

2023-25 State Budget Education Provision Summaries

Part IV. OTHER AVAILABILITY AND APPROPRIATIONS

Section 4.3.(a) Education Lottery Funds *pg. 18*

	FY 2023-24	FY 2024-25
Noninstructional Support Personnel	\$385,914,455	\$385,914,455
Pre-K Program	\$78,252,110	\$78,252,110
Public School Building Capital Fund	\$100,000,000	\$100,000,000
Needs-Based Public-School Capital Fund	\$254,252,612	\$258,252,612
Public School Repair & Renovation	\$50,000,000	\$50,000,000
LEA Transportation	\$21,386,090	\$21,386,090
Sub-total K-12 Related Programs	\$811,553,357	\$815,553,357
Scholarship Reserve Fund for Public Colleges and Universities	\$41,194,733	\$41,194,733
Pre-K Program	\$78,252,110	\$78,252,110
TOTAL ALLOCATION	\$931,000,000	\$935,000,000

Section 4.3.(b) Needs-Based Changes *pgs. 18-21*

Needs-Based Public-School Capital Fund

- Increases the maximum grant awards as follows:
 - Up to \$42 million for an elementary school (was \$30 million)
 - Up to \$52million for a middle school or a combination of an elementary and middle school (was \$40 million)
 - Up to \$62 million for a high school (was \$50 million)
- Requires project construction to be initiated within 24 months of award of grant funds. Allows the State Superintendent to grant a 12-month extension under extraordinary circumstances. Permits DPI to allow grant recipients to deduct “reasonable” administrative costs from forfeited grant.

Section 4.3(c) Needs-Based Changes *pg. 21*

- Permits DPI to award an additional grant of up to \$12 million to a county that received an award for new construction during the 2022-2023 fiscal year, provided that the county has not yet begun construction on the project.
- The county must apply for the additional funds by June 30, 2024, and provide actual bids or other documentation of cost increases based upon the original project scope.
- The additional grant awards are subject to the same local matching requirement applicable when the previous grant was awarded.
- All additional grant funds shall be awarded no later than June 30, 2025.

Part V. GENERAL PROVISIONS

Section 5.8 Medical Freedom/COVID-19 Vaccinations *pgs. 62-64*

- Prohibits public school units (PSUs), community colleges, and UNC system institutions from requiring a student to provide proof of COVID-19 vaccination or to submit to a COVID-19 vaccination unless it is required for participating in a program of study or fulfilling education requirements in a facility certified by the Centers for Medicare and Medicaid Services (CMS)
- Prohibits State agencies, local governments, and political subdivisions of the State from discriminating against persons based on their refusal to provide proof of a COVID-19 vaccination or to submit to a COVID-19 vaccination unless it is required as a condition necessary to receive federal funding, is a federal requirement of CMS, or is required by the Department of Health and Human Services Division of State Operated Healthcare Facilities

Part VI. COMMUNITY COLLEGE SYSTEM

Section 6.10 Make Changes to the State Board of Community Colleges and Local Board of Trustees *pgs. 71-79*

- Removes the authority of a local board of education and the Governor to appoint members of the board of trustees of a local community college.

Part VII: EDUCATION PROVISIONS

Section 7.1 Codify Funding for Children with Disabilities *pg.79*

- Codifies this provision which caps the LEA allocation for students with disabilities at thirteen percent (13%) of its allocated average daily membership for the current school year.

Section 7.2 Codify Funding for Academically Intellectually Gifted Students *pgs. 79-80*

- Codifies this provision which caps the LEA allocation for academically or intellectually gifted students at four percent (4%) of its allocated average daily membership for the current school year.
- Requires DPI to develop a statewide uniform definition for “academically or intellectually gifted student” prior to determining the allocation of funds for the 2024-25 school year.

Section 7.3. Codify Boilerplate *pgs.80-85*

- Codifies the following:
 - Supplemental funding in low-wealth counties
 - Small county school system supplemental funding
 - Disadvantaged student supplemental funding

Section 7.5(a) Required Training to Count Toward Continuing Education Units

pgs. 85-86

- Allows mandatory training hours for all teachers to count towards continuing education credits if the mandatory training program is required by State law or a local board of education for employment and the teacher meets other renewal credit criteria.
- Amends the rules for licensure renewal by prohibiting the State Board of Education (SBE) from requiring the completion of continuing education credits solely related to digital teaching and learning but allowing the SBE to require completion of up to two continuing education credits that include pedagogy on digital teaching and learning as a component of a general or content-specific continuing education credit.

Section 7.7 Weighted Funding for EC Students *pg. 86*

- Requires DPI to develop a model, based on a study required in previous session law, for funding children with disabilities services on the basis of the reported costs of the services provided.
- Requires DPI to report to the General Assembly by January 15, 2024, on the model of funding developed pursuant to this section and a comparison by PSUs of funds provided under the existing model and the model developed pursuant to this section

Section 7.13 Career Exploration and Development Plans *pgs. 86-88*

- Beginning with the 2024-25 school year, requires all middle and high school students enrolled in a LEA to create a career development plan (CDP) by the end of 7th grade and revise the plan by the end of 10th grade, otherwise those students will not be promoted beyond those grades.
- Requires local boards of education to ensure that CDPs are easily accessible to students and parents.
- Prior to the start of the 2024-25 school year, requires DPI and the local boards of education, as appropriate, to provide curriculum content for the course required in this section and professional development.
- Requires the SBE to adopt rules to establish the minimum requirements for CDPs and sets out specific requirements to be included.
- Requires the SBE to establish a pilot of at least 20 local school administrative units during the 2023-2024 school year.

Section 7.19 CTE Grants for Homebuilding Programs *pgs. 89-90*

- Requires the Department of Public Instruction to use up to \$200,000 in recurring funds to provide grants to assist public school units with program costs associated with CTE programs related to homebuilding.
- Sets out prioritization process and timelines for the Program.

Section 7.20 DPI Funding in Arrears *pg. 90*

- Requires DPI to develop a model to fund PSUs whose funding is based on average daily membership (ADM) to be based on actual ADM from the prior school year instead of projections for the upcoming school year.
- New model goes into effect beginning with the 2024-25 school year.

Section 7.22(a)-(f) Increasing Engagement in STEM *pgs. 90-92*

- Requires the State Superintendent to establish the Increasing Engagement in STEM Program for the 2023-24 fiscal year to provide grant funds to PSUs to engage in experiential science, technology, engineering, and math (STEM) education programs.
- Sets out timelines, application requirements, and reporting requirements
- Requires the State Superintendent to select applicants to receive grants for the Program

Section 7.23 After-School Robotics Grant Program *pgs. 92-93*

- Establishes the Educational and Competitive After-School Robotics Grant Program to: (i) promote evidence-based, after-school programs for robotics education and competition and (ii) motivate students to pursue education and career opportunities in STEM while building critical life and work-related skills.
- All public school units are eligible to apply. Outlines criteria, guidelines, and timeframes.

Section 7.26 Remote Charter Academies *pgs. 93-96*

- Beginning with the 2023-24 school year, allows new remote charter academy applications and charter modifications to include a remote charter academy to be submitted to the Charter School Review Board for approval.
- Remote charter academy enrollment guidelines, approval process, operational and renewal requirements, and evaluation mirror requirements for local school district remote academies established in S.L. 2022-59.
- Extends the pilot program for the State's two virtual charter schools from 10 to 11 years, ending the pilot with the 2025-26 school year.
- Requires the Review Board to approve a minimum of two statewide remote charter academies beginning with the 2026-27 school year and thereafter.

Section 7.30 Codify Use of Special State Reserve Funds for Transportation/Transportation Reserve Fund for Homeless and Foster Students *pg. 99*

Section 7.36 School Safety Grants *pgs.100-103*

- Allocates \$35 million each year of the biennium to continue the Program providing grants for (i) services for students in crisis, (ii) school safety training, (iii) safety equipment in schools, and (iv) subsidizing the School Resource Officer Grants Program.

Section 7.37 Life Changing Experience *pgs. 103-104*

- Requires the Department of Public Instruction to use \$500,000 in nonrecurring funds for each year of the 2023-2025 fiscal biennium to contract with the Children and Parent Resource Group, Inc., to design, implement, and evaluate the Life Changing Experiences School Program in the 2023-2024 and 2024-2025 school years.
- Sets out reporting requirements.

Section 7.40 NBPTS Participation Fee Grant Program *pgs. 104-105*

- Requires the Department of Public Instruction to establish a grant program for qualifying public schools to improve teacher quality and mitigate learning loss by reimbursing teachers for the cost of the participation fee for National Board for Professional Teaching Standards (NBPTS) certification.

Section 7.41 Require Conflicts of Interest Training for Certain Public School Employees *pg.105 *NCSBA Legislative Agenda Item*

- Requires all employees of an LEA involved in the making or administering of contracts to receive a minimum of two hours of conflicts of interest training.

Section 7.43 Combining of the Education and Workforce Innovation Commission Grant Programs *pgs. 106-110*

- Combines the Education and Workforce Innovation Program and the CTE (Career and Technical Education) Grade Expansion Program to foster innovation in education that will lead to more students graduating career and college ready and to prioritize the inclusion of students in sixth and seventh grades through grant awards provided to selected local school administrative units and charter schools.

Section 7.44 Teacher Assistant Tuition Reimbursement Program *pgs. 110-112*

- Expands the Program to all school districts. No longer limits districts from having no more than five participants/year.
- Lists requirements of applications, award of funds, selection of teacher assistants, and local reporting.

Section 7.44A. Teacher Apprentice Grant Program *pgs. 112-114*

- Establishes the Teacher Apprentice Grant Program to provide grants to local school districts to award funds for (i) tuition educator preparation programs for eligible teacher apprentices, and (ii) salary supplements for teacher apprentices who become teachers in the district.
- Awards up to \$4,600 per semester for up to four academic years.

Section 7.45 Economically Disadvantaged Public School Support Funds *pgs. 114-115*

- Requires DPI to establish the Economically Disadvantaged Public Schools Support Program. Provides funds to support the efforts of qualifying economically disadvantaged public schools to continue to exceed expected growth in subsequent school years.
- States how governing bodies are to proportionately allocate the funds and what the funds are to be used for.
- Includes intent language that the funds are to supplement and not supplant local funds.

Section 7.47 Revise School Transportation Funds Requirements *pg. 115*

- Requires the SBE to allocate transportation funds based on the efficiency of the local school administrative units in transporting pupils.
- Sets out the way in which efficiency of the units is calculated.
- Requires the SBE to allocate transportation funds at the beginning of each fiscal year based on the most recently available data from a prior school year.
- Reduces the amount of school transportation funds DPI may reserve from 10% to 5%.
- Prior to April 1 of the fiscal year in which the funds are reserved, requires the reserved funds to be allocated only in the event of an emergency.
- If reserved funds remain by April 1 of the fiscal year, requires the SBE to allocate the remaining funds to all school districts based on the efficiency of the units in transporting students.

Section 7.48 Twelfth Grade Transition Program/ScholarPath *pgs. 115-116*

- Requires the Department of Public Instruction to use up to \$2,500,000 in nonrecurring funds for each year of the 2023-2025 fiscal biennium to contract with MyScholar, LLC, to use the ScholarPath platform to create the Twelfth Grade Transition Program for all high school students.

Section 7.53 Special Needs Pilot Program *pgs. 116-117*

- Requires the Department of Public Instruction to use \$975,000 in nonrecurring funds for each year of the 2023-2025 fiscal biennium to contract with Amplio Learning Technologies, Inc., to create a new pilot program for a special education digital intervention software platform in Alamance County Schools, Catawba County Schools, and Nash County Schools to increase opportunities for students with special needs.

Section 7.55 CTE Modernization and Expansion *pg. 118*

- DPI may spend up to \$2,000,000 in nonrecurring funds for each year of the 2023-25 fiscal biennium to create a grant program for modernization of CTE programming, materials, training, and professional development for courses conducted in grades 6 through 12.

Section 7.57 Enhanced School Bus Stop Arm Grants *pg. 119*

- Requires the State Superintendent to establish the Enhanced School Bus Stop Arm Grant Program for the 2023-2024 fiscal year to administer funds to public school units to add, upgrade, or replace mechanical stop signals on school buses with either illuminated mechanical stop signals or extended mechanical stop signals to increase the safety of students when disembarking or boarding the bus.
- Requires the State Superintendent to develop the application process for the Program and sets out reporting requirements.

Section 7.58 Eliminate Student Copay for Reduced-Price Meals *pg. 119*

- Provides school breakfasts and lunches at no cost to students of all grades that qualify for reduced-price meals under the National School Lunch Program in the current school year.

Section 7.59 CEP Meal Program Incentive *pgs. 119-120*

- Requires DPI to establish the CEP Meal Program Incentive for the 2023-25 fiscal biennium to expand public school participation in the federal Community Eligibility Provision (CEP) program to increase student access to healthy, cost-free school breakfast and lunch.
- Requires the Program to be available to public school units for the 2024-25 fiscal year.
- Outlines eligibility guidelines and timeframes.
- Includes non-supplant language.

Section 7.60 No Administrative Penalty for Unpaid Meal Debt *pg. 121*

- Prohibits governing bodies of public school units from imposing administrative penalties on a student for unpaid school meal debt and defines what constitutes an administrative penalty.

Section 7.61 High School Remote Instruction Flexibility Pilot *pgs.121-122*

- Requires the Superintendent of Public Instruction to select ten local school administrative units to participate in a remote instruction flexibility pilot applicable to high schools and sets out various requirements for selection and participation.
- Pilot authorizes local boards to establish a school calendar that uses up to 30 hours of remote instruction to ensure that students take all fall semester final exams before December 31.

Section 7.62 SparkNC Pilot for High-Tech Learning Accelerator Credit *pgs. 122-124*

- Authorizes SparkNC, in partnership with selected public school units, to develop a pathway through which students may select and complete modular learning experiences that, when aggregated, will provide a competency-based equivalency to a traditional elective course credit. Sets out various requirements for the pilot program.
- Lists 18 selected LEAs who may participate in the program during the 2023-24 & 2024-25 school years.

Section 7.63 Extended Learning and Integrated Student Supports Competitive Grant Program *pgs. 124-125*

- Requires the Department of Public Instruction (DPI) to use up to \$7,000,000 for each year of the 2023-25 biennium for the Extended Learning and Integrated Student Supports Competitive Grant Program (Program). Of these funds, DPI may use up to \$200,000 for each fiscal year to administer the Program. Sets out various goals of the Program, permissible uses of grant funds, and reporting requirements.

Section 7.64 Prohibition Against “Three-Cueing” *pgs. 125-126*

- Defines “three-cueing system” as a model of teaching students to read based on meaning, structure and syntax, and visual cues.
- Prohibits the use of this system (three cueing) or visual memory-based curriculum as the main method for teaching word recognition in NC Pre-K and grades kindergarten through three.
- Effective when it becomes law and applies beginning with the 2023-2024 school year.

Section 7.66 Salary Supplements for Teachers in Advanced Teaching Roles *pgs. 126-127*

- Sets out definitions
- Requires the State Board of Education to award funds to local school administrative units for annual salary supplements for teachers.
- Requires Advanced Teaching Roles units to designate:
 - Up to 15% of the teachers in each Advanced Teaching Roles school as adult leadership teachers and
 - 5% of the teachers in each Advanced Teaching Roles school as classroom excellence teachers
- Advanced Teaching Roles units shall provide salary supplements for those teachers as follows: (1) \$10,000 for adult leadership teachers (2) \$3,000 for classroom excellence teachers
- Sets out additional requirements that apply to salary supplements received under this section

Section 7.67 Realign Advanced Teaching Roles *pgs. 127-128*

- Requires the State Board of Education to issue a new Request for Proposal (RFP) for local school administrative units to participate in the Advanced Teaching Roles Program. Sets out requirements for the new RFP
- Requires the SBE to authorize New Hanover County Schools to participate in the Advanced Teaching Roles Program (Program) and, to the extent funds are available in the Program, award State funds to New Hanover County Schools for an initial term if certain factors are met.

Section 7.69(a)-(b) Plasma Games Grant Program *pgs. 128-129*

- Requires the Department of Public Instruction to create a grant program for public school units to apply for funds to contract with Plasma Games, Inc., for the use of educational software to be used in science, technology, engineering, and math and career and technical education courses. Sets out applicable deadlines and reporting requirements.

Section 7.73 Limited Teacher License Changes *pgs. 133-134*

Changes the three-year limited teacher license from nonrenewable to renewable if certain listed requirements are met.

Section 7.74 Out-of-State Teacher License Reciprocity *pg. 134*

- Modifies the requirements for an applicant with an out-of-state license.
- Requires the State Board of Education to grant a continuing professional license (CPL) to a teacher licensed in another state with substantially similar licensure requirements who has at least three years of teaching experience and is in good standing with the other state.

Section 7.76 Searches of Student’s Person *pgs. 135-136*

- Requires that searches of a student's person are conducted in private by one school official and one adult witness, both of whom shall be the same sex as the student. Provides exceptions to this requirement for searches conducted using a walk-through metal detector, handheld wand, or other similar minimally intrusive device designed to detect weapons and regularly used for security scanning.

Section 7.78 Study Status and Cost of Carbon Monoxide Alarms and Radon Testing in Schools *pg. 137*

- Requires the State Board of Education to study the status and cost of carbon monoxide alarms and radon testing in schools and sets out reporting requirements.

Section 7.81 Adjustments to S.L. 2023-106 (SB 49, Parent’s Bill of Rights) *pgs. 138-139*

- Creates exemptions in Part I of S.L. 2023-106 to create, share, or store a biometric scan of a student without the parent’s prior written consent.
- Creates an exemption for when parents must opt-out of a protected information survey.
- Makes a modification allowing certain teachers and other school employees to provide medical care to students without prior parental consent.
- Modifies implementation deadlines for policies in Part II of the S.L. 2023-106 from applying beginning with the 2023-24 school year to the first day of school after January 1, 2024.

Section 7.83 Clarify Minimum Service Requirements for Paid Parental Leave *pg. 140*

- Requires the period of minimum service before becoming eligible for paid parental leave to be met by aggregating employment at any of the following: (1) State agencies, departments, and institutions, including The University of North Carolina; (2) Public school units that provide paid parental leave; (3) Community colleges located in this State.
- Requires the board of directors to provide written notice to individuals upon offering employment if the board does not provide paid parental leave. The notice shall state that employment with the charter school will not count toward any minimum period of service.

Section 7.84 Limit Discretion to Withhold or Reduce Charter School Funding to Review Board and Superintendent of Public Instruction *pg. 141*

- Prohibits the State Board of Education (SBE) from withholding or reducing distribution of funds to a charter school for any reason except for the following reasons:
 - (1) the change in funding is due to an annual adjustment based on enrollment or is a general adjustment to allocations that is not specific to the charter or actions of that charter school;
 - (2) the Review Board notifies the SBE that the charter school has materially violated a term of its charter, has violated a State statute or federal law, or has had its charter terminated or nonrenewed;
 - (3) the Superintendent of Public Instruction notifies the SBE that the charter school has failed to meet generally accepted standards of fiscal management or has violated a State or federal requirement for receipt of funds.

Part VII-A. COMPENSATION OF PUBLIC-SCHOOL EMPLOYEES

Section 7A.1 Teacher Salary Schedule *pgs. 92-94*

- Provides funding to implement a new teacher salary schedule for fiscal year 2023-24 and an intended salary schedule for fiscal year 2024-25.
- Provides funding to implement salary increases associated with the new teacher salary schedule.
- Teachers and other school employees paid on the Teacher A Salary Schedule will receive an average 7% raise over the biennium. Pay increases for teachers range from 3.6% to 14.7% over the biennium. Raises will be retroactive to July 1, 2023.

Teacher “A” Salary Schedule

Years of Exp.			Increase			Increase
	2022- 23	2023- 24	over 2022- 23	2024- 25	2023- 24	over 2023- 24
0	\$3,700	\$3,900	5.41%	\$4,100		5.13%
1	\$3,800	\$3,984	7.68%	\$4,175		7.05%
2	\$3,900	\$4,085	7.50%	\$4,250		6.68%
3	\$4,000	\$4,187	7.35%	\$4,325		5.88%
4	\$4,100	\$4,289	7.23%	\$4,400		5.09%
5	\$4,200	\$4,391	7.10%	\$4,475		4.34%
6	\$4,300	\$4,481	6.69%	\$4,572		4.12%
7	\$4,400	\$4,572	6.32%	\$4,663		4.06%
8	\$4,500	\$4,662	5.95%	\$4,753		3.95%
9	\$4,600	\$4,753	5.62%	\$4,844		3.90%
10	\$4,700	\$4,843	5.28%	\$4,935		3.83%
11	\$4,800	\$4,933	4.96%	\$5,025		3.76%
12	\$4,900	\$5,024	4.67%	\$5,116		3.70%
13	\$5,000	\$5,114	4.37%	\$5,206		3.62%
14	\$5,100	\$5,205	4.10%	\$5,297		3.58%
15	\$5,200	\$5,306	4.04%	\$5,388		3.51%
16	\$5,200	\$5,306	2.04%	\$5,388		1.54%
17	\$5,200	\$5,306	2.04%	\$5,388		1.54%
18	\$5,200	\$5,306	2.04%	\$5,388		1.54%
19	\$5,200	\$5,306	2.04%	\$5,388		1.54%
20	\$5,200	\$5,306	2.04%	\$5,388		1.54%
21	\$5,200	\$5,306	2.04%	\$5,388		1.54%

22	\$5,200	\$5,306	2.04%	\$5,388	1.54%
23	\$5,200	\$5,306	2.04%	\$5,388	1.54%
24	\$5,200	\$5,306	2.04%	\$5,388	1.54%
25	\$5,400	\$5,510	5.96%	\$5,595	5.45%
26+	\$5,400	\$5,510	2.04%	\$5,595	1.54%

Section 7A.3 Consolidated Teacher Bonus Program *pgs. 143-148*

- Requires the SBE to establish a consolidated teacher bonus program for the 2023-25 fiscal biennium to award bonuses to qualifying Advanced Course and Career and Technical Education (CTE) teachers

Section 7A.4 Supplemental Funds for Teacher Compensation *pgs. 148-151*

- Continues supplemental funding for teachers based on a county’s adjusted market value of taxable real property for the 2023-25 fiscal biennium
- Maintains the supplement cap per teacher at \$5,000

Section 7A.5 Small County and Low-Wealth Signing Bonus for Teacher *pgs. 151-152*

- Provides State-matching recruitment bonus funds for teachers accepting employment in school districts that receive funding from the Small County or Low Wealth allotments

Section 7A.6 Principal Salary Schedule *pg. 152*

- Provides a 4% raise in 2023-24 and a 3% raise in 2024-25 for principals
- Includes a hold harmless provision on principal salary that is based on school growth scores
- Continues to use ADM and school growth scores in the calculation of principal pay
- Continues to build longevity payments into the salary schedule
- Includes a hold harmless clause to ensure that for the 2023-24 fiscal year no principal’s salary drops below the 2016-2017 level

Avg. Daily Membership	Base	Met Growth	Exceeded Growth
0-200	\$75,526	\$83,078	\$90,631
201-400	\$79,302	\$87,232	\$95,162
401-700	\$83,078	\$91,386	\$99,694
701-1,000	\$86,855	\$95,540	\$104,226
1,001-1,600	\$90,631	\$99,694	\$108,757
1,601+	\$94,407	\$103,848	\$113,288

2024-2025 Principal Annual Salary Schedule

Avg. Daily Membership	Base	Met Growth	Exceeded Growth
0-200	\$77,792	\$85,570	\$93,350
201-400	\$81,681	\$89,849	\$98,017
401-700	\$85,570	\$94,128	\$102,685
701-1,000	\$89,461	\$98,406	\$107,353
1,001-1,600	\$93,350	\$102,685	\$112,020
1,601+	\$97,239	\$106,963	\$116,687

Section 7A.7 Bonuses for Principals *pg. 154*

- Provides a bonus to principals of schools in the top 50% of statewide school growth during the 2023-24 school year as follows:

2023-2024 Principal Bonus Schedule

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

Section 7A.8 Assistant Principal Salaries *pg. 155*

- Maintains the assistant principal salary at 19% of the “A” teacher salary schedule.

Section 7A.9 Central Office Salaries *pg. 155*

- Provides a 4% raise in 2023-2024 and a 3% raise in 2024-2025 for superintendents, assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers.

Section 7A.10 Noncertified Personnel Salaries *pg. 157*

- For the 2023-24 fiscal year and the 2024-25 fiscal year, the annual salary for noncertified public-school employees whose salaries are supported from State funds shall be increased as follows:
 - (1) For permanent, full-time employees on a 12-month contract, by 4%
 - (2) For the following employees, by an equitable amount based on the amount specified in subdivision (1) of this subsection:
 - Permanent, full-time employees on a contract for fewer than 12 months
 - Permanent, part-time employees
 - Temporary and permanent hourly employees
- An additional \$4,716,932 is appropriated for bus driver salaries equating to 2% on top of the 7%

Part VIII. THE UNIVERSITY OF NORTH CAROLINA SYSTEM

Section 8.6 Reduce Number of Required UNC Laboratory Schools from Nine to Eight *pg. 162*

Requires the UNC Board of Governors, upon recommendation by the President, to designate constituent institutions to establish and operate a total of at least eight laboratory schools (was 9).

(A \$500,000 recurring reduction was made in the budget for this change – see Committee Report page B 42, item 126)

Section 8A.6 Expand Eligibility for Opportunity Scholarships, Require a Sequence of Courses for Early High School Graduation, and Establish the Early Graduate Scholarship Program *pgs. 187-197*

Expands eligibility for the Opportunity Scholarships by repealing the following:

- household income requirement of not in excess of 200% of the amount required for the student to qualify for the federal free or reduced-price lunch program
- requirement for full-time attendance in a NC public school or Department of Defense school for third through twelfth graders in the prior school year

Grants are distributed in priority order as follows:

- prior year recipients (same as current law)
- households with an income level not in excess of the amount required for the student to qualify for the federal free or reduced-price lunch (FRL) program (current law allots 50% of funds after initial distribution to this group)
- households with an income level between 100% and 200% FRL
- households with an income level between 200% and 450% FRL
- all other students

Students will be awarded a scholarship grant in FY 2024-25 in the following amount, regardless of whether the student's attendance was full or part time:

- 100% of the average State per pupil allocation for ADM in the prior fiscal year (ADM Allocation) for students with household incomes not in excess of the Free and Reduced Priced Lunch (FRL) standard
 - 90% of ADM Allocation for students with household incomes between the FRL standard and 200% of that standard
 - 60% of ADM Allocation for students with household incomes between 200% and 450% of the FRL standard
 - 45% of ADM Allocation for all other students
- (Note: Current law awards 90% ADM allocation for full-time students and 45% for part-time students)
- For students in grades 3,8, and 11, their schools receive “an amount equal to the cost of the nationally standardized test required to be administered” (new)

Changes the standardized testing requirements for students in grade 11 in schools accepting Opportunity Scholarships. These students will be required to take the ACT and not the currently required “nationally standardized test”.

- The amount of funds used from the Opportunity Scholarship Grant Fund Reserve.
- Any legislative recommendations, including funding amounts, for the scholarship grant program for the next fiscal year.

Increases the appropriation to the Opportunity Scholarship Grant Fund Reserve each year from FY 2025-2026 to FY 2032-2033. The FY 2022-2023 appropriation of \$94.84 million will rise to \$520.54 million in FY 2032-2033.

- (An additional \$87 million in recurring funds in FY 2023-24 and \$163 million in recurring funds for FY 2024-25 is appropriated for the Opportunity Scholarship Grant Fund Reserve – see Committee Report Item 141, Page B 45)

Requires the State Board of Education to develop a sequence of courses to allow a student to complete the credits required for graduation in a three-year period. A local board of education shall not require any additional credits beyond those mandated by the State Board for high school graduation.

Establishes the Early Graduate Scholarship Program for those students who meet all of the following requirements:

- Graduate from a State public high school in three years
- Qualify as a resident for tuition purposes
- Meet enrollment standards at an eligible postsecondary institution
- Submit a Free Application for Federal Student Aid (FAFSA)

The scholarship is for a maximum of two semesters. SEAA will determine the scholarship amount based on the student’s financial need. Scholarships will be awarded beginning with the 2025-2026 academic year.

Section 8.9 CTE Grants for Agriculture *pg. 164*

- Allocates \$2 million to the North Carolina Future Farmers of America (FFA) to provide grants to middle and high school agriculture education programs operated as a part of the Career and Technical Education (CTE) program.
- The FFA will provide a list of items that can be purchased with the grant including greenhouses, animals and livestock, and power tools.
- In awarding grants, the FFA must give priority to schools (i) located, in whole or in part, in a county with at least one local school administrative unit that received low-wealth supplemental funding in the previous fiscal year and (ii) that have a high population of at-risk students or students with disabilities.

- The FFA will have 30 days after passage of the budget bill to develop a grant application and grant applicants have until June 15, 2024 to submit applications. Grant recipients will submit a report to the FFA on program outcomes by October 15, 2024.
- FFA will submit a summary of these reports to the Joint Legislative Education Oversight Committee by December 15, 2024.
- (\$2 million NR appropriated in each year of the biennium to the program – see Committee Report page B 54, item 173)

PART XII – ENVIRONMENTAL QUALITY

Section 12.2 Water and Sewer Infrastructure Funds *pg. 368*

- Allocates \$600,000 to Pitt County Schools for water and wastewater projects.
- (Item 143 on page 368 of the bill)

PART XXXIX – SALARIES AND BENEFITS

Section 39.20 State Agency Teachers *pg. 578*

- Ensures that employees of schools operated by the Department of Health and Human Services, the Department of Public Safety, and the State Board of Education (SBE) are paid on the Teacher Salary Schedule authorized under this act.

Section 39.27 4% Cost of Living Supplements for Retirees of the Teachers’ and State Employees’ Retirement System, the Consolidated Judicial Retirement System, and the Legislative Retirement System *pg. 582*

- Provides a 4% one-time cost-of-living supplement to retirees of the Teachers’ and State Employees’ Retirement System (TSERS) in the 2023-2024 fiscal year.

Section 39.28A Waiver of TSERS Reporting Requirements/ Gaston County Public Schools *pg. 583*

- Waives any penalty payment determined to be owed under G.S. 135-8(f)(3) related to reporting requirements of employee and employer contributions by Gaston County Public Schools for the period of January 1, 2022, to June 30, 2023.