



House Committee Unveils, Approves Amended Education Budget Proposal

NCASA Advocacy Team Reports

The House Committee on Education Appropriations this morning rolled out, and then later today approved, its amended proposal for funding and policy changes affecting K-12 schools, community colleges and universities for the biennium that began July 1. This is the first step in the delayed House budget process, and the chamber's entire state budget proposal is expected to be unveiled Monday, undergo the full Appropriations Committee amendment process on Tuesday, and then face votes on the House floor Wednesday and Thursday.

The House's proposed K-12 budget, which was changed through six amendments in the Education Appropriations Committee today, reflects \$12,685,247,114 in public school funding for FY 2021-21. The full proposal as originally unveiled this morning includes a [Money Report](#) with line item spending changes and proposed [Special Provisions](#) that would make numerous education policy changes. Updated documents reflecting today's amendments will be made public early next week. For a full summary of the just-released House budget information, [register today for the free State Budget Webinar that is being presented by the NCASA Advocacy Team Monday 8/9 at 9 a.m.](#)

Highlights of the House's proposed K-12 funding changes include:

- **ADM and Students with Disabilities Reserve** — Provides \$40 million to establish the COVID ADM and Students with Disabilities Reserve for the FY 2021-22 school year to address enrollment that is higher than anticipated.
- **Children with Disabilities** — Provides \$7,725,690 to support an increase in the funding cap for the children with disabilities allotment from 12.75 percent to 13 percent in FY 2022-23.
- **Elementary and Secondary School Emergency Relief (ESSER) III** — Appropriates \$338,678,036 of the remaining federal ESSER III funds to DPI to address statewide needs related to the COVID-19 pandemic.
- **School Connectivity Initiative** — Provides additional school connectivity funding of \$4.6 million recurring to enhance broadband access in all K-12 schools and increase the per-student support from \$150 to \$167 over five years.
- **IT Subscription Support** — Increases recurring funds to provide \$600,000 annually for supporting costs associated with IT subscriptions.
- **School Business System Modernization** — Provides \$48,748,522 in FY 2021-22 and \$37,850,910 in FY 2022-23 to advance this ongoing systems upgrade to integrate payroll, human resource, licensure and financial reporting in LEAs statewide.
- **School Capital** — Adjusts funding for the Needs-Based Public School Capital Fund to reflect \$253.6 million for available grants in FY 2021-22 and \$138.3 million in FY 2022-23. Also creates a new \$50 million Public School Building Repair and Renovation Fund that will provide \$500,000 annually to each county for school facility improvements.

Highlights of the proposed K-12 policy changes include the following:

Problematic Provisions

- **Revise Operating Balance Restrictions For School Nutrition Programs** (p. 52) — Incorporates language from the House version of [H159: Education Law Changes](#) prohibiting LEAs from charging indirect costs if the a child nutrition program has less than a 3% operating balance and caps those indirect costs at 8%.
- **School Safety/Threat Assessment Teams** (p. 53) — Incorporates provisions from [H657: School Safety/Threat Assessment Teams](#) to require all LEAs to establish these teams.
- **Revise Fast-Track Replication of High-Quality Charter Schools** (p. 61) — Establishes a process and rules for the expedited replication of high-quality charter schools currently operating in the state.
- **Standards of Student Conduct** (p. 62) — Incorporates provisions from [H247: Standards of Student Conduct](#). to require consultation with local law enforcement in establishing discipline policies.

- **Academic Transparency** (p. 84) — Incorporates provisions from [H755: Academic Transparency](#) to require website posting of a synopsis of all instructional material used in the previous year.
- **Modernize Selection of Instructional Materials** (p. 87) — Creates a new process and requirements for the selection, adoption, usage, and storage of instructional materials.
- **Remote Instruction For COVID-19 Emergencies** (p. 100) — Authorizes PSUs to make day-to-day decisions for the 2020-21 school year concerning shifting individual schools or classrooms to temporary remote instruction due to COVID-19 exposures; requires PSUs to report any shift by a school or classroom to temporary remote instruction within 72 hours.
- **Planned Virtual Instruction** (p. 101) — Authorizes PSUs to provide virtual instruction during the 2021-2022 school year to a student with parental consent, if the PSU submits a virtual instruction plan to NCDPI by August 1, 2021; limits student participation in virtual instruction to no more than 15% of the LEA's student enrollment.
- **Virtual Academies Study** (p. 103) — Requires the Superintendent of Public Instruction to establish a Working Group on Virtual Academies that includes stakeholders from PSUs, parents, and the State Board of Education, to make recommendations related to virtual academies.
- **Clarify Definition of Year-Round School** (p. 120) — Clarifies the definition of year-round school to include "a plan providing students be scheduled to attend four quarters of between 43 and 47 instructional days each school calendar year, with vacation periods for students of between 14 and 18 days separating each quarter."
- **Authorization of Virtual Charter Schools/End Pilot** (p. 138) — Ends the virtual charter schools pilot program and makes virtual charters a permanent education option in NC; also provides a 5-year charter to the two current schools that had been in the pilot.
- **Revise Personal Leave Costs For Teachers** (p. 145) — Allows teachers using certain personal leave days to take time off without having to pay \$50 for a substitute teacher; however, does not provide districts with additional funding to cover the new costs of hiring substitute teachers.
- **Compliance With Cursive Writing/Multiplication Tables Requirements** (p. 161) — Creates a new penalty for noncompliance with cursive writing and multiplication tables, in which the State withholds funds to pay the superintendent's salary for the period of time the superintendent is in noncompliance.
- **Require SBE to Grant Qualifying Charter Applicants** (p. 163) — Modifies the process for approving charter school applications to provide applicants with an opportunity to correct defects in charter applications.

Helpful/Neutral Provisions

- **Schools That Lead Program** (p. 20) — Authorizes NCDPI to contract with Schools That Lead, Inc. to provide professional development to teachers and principals in up to 75 schools, beginning with the 2021-2022 school year and ending in the 2025-2026 school year.
- **Flexibility For School Employees To Receive Annual Salary In 12 Monthly Installments** (p. 70).
- **Advanced Teaching Roles Changes** (p. 76) — Extends the ability of LEAs to receive funding for the Advanced Teaching Roles Program to up to two years; clarifies that schools no longer participating in the program do not continue to receive class size flexibility.
- **Low-Performing Schools** (p. 95) — Incorporates language from [S654: K-12 COVID-19 Provisions](#) regarding temporary changes to low-performing school designations.
- **Delay Implementation Of Class Size Requirements For Kindergarten Classes** (p. 119) — Delays implementation of class size requirements for kindergarten classes in the 2021-2022 school year only, if the total kindergarten ADM for the first month of the 2021-22 school year is 5% or more than the total kindergarten ADM for the first month of the 2019-2020 school year for that unit.
- **School Performance Grades/Annual Report Cards** (p. 121) — Incorporates language from S654: K-12 COVID-19 Provisions to waive the required display of school performance grades and annual report cards reflecting 2020-21 data.

- **Program Enhancement Teacher Allotment** (p. 147) — Revises the Program Enhancement Teacher Allotment to include all K-12 program enhancement teachers and sets the funding ratio at 1 teacher per 140 students (currently is 1:191 for K-5 teachers only).

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