

Governor Roy Cooper revealed his [state budget proposal](#) on Wednesday, which would provide over \$2.4 billion for public education over the next two years. The budget specifically devotes \$485 million to teacher and administrator compensation, \$200 million to expand equitable resources per the state’s ongoing *Leandro* case, and more than \$78 million in early education and child development, among other key investments. State Budget Director Charles Perusse called the Governor’s proposal “the first pitch in a nine inning ballgame” during a [presentation](#) to the Joint House and Senate Appropriations Committee earlier today. Please see below for more information on key education pieces of the Governor’s budget proposal, which may or may not be included in Republican-led Senate and House budget proposals in the weeks ahead:

Leandro — Fully funds the first two years of the [Leandro Plan](#) submitted recently to the court, with the exception of funding the increase in Program Enhancement Teachers, which is already built into the base budget as expansion for 2021-22 in the final year of the PET/class size reduction phase-in.

- Increases funding for supporting at-risk students by adding \$105 million recurring in 2021-22 and increasing to \$200 million recurring in 2022-23, with additional support in the following allotments: Disadvantaged Student Supplemental Funding; Children with Disabilities (including eliminating the funding cap in 2021-22); and Limited English Proficiency and Low Wealth Schools Supplemental Funding).

School Personnel Raises, Bonuses and Allotment Increases — Allocates ~\$532.5 million in FY 2021-22 and \$760.8 million in FY 2022-23 on public school personnel pay increases and bonuses.

- **Teachers & Assistant Principals** — Invests \$268.9 million in FY 2021-22 and \$439.3 million in FY 2022-23 to increase teacher pay by more than 10% over the biennium to all teachers, instructional support, and assistant principals. Access recommended monthly teacher salary schedules [HERE](#).
 - Restores Master’s pay and eliminates the requirement that teachers pay for their own substitutes when they take leave;
 - Invests \$8 million in FY 2021-22 and \$13.1 million in FY 2022-23 to increase pay for assistant principals, whose salaries are tied to the teacher salary schedule.
 - Adds \$52 million for initiatives focus on increased recruiting, retaining, and supporting school personnel, including allocations to the Principal Fellows, Teaching Fellows, New Teacher Support, covering fees for up to 1,000 seeking National Board of Professional Teaching Standards certification, efforts to increase teacher workforce diversity as recommended by the DRIVE Task Force, Teacher Cadet, and other programs.
 - Reinstates the Professional Development allotment, with \$10 million recurring in 2021-22 and \$20 million recurring in 2022-23.
- **School Personnel Bonuses** – Provides teachers, principals, and all public school personnel a one-time bonus of \$2,000 this year in May, and additional one-time bonuses of \$1,000 bonuses in each year of the biennium, for a total of \$4,000.
- **Principals** — Increases the principal salary schedule by more than 10% by investing \$12.5 million in FY 2021-22 and \$25.6 million in FY 2022-23 for principals; holds principals harmless to

reductions in average daily membership and changes in school growth for the biennium. Maintains the structure of the principal salary schedule but raises each step of their schedule by 5% in 2021-22 and another 5% in 2022-23; holds principals harmless to ADM from the 2019-20 year (if the school was open then) or to 2020-21 if opened this year. Also holds them harmless due to the lack of school performance grades and growth scores if they are not issued for 2020-21. Access recommended principal salary schedules [HERE](#).

- **Central Office & Non-Certified Personnel** — Provides a 7.5% increase over the biennium for all central office and noncertified personnel by investing \$75.6 million in FY 2021-22 for a 5% raise and \$115.3 million in FY 2022-23 for a 2.5% raise.
 - Sets a \$15/hour minimum for noncertified pay this year and includes recurring funds to assist LEAs with meeting this new pay level for noncertified employees paid through any funding source – local, state, or federal.
 - Adds \$20 million recurring to the Teacher Assistant allotment in 2021-22 and increases that by \$10 million the following year for \$30 million recurring in 2022-23.
- **School Psychologists & Other Mental Health Personnel** — Provides a recurring \$5,000 supplement in the instructional support allotment to make school psychologist pay more competitive with surrounding states and recommended national staff/student ratios. Also adds \$40 million recurring to the Instructional support allotment in 2021-22 for LEAs to add additional nurses, psychologists, social workers and counselors and boosts that by an additional \$40 million recurring for 2022-23 for an \$80 million total increase.

Active & Retired Employee Benefits

- Provides 5 days of special annual leave for active employees.
- Provides retirees with recurring 2% COLA increase and additional 2% bonus for each year of the biennium — these would be the largest adjustments for state retirees in over a decade.
- Provides \$109 million in recurring funds to continue to fully fund the state’s retirement systems.
- Provides \$64.5 million in FY 2021-22 and \$131.5 million in FY 2022-23 to support the state health plan for active employees, and \$33.8 million in FY 2021-22 and \$68.9 million in FY 2022-23 to support retiree medical expenses.
- Provides \$150 million nonrecurring to lower the state’s liability related to post-employment benefits.

PreK Expansion

- Increases NC Pre-K reimbursement rates and slots using lottery proceeds so more children can attend Pre-K;
- Invests over \$45 million in the Child Care WAGE\$ program and a new Birth-K pay equity program; Provides \$20 million to Smart Start early childhood initiative.
- Dedicates over \$10 million to individualized early intervention services.
- Improves wages for early childhood education providers and direct care workers.

School Capital & Bond Referendum

- Proposes a hybrid funding approach, utilizing the state’s on-hand cash for smaller projects costing less than \$15 million, and bonds for larger projects exceeding \$15 million.
- Proposes a \$4.7 billion statewide bond referendum in fall 2021 that includes \$2.5 billion for K-12 schools. The funding formula for K-12 would include \$1 billion as a base allocated to all LEAs,

\$1.125 billion allocated on an ADM basis, and \$375 million allocated to LEAs classified as Low-Wealth Schools.

School Choice — Proposes halting the scheduled annual increases in Opportunity Scholarships (private school vouchers) and retaining support for those at current-year levels, while also adding accountability measures for private schools educating students with these funds. Those schools would become subject to state EOG and EOC testing requirements if they have 25 or more students enrolled through Opportunity Scholarship funding and would be required to report test results to the state.

Regional Support Model — Provides \$19 million to build out the Department of Public Instruction’s regional support model to support local school systems.

Free & Reduced Lunch — Provides \$3.9 million to continue providing free meals to roughly 98,000 students statewide who qualify for reduced-price meals.

School Business System Modernization — Provides \$30 million in FY 2021-22 and \$15 million in FY 2022-23 to continue transitioning local education agencies and the state to a modern, more stable and secure Enterprise Resource Planning (ERP) system for integrated payroll and human resources information, an integrated licensure system, Charter School Data Management System, and reporting of financial information for increased transparency and analytics.

###