Conference Committee Report  
Session Law 2017-57 (S. B. 257), 2017 Appropriations Act  
Selected Highlights for Education

The FY 2017-19 budgets for the Education agencies, including education funding in Statewide Reserves, include net appropriations of $13.1 billion in 2017-18 and 13.7 billion in 2018-19, which is $500 million (4.0%) and $1.0 billion (8.3%) above each year’s base budget respectively.

The following selected Education highlights may be found in Section F of the 2017 Conference Committee Report (page and item numbers noted); selected special provisions may be found in Parts VII, IX, and X of S.B. 257 (section references are noted):

Department of Public Instruction (DPI)  
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- Increases Textbooks and Digital Materials funding by $11.9 million in 2017-18 only. Total funding for textbooks, not including Indian Gaming Funds, is $66.8 million in FY 2017-18 and $55.5 million in FY 2018-19. (F-10, #19)

- Raises the funding cap for Children with Disabilities from 12.5% to 12.75%, increasing funds for school-age children with disabilities by $6.3 million in each year of the biennium. A school district will receive funds for each child identified with disabilities up to 12.75% of the school district’s Average Daily Membership (ADM). (F-10, #20)

- Provides $29 million over the biennium to support the implementation of Business System Modernization plan at DPI. The plan includes an Enterprise Resource Planning system for integrated payroll and human resources information, an integrated State level licensure system, and reporting of financial information for increased transparency and analytics. (F-13, #34)

- Reduces operating funds for the Department of Public Instruction by 6.2% in FY 2017-18 and 13.9% in FY 2018-19. A separate money item provides funds to conduct a functional and business audit of DPI, and reduces funds to DPI by an additional $1 million in FY 2018-19 in anticipation of audit results. (F-15, #45 & #46)

- Creates and provides funds for several programs to support teacher recruitment and retention, including:
  - An additional $300,000 for the North Carolina Center for the Advancement of Teaching. (F-14, #38)
  - Reimbursement of the licensure fee for first time North Carolina teachers ($245,000). (F-15, #42)
  - Expansion of the Teacher Assistant Tuition Reimbursement program, which provides tuition reimbursement of up to $4,500 annually for 5 teacher assistants
per school district who are pursuing a college degree that will result in teacher licensure ($315,000). (F-18, #58)

- $7.2 million in additional funds in FY 2017-18 to support Advanced Teaching Roles. (F-19, #59)

- Provides over $2.5 million in grants-in-aid to 9 different entities that provide education or enrichment activities to K-12 students. (F-20&21, #63-71)

### Provisions from S.B. 257

- Prohibits school districts from transferring funds out of 4 public school allotments. Beginning in 2017-18, school districts cannot transfer funds out of the Children with Disabilities or Limited English Proficiency allotments. Beginning in 2018-19, school districts cannot transfer funds out of the Academically Gifted Children or the Textbooks and Digital Materials allotment. (Sec. 7.1; Sec. 7.2; Sec. 7.12; Sec. 7.13)

- Provides $700K to the Office of the State Superintendent to hire up to 10 exempt positions. These positions are not subject to approval or disapproval by the State Board of Education. (Sec. 7.10)

- Modifies the criteria for a school to be considered Geographically Isolated to include schools that cannot consolidate due to geographic isolation and are located in an LEA containing more than 150,000 acres of national forest land. Schools considered geographically isolated receive 1 additional teacher position per grade. A related Committee Report item provides funds for newly qualifying schools. (Sec. 7.19)

- Modifies supplemental funding for Cooperative and Innovative High Schools (CIHS). Beginning in FY 2017-18, all CIHSs approved for operation will receive funds through the CIHS allotment including CIHSs that previously have not received supplemental funds. Funds received will vary by the economic development tier the CIHS is located in, with Tier 1 CIHSs receiving $275,000, Tier 2 and 3 CIHSs receiving $200,000, and virtual CIHSs receiving $200,000 regardless of tier. Tier 3 CIHSs will receive $175,000 beginning in FY 2018-19. (Sec. 7.22)

- Creates the Joint Legislative Task Force on Education Finance Reform consisting of 18 legislators (9 from each body). The Task Force is charged with studying various weighted student formula funding models and develop a new funding model for the elementary and secondary public schools of North Carolina. (Sec.7.23D)

- Career and Technical Education (CTE):
  - CTE Competitive Grant Program: Creates a new competitive grant to expand CTE coursework to the Sixth and Seventh grades for school districts receiving funds. The grant is funded with $700K on a recurring basis, and $3.5 million nonrecurring funds in FY 2017-18. (Sec. 7.23F)
  - North Carolina Education and Workforce Innovation Commission: Transfers the Commission, and its funding, from the Governor’s Office to DPI. In addition to its existing activities, the Commission will also be responsible for selecting recipients of the CTE competitive grants. (Sec. 7.23G)
Future Ready Students: Establishes business advisory councils that will assist school districts in providing CTE instruction, identify economic and workforce development trends in the region, and advocate for strong local CTE programs. The Conference Committee Report includes 2 positions at DPI to support these councils. (Sec. 7.23H)

- Creates a Competitive Grant Program to fund extended learning and integrated student support service programs for at-risk students. This program is funded by using $6 million of the $293 million appropriated in each year of the biennium for the At-Risk Student Services Alternative School Allotment. (Sec. 7.24)

North Carolina Community College System
Conference Committee Report
- Provides $1.1 million in the first year and $1.8 million in the second year for expansion of the NC Works Career Coaches program, which places career coaches employed by local community colleges with partnering high schools. (F-31, #84)
- Provides $2.5 million in FY 2018-19 to assist colleges with start-up costs for high-cost workforce training programs leading to employment in higher-paying and in-demand fields. (F-32, #85)
- Provides for the transfer of the Apprenticeship Program from the Department of Commerce to the NC Community College System. The program coordinates with employers to train and employ apprentices in order to mitigate skills gaps and meet critical workforce and labor market needs. (F-32, #87)

University of North Carolina
Conference Committee Report
- Creates and provides funds for several programs to support teachers, including:
  - New Teacher Support Program: Provides an additional $1 million for this program which provides training and one-on-one coaching to new teachers across the State. (Page F-41, #101)
  - Future Teachers of North Carolina program: Provides $278,500 to establish the Future Teacher of NC program, which will provide professional development for high school teachers who teach courses that encourage students to consider teaching as a profession. (Page F-41, #102)
  - Teaching Fellows: Provides $6 million in FY 2018-19 to establish a competitive forgivable loan program for students interested in entering teaching in STEM fields. Students may receive up to $8,250 per year. (Page F-45, #120)
- Provides $10 million over the biennium for data analytics, which supports a variety of data collection, modernization and integration projects. (Page F-41, #99)
• Western School of Medicine-Asheville: Provides $3.6 million recurring and $4.3 million nonrecurring in FY 2017-18 and $7.6 million recurring in FY 2018-19 to support a joint program between UNC School of Medicine, other UNC system universities, and the Mountain Area Health Education Center. (Page F-43, #111)

Provisions from S.B. 257

• Directs that enrollment adjustment funding for UNC shall be held in a reserve and distributed to campuses subject to verification of actual enrollment. (Sec. 10.10)

• Allows senior citizens to audit courses at the University of North Carolina or North Carolina Community Colleges for free, provided that they have permission from the instructor and there is space available in the course. (Sec. 10.12)

• Establishes the Teaching Fellows program, a competitive forgivable loan program that will provide students interested in entering teaching in STEM or special education fields with up to $8,250 per year. The loans may be used for tuition, fees, and the cost of books. Loans made to Teaching Fellows may be forgiven if the recipient, for each year of loans received, serves either one year in a North Carolina public school identified as low-performing or two years in a North Carolina public school that is not identified as low-performing. (Sec. 10A.3)

• Establishes the Personal Education Savings Account (ESA) Program for children with disabilities. Eligible students will receive up to $9,000 for use by the student’s parents on expenses such as: tuition and fees at a nonpublic school; textbooks; tutoring; fees for exams; educational therapies; educational technology and transportation. Eligible students with certain severe disabilities may combine an ESA award with the existing Children with Disabilities Scholarship of up to $8,000. (Sec. 10A.4)