pilot Program (*Senate Only*)

Of the funds appropriated for the At-Risk Student Services Allotment, the DPI shall use up to \$360,000 for the 2017-2018 fiscal year to contract with Children and Parent Resource Group Inc to design and implement a 2 year Life Changing Experiences School Pilot Program. For grades 6-11 in Mitchell, Pitt, Wayne and WSFCS. for the Extended Learning and Integrated Student Supports Competitive Grant Program. DPI may use up to \$200,000 to administer the program.

7.20 Turning TAs in to Teachers (*Senate only*) **\$315,000(R)**

- Expands existing pilot to Alamance, Beaufort, Duplin, Guilford, Nash-Rocky Mount, Randolph, Tyrrell, Vance and Washington. Deletes through amendment ~~Bertie Edenton Edgecombe Halifax Northampton Tyrrell, Vance and Washington.~~ Adds through Amendment Ashe, Avery, Jones, New Hanover, Rowan, Stanly, Watauga, Yancey
- Provides tuition assistance to teacher assistants.

7.31 Eastern North Carolina STEM (*Senate*) **\$300,000 (NR)**

Funds to contract with an independent entity to administer a residential STEM enrichment program to underserved students (reserved for students in Northampton, Weldon City, Roanoke Rapids and KIP in Gaston)

Added by Amendment - No funds shall be appropriated or allocated for the Eastern NC STEM

Governors School *No change for 2017-18 (\$800,000)(R) in 2018-19 – (Senate only)*

Modified by an amendment

Eliminates General Fund appropriations leaving \$325,000 in receipts in 2018-19

#66 in Money Report Establishes the “Legislative School for Leadership and Public Service \$600,000 and #65 the “Summer Venture” residential program for students interested in STEM. \$200,000.

7.7 DPI Reduction (*Senate only*) **\$13,159,778 (R)**
Reduces DPI by 25% (reductions shall not come from residential schools, community in schools. TFA. Excellent Public Schools Act. School Connectivity Program, Achievement School District or positions appointed by and direct report to the State Superintendent)

7.18 State Board of Education Use of State Funds (*Senate only*)
Restricts the use of State funds

7.30 School Boards Can't Sue Counties (*Senate Only*)
GS 115C-431
Removes most of the language under this section related to procedures for resolution of dispute between board of education and board of county commissions and replaces it with

- The decision of the county commissioners is final. The local education board shall not file legal action challenging the sufficiency of the funds appropriated by the board of county commissioners to the local current expense fund, the capital outlay fund or both.

UNC

10.9 Future Teachers of North Carolina (*Senate Only*) **\$278,500**
Introduction to teaching to high achieving high school students

10A.4 Personal Education Savings Account Program (*Senate Only*) **\$450,000**
Provides and scholarship for students with special needs

UNC Lab Schools (*Senate Only*) **\$930,000 (R)**
\$1,000,000 (NR)
On-going Administrative Support and start-up funds for Lab Schools

New Teacher Support (*Senate Only*) **\$278,500**
Additional funds for new teacher support – total appropriation \$2.2m.