

# House Budget Increases K-12 Funding By \$268 Million

*By Adam Pridemore for NCASA*

The House Appropriations Subcommittee on Education rolled out the House's Education \$8.37 billion budget on Thursday morning which includes over \$268 million in additional K-12 spending. As noted previously by NCASA, lawmakers are working with a \$400 million projected surplus this session which translated to no cuts to the K-12 budget other than cuts which were technical in nature and a \$20 million cut to transportation due to lower fuel costs than previously projected. The following is a summary of highlights in the budget as discussed in the Subcommittee meeting.

## **Budget Expansion Items:**

- **Driver Education Funding – \$26.4 million** in non-recurring funds to restore driver education funding. State support for driver education in future years will be paid for through a new late fee on car license tags that will flow through the Civil Fines and Forfeitures Fund.
- **Textbooks and Digital Resources – \$50 million** in recurring funds for textbooks and digital resources, bringing total funding for this allotment to \$74.3 million.
- **Teacher Assistants – \$88.8 million** in recurring funds for teacher assistants to replace non-recurring funds provided this school year through excess state lottery receipts to keep TA funding stable at \$376.1 million for 2015-16.
- **Distinguished Leadership In Practice – \$300,000** in non-recurring funds to DPI to contract with the N.C. Principals and Assistant Principals' Association (NCPAPA) to continue the Distinguished Leadership in Practice (DLP) leadership development program for practicing school principals.
- **School Connectivity Initiative – \$12 million** in recurring funds to support the School Connectivity Initiative and help leverage up to \$60 million in federal E-rate funds over the biennium for a \$31.9 million total in available funds statewide.
- **Digital Learning Plan – \$9 million** in recurring funds to support the Digital Learning Plan as outlined earlier this session in House Bill 660.
- **NC Elevating Educators Act of 2015 – \$5 million** in recurring funds the first year and \$10 million in the second to allow the State Board of Education to launch a three-year pilot program for up to 10 LEAs to experiment with differentiated pay for teachers in advanced leadership roles, with much of the funding available to cover pay supplements, plan design and technical assistance. NCASA worked with the NC School Boards Association and the Professional Educators of NC to propose this pilot program as a replacement to the original concepts outlined in House Bill 662 and address earlier concerns the organizations and our members had with that legislation.

- **School Safety-Instructional Support Personnel – 1.8 million** in recurring funds for LEAs, regional schools, and charter schools to hire additional school psychologists, school counselors, and school social workers.
- **Advanced Placement/International Baccalaureate Teacher Bonuses – \$3.9 million** in recurring funds for advanced placement and international baccalaureate teacher bonuses of up to \$2,000 based on the number of students who score high levels on either AP or IB exams.
- **Career and Technical Education Teacher Bonuses – \$600,000** in recurring funds for career and technical education teacher bonuses of up to \$2,000 based on the number of their students who receive industry credentials.
- **Regional Education Service Alliances – \$2.4 million** in recurring funds as a direct appropriation to the Regional Education Service Alliances (RESAs) to provide professional development to teachers and other LEA personnel.
- **Microsoft Statewide Agreement – \$2.6 million** in recurring funds for DPI to enter into a statewide cooperative purchasing agreement with Microsoft to make Microsoft Office products available to all students and staff members in North Carolina public schools.
- **Regional Leadership Academies – \$4 million** in non-recurring funds to support the efforts of three Regional Leadership Academies in developing new school administrators.

In addition to these line item funding changes, the House's education budget includes some key special provisions that outline funding directives for K-12 schools as follow:

- **NC Virtual Public School** – Creates an alternative funding formula for NCVPS that LEAs may use in lieu of the existing formula.
- **Competency-Based Learning and Assessments** – Reflects the contents of House Bill 439 that call for a shift in the types of testing administered in public schools.
- **Principal Pay** – Includes a directive that any Assistant Principal who becomes a Principal in the same LEA without a break in service can be paid no less than the previous pay as an Assistant Principal. This corrects a salary schedule problem as requested by NCASA and NCPAPA.
- **Read to Achieve** – Refines the requirements for implementation of Read to Achieve assessments, portfolios and other program components.

While the majority of the House's proposed Education budget is positive, there are two provisions in the budget which are particularly concerning to NCASA.

#### **Concerning Budget Items:**

- **Opportunity Scholarships (private school vouchers) – \$6.8 million** in non-recurring funds for the Opportunity Scholarship program. This brings the total funding to this program, which provides vouchers to eligible students to attend nonpublic schools, to \$17.6 million dollars for the 2015-2016 fiscal year.

- **Charter School Accelerator – \$1 million** in recurring funds to support a pilot program administered by Parents for Educational Freedom in North Carolina intended to accelerate charter school development in rural North Carolina.

While not affecting the K-12 budget, there are budget provisions in the proposed UNC System budget aimed at teacher support, teacher recruitment, and teacher retention programs. Those budget items are as follows:

- **North Carolina New Teacher Support Program – \$1.5 million** in recurring funds to the North Carolina New Teacher Support Program, bringing the total funding for that program to \$2.7 next year.
- **Teacher Recruitment and Retention – \$200,000** in recurring funds establishing a new teacher scholarship loan program intended to recruit teacher for placement in hard-to-staff schools or subjects. This amount increases to \$3 million for the 2016-2017 fiscal year.
- **Principal Preparation – \$500,000** in recurring funds for a competitive grant program for principal development. This amount increases to \$9.5 million for the 2016-2017 fiscal year.
- **Evaluation of Teacher Recruitment and Retention Programs – \$235,000** in non-recurring funds to evaluate six programs within the UNC System that provide teacher education and retention programs.
- **Appalachian State University: Recruit Community College Students Pilot – \$91,000** in non-recurring funds to establish a pilot program at Appalachian State University for the purposes of recruiting and retaining community college student into the College of Education.

The full money report reflecting line item funding as reviewed by the Subcommittee can be found [here](#). A document of all special provisions (funding directives) in the House education budget can be found [here](#). Please note that these documents reflect the proposed budget as presented to the Subcommittee on Thursday morning. The Subcommittee continued its work late into Thursday evening taking up amendments to the proposed budget. The amendments and adjustments will be rolled into the full House budget document which is expected to be released on Sunday evening, or more likely, Monday morning. If necessary, NCASA will send an alert on Friday informing members of any amendments of consequence which are adopted by the Subcommittee on Thursday evening.

The full House Appropriations Committee is expected to discuss and amend the budget in an all-day committee hearing on Tuesday. The budget is expected to then be debated and amended on the House floor with votes on Wednesday and Thursday of next week before being sent to the Senate, which will develop and release its own proposed budget over the next few weeks.

Please watch NCASA's twitter feed, [@NCASAtweets](#), and the [NCASA Legislative Link website](#) as NCASA updates its members on budget happenings, including posted budget documents, throughout next week.