



EDUCATION

Common Ground Solutions
for NORTH CAROLINA

Investments in education training will benefit the next generation, keep North Carolina's economy competitive and make NC a Top Ten Educated State by 2025.

Raising Teacher Pay

Makes multi-year investment in public education by raising average teacher pay by 5% in the first year and an additional 5% in the following year. North Carolina would reach best in the Southeast in three years and the national average in five years.

Helping Pay for School Supplies

Offsets the amount that many teachers spend out of pocket on supplies each year by providing an annual \$150 stipend for every state-funded teacher to use on classroom and instructional supplies.

NC Best & Brightest Forgivable Loan

Draws talented North Carolinians into the field of education by providing forgivable loans of \$10,000 per year to students who commit to teaching in a state public school for four years after graduation, or three years at a low-performing or low-wealth school.

NC GROW (Getting Ready for Opportunities in the Workforce) Scholarship

Covers the cost of tuition and fees at any North Carolina Community College for recent high school graduates with a GPA of 2.0 or higher.

Preparing Students for the Workforce

Provides grants to students for workforce trainings that lead to industry credentials. Supports success by funding academic advising, counseling, and mentoring services at Community Colleges. Invests \$3 million in grants that support Community Colleges in establishing new workforce training programs.

Valuing School Administrators and Staff

Provides \$20 million in pay raises for leadership staff in North Carolina's public schools. Supports an average 6.5% raise for principals and assistant principals. Covers recurring pay raises of 2% or \$800—whichever is greater—and a non-recurring \$500 bonus for other permanent state-funded school employees.

Improving Student Performance

Transforms student achievement in low-performing public schools by supporting intensive planning and coaching support for school staff. Invests \$13 million in new textbooks and digital resources. Creates a \$3 million competitive grant program to fund innovative strategies that raise UNC graduation rates.

Staffing Public Schools

Improves student outcomes by investing \$20 million in flexible funding that can be used for additional school staff, including behavioral staff and teacher assistants. Also provides recurring funding for Troops to Teachers Program, which transitions military veterans into teaching careers.

Universities Leading the Way

Provides \$2 million in additional support to the UNC Research Opportunities Initiative, which funds innovative research projects in engineering, sciences, and technology.

Recommended Change Budget for Department of Public Instruction (13510)

Year 1 FY 2017-18	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 13,023,846,639	\$ 486,376,448	\$ 86,784,454	\$ 573,160,902	\$ 13,597,007,541	4.4%
Receipts	\$ 4,284,625,653	\$ 25,500,000	\$ 19,800,000	\$ 45,300,000	\$ 4,329,925,653	1.1%
Net Appropriation	\$ 8,739,220,986	\$ 460,876,448	\$ 66,984,454	\$ 527,860,902	\$ 9,267,081,888	6.0%
Positions (FTE)	1,138.447	2.000	0.000	2.000	1,140.447	0.2%

Year 2 FY 2018-19	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 13,008,346,639	\$ 888,780,117	\$ 10,000,000	\$ 898,780,117	\$ 13,907,126,756	6.9%
Receipts	\$ 4,284,625,653	\$ 25,500,000	\$ 10,000,000	\$ 35,500,000	\$ 4,320,125,653	0.8%
Net Appropriation	\$ 8,723,720,986	\$ 863,280,117	\$ -	\$ 863,280,117	\$ 9,587,001,103	9.9%
Positions (FTE)	1,138.447	2.000	0.000	2.000	1,140.447	0.2%

	FY 2017-18		FY 2018-19	
	Recurring Changes	Nonrecurring Changes	Recurring Changes	Nonrecurring Changes
1 - Raising Teacher Pay				
Provides funding as part of a multi-year plan for North Carolina to lead the Southeast in average teacher salary within three years and reach at least the national average in five years. Implements new North Carolina Public School Salary Schedules in both FY 2017-18 and FY 2018-19 that will raise average teacher pay by 5% this year and another 5% next year. This item also moves eligible teachers, based on years of experience, to the next step on the new Salary Schedule.	Req \$ 271,000,000	\$ -	\$ 542,000,000	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 271,000,000	\$ -	\$ 542,000,000	\$ -
	FTE 0.000	0.000	0.000	0.000
2 - Raising Principal and School-Based Administrator Pay				
Provides \$20 million to address compression and inequities in School-Based Administrator Pay schedules. Supports an average 6.5% increase in state-funded pay for principals and assistant principals, including an experience-based step increase.	Req \$ 20,000,000	\$ -	\$ 20,000,000	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 20,000,000	\$ -	\$ 20,000,000	\$ -
	FTE 0.000	0.000	0.000	0.000
3 - Compensation Increase - Other LEA and School-Based Employees				
Provides funds for a 2% recurring salary increase or an \$800 recurring salary increase, whichever is greater, and a \$500 nonrecurring bonus for permanent full-time State employees.	Req \$ 50,471,098	\$ 26,665,163	\$ 50,471,098	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 50,471,098	\$ 26,665,163	\$ 50,471,098	\$ -
	FTE 0.000	0.000	0.000	0.000
4 - Compensation Increase - DPI				
Provides funds for a 2% recurring salary increase or an \$800 recurring salary increase, whichever is greater, and a \$500 nonrecurring bonus for permanent full-time State employees.	Req \$ 1,166,636	\$ 444,444	\$ 1,166,636	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 1,166,636	\$ 444,444	\$ 1,166,636	\$ -
	FTE 0.000	0.000	0.000	0.000
5 - State Retirement Contributions - State Public School Fund				
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.5% one-time cost-of-living supplement to retirees.	Req \$ 6,391,709	\$ 38,350,254	\$ 41,255,576	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 6,391,709	\$ 38,350,254	\$ 41,255,576	\$ -
	FTE 0.000	0.000	0.000	0.000

6 - State Retirement Contributions - DPI

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.5% one-time cost-of-living supplement to retirees.

Req	\$	49,320	\$	295,923	\$	318,341	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	49,320	\$	295,923	\$	318,341	\$	-
FTE		0.000		0.000		0.000		0.000

7 - State Health Plan - State Public School Fund

Provides additional funding to continue health benefit coverage for enrolled active and retired employees supported by the General Fund for the 2017-19 biennium.

Req	\$	46,933,723	\$	-	\$	93,867,445	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	46,933,723	\$	-	\$	93,867,445	\$	-
FTE		0.000		0.000		0.000		0.000

8 - State Health Plan - DPI

Provides additional funding to continue health benefit coverage for enrolled active and retired employees supported by the General Fund for the 2017-19 biennium.

Req	\$	284,080	\$	-	\$	568,159	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	284,080	\$	-	\$	568,159	\$	-
FTE		0.000		0.000		0.000		0.000

9 - Compensation Increase - State Agency Teachers

Supports experience-based step increases and salary increases associated with the changes to the salary schedule for State agency teachers and school-based administrators.

Req	\$	550,456	\$	-	\$	1,100,912	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	550,456	\$	-	\$	1,100,912	\$	-
FTE		0.000		0.000		0.000		0.000

10 - Instructional Supplies Stipend

Establishes an annual \$150 stipend payable at the start of the school year directly to state-funded teachers to purchase classroom and instructional supplies to offset the amount teachers pay out of pocket for these supplies. This item includes funding for all state agency teachers. DPI shall transfer to other state agencies the amount required for payment of the stipend to eligible state agency teachers.

Req	\$	14,033,461	\$	-	\$	14,033,461	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	14,033,461	\$	-	\$	14,033,461	\$	-
FTE		0.000		0.000		0.000		0.000

11 - Average Daily Membership (ADM) Adjustments

Adjusts funding for multiple public school allotments that are allocated to schools based on average daily membership (ADM) to reflect the growth in student population. This item also increases receipts from the Civil Penalties and Forfeiture Fund by \$2.5 million to support total requirements for the ADM adjustment.

Req	\$	31,897,244	\$	-	\$	80,307,533	\$	-
Rec	\$	2,500,000	\$	-	\$	2,500,000	\$	-
App	\$	29,397,244	\$	-	\$	77,807,533	\$	-
FTE		0.000		0.000		0.000		0.000

12 - Technical Adjustment for Increase in Average Teacher Salary

Adjusts budgeted average salaries using actual 2016-17 sixth pay period as the revised projection base. This adjustment is made annually after reviewing budgeted salary projections for all certified personnel.

Req	\$	3,165,790	\$	-	\$	3,258,025	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	3,165,790	\$	-	\$	3,258,025	\$	-
FTE		0.000		0.000		0.000		0.000

13 - More School-Based Personnel to Improve Student Outcomes

Establishes a new allotment to be allocated to LEAs based on average daily membership (ADM). Provides \$20 million from lottery receipts as flexible funding for LEAs to hire additional school-based personnel who will have a direct impact on improving student outcomes including: assistant principals, nurses, behavioral support staff, teaching assistants, and other instructional support personnel.

Req	\$	20,000,000	\$	-	\$	20,000,000	\$	-
Rec	\$	20,000,000	\$	-	\$	20,000,000	\$	-
App	\$	-	\$	-	\$	-	\$	-
FTE		0.000		0.000		0.000		0.000

14 - Textbooks and Digital Resources

Provides \$10 million in nonrecurring lottery receipts and an additional \$3 million in recurring Indian Gaming receipts that LEAs may use for textbooks and digital resources. This brings total funding for textbooks and digital materials to \$74.5 million for each year of the biennium.

Req	\$	3,000,000	\$	10,000,000	\$	3,000,000	\$	10,000,000
Rec	\$	3,000,000	\$	10,000,000	\$	3,000,000	\$	10,000,000
App	\$	-	\$	-	\$	-	\$	-
FTE		0.000		0.000		0.000		0.000

15 - Advanced Teaching Roles and Student Outcomes Pilot

Appropriates nonrecurring lottery receipts to fund the Teacher Compensation and Advanced Teaching Roles pilot program established in Section 8.7 of SL 2016-94. Ten pilot LEAs will receive funds to develop advanced teaching roles, organizational models and compensation methods that link teacher performance, professional growth, and student outcomes to salary increases for classroom teachers.

Req	\$	-	\$	9,800,000	\$	-	\$	-
Rec	\$	-	\$	9,800,000	\$	-	\$	-
App	\$	-	\$	-	\$	-	\$	-
FTE		0.000		0.000		0.000		0.000

16 - Digital Learning - Professional Development

Supports digital learning professional development for teachers as part of the state's Digital Learning Plan (DLP). This funding ensures that all LEAs have access to the same training.

Req	\$	5,000,000	\$	-	\$	5,000,000	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	5,000,000	\$	-	\$	5,000,000	\$	-
FTE		0.000		0.000		0.000		0.000

17 - Digital Learning - Home Base Content and Support

Provides \$1 million for DPI to procure, vet and make available high-quality digital content and lesson plans for teachers in Home Base as part of the State's Digital Learning Plan (DLP) for public schools. An additional \$212,931 is also recommended for two positions at DPI to provide professional development and training on Home Base for LEAs across the state. Trainers will assist LEAs in their use of the various components of Home Base, including student information, instructional resources, assessment tools, data and analysis functions and educator effectiveness systems.

Req	\$	1,212,931	\$	-	\$	1,212,931	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	1,212,931	\$	-	\$	1,212,931	\$	-
FTE		2.000		0.000		2.000		0.000

18 - Transforming Low-Performing Schools

Increases funding for intensive planning and coaching support for teachers, principals, superintendents and central office staff in low-performing schools in order to improve student achievement.

Req	\$	10,000,000	\$	-	\$	10,000,000	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	10,000,000	\$	-	\$	10,000,000	\$	-
FTE		0.000		0.000		0.000		0.000

19 - Whole School, Whole Child, Whole Community Pilot

Creates a new, three-year pilot program to implement the Whole School, Whole Community, Whole Child (WSCC) model in at least five LEAs. The WSCC model focuses on integrating education and health by bringing schools, health agencies, parents and communities together to support health and academic achievement outcomes. This pilot will be administered by the State Board of Education.

Req	\$	250,000	\$	-	\$	250,000	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	250,000	\$	-	\$	250,000	\$	-
FTE		0.000		0.000		0.000		0.000

20 - Troops to Teachers

Provides recurring funding for the Troops to Teachers program which works to transition veterans into the teaching profession by recruiting separating and retiring military service members, providing job search services, and providing financial aid.

Req	\$	120,000	\$	-	\$	120,000	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	120,000	\$	-	\$	120,000	\$	-
FTE		1.000		0.000		1.000		0.000

21 - Charter Schools Oversight

Establishes a position within the Department of Public Instruction's Office of Charter Schools to meet the demands of providing quality oversight of the growing number of charter schools on behalf of the State Board of Education (SBE) and the Charter Schools Advisory Board (CSAB).

Req	\$	100,000	\$	-	\$	100,000	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	100,000	\$	-	\$	100,000	\$	-
FTE		1.000		0.000		1.000		0.000

22 - Residential Schools

Provides additional funding for increased utilities costs, maintenance, equipment, and vehicle replacement at the three residential schools. Recurring funds are provided in the amount of \$250,000 for ENCSD, \$90,000 for NCSD, and \$150,000 for Governor Morehead School. Nonrecurring funds of \$40,000 are provided for each institution.

Req	\$	490,000	\$	120,000	\$	490,000	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	490,000	\$	120,000	\$	490,000	\$	-
FTE		0.000		0.000		0.000		0.000

23 - Governor's School

Provides funding for programmatic costs to increase enrollment from 650 to 800 students at the Governor's School.

Req	\$	400,000	\$	-	\$	400,000	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	400,000	\$	-	\$	400,000	\$	-
FTE		0.000		0.000		0.000		0.000

24 - School Risk Management Tip Line

Provides funding to assist the Center for Safer Schools to operate an anonymous tip line, as required by G.S. 115C-105.51.

Req	\$	-	\$	958,670	\$	-	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	-	\$	958,670	\$	-	\$	-
FTE		0.000		0.000		0.000		0.000

25 - State Board Room Audio and Visual Upgrade

Upgrades the audio and visual system in the State Board of Education room including the audio streaming server and video streaming capability. Improved A/V equipment will enhance the communication between board members and stakeholders around the state.

Req	\$	-	\$	150,000	\$	-	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	-	\$	150,000	\$	-	\$	-
FTE		0.000		0.000		0.000		0.000

26 - Remove Funding for Unratified Pending Legislation

Technical adjustment to remove recurring funding from the base budget that was provided to implement Senate Bill 867. This legislation was never ratified by the General Assembly.

Req	\$	(140,000)	\$	-	\$	(140,000)	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	(140,000)	\$	-	\$	(140,000)	\$	-
FTE		(2.000)		0.000		(2.000)		0.000

Total Change to Requirements	\$	486,376,448	\$	86,784,454	\$	888,780,117	\$	10,000,000
Total Change to Receipts	\$	25,500,000	\$	19,800,000	\$	25,500,000	\$	10,000,000
Total Change to Net Appropriation	\$	460,876,448	\$	66,984,454	\$	863,280,117	\$	-
Total Change to Full-Time Equivalent (FTE)		2.000		0.000		2.000		0.000

Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$	527,860,902	\$	863,280,117
Recommended Total FTE Changes		2.000		2.000

Recommended Change Budget for NC Community Colleges System (16800)

Year 1 FY 2017-18	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 1,465,717,504	\$ 81,933,578	\$ 16,017,733	\$ 97,951,311	\$ 1,563,668,815	6.7%
Receipts	\$ 397,484,160	\$ 3,197,179	\$ -	\$ 3,197,179	\$ 400,681,339	0.8%
Net Appropriation	\$ 1,068,233,344	\$ 78,736,399	\$ 16,017,733	\$ 94,754,132	\$ 1,162,987,476	8.9%
Positions (FTE)	198.450	0.000	0.000	0.000	198.450	0.0%

Year 2 FY 2018-19	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 1,465,717,504	\$ 116,342,119	\$ -	\$ 116,342,119	\$ 1,582,059,623	7.9%
Receipts	\$ 397,484,160	\$ 25,130,288	\$ -	\$ 25,130,288	\$ 422,614,448	6.3%
Net Appropriation	\$ 1,068,233,344	\$ 91,211,831	\$ -	\$ 91,211,831	\$ 1,159,445,175	8.5%
Positions (FTE)	198.450	0.000	0.000	0.000	198.450	0.0%

		FY 2017-18		FY 2018-19	
		Recurring Changes	Nonrecurring Changes	Recurring Changes	Nonrecurring Changes
1 - Compensation Increase for State Employees - System Office					
Provides funds for a 2% recurring salary increase or an \$800 recurring salary increase, whichever is greater, and a \$500 nonrecurring bonus for permanent full-time State employees.					
Req	\$	294,462	\$ 89,080	\$ 294,462	\$ -
Rec	\$	-	\$ -	\$ -	\$ -
App	\$	294,462	\$ 89,080	\$ 294,462	\$ -
FTE		0.000	0.000	0.000	0.000
2 - Compensation Increase for State Employees - State Aid					
Provides funds for a 2% recurring salary increase or an \$800 recurring salary increase, whichever is greater, and a \$500 nonrecurring bonus for permanent full-time State employees.					
Req	\$	22,994,204	\$ 9,654,055	\$ 22,994,204	\$ -
Rec	\$	-	\$ -	\$ -	\$ -
App	\$	22,994,204	\$ 9,654,055	\$ 22,994,204	\$ -
FTE		0.000	0.000	0.000	0.000
3 - State Retirement Contributions - System Office					
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.5% one-time cost-of-living supplement to retirees.					
Req	\$	13,337	\$ 80,020	\$ 86,082	\$ -
Rec	\$	-	\$ -	\$ -	\$ -
App	\$	13,337	\$ 80,020	\$ 86,082	\$ -
FTE		0.000	0.000	0.000	0.000
4 - State Retirement Contributions - State Aid					
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.5% one-time cost-of-living supplement to retirees.					
Req	\$	1,016,013	\$ 6,096,078	\$ 6,557,902	\$ -
Rec	\$	-	\$ -	\$ -	\$ -
App	\$	1,016,013	\$ 6,096,078	\$ 6,557,902	\$ -
FTE		0.000	0.000	0.000	0.000
5 - State Health Plan - System Office					
Provides additional funding to continue health benefit coverage for enrolled active and retired employees supported by the General Fund for the 2017-19 biennium.					
Req	\$	64,048	\$ -	\$ 128,095	\$ -
Rec	\$	-	\$ -	\$ -	\$ -
App	\$	64,048	\$ -	\$ 128,095	\$ -
FTE		0.000	0.000	0.000	0.000
6 - State Health Plan - State Aid					
Provides additional funding to continue health benefit coverage for enrolled active and retired employees supported by the General Fund for the 2017-19 biennium.					
Req	\$	6,056,752	\$ -	\$ 12,113,503	\$ -
Rec	\$	-	\$ -	\$ -	\$ -
App	\$	6,056,752	\$ -	\$ 12,113,503	\$ -
FTE		0.000	0.000	0.000	0.000

7 - Community College Faculty and Staff Salary Restoration

Restores \$10 million in funds originally included in the 2015-16 budget to provide increases for state-funded community college employees. Community colleges shall be given flexibility in allocating these funds.

Req	\$	10,000,000	\$	-	\$	10,000,000	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	10,000,000	\$	-	\$	10,000,000	\$	-
FTE		0.000		0.000		0.000		0.000

8 - Enrollment Growth Adjustment

Appropriates funds to support enrollment growth at North Carolina community colleges, the first year of growth since FY 2011-12. Community college enrollment has grown by 0.8% (or 1,841 Full-Time Equivalent students) over the FY 2016-17 budgeted enrollment. The additional receipts reflect tuition and fees from the enrollment growth. No additional funds are requested in FY 2018-19, as no additional enrollment growth is forecast.

Req	\$	9,093,387	\$	-	\$	9,093,387	\$	-
Rec	\$	697,179	\$	-	\$	697,179	\$	-
App	\$	8,396,208	\$	-	\$	8,396,208	\$	-
FTE		0.000		0.000		0.000		0.000

9 - NC Getting Ready for Opportunities and Work (NC GROW)

Establishes a new scholarship program providing for the full cost of community college tuition and mandatory fees for recent North Carolina high school graduates. Eligible students must have graduated from high school during the 2017-18 academic year or later with a 2.0 GPA or higher. Students must apply for financial aid and enroll at a community college within 18 months of graduating from high school. This is a "last-dollar" scholarship, meeting only the financial need remaining after eligibility for existing state and federal aid has been exhausted. This program begins with the 2018-19 academic year and is funded entirely from lottery receipts. A corresponding special provision provides additional program requirements.

Req	\$	-	\$	-	\$	19,433,109	\$	-
Rec	\$	-	\$	-	\$	19,433,109	\$	-
App	\$	-	\$	-	\$	-	\$	-
FTE		0.000		0.000		0.000		0.000

10 - Financial Assistance for Students Seeking Industry Credentials

Offers financial assistance for students who enroll in non-credit, short-term workforce training programs that lead to an industry credential. Awards will enable students to pay for any costs they may incur in enrolling in these programs and pursuing these credentials. This assistance will be funded from lottery receipts and awards will not exceed \$1,000 per student. Of the funds appropriated in FY 2017-18, up to \$500,000 may be used to market this program and NC GROW to prospective students.

Req	\$	2,500,000	\$	-	\$	5,000,000	\$	-
Rec	\$	2,500,000	\$	-	\$	5,000,000	\$	-
App	\$	-	\$	-	\$	-	\$	-
FTE		0.000		0.000		0.000		0.000

11 - Increase Student Degree Completion

Increases the number of students completing degrees by providing community colleges with additional funding for academic advising and counseling, mentoring, supplemental instruction, streamlined curriculum, cohort-based student supports, and other proven student success strategies. Community colleges will receive approximately \$10 per student headcount and shall use these funds on activities that have the highest impact on improving degree completion. The State Board of Community Colleges will report on the use of these funds to the Joint Legislative Education Oversight Committee.

Req	\$	7,500,000	\$	-	\$	7,500,000	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	7,500,000	\$	-	\$	7,500,000	\$	-
FTE		0.000		0.000		0.000		0.000

12 - Additional NCWorks Career Coaches

Supports an additional 30 NCWorks career coaches in FY 2017-18 and 50 new coaches in FY 2018-19. These career coaches are in addition to the 28 already funded in the base budget. Career coaches are placed in partnering high schools to assist students with setting career goals and identifying community college programs to achieve those goals. The State Board of Community Colleges will allocate funds upon application from the partnering community colleges.

Req	\$	1,100,000	\$	-	\$	1,840,000	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	1,100,000	\$	-	\$	1,840,000	\$	-
FTE		0.000		0.000		0.000		0.000

13 - More Funding for Workforce Programs

Increases continuing education funding to levels similar to curriculum programs. Continuing education currently calculates a full-time equivalent (FTE) student at 688 classroom hours per year. Curriculum programs currently calculate one FTE as 512 classroom hours. This item converts continuing education to the same calculation used for curriculum programs which generates an additional 4,800 FTE at a cost of \$15.3 million.

Req	\$	15,301,375	\$	-	\$	15,301,375	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	15,301,375	\$	-	\$	15,301,375	\$	-
FTE		0.000		0.000		0.000		0.000

14 - Start-Up Funding for Specialized Workforce Programs (Invest in Workforce Training)

Provides \$3 million for community colleges to create needed workforce training programs that have high start-up costs due to specialized equipment or technical instruction. The State Board of Community Colleges shall award nonrecurring grants each year on a competitive basis. Funds shall be used to support costs of beginning the program, with the program's enrollment generating recurring operating support after the program's first year.

Req	\$	3,000,000	\$	-	\$	3,000,000	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	3,000,000	\$	-	\$	3,000,000	\$	-
FTE		0.000		0.000		0.000		0.000

15 - Measure and Reward Student Earnings Gains

Implements a new performance measure that assesses a community college education's impact on a student's wages after completing a program. The measure compares the average gain in median wages two years before to two years after exit for students enrolled in career and technical areas of study. Beginning with the FY 2017-18 budget, these funds are awarded to community colleges based on their students' earnings gains.

Req	\$	3,000,000	\$	-	\$	3,000,000	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	3,000,000	\$	-	\$	3,000,000	\$	-
FTE		0.000		0.000		0.000		0.000

16 - Study of Workforce Program Costs

Provides nonrecurring funds to conduct a study of the costs of workforce academic programs. Community college enrollment is funded in tiers of instruction as determined by those programs' costs. In its 2016 study, the General Assembly's Program Evaluation Division recommended verifying that the tiered amounts colleges receive for courses fully cover the costs of those courses.

Req	\$	-	\$	98,500	\$	-	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	-	\$	98,500	\$	-	\$	-
FTE		0.000		0.000		0.000		0.000

Total Change to Requirements	\$	81,933,578	\$	16,017,733	\$	116,342,119	\$	-
Total Change to Receipts	\$	3,197,179	\$	-	\$	25,130,288	\$	-
Total Change to Net Appropriation	\$	78,736,399	\$	16,017,733	\$	91,211,831	\$	-
Total Change to Full-Time Equivalent (FTE)		0.000		0.000		0.000		0.000

Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$	94,754,132	\$	91,211,831
Recommended Total FTE Changes		0.000		0.000

Recommended Change Budget for The University of North Carolina (160xx)

Year 1 FY 2017-18	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 4,634,716,690	\$ 156,966,294	\$ 47,621,616	\$ 204,587,910	\$ 4,839,304,600	4.4%
Receipts	\$ 1,853,120,342	\$ 52,194,233	\$ 20,221,283	\$ 72,415,516	\$ 1,925,535,858	3.9%
Net Appropriation	\$ 2,781,596,348	\$ 104,772,061	\$ 27,400,333	\$ 132,172,394	\$ 2,913,768,742	4.8%
Positions (FTE)	35,141.073	0.000	0.000	0.000	35,141.073	0.0%

Year 2 FY 2018-19	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 4,674,722,949	\$ 282,517,046	\$ 12,708,115	\$ 295,225,161	\$ 4,969,948,110	6.3%
Receipts	\$ 1,853,120,342	\$ 99,900,390	\$ 20,221,283	\$ 120,121,673	\$ 1,973,242,015	6.5%
Net Appropriation	\$ 2,821,602,607	\$ 182,616,656	\$ (7,513,168)	\$ 175,103,488	\$ 2,996,706,095	6.2%
Positions (FTE)	35,141.073	45.100	0.000	45.100	35,186.173	0.1%

		FY 2017-18		FY 2018-19	
		Recurring Changes	Nonrecurring Changes	Recurring Changes	Nonrecurring Changes
1 - Compensation Increase for State Employees (16011)					
Provides funds for a 2% recurring salary increase or an \$800 recurring salary increase, whichever is greater, and a \$500 nonrecurring bonus for permanent full-time State employees.					
Req	\$	49,845,301	\$ 17,734,407	\$ 49,845,301	\$ -
Rec	\$	-	\$ -	\$ -	\$ -
App	\$	49,845,301	\$ 17,734,407	\$ 49,845,301	\$ -
FTE		0.000	0.000	0.000	0.000
2 - State Retirement Contributions - TSERS Members (16011)					
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.5% one-time cost-of-living supplement to retirees.					
Req	\$	1,363,643	\$ 8,181,857	\$ 8,801,695	\$ -
Rec	\$	-	\$ -	\$ -	\$ -
App	\$	1,363,643	\$ 8,181,857	\$ 8,801,695	\$ -
FTE		0.000	0.000	0.000	0.000
3 - State Retirement Contributions - ORP Members (16011)					
Decreases the State's contribution for members of the Optional Retirement Program (ORP) to match the actuarially determined contribution for the Disability Income Plan.					
Req	\$	(2,472,685)	\$ -	\$ (2,472,685)	\$ -
Rec	\$	-	\$ -	\$ -	\$ -
App	\$	(2,472,685)	\$ -	\$ (2,472,685)	\$ -
FTE		0.000	0.000	0.000	0.000
4 - State Health Plan (16011)					
Provides additional funding to continue health benefit coverage for enrolled active and retired employees supported by the General Fund for the 2017-19 biennium.					
Req	\$	12,451,442	\$ -	\$ 24,902,883	\$ -
Rec	\$	-	\$ -	\$ -	\$ -
App	\$	12,451,442	\$ -	\$ 24,902,883	\$ -
FTE		0.000	0.000	0.000	0.000
5 - Compensation Increase - State Agency Teachers at NCCSSM (16094)					
Supports experience-based step increases and salary increases associated with the changes to the salary schedule for State agency teachers and school-based administrators.					
Req	\$	313,248	\$ -	\$ 626,497	\$ -
Rec	\$	-	\$ -	\$ -	\$ -
App	\$	313,248	\$ -	\$ 626,497	\$ -
FTE		0.000	0.000	0.000	0.000
6 - Enrollment Growth Adjustment (16011)					
Provides enrollment growth funding for the projected increase in regular term and distance education student full-time equivalents (FTE) in the university system. For FY 2017-18, FTE are projected to increase by 4,088 or 1.98% over FY 2016-17 Budgeted FTE, to a total of 210,246. For FY 2018-19, FTE is projected to increase an additional 5,174 or 2.46% to a projected total of 215,420.					
Req	\$	75,265,345	\$ -	\$ 155,134,908	\$ -
Rec	\$	28,694,233	\$ -	\$ 60,400,390	\$ -
App	\$	46,571,112	\$ -	\$ 94,734,518	\$ -
FTE		0.000	0.000	0.000	0.000

7 - Competitive Grants to Improve Graduation Rates (16011)

Creates a \$3 million competitive grant program for UNC institutions to implement innovative, evidence-based strategies that improve graduation rates. Funded projects will be evaluated by a third party and successful projects will be scaled across the UNC system. Implementation and evaluation costs shall not exceed \$500,000 each year.

Req	\$ 500,000	\$ -	\$ 3,500,000	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 500,000	\$ -	\$ 3,500,000	\$ -
FTE	0.000	0.000	0.000	0.000

8 - Increase Faculty Recruitment and Retention Reserve (16011)

Increases funding for the Faculty Recruitment and Retention Fund which plays an important role in attracting and retaining nationally recognized university faculty. Additional funding for this reserve was last provided in FY 2012-13 and the unallocated reserve balance is now less than \$700,000.

Req	\$ 3,000,000	\$ -	\$ 3,000,000	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 3,000,000	\$ -	\$ 3,000,000	\$ -
FTE	0.000	0.000	0.000	0.000

9 - Enhance Data Systems to Improve Institutional Performance and Student Success (16011)

Modernizes UNC's data systems to improve the quality of information and analytics available to decision-makers when determining resource allocations. Funding is provided to enhance data integration in the areas of finance, human resources, and student accounts; improve data collection on post-graduation student success and faculty retention; and pilot a web-based student advising software solution designed to improve graduation rates.

Req	\$ -	\$ 11,950,000	\$ 2,275,000	\$ 9,225,000
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ -	\$ 11,950,000	\$ 2,275,000	\$ 9,225,000
FTE	0.000	0.000	0.000	0.000

10 - Expand Research Opportunities Initiative (16011)

Increases the UNC Research Opportunities Initiative (ROI) which provides targeted funding for highly innovative research projects. During the first two years of this program, UNC institutions earned \$7.5 million in external funding, produced two startup companies, filed 11 patents, and attracted sought-after faculty. This increased funding will be used to seed additional research in the targeted areas of advanced manufacturing; data sciences; defense, military and security; energy; marine and coastal sciences; and pharmacoengineering. Research priorities may be expanded to include agriculture and life sciences. With this increase, a total of \$5 million is appropriated for the ROI program.

Req	\$ 2,000,000	\$ -	\$ 2,000,000	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 2,000,000	\$ -	\$ 2,000,000	\$ -
FTE	0.000	0.000	0.000	0.000

11 - NC Promise Tuition Plan (16011)

Fully funds the NC Promise Tuition Plan by authorizing an additional \$11 million from lottery receipts. Net appropriations of \$40 million are provided in the FY 2018-19 base budget for this program. The NC Promise Tuition Plan, established by SL 2016-94, offers \$500 tuition per semester for residents and \$2,500 tuition per semester for nonresidents attending UNCP, WCU, and ECSU. A total of \$51 million is authorized to implement this program in FY 2018-19.

Req	\$ -	\$ -	\$ 11,000,000	\$ -
Rec	\$ -	\$ -	\$ 11,000,000	\$ -
App	\$ -	\$ -	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

12 - NC Best and Brightest Program (16012)

Establishes a new forgivable loan program from lottery receipts to provide North Carolina's high achieving students the opportunity to earn undergraduate education degrees in exchange for a commitment to teach in a North Carolina public school. Scholarships of \$10,000 per year for four years will be provided to cohorts of 500 students beginning with the 2018-19 academic year. A corresponding special provision provides additional program requirements.

Req	\$ -	\$ -	\$ 5,000,000	\$ -
Rec	\$ -	\$ -	\$ 5,000,000	\$ -
App	\$ -	\$ -	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

13 - UNC Need-Based Financial Aid Program (16012)

Increases available receipts from the Escheat Fund and NC Education Lottery Fund to support the UNC Need-Based Financial Aid Program. General Fund appropriations are offset accordingly. For the 2017-19 biennium, a nonrecurring increase from lottery receipts brings total lottery support for the program up to \$30,966,016. A total of \$60,787,242 from the Escheat Fund will support the financial aid program on a recurring basis. Total requirements will remain unchanged at \$125,930,498, resulting in net appropriations of \$34,177,240 for each year of the biennium.

Req	\$ -	\$ -	\$ -	\$ -
Rec	\$ 23,500,000	\$ 20,221,283	\$ 23,500,000	\$ 20,221,283
App	\$ (23,500,000)	\$ (20,221,283)	\$ (23,500,000)	\$ (20,221,283)
FTE	0.000	0.000	0.000	0.000

14 - Increase NC Need-Based Scholarship Program (16015)

Provides an additional \$2 million for the North Carolina Need-Based Scholarship Program. This program provides resident undergraduate students with scholarships to attend North Carolina independent colleges and universities. Total appropriations for this program will be \$90.4 million which is a 2% increase from FY 2016-17.

Req	\$	2,000,000	\$	-	\$	2,000,000	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	2,000,000	\$	-	\$	2,000,000	\$	-
FTE		0.000		0.000		0.000		0.000

15 - Opportunity Scholarship (16015)

Increases funding for the Opportunity Scholarship Grant Funding Reserve to honor existing commitments to students with scholarships already awarded for the 2017-18 academic year and to fund the remaining years of scholarship for those students. Anticipates no new scholarships.

Req	\$	-	\$	4,750,000	\$	-	\$	300,000
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	-	\$	4,750,000	\$	-	\$	300,000
FTE		0.000		0.000		0.000		0.000

16 - UNC Cancer Research Fund (16011)

Restores total funding for the University Cancer Research Fund to \$50 million annually by providing an additional \$4 million of General Fund appropriation.

Req	\$	4,000,000	\$	-	\$	4,000,000	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	4,000,000	\$	-	\$	4,000,000	\$	-
FTE		0.000		0.000		0.000		0.000

17 - Food Processing Innovation Center (16011)

Provides funds for the Food Processing Innovation Center, to be housed at the NC Research Campus. The Center will facilitate small-scale testing of products and processes for food manufacturing entrepreneurs, enable evaluation of new techniques for food manufacturers, enhance work with NC farm commodity groups for value added products, and serve NC manufacturers of food manufacturing equipment. This builds on the report of the Food Manufacturing Task Force. Nonrecurring funds are provided to equip the Center. Recurring funding will be used for lease payments for the space to be renovated by the NC Research Campus and the City of Kannapolis and for personnel costs to be augmented by additional staffing supported by the NCSU College of Agriculture and Life Sciences and the NC Department of Agriculture.

Req	\$	700,000	\$	2,200,000	\$	700,000	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	700,000	\$	2,200,000	\$	700,000	\$	-
FTE		0.000		0.000		0.000		0.000

18 - Mountain Area Health Education Center/Western School of Medicine Building Reserve (16021)

Provides funding to operate and maintain the Mountain Area Health Education Center/Western School of Medicine building that will be completed in the 2017-19 biennium.

Req	\$	-	\$	-	\$	838,974	\$	154,253
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	-	\$	-	\$	838,974	\$	154,253
FTE		0.000		0.000		7.800		0.000

19 - NCSU Innovation in Manufacturing Biopharmaceuticals (16030)

Provides state matching funds for NCSU's participation in a new initiative aimed at advancing North Carolina and US leadership in the biopharmaceutical manufacturing sector. The National Institute for Innovation in Manufacturing Biopharmaceuticals (NIIMBL) is supported with a five-year, \$70 million grant from the US Department of Commerce and at least \$129 million from a consortium of 150 companies, educational institutions, research centers, coordinating bodies, non-profits and Manufacturing Extension Partnerships. This funding represents the first installment of a total \$10 million state pledge.

Req	\$	2,000,000	\$	-	\$	2,000,000	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	2,000,000	\$	-	\$	2,000,000	\$	-
FTE		0.000		0.000		0.000		0.000

20 - ECU Brody School of Medicine Stabilization Funds (16066)

Supports medical education at the Brody School of Medicine with an additional \$4 million of recurring General Fund appropriation.

Req	\$	4,000,000	\$	-	\$	4,000,000	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	4,000,000	\$	-	\$	4,000,000	\$	-
FTE		0.000		0.000		0.000		0.000

21 - NC A&T Doctoral Program (16070)

Reduces faculty teaching load to the system peer average for Doctoral Research Institutions. Provides resources to attract new faculty, and increase graduate student population from 15% to 25% of the total enrollment.

Req	\$	2,000,000	\$	-	\$	2,000,000	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	2,000,000	\$	-	\$	2,000,000	\$	-
FTE		0.000		0.000		0.000		0.000

22 - ASU Beaver College of Health Sciences Building Reserve (16080)

Provides funding to operate and maintain the Beaver College of Health Sciences building at ASU which will be completed in the 2017-19 biennium.

Req	\$	-	\$	-	\$	3,364,473	\$	843,510
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	-	\$	-	\$	3,364,473	\$	843,510
FTE		0.000		0.000		37.300		0.000

23 - ECSU Academic and Student Success Initiatives (16086)

Implements recommendations of the ECSU working group by funding short-term investments to increase enrollment and enable long-term sustainable funding. Investments include providing students with individual coaching through a student success center, adding new degree programs in Aviation Science, and hiring additional faculty to anchor the key STEM and Education programs.

Req	\$	-	\$	2,805,352	\$	-	\$	2,185,352
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	-	\$	2,805,352	\$	-	\$	2,185,352
FTE		0.000		0.000		0.000		0.000

Total Change to Requirements	\$	156,966,294	\$	47,621,616	\$	282,517,046	\$	12,708,115
Total Change to Receipts	\$	52,194,233	\$	20,221,283	\$	99,900,390	\$	20,221,283
Total Change to Net Appropriation	\$	104,772,061	\$	27,400,333	\$	182,616,656	\$	(7,513,168)
Total Change to Full-Time Equivalent (FTE)		0.000		0.000		45.100		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$	132,172,394			\$	175,103,488		
Recommended Total FTE Changes				0.000				45.100