



## 2022 State Budget Summary

*The following summary provides highlights of K-12 education funding and policy provisions contained in [House Bill 103 \(2022 Appropriations Act\)](#), which was signed into law on July 11th, and its accompanying [Conference “Money” Report](#). Unless otherwise indicated, most of these provisions take effect July 1, 2022.*

### Overview

- **General Fund:** Provides \$27.9 billion for FY 2022-2023 (7.6% increase from FY 2021-2022).
- **K-12 Education:** Provides \$11.3 billion for FY 2022-2023 (6.4% increase from FY 2021-2022).

### Salaries

- **Teachers:** Provides 4.2% average increase in FY 2022-23 (compared to FY 2021-22), including step increases on the salary schedule. Individual increases ranges from 2.5% to 7%.
  - For teachers with 0-5 years of experience, range is 6.1%-7.2%; increases annual starting pay to \$37,000.
  - For teachers with 15 or more years of experience, range is 0%-2.7%; except teachers in their 24<sup>th</sup> year receive a 6.6% raise.
- **Assistant Principals:** Provides average 3.4% raise as a result of pay tied to teacher salary schedule.
- **Principals:** Provides 4% across-the-board raise in FY 2022-23 (previously 2.5%); *See performance bonuses below.*
  - **Growth Column Calculation:** Between July 1, 2022 and Dec. 31, 2022, the school growth scores from the three most recent available school years, up to the 2018-2019 school year, shall be used; between Jan. 1, 2023 and June 30, 2023, the school growth score from the 2021-2022 school year shall be used.
  - **ADM:** Between July 1, 2022 and Dec. 31, 2022, ADM for the 2021-2022 school year shall be used; between Jan. 1, 2023 and June 30, 2023, ADM for the 2022-2023 school year shall be used.
- **Non-Certified Personnel:** Provides greater of 4% raise (previously 2.5%) or \$15/hour minimum wage.
- **Central Office:** Provides 4% across-the-board raise (previously 2.5%).
- **Retirees:** Receive an additional 1% cost-of-living supplement for 2022-2023.

### Bonuses & Benefits

- **Principal Performance Bonuses:** Provides bonuses to principals whose schools perform in the Top 50% of school growth, with amounts to be paid by Oct. 31, 2022, as follows:
  - Top 5% – \$15,000
  - Top 10% – \$10,000
  - Top 15% – \$5,000
  - Top 20% – \$2,500
  - Top 50% – \$1,000
- **Teacher Performance Bonuses** (Sec. 7A.2.(a)): Requires the State Board of Education to establish the “Growth-Based Teacher Bonus Program” to provide qualifying teachers with bonuses in January of 2023, based on data from the 2021-2022 school year.

- **Teacher Supplemental Assistance Allotment:** Provides \$70 million increase in recurring funds for Allotment created in 2021 State Budget to provide teacher supplements based on county's respective tax base, median household income, and effective tax rate. (Revised net appropriation of \$170 million.)
  - Increases supplement cap per teacher from \$4,250 to \$5,000 in FY 2022-2023.
  - Increases tax base eligibility threshold, allowing Buncombe County to become eligible for funding in FY 2022-2023.
- **Low Wealth/Small County Signing Bonus:** Directs NCPDI to establish and administer a signing bonus program for eligible teachers and employers in the 2022-2023 fiscal year; program would provide state funds to match local funds on a 1:1 basis, up to \$1,000 in state funds.
  - Program is available for local school administrative units that receive either small county school system supplemental funding or low-wealth county supplemental funding in the 2022-2023 fiscal year.
  - A teacher who receives a bonus under this program is ineligible for another bonus under this program until July 1, 2025 at the earliest.
- **Employer Contribution Rate for Retirement:** Increases State's employer contribution rates budgeted for retirement and related benefits from 24.19% to 24.5%.
- **Employer Contribution Rate for Medical Benefits:** Provides no change to the State's employer contribution rate budgeted for hospitalization/medical benefits, which was set at \$7,397 by the 2021 State Budget.

## **Student Enrollment**

- **Average Daily Membership (ADM) Adjustments:** Increases recurring funding for ADM by ~\$7.3 million for an allotted ADM of 1,548,485 students in FY 2022-23; revision includes increased number of students in grades K-3 and 8-12.
  - **NOTE:** Unlike as provided for the 2021-2022 school year, an ADM hold harmless provision was NOT included for the 2022-2023 school year.

## **Educator Workforce & Professional Development**

- **Early Grade Literacy:** Provides \$14 million recurring and \$600,000 nonrecurring to the NC Department of Public Instruction for 9 full-time Regional Literacy Coach positions and 115 full-time Early Learning Specialist positions, to be assigned to each district.
- **Masters of School Administration Interns:** Provides \$6 million increase in funds to cover stipends for MSA interns.
- **Principal Preparation Programs Support:** Provides \$1 million in nonrecurring funds to High Point University and \$500,000 nonrecurring to Campbell University to support principal preparation programs at each respective institution.

## **Student Health & Safety**

- **School Safety Grants Program:** Includes an additional \$32 million in non-recurring funds for the School Safety Competitive Grant Program to support students in crisis, school safety training, and safety equipment in schools; revised net appropriation is \$41.7 million in FY 2022-23.
- **School Resource Officer (SRO) Grants:** Provides \$15 million recurring increase in SRO grants that school districts can apply for to place SROs in elementary and middle schools; revised net appropriation is \$33 million in FY 2022-23.
  - **SRO Grant Match In Low-Wealth Counties:** Increases the State match for SRO grants for low-wealth counties to \$4 per every \$1 in non-state funds; All other districts will continue to receive \$2 in state funds for every \$1 in non-state funds.

- **At-Risk Students Allotment:** Provides \$26 million in additional recurring funds to help schools cover school resource officer salaries in each state-funded high school; revised net appropriation is \$337.7 million.
- **School Safety Supplemental Funds:** Provides \$32 million in non-recurring funds to support students in crisis, provide school safety training, and purchase safety equipment for schools.
- **Feminine Hygiene Products Grant:** Codifies program and provides \$250,000 in recurring funds for grants to schools for feminine hygiene products for students.

## **School Facilities Funding**

- **Needs-Based Public School Capital Fund (NBSCF):** Provides additional recurring and non-recurring funds to the NBSCF, largely funded through North Carolina Education Lottery receipts, for a total availability of \$431.3 million for Needs-Based Capital grants in FY 2022-23.
- **Public School Repair and Renovation Fund:** Provides \$50 million through this new fund created by the 2021 State Budget.
- **Directed NBSCF Grants to Prior Recipients:** Directs that needs-based facility grants be provided to 18 school systems located mostly in northeastern North Carolina that previously received NBSCF grants, and includes some awards of \$10 million or more, including in Washington and Camden counties.

## **Child Nutrition & Transportation**

- **School Nutrition Program Costs:** Provides \$3.9 million nonrecurring to provide free lunch for students qualifying for reduced-price meals in the 2022-2023 school year.
- **Transportation Fuel Reserve:** Provides \$32 million in non-recurring funds to support increased school transportation costs; DPI shall distribute these funds on a needs basis.
- **Driver Training Fuel Reserve:** Provides \$2.8 million in non-recurring funds to support increased fuel costs of the driver training program, including those incurred by third parties contracted by LEAs.
- **Driver Training Fund:** Provides additional \$2.8 million in recurring funds from the Civil Penalty and Forfeiture Fund for driver training.

## **School Technology & Internet Access**

- **School Business System Modernization:** Requires NCDPI to establish a grant program to provide funds to eligible LEAs and charter schools to migrate their school business data to an off-site premises (cloud storage); requires all LEAs and charter schools to store business data at an off-site premises by June 30, 2023.
- **Interoperable Student Data Systems Study:** Provides \$500,000 in nonrecurring funds to myFutureNC to study the creation of an interconnected, real-time data system to facilitate communication and transition of students between public schools, community colleges, and universities.
- **Broadband Expansion Initiatives:** Includes an additional \$5 million (total \$20 million recurring) to expand broadband in underserved areas.

## **Private School Vouchers**

- **Opportunity Scholarships:** Allocates an additional \$56 million in recurring funds to the Opportunity Scholarship Grant Fund Reserve, for a total of \$150.8 million; amount would cover an additional 5,800 students by 2023-2024.
  - Also expands student eligibility for program by increasing the requirements for receiving the vouchers from 175% of Free or Reduced Lunch (FRL) eligibility (\$89,840 for a family of 4), to 200% of FRL eligibility (\$103,000 for a family of 4).

- **Personal Education Student Accounts for Children with Disabilities Program:** Allocates an additional \$16.3 million in recurring funds, for a revised total of \$47.9 million.

## **Miscellaneous Appropriations**

- **Advanced Placement (AP) and International Baccalaureate (IB) Test Fees:** Provides additional \$3.9 million in funding to cover test fees for students enrolled in AP and IB classes.
- **Cooperative Innovative High Schools:** Provides supplemental recurring funding for 3 new Cooperative Innovative High Schools approved by the State Board of Education: Cabarrus Early College of Health Sciences, EDGE Academy of Health Sciences, and Wake Early College of Information and Biotechnologies; revised net appropriation is \$29.2 million in FY 2022-23.
- **Career & Technical Education Test Fees:** Provides \$8 million recurring increase in funds to cover CTE test fees for students; revised net appropriation is \$15.8 million.
- **CTE Grants Fund:** Provides \$3 million in non-recurring funds for a grant program for the modernization and support of CTE programs in grades 6-8.
  - Program prioritizes low-wealth counties with high populations of at-risk students or students with disabilities.
  - Up to \$2 million may be used for modernizing existing programs in middle schools; up to \$1 million may be used to fund ancillary items necessary for CTE programs.
  - Applicants must submit applications to NCDPI no later than January 15, 2023.
- **Pre-K Reimbursement Rates:** Increases the rate that childcare centers receive for providing NC Pre-K services by 5% for a total rate of 9% in 2022-2023.

## **Virtual/Remote Education**

- Incorporates some, and adjusts other, provisions from [Senate Bill 671: Virtual Educ./Remote Acad./Virtual Charters \(S.L. 2022-59\)](#)
- For 2022-2023 school year:
  - Allows PSUs to continue providing remote instruction for severe weather and other emergencies.
  - Allows schools assigned a school code before May 1, 2021, to continue providing virtual instruction in 2022-2023 school year.
  - Allows PSUs that submitted a virtual instruction plan to NCDPI for the 2021-2022 school year to continue providing virtual instruction according to that plan.
- For 2023-2024 school year:
  - Requires all LEAs to provide virtual instruction through an approved “remote academy” under the following conditions:
    - Each approved academy must receive a separate school code, with no options for a “school within a school” model for small cohorts of students to have full-time virtual instruction in an existing school;
    - No enrollment cap on participation in remote academies (House version of S671 capped enrollment at 15% per LEA);
    - Students can only be enrolled with parental consent;
    - Remote academies must submit remote academy plans and meet other requirements; and
    - School board or superintendent may reassign student to another school if that is deemed better for student learning.
- Extends the pilot program for two existing virtual charter schools by two years through 2024-2025 (rather than providing them with a 5-year charter for operations, as previously proposed).

## **Other Special Provisions (K-12 Policy Directives)**

- **Standards of Student Conduct** (Sec. 7.7.(b)): Requires governing bodies of public school units to consult with “teachers, school-based administrators, parents, and local law enforcement agencies” in the adoption of local student discipline policies; requires each public unit governing body to provide NCDPI with “a copy of its most up-to-date student discipline policies and Code of Student Conduct.”
- **School Threat Assessment Survey** (Sec. 7.9): Requires all PSUs to report by Nov. 15, 2022, to the Center for Safer Schools, on local “systems, policies, procedures, or precautions” taken in the PSU to minimize violence and threats in schools.