



State Legislature Budget Proposals

August 17, 2021

State Budget Proposals

Today

- High level overview of the State Senate & House 2021-2023 Budget proposals
- Focus on compensation proposals
- For information only
- Significant gap between proposals
- Conference Committee work to come

State Budget Proposals

Current Landscape

Raleigh

Delta Variant impact?

Jun 15, 2021

Economists in the Office of State Budget and Management and the General Assembly's Fiscal Research Division released an updated consensus revenue forecast today anticipating an additional \$6.5 billion in state revenues through the next biennium. The revised forecast of \$60.4 billion over the upcoming biennium provides a clear look at actual funding availability as legislative leaders and the Governor negotiate budget investments for the next two years. This forecast does not include funds received from the federal American Rescue Plan.

“These new numbers show unprecedented resources are now available to make transformational investments for our state. Even though the Republican Senate bill giving big tax breaks to corporations and the wealthy is bad policy, we have enough money to pass my entire budget plus all those tax breaks with more money still remaining. We must now negotiate a responsible bipartisan budget that addresses everyone's concerns,” said Governor Cooper.

The revised June consensus forecast anticipates a total of \$60.4 billion for the next biennium, with \$29.7 billion in FY 2021-22 and \$30.7 billion in FY 2022-23. The combined effect of the upward revisions to the February consensus forecast for the current year and the next biennium adds \$6.5 billion to total General Fund availability through FY 2022-23.

State Budget Proposals

Salary Increase – Teachers and Instructional Support

Senate Budget

- Step increase for all + .25% increase to salary schedule
- Range of increase including step: \$130 to \$2,130 / 0.3% to 4.3%
- Average increase including the step, 1.5% (intent is a 1.5% in 2023)

House Budget

- Step increase for all + \$500 added to steps 16 years and above
- Range of increase including step: \$500 to \$5,500 / 1% to 11%
- Average increase of 4% in 2021-22 and average increase of 1.5% in 2022-23
- Reinstates 10% Masters schedule, \$126 for Advanced, \$253 for Doctorate
- Psychologist, SLPs, audiologists, and counselors receive \$100/month supplement

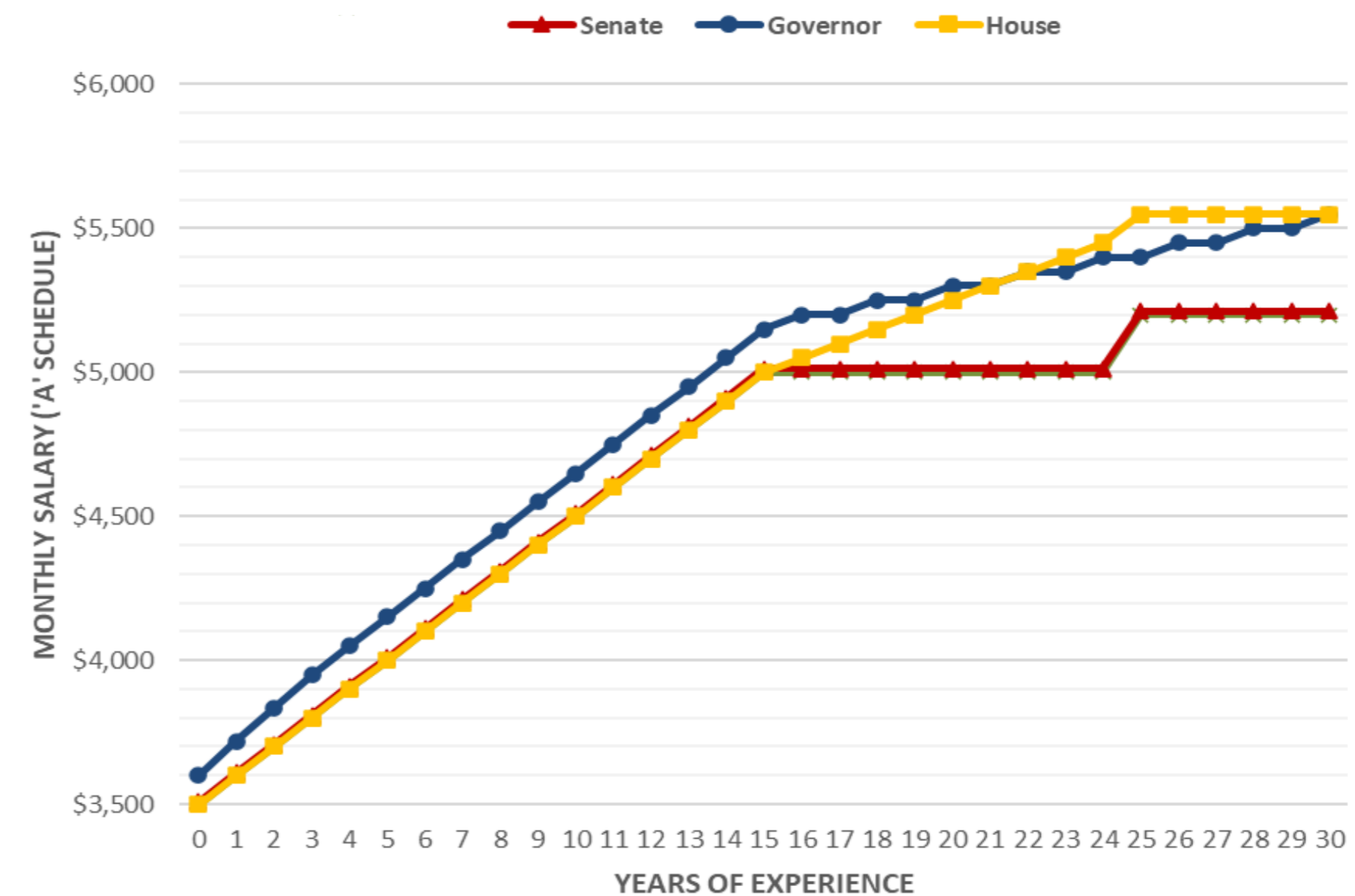
State Budget Proposals

Comparison of Salary Increases - Teachers and Instructional Support

	FY 21-22			FY 22-23 (raises over biennium)		
	Governor	Senate	House	Governor	Senate	House*
Minimum	4.00%	0.25%	1.00%	7.0%	0.5%	
Average	5.8%	1.5%	4.0%	10.0%	3.0%	5.5%
Maximum	8.00%	4.26%	11.00%	12.0%	4.5%	

*The House Budget does not include a FY 22-23 salary schedule so ranges are unknown.

FY 21-22 Salary Schedule Comparison



State Budget Proposals

Bonuses – Teachers and Instructional Support - Senate & House Budget

- \$300 bonus for all State paid teachers and instructional support employed Oct. 1, 2021
- No performance bonuses for grades 3-8 math or reading
- Performance bonuses for AP, IB, AICE and CTE are funded up to \$3,500
- Not subject to retirement

State Budget Proposals

Salary Increase – Principals

Senate Budget

- Average increase 1.5%
- \$1,800 bonus to principals
- No performance bonus

House Budget

- Increases each step of salary schedule by 1% in each year of biennium
- \$1,800 bonus to principals
- No performance bonus

State Budget Proposals

Salary Increase – Assistant Principals

Senate Budget

- Step increase plus schedule increase consistent with the teacher schedule
- Range of increase including step - \$150 to \$1,534/ 0.3% to 4.3%

House Budget

- Change schedule from A Schedule + 19% to A Schedule + 22%

State Budget Proposals

Salary Increase – Non-Certified Staff and Central Office

Senate Budget

- Increase annual salary by greater of 1.5% or amount to get the hourly compensation to \$13 per hour

House Budget

- **Non-Certified** - Increase annual salary by greater of 2.5% or \$13 per hour in 2021-22, and increase annual salary by greater of 2.5% or \$15 per hour in 2022-23
- **Central Office** (includes superintendent, assistant and associate superintendents, directors/coordinators, supervisors, finance officers) - provides a 1% increase each year of biennium for 2% total

State Budget Proposals

Premium Pay Bonus for All Employees

Senate Budget

- \$1,000 bonus for full-time LEA, charter, ISD and regional school employees regardless of funding source
- Provides an additional \$500 bonus to employees with an annual salary of less than \$75,000
- Not subject to retirement

House Budget

- \$500 bonus to all school personnel who were employed 3/10/2020 through 10/01/21
- Increases to \$1,500 for those earning under \$75,000 and principals continuously employed from 3/10/2020 through 10/01/21
- Increases to \$2,000 for principals earning under \$40,000 continuously employed from 3/10/2020 through 10/01/21
- Not subject to retirement

State Budget Proposals

Employer Matching Benefit Rates

Senate				
	Current	21-22	22-23	Increase %
Retirement	21.68%	22.27%	23.02%	6.2%
Health Insurance	\$ 6,326	\$ 7,046	\$ 7,498	18.5%

House				
	Current	21-22	22-23	Increase %
Retirement	21.68%	22.88%	23.51%	8.4%
Health Insurance	\$ 6,326	\$ 7,010	\$ 7,330	15.9%

State Budget Proposals

House Budget – Leave & Health Benefits

Revise Personal Leave Costs for Teachers

- Teachers shall not have a \$50 deduction if they provide a reason for the leave request
- No state funding for local cost

Paid Parental Leave

- Provides up to 8 weeks of paid leave to an employee giving birth to a child and 4 weeks for an employee who becomes a parent to a child

Health Reimbursement Arrangement

- Creates state-funded program to support all employees who will not have state-paid health coverage in retirement (those first employed 1/1/2021 or thereafter)
 - NC Retirement HRA of \$500

State Budget Proposals

Next Steps

- Much more in Senate & House Proposals
- Today just a high-level overview with focus on compensation
- Wait for Conference Committee result
- Legislature's final budget will require Governor's approval



State Legislature Budget Proposal

August 17, 2021