

Ensuring a Sound Basic Education

Recommendation

Provides \$525.8 million to increase access to a sound, basic education for North Carolina’s children by fully-funding Year Three of the Comprehensive Remedial Plan, as well as studies called for in Year Two but not funded in SL 2021-180. Of these funds, \$33.1 million develops a skilled educator pipeline and builds educator and principal capacity; \$370.1 million provides fair and equitable distribution of financial resources; \$19.9 million supports low-performing schools and districts; \$89.7 expands access to high-quality early childhood education for children from birth to age five; and \$13 million creates a guided pathway from high school to postsecondary education and career opportunities.

Table 1: Allocation of Funds to Support Sound, Basic Education

	Recurring	Nonrecurring
High Quality Teachers	\$32,800,000	\$300,000
Professional Educator Preparation and Standards Commission (PEPSC)	\$200,000	
Licensure, Compensation, and Pipeline Studies		\$300,000
High-Need Teacher Preparation Residencies	\$5,000,000	
NC DPI Office of Equity Affairs	\$ 400,000	
Advanced Teaching Roles Initiative	3,800,000	
National Board Certification for Teachers	\$1,300,000	
Recruitment Grants to Low Wealth and High Needs Districts and Schools	\$1,700,000	
Teaching Fellows	\$4,700,000	
Grow Your Own programs	\$2,500,000	
NC New Teacher Support Program	\$5,000,000	
NC Principal Fellows	\$8,200,000	
Finance System	\$370,100,000	\$0
Children with Disabilities Funding Cap and Funding	\$56,900,000	
DSSF and At-Risk Allotments and Funding	\$70,000,000	
Low-Wealth Schools Funding	\$40,000,000	
Limited English Proficiency Funding Cap and Funding	\$20,000,000	
Teaching Assistant Formula and Funding	\$30,000,000	
Specialized Instructional Support Personnel	\$70,200,000	
Teacher Pay	\$71,200,000	
Principal and Assistant Principal Pay	\$11,800,000	
Assistance and Turnaround	\$19,900,000	\$0
District and Regional Support Model	\$10,000,000	
Community Schools	\$6,000,000	
Reduced-Price Lunch Co-Pays	\$3,900,000	

Early Childhood Learning Opportunities	\$89,400,000	\$250,000
NC Pre-K Expansion	\$41,900,000	
Early Intervention	\$10,250,000	\$250,000
Smart Start	\$10,000,000	
Child Care WAGES	\$26,000,000	
Recruiting and Professional Development	\$1,250,000	
Postsecondary and Career Alignment	\$13,000,000	\$0
Revise Funding Approach for NCVPS	\$3,000,000	
Career Development Coordinators in Grades 6-12	\$10,000,000	
Grand Total	\$525,200,000	\$550,000

The Governor’s Recommended Budget includes an additional \$127 million for teacher and school administrator compensation increases beyond the \$83 million plan increase shown above and an additional \$75 million in local supplement enhancement to further increase teacher compensation.

Statement of Need

- The constitutional mandate to provide a sound basic education requires stable, recurring funding. The Governor’s FY 2022-23 Recommended Budget uses General Fund and lottery receipts to fully-fund Year Three of the Comprehensive Remedial Plan and the nonrecurring Year Two items not funded in SL 2021-180.
- The number of teachers employed in North Carolina declined by 5% from 2009 to 2018, even as student enrollments increased. The number of teacher credentials issued between 2011 and 2016 declined by 30% and annual teacher attrition is higher in North Carolina than the national average. As the workforce shrinks, teacher shortages are widespread, especially for teachers of exceptional children, elementary school students, math, and Career and Technical Education (CTE).¹
- North Carolina–trained teachers are the most effective teachers and have the highest retention rates in public schools. The state needs to increase the number of in-state trained and credentialed teachers to 5,000 teachers annually to return the state to its former levels of teacher preparation.²
- Stagnant reimbursement rates, rising startup and operating costs, and recruitment and retention of qualified teachers are key obstacles to NC Pre-K expansion.³

Recommendation Detail

- Increases the pipeline of diverse, well-prepared teachers by investing \$4.7 million to expand Teaching Fellows eligibility to include any State Board of Education-approved educator preparation programs, broaden eligible certification areas, extend the reduced payback period to Fellows who teach in high-poverty schools, improve opportunities for talented minority candidates, and expand program support and enhancement.

¹ WestEd. “[Sound Basic Education for All: An Action Plan for North Carolina.](#)”

² Ibid.

³ National Institute for Early Education Research. “[Barriers to Expansion of NC Pre-K: Problems and Potential Solutions.](#)”

- Invests \$3.9 million to offset the co-pays for students eligible for reduced price lunches in schools participating in National School Lunch Program.
- Invests \$6 million for schools to adopt a Community Schools model to address out-of-school barriers to learning.
- Removes funding caps and increases funding by \$146.9 million for the Children with Disabilities, Disadvantaged Student Supplemental Fund (DSSF), and Limited English Proficiency allotments to increase the number of at-risk students receiving supplementary funding and address the higher costs of serving specific populations.
- Invests \$89.7 million in early childhood education, including support to strengthen the pipeline of early childhood educators.

Expected Impact

Investments in these priorities are expected to have the following impacts:

- Ensure all teachers receive at least a 7.5% raise over the biennium.
- Support up to 535 additional Teaching Fellows with forgivable loans.
- Provide up to 97,500 students with no co-pay, free school meals.
- Increase NC Pre-K reimbursement rates by 19%, and administrative reimbursement rates from 6% to 10%.
- Expand Smart Start services statewide and strengthen the Early Intervention program with increased staffing and professional development.
- Expand the Child Care WAGE\$ program statewide to improve pay for early childhood educators.