



Feedback on Senate's 2017-19 Budget

Support:

- Public School Funding Increase – The Senate's proposal to increase support for public schools by \$250.3 million in 2017-18 and a total of \$606.4 million over the 2017-19 biennium is a needed and helpful investment in K-12 education.
- Prioritizing Teacher and Principal Pay – The Senate rightfully focuses on continuing to increase NC teacher pay through providing average raises of 9.5% for teachers over the next two years as well as proposing an investment of \$33.7 million over the biennium to improve NC principal pay from 50th lowest in the nation.
- Program Enhancement Teacher Support – The statement of intent to fund a new allotment for kindergarten through fifth grade program enhancement teachers in 2018-2019 when K-3 class sizes will be further reduced is an important step in fulfilling the public promise that both Senate and House leaders made earlier this session when class sizes were adjusted under House Bill 13.
- Needs-Based School Capital Fund – The Senate proposal to add \$75 million in lottery funds to support school construction and renovations in the neediest districts, which supplements \$100 million in recurring funds annually earmarked for school capital in all districts, will help counties address some of the more than \$8 billion in school facility needs identified statewide over the next five years.
- Textbooks and Digital Materials – The proposed Senate expansion of \$10 million for textbooks and digital materials will provide needed resources for student instruction.
- Teaching Fellows – The Senate's creation of a \$6 million annual forgivable loan program for students interested in teaching science, technology, engineering and mathematics (STEM) or special education will help address the teacher shortage now facing NC's school districts in two hard-to-staff focus areas.
- Teacher Bonuses – The proposal from the Senate to make permanent the three previous pilot programs that provide bonus pay for qualifying 3rd grade, AP/IB, and CTE teachers will help support, recruit and retain teachers in these important areas of instruction.

Revise/Fine-tune:

- Principal Salary Schedule & Bonus Programs – NCASA supports the Senate's proposal to maintain a salary schedule with base pay for principals in lieu of the block grant for compensation previously considered. Maintaining longevity pay and advanced degree supplements as part of the new schedule would further strengthen this proposal. Additionally, NCASA supports the Senate's bonus program rewarding school growth, but asks that the bonus program be revised to include principals who exceed growth two consecutive years rather than excluding them as currently proposed. In addition, funding of \$49 million is needed to move NC average principal pay to the middle of the Southeast, so increasing the current \$33.7 million Senate investment would be helpful and appreciated, even if a two- or three-year phase-in is needed. General Fund support for principal pay also would be preferable to funding this ongoing need through lottery proceeds, which are a more volatile revenue source.
- Other School Personnel Compensation Increases – The Senate budget provides central office and non-certified employees with a compensation increase of 1.5%, or \$750, whichever is higher, but a larger increase is needed for these vital personnel whose compensation has not kept pace with

inflation in recent years. In addition, a cost-of-living adjustment comparable to raises ultimately provided to most active state-paid employees should be provided to retirees as well.

Oppose:

- Reduction to Central Office Allotment – The Senate budget proposes a \$10 million reduction in recurring funds for the central office allotment in 2017-2018 and an additional \$5 million reduction in 2018-2019 to leave only \$79.9 million for administration of 115 school districts with a management ratio lower than most all other public and private sector entities. Support for central office administration currently is only 1% of total state funding provided to K-12 public schools, and these proposed cuts are especially concerning as the student population that districts must serve continues to rise, as does the complexity and volume of reporting and accountability requirements mandated by the state and federal government. These reductions, which should be avoidable in light of the \$580 million revenue surplus the state has identified for next fiscal year, would be exacerbated if the \$13.1 million in cuts to the Department of Public Instruction occur as proposed and shift more state-handled functions to the local level.
- Personal Education Savings Accounts – North Carolina already has a plethora of school choice options that have expanded exponentially over the last decade, and which are earmarked to expand further, to provide alternatives to traditional public education. The Senate budget proposes spending \$1 million per year on a new school choice option, personal education savings accounts (ESAs) for eligible children of disabilities, that is similar to programs in other states that have been riddled with fraud and lack of accountability in taxpayer investments and that should be avoided as an education option in North Carolina.
- Voucher Increases Included In Base Budget – The Senate budget not only codifies the intent stated in the 2016 budget law to increase state funding for private school vouchers (opportunity scholarships) by \$10 million annually each of the next 10 years, from \$34.9 million in 2016-17 to \$134.9 million in 2026-2027, but also rolls this intent into the base budget starting with 2017-18. This will make the increases automatic rather than subject to annual General Assembly consideration of items to prioritize for limited expansion funding. This proposed permanency in increased funding for private school vouchers, which are not subject to the same high measures of accountability imposed on district-led public schools, is especially concerning because funding for student enrollment growth in public schools was removed from the base budget a few years ago and must now be weighed annually against other competing needs for limited expansion funding in the next state budget cycle.
- School Boards Can't Sue Counties – This Senate proposal to repeal the statutory authority of a school district to sue counties over the sufficiency of funds appropriated would eliminate the only recourse elected school boards, which lack taxing authority and cannot raise their own revenues, have in ensuring that counties are providing resources for local students as needed and affordable.
- Eliminate Retiree Medical Coverage For New Hires – Eliminating retiree health insurance as a benefit for new hires as of July 1, 2018 as proposed by the Senate budget will exacerbate school district efforts to recruit and especially retain personnel in all facets of needed support for K-12 students.
- Loss of allotment flexibility – The Senate budget proposal to prohibit funding transfers from the Limited English Proficiency and Textbook and Digital Resources allotments, as well as restrictions on funding in the proposal for newly split K-5 and 6-12 teacher allotments, will make it more difficult for local school districts to address the unique funding needs of their students, especially since school districts and communities in NC are not one-size-fits-all.