

## Senate Releases Budget Proposal

The Senate issued its budget proposal, which begins one of the most important stages in the legislative session—approving the biennial state budget. Below is a summary of key education-related provisions of the budget.

*Class-Size Funding* — The Senate budget does not include specific funding to address the class-size reductions that will take place in the school year 2018-2019 but does include the following intent language to review data and use that information to fund positions for the 2018-2019 fiscal year:

“It is the intent of the General Assembly to use the data collected in accordance with the reporting requirements set forth in Section 2 of S.L. 2017-9 to fund a new allotment for kindergarten through fifth grade program enhancement teachers for local school administrative units beginning with the 2018-2019 fiscal year.”

*Teacher Pay*—The Senate budget includes an average pay increase of 3.7 percent.

*Principal and Assistant Principal Pay*—The budget includes \$28M in FY18 and \$33.7M in FY19 for salary increases for principals and assistant principals. For principals, there are higher salaries for those whose schools meet or exceed student growth goals. For assistant principals, their salaries are increased across the board by re-linking their salary schedule to the top tier of the teacher schedule, plus adding a 13% increase on top.

*School Vouchers*—The budget includes \$45M in FY18 and \$55M in FY19 for private school vouchers.

*Teacher Bonuses*—The budget includes \$14.9M in FY19 for third grade reading performance bonuses, AP and IB bonuses, and career and technical education bonuses.

*New Driver Education Funding Mechanism*—The budget lifts the \$65 maximum fee for drivers education, but includes an allocation of \$25M to fund \$275 stipends for a public or private driver education course and exempts low-income families from the fees entirely.

*Governor’s School*—The original proposed Senate budget would have eliminated funding for Governor’s School. The budget was amended in Senate Appropriations this week to still phase out funding for Governor’s School and establish a new summer program for high school students. The new program would be called the Legislative School for Leadership and Public Service.

In what’s known as the “special provisions” of the budget, legislators included several policies that were previously stand-alone bills designed to enhance NC’s pool of teachers. These include:

- The Teaching Fellows Program, which provides forgivable loans to students at five public universities who agree to teach STEM or special education in NC public schools. The budget transfers \$6M in FY19 from the NC Education Endowment Fund to establish the program.
- The “Future Teachers of North Carolina” program, which would encourage high school students to become teachers in North Carolina.
- Expansion of the “Turning TAs into Teachers” program to include 10 additional counties. The program reimburses tuition for teacher assistants who are in college to get a teaching license.
- Supporting “highly qualified teacher graduates,” by paying them at higher experience levels on the teacher salary schedule when meeting certain qualifications.
- Exempting teacher licensure fees for graduates of approved educator preparation programs in NC.

It’s important to remember that the House still needs to craft its budget proposal and then the two chambers will negotiate the differences. For those interested in digging deeper into the Senate budget, here is a link to the [money report](#), which details changes in funding, and here is a link to the [special provisions](#), which are policy changes included in the budget.

Also, for a detailed breakdown of the budget proposal, please see the NC Department of Public Instruction’s line item analysis: [Senate Budget Summary](#) and its [Comparison of the 2016-17 Proposed Budgets](#)