



PUBLIC EDUCATION: NORTH CAROLINA'S BEST INVESTMENT

2022 Legislative Summary

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SUMMARY OF FY 2022-2023 APPROPRIATIONS ACT

HB 103 (S.L. 2022-74)

MONEY REPORT

K-12 PUBLIC EDUCATION	FY 2022-2023 Certified		FY 2022-2023 Adjustments	
Base Budget	\$10,016,320,410			
Reserve for Salaries & Benefits				
<p>Teachers Salary Schedule:</p> <p>4.2% average increase in 2022-2023 (compared to 2021-2022), including step increases (certified avg. was 2.5%)</p> <ul style="list-style-type: none"> • The range of raises for teachers with 0-5 years of experience is 7.2% - 6.1% • Teachers with 15 or more years of experience will not get more than a 2.7% raise, except for teachers in their 25th year who get a 6.6% raise • Increases base teacher salary schedule by increasing monthly starting teacher pay to \$3,700 (from \$3,546 in 2021-2022) 	\$166,504,825	R	\$108,870,326	R
<p>Teacher Supplement Assistance Allotment:</p> <p>Increases funding and maximum award per State-funded teacher from \$4,250 to \$5,000.</p> <p>Salary supplements for teachers and instructional support personnel based on a county's tax base, median household income, and effective tax rate.</p>	\$100,000,000	R	\$70,000,000	R
<p>Compensation Increase Reserve – Principals:</p> <p>4% increase in 2022-2023 (1.5% in addition to certified 2.5%) to each level of the principal salary schedule.</p>	\$13,395,390	R	\$4,162,730	R

<p>Compensation Increase Reserve – Assistant Principals:</p> <p>Increases pay consistent with changes to the teacher salary schedule plus 19%.</p>	\$4,531,189	R	\$2,646,636	R
<p>Compensation Increase Reserve – Noncertified Personnel:</p> <p>Funds the greater of 4% or \$15/hr (1.5% in addition to certified 2.5%).</p>	\$43,700,000	R	\$21,818,207	R
<p>Noncertified Personnel – Minimum Wage:</p> <p>Funds \$15/hr minimum wage.</p>	\$123,000,000	R		
<p>Compensation Increase Reserve – Central Office:</p> <p>4% across-the-board increase (1.5% in addition to certified 2.5%).</p>	\$6,101,150	R	\$1,867,848	R
<p>Compensation Increase Reserve – Department of Public Instruction (DPI):</p> <ul style="list-style-type: none"> • 3.5% increase for most employees (1% in addition to certified 2.5%) • 4.5% increase for employees paid on an experience-based salary schedule or has a salary set in law (2% in addition to certified 2.5%) 	\$3,094,597	R	\$733,736	R
<p>Labor Market Adjustment Salary Reserve – DPI:</p> <p>Funds shall be used by agencies to address specific staffing issues by providing targeted salary increases to recruit and retain capable labor.</p>			\$600,338	R
<p>School psychologists, speech pathologists, audiologists: \$3,500 annual salary supplement.</p>	\$11,100,000	R		
<p>School counselors: \$1,000 annual salary supplement.</p>	\$4,500,000	R		
<p>Low wealth/small county LEAs Recruitment Bonus:</p> <p>Up to \$1,000 with a 1:1 local funds match to recruit teachers and instructional support personnel.</p>	\$4,300,000	R		
<p>Increases salary supplements for licensed personnel in residential schools.</p>	\$305,000	R		

State Retirement Contributions – School District Personnel: Increases contributions to the Teachers' and State Employees' Retirement Systems (TSERS) due to an additional one-time cost-of-living supplement of 4% (1% in addition to certified 3%).	\$84,883,805 \$65,215,603	R NR	20,894,735	NR
Increases the TSERS contribution for DPI employees (same reason as above).	\$559,070 \$412,647	R NR	141,159	NR
Continues health benefit coverage for school district personnel supported by the General Fund.	\$167,176,842	R		
Continues health benefit coverage for DPI employees supported by the General Fund.	\$774,022	R		
Allocates funds from the Unfunded Liability Solvency Reserve (ULSR) to pay additional contributions to the TSERS and the Retiree Health Benefit Fund for school district personnel.	\$21,893,073 (from ULSR)	NR		
Allocates funds from the ULSR to pay additional contributions to the TSERS and the Retiree Health Benefit Fund for DPI employees.	\$141,986 (from ULSR)	NR		
Technical Adjustments				
Average Salary Adjustment: Provides funding to reflect an increase in the average salary of various public-school positions based on salary data from December 2021. This adjustment does not reduce any salary paid to personnel, nor does it reduce the number of guaranteed State-funded positions.	\$62,076,002	R	(32,376,999)	R

<p>ADM Adjustments:</p> <p>Adjusts funding for an allotted average daily membership (ADM) of 1,548,485 students in FY 2022-2023. This revision includes adjustments to multiple position, dollar, and categorical allotments, including an increased number of students in grades K-3 and 8-12.</p>	\$3,568,493	R	7,265,125	R
<p>Non- ADM Adjustments:</p> <p>Adjusts the budgeted amounts for certain funds based on changes in costs not directly tied to ADM, such as changes in testing costs, student transportation, and school bus replacement.</p>			(6,390,173)	R
<p>Special Population Headcount Adjustments:</p> <p>Adjusts funding budgeted for the Exceptional Children preschool and school-age allotments, as well as the Limited English Proficient allotment to reflect actual student headcount.</p>			62,361,074	R
State Public School Fund (SPSF)				
<p>Reduces General Fund appropriation by the amount of additional sales and use tax receipts transferred by the Department of Revenue for the LEAs loss of the State sales tax refund in 2005. (S.L. 2005-276).</p>	(\$31,608,823)	R		
<p>Reduces General Fund budget to reflect the additional one-time receipts from the Civil Penalty and Forfeiture Fund to the SPSF.</p>			(39,800,000)	NR
<p>Reduces funding for the Instructional Support Allotment to reflect the transfer of 362 school psychologist positions to a new School Psychologist Allotment. The revised total requirements for this allotment, including ADM adjustments, are \$545 million in each year of the biennium.</p>	(\$31,010,969)	R		

Reflects the transfer of 362 school psychologist positions from the Instructional Support Allotment to the new School Psychologist Allotment and provides funding sufficient to hire an additional 115 school psychologist positions.	\$40,862,520	R		
Increases the funding cap for children with disabilities allotment from 12.75% to 13%, as well as provide additional per-student funding.	\$13,175,727	R		
Career and Technical Education (CTE) Test Fees: Defrays student fees for exams leading to industry certifications and credentials. Revised net appropriation is \$15.8 million in FY 2022-2023.	\$6,500,000	R	8,000,000	R
Funding for the new Transportation Reserve Fund for Homeless and Foster Children, to support the extraordinary transportation costs of qualifying students.	\$2,824,616	R		
Establishes a Charter School Transportation Grant Program.	\$2,353,847	R		
Classroom materials/instructional supplies/equipment allotment.	\$1,900,000	R		
Certified: Provides recurring funding to eight Cooperative Innovative High Schools (CIHSs) (S.L. 2020-64, Section 4A(b)). Adjusted: Supplemental funding for three new CIHSs: Cabarrus Early College of Health Sciences, EDGE Academy of Health Sciences, and Wake Early College of Information and Biotechnologies. Revised net appropriation is \$29.2 million in FY 2022-2023	\$1,880,000	R	730,000	R
Supports consolidating the smallest two tiers of the Small County School System Supplemental Funding Allotment.	\$110,000	R		
Transportation Fuel Reserve: Supports increased school transportation fuel costs. Distributed by DPI based on need.			32,000,000	NR

School Safety Grants: Competitive grant program to support students in crisis, school safety training, and school safety equipment. Revised net appropriation is \$41.7 million in FY 2022-2023.	(See below for School Safety Grants under DPI)	NR	32,000,000	NR
At Risk Funding allotment: Reflects the actual average salaries of school resource officers (SROs) provided for each funded high school. Revised net appropriation, including technical adjustments is \$337.7 million.			26,068,720	R
SROs: SRO grant program (G.S. 115C-105.60). Revised net appropriation is \$33 million in FY 2022-2023.			15,000,000	R
Master of School Administration (MSA) Intern Stipend: Covers stipends for interns in MSA programs currently funded out of the School Building Administration allotment. Total funds available for intern program is estimated to be \$11.3 million in FY 2022-2023.			6,236,038	R
AP & IB Test Fees: Covers test fees for enrolled students who take exams for those classes. Revised net appropriation is \$21 million in FY 2022-2023.			5,068,816	R
Reduced-Price Lunch Copays: Offsets copays for students eligible for reduced-price lunches in schools participating in the National School Lunch Program.			3,900,000	NR
Driver Training Fuel Reserve: Supports increased fuel costs in the driver training program, includes third party providers contracted by LEAs. Distributed by DPI based on need.			2,800,000	NR
Driver Training: Budgets additional receipts from Civil Penalty & Forfeiture Fund. This is in addition to receipts generated by the late registration fee (G.S. 20-88.03). Total receipts budgeted are \$30.2 million in FY 2022-2023.			\$2,800,000 (from the Civil Penalty and Forfeiture Fund)	R

Department of Public Instruction (DPI)				
Eliminates an increase included in the base budget for Information Technology (IT) Subscription Support. Base budget increases for this purpose are not allowed by the State Budget Act (G.S. 143C-1.1(d)(1c)).	(\$934,011)	R		
School Safety Grants: Competitive grant program to support students in crisis, school safety training, and school safety equipment.	9,695,000	NR	(See above for School Safety Grants under SPSF)	
Funds for DPI to develop and implement statewide cybersecurity protection for K-12 schools.	\$7,000,000	NR		
Funds for DPI to carry out Early Grade Literacy activities (S.L. 2021-8, the Excellent Public Schools Act of 2021).	\$5,500,000	NR		
Computer Science Initiative at DPI to support five regional computer science consultants and provide training in computer science for K-12 teachers across the State.	\$750,000	R		
Center for Safer Schools to create and operate a new training facility for school safety in conjunction with the Department of Public Safety.	\$1,700,000	R		
Certified: Funds the net increase in Department of Information Technology (DIT) subscription rates based on the FY 2021-2022 approved rate. Adjusted: Adjusts funding based on the FY 2022-2023 approved DIT rates. Reflects the net impact of the changes in subscription rates and service delivery rates.	\$876,883	R	(943,240)	
Supports costs associated with IT subscriptions.	\$593,597	R		
Funds for DPI to acquire curriculum content and implement professional development addressing the Holocaust and genocide.	\$400,000	NR		

Two full-time equivalent (FTE) positions for additional regional military counselors in Cumberland and Onslow counties and one FTE for a State-level consultant to support districts outside military communities.	\$350,000	R		
Three additional positions in DPI's Financial and Business Services Division: a Budget Analyst II, a Teacher Allotment Consultant, and a Finance and Business Compliance Analyst II, and associated operating costs.	\$330,000	R		
Cloud-based data platform for charter schools that is used to collect and monitor academic, financial, and operational data.	\$250,000	R		
Two additional Auditor II positions and associated operating costs at DPI.	\$190,190	R		
Provides additional funding for the Transportation Information Management System that coordinates school bus routing.	\$50,000	R		
Nine Regional Literacy Coach FTEs and 115 Early Learning Specialists (one per LEA).			14,000,000 600,000	R NR
Office of Charter Schools: Two additional Education Program Consultant II positions and associated operating costs.			260,000	R
Standards & Curriculum Positions: Two new Education Program Consultant II positions and associated operating costs.			260,000	R
Reserves and Transfers				
Reduces recurring funding for the TAs (teacher assistants) to Teachers program and increases nonrecurring funding by the same amount. The program provides tuition expenses for TAs enrolled in coursework to earn a teaching license.	(\$575,000) \$575,000	R NR		

Eliminates funding for the unused Innovation Zone grant program, which gave public school units (PSUs) the opportunity to form regional innovation zones.	(\$450,552)	R		
School Connectivity Initiative, which brings broadband connectivity to all K-12 public school buildings in the State. New funds will match the federal increase from \$150 to \$167 per student over five years.	\$4,600,000	R		
Funds for DPI to contract with the NC Association of School Business Officers to provide ongoing technical and strategic assistance regarding maximizing the benefit of PSUs' fiscal resources.	\$2,225,000	R		
Advanced Teaching Roles Program, as established in G.S. 115C-311.	\$2,040,000	R		
Recruitment and retention of DPI staff.	\$1,400,000	R		
Certified: Funds adoption of the TeachNC online platform (recruits teacher candidates and teachers), and an Education Program Consultant I position, and associated operating costs to administer TeachNC. Adjusted: Makes funding recurring. Revised net appropriation remains \$980,000 in FY 2022-2023.	\$100,000 \$880,000	R NR	980,000	R
Supports the Career and College Ready Graduate Program, which introduces college developmental mathematics and developmental reading and English content as well as remediation opportunities during high school.	\$546,500	R		
Grants to schools for feminine hygiene products for students.			250,000	R
Pass-Through Grants				
Apseed Early Childhood Education, Inc.			2,500,000	NR
Gaston County Schools for Hunter Huss High School.			1,767,000	NR

Alamance-Burlington School System.			938,000	NR
Gaston County Schools for South Point High School.			732,400	NR
MyFutureNC, Inc. to study the creation of an interconnected, real-time data system to facilitate communication and transition of students between public schools, community colleges, and universities.			500,000	NR
Muddy Sneakers to support experiential learning programs that aim to improve the scientific aptitude of fifth graders through supplemental, hands-on field instruction of the State science standards.			250,000	NR
New Light Intergenerational Outreach and Enrichment Center.			250,000	NR
Mt. Calvary Leadership Development Corporation, Inc. for its Center for Leadership Development.	\$250,000	NR		
Communities in Schools of Cape Fear to expand their services.	\$70,000	NR		
Gaston County Schools for the Highland School of Technology.			200,000	NR
National Student Clearinghouse Data: Funds for DPI to enter into an agreement with the Belk Center for Community College Leadership and Research at North Carolina State University (NCSU) to purchase attainment data from the National Student Clearinghouse and share it annually with DPI and myFutureNC.			160,000	R
Nash Public County School system for Southern Nash High School.			110,000	NR
Partners for Bertie County Public Schools.			100,000	NR
Alamance-Burlington School system for education to prevent human trafficking.			25,000	NR

Total Legislative Changes to Base	910,598,160		351,649,182	
Revised K-12 Education Budget	10,926,918,570		11,278,567,752	

Other K-12 Related Spending	FY 2022-2023 Certified		FY 2022-2023 Adjustments	
Information Technology (IT)				
The School Business System Modernization Plan, as directed by S.L. 2016-94 and S.L. 2017-57. 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.	\$37,850,910 (from IT Reserve)	NR		
Budgets receipts from the State Capital and Infrastructure Fund (SCIF) to expand wireless broadband availability in rural areas through the Growing Rural Economies with Access to Technology (GREAT) grant program.			5,000,000 (From SCIF Receipts)	R
State Textbook Fund				
Budgets the reduced transfer from the SPSF, as reflected in the ADM adjustment, to support the State Textbook Fund.	(\$66,438)	R	(186,921)	R
School Bus Replacement Fund				
Budgets the reduced transfer from the SPSF, as reflected in the ADM adjustment, to support school bus replacement.	(\$20,378,086)	R	(2,821,809)	R

Enrollment Reserve				
Reserves funds for enrollment changes in FY 2022-2023 at the UNC System and the Community College System, as well as for changes in allotted ADM in the public schools.	\$64,646,670	R		
Community Colleges				
Establishes Career Academies for At-Risk Students, a two-year pilot program between Cape Fear Community College, New Hanover County Schools, and Pender County Schools to expose students in seventh through ninth grades from underperforming schools and underserved populations to career training opportunities. The funds provide for summer programming and four two-year time-limited career liaison positions.	\$583,500	NR		
UNC System				
UNC Lab Schools for support services at the nine schools that will operate in FY 2022-2023. Revised net appropriation is \$4.5 million.	\$1,000,000	R	1,500,000	
North Carolina Principal Fellows Program to increase the number of school administrator candidates supported by the program.	\$1,500,000	R		
Two additional Agricultural Education Coordinators at NCSU Agriculture Research. They will assist with program planning and instructional delivery of agriculture curriculum, coordinate professional development and teacher in-services, and conduct technical assistance visits to programs.	\$244,330	R		
Provides additional funds to the Opportunity Scholarship Grant Fund Reserve. Funds appropriated to the Reserve in a given fiscal year are used to award scholarship grants in the subsequent fiscal year. The revised net appropriation to the			56,000,000	R

Opportunity Scholarship Grant Reserve in FY 2022-2023 is \$150.8 million, up from \$94.8 million.				
Provides additional funds to the Opportunity Scholarship Program to be awarded in the year appropriated and not added to the Reserve.	\$30,000,000	R		
Provides additional funds to the Personal Education Savings Accounts (ESAs), which will be consolidated into the Personal Education Student Accounts for Children with Disabilities (PESA) Program in FY 2022-2023. Revised net appropriation is \$47.9 million in FY 2022-2023.	\$9,650,000	R	16,300,000	R
Provides additional funds to the Special Education Scholarship for Children with Disabilities, which will be consolidated into the PESA Program in FY 2022-2023.	\$5,950,000	R		
Consolidates the Special Education Scholarship for Children with Disabilities and Personal Education Savings Accounts and establishes the North Carolina PESA Program.	\$16,043,166	R		
Eliminates funds for the Special Education Scholarship for Children with Disabilities and for Personal Education Savings Accounts and instead consolidates these funds into the newly established PESA Program.	(\$16,043,166)	R		
Department of Health and Human Services				
Budgets additional requirements and receipts to support the authorization for charter schools to certify public expenditures. Like other public schools, charter schools will pay the non-federal share of Medicaid costs.	\$9,596,000 (from Medicaid)	R		
Increases NC Pre-K reimbursement rates by 5% over the planned FY 2022-2023 rates. Includes public schools and Head Start providers. Childcare centers will receive an even higher rate.			9,000,000	R

Provides a directed grant to Mt. Olive Family Medicine Center, Inc. a nonprofit in Wayne County, to support its Concussion Clinic and provide concussion education, baseline testing, and post-concussion assessment and care to schools and adolescent athletes in eastern North Carolina.	\$100,000	NR		
Lieutenant Governor				
Provides funds for an education advisor position and operating costs.	\$120,000	R		
Department of Public Safety				
Provides funding to implement mobile panic alarm capability in all public K-12 and charter schools.	\$220,000	R		
Two non-sworn mental health professionals to assist the State Bureau of Investigation with increasing number of case referrals from School Resource Officers and local law enforcement “to assess persons exhibiting concerning behaviors.”			205,000	R
State Budget and Management – Special Appropriations				
Harnett County Public School System – directed grant for the Advanced Career Pathways program.			250,000	NR
Capital – Lottery				
Reflects an increase in projected lottery receipts and the anticipated statutory transfer of excess prior-year lottery receipts into the Needs-Based Public School Capital Fund, along with a budgeted transfer of \$100 million from the Public School Needs-Based Capital Reserve. The total funds available for Needs-Based Capital Grants in FY 2022-2023 is approximately \$431.3 million. Funds are awarded to counties for	\$78,252,612 (from Lottery)	R	55,000,000	R
			123,000,000	NR
			100,000,000	NR

new school construction, additions, repairs, and renovations.				
Creates a new Public School Building R&R Fund to provide an annual allocation to counties for repairs and renovations of K-12 educational facilities. Each county will receive an annual allocation of \$300,000 in FY 2021-2022 and \$500,000 in FY 2022-2023.	\$50,000,000 (from Lottery)	R		
Capital				
Haywood County Schools for capital improvements to athletic facilities at Bethel Middle School.			150,000	NR
Lincoln County Schools for capital improvements or equipment at East Lincoln High School, West Lincoln High School, and Lincolnton High School athletic facilities.			3,250,000	NR
Provides funding to DPI for the Northeastern Regional School of BioTeach and Agriscience for capital improvements or equipment.			500,000	NR
Wilkes County Schools for capital improvements to athletic facilities at Wilkes Central High School.			3,945,000	NR
Yadkin County Schools for capital improvements or equipment at athletic facilities			500,000	NR

BUDGET SPECIAL PROVISIONS

***ALL SPECIAL PROVISIONS ARE EFFECTIVE JULY 1, 2022, UNLESS
OTHERWISE NOTED***

PART II – CURRENT OPERATIONS AND EXPANSION/GENERAL FUND

Section 2.2 General Fund Availability

Establishes the Public School Needs-Based Capital Reserve. Requires the State Controller to reserve \$100 million in nonrecurring funds for the 2022-2023 fiscal year from the General Fund to transfer to the Department of Public Instruction (DPI) the funds needed to implement the Public School Needs-Based Capital Fund, in accordance with Section 4.2.

PART IV – LOTTERY/NEEDS-BASED CHANGES

Section 4.2 Lottery/Needs-Based Changes

	FY 2018-2019	FY 2021-2022	FY 2022-2023
Noninstructional Support Personnel	\$385,914,455 (51.9%)	\$385,914,455 (48.1%)	\$385,914,455 (43.6%)
NC Pre-K	\$78,252,110 (10.5%)	\$78,252,110 (9.8%)	\$78,252,110 (8.8%)
Public School Building Capital Fund	\$100,000,000 (13.4%)	\$100,000,000 (12.5%)	\$100,000,000 (11.3%)
Needs-Based Public School Capital Fund	\$117,320,354 (15.8%)	\$145,252,612 (18.1%) <u>plus surplus of \$230 million</u>	\$208,252,612 (23.5%) <u>was \$153,252,612</u>
Public School Repair & Renovation	-	\$30,000,000 (3.7%)	\$50,000,000 (5.7%)
Scholarships for Needy Students	\$30,450,000 (4.1%)	\$30,450,000 (3.8%)	-
UNC Need-Based Financial Aid	\$10,744,733 (1.4%)	\$10,744,733 (1.3%)	-
Scholarship Reserve for Public Colleges and Universities	-	-	\$41,194,733 (4.7%)
LEA Transportation	\$21,386,090 (2.9%)	\$21,386,090 (2.7%)	\$21,386,090 (2.4%)
TOTAL	\$744,067,742	\$802,000,000	\$885,000,000 <u>was \$830,000,000</u>

Amends: Section 4.3 of S.L. 2021-180

Needs-Based Public School Capital Fund

Lists the anticipated funding available for the Needs-Based Public School Capital Fund for the 2022-2023 fiscal year as follows:

Education Lottery Fund Allocation	\$208,252,612
Surplus FY 2021-2022 Education Lottery Receipts	\$123,000,000
Funding from Needs-Based Capital Reserve	\$100,000,000
TOTAL	\$431,252,612

Amends: Section 4.3 of S.L. 2021-180

Adds the following to statute, regarding DPI's project review and grant of maximum awards to counties applying for and receiving Needs-Based Public School Capital funds:

- States that a grant application that proposes to consolidate two or more schools by (i) making additions or renovations at one or more school facilities and (ii) closing one or more existing school facilities may be submitted and considered by DPI as a single project.
- Requires each application for a grant under this Article to be evaluated independent of other grant applications submitted.
- Clarifies that a county may not apply for projects that exceed an aggregate amount greater than the maximum award amounts listed in subsection (c) of this section in any single year.
 - Subsection (c) establishes the following maximum award amounts:
 - Up to \$30 million for an elementary school
 - Up to \$40 million for a middle school or a combination of an elementary and middle school
 - Up to \$50 million for a high school
- States that a county may include in a grant application a minimum grant amount that would enable the project to proceed.
- Prohibits DPI from awarding a grant applicant less than the requested amount or less than the maximum grant amounts listed in subsection (c) of this section for the purpose of reserving the amount of grant funds available for other grant applications.

Amends: G.S. 115C-546.11

Requires DPI to include in its annual report to the chairs of the Senate Appropriations Committee on Education/Higher Education, the chairs of the House Appropriations Committee, and the Fiscal Research Division, the geographic distribution of projects awarded to counties.

Amends: G.S. 115C-546.14

Requires DPI to reconsider grant applications that were previously submitted for the 2021-2022 grant cycle containing multiple projects as a consolidated project grant application. Lists 18 prior grant recipients that DPI is required to award additional grant funding to for the 2022-2023 fiscal year. Clarifies that the recipients listed are still subject to the local matching requirement

applicable when the previous grant was awarded. States that DPI may amend existing agreements with these grant recipients from the initial grant award to accommodate the increased grant funding.

[Section 4.3 Civil Penalty and Forfeiture Fund](#)

	FY 2021-2022	FY 2022-2023
School Technology Fund	\$18,000,000	\$18,000,000
Drivers Education	\$27,393,768	\$30,193,768 <i>was \$27,393,768</i>
State Public School Fund	\$183,041,640	\$186,841,640 <i>was \$147,041,640</i>
TOTAL	\$228,435,408	\$235,035,408 <i>was \$192,435,408</i>

[Section 4.5 2021-2022 Fiscal Year Budget Revision](#)

Establishes the Public School Contingency Reserve (Reserve) that will make funds available to DPI to use to provide sufficient State net General Fund appropriations and necessary budget authority to close out the 2021-2022 fiscal year. Requires the State Controller to reserve \$227 million in nonrecurring funds from the 2021-2022 fiscal year from the General Fund to transfer to the Reserve. Lists requirements that must be met by DPI to receive the funds and requires the State Controller to transfer funds to DPI as needed. Requires DPI to submit a report by September 1, 2022, to the Joint Legislative Education Oversight Committee and the Fiscal Research Division on the steps taken to meet the requirements and the purpose for which funds were used.

Effective June 30, 2022.

PART VI – COMMUNITY COLLEGE SYSTEM

[Section 6.1 Expand Rise Up Training and Credentialing Program](#)

Expands the RISE Up credentialing program from the 2021-2022 fiscal year to the 2021-2023 fiscal biennium and allows students attending community colleges to participate in the program (previously only allowed students from cooperative innovative high schools).

Amends: Section 6.8 of S.L. 2021-180

The RISE up credentialing program teaches foundational skills to students with the opportunity for students to earn credentials in (i) retail industry fundamentals, (ii) customer service and sales, (iii) operations and profits, and (iv) supply chain: warehouse, inventory, and logistics.

PART VII – PUBLIC INSTRUCTOR

Section 7.1 School Business System Modernization

Extends the grant program established by DPI for the 2021-2022 fiscal year to provide funds to eligible LEAs and charter schools to migrate their school business data to an off-site premises. This grant program is funded by available funds in the School Business System Modernization Plan (Plan) for the 2021-2023 fiscal biennium. Requires all LEAs and charter schools to store their school business data at an off-site premises by June 30, 2023. Requires DPI to reserve funding from modernization funds to complete modernization work at DPI and to ensure the Plan remains funded at its current level for LEAs and charter schools that elect to participate.

Amends: Section 7.79(b) of S.L. 2021-180

Requires DPI to establish a grant program to transition LEAs and charter schools to an internet-based school business system that meets the Uniform Education Reporting System's requirements under G.S. 115C-12(18). LEAs and charter schools are eligible to receive funds under this grant program if they do not participate in the School Business System Modernization Plan.

Amends: Section 7.79 of S.L. 2021-180

Section 7.2 Increase School Resource Officer Grant Match in Low-Wealth Counties

Increases the State match for school resource officer (SRO) grants for public school units (PSUs) located, in whole or in part, in a low-wealth county to \$4 for every \$1 in non-state funds. All other PSUs will continue to be matched \$2 in State funds for every \$1 in non-state funds.

Amends: G.S. 115C-105.60(e)

Applies to grants issued for the 2022-2023 school year.

Section 7.3 Eliminate Student Copay for Reduced-Price Lunch

For the 2022-2023 fiscal year, appropriates funds to DPI to cover reduced-price lunch copays in schools participating in the National School Lunch Program so that those students in all grade levels are provided free lunch. If the funds are insufficient, requires DPI to use any excess funds appropriated for the National School Breakfast Program for the purposes of this section.

Section 7.4 CTE Modernization and Support

For the 2022-2023 fiscal year, requires DPI to use up to \$2 million in nonrecurring funds for grants to modernize Career and Technical Education (CTE) programming, materials, training, and development in schools serving sixth through eighth grade students. Lists components that grant recipients are required to include in their career and workforce development platform.

For the 2022-2023 fiscal year, requires DPI to use up to \$1 million in nonrecurring funds for grants to fund ancillary items necessary for CTE programs, which include greenhouses, cars, animals and livestock, and power tools.

For both grant programs,

- Allows PSUs or regional partnerships of more than one PSU to apply to receive funds
 - The PSU or regional partnership must have a school with an existing CTE program to apply to receive funds for grants to modernize CTE programming, materials, training, and development
- Requires DPI to prioritize PSUs (i) located, in whole or in part, in a low-wealth county and (ii) that have a high population of at-risk students or student with disabilities.

Requires grant applicants to submit their application to DPI by January 15, 2023, and requires DPI to approve or deny each application within 30 days of receipt. Requires grant recipients to submit a report to DPI by October 15, 2023, on program outcomes, and requires DPI to submit a report of overall outcomes to the Joint Legislative Education Oversight Committee and Fiscal Research Division by December 15, 2023.

Section 7.5 New Cooperative Innovative High Schools

Requires DPI to allocate \$730,000 in recurring funds for the 2022-2023 fiscal year in amounts set in Section 7.22 of S.L. 2017-57 as supplemental funding for the following cooperative innovative high schools (CIHSs) for the 2022-2023 school year:

1. Cabarrus Early College of Health Sciences
2. EDGE Academy of Health Sciences
3. Wake Early College of Information and Biotechnologies

Beginning with the 2022-2023 school year and for subsequent school years thereafter, requires these three schools to operate in accordance with G.S. 115C-238.53 and G.S. 115C-238.54 as CIHSs approved under G.S. 115C-238.51A(c) and are subject to the evaluation requirements of G.S. 115C-238.55.

Section 7.6 Increase DPI Funds for Support Services

Increases the amount the State Board of Education may use each year to support positions in DPI's Support Services Division from \$1.5 million to \$2 million.

Amends: G.S. 115C-546.2(e)

Section 7.7 Standards of Student Conduct

Applies the statutory standards of student conduct that apply to LEAs to all PSUs. Applies beginning with the 2023-2024 school year.

Amends: G.S. 115C-390.1-3; G.S. 115C-390.6; G.S. 115C-390.8-12; G.S. 115C-391.1

Requires discipline policies to be adopted by governing bodies of PSUs, in consultation with teachers, school-based administrators, parents, and local law enforcement agencies. Requires governing bodies to consider existing federal guidance for the discipline of students with disabilities and other guidance regarding school discipline issued by the United State Department of Education. Applies to material changes to policies existing on July 1, 2023, or new policies adopted on or after July 1, 2023.

Amends: G.S. 115C-390.2(a)

Requires governing bodies to provide DPI with a copy of its most up-to-date student discipline policies and Code of Student Conduct by September 1 each year. Requires governing bodies to make discipline policies, procedures, or rules available to students and parents and to include the full range of responses to a violation. Allows governing bodies to require students and parents to sign an acknowledgement that they have received a copy of such policies, procedures, or rules. Clarifies that none of these requirements are to be construed as regulating the discretion of a governing body to devise, impose, and enforce personal appearance codes.

Amends: G.S. 115C-390.2(b1),(i),(m)

[Section 7.8 Revise Allocation of Funds from the Elementary and Secondary School Emergency Relief Fund for the National College Advising Corps](#)

Makes the following changes: “These funds shall be used to support ~~a temporary expansion of existing college advisers~~ and the placement of new college advisers in North Carolina public schools through CAC's [National College Advising Corps, Inc.] program ~~over a two-year period...~~” Requires CAC funds to be prioritized to first support all existing college advisers and the placing of new advisers in tier one and two counties, and second, to place advisers in tier three counties. Requires CAC to use its best efforts to ensure advisers are located in every county in the State by the end of the 2023-2024 school year. Requires CAC to submit an initial interim report, a subsequent interim report, and a final report to the Joint Legislative Education Oversight Committee and the Fiscal Research Division on October 1, 2022, 2023, and 2024, respectively.

Amends: Section 3.5(a)(18) of S.L. 2021-25, as enacted by Section 7.27(a) of S.L. 2021-180

[Section 7.9 School Threat Assessment Survey¹](#)

Requires all PSUs to report to the Center for Safer Schools (Center) by November 15, 2022, information including,

1. Systems, policies, procedures, or precautions to identify and address a student who may pose a risk of violence or other harm to themselves or others
2. The number and nature of threats identified under this system
3. The response to any identified threat and the result of that response
4. Whether each school in the PSU has a School Risk Management Plan and the number of drills conducted under the plan
5. Any other systems, policies, procedures, or precautions the PSU or school undertakes to minimize violence and threats

Requires the Center, in consultation with DPI, to report to the Joint Legislative Education Oversight Committee by February 15, 2023, recommendations on a statewide system to identify and address school threats, additional funding to support the system, the information submitted to the Center by each PSU, and that information aggregated on a statewide level.

¹ This section language is also included in Section 4 of HB 159: Education Law Changes (S.L. 2022-71).

Section 7.10 Codify the Feminine Hygiene Products Grant Program

Codifies the Feminine Hygiene Products Grant Program (Program) established in the 2021 Appropriations Act to provide grants of up to \$5,000 to PSUs on a first-come, first-served basis, prioritizing PSUs that did not receive a grant award in the previous fiscal year. Prohibits a PSU from receiving more than one grant per fiscal year. Requires DPI to report by March 15, 2023 (and every year thereafter) to the Joint Legislative Education Oversight Committee on PSUs receiving grants, the specific feminine hygiene products purchased with grant funds, and the impact of the Program on student health and well-being.

Amends: Article 25B of G.S. 115C

Section 7.11 Interoperable and Interconnected Student Data Systems Study

Requires myFutureNC, in consultation with the North Carolina State Education Assistance Authority, DPI, the Community College System, and the UNC System, to report to the Joint Legislative Education Oversight Committee and the Fiscal Research Division by March 15, 2023, requirements necessary to create an interconnected and interoperable real-time data system to facilitate communication, collection, and transition of student data between PSUs, community colleges, and universities, and to provide students access to their own data. Lists requirements of the report and explains that the goal is to share data more efficiently and assist students in earning postsecondary credentials that could assist in finding employment.

Section 7.12 Professional Development Support for Teachers of Children with Disabilities Ages Three through Five²

Requires DPI to use funds received pursuant to section 619 of Part B of the Individuals with Disabilities Education Improvement Act (IDEA), 20 U.S.C. § 1400, et seq., in Budget Code 13510, Fund Code 1400 to add at least 13 full-time employee positions to provide professional development and support to teachers in public schools who work with students with disabilities ages three through five, including preschool and kindergarten teachers.

Section 7.13 Virtual Education, Remote Academies, and Virtual Charter School Education³

Allows PSUs to continue providing remote instruction for severe weather and other emergencies, using the same number of maximum days or hours allowed during the 2021-2022 school year. PSUs with good cause waivers can use up to 15 days or 90 hours of remote instruction and all other PSUs can use up to 5 days or 30 hours.

Amends: Section 3(i) of S.L. 2021-130

For the 2022-2023 school year,

- Allows PSUs assigned a separate school code by May 1, 2021, to continue providing virtual instruction.
- Allows PSUs that submitted a virtual instruction plan to DPI for the 2021-2022 school year to continue providing virtual instruction according to that plan.

Repeals: Section 3B(c) of S.L. 2021-130

² This section language is also included in Section 1.3 of HB 159: Education Law Changes (S.L. 2022-71).

³ This section language is also included in SB 671: Virtual Educ./Remote Acad./Virtual Charters (S.L. 2022-59).

Beginning with the 2023-2024 school year, creates a new process for LEAs to apply to the State Board of Education (SBE) for approval of remote academies.

- Defines a remote academy as a public school whose instruction is provided primarily online to students in a remote location outside of the school facility.
 - States that remote academies may include any combination of grade levels.
- States that a remote academy may satisfy the minimum required number of instructional days or hours for the school calendar through remote instruction.
- Lists requirements for remote academy enrollment, including
 - States that students cannot enroll without parental consent.
 - Requires LEAs to make information available to parents identifying characteristics for successful remote learning and criteria for admittance.
 - Authorizes LEAs to reassign a student to an in-person school if the LEA determines that would better ensure academic success.
 - Requires remote academies to comply with statutory class size requirements.
- Lists requirements for remote academies and states that remote academies are subject to the same requirements as other public schools governed by local boards of education.
 - Lists what a remote academy is required to provide to enrolled students, including any hardware and software needed to participate, technical support, and access to available internet during instructional hours, evenings, and weekends.
 - Lists staffing requirements.
- Lists requirements for remote academy plans that must be submitted to the SBE for approval for a term of five years.
 - Allows a LEA to apply for renewal as a remote academy for additional five-year terms.
- Requires each approved remote academy to receive a separate school code.
- Requires the SBE to evaluate success of remote academies and report by November 15 each year to the Joint Legislative Education Oversight Committee on these evaluations and any recommended statutory changes.
 - The first SBE evaluation is due by November 15, 2024.

Amends: Article 16 of G.S. 115C

Adds language to existing statute to account for the creation of the new remote academies in Part 3A of Article 16 of G.S. 115C.

Amends: G.S. 115C-84.3(c)

Allows a charter school that submitted a virtual instruction plan to DPI for the 2021-2022 school year to continue providing virtual instruction according to that plan through the 2023-2024 school year. Extends the pilot program for the State's two virtual charter schools from eight to 10 years, ending the pilot with the 2024-2025 school year. At the end of the pilot program, allows the two virtual charter schools to apply to the SBE for a charter renewal.

Amends: Section 8.35 of S.L. 2014-100, as amended by Section 8.13 of S.L. 2016-94 and Section 7.13 of S.L. 2018-5

[Section 7.14 Allow Guilford County Schools Long-Term Lease for Community Education Center](#)

Permits the Department of Administration (Department) to enter into a lease of 50 years or more with Guilford County Schools to locate the Guilford County Community Education Center (Center) in Gateway Research Park. Permits the Department to enter into a lease of 50 years or more with a private development, located on the same property as the Center in Gateway Research Park, which will complement and align with the Center to promote and enhance economic and community development in Guilford County.

PART VII-A – COMPENSATION OF PUBLIC SCHOOL EMPLOYEES

[Section 7A.1 Teacher Salary Schedule](#)

Provides an average 4.2% teacher raise (compared to the 2021-2022 fiscal year), including step increases. The “A” teacher salary schedule is as follows:

Years of Experience	Annual Salary 2021-2022	Certified Annual Salary 2022-2023	Adjusted Annual Salary 2022-2023	% Increase (including steps) from 2021-2022 to 2022-2023
0	\$35,460	\$35,920	\$37,000	7.2%
1	\$36,470	\$36,940	\$38,000	6.9%
2	\$37,480	\$37,970	\$39,000	6.7%
3	\$38,490	\$38,990	\$40,000	6.5%
4	\$39,510	\$40,020	\$41,000	6.3%
5	\$40,520	\$41,050	\$42,000	6.1%
6	\$41,530	\$42,070	\$43,000	5.9%
7	\$42,550	\$43,100	\$44,000	5.8%
8	\$43,560	\$44,130	\$45,000	5.6%
9	\$44,570	\$45,150	\$46,000	5.5%
10	\$45,590	\$46,180	\$47,000	5.3%
11	\$46,600	\$47,210	\$48,000	5.2%
12	\$47,610	\$48,230	\$49,000	5.0%
13	\$48,620	\$49,250	\$50,000	4.9%
14	\$49,640	\$50,290	\$51,000	4.8%
15-23	\$50,650	\$51,310	\$52,000	2.7%
24	\$50,650	\$51,310	\$52,000	6.6%
25+	\$52,680	\$53,360	\$54,000	2.5%

Maintains salary supplements for teachers and school personnel paid on the “A” teacher salary schedule, including:

- 12% monthly supplement for National Board-certified teachers

- 10% monthly supplement for “M” teachers with advanced degrees
- \$126 monthly supplement for teachers with academic preparation at the six-year degree level, in addition to the “M” teacher supplement
- \$253 monthly supplement for teachers with academic preparation at the doctoral degree level, in addition to the “M” teacher supplement
- 10% monthly supplement for school nurses

Continues the \$100 monthly supplement for school counselors and the \$350 monthly supplement for school psychologists, school speech pathologists, and school audiologists established in the 2021 State budget. Continues salary schedule adjustments for school psychologists, school speech pathologists, and school audiologists, including that the 26th step salary is 7.5% higher than the 25th step salary. Continues to build longevity payments into the salary schedule. Maintains the hold harmless for teacher longevity.

[Section 7A.2 Bonuses for Teachers Based on Student Growth](#)

Requires the SBE to establish a teacher bonus program for the 2022-2023 fiscal year based on student growth data from the 2021-2022 school year. Includes \$5 million for statewide growth bonuses and \$5 million for local growth bonuses and includes definitions and eligibility/qualification information for both types of bonuses. States that bonuses awarded under each of the two sections cannot exceed \$3,500 per teacher and if a teacher is eligible for bonuses under both sections, funds awarded cannot exceed \$7,000 per teacher.

Requires the SBE to study the effect of the program on teacher performance and retention and report results to the President Pro Tempore of the Senate, the Speaker of the House, the Joint Legislative Education Oversight Committee, and the Fiscal Research Division by March 15, 2023. Includes report requirements.

[Section 7A.3 Small County and Low Wealth Signing Bonus for Teachers](#)

For the 2022-2023 fiscal year, provides State-matching recruitment bonus funds for teachers and instructional support personnel accepting employment for the 2022-2023 school year (employed as of October 1, 2022) in school districts that receive funding from the Small County or Low Wealth allotments. Teachers and instructional support personnel are not eligible for the bonus if they worked for the same employer in the 2021-2022 fiscal year. Requires bonuses to be matched on \$1.00 in State funds for every \$1.00 in local funds, up to \$1,000 in State funds. States that a teacher who receives this signing bonus is ineligible to receive the same signing (or similar) bonus until July 1, 2025.

[Section 7A.4 Principal Salary Schedule](#)

Provides principals with a 4% raise in the 2022-2023 fiscal year (certified raise was 2.5%).

School ADM	Base Salary		Salary if School Met Growth		Salary if School Exceeded Growth	
	2021-2022	2022-2023	2021-2022	2022-2023	2021-2022	2022-2023
0-200	\$69,828	\$72,621	\$76,811	\$79,883	\$83,794	\$87,145
201-400	\$73,319	\$76,252	\$80,651	\$83,877	\$87,983	\$91,502
401-700	\$76,811	\$79,883	\$84,492	\$87,871	\$92,173	\$95,860
701-1,000	\$80,302	\$83,514	\$88,332	\$91,865	\$96,362	\$100,217
1,001-1,600	\$83,794	\$87,145	\$92,173	\$95,860	\$100,553	\$104,574
1,601 +	\$87,285	\$90,776	\$96,014	\$99,854	\$104,742	\$108,931

Continues to use average daily membership (ADM) in the calculation of principal pay and modifies how school growth scores are to be used in the calculation of principal pay. Requires the following school growth scores to be used during the following time periods:

- Between July 1, 2022, and December 31, 2022, the school growth scores from the three most recent available school years, up to the 2018-2019 school year
- Between January 1, 2023, and June 30, 2023, the school growth score from the 2021-2022 school year

(Prior to the disruption of school grade calculations that started during the 2019-2020 school year, principal salaries were calculated based on school growth scores from the prior three school years.)

Continues to build longevity payments into the salary schedule. Includes a hold harmless clause to ensure that for the 2021-2022 fiscal year no principal’s salary drops below the 2016-2017 level.

[Section 7A.5 Bonuses for Principals](#)

Provides a bonus to principals of schools in the top 50% of school growth during the 2021-2022 school year, as follows.

Statewide Growth Percentage	Bonus
Top 5%	\$15,00
Top 10%	\$10,00
Top 15%	\$5,000
Top 20%	\$2,500
Top 50%	\$1,000

Clarifies that a principal will not receive more than one bonus pursuant to this section. Requires the bonus to be paid by October 31, 2022, to principals employed as of October 1, 2022.

Section 7A.6 Assistant Principal Salaries

Maintains the base assistant principal pay and supplements. Pay is based on the “A” teacher salary schedule plus 19%. Continues to build longevity payments into the salary schedule. Includes a hold harmless clause to ensure that for the 2022-2023 fiscal year no assistant principal’s salary drops below the 2016-2017 level.

Section 7A.7 Central Office Salaries

Provides central office staff with a 4% raise for the 2022-2023 fiscal year (certified raise was 2.5%). Retains historical salary supplements, longevity pay, and classification guidelines.

Section 7A.8 Noncertified Personnel Salaries

For State funded noncertified public school employees, provides the greater of a 4% raise (certified raise was 2.5%) or \$15 per hour in the 2022-2023 fiscal year.

Section 7A.9 Expand Supplemental Funds for Teacher Compensation

Increases funding for the Teacher Supplement Allotment created in the 2021 State budget based on a county’s respective tax base, median household income, and effective tax rate. Increases the supplement cap per teacher from \$4,250 to \$5,000 for the 2022-2023 fiscal year. Increases the tax base eligibility threshold.

Amends: Section 7A.12(b)(6) and Section 7A.12(c)(4) of S.L. 2021-180

PART VIII – UNIVERSITY/STATE EDUCATION ASSISTANCE AUTHORITY

Section 8A.1 Increase Funding and Eligibility Threshold for Opportunity Scholarships and Funding for Personal Education Student Accounts

Further expands student eligibility for Opportunity Scholarship grants by increasing the eligible household income level to be up to 200% of the amount required for students to qualify for free or reduced-price lunch (was 175%). Applies beginning with applications for the 2023-2024 school year. (This expansion equates to a family of four making about \$103,000 annually. The current eligibility equates to a family of four making \$89,840 annually.)

Amends: G.S. 115C-562.1, as amended by Section 8A.3(c) of S.L. 2021-180

Increases funding for the Opportunity Scholarship Grant Fund, with the annual appropriation scheduled to increase to \$311.5 million in the 2032-2033 fiscal year.

Amends: G.S. 115C-562.8(b), as amended by Section 8A.3(i) of S.L. 2021-180

Increases funding for the Personal Education Student Accounts for Children with Disabilities Program, with the annual appropriation scheduled to increase to \$57.9 million in the 2032-2033 fiscal year.

Amends: G.S. 115C-600, as enacted by Section 8A.3(l) of S.L. 2021-180

PART IX-C – CHILD DEVELOPMENT AND EARLY EDUCATION

[Section 9C.1 Raise NC Pre-K Base Reimbursement Rates](#)

Requires a portion of the funds allocated for this section to be used to raise the base reimbursement rates for public schools and Head Start centers participating in the NC Pre-K program by 5% over the 2021-2022 rates for the 2022-2023 fiscal year. Increases the reimbursement rate for childcare centers participating in the NC Pre-K program by 7% over the 2021-2022 rates for the 2022-2023 fiscal year.

Amends: Section 9C.3 of S.L. 2021-180

[Section 9C.2 Raise Cap on Administrative Costs/Smart Start](#)

Increases the cap for the Smart Start program’s administrative costs from 8% to 9% out of the total statewide allocation to all local partnerships.

Amends: Section 9C.6(b) of S.L. 2021-180

PART XLI – TRANSPORTATION

[Section 41.10 Exams for Restricted Instruction Permit](#)

Allows a driver training instructor qualified under G.S. 115C-215(e), which concerns the administration of driver’s education by DPI, to administer any vision test or examination of physical condition required for the issuance of a restricted permit to an applicant under the State’s issuance and renewal of driver’s licenses law. Allows the examining instructor to also provide any signature required by the Division of Motor Vehicles to verify the results of the vision test and examination of physical condition.

Amends: G.S. 20-7

SUMMARY OF LEGISLATION ENACTED BY THE GENERAL ASSEMBLY

PUBLIC/STATEWIDE LEGISLATION

House Bills

[HB 159: Education Law Changes \(S.L. 2022-71\)](#)

Section 1.2 Modify NC Pre-K Teacher Assistant Qualification Requirements
Prohibits the Division of Child Development and Early Education at the Department of Health and Human Services from requiring an individual working towards an associate degree to complete a minimum number of semester hours per year to be eligible for employment as a teacher assistant in the NC Pre-K program. Expires Decembers 31, 2023.

Section 1.3 Professional Development Support for Teachers of Children with Disabilities Ages Three Through Five⁴
Requires the Department of Public Instruction (DPI) to use funds received pursuant to section 619 of Part B of the Individuals with Disabilities Education Improvement Act (IDEA), 20 U.S.C. § 1400, et seq., in Budget Code 13510, Fund Code 1400 to add at least 13 full-time employee positions to provide professional development and support to teachers in public schools who work with students with disabilities ages three through five, including preschool and kindergarten teachers.

Section 2.1 Remove Codified Reference to PowerSchool
Removes the codified reference to PowerSchool. (PowerSchool is the current student information system used statewide by public and charter schools for storing and managing student data.)

Amends: G.S. 115C-12(18)e

Section 2.2 Modify School Crisis Kit Requirements
Removes language requiring that school crisis kits include items recommended by the International Association of Chiefs of Police.

Amends: G.S. 115C-105.52

Section 2.4 School Nutrition Changes
Makes changes to school nutrition statutes to align with federal guidelines and standards, including prohibiting the sale of sugared carbonated soft drinks until 30 minutes after the end of the school day. Deletes: “Not more than fifty percent (50%) of the offerings for sale to students in high schools are sugared carbonated soft drinks” from statute. No longer requires snack vending in all schools to meet the Proficient Level of the NC Eat Smart Nutrition Standards, and instead requires snack vending in all schools to meet the standards for competitive foods and beverages established by the Food and Nutrition Service of the United States Department of Agriculture.

⁴ This section language is also included in Section 7.12 of HB 103: 2022 Appropriations Act (S.L. 2022-74).

Allows the State Board of Education (SBE) to adopt rules that impose additional restrictions on school nutrition services that are not inconsistent with federal guidelines. Makes various clarifying and technical changes. Repeals statute to provide clarity on school nutrition standards to LEAs participating in the National School Lunch Program.

Amends: Part 2 of Article 17 of G.S. 115C; G.S. 115C-263; G.S. 115C-264; G.S. 115C-264.2

Repeals: G.S. 115C-264.3

Section 2.5 Extending Benefits of Interstate Compact on Educational Opportunity for Military Children

Grants the following to the children of inactive members of the National Guard and military reserve, if the member is required to move to perform military service related responsibilities: (i) for intrastate transfers between LEAs, the same services that are provided to children of active duty military under Part 1 of this Article and (ii) for interstate transfers, any services provided to children of active duty military under Part 1 of this Article, without requiring LEAs from another state to provide services to these children. Requires LEAs to attempt to coordinate on behalf of these children with LEAs from other states. Applies beginning with the 2022-2023 school year.

Amends: Article 29B of G.S. 115C

Section 2.6 Remove Reference to Regional Case Managers

Replaces the terms “regional case managers” with “regional directors” in Read to Achieve statute that requires “regional case managers” to ensure that SBE standards are implemented statewide.

Amends: Section 5(b) of S.L. 2021-8

Section 2.7 Increase Funding Cap on Turnaround Coach Funding

Continues the funding level of \$18 million for turnaround coaches that DPI can use to provide coaching support and professional development for principals and school improvement teams in LEAs. Authorizes up to 25% of the funds to be used for 28 time-limited or full-time equivalent positions (was previously \$2 million to be used for 20 positions) for DPI to support the activities set forth in this subdivision.

Amends: Section 3.5(a)(24) of S.L. 2021-25, as enacted by Section 7.27(a) of S.L. 2021-180

Section 2.8 Extend Principal License Exemption

Extends the principal licensure waiver from August 31, 2022, to August 31, 2024. Includes waiver eligibility requirements for individuals in the process of becoming a licensed school administrator.

Amends: Section 1(c) of S.L. 2021-170

Section 3.2 Permit Community Colleges to Collaborate with Public and Nonpublic Schools for Certain Programs

Makes technical changes to the statute permitting community colleges to collaborate with LEAs to offer cooperative innovative high school programs.

Amends: G.S. 115D-20(4)

Section 3.4 **North Carolina Principal Fellows and North Carolina Teaching Fellows Changes**

Makes technical and conforming changes to NC Principal Fellows and NC Teaching Fellows statutes.

Amends: Article 5C of G.S. 116; G.S. 116-74.41; G.S. 116-74.41A; G.S. 116-74.41B; G.S. 116-74.44; G.S. 116-74.49

Section 4. **School Threat Assessment Survey**⁵

Requires all public school units (PSUs) to report to the Center for Safer Schools (Center) by November 15, 2022, information including,

1. Systems, policies, procedures, or precautions to identify and address a student who may pose a risk of violence or other harm to themselves or others
2. The number and nature of threats identified under this system
3. The response to any identified threat and the result of that response
4. Whether each school in the PSU has a School Risk Management Plan and the number of drills conducted under the plan
5. Any other systems, policies, procedures, or precautions the PSU or school undertakes to minimize violence and threats

Requires the Center, in consultation with DPI, to report to the Joint Legislative Education Oversight Committee by February 15, 2023, recommendations on a statewide system to identify and address school threats, additional funding to support the system, the information submitted to the Center by each PSU, and that information aggregated on a statewide level.

Section 5. **Advanced Teaching Roles Changes**

Removes the requirement for the SBE's initial evaluation report on the Advanced Teaching Roles program that would have been due on October 15, 2021, and now requires reports by October 15 in 2022, 2023, and 2024. Requires the SBE to provide annual reports on the program, beginning on October 15, 2025. Authorizes DPI to use up to \$200,000 in each fiscal year of the 2021-2023 biennium for the SBE to contract with an independent research organization to perform these program evaluations. Effective June 30, 2022.

Amends: G.S. 115C-311(h)

Section 6. Except as otherwise noted, effective when it becomes law (July 8, 2022).

[HB 177: Extend Spiking Moratorium/LGERS Surety \(S.L. 2022-70\)](#)

Section 1. Extends the pension-spiking moratorium from June 30, 2022, to June 30, 2023. Also extends the deadline from April 1, 2022, to December 15, 2022, that a working group consisting of the Department of State Treasurer, NC School Boards Association, and other stakeholders may report findings and recommendations to the General Assembly. The goal is to reduce the number of pension spiking cases and lawsuits. Prohibits the Retirement System from requesting an interception of State appropriations before September 1, 2023, pursuant to G.S.

⁵ This section language is also included in in Section 7.9 of HB 103: 2022 Appropriations Act (S.L. 2022-74).

135-8(f)(3), for unpaid contributions attributable to retirements that occurred between July 1, 2021, and June 30, 2022.

Amends: Section 3.2 of S.L. 2021-72; Section 4 of S.L. 2021-72

Section 3. Effective June 30, 2022.

[HB 252: Bail Bond/Bondsman Provisions/Other Changes \(S.L. 2022-73\)](#)

ATTN: School Board Attorneys

Section 3.(b) Strikes the following sentence in the statute subsection titled Notice of Forfeiture: “If notice under this section is not given within the prescribed time, the forfeiture shall not become a final judgment and shall not be enforced or reported to the Department of Insurance.” The deletion of this sentence removes the automatic prohibition on bond forfeitures from going into judgment and is replaced by other changes to make it conditioned on a motion to set aside being filed within 30 days of the clerk’s service of notice.

Amends: G.S. 15A-544.4(e)

Section 3.(c) Provides additional grounds for setting aside a forfeiture:

1. Relieves the surety from liability if the notice of forfeiture is not mailed within 30 days “after the date on which the defendant fails to appear as required and a call and fail is ordered” and “a motion to set aside a forfeiture for the reason described in subdivision (8) of subsection (b) of this section is filed within 30 days of the date notice was given pursuant to G.S. 15A-544.4(d).”
 - a. To incorporate a 30-day requirement for motions to set aside for bond forfeiture notices that were not served within 30 days, the following language is added, “A motion to set aside a forfeiture for any other reason in subsection (b) of this section may be filed at any time before the expiration of 150 days after the date on which notice was given pursuant to 15A-544.4(d).”
 - b. The language limiting “Only One Motion Per Forfeiture” is amended to allow a second motion to set aside a forfeiture to be filed if a motion filed due to the clerk’s failure to serve notice within 30 days is denied.
2. “The court refused to issue an order for arrest for the defendant's failure to appear, as evidenced by a copy of an official court record, including an electronic record.”

Changes the “Procedure When Failure to Appear Is Stricken” in cases where the court in which a defendant’s appearance was secured by a bail bond enters an order striking the defendant’s failure to appear recalling any order for arrest issued for that failure to appear, that court shall (was “may”) simultaneously enter an order setting aside any forfeiture of that bail bond.

Amends: G.S. 15A-544.5(b)-(e)

Section 3.(d) Clarifies that motions to set aside alleging that notice was not provided within 30 days can now be filed as motions to set aside pursuant to G.S. 15A-544.5. All other motions seeking relief from forfeiture alleging defects in notice are still required to be filed pursuant to G.S. 15A-544.8.

Amends: G.S. 15A-544.8(b)(1)

Section 3.(e) Effective December 1, 2022, and applies to forfeitures entered on or after that date.

[HB 911: Regulatory Reform Act of 2022 \(S.L. 2022-75\)](#)

Section 1. Makes a technical change to the teacher residency license requirements by replacing “local board of education” with “governing body of a public school unit”. Effective when it becomes law (July 12, 2022) and applies to individuals seeking licensure on or after that date.

Amends: G.S. 115C-270.20

[HB 1056: Ret. & Treasury Admin. Changes Act of 2022.-AB \(S.L. 2022-14\)](#)

Section 1.1 and 1.2 Under the Teachers’ and State Employees’ Retirement System (TSERS), allows the Retirement System to correct errors for the “transfer benefit” to allow monies to be returned to supplemental retirement plans (the reversal would include lost earnings).

Amends: G.S. 135-5(m1); G.S. 135-5(m2)

Section 2.1 and 2.3 Makes the following changes related to the reporting of inactive employees under TSERS:

- Considers an employer who fails to report any qualifying employees for six consecutive months an inactive employer
- Requires the Retirement Systems Division of the Department of State Treasurer to notify all employers who were reported as inactive by March 15 of each year
 - Allows a reportedly inactive employer to apply to extend its inactive period for up to one year by June 30 of the same year by reporting satisfactory evidence of intention to hire an employee
- Requires the Board of Trustees of the Retirement Systems to determine whether to grant applications to extend an employer’s inactive status by July 31 of each year
- On October 1 each year, requires any employer on the most recent report of inactive employers that has not resumed reporting eligible employees and has not had inactive status extended to cease participation in the Retirement System

Effective December 31, 2022.

Amends: G.S. 135-5.5

Section 3.1 If the Department of State Treasurer and the Supplemental Retirement Board of Trustees stop offering the NC Public School Teachers’ and Professional Educators’

Investment plan, requires local school boards that continue sponsoring their 403(b) plan to designate another investment provider. If a local school board fails to designate another investment provider, allows the Department and Board to transfer the remaining assets to an individual retirement account selected in a vendor solicitation.

Amends: G.S. 115C-341.2

Section 5. Clarifies that the provisions for long-term disability benefits that were in effect on July 31, 2007, will apply to any beneficiary or participant with at least five years of membership service as of July 31, 2007, who has not withdrawn contribution for such service.

Amends: G.S. 135-106

Section 7.1 Clarifies that the Local Government Commission can decline to review a LEA's borrowing request under a guaranteed energy savings contract if the LEA did not submit procurement documents prior to sending out the request for proposal.

Amends: G.S. 159-151

Section 9.1 Except as otherwise provided, effective July 1, 2022.

[HB 1058: Ret. & Treasury Tech. Corrections Act of 2022.-AB \(S.L. 2022-16\)](#)

Section 1.1-1.2 Makes technical and conforming changes pertaining to the Teachers' and State Employees' Retirement System (TSERS).

Amends: G.S. 135-4(j2); G.S. 135-5.3(b6)

Section 4.3. Makes conforming changes pertaining to the NC Teachers' and State Employees' Benefit Trust and benefits provided under that Trust.

Amends: G.S. 135-5(l)

Section 7.1 Effective July 1, 2022.

Senate Bills

[SB 265: Bond Info Transparency/LGC Toolkit II \(S.L. 2022-53\)](#)

Section 1 and 2 Require local governments to provide additional disclosures regarding bond referenda. Before the public hearing on a bond order, requires the local finance officer to file with the clerk of the local board a statement of disclosure that includes (i) an estimate of the total amount of interest that will be paid on the bonds over the expected terms, (ii) an estimate of the increase in property taxes necessary to service the proposed debt, and (iii) the amount of two-thirds bonds capacity the unit has available for the current fiscal year. Requires the statement to explain that the information contained is preliminary and is for general information purposes only, that there is no assurance that the assumptions in the statement will occur, and the occurrence of certain assumptions are beyond control of the local government. Requires the

statement to be filed with the Local Government Commission, posted online, and maintained by the clerk of the local board.

Amends: *G.S. 159-52(b); G.S. 159-55; Part 2 of Article 4 of G.S. 159*

Repeals: *G.S. 159-55(d)*

Section 3 and 4 make corresponding changes to the publication notice of the bond order.

Amends: *G.S. 159-56; G.S. 159-58*

Section 5. Allows the Secretary of the Local Government Commission to require a local government to report events that will or may have a material, adverse effect on the financial health, operations, or internal controls of the local government within 30 days after the occurrence of such events. Requires the Secretary to adopt a policy concerning that requirement.

Amends: *Part 3 of Article 3 of G.S. 159*

Section 6. Limits the types of contracts local governments included on the most recently published Unit Assistance List issued by the Department of State Treasurer, can issue without approval of the Local Government Commission: length of the contract is three or more years and contract amount is at least \$50,000. Clarifies that a contract exemption is not provided for local governments on the most recently published Unit Assistance List where the contract for motor vehicles equals or exceeds \$50,000.

Amends: *G.S. 159-148*

Section 7. Repeals a provision in the State Health Plan statute requiring interest to be charged to charter schools and local governments on late premiums.

Repeals: *G.S. 135-48.55*

Section 8. Requires local governments that create a public authority or unit subject to the Local Government Budget and Fiscal Control Act to notify the Local Government Commission of its creation within 60 days.

Amends: *G.S. 159-7*

Section 9. Requires fidelity bonds for local finance officers to not be less than the greater of \$50,000 or 10% of the local government unit's annually budgeted funds, up to \$1 million. Prohibits a person who cannot secure the bond required by this section from assuming the duties for which the bond is required. Effective January 1, 2023.

Amends: *G.S. 159-29*

Section 10. Except as otherwise provided, effective when it becomes law (July 7, 2022) and applies to bond orders introduced on or after October 1, 2022, and to contracts entered into on or after October 1, 2022.

[SB 496: DOI Omnibus Bill \(S.L. 2022-46\)](#)

Section 6.(a) Requires LEAs to provide the Commissioner of Insurance with a list of all its insurable buildings, equipment and contents of the buildings, and their insurable values by October 1 each year. Requires LEAs to provide the Commissioner with copies of insurance policies when purchasing insurance from a duly licensed and authorized company. If a policy purchased from a company is cancelled, terminated, or changed, requires LEAs to notify the Commissioner within five days of the effective date of the cancellation, termination, or change. Makes technical changes.

Amends: G.S. 115C-523.1

Section 6.(b) Requires LEAs to provide the Commissioner of Insurance with a list of all its insurable buildings against flood and their insurable values by October 1 each year. Requires LEAs to provide the Commissioner with copies of insurance policies when purchasing insurance from a duly licensed and authorized company. If a policy purchased from a company is cancelled, terminated, or changed, requires LEAs to notify the Commissioner within five days of the effective date of the cancellation, termination, or change. Makes technical changes.

Amends: G.S. 115C-523.2

Section 28. Effective when it becomes law (July 7, 2022).

[SB 671: Virtual Educ./Remote Acad./Virtual Charters \(S.L. 2022-59\)](#)⁶

Section 1.(a) Adds language to existing statute to account for the creation of the new remote academies in Part 3A of Article 16 of G.S. 115C.

Amends: G.S. 115C-84.3(c)

Section 1.(b) Allows public school units (PSUs) to continue providing remote instruction for severe weather and other emergencies, using the same number of maximum days or hours allowed during the 2021-2022 school year. PSUs with good cause waivers can use up to 15 days or 90 hours of remote instruction and all other PSUs can use up to 5 days or 30 hours.

Amends: Section 3(i) of S.L. 2021-130

Section 2.(a),(b),(d) Beginning with the 2023-2024 school year, creates a new process for LEAs to apply to the State Board of Education (SBE) for approval of remote academies.

- Defines a remote academy as a public school whose instruction is provided primarily online to students in a remote location outside of the school facility.
 - States that remote academies may include any combination of grade levels.
- States that a remote academy may satisfy the minimum required number of instructional days or hours for the school calendar through remote instruction.
- Lists requirements for remote academy enrollment, including
 - States that students cannot enroll without parental consent.
 - Requires LEAs to make information available to parents identifying characteristics for successful remote learning and criteria for admittance.

⁶ This bill language is also included in Section 7.13 of HB 103: 2022 Appropriations Act (S.L. 2022-74).

- Authorizes LEAs to reassign a student to an in-person school if the LEA determines that would better ensure academic success.
- Requires remote academies to comply with statutory class size requirements.
- Lists requirements for remote academies and states that remote academies are subject to the same requirements as other public schools governed by local boards of education.
 - Lists what a remote academy is required to provide to enrolled students, including any hardware and software needed to participate, technical support, and access to available internet during instructional hours, evenings, and weekends.
 - Lists staffing requirements.
- Lists requirements for remote academy plans that must be submitted to the SBE for approval for a term of five years.
 - Allows a LEA to apply for renewal as a remote academy for additional five-year terms.
- Requires each approved remote academy to receive a separate school code.
- Requires the SBE to evaluate success of remote academies and report by November 15 each year to the Joint Legislative Education Oversight Committee on these evaluations and any recommended statutory changes.
 - The first SBE evaluation is due by November 15, 2024.

Amends: Article 16 of G.S. 115C

Section 2.(c) For the 2022-2023 school year,

- Allows PSUs assigned a separate school code by May 1, 2021, to continue providing virtual instruction.
- Allows PSUs that submitted a virtual instruction plan to the Department of Public Instruction (DPI) for the 2021-2022 school year to continue providing virtual instruction according to that plan.

Repeals: Section 3B(c) of S.L. 2021-130

Section 3.(a)-(c) Allows a charter school that submitted a virtual instruction plan to DPI for the 2021-2022 school year to continue providing virtual instruction according to that plan through the 2023-2024 school year. Extends the pilot program for the State’s two virtual charter schools from eight to 10 years, ending the pilot with the 2024-2025 school year. At the end of the pilot program, allows the two virtual charter schools to apply to the SBE for a charter renewal.

Amends: Section 8.35 of S.L. 2014-100, as amended by Section 8.13 of S.L. 2016-94 and Section 7.13 of S.L. 2018-5

Section 4. Except as otherwise noted, effective when it becomes law (July 8, 2022) and applies beginning with the 2022-2023 school year.

[SB 768: GSC Technical Corrections 2022/Additional TC \(S.L. 2022-62\)](#)

Section 14. Makes technical changes to the statute requiring the inspection of schools for fire hazards and the removal of hazards.

Amends: G.S. 115C-525

Section 49. Makes a technical change to the statute limiting city requirements for street improvements related to schools.

Amends: G.S. 160A-307.1

Section 62. Effective when it becomes law (July 8, 2022).

LOCAL LEGISLATION

House Bill

[HB 995: Greensboro Deannex/Weldon City Bd of Ed Pay \(S.L. 2022-33\)](#)

Section 2. Deletes language saying that the Weldon City Board of Education (Board) receives the same compensation and expense allowances as the Halifax County Board of Education. Requires the compensation of the chair of the Board to be \$650 per month and the compensation of Board members to be \$550 per month. Beginning July 1, 2025, allows the monthly compensation of the Board chair and members to be increased by majority vote of the Board in an amount not greater than 4% in any four-year period. Beginning July 1, 2021, allows an expense allowance for the Board chair and members to be established by majority vote of the Board.

Amends: Section 5 of S.L. 1983-984

Section 3. Effective when it becomes law (July 1, 2022).

Senate Bill

[SB 256: Rockingham Community College BOT \(S.L. 2022-10\)](#)

Section 1. Reduces the number of trustees elected by the Rockingham County Board of Education for the Rockingham Community College Board of Trustees from four to two.

Amends: G.S. 115D-12

Section 2. Effective when it becomes law (June 15, 2022).