

State Legislature 2021-23 Budget Proposals Update II

Finance / Budget Committee
September 27, 2021

State Budget Proposals

To Cover

- Presented overview of staff compensation proposals @ August Finance Committee
- Today review highlights of the non-compensation items in proposals

State Budget Proposals

ADM Hold Harmless – Senate Budget

- State Board of Education shall not reduce allocations to applicable Public School Units (PSU) due to a discrepancy between actual and anticipated Average Daily Membership (ADM)
- Required report due January 15, 2022. DPI is to provide a report with the amount by each funding allotment that the allocations would have been reduced if there was no hold harmless

State Budget Proposals

Children with Disabilities

Senate Budget

- \$4,549.88 per headcount & 12.75% cap (no change from current year)
- \$40 million non-recurring funds reserved for allocations to PSU which enroll more EC students during the first two months of the school than DPI anticipated with the April headcount. Funding is capped at 12.75% of ADM including any reserve amounts

House Budget

- \$4,549.88 per headcount & 12.75% cap (no change from current year)
- Increase the funding cap from 12.75% to 13% in 2022-23
- \$40 million non-recurring funds reserved for PSU whose ADM, children with disabilities population, or both, exceed their initial predictions during the first two months of the 2021-22 school year

State Budget Proposals

House Budget

Delay the implementation of Class size Requirements for Kindergarten Classes

- If the kindergarten ADM for month 1 2021-22 is 5% more than 1st month 2019-20, the average class size for kindergarten for the LEA shall not exceed 1:20 and the individual kindergarten class shall not exceed 1:23

Program Enhancement Teachers Allotment/K-12

- Adjusts the allotment to include K-12 PET at a ratio of 1:140

Remote Instruction for COVID-19 Emergencies

- PSU may make day to day decisions on remote learning due to COVID resulting in teacher shortage or student quarantines
- The PSU shall report to DPI within 72 hours

State Budget Proposals

Planned Virtual Instruction – House Budget

- Limits total number of students participating in virtual instruction to no more than 15% of total student enrollment
- PSU must have a virtual instruction plan and submit to DPI.
- No PSU shall use virtual instruction to satisfy the minimum required number of instructional days or hours after June 30, 2022, without express authorization from the General Assembly, except for local school administrative units that were assigned a school code to operate a school with virtual instruction as the primary means of instruction as of May 1, 2021.

State Budget Proposals

School Psychologist Allotment – Senate Budget

- New position allocation restricted for school psychologists
- Reduces the instructional support position allotment for the current 362 school psychologist positions and transfers them to the new school psychologist allotment
- New position allotment on a per ADM basis with a minimum of one position per LEA
- No transfer out except for conversions at the beginning step of a school psychologist for contracting
- LEAs required to employ at least one full-time, permanent school psychologist

State Budget Proposals

Exceptional Children Transportation Reserve Fund – Senate and House Budget

- \$3.0 million non-recurring increase – Senate
- \$2.75 million recurring and \$0.25 million non-recurring - House
- DPI may use the special State Reserve Fund to cover extraordinary transportation costs for high needs children with disabilities attending LEAs and charter schools
- Establish the Transportation Reserve Fund for Homeless & Foster Children to provide a grant program to cover these students as defined by McKinney Vento
- No funding included in 2023
- Report required March 15, 2022

State Budget Proposals

Revise Operating Balance Restrictions for School Nutrition – House Budget

- Study the school nutrition program and indirect cost
- No PSU that provides school nutrition services shall assess an unrestricted indirect cost rate to a school nutrition program that is more than 8%

State Budget Proposals

Senate and House Budget

School Connectivity

- Increase of \$4.6 million recurring funds

School Technology Fund

- \$18.0 million funded from Civil, Penalty, and Forfeiture

K-12 Business System Modernization

- \$48.8 million non-recurring for 2021-22
- \$37.9 million non-recurring for 2022-23
- Includes funding for ERP system, licensure and financial transparency

State Budget Proposals

Instructional Support Personnel Report – Senate Budget

- Report due October 15, 2021, on the instructional support positions from all funding in LEAs
- For each of the position categories listed:
 - Full-Time Equivalent (FTE) by program for State and Federal funded
 - FTE locally funded
 - Average salary
 - Contracted FTE

Instructional Support Position	FULL TIME EQUIVALENT			
	STATE	FEDERAL	LOCAL	TOTAL
Alternative & Remedial Svcs	93.99	713.92	55.58	863.49
Audiologists	34.03	1.00	0.23	35.26
Career Technical Education Svcs	-	25.52	43.83	69.35
Full-Time Mentor	-	14.80	17.39	32.19
Guidance Services	3,740.41	79.52	592.00	4,411.93
Instructional Coaches	729.76	83.64	392.12	1,205.52
Instructional Technology Svcs	181.91	20.50	75.23	277.64
Lead Teacher Services	108.14	71.14	70.24	249.52
Media Services	1,725.90	0.42	257.39	1,983.71
Nurses	462.34	16.76	229.50	708.60
Other	353.12	33.67	94.86	481.65
Psychologists	646.79	65.93	66.90	779.62
Social Work Services	912.36	105.08	198.89	1,216.33
Special Population Services	362.46	184.66	32.02	579.14
Speech Language Pathologist	1,548.83	34.59	33.82	1,617.24
Total FTEs	10,900.04	1,451.15	2,160.00	14,511.19

State Budget Proposals

Lottery Funds – House Budget

- Appropriates \$15 million to **Smart Start**, a program that funds a wide range of early childhood needs such as improving access and quality of childcare and providing health and family support services
- Creates a new \$50 million fund for **public school repair and renovations**. Each county would receive an allocation of \$500,000 per year, regardless of size or need

State Budget Proposals

Lottery Funds – House and Senate Budget

- \$157.6 million recurring - Senate
- \$110.3 million recurring - House
- Lottery funding grant program for LEAs for new construction
- Modifies the priority to expand to almost all counties, not just restricted to Tier I counties
- Special provisions differ

State Budget Proposals

Clarify the Definition of Year-Round School – House Budget

CLARIFY THE DEFINITION OF YEAR-ROUND SCHOOL

SECTION 7.59.(a) G.S. 115C-84.2(f)(5) reads as rewritten:

- "(5) Year-round school. – A school with a single- or multi-track instructional calendar to provide instructional days throughout the entire school calendar year, beginning July 1 and ending June 30, by utilizing at least one of the following plans:
- a. A plan dividing students into four groups and requiring each group to be in school for assigned and staggered quarters each school calendar year.
 - b. A plan providing students be scheduled to attend ~~45~~ four quarters of between 43 and 47 instructional days followed by 15 days of vacation, repeated throughout the each school calendar year-year, with vacation periods for students of between 14 and 18 days separating each quarter.
 - c. A plan dividing the school calendar year into five nine-week sessions of classes and requiring each student to attend four assigned and staggered sessions out of the five nine-week sessions to complete the student's instructional year.
 - d. In a local school administrative unit with both single- and multi-track instructional calendars, a plan for a single-track instructional calendar that is identical to at least one track of a multi-track instructional calendar adopted by the local board that meets the requirements of either sub-subdivision a. or sub-subdivision c. of this subdivision."

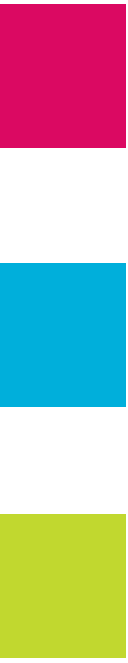
SECTION 7.59.(b) This section is effective the date this act becomes law and applies beginning with the 2021-2022 school year.

State Budget Proposals

Next Steps

- Still no known progress of Legislative Conference Committee Progress
- Prior intimations of mid to late September compromise agreements
- WCPSS will continue to operate under the 2021-22 Interim Budget approved in June
- Proposed 2021-22 Compensation Schedules will follow State Action*

*Compensation changes retroactive to July 1, 2021



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