FY 2019-21
Presentation of Governor Roy Cooper’s Recommended Budget for Education

Jennifer Neisner & Brett Altman
Office of State Budget and Management
March 12, 2019

INVESTMENTS for a Determined North Carolina
Making NC a Top 10 Educated State by 2025
• 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)

<table>
<thead>
<tr>
<th>Year 1 FY 2019-20</th>
<th>Recommended Base Budget</th>
<th>Net Recurring</th>
<th>Net Nonrecurring</th>
<th>Recommended Change</th>
<th>Recommended Budget</th>
<th>% ∆ from Base Budget</th>
</tr>
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<tbody>
<tr>
<td>Requirements</td>
<td>$ 11,766,939,802</td>
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<td>$ 88,005,088</td>
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<td>1103.950</td>
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<table>
<thead>
<tr>
<th>Year 2 FY 2020-21</th>
<th>Recommended Base Budget</th>
<th>Net Recurring</th>
<th>Net Nonrecurring</th>
<th>Recommended Change</th>
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<td>4.8%</td>
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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)
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 2\textsuperscript{nd} 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

<table>
<thead>
<tr>
<th></th>
<th>Recommended Base Budget</th>
<th>Net Recurring</th>
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<th>Recommended Change</th>
<th>Recommended Budget</th>
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<td>213.850</td>
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### Year 2

<table>
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<td>2.000</td>
<td>213.850</td>
<td>0.9%</td>
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</table>
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

#### Year 1

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<tr>
<td>Requirements</td>
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<td>40,398,254</td>
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<tr>
<td><strong>Net Appropriation</strong></td>
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<td>36208.345</td>
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#### Year 2

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<td>Receipts</td>
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<td>1,991,904,204</td>
<td>2.1%</td>
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<tr>
<td><strong>Net Appropriation</strong></td>
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<td><strong>3,335,350,906</strong></td>
<td><strong>7.5%</strong></td>
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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