

Budget FY 2023-24 - Update SL2023-134 (HB259)

as of October 13, 2023



Discussion Points

- Processing Update
- Salary Items
- General Allotment Items
- Grants and more Grants
 - New PRCs
- Key Policy Items to be aware
- Coming Attractions



Allotment Process Update

- Initial Allotments:
 - First step to reverse the prelim allotment (will be mid-day post (target Monday 16th).
 - Tuesday 17th: Validate balances and Process Initial Allotments in system.
 - Target LEAs can see allocations, Wednesday, 18th in system.
- Update Allotment Summary (2-pgr) and provide the \$\$ per-pupil for Charter Schools and other planning.
- NCVPS Adjustment will follow.
- Federal Initial Allotments will be within a week following the State Initial.
- Federal Reversions (ESSER and others) will process after Federal Initial.
- 1st Month adjustment for Charter Schools will take place early November as is the normal time frame.
 - We expect to have the 1st month ADM by the end of October.



Other Process Reminders

- Conversions/Transfer window opens **AFTER** the Best 1 of 2 Adjustment for LEAs. That is typically in December and is not a new timeline. Includes:
 - IFE Transfers (International Staff)
 - ABC Transfers
 - Restart Conversion Process
 - Any other transfers or conversions
- Virtual Charter Schools:
 - To be treated as all other charter schools effective July 1, 2023. We will be talking with those schools directly next week once we have completed our calculations. Contact jennifer.bennett@dpi.nc.gov if you have specific questions.



Salary Items



Salary Timeline for Implementation

- Salary changes are retroactive to July 1, 2023.
 - Must have been employed on June 30, 2023.
 - Must still be employed. See section 39.22 (a) (1)
 - *“ For the 2023-2024 fiscal year, shall be paid effective on July 1, 2023 and do not apply to persons separated from service due to resignation, dismissal, reduction in force, death, or retirement OR whose last workday is prior to June 30, 2023.”*
 - *ASSUME this same application applies to the bonus payments as well... you still have to be employed when the bonus is paid.*
- There is no timeline stipulated related to implementing the salary changes or providing the retroactive adjustments. It is advised to get those completed prior to December 31st for clean W2's, retirement submissions, etc.
 - *We have no additional information from State Treasurer's office on retirement stipulations other than what was provided previously. We are assuming the adjustments would be completed within their normal 90-day turnaround as that would correspond to the calendar year-end.*
 - *If we find out otherwise we will provide, otherwise, assume the 90-day rule applies.*



Salary Timeline for Implementation

- The Principal Bonus has an October 31st deadline to pay.
 - We are posting the information into LICCSAL (as normal) today, Friday for LEAs. Charters and others will be notified on Monday individually for the principals who qualified.
- The Teacher Bonuses have the January deadline as in prior years.
- Advanced Teacher Role bonuses – process and allocations to be determined. No timeline for implementation, DPI will be trying to expedite information out to the districts impacted.



Salary Items – effective July 1, 2023

- Benefit Rates:
 - Retirement = 25.02%
 - *Increase of 2% or 0.52% from current year rate of 24.50%*
 - Hospitalization = \$7,557
 - Increase of 2.2 % or \$160 per person from current year rate of \$7,397
 - *2nd year – FY24-25 -- \$8,095 – 7% increase.*
- Most raises at 4% or average thereof.
- Teachers range from 2% (years 16+ (yr. 25 is 6%) to high of 7.7%. Higher increases in year 1-15.



Principal Pay

- Principals: no hold harmless, adding the extra growth score in (so higher best 1 of 2, then will be to best 2 of 3). Base of 4% raise.
 - ADM Bands change with the Fiscal Year and are based on the 1st Month ADM for your district from FY22-23 year.
 - Be reminded – PRINCIPAL PAY CHANGES for the GROWTH SCORES change in JANUARY.
 - *ESSER Funds honor the HH that was funded, by the State Superintendent, starting January 2023 thru December 2023.*
 - *Please review the SL 2023-134, Section 7A.6 for all the rules related to Principal Pay.*



Principal Pay & PreK ADM

- PreK ADM to be included for Principal Pay ADM Band determination in FY 24-25.
 - New Policies, processes, reports, etc. have to be developed.
 - Need to determine how to consistently account for PreK students and calculate the ADM.
- PreK ADM is not included in any other SPSF Allocations.
- SPSF is intended for K-12. Unless PreK is specified in legislation governing the programs and funding it is assumed the funds may not be used for PreK purposes.



Classified Salaries

- 4% raise.
- Local BOE governs those salary schedules for those classifications of staff.
- State provides ranges for the min and max only and we are to align with the Office of State HR.
 - We are looking at when the OSHR will be updating the schedules on-line to meet the new state legislative adjustments.
 - It should be assumed that you can honor the state 4% raise if you have someone at the current max of those ranges.
 - We will update as we receive additional information from OSHR.



Bus Driver Pay

- 4% raise – included in the base funding for Transportation (PRC 056)
- Additional funding (\$4.7m) to be distributed
 - Policy and Process part of allotment policy updates, November SBE meeting.
 - Will be similar to methodology used in 2017, with slight modification to ensure distributed to districts who pay driver salaries.
 - *The additional funding provided by the general assembly was estimated by that staff to enable most districts to increase bus driver salaries "on average by an additional 2%".*
 - *These funds are subject to TSERs.*
- The funding will vary as do the LEAs salary schedules.
- It will be up to the individual LEA to determine how much additional pay for bus drivers they can afford and how best to adjust their local schedules, how to implement, etc.
- This is RECURRING money so it is expected this would be provided annually, however, the Local Boards determine how best to distribute those funds to their bus drivers.
- We will distribute with “kitchen sink” after November SBE meeting.



Advanced Teaching Roles

- NCDPI will update the allotment policy related to PRC 022 (Advanced Teaching Roles) to reflect the new funds and provide some additional parameters in the salary manual to correspond to these supplements.
 - Slated for the November SBE meeting
 - Allocations will not go out until after updated policies are adopted
- Division of Educator and Student Advancement will be confirming the information required to affect a clean and accurate allocation of these funds in accordance with the legislation.
- More information as we move thru that process.



PRC 071 – State Salary Supplements

- 1-yr no penalty for those who supplanted in the prior years.
- Supplanting provision modified but in effect moving forward.
- We are still validating the funding allocations.



Allotments and PRC related items



Allotments

- Codified standard categories with no real changes (*EC, AIG, Low-wealth, Small Cnty, DSSF*)
 - When you see it underlined, doesn't mean it's necessarily new, that is how they reflect the codification. (*will state "Codify Funding"*)
 - No changes to those allocations, caps, formulas, etc.
 - Will be in general statute, so no longer will be part of the budget bill documents unless there are changes.
 - Small School Allotment revision and additional funding, will add one additional school district, as well as being codified.
 - AIG: DPI has to determine uniform definition.



Allotments

- Reduces At-Risk funds (PRC 069) by \$7 million to fund ELISS grants for school districts.
 - New Grant (State PRC 052) – SBE policy in November.
- Increased funding for Driver's Education (PRC 012) (\$1.3m)
 - To account for extra homeschool & private school students, increase of costs for vehicles, fuel, etc.
- Increased funding for Classroom Supplies (PRC 061) (\$11m: \$10m is non-recurring for 23-24)
 - Non-recurring funding from Indian Gaming



Allotments

- Expanded PRC 006 to be for Mental Health Support positions, moving those categories from current PRC 007 (Instructional Support).
 - Working on allocations for the Initial Allotments
 - We have added the new codes to the COA so you may begin to transition staffing as needed.
 - We will LEAVE the codes in PRC 007, no change in the allowability of what may be used from those funds, in the legislation. *(So can continue to use 007 for those mental health support positions if needed).*
 - As soon as we have the updated staffing ratios, we will have those updated in the Allotment Formula summary page.
 - Removed the requirement for having a FT Psychologist before converting funds from PRC 006 to PRC 008 for contracted services.
 - You may still convert the PRC 006 into PRC 008 to cover contracted services. The ABC Transfer will be modified accordingly and available when that window opens in December.



Grants *and more Grants*

- Several new grants or revisions to existing grants.
- Will require SBE allotment policy updates and such before funding can be executed.
- Some have tight timelines so we expect to expedite all we can in the Nov SBE meeting.
- A lot of processes, policies, and such to be determined and rolled out as we work with the program areas responsible to implement those grants.
- For Charter Schools: reminder if you get grant funds those will be separate from the Main SPSF PRC (036) and will need to be accounted for separately.



New Grants... last count *(using Money Bill # - pending PRC determination)*

- #58: \$35m - \$School Safety Grants – we will split out the grants since non-recurring funding to a NEW PRC
- #63: \$4m - Economically Disadvantaged Public School Support – different enough from DSSF to warrant a new PRC
- #66: \$2m – CTE Modernization (thinking PRC 23)
- #69: \$1m – Teacher Apprentice Grants
- #70: \$1m – Health Career Promotion



New Grants... last count *(using Money Bill # - pending PRC determination)*

- #71: \$1m – STEM Grants
- #72: \$1m – NBPTS Support (FY 24-25)
- #77: \$ 200K – CTE Homebuilding
- Other: CTE – combining PRC 064 with PRC 079 – we will be using PRC 079

- Many other direct grants thru DPI that will also need to be executed. We will keep you posted.



Other Items to be aware



Needs Based Public School Capital Fund (LEAs only)

- Update in our FBS Newsletter today.
- Superintendents received update from Dr. Oates yesterday on the application deadlines.
- More guidance and FAQ information will be provided by Nathan Maune and his team in the next few weeks.
- Latest info and updates will be on the Capital Funding web page of the School Planning website: <https://www.dpi.nc.gov/districts-schools/district-operations/school-planning/capital-funding>



Textbooks

Due to the NCFS State Acctg System conversion we are restructuring how we will allocate and process the Textbook Funds.

- PRC 131 – will be updated to include the Textbook Object codes.
- PRC 130 will not longer be used.
- Your “new” textbooks funds will be allocated to 131 with the initial allotment.
- After the NCFS conversion is complete and budget certification process completed by OSBM we will be able to distribute everyone’s balances. (est. end of November?)
- We must confirm the State acctg structure is in place to allow the funds to carryforward. Should be similar as we move forward to School Technology.
 - Intended to ensure funds carryforward.
- Process and procedures, guidance will be forthcoming.
 - We anticipate you will get an invoice from the textbook warehouse and will then pay DPI directly from these funds, as if DPI is a vendor.



Other items of Note

- **Funding in Arrears** beginning with FY 2024-25.
 - Should stabilize the funding and planning for state funds for the districts.
 - Will provide funds for growth.
 - Will not reduce for 1-year ADM decreases.
 - ALL PSUs will be treated the same.
 - Policy/Process to be presented by February.
- **Modification to the Transportation** funding to get more funds out to the districts earlier, less funds in reserve, remainder of available funds allocated in April.
 - Policy to be updated at SBE in November
 - Could be changes in how some aspects of the funding has been distributed from prior years under the new mandate.
 - Transportation department evaluating and more guidance will be available after the November SBE meeting and as available.



Other Items of Note

- **EC Funding** using a Weighted formula using service delivery recommendation by January SBE meeting.
 - Currently presenting to regions and getting LEAs to examine and provide feedback.
 - Let me know if you want to pilot or provide feedback.
 - Sending a survey first of November to gather additional key items of details.
 - Need solid feedback on current staffing caseload ratios and on actual contracted costs/etc.
 - Please consider participating in our review with your EC Director, so we can ensure we are presenting solid feedback from the field.



Coming Attractions

- Getting out the Initial Allotments
- Taking Allotment Policy to SBE (Nov/Dec)
- Taking Salary Manual to SBE (Nov)
- EC Funding formula webinars
- Funding in Arrears – comparison analysis, will have webinars as we develop recommendation
- Federal reversions and final ESSER
- Additional GEER funding for select PSUs (November) – we will work with districts specifically as needed



ESSER Audits coming soon

- **Bonuses:** PLEASE make sure you have the appropriate documentation to support any and all bonuses and how those were approved and support the mitigation and parameters under the ESSER funding.
- **Davis-Bacon:** PLEASE make sure payments for labor over \$2,000 are compliant with these requirements. See our COVID FAQ.
- **Ownership:** PLEASE ensure you have a 50-year interest or own the property if any federal funds have been used for capital improvements, etc.
- Jefferson Wells and Cherry Beckhart have been contracted... expect to see them soon!!



Budget References

- [Financial and Business Services | NC DPI](#)
 - Budget Section under the What's New page
 - Budget Comparison
 - Budget Summary
 - Salary Schedules
 - Guidance and FAQ documents
 - We will continue to add information as we have it available.
 - FBS will be having webinars as we all implement the budget.
 - Our weekly newsletter and newsletter blasts also will provide this information as it is updated.





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