



PERKINSON LAW FIRM

LEGISLATIVE UPDATE June 25, 2021

The Senate passed its version of the budget, Senate Bill 105, on Thursday by a vote of 32-18. The 25.7 billion budget cuts income taxes and phases out corporate taxes altogether by 2028. The Senate's budget adds \$3.8 billion to the Rainy Day Fund and spends \$5.1 billion more in federal COVID relief funds.

Here are some of the key education provisions in the budget:

- Includes a 1.5% salary increase for teachers in each year of the biennium for a total of 3%.
- Includes a hold harmless provision that provides school districts will not lose funding if actual average daily membership is below anticipated average daily membership.
- Provides \$1,500 bonuses to state employees making less than \$75,000, including teachers and principals.
- Provides \$300 bonuses to teachers "from repurposed state funds previously appropriated for performance bonuses that cannot be paid due to COVID-19 related data issues," according to a press release.
- Includes a 3% pay raise over the biennium for principals, as well \$1,800 bonuses using state funds that would have been used for performance bonuses had COVID-19 not happened.
- Provides funding to ensure that non-certified school employees, such as bus drivers and cafeteria workers, earn a minimum wage of \$13 an hour.
- Transfers more than \$450 million over two years from the state lottery to the Needs-Based Public School Capital Building Fund and \$200 million from the lottery to the Public School Capital Fund for school construction.
- Includes \$40.9 million in both years of the biennium to ensure that every school district in the state has a school psychologist.
- Allocates \$150 million in one-time funding remove lead found in excessive concentrations and asbestos in public schools and child care centers.
- Commits \$1.7 million in each year of the biennium to increase base reimbursement rates for child care centers participating in NC Pre-K.
- Includes \$20 million for start-up grants for NC pre-K classrooms and child care centers across the state.
- Includes \$76.8 million in new funding for the Opportunity Scholarship Program, which gives state funds to students to be used for private school.

- Increases the income eligibility amount for the Opportunity Scholarship Program from about 150% of the income required to qualify for free-and-reduced-price lunch to 175%.
- Provides \$10 million in nonrecurring funds in both years of the biennium for competitive grants to support students in crisis, school safety training, and safety equipment in schools.
- Includes \$6 million nonrecurring in both years of the biennium to implement the recent revision to the Excellent Public Schools Act, including for the science of reading.