

“An investment in knowledge pays the best interest.” – Benjamin Franklin

K-12 PUBLIC SCHOOL FUNDING

- Total funding: The 2016-17 appropriation is \$8.73 billion for a projected student population of 1,543,518 (\$5,658 per pupil). In 2008-09, the budget was \$8.706 billion or \$5,779 per student and the student population 1,476,566 (that’s 66,952 fewer students will attend the coming year).
- 3rd Grade Reading Teacher Performance Pilot Program: Uses \$10 million to create bonuses for teachers in top 25% of schools statewide and within their LEAs based on the EVAAS student growth index score for reading. Teachers eligible for both bonuses will receive both in the two-year program. Each category has \$5 million to award.
- Advanced Placement/International Baccalaureate Teacher Bonuses: Another two-year program will have \$4.3 million to offer AP/IB teachers \$50 bonuses for students who earn 3 or higher on AP exams, or 4 or higher on IB exams.
- Non-Instructional Support Personnel: Funds these positions entirely with lottery money, for a net appropriation of 0 dollars.
- LEA Central Office Staff: The \$2.5 million reduction in money for school districts’ central office operations – including superintendents, finance officers, and curriculum experts - brings appropriations in this area to levels last seen two decades ago.

TEACHER SALARY

- North Carolina currently ranks 41st in the nation for teacher pay, and 8th out the 12 southern states. This budget raises the average salary for most teachers.
- Raises teacher salary by an average of 4.7%. The teacher salary schedule will restore annual step increases for teachers in years 0-14, at year 15 salary will stay the same for next 10 years.
- Raises average teacher salaries to over \$50,000 in 2016-17 and \$55,000 over the next three years.
- School administrators receive step increase and a 1.5% increase to base salaries.
- Non-certified school personnel receive a 1.5% salary increase.
- School administrators and noncertified personnel will also receive a one-time 0.5% bonus.

ACHIEVEMENT SCHOOL DISTRICT

- House Bill 1080 was passed by both the House and the Senate and was sent to the governor to sign. It will create a charter-managed Achievement School District by taking over 5 of the lowest performing elementary schools from around the state, with no two coming from a single district. This destabilizes five different LEAs that are already stressed by low-performing schools.
- HB 1080 requires school districts that have a school selected for the ASD to either turn the school over to the state for a chosen charter operator to run or close the school. The local school district (not the ASD) will be responsible for the maintenance of the school building, but the charter operator will have the discretion to hire and fire employees. The locally

The Impact of the 2016-2017 State Budget

elected board will have no say in either choosing the charter operator or the operation of the school during the time (at least 5 years) that the school is part of the ASD.

- The bill contains vaguely worded funding requirements that lay the groundwork for friction between LEAs and ASD operators. In addition, there is little accountability in the bill for ASD operators to the State Board of Education.
- A district that has a school selected for the ASD can choose to put 3 of its other low-performing schools into an innovation zone, meaning they can be run with charter-like flexibility by the local authorities. School districts already have the right to apply for this type of flexibility for underperforming schools, and the law includes only an “intent” to offer future grants for districts that can match the state’s \$150,000 for innovation zone programs.

VOUCHERS

- Increases the school tax voucher program (Opportunity Scholarship Program) by 2,000 students and \$10 million per year for the next 10 years, until spending plateaus at \$145 million per year in 2027-2028.
- The budget also allows the program to accept more Kindergarten and 1st grade students than were previously granted scholarships, increasing the number of students who will be eligible for up to 12 years of funding without first trying our public school system.
- No new accountability measures or safeguards were added though there is evidence that the state is paying for religious schools that may demand fidelity pledges and otherwise discriminate against our children.

CHARTER SCHOOLS

- HB 242, Various Charter School Changes, passed over the objections of a national charter school group that criticized the lack of accountability it creates by decreasing the number of reviews required of charters. The bill also takes away the State Board of Education’s ability to close low-performing charters if they meet student growth goals or progress according to a strategic improvement plan.
- House Bill 539, Charter School Funding language was inserted by the Senate into an unrelated House bill and then passed. It was sent back to the House, which did not concur with the changes before adjournment. If they come back to finish certain bills in a special session, this bill could be included; this bill would force local school districts to share more revenue and federal funding with charter schools.
- Virtual charter schools also saw changes: the percentage of their teachers who must live in state decreased from 90% to 80%, and the way students who withdraw are counted under the withdrawal rate cap of 25% was changed, creating four new exceptions. For instance, a student who withdraws for “a family, personal, or medical reason” and who notifies the school would not count as a withdrawal under the cap.

SCHOOL PERFORMANCE GRADES

- The formula for school grades remains the same, 80% student performance (or test scores) and 20% student growth. The House proposed making it a more equitable 50/50 but that

didn't make it into the final budget.

- The 15-point grading scale was set to expire this year but it has been extended and will remain in place for the next three years. The House sought to make it permanent, but for now, the 10-point scale is still on the horizon.

PRE-K FUNDING

- The House and the governor proposed spending \$4 million to add 800 pre-K spots, but in the end, only 260 spots were added at a cost of \$1.3 million.
- There are more than 7,000 children on the state's pre-K waiting list.

CLASS SIZES

- The budget codifies maximum class sizes for the earliest grades. Funded class size ratios are: Kindergarten 1:18; 1st grade 1:16; and 2nd and 3rd grade 1:17.
- The budget removed local districts' flexibility around allocating staff for these grades, with no more students allowed in each grade, regardless of local conditions. Note that this comes on top of decreased funding for teaching assistants overall, with about 7,000 fewer assistants than the state had in 2008.

BUDGET RESOURCES

NC General Assembly – HB 1030

[http://www.ncleg.net/Sessions/2015/Budget/2016/Conference Committee Report 2016-06-27.pdf#page=24](http://www.ncleg.net/Sessions/2015/Budget/2016/Conference%20Committee%20Report%202016-06-27.pdf#page=24)

NC DPI – ADM Report 2015-2016

<http://www.dpi.state.nc.us/fbs/accounting/data/>

Progressive Pulse – Lowlights of the General Assembly's Education Budget Proposals

<http://pulse.ncpolicywatch.org/2016/06/28/lowlights-of-general-assemblys-education-budget-proposals/#sthash.KvrymM4Y.dpuf>

Progressive Pulse – Issues With HB 1080 Set Conditions for Failure of Achievement School District

<http://pulse.ncpolicywatch.org/2016/05/26/issues-with-hb-1080-set-conditions-for-failure-of-achievement-school-district/>

Last modified July 26, 2016