1. Salaries and Benefits
No salary increases for certified or non-certified personnel.
5 Days leave (that expires at June 30, 2014) for persons on contract July 1, 2013.

35.15 Retirement Rate 2013-14 14.69%

Health
July 1, 2013 $5,285
July 1, 2014 $5,435

8.22 Phase out Certain Teachers Supplements
Beginning July 1, 2014, no teacher or instructional support will be paid on the Master Schedule, or receive advanced pay or Phd unless they were paid on the Masters schedule before July 1, 2014.
Does not apply to instructional support positions which require a master’s degree for licensure.
(Media coordinator, guidance counselors, speech language pathologists, psychologists, audiologists, certified nurses

Excellent Public Schools Act-Merit Pay Section 9.6(h)
Senate Only
$500 in annual pay increase in FY 2014-15 for teachers to opt in to a 4 year contract per Section 9.6(h). $10,200,000 for 2014-15

2. LEA Adjustment Eliminated

<table>
<thead>
<tr>
<th></th>
<th>Dollars</th>
<th>Approx Positions</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEA adjustment</td>
<td>$376,124,279</td>
<td></td>
</tr>
<tr>
<td><strong>Reductions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Classroom teachers</td>
<td>(286,433,312)</td>
<td>5,200 Classroom Teachers</td>
</tr>
<tr>
<td>Instructional Supt</td>
<td>(16,990,590)</td>
<td>270 Instructional Support</td>
</tr>
<tr>
<td>Materials</td>
<td>(6,919,008)</td>
<td></td>
</tr>
<tr>
<td>Appropriation</td>
<td>65,781,369</td>
<td></td>
</tr>
</tbody>
</table>

**a. Classroom teachers ratios**
Reduce $286,433,312 by changing the ratios.

<table>
<thead>
<tr>
<th></th>
<th>2012-13</th>
<th>2013-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>K</td>
<td>1:18</td>
<td>1:19</td>
</tr>
<tr>
<td>1-3</td>
<td>1:17</td>
<td>1:18</td>
</tr>
<tr>
<td>4-6</td>
<td>1:22</td>
<td>1:24</td>
</tr>
<tr>
<td>7-8</td>
<td>1:21</td>
<td>1:23</td>
</tr>
<tr>
<td>9</td>
<td>1:24.5</td>
<td>1:26.5</td>
</tr>
<tr>
<td>10-12</td>
<td>1:26.64</td>
<td>1:29</td>
</tr>
</tbody>
</table>

Note: 2014-15 changes Grade 2-3 ratio to 1:17  Grade 1 remains at ratio 1:18
Summary of Special Provisions

Updated July 29, 2013

Technical Corrections –
No daily load maximums
No maximums in Grades 4-12

Kindergarten
LEA maximum 1:21 Class maximum 1:24

Grades 1-3
LEA maximum 1:21 Class maximum 1:24

b. Instructional Support Personnel
Reduce $16,990,590
Approximately 270 positions or 5% reduction

c. Instructional Materials
Per Continuation Budget $89,111,629
2012 non recurring cut (38,417,147) (1)
Addl Reduction (6,919,008)
2013-14 appropriation $43,775,474

(1) Amount that was cut in the 2012-13 budget as a non recurring cut. This amount was not restored in the Budget.

3. Teacher Assistants
Reduction $110,000,000 R and $10,000,000 NR
Allocation based on K-3 ADM
Reduction to Dollar allocated per ADM approx. 21%
Approximately 3,850 positions

4. Limited English Proficiency
($6,000,000)
($3,000,000) due to a declining enrollment
($3,000,000) cut to the program

5. Transportation Budget: Driver Education
($1,709,142)
Increase the optional driver education fee from $45 to $55 per participating student.
Adjustments due to decrease in 9th grade

6. Textbooks
Per Continuation Budget $100,106,166
2012 non recurring cut (76,500,000) (1)
Addl Reduction ($0)
2013-14 appropriation $ 23,606,166

(1) Amount that was cut in the 2012-13 budget as a non recurring cut. This amount was not restored in the Budget

Division of School Business
NC Department of Public Instruction

July 29, 2013
7. 6.1 Lottery Funds for Digital Learning
$11,928,735

Used to support grants to LEAs to deliver professional development on instructional technology and acquiring digital learning content. $1m may be used by DPI for support of digital learning.

8. 8.14 LEA Budgetary Flexibility
LEAs may transfer funds between categories, the following applies:
1a) EC and CTE transfers are limited by federal regulations and SBE policy
3) No funds shall be transferred into central office allotment.
5a) Classroom teachers may be converted to international exchange teachers at the statewide average salary average.
5b) Classroom teachers and instructional support may be converted at the A-00 step
5c) Principals may be converted at the first step of PIII. Assistant principals at AP00
10) Funds to carry out the Excellent Public Schools Act shall not be transferred.

LEAs shall publish on their website by October 15 of each year in plain English,
• A description of each PRC and a summary of the prior year’s expenditure of state funds by PRC
• A description of each object code within a PRC and a summary of prior year’s expenditure of state funds by object code
• A description of each allotment transfer that increased or decreased the initial allotment amount by more than 5% and the educational priorities that necessitated the transfer.

8. Other Allotments

8.1 Funds for Children with Disabilities – dollars per child $3,743.48, cap 12.5%
8.2 Funds for Academically Gifted—$1,223.01 for maximum of 4%
8.3 Low Wealth
Counties that have an Armed Forces base and have an ADM greater than 23,000 are held at the 2012-13 funding level. Affects Cumberland and Onslow counties only
Technical Corrections removes:
Change in non supplant language from “95% of the average local current expense appropriation…”
to “95% of the average local expenditures…”

[$15,526,391 reduced from Low wealth Supplemental Funding budget, does not affect the allotments to the individual LEAs]

8.4 Small County
No additional counties included. Reduction in other allotments will affect Small Co allotment.
Technical Corrections removes:
Change in non supplant language from “95% of the average local current expense appropriation…”
to “95% of the average local expenditures…”

[$949,694 reduced from Small County budget, does not affect the allotments to the individual LEAs]
8.9 NC Virtual Public Schools

Repeals the funding formula for NCVPS
Replaces with “SBE shall calculate no later than Feb 28, the actual instructional cost for each LEA and charter based on actual NCVPS enrollment as of that date.”

8.11 Bus Replacement

A bus is eligible for replacement of school buses at 250,000 miles or upon 20 years of service.
- A bus with less than 150,000 is not eligible for replacement, regardless of age
- A bus with less than 15 years is not eligible for replacement until 300,000 miles
- SBE has authority to replace up to 30 buses annually due to safety concerns
- A LEA shall receive $2,000 for each bus that is eligible for replacement but keeps operating until the bus is 23 years. Funds may be used for any school purpose.

[reduction $29,823,055]

Money Report - $690,000 for 2 school bus stop arm cameras for all LEAs. Recurring funding

8.27 Broaden Successful Participation in Advanced Courses

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-14</td>
<td>$1,500,000</td>
<td>to be used by the NC Advanced Placement Partnership (and 2014-15)</td>
</tr>
<tr>
<td>2014-15</td>
<td>$12,331,184</td>
<td>to be used for testing fees</td>
</tr>
</tbody>
</table>

Advanced course includes Advanced Placement (AP) or International Baccalaureate Diploma Programme (IB) courses
- students are exempt from paying exam fees (starting 2014-15)
- LEAs shall provide information to students and parents on the value of these courses
- LEAs shall ensure that all students have access to these courses in lang arts, math, science and social studies
- SBE shall seek a partner to assist in providing professional development and implementation consulting
- Additional reporting requirement of the SBE to Joint Education Oversight Committee on student participation and teacher bonuses.
- Students completing Algebra I shall have the opportunity to take the PSAT at no cost to the student.

8.28 Increase Successful Career and Technical Education Participation

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-14</td>
<td>$1,252,157</td>
<td>to be used for certification fees</td>
</tr>
<tr>
<td>2014-15</td>
<td>$1,302,243</td>
<td>to be used for certification fees</td>
</tr>
</tbody>
</table>

- Students shall be exempt from paying fees for one administration of examinations leading to industry certifications and credentials.
- LEAs shall consult with local industry employers and workforce development boards to identify industry needs.
- Reporting requirement for the SBE to the Joint Legislative Education Oversight Committee.
8.29 Opportunity Scholarships
Reduces 2014-15 ADM adjustment ($11,797,941) for anticipated reduction in LEA ADM due to private school enrollment.

Provides $4,200 for eligible students to attend a non public school
Reduces LEA allotments for the number of students previously enrolled in the LEA/charter school in the prior semester who are now a recipient of an opportunity scholarship. Amount of reduction is equal to average per pupil allocation

Reporting requirement

8.35 School Counselors
Defines the duties of a school counselor, limits their duties to direct student and support. School Counselors shall spend 80% of their work time providing direct student services (this does not include coordination of standardized testing). Remainder of their work time shall be spent on school counseling program support (does not include testing). They may assist in standardized testing.

9. EXCELLENT PUBLIC SCHOOLS
$5,000,000 R $13,578,841 NR

8.30 Repeal requirement that schools provide reading workshops for parents of students who have been retained

8.16 Excellent Public Schools Act
Funds appropriated for summer reading camps shall not revert at the end of the fiscal year.

9.1 State Employee Literacy Volunteer Leave Time
5 hours per month for employees to volunteer in a literacy program in a public school.

9.2 Maximize Instructional Time
No more than 2 days per year to take practice tests that do not have the primary purpose of assessing current student learning.
Restrictions on field tests.
Final exams shall be in the last 10 days if year long and last 5 days if semester long.

9.3 Teacher Licensure and Fees
Changes fees
Changes some CEU and minimum test scores
Reporting requirement

9.4 School Performance Grade
Outlines grading system for schools A-F
[appropriates $300,000 for EVAAS]

9.5 Pay for Excellence
On hold until a robust evaluation instrument and process accurately assesses and evaluates the effectiveness of a teachers.
9.6 Teacher Contracts
Changes to tenure.

SCHOOL SAFETY Sections 8.36 to 8.45

8.36 Grants for School Resource Officers in elementary and middle schools
$9,000,000 appropriated for section 8.36 and 8.37 combined
Match $2 state fund :$1 from local funds

8.37 Panic Alarm Systems
LEAs shall adopt emergency response plans relating to incidents of violence in coordination with local law enforcement agencies. Charters and Regional Schools are encouraged to do this (per Section 8.43)

Grants for panic alarm systems
Match $1 state fund :$1 from local funds
Effective July 1, 2015 every public school shall have a panic alarm system that connects to the nearest law enforcement in the LEA emergency response plan.

8.38 School Safety Exercises at least twice a year
Each LEA is encouraged to hold a full systemwide school safety lockdown exercise with local law enforcement.

8.39 Schematic Diagrams of school Facilities
LEAs shall provide schematic diagrams to the law enforcement
Charters and Regional Schools are encouraged to do this (per Section 8.43)

8.40 Anonymous Tip Line
Each LEA is encouraged to operate an anonymous tip line to receive information on risks to the schools

8.41 School Safety Component of School Improvement Plans
School Improvement team meetings are subject to the open meeting requirements and public records, except the school safety component.
School improvement plan, except school safety component is public record.
Names of members of the school improvement team shall be posted on the website.

8.42 School Crisis Kits
DPI may adopt policies on the placement of school crisis kits and the contents of these kits. The principal may place one or more crisis kits at appropriate locations in the school.

8.43 School Safety for Charter Schools and Regional Schools
Charter schools and regional schools are encouraged to adopt an emergency plan relating to incidents of violence and to provide schematic diagrams and keys to the main entrance of the school to local law enforcement.
8.44 Emergency and Crisis Training,
Dept of Public Safety, NC Center for Safeer Schools, Dept of Justice and Dept of Public Instruction is encouraged to develop together a school emergency and crisis training modules for school employees.

8.45 Volunteer School Safety Resource Officer Program
Provides details on the qualifications and use of volunteer school safety resource officers.

10. Other
8.10 Review NCCAT
General Assembly to review NCCAT to determine if the funding should be continued, reduced or eliminated in future years.

*Changes the $3,219,222 recurring reduction to non recurring (one year)*

Teaching Fellows
Continues phase out that began in 2011
($3,095,000) R $1,300,000) NR

8.21 Teach For America
Current state support is $900,000.

Increase by $5,100,000 to establish a TFA program in the Triad region, grow in the southeastern region, targeted subject specific recruitment and the assumption of management responsibilities for the NC Teacher Corps beginning 2014-15.

8.17 Communities in Schools Learning Initiative
Students enrolled in the Harvard University Reads for Summer Learning Initiative shall be exempt from mandatory retention.

8.18 Instructional Improvement System
Optional portion of Home Base be receipt supported. SBE shall establish a cost of no more than $4 per ADM for the optional portion. Shortages may be made up with DPI funds.

8.19 Study of GPA and class rank calculations
Joint Legislative Oversight Committee to study SBE policy on weighted GPA and class rank.

8.31 Task Force to Study Teacher and School Administrator Effectiveness and Compensation
$62,000
Task force of 18 members (9 appointed by House, 9 appointed by Senate)
Make recommendations on whether to create a statewide model of incentives to encourage the recruitment and retention of highly effective educators and consider the transition to an alternative compensation system for educators
8.34 Education and Workforce Innovation Program (Tech Corrections moved from DPI to Office of Governor)
NC Education and Workforce Innovation Commission created.
Foster innovation in education that will lead to more students graduating career and college ready
Fund appropriated will be used to award grants to schools, LEAs and regional partnerships.
Matching requirement – 25% match of local funds and 25% match of private funds
Reporting requirement

8.48 Study Virtual Charter Schools
SBE shall study and determine needed modifications for authorization and oversight of virtual
charter schools. Draft due to JLEOC February 1, 2014.

8.49 Pilot to Raise High School Dropout Age from 16 to 18
Hickory City Schools and Newton-Conover City Schools pilot. No appropriation.

5.4 Indian Gaming Education Revenue Fund
There is appropriated from the Indian Gaming Education Revenue Fund to the Department of Public
Instruction, School Technology Fund, $3,000,000 for the 2013-2014 fiscal year $3,500,000 for the

5.3 Civil Penalty and Forfeiture Fund
(a) Appropriations are made from the Civil Penalty and Forfeiture Fund for the fiscal biennium
ending June 30, 2015, as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>School Technology Fund</td>
<td>$18,000,000</td>
<td>$18,000,000</td>
</tr>
<tr>
<td>State Public School Fund</td>
<td>$163,392,921</td>
<td>$120,362,790</td>
</tr>
<tr>
<td>Total Receipts(^{(1)})</td>
<td>$181,392,921</td>
<td>$138,362,790</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Total receipts that support the State Public School Fund in lieu of General Fund appropriation.

6.11 e) Education Lottery Fund
Classroom Teachers $220,643,188\(^{(1)}\)
Digital Learning 11,928,735\(^{(2)}\)

\(^{(1)}\) Support the State Public School Fund in lieu of General Fund appropriation.
\(^{(2)}\) Funds to support grants to LEAs for
- Delivering prof dev focused on using digital and ther instructional technologies to provide high
  quality, integrated digital teaching and learning to all student
- Acquiring quality digital content to enhance instruction
- $1m may be used by DPI to develop a plan to transition from funding textbooks to funding digital
  materials. And provide digital resources.