The North Carolina General Assembly’s 2022 Short Session has adjourned, through legislators will be back in Raleigh on July 26 for certain purposes such as the potential adoption of conference reports and veto override votes.

Legislators were successful in adopting a new proposed budget, and the proposed budget has been presented to the Governor for his consideration. Key provisions of the health and education sections of the budget are described below.

***Health***

The General Assembly short session budget does not include Medicaid expansion or any of the other major health proposals including the SAVE Act or Certificate of Need (CON) reform approved by the Senate earlier this year. As for Medicaid expansion, the House approved a bill, SB 408, creating a proposed pathway to expansion by the end of 2022. With each chamber approving different competing versions, the Senate and House have now approved their own versions of Medicaid expansion legislation this year. While this is unprecedented progress for expansion in North Carolina, each chambers' expansion bills are quite different and negotiations between the two chambers on expansion have resulted in a stalemate. Governor Cooper continues negotiations on Medicaid expansion with the General Assembly, so there may be more progress in the months ahead when legislators return.

The budget also provides:

* **$4.7B allocated for Medicaid budget**
* **$230M nonrecurring - Medicaid Transformation Projects:** Revised total requirements for the Transformation projects are $604.2M (C28)
* **$1.84B earmarked for HHS priorities this upcoming fiscal year**
  + **$1.3M recurring - 988 Crisis Helpline**: Provides funding for 988 Crisis Helpline call center staff to meet the anticipated call volume when the helpline is implemented in July 2022 (C47)
  + **$14.8M nonrecurring - Opioid Abatement Fund:** Allocates funds from the opioid lawsuit settlement for mental health organizations to purchase medication-assisted treatments, perform research on opioid treatment, and allocates $1M for TROSA to provide housing support to individuals in recovery/treatment (C51)
  + **$3M nonrecurring - Pregnancy Centers/Services:** Provides grants to crisis pregnancy centers across the state (C57)
  + **$3M recurring - Rural Health Loan Assistance Repayment Program:** Provides funding for recruitment and retention incentives for primary care providers in rural areas. The revised net appropriation is $4.8 million (C14)
  + **$95M nonrecurring - Continuation of Enhanced Rates for Skilled Nursing and Personal Care Services:** Continues the increased COVID rates in place as of June 30, 2022, for personal care services (PCS) and skilled nursing facilities (SNF) until this funding is depleted (C26), at which time DHB will have authority to set these rates (Section 9D.3)
  + **$155M+ Smart Start initiatives:** Child Care Activities, Family Support, Subsidized Child Care and Health activities (C17)
  + **$26M recurring** – Community Mental Health Services (C46)
  + **$3.4M – Vocational/Employment Services for Blind, Deaf and Hard of Hearing**
  + **$63M – Foster Care funding increase**
  + **$15M – Independent Living Services**
  + **$22.9M – Vocational Rehabilitation-Employment Services**
* **Other relevant spending measures include:**
  + ***$170M*** moreto the Housing Finance Agency for the Workforce Housing Loan Program (Section 29.1)
  + **$350,000 - Paws4people, Inc.:** a nonprofit in New Hanover Cunty that trains assistance dogs for children with disabilities and veterans
  + **$1.5M – Research Triangle Institute International** (p. D17)

***Education***

North Carolina teachers and certified staff, including school-based SLPs and audiologists, will receive, on average, a 4.2% raise for FY 2022-23 instead of the previous figure of only 2.5% in last year’s budget. School-based SLPs and audiologists will also continue to receive a $350 monthly supplement. Non-certified staff will receive a 4% pay raise.[[1]](#footnote-1)

For the 2022-23 Teacher Salary Schedule, please see pages 43-44 of the [2022 Budget Bill/HB 103](https://webservices.ncleg.gov/ViewBillDocument/2021/55007/0/H103-PCCS20003-MLXR-9).

With school safety at the forefront of policy concerns, the state will allocate $32M to the School Safety Grant program whose funds are used for students in crisis, training and safety equipment. In addition, $15M is set aside for the School Resource Officer Grant program, particularly for elementary and middle schools. This increases the state match twofold to $4 from the state for every $1 provided by the district. In addition, $26M will go to an allotment to ensure that every high school has a School Resource Officer.

In the 2021 budget, $100M was distributed to school districts to provide local teacher supplements, and this funding is now upped to $170M in total with an emphasis on districts with fewer resources. Lawmakers infused the budget with an additional $56M into the Opportunity Scholarship Grant Reserve and expanded income eligibility to 200% of the amount students need to qualify for free or reduced-price lunch. The Department of Public Instruction will use funds available for the School Business System Modernization Plan so that school administrative units and charter schools can migrate their business data to offsite premises and still meet Uniform Education Reporting System requirements. The Department of Public Instruction will add a minimum of 13 full-time employees to provide professional development and support to teachers who work with students with disabilities aged 3 - 5 (pg. 40).

* **$109M recurring - Teacher Salary Schedule Increases:** The base teacher salary schedule increases monthly starting teacher pay to $3,700. Including step movement along the schedule, the average salary increase resulting from the schedule change in FY 2022-23 is approximately 4.2% (B15)
* **$70M recurring - Teacher Supplement Assistance Allotment:** Provides additional funding to the Teacher Supplement Assistance Allotment and increases the maximum award per eligible teacher from $4,250 to $5,000 (B15)
* **1% Retiree One-Time Cost of Living Supplement**
* **$22M recurring - Comp. Increase Reserve/Noncertified Personnel:** Provides funding for an additional 1.5% increase for noncertified personnel who are paid above the $15/hour minimum wage requirement for State-funded employees. The revised salary increase for State-funded noncertified personnel in FY 2022-23 is the greater of 4% or an increase to $15/hour (B15)
* **7% increase – NC Pre-K Reimbursement Rates for Child Care Center Teachers**: Further increases the rate for 2022-23 to address disparities in teacher salaries between Pre-K teachers in public schools versus private child care centers
* **$62.3M recurring – Special Population Headcount Adjustments**: Increases funding for Exceptional Children and Limited English Proficient students
* **$32M nonrecurring - Transportation Fuel Reserve:** Provides funds to support increased school transportation fuel costs. DPI shall distribute these funds based on need (B16)
* **$32M nonrecurring - School Safety Grants Program:** Provides additional funding for the school safety competitive grant program to support students in crisis, school safety training, and safety equipment in schools. The revised net appropriation for this purpose is $41.7 million in FY 2022 -23 (B17)
* **$26M nonrecurring - At-Risk Funding/School Resource Officers**: Provides additional funding for the At-Risk allotment to reflect the actual average salaries of school resource officers provided for each funded high school. The revised net appropriation for this allotment, including technical adjustments, is $337.7 million (B17)
* **$15M recurring - School Resource Officers:** Provides additional funding for the School Resource Officer grant program operated under G.S. 115C -105.60. The revised net appropriation for this purpose is $33.0 million in FY 222-23 (B17)
* **$3M nonrecurring - Career and Technical Education (CTE) Grants:** Provides funds for a grant program for the modernization and support of CTE programs. The grant program prioritizes low-wealth counties with high populations of at-risk students or students with disabilities. Up to $2 million may be used for modernizing existing programs in middle schools. Up to $1 million may be used to fund ancillary items necessary for CTE programs (B17)
* **$4M nonrecurring - Reduced-Price Lunch Copays:** Provides funds to offset the copays for students eligible for reduced-price lunches in schools participating in the National School Lunch Program (B17)
* **$500,000 nonrecurring - Interoperable Student Data Systems Study:** Provides a directed grant to myFutureNC, Inc. to study and submit a report by March 15, 2023, on the creation of an interconnected, real-time data system to facilitate communication and transition of students between public schools, community colleges, and universities (B20)
* **$56M recurring - Opportunity Scholarship Grant Fund Reserve:** Provides additional funds to the Opportunity Scholarship Grant Fund Reserve (Reserve). Funds appropriated to the Reserve in a given fiscal year are used to award scholarship grants in the subsequent fiscal year. The revised net appropriation to the Reserve in FY 2022-23 is $150.8 million (B31)
* **$16.3M recurring –** **Personal Education Student Accounts (PESAs) for Children with Disabilities:** Increases total funding to $48.9M in 2023-24 and further increases funds by an additional $1M each year for 10 years and solidifies this funding in the base budget. Clarifies the list of eligible disabilities by striking “developmental disability” but maintains intellectual and other physical disabilities (Section 8A.6)
* **$14M recurring/$600,000 nonrecurring - Regional Literacy and Early Learning Specialists:** Provides funding for 9 Regional Literacy Coaches and 115 Early Learning Specialists, one for every school district (B18)
* **New authority for local school systems to create “Remote Academies”**
* **$168M – New Education Complex** to house the Department of Public Instruction, Community Colleges System Office, UNC System Offices and the Department of Commerce (H2)

1. For more information on educator salaries and benefits, please check DPI’s Financial & Business Services “[Summary of 2022-23 Budget](https://www.dpi.nc.gov/media/15118/download?attachment)” [↑](#footnote-ref-1)