

Highlights of the Education Budget

The Conference Budget for Education in FY 2021-22 includes net appropriations of \$15.4 billion, which is \$1.0 billion above the base budget, a 7% increase. FY 2022-23 includes net appropriations of \$15.9 billion, which is \$1.5 billion above the base budget, a 10% increase. These comparisons do not include salary and benefits adjustments. In addition to net General Fund appropriations, the Conference Budget allocates \$392.5 million from the State Fiscal Recovery Fund and \$338.7 million from the Elementary and Secondary Schools Emergency Relief Fund for Education. The highlights of the Education adjustments follow below.

Community College System

Committee Report Items

- **(Page B9, Item 13)** Allocates Fiscal Recovery Funds to **stabilize budgets** for community colleges that experienced enrollment declines due to the COVID-19 pandemic (\$80 million NR in FY 2021-22).
- **(Page B9, Item 14)** Allocates Fiscal Recovery Funds to **improve broadband access** for 25 rural community colleges (\$15 million NR in FY 2021-22).
- **(Page B10, Item 15)** Allocates Fiscal Recovery Funds to **expand apprenticeship opportunities** in high-demand fields at small businesses (\$12 million NR in FY 2021-22).
- **(Page B10, Item 18)** Adjusts enrollment funding for **the decrease in community college enrollment** (-\$9.5 million R).
- **(Page B11, Item 20)** Provides funds for **nine positions to mitigate cyberattacks** and to develop a technical assistance plan (\$1.5 million R and \$750,000 NR in FY 2021-22).
- **(Pages B13 and B18, Items 30 and 50)** Provides funds for the completion and operation of the **community colleges' system-wide Enterprise Resource Planning (ERP) system** (\$28.5 million NR and \$3.5 million R in FY 2021-22).
- **(Page B14, Item 33)** Provides grants for new programs in **high-demand career fields** that require significant start-up funds (\$5.2 million NR in FY 2021-22).
- **(Pages B14 and B15, Items 37 and 38)** Funds a study and implementation of recommendations to **increase the economic impact** of the State's community colleges (\$750,000 NR and \$2 million NR in FY 2021-22 and FY 2022-23, respectively).
- **(Page B16, Item 46)** Funds financial assistance for resident students enrolled in **workforce training programs** (\$2 million NR and \$1 million R in each year of the biennium).
- **(Page B16, Item 47)** Provides funds to expand the **Community College Need-Based Assistance Program** by 7.5 percent (\$1.2 million R).
- **(Page B16, Item 48)** Provides funds for **Community College Need-Based Assistance awards** to transition to forward funding (\$17.2 million NR in FY 2021-22).

Special Provisions

- **(Sec. 6.3)** Adds a reporting requirement regarding the cost of State support for **high-school students enrolled in the Career & College Promise program.**

Public Instruction

Committee Report Items

- **(Pages B28 and B29, Items 73 and 74)** Provides funding to fund the increase in the **average salary of various public school positions and the average daily membership (ADM) adjustments** (\$65.6 million R).
- **(Page B29, Items 75 and 76)** Provides NR reserves for **students with disabilities (\$25 million) and the ADM contingency reserve (\$10 million)** due to fluctuations in student enrollment related to the COVID-19 pandemic (\$35 million NR in FY 2021-22).
- **(Page B29, Item 80)** Creates a new allotment for **School Psychologists and provides \$9 million to hire 115** additional school psychologist positions (\$40.9 million R).
- **(Page B30, Item 81)** Provides funding to **raise the cap on the children with disabilities allotment** from 12.75 percent of ADM to 13 percent of ADM and increases the per-student amount (\$13.1 million R).
- **(Page B30, Item 84)** Provides funds for a **Charter School Transportation Grant Program** (\$2.4 million R).
- **(Page B31, Item 89)** Provides funding for **School Safety Grants** for: Safety Equipment, Students in Crisis, and Safety Training (\$9.7 million NR in each year of the biennium).
- **(Page B31, Item 91)** Provides funding to carry out the activities of S.L. 2021-8, **the Excellent Public Schools Act of 2021** (\$6.5 million NR in FY 2021-22 and \$5.5 million NR in FY 2022-23).
- **(Page B33, Item 104)** Provides funding for the statewide educational response to the COVID-19 pandemic as part of the **Elementary and Secondary School Emergency Relief (ESSER) III program** (\$338.7 million NR in FY 2021-22).
- **(Page B33, Item 107)** Provides additional funds for **school connectivity**, matching an increase in federal funds (\$4.6 million R).
- **(Page B37, Item 127)** Provides funds for the **School Business System Modernization project**, which includes an ERP for increased efficiency in payroll, human resources, and expenditure tracking (\$48.8 million NR in FY 2021-22 and \$37.9 million NR in FY 2022-23).
- **(Page B38, Item 129)** Creates the **Public School Building R&R fund** to provide each county with funds for repairs and renovations of K-12 facilities. (\$30 million R in FY 2021-22 and \$50 million R in FY 2022-23).

Special Provisions

- **(Sec. 7.12)** Authorizes the use of the **Special State Reserve Fund to cover extraordinary transportation** costs for high-needs children with disabilities and establishes a reserve to cover extraordinary transportation costs for homeless and foster children.
- **(Sec. 7.13) Transitions from the Innovative School District model** by eliminating the designation of new schools and setting parameters for the transfer of Southside-Ashpole Elementary School back to Robeson County Schools.
- **(Sec. 7.23) Holds ADM harmless** for the FY 2021-22 school year. DPI will not reduce funding for any public school unit whose actual ADM is lower than anticipated.
- **(Sec. 7.30)** Directs the Center for Safer Schools to establish a **training center for school safety**.
- **(Sec. 7.67) Eliminates the required payroll substitute deduction** for teachers who provide a reason for taking personal leave on days other than teacher workdays.

University of North Carolina (UNC)

Committee Report Items

- **(Page B48, Item 145)** Allocates Fiscal Recovery Funds to Project Kitty Hawk to **establish a public-private partnership for digital learning courses** (\$97 million NR in FY 2021-22).
- **(Page B48, Item 147)** Provides funding for **enrollment growth** at the constituent institutions of the University of North Carolina (\$67 million R).
- **(Page B48, Item 148)** Provides funding for the **operation and maintenance of newly completed building** projects at UNC institutions (\$26 million R, and \$2.8 million NR in FY 2021-22).
- **(Page B48, Items 149 and 150)** Provides funding to **the NC Promise Tuition Plan** (\$15.0 million R in FY 2021-22 and \$20.0 million R in FY 2022-23) and additional funds to **include Fayetteville State University** in the program beginning the FY 2022-23 academic year (\$11.5 million R in FY 2022-23).
- **(Page B50, Item 157)** Allocates Fiscal Recovery Funds to the State Education Assistance Authority for **need-based grants** to high school graduates who attend community college (\$25.5 million NR in FY 2021-22).
- **(Page B50, Item 159)** Provides additional funding to The University of North Carolina **Need-Based Financial Aid Program** (\$6.3 million R).
- **(Page B51, Item 163)** Provides funding for a **four-year tuition grant** for students graduating from the North Carolina School of Science and Mathematics or the UNC School of the Arts High School Academic Program who enroll at a UNC institution (\$1.75 million R in FY 2021-22 and \$3.5 million R in FY 2022-23).
- **(Page B53, Item 171)** Allocates Fiscal Recovery Funds to North Carolina private colleges and universities to **mitigate the impact of the COVID-19 pandemic** (\$51 million NR in FY 2021-22).

- **(Page B53, Items 172 and 173)** Allocates Fiscal Recovery Funds for **need-based scholarships** for certain disabled veterans and their family members (\$13 million NR in FY 2021-22).
- **(Pages B53 and B54, Items 174 and 175)** Provides additional funding for **the Opportunity Scholarship Program** (\$19 million NR in FY 2021-22 and \$30 million R in FY 2022-23).
- **(Page B54, Items 176 and 177)** Provides additional funding for **Personal Education Savings Accounts** (\$3 million R in FY 2021-22 and \$9.7 million R in FY 2022-23) and for **the Special Education Scholarship for Children with Disabilities** (\$2 million R in FY 2021-22 and \$6 million R in FY 2022-23).
- **(Page B56, Items 184 and 186)** Allocates Fiscal Recovery Funds for **research related to the COVID-19 pandemic** (\$48 million NR in FY 2021-22).
- **(Page B56, Item 187)** Provides funding to the North Carolina Policy Collaboratory to implement the **requirements of the 2021 Water Safety Act** (\$14.2 million NR and \$100,000 R in FY 2021-22).
- **(Pages B60, B64, and B69, Items 197, 206, and 216)** Provides funding for the Engineering North Carolina's Future initiative to **support the engineering colleges at NC State University, UNC Charlotte, and NC A&T University** (\$20 million NR in FY 2021-22 and \$15 million NR in FY 2022-23).
- **(Page B65, Item 208)** Provides funding to **UNC Asheville** to improve **student enrollment and outcomes** (\$5 million R)
- **(Page B69, Item 214)** Provides additional funding for **NC A&T's Doctoral Programs** (\$5.5 million R in FY 2021-22 and \$7.5 million R in FY 2022-23).
- **(Page B78, Item 229)** Provides additional funding for **the North Carolina School of Science and Math–Morganton campus** (\$2.6 million R and \$1.3 million NR in FY 2021-22, and \$6.4 million R and \$350,000 NR in FY 2022-23).

Special Provisions

- **(Sec. 8.7)** Allows UNC constituent institutions to consider those **who receive full athletic scholarships as residents** for all purposes, including tuition, beginning in the FY 2021-22 academic year.
- **(Sec. 8.10)** Outlines the requirements of the North Carolina Policy Collaboratory **under the 2021 Water Safety Act** related to the study and management of harmful water-based chemicals.
- **(Sec. 8.15)** Makes modifications to **the carryforward authority** for UNC constituent institutions.
- **(Sec. 8A.2)** **Combines the three scholarships for public higher education** into one new North Carolina Need-Based Scholarship Program for Public Colleges and Universities, which will be a forward-funded scholarship program.
- **(Sec. 8A.3)** Makes **modifications to Opportunity Scholarship Program** including changes to the award value and income eligibility.
- **(Sec. 8A.3)** **Combines the Special Education Scholarship for Children with Disabilities and Personal Education Savings Accounts** into one new program in FY 2022-23.