

FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Public School Funding System, Part II

February 21, 2022

2021-23 Biennial Budget



COVID-19 Response

- Continued the FY 2020-21 hold harmless to FY 2021-22
 - Projected ADM was adjusted based on actual FY 2020-21 numbers
 - Budget required report on effects of hold harmless, total of \$269.4 M over two years
- Increased the ADM contingency reserve by \$10 M (NR) and created a NR reserve for students with disabilities of \$25 M



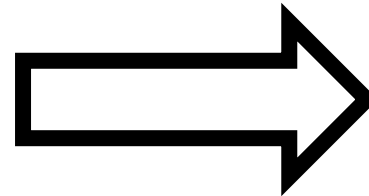
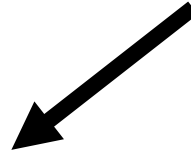
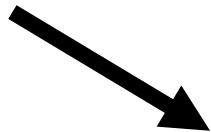
Children with Disabilities



Increased per-student funds by \$50



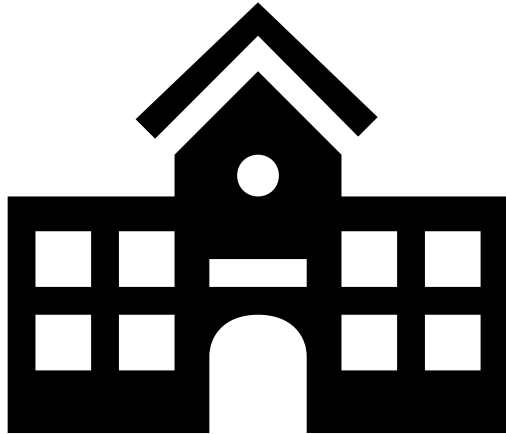
Cap per LEA from 12.75% to 13% of ADM



Individual services needed for each child

Pool of funds for children with disabilities

Capital Needs



- Reforms to the Needs-Based Public School Capital Fund
 - Change to matching requirements
 - Removes ineligibility period
 - Appropriates an additional \$148.5 M over the course of the biennium
- New R&R fund
 - \$300,000/county in FY 2021-22
 - \$500,000/county in FY 2022-23



Other Major Initiatives

Item	Amount
School Psychologists Allotment	An additional \$9 M
Transportation Reserve Fund for Homeless and Foster Children	\$2.8 M
Charter School Transportation Grant Program	\$2.4 M
School Safety Grants	\$9.7 M NR in each year of the biennium
Science of Reading	\$6.5 M NR in FY 2021-22 and \$5.5 M NR in FY 2022-23
School Connectivity	An additional \$4.6 M to match federal funds
School Business System Modernization	\$48.8 M NR in FY 2021-22 and \$37.9 M NR in FY 2022-23



Special Programs



External Partners Receiving Recurring Funds

Program	Year Funding Began	FY 2021-22 State Funding
Teach for America	1997	\$6 M
Communities in Schools	1997	\$2.45 M
NC Association of School Business Officers (NCASBO)	2021	\$2.23 M
Beginnings for Parents	2001	\$1 M
Schools that Lead	2018	\$350,000
Troops to Teachers	1994	\$149,996



Largest DPI-Run Programs

Program	Year Funding Began	FY 2021-22 State Funding
Excellent Public Schools Act	2013	\$66.5 M, plus \$6.5M NR
Test Bonuses for Teachers	2017	\$37.8 M
School Connectivity (federal match)	2006	\$36.6 M
Virtual Charter Schools Pilot	2014	\$32.9 M
Cooperative and Innovative High Schools and Regional Schools	2004	\$28.4 M
School Resource Officers	2013	\$18 M



**A complete list of
special programs
can be found in the
[online handout.](#)**



Questions?

For more detailed information on public school funding, see March 2021 FRD presentations to Joint Education Appropriations available at www.ncleg.gov/Documents/127

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