

FY 2019-21

Presentation of Governor Roy Cooper's Recommended Budget for Education

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Office of State Budget and Management
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INVESTMENTS *for a*
Determined North Carolina



Making NC a Top 10 Educated State by 2025

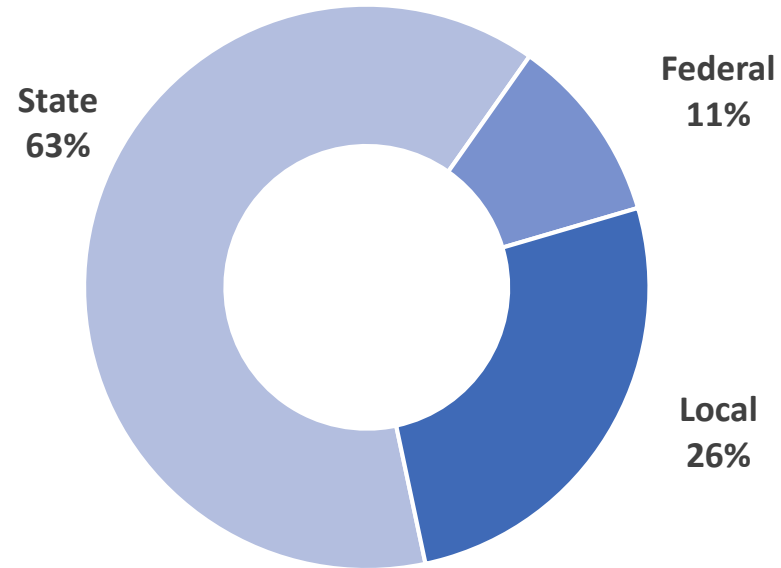


Public Schools of North Carolina
State Board of Education
Department of Public Instruction

- Implements the state's public school laws, policies, and procedures governing public education for pre-kindergarten through 12th grade at the direction of the State Board of Education and the Superintendent of Public Instruction.
- Provides leadership and service to 115 local public school districts and 2,500+ traditional public schools, 180+ charters schools, the Innovative School District, lab and regional schools, and the three residential schools for students with hearing and visual impairments, serving more than 1.5 million Pre-K-12 students across the state.
- Administers state and federal funds totaling approximately \$11 billion and licenses and supports the development of the 117,000 teachers and administrators that serve public schools.



K-12 Education Actual Expenditures, FY 2017-2018



Source: Department of Public Instruction, Highlights, 2019. Includes Child Nutrition funding.

Presentation will focus on state appropriations funding.



Department of Public Instruction: Budget Overview

Department of Public Instruction (13510)

Year 1 FY 2019-20	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 11,766,939,802	\$ 479,775,052	\$ 88,005,088	\$ 567,780,140	\$ 12,334,719,942	4.8%
Receipts	\$ 2,180,566,432	\$ -	\$ -	\$ -	\$ 2,180,566,432	0.0%
Net Appropriation	\$ 9,586,373,370	\$ 479,775,052	\$ 88,005,088	\$ 567,780,140	\$ 10,154,153,510	5.9%
Positions (FTE)	1052.950	51.000	0.000	51.000	1103.950	4.8%

Year 2 FY 2020-21	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 11,828,299,027	\$ 843,340,126	\$ -	\$ 843,340,126	\$ 12,671,639,153	7.1%
Receipts	\$ 2,180,566,432	\$ -	\$ -	\$ -	\$ 2,180,566,432	0.0%
Net Appropriation	\$ 9,647,732,595	\$ 843,340,126	\$ -	\$ 843,340,126	\$ 10,491,072,721	8.7%
Positions (FTE)	1052.950	51.000	0.000	51.000	1103.950	4.8%



Key Recommendations for K-12 Education

- Raising Pay/Compensation
- Ensuring safe and healthy schools
- Strengthening the educator workforce
- Student support
- Agency infrastructure and analytics
- Other items of significance



Raising Pay/Compensation

Raising Teacher Pay to Best in Southeast

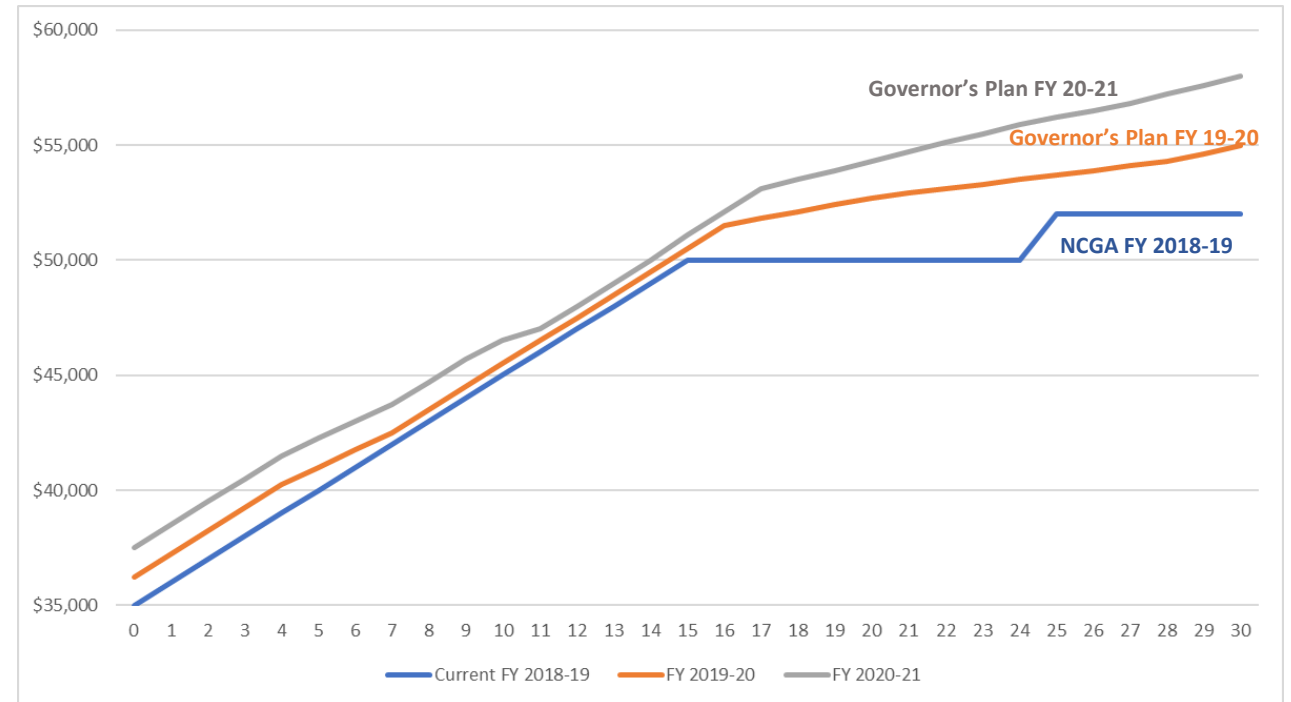
Invests nearly \$199M in FY19-20 and \$370M in FY20-21 to raise teacher salaries

- Total average increase of 9.1% over the biennium
- Eliminates salary plateau for experienced teachers

Restores master's pay for teachers and instructional support personnel (\$6.8M)

Allows teachers to use personal leave days without paying \$50 for substitute (\$6.5M)

Returns Teacher Salary to a 30 Year Annual Step Schedule





Principal and Assistant Principal Pay

- Provides more than \$10.6M in FY 2019-20 and more than \$20.4M in FY 2020-21 to assistant principal and principal salaries
- Creates a new principal schedule based on principal experience and school size
 - Ties principal compensation to the “A” teacher salary schedule (step 10 + 24%)
 - Adds a supplement for schools with more than 1,800 students
- Maintains bonus program for principals who supervised a school in the top fifty percent (50%) of school growth in the state during the previous school year



State Employees

- Salary & Benefit Increases for all State Employees
 - Provides greater of \$500 or 1.5% in both years of the biennium
 - Fully-funds retirement systems
 - Increase employer-paid health insurance premium by 4%
 - Provides a 2% nonrecurring retiree COLA
- Provides an additional \$500 salary increase for full-time 12-month non-certified public school personnel (e.g., teacher assistants, custodians, bus drivers)



Ensuring Safe and Healthy Schools

- Adds flexible funding for school districts to hire more nurses, counselors, psychologists, social workers, and school resource officers (\$40M)
- Provides one-time funds for building improvements, equipment, communication systems, and training to improve security (\$15M)



Recruiting and Retaining Teachers

- Invests in professional development for teachers and school leaders to improve student outcomes (\$5.325M)
- Expands the Teaching Fellows program (\$4M)
- Funds the cost for teachers to obtain National Board Certification (\$1.9M)
- Creates pilot program to recruit, retain, and support of teachers of color (\$1.8M)
- Provides funding for the North Carolina New Teacher Support Program to assist new teachers at low-performing schools (\$500K)
- Expands the pilot program to create advanced teaching roles and teacher career pathways (\$500K)
- Supports the “Grow Your Own” Teacher Cadet program (\$300K)
- Provides funding to North Carolina Center for Advanced Teaching to serve 1,200 additional teachers (\$500K)



Student Support

- Invests in tools for classroom learning, including \$10M for textbooks and digital resources, \$15M for instructional supplies, and \$4M for ensure all LEAs have access to Statewide Learning Management System
- Provides funds to build out a Regional Support Model across the state to support all LEAs (\$4.7M, 38 new positions)
- Eliminates student co-pay for Child Nutrition reduced-price meals, providing free meals for up to an additional 115,000 students (\$5M)
- Allocates funds to expand opportunities for Academically Gifted students (\$3M)
- Expands support for the NC's three residential schools for the blind and deaf (\$1.5M)
- Supports 2 new Cooperative Innovative High Schools (CIHS) and 7 CIHS moving into 2nd year of operation
- Increases access for students to attend the Governor's School (\$300K)



Agency Infrastructure and Analytics

- Provides \$20M to support DPI's School Business Systems Modernization (ERP) initiative to improve LEA financial and human resource management, efficiency, and reporting
- Provides funding to improve student data and information systems (\$2.85M)
- Improves the utility and efficiency of DPI's online educator licensure system
- Funds a centralized online teacher recruitment tool
- Allocates funds to evaluate the Rowan-Salisbury Renewal School District
- Builds capacity for data-driven analysis and decision-making across State government by providing 2 advanced analytics positions at DPI
- Creates purchasing and auditing positions at DPI to improve service
- Creates a data analytics section, a policy analyst position, and a rules coordinator to assist the State Board of Education



Other Items of Significance

- Makes adjustments for enrollment (Average Daily Membership) and adjusts budgeted average salaries using actual salary data from December 2018
- Includes \$3.9 billion bond package (Invest NC), which includes \$2 billion for K-12 public schools



Post-Secondary Education



- Serves almost 700,000 students enrolled in academic, workforce continuing education, and literacy courses at 58 colleges across the state.
- In 2017-18, graduated more than 47,000 students with a certificate, credential, or associate degree.
- Supports economic development and job creation in every county in the state through the Customized Training Program and Small Business Center Network.



NC Community College System: Budget Overview

NC Community Colleges System (16800)

Year 1 FY 2019-20	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 1,561,623,007	\$ 48,900,426	\$ 6,761,105	\$ 55,661,531	\$ 1,617,284,538	3.6%
Receipts	\$ 393,206,608	\$ (1,983,422)	\$ -	\$ (1,983,422)	\$ 391,223,186	-0.5%
Net Appropriation	\$ 1,168,416,399	\$ 50,883,848	\$ 6,761,105	\$ 57,644,953	\$ 1,226,061,352	4.9%
Positions (FTE)	211.850	2.000	0.000	2.000	213.850	0.9%
Year 2 FY 2020-21	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 1,561,623,007	\$ 124,254,681	\$ -	\$ 124,254,681	\$ 1,685,877,688	8.0%
Receipts	\$ 393,206,608	\$ 33,016,578	\$ -	\$ 33,016,578	\$ 426,223,186	8.4%
Net Appropriation	\$ 1,168,416,399	\$ 91,238,103	\$ -	\$ 91,238,103	\$ 1,259,654,502	7.8%
Positions (FTE)	211.850	2.000	0.000	2.000	213.850	0.9%



- Serves 237,000 students enrolled on 16 university campuses across the state and at the NC School of Science and Mathematics, a residential high school for gifted students.
- Graduates more than 55,000 students from over 200 academic degree programs every year.
- In 2017, brought in more than \$1.5 billion in research grants for innovative research and scholarship across the UNC System



University of North Carolina System: Budget Overview

The University of North Carolina (160xx)

Year 1 FY 2019-20	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 5,044,001,935	\$ 150,190,698	\$ (22,000,299)	\$ 128,190,399	\$ 5,172,192,334	2.5%
Receipts	\$ 1,951,505,950	\$ 40,398,254	\$ -	\$ 40,398,254	\$ 1,991,904,204	2.1%
Net Appropriation	\$ 3,092,495,985	\$ 109,792,444	\$ (22,000,299)	\$ 87,792,145	\$ 3,180,288,130	2.8%
Positions (FTE)	36206.345	2.000	0.000	2.000	36208.345	0.0%
Year 2 FY 2020-21	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 5,054,039,157	\$ 270,715,953	\$ 2,500,000	\$ 273,215,953	\$ 5,327,255,110	5.4%
Receipts	\$ 1,951,505,950	\$ 40,398,254	\$ -	\$ 40,398,254	\$ 1,991,904,204	2.1%
Net Appropriation	\$ 3,102,533,207	\$ 230,317,699	\$ 2,500,000	\$ 232,817,699	\$ 3,335,350,906	7.5%
Positions (FTE)	36206.345	2.000	0.000	2.000	36208.345	0.0%



Key Recommendations for Post-Secondary Education

- Workforce training and development
- Degree and credential attainment and completion
- Data infrastructure and analytics
- Campus-specific investments
- Recommended budget policy
- Other items of significance



Workforce Training and Development

- NC Job Ready Fund
- Creates the NC Grow Scholarship (\$45M over biennium)
 - Provides tuition and fees for curriculum students enrolled in high-demand fields with competitive wages (\$30M Y2)
 - Provides funding for students who enroll in non-credit, short-term workforce training programs that lead to an industry credential (\$5M Y1, \$10M Y2)
- Provides \$1,000 Finish Line Grants to assist students close to graduating but encountering financial emergencies that threaten their ability to remain enrolled (\$15M)



Degree and Credential Attainment and Completion

- Invests \$25 million in the UNC system to improve graduation rates and reduce time-to-degree by providing state funding support for summer enrollments and an additional \$5 million to fund summer scholarships
- Establishes a scholarship program to encourage students to complete an associate degree at a community college before transferring to a UNC institution (\$2.6M)
- Provides funds for short-term workforce training programs (\$11M)
- Expands Need-Based Scholarships for students attending independent colleges and universities (\$5M)



Data Infrastructure and Analytics

- Provides \$15M to begin modernization of Community College system-wide IT/business process infrastructure
- Increases funding for UNC Data Modernization initiative to improve financial reporting and student account management (\$500k)
- Builds capacity for data-driven analysis and decision-making across State government by providing 2 advanced analytics positions for system offices



Campus-Specific Investments

- Funds four Multi-Campus Centers in the Community College System (Forsyth Tech, Guilford Tech, Wake Tech, & Richmond CC) to expand access
- Invests in critical initiatives across the UNC System:
 - NC A&T Doctoral programs (\$1M)
 - NCSU Federal matching funds (\$2M)
 - NCSSM Morganton campus operational funding (\$1.5M)
 - UNCP College of Health Sciences nursing expansion (\$1M)
- Bolsters UNC institutions that have special purpose missions, serve particular populations, or face diseconomies of scale (\$4.5M)



Recommended Budget Policy

- Allows community colleges to earn budget FTE for instruction in local jails
- Expands carryforward authority for UNC from 2.5% to 7.5%, with additional authority limited to facility repairs and renovations
- Increases funds for NC Career Coaches program and adjusts local match requirements based on economic conditions of counties



Other Items of Significance

- Makes adjustments for enrollment in CC and UNC systems over the 2019-21 biennium, including \$34M to shift UNC funding from projections to actuals in Y2.
- Fulfills NC Promise funding requirements by providing \$7M Y1 and \$14M Y2 to support projected growth in the program at UNC-Pembroke, Western Carolina, and Elizabeth City State.
- Begins the gradual elimination of the Opportunity Scholarships program by limiting future scholarships to FY 2018-19 recipients only and reducing funding accordingly

Questions

For additional information and
a complete inventory of all budget recommendations, please refer to:

Investments for a Determined North Carolina
Governor Roy Cooper's Recommended Budget 2019-21

www.osbm.nc.gov/BudgetBook_2019-21