

## Summary of 2022-23 Budget SL2022-74 (House Bill 103)

The following is a summary of the special provisions and the associated change in funding from SL2021-180. This document should be read with the [summary of the biennium budget](#) SL2021-180. The # number relates to the section B item in the Money Report. This bill was signed in to law on July 11, 2022.

### **SALARY AND PERSONNEL – Comparison file for details**

#### **7A.1 Teachers and Instructional Support #27 \$108,870,326 (R)**

- Effective 7/1/2022 - Step increase + increase to salary schedule
- A00 increased to \$37,000
- Step + increase range from 2.5% to 7.2% depending on the years of educator experience.
- Range of increase including step - \$1,320 to \$3,350 per 10 month employment
- Psychologists, SLPs and audiologists continue to receive \$350 monthly supplement
- School counselors continue to receive \$100 per month supplement

#### **Bonuses not subject to TSERS**

- Performance bonuses for grades 3-8 math or reading were reinstated and will be based on the FY21-22 results. (*Added, Section 7A.2: HB103*)
- Performance bonuses for AP, IB, AICE and CTE State funded teachers are funded up to \$3,500 based on 2021-22 results. (*Continuing from SL2021-180*)

#### **7A.3 Small & Low Wealth County Signing Bonus for Teachers**

- Continues funding at \$4.3m (R) and changes the language for current year
- Signing bonus for teachers in small counties and low wealth counties continues for FY 2022-23
- Requires a local match of 1:1 up to \$1,000 state funds. Not subject to TSERS.
- Section 7A.3.c updated to excluded a teacher who receives the bonus to be eligible for another until July 1, 2025.

#### **7A.4 Principals #29 \$4,162,730 (R)**

- Salary schedule increase, 4.0%
  - July- Dec 2022 placement:
    - ADM step = 2021-2022 ADM,
    - Growth based on best of 2 out of the three year including FY 2018-19 status.
  - Jan-June 2023 placement:

- ADM Step: 2022-2023 ADM,
- Growth based on FY2021-22 results only.

**7A.5** – Performance bonus for Principals reinstated based on FY 2021-22 results. Not subject to TSERS.

**7A.6 – Assistant Principals #30** **\$2,646,636 (R)**

- No change. Salary Schedule is based on the “A” Teacher scale plus 19%.

**7A.8 Noncertified #31**

- Increases annual salary by greater of 4.0% or amount to get the hourly compensation to \$15 per hour. *(To be applied in same manner as the FY21-22 requirement for 2.5% or \$13 per hour minimum. See [FAQ](#))*

**7A.7 Central Office #32**

Increase 4%

Includes superintendents, assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers

**7A.9 (PRC 071) Supplemental Funds for Teacher Compensation #28** **\$70,000,000 (R)**

- Expands the funding from \$100m to \$170m (R)
- Changes eligible county criteria
- Allotment will be disbursed as a revision after initial allotments.
- Maximum per teacher supplement amount increased from \$4,250 to \$5,000.
- Total recurring funding is \$170 million.

**PRC 006: School Psychologist Allotment**

No Change. **Reminder:** Per 2021-180, LEAs are required to employ at least one full time permanent school psychologist starting in 2022-23.

<b>Benefits</b>	<b>Retirement</b>	<b>Health (no change from S.L. 2021-180)</b>
	24.50%	\$7,397

*Note: SHP (State Health Plan) will provide the additional monthly withholding rates by the end of July 2022.*

The Legislative Increases (LI) are calculated and applied to all PRCs where applicable.

**ALLOTMENTS****PRC 012: Drivers Education Fuel Reserve #50** **\$2,800,000 (NR)**

Provides funds to support increased fuel costs for Driver Training programs, both on-site and contracted. DPI shall distribute based on need.

**PRC 015: School Technology Fund** **No Change**

Funded from Civil, Penalty and Forfeiture

**PRC 019: Small School Supplemental Funds** **No Change**

Combined lowest two tiers to 0-1,300 ADM

**PRC 024: Disadvantaged Supplemental Funding** **No Change**

No change in funding formula from prior years

**PRC 031: Low Wealth Supplemental Funds** **No Change**

No change in funding formula from prior years.

**PRC 032: Funds for Children with Disabilities** **No Change**

\$4,600 per headcount. Cap 13.00% of allotted ADM

**PRC 034: Funds for Academically Gifted** **No Change**

\$1,364.78 for 4% of allotted ADM

**PRC 039 School Safety Grants #42 & #44** **\$32,000,000 (NR)**  
**\$15,000,000 (R)**

**Section 7.2.**Provides additional non-recurring funding for the school safety competitive grant program and additional recurring funding for the School Resource Officer grant program. SL2021-180 provides \$9,695,000 (NR) in each year of the biennium. Program is administered through the DPI Center for Safer Schools.

**PRC 055 Cooperative Innovative High School (Section 7.5) #52** **\$730,000 (R)**

Provide funding to the following approved CIHS

- (1) Cabarrus Early College of Health Sciences
- (2) EDGE Academy of Health Sciences
- (3) Wake Early College of Information and Biotechnologies

**PRC 056: Transportation Fuel Reserve #41** **\$32,000,000 (NR)**

Provides funds to support increased school transportation fuel costs.

DPI shall distribute based on need. Administered through DPI School Transportation Section.

**PRC061: Instructional Supplies SL2021-180 #85** **\$1,900,000 (R)**

Additional funds for instructional supplies, appropriated in SL2021-180 for 2022-23

**PRC 069: Funds for At-Risk Students #43** **\$26,068,720 (R)**

Additional funds to reflect actual average salaries of school resource officers provided for each funded high school.

**PRC070: Supplemental Funds for Teacher Compensation**

See Salary Section

**PRC 088: Feminine Hygiene Product Grant (Section 7.10) #61** **\$250,000 (R)**

Codified. Funded with recurring funds. Grants of up to \$5,000 to PSUs to provide products for students. Grants shall be first come first serve. Priority for PSUs who did not receive grant in FY 2021-2022. Report to JLEOC annually March 15<sup>th</sup>

**ALLOTMENT ADJUSTMENTS**

**There is NO ADM Hold Harmless for the FY 2022-2023 school year. All allocations will revert to normal application of allotment formulas and ADM treatments. This includes all PSUs.**

**Teacher Assistant to Teacher Tuition**

The Division of School Business will create a new PRC for this program effective July 1, 2022 and will no longer allot in PRC 027

Funding is non-recurring as modified in SL2021-180

**7.8 ESSER Funds for NCAC**

Changes the allowable use for the \$7,042,000 funds that were appropriated to the National College Advising Corps in SL2021-180 Section 7.27 (18).

**SPECIAL PROVISIONS**

**7.1 School Business System Modernization**

Revised to prioritize the need for the PSUs to have their school business data off-site premises to ensure security and appropriate back-up of critical files.

Prioritizes current funding available to the department towards the modernization needs within the department as well as those LEAs already in the BSBM pipeline.

**7.3 Eliminate Student Copay for Reduced-Price Lunch #48** **\$3,900,000 (NR)**

Provides non-recurring funds to provide school lunches at no cost to students of all grade levels qualifying for reduced-price meals in all schools participating in the National School Lunch

Program. These funds will be administered by DPI's School Nutrition Division thru the School Nutrition Technology System (SNTS).

#### **7.4 CTE Modernization and Support #49 \$3,000,000 (NR)**

Provides non-recurring funds for two grant programs to modernize CTE (Career & Technical Education) programming. DPI will create and administer the grant programs.

#### **7.7 Revise Standards of Student Conduct**

G.S. 115C-390 modifies general statute. Most of the changes are to include ALL Public School Units rather than just the local boards of education.

All Public School Units, including LEAs, Charter Schools, Lab schools, regional schools and residential schools should read this section.

#### **7.9 School Threat Assessment Survey**

All Public School Units, including LEAs and Charter Schools should read this section.

All PSUs shall report by November 15, 2022, to the Center for Safer Schools information under this provision. The DPI Center for Safer Schools will administer this section.

#### **7.13 Virtual Education, REMOTE ACADEMIES, and Virtual Charter School Education**

All Public School Units, including LEAs and Charter Schools should read this section.

Revises several general statutes related to these topics and codifies GS 115C-234 to add Part 3A Remote Academies.

Repeals Section 3B(c) of SL 2021-130, so that for the FY 2022-23 school year a public school unit that submitted a virtual instruction plan for the 2021-2022 school year to DPI may continue to provide virtual instruction in accordance with that plan.

This program will be managed under the DPI Digital Teaching and Learning division of Information Technology Services. Additional guidance will be provided.

### **DEPARTMENT OF PUBLIC INSTRUCTION**

Salary increase = 3.5% increase #33	\$733,736 (R)
Labor Market Adjustment to recruit and retain #34	\$600,338 (R)
IT Rates	(943,240) (R)
Regional Literacy #55	\$14,000,000 (R)

9 Regional literacy coaches + 115 Early learning specialists \$600,000 (NR)  
 In addition, SL2021-180 Section 7.15 #91 provides \$6.5m (NR) in 2021-22 and \$5.5m(NR) in 2022-23 for Early Grade Literacy.

Office of Charter Schools #56 \$260,000 (R)  
 2 FTE for consultants

Standards and Curriculum #57 \$260,000 (R)  
 2 Education Program consultant II

### **Online Teacher Recruitment Tool TeachNC**

SL2021-180 provides \$880,000(NR) for 2021-22 and \$880,000(NR) for 2022-23. No change in SL2022-74.

### **Holocaust & Genocide Education – SL2021-180 \$400,000(NR)**

SL2021-180 provides \$350,000(NR) for 2021-22 and \$400,000(NR) for 2022-23. No change in SL2022-74.

### **7.12 Professional development Support for teachers of pre K and Kindergarten EC students**

Requires DPI to use IDEA funds to add at least 13 FTE positions for PD. These services are currently provided through contracted services.

**See Capital Section for increase in funding for School Planning section positions**

## **BUDGET ADJUSTMENTS**

The following items do not impact the allotments to public schools and are provided for DPI budget management.

Average Salary Adjustment #37	(\$32,376,999) (R)
Non ADM Adjustments #38	(\$6,390,173) (R)
EC and LEP Headcount #39	\$62,361,074 (R)
ADM Adjustments #40	\$7,265,125 (R)
MSA Intern Stipend #46	\$6,236,038 (R)
AP & IB Test Fees #47	\$5,06,816 (R)
CTE Test Fees #45	\$8,000,000 (R)
Teach NC #60 NR to R	\$800,000 (R) (\$800,000) (NR)

School Bus Replacement #77	(\$2,821,809) (R)
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State Textbook Fund	(\$186,921) (R)
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#### **4.5 2021-22 Budget Revision**

Establish the Public School Contingency Reserve for DPI to provide General Fund appropriations necessary to close out FY2022.

Up to \$227m NR.

Funding is only available until both of the following requirements are met:

1. DPI has fully expended the net General Fund Appropriations. This does not include nonrecurring funds that carryforward, At Risk Funds or EPSA funds, AND
2. All receipts have been collected and accounted for.

DPI shall also account for the federal receipts in the year that they are received

DPI shall report on or before September 1, 2022 shall report on the items in this provision.

#### **RECEIPTS**

Civil Fines and Forfeitures – Drivers Ed #51	\$2,800,000 (R)
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SPSF #53	\$39,800,000 (NR)
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Section 2.2 (l) and Section 43.2 Local Project Reserve for certain direct grants	\$6,873,000
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Noted with a \* below.

#### **DIRECT GRANTS**

Apseed #62	\$2,500,000(NR)*
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Hunter Huss HS #63	\$1,767,600 (NR)*
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Alamance School System #64	\$938,000 (NR)*
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South Point High School #65	\$732,400 (NR)*
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Interoperable Student Data Systems Study (myFutureNC) #66	\$500,000(NR)
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Muddy Sneakers #67	\$250,000 (NR)*
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New Light Intergenerational Outreach #68	\$250,000 (NR)*
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Highland School of Technology #69	\$200,000 (NR)*
National Student Clearinghouse Data #70	\$160,000 (R)
Southern Nash High School #71	\$100,000 (NR)*
Partners for Bertie County Public Schools #72	\$100,000 (NR)*
Alamance Burlington School System – Human Trafficking Prevention #73	\$25,000 (NR)*

### 5.3 Directed Grants to Non-State Entities

Nonrecurring grants are subject to G.S.143C-6-23. This statute stipulates the requirements of the State agency for the direct grants to a non-state entity as defined by G.S.143C-1-1

*Non-State entity. - Any of the following that is not a State agency: an individual, a firm, a partnership, an association, a county, a corporation, or any other organization or group acting as a unit. The term includes a unit of local government and public authority.*

Disbursements must be made no later than 100 days after the budget bill is signed in to law

Quarterly reporting on

- The date of the initial contact
- The date the contract was sent to the entity receiving the funds
- The date the disbursing agency received the fully executed contract back from the entity
- The contract execution date
- The payment date

Funds do not revert until June 30, 2024

## MISCELLANEOUS ITEMS

### 5.1 Unexpended nonrecurring funds from 2021-2022 do not revert

Funds remain available for use until June 30, 2023

### 2.2(n) Retiree Supplement Reserve

Reserve for the 1% non recurring retiree supplement per Section 39.20

### 2.2 (r) State Capital and Infrastructure Fund

Established for the Downtown Government Complex Reserve. See Section 40.6 for additional special provision.

### 2.2 (u) Unfunded Liability Solvency Reserve

To pay the additional contributions set out in SL2021-180 to TSERS



**7.11 Interoperable & interconnected Student Data Systems Study #66      \$500,000(NR)**

MyFutureNC, Inc. in consultation with NCSEAA, DPI, CC, UNCGA shall submit a report on the requirements to create a real-time data system for student information.

**7.14 Allow Guilford County Schools Long Term Lease for Community Education Center**

## CAPITAL

School Capital is administered by the DPI School Planning Section

### **2.2 (o) Public School Needs-Based Capital Reserve \$100,000,000(NR)**

Section 4.2 provides the direction to the funds. Grant awards shall be provided to the following counties. Matching requirements still apply. Grant applications from 2022 shall be reconsidered.

#### **4.2 Lottery / Needs Based Changes**

Increases Needs-Based Public School Capital Fund

Increases the funding from 2023 receipts to \$208,252,612 (2022 funding \$145,252,612)

Addl receipts from 2022 surplus \$123,000,000

Addl funding from Needs Based Capital Reserve (Section 2.2(o)) \$100,000,000

Total estimated available \$431,252,612

Public School Repair & Renovation \$50,000,000

#### **4.2 Changes to Needs-Based Public School Capital Fund**

GS 115C-546.11 language change related to grant applications and projects.

Anson County	\$6,000,000
Ashe County	\$8,000,000
Bladen County	\$8,000,000
Camden County	\$10,012,600
Carteret County	\$2,982,249
Catawba County	\$8,000,000
Chowan County	\$10,000,000
Clay County	\$8,000,000
Cleveland County	\$5,700,000
Halifax County	\$7,816,600
Hoke County	\$10,000,000
Mitchell County	\$8,000,000
Northampton County	\$9,998,182
Robeson County	\$10,000,000
Tyrell County	\$287,913
Warren County	\$6,000,000
Washington County	\$10,000,000
Wayne County	\$6,000,000

#### **7.6 Increase Funds for Support Services**

Increases the amount of funds that may be used from the Public School Building Capital Fund for DPI staff to support capital from \$1.5m to \$2.0m. (G.S.115C-546.2(e))