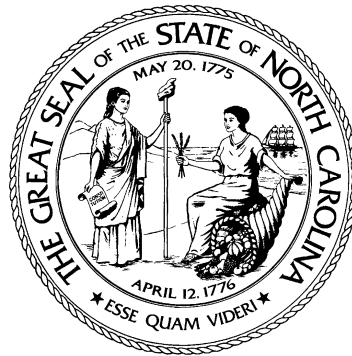


**JOINT LEGISLATIVE  
EDUCATION OVERSIGHT COMMITTEE**



***REPORT TO THE  
2009 GENERAL ASSEMBLY  
OF NORTH CAROLINA***

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STATE OF NORTH CAROLINA

JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE



January 14, 2009

TO THE MEMBERS OF THE 2009 GENERAL ASSEMBLY OF NORTH CAROLINA:

Attached for your consideration is the report to the 2009 General Assembly of North Carolina. This report was prepared by the Joint Legislative Education Oversight Committee pursuant to G.S. 120-70.81.

Respectfully submitted,

---

Senator A.B. Swindell  
Cochair

---

Representative Douglas Yongue  
Cochair



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2007-2008**

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Drupti Chauhan  
Kara McCraw  
Dee Atkinson

Mo Hudson, Committee Assistant  
Katie Stanley, Committee Assistant



**ARTICLE 12H.**  
**Joint Legislative Education Oversight Committee.**

**§ 120-70.80. Creation and membership of Joint Legislative Education Oversight Committee.**

The Joint Legislative Education Oversight Committee is established. The Committee consists of 22 members as follows:

- (1) Eleven members of the Senate appointed by the President Pro Tempore of the Senate, at least two of whom are members of the minority party; and
- (2) Eleven members of the House of Representatives appointed by the Speaker of the House of Representatives, at least three of whom are members of the minority party.

Terms on the Committee are for two years and begin on the convening of the General Assembly in each odd-numbered year. Members may complete a term of service on the Committee even if they do not seek reelection or are not reelected to the General Assembly, but resignation or removal from service in the General Assembly constitutes resignation or removal from service on the Committee.

A member continues to serve until his successor is appointed. A vacancy shall be filled within 30 days by the officer who made the original appointment.

**§ 120-70.81. Purpose and powers of Committee.**

(a) The Joint Legislative Education Oversight Committee shall examine, on a continuing basis, the several educational institutions in North Carolina, in order to make ongoing recommendations to the General Assembly on ways to improve public education from kindergarten through higher education. In this examination, the Committee shall:

- (1) Study the budgets, programs, and policies of the Department of Public Instruction, the State Board of Education, the Department of Community Colleges, the Board of Governors of The University of North Carolina, and the constituent institutions of The University of North Carolina to determine ways in which the General Assembly may encourage the improvement of all education provided to North Carolinians and may aid in the development of more integrated methods of institutional accountability;
- (2) Examine, in particular, the Basic Education Plan and the School Improvement and Accountability Act of 1989, to determine whether changes need to be built into the plans, whether implementation schedules need to be restructured, and how to manage the ongoing development of the policies underlying these legislative plans, including a determination of whether there is a need for the legislature to develop ongoing funding patterns for these plans;
- (3) Study other states' educational initiatives in public schools, community colleges, and public universities, in order to provide an ongoing commentary to the General Assembly on these initiatives and to make

recommendations for implementing similar initiatives in North Carolina;  
and

(4) Study any other educational matters that the Committee considers necessary to fulfill its mandate.

(b) The Committee may make interim reports to the General Assembly on matters for which it may report to a regular session of the General Assembly. A report to the General Assembly may contain any legislation needed to implement a recommendation of the Committee.

### **§ 120-70.82. Organization of Committee.**

(a) The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each designate a cochair of the Joint Legislative Education Oversight Committee. The Committee shall meet at least once a quarter and may meet at other times upon the joint call of the cochairs.

(b) A quorum of the Committee is 10 members. No action may be taken except by a majority vote at a meeting at which a quorum is present. While in the discharge of its official duties, the Committee has the powers of a joint committee under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4.

(c) Members of the Committee receive subsistence and travel expenses as provided in G.S. 120-3.1. The Committee may contract for consultants or hire employees in accordance with G.S. 120-32.02. The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Committee in its work. Upon the direction of the Legislative Services Commission, the Supervisors of Clerks of the Senate and of the House of Representatives shall assign clerical staff to the Committee. The expenses for clerical employees shall be borne by the Committee.

### **§ 120-70.83. Additional powers.**

The Joint Legislative Education Oversight Committee, while in discharge of official duties, shall have access to any paper or document, and may compel the attendance of any State official or employee before the Committee or secure any evidence under G.S. 120.19. In addition, G.S. 120-19.1 through G.S. 120-19.4 shall apply to the proceedings of the Committee as if it were a joint committee of the General Assembly.

§§ 120-70.84 through 120-70.89: Reserved for future codification purposes.

## **COMMITTEE PROCEEDINGS**

The Joint Legislative Education Oversight Committee held 5 meetings.

**October 14, 2008**

### **Spotlight on 2008 Education Legislation**

- Dee Atkinson, Research Assistant

### **Committee on Dropout Prevention Update**

- Bill Farmer, Co-Chair, Committee on Dropout Prevention
- Dr. David Strahan, Co-Chair, Committee on Dropout Prevention

### **Graduation Rate Update**

- Dr. June Atkinson, State Superintendent  
North Carolina Department of Public Instruction
- Dr. Reeves McGlohon, Superintendent  
Gaston County Schools
- Lee Dedmon, Principal, Highland School of Technology  
Gaston County Schools
- Jana Sigmon, Student, Highland School of Technology  
Gaston County Schools
- Laura Page, Student, Highland School of Technology  
Gaston County Schools
- Dr. Eric Becoats, Chief of Staff  
Guilford County Schools
- Pete Kashubara, Principal, Weaver Academy  
Guilford County Schools

### **LEA State Sales and Use Tax Refund Update**

- Brian Matteson, Fiscal Analyst  
Fiscal Research Division, North Carolina General Assembly

### **Teacher Licensure Update**

- Philip Price, Associate State Superintendent, Financial and Business Services  
North Carolina Department of Public Instruction

### **NC Wise Update**

- Peter Asmar, Associate State Superintendent, Technology and Information Services  
North Carolina Department of Public Instruction

**October 15, 2008**

### **Transportation Fuel Cost Update**

- Derek Graham, Section Chief, Transportation Services  
North Carolina Department of Public Instruction

### **Plant Operation and Maintenance Funds Update**

- Dr. Ben Matthews, Director, School Support Services  
North Carolina Department of Public Instruction

### **Capital Needs Update**

- Steve Taynton, Section Chief, School Planning  
North Carolina Department of Public Instruction

### **Teacher Mentor Program Update**

- Dr. Jesse Dingle, Director, Talent Management and Development  
North Carolina Department of Public Instruction
- Judy Lewis, ILT Coordinator  
Buncombe County Schools
- Helenita Harper, Spanish Teacher, Durant Road Elementary School  
Wake County Schools
- Agnes Bernasconi, Teacher, Rashkis Elementary School  
Chapel Hill-Carrboro City Schools

### **Principal Mentor Programs**

- Dr. Michael Williams, Executive Director,  
Center for School Leadership Development
- \*Dr. Nancy Farmer, Director  
Principals Executive Program

**December 3, 2008**

### **Collaborative Project Update**

- John Dornan, President/Executive Director  
Public School Forum of North Carolina
- Dr. Jean Murphy, Director  
Collaborative Project
- Dr. Tony Cozart, Principal, South Warren Elementary School  
Warren County Public Schools
- Jennifer Carter, Teacher/NBPTS Coach, South Elementary School  
Caswell County Public Schools
- Dr. Pat McNeill, Assistant Superintendent for Instruction  
Greene County Public Schools

### **ABC Bonuses**

- Kristopher Nordstrom, Fiscal Analyst  
Fiscal Research Division, North Carolina General Assembly

### **Tuition Forgiveness/Social Workers**

- Jack Richman, Ph.D., MSW, Dean  
UNC-Chapel Hill School of Social Work
- Anna Scheyett, Ph.D., MSW, Associate Dean  
UNC-Chapel Hill School of Social Work

### **Learn and Earn**

- Ann McArthur, Education Advisor to Governor Mike Easley
- James Blackwell, Learn and Earn Graduate - June 2008  
President, Learn and Earn Ambassadors
- Jessica Lellie, Ambassador  
Iredell-Statesville
- Dr. Terry Holliday, Superintendent  
Iredell-Statesville Public Schools
- Daniel Corral, Ambassador  
Montgomery County
- Dr. Donna Cox Peters, Superintendent  
Montgomery County Schools
- Cynthia Marshall, President  
AT&T North Carolina

\* Dr. Nancy Farmer was on the agenda, but did not address the Committee.

### **One North Carolina Small Business Fund**

- Dr. John Hardin, Acting Executive Director, North Carolina Board of Science and Technology  
North Carolina Department of Commerce

### **Taskforce on Preventing Childhood Obesity**

- Howard Lee, Chairman, State Board of Education  
Co-Chair, Taskforce on Preventing Childhood Obesity

### **Child Obesity Pilot Programs**

- Paula Collins, Sr. Policy Advisor, Healthy Responsible Students  
North Carolina State Board of Education

### **K-12 Physical Education in the Public Schools**

- Paula Collins, Sr. Policy Advisor, Healthy Responsible Students  
North Carolina State Board of Education

**December 3, 2008**

### **Exceptional Children Update**

- Mary Watson, Director, Division of Exceptional Children  
North Carolina Department of Public Instruction
- Dan Krumanocker, Principal, Pine Forest Middle School  
Cumberland County Schools
- Jean Christie, Exceptional Children Case Manager, Pine Forest Middle School  
Cumberland County Schools

### **Testing and Accountability Update**

- Dr. Rebecca Garland, Chief Academic Officer  
North Carolina Department of Public Instruction
- Dr. Lou Fabrizio, Director, Accountability Services  
North Carolina Department of Public Instruction
- Angela Quick, Deputy Chief Academic Officer  
North Carolina Department of Public Instruction

### **Principal Certification**

- Dr. Jesse Dingle, Director, Talent Development and Management  
North Carolina Department of Public Instruction
- Dr. Kathy Sullivan, Senior Policy Advisor  
North Carolina State Board of Education

### **Principal and Teacher Evaluation Instruments**

- Carolyn McKinney, Executive Director  
North Carolina Professional Teaching Standards Commission
- Dr. Steven Greene, Director, Office of Professional Development  
North Carolina Department of Public Instruction
- Mr. Jack Hoke, Superintendent  
Alexander County Schools
- Mrs. Cindi Rigsbee, 2008-2009 North Carolina Teacher of the Year

### **Program Updates**

- **Communities In Schools of North Carolina**  
Linda Harrill, President/CEO
- **Visiting International Faculty Program**  
David B. Young, CEO

**Teacher Shortage Update**

- J.B. Buxton, Deputy State Superintendent  
North Carolina Department of Public Instruction
- Dr. Judith Mann, Associate Vice President, Program Services  
North Carolina Community College System
- Dr. Hope Williams, President  
North Carolina Independent Colleges and Universities
- Dr. Alan Mabe, Vice President for Academic Planning  
UNC General Administration
- \*Alisa Chapman, Associate Vice President for University School Programs  
UNC General Administration

**Teacher Entry and Persistence Research Model**

- Dr. Alan Mabe, Vice President for Academic Planning  
UNC General Administration
- \*Alisa Chapman, Associate Vice President for University School Programs  
UNC General Administration
- Matt McBee, Researcher  
UNC General Administration

**Retired Teachers Return to Work Update**

- Michael Williamson, Director, North Carolina Retirement System  
North Carolina Department of State Treasurer
- Philip Price, Associate State Superintendent, Financial and Business Services  
North Carolina Department of Public Instruction

**High School Athletic Injuries**

- Al Proctor, Director  
North Carolina Sports Medicine Foundation

**January 14, 2009**

**Committee Discussion**

- Draft recommendations and legislation

\* Alisa Chapman was on the agenda, but did not address the Committee.

## SUMMARY OF COMMITTEE PROCEEDINGS

October 14, 2008

Dee Atkinson, Research Assistant with the Research Division, presented the *Spotlight on 2008 Education Legislation* which highlights selected education legislation that was passed in the 2008 session. This document includes legislation and budget highlights for public schools, community colleges, and universities. Two copies of the document were distributed to each member of the Committee.

Mr. Bill Farmer, Co-Chair, Committee on Dropout Prevention, gave an overview of the Dropout Prevention Committee's make-up, history, and authority. He also gave an update on the Committee's work. He said that the Committee reviewed 300 applications in 2007 and awarded 60 of those applicants. They will be working to determine which applicants qualify for funding under the 2008 legislative appropriation.

Dr. David Strahan, Co-Chair, Committee on Dropout Prevention, reviewed the 2008 plans for program evaluation. He also highlighted the evaluation criteria for the 2007 grant awards.

Dr. June Atkinson, State Superintendent, Department of Public Instruction, gave an update on the State's graduation rate. She said that the State's graduation rate is 70.2% and that the demographic breakdown shows major gaps between Asian students and Native American students. She expressed the State's strong commitment to graduate all students. In her presentation, she highlighted the top ten LEAs with the highest 4-year graduation rate and the eight schools with perfect graduation rates of 100%.

Dr. Reeves McGlohon, Superintendent, Gaston County Schools, spoke next about the Highland School of Technology, one of the schools with a 100% graduation rate. Dr. McGlohon stated that the students have the ability to choose their own path of study, teachers have additional time for planning and professional development, and administrators serve as curriculum leaders.

Lee Dedmon, Principal, Highland School of Technology, Gaston County Schools, gave a brief history of the Highland School of Technology. He also emphasized the importance of the academic structure, the key relationship between teacher and student, curriculum integration, and knowing the students.

Jana Sigmon and Laura Page, students at Highland School of Technology, Gaston County Schools, talked about the critical importance of relationships with teachers, encouragement to succeed, high expectations, extracurricular involvement and volunteerism, parent involvement, academic rigor, and school safety and cleanliness.

Dr. Eric Becoats, Chief of Staff, Guilford County Schools, spoke next about the dropout prevention strategies proven successful in his school system. He said the dropout rate in Guilford County Schools is only 2.99%.

Pete Kashubara, Principal, Weaver Academy, Guilford County Schools, spoke about the performing and visual arts academy program. He said the mission of the academy is to listen to students, parents, and staff, to recruit dropouts, and to motivate parents to participate.

Brian Matteson, Fiscal Analyst, Fiscal Research Division, NC General Assembly, reviewed the historical background of the state sales and use tax refund, which began in 1998.

Philip Price, Associate State Superintendent, Financial and Business Services, Department of Public Instruction, spoke about the challenges facing the Teacher Licensure Section. He talked about how the Department has restructured the section to keep up with the high volume of requests. Mr. Price introduced the Committee to the new Licensure Section Chief, Ms. Susan Ruiz, and together they assured the Committee that they have been more successful than in the past in implementing new ways to increase efficiency.

Peter Asmar, Associate State Superintendent, Technology and Information Services, Department of Public Instruction, gave an update on the progress of NC Wise.

### **October 15, 2008**

Derek Graham, Section Chief, Transportation Services, Department of Public Instruction, spoke about the transportation fuel costs. He reviewed the non-recurring budget line item for transportation fuel and the availability and cost issues. He stated that the major fluctuations in fuel prices have made it difficult for LEAs and DPI to plan for fuel costs with any accuracy.

Dr. Ben Matthews, Director, School Support Services, Department of Public Instruction, gave an update on the plant operations and maintenance funds. He discussed the plans to hire more staff members to assist LEAs with energy management, "greening" their schools, and training LEA maintenance staff.

Steve Taynton, Section Chief, School Planning, Department of Public Instruction, gave an update on school facilities needs.

Dr. Jesse Dingle, Director, Talent Management and Development, Department of Public Instruction, gave a presentation on the teacher mentor program and the principal mentor program.

Judy Lewis, ILT Coordinator, Buncombe County Schools, Helenita Harper, Spanish Teacher, Durant Road Elementary School, Wake County Schools, and Agnes Bernasconi, Teacher, Rashkis Elementary School, Chapel Hill-Carrboro City Schools, described how the mentor program had benefited them, both personally and in the classroom.

Dr. Michael Williams, Executive Director, Center for School Leadership Development, spoke next about the need for principal mentor programs. He mentioned the impending retirement of many current principals and advised that North Carolina would need to train and mentor even more principals than in the past.

### **December 2, 2008**

John Dornan, President/Executive Director, Public School Forum of NC, gave a brief historical background about the Collaborative Project which involves five small, rural, low-wealth counties (Caswell, Greene, Mitchell, Warren, and Washington). He said that the Project targeted all math and science teachers, as well as new first and second year teachers and provided staff development and financial support to improve student performance. He also stated that teachers involved in the project were eligible for an annual performance bonus of up to \$2,000.

Dr. Jean Murphy, Director, Collaborative Project, spoke about the staff development opportunities provided through the Project. She said that the Project has provided 4,813 professional development days for 612 teachers and has provided support for National Board Certified teachers.

Dr. Tony Cozart, Principal, South Warren Elementary School, Warren County Public Schools, spoke next in support of the Collaborative Project and commented on the benefits he experienced through the Project that have improved working conditions for his 16 teachers.

Jennifer Carter, Teacher/NBPTS Coach, South Elementary School, Caswell County Public Schools, also spoke in support of the Collaborative Project and the impact the Project has made through staff development opportunities with the Saturday workshops and the \$150 per day stipend for attendees, the follow-up sessions, and teacher recruitment.

Dr. Pat McNeill, Assistant Superintendent for Instruction, Greene County Public Schools, spoke about the importance of the Young Scholars Program, an extended day learning program aimed at strengthening



both the academic and personal capacity of promising youth through additional and enriched learning opportunities after school and during the summer.

Kristopher Nordstrom, Fiscal Analyst, Fiscal Research Division, NC General Assembly, presented an overview of the ABC bonuses and the budgeting process. He said that in 2008, the General Assembly capped the expenditures for the bonuses at \$94,325,612. He also stated that in 2008, the State Board of Education prorated the individual bonuses by 70 percent. Mr. Nordstrom said that in order to fully fund the 2008 ABC bonuses through 2008-09, reversions would require an additional \$44.1 million. He also noted that the Office of State Budget and Management had directed the Department of Public Instruction to return \$117 million that would include \$59 million in reversion funds for 2008-09.

Jack Richman, Dean, UNC-Chapel Hill School of Social Work, and Anna Scheyett, Associate Dean, UNC-Chapel Hill School of Social Work, addressed the Committee on the need for mental health, substance abuse, and developmental disabilities service providers, especially in rural areas of the State. Dr. Richman presented a proposal that would provide funds to develop and implement a loan scholarship program to train social workers to deliver mental health, substance abuse, and developmental disabilities services at four area colleges (UNC-Chapel Hill, Appalachian State University, East Carolina University, and UNC-Greensboro/NC A&T University).

Ann McArthur, Education Advisor to Governor Mike Easley, spoke about the activities of the Learn and Earn initiative. She said there were currently 36 students enrolled from around the State as Learn and Earn ambassadors. She also mentioned that North Carolina was considered for Harvard University's Innovations for American Government Award.

James Blackwell, Learn and Earn Graduate of June 2008, and President, Learn and Earn Ambassadors, spoke next about his accomplishments through the Learn and Earn initiative.

Jessica Lellie, Ambassador, Iredell-Statesville Public Schools, and Daniel Corral, Ambassador, Montgomery County Schools, shared their experiences in the Learn and Earn program and indicated that participation in the program had changed their lives.

Dr. Terry Holliday, Superintendent, Iredell-Statesville Public Schools, spoke next and thanked the General Assembly for their strong support of Learn and Earn and commented on being the recipient of the 2008 Baldrige Award in Education from the Department of Commerce.

Dr. Donna Cox Peters, Superintendent, Montgomery County Schools, spoke briefly on how the Learn and Earn program impacted the students in Montgomery County and thanked the members of the General Assembly for their support by bringing 21<sup>st</sup> Century skills to rural communities.

Cynthia Marshall, President, AT&T North Carolina, spoke about the Learn and Earn program and emphasized the business community support for the initiative and the strategies for innovative learning.

Dr. John Hardin, Acting Executive Director, NC Board of Science and Technology, Department of Commerce, gave an overview of the One North Carolina Small Business Fund which was created to help North Carolina small businesses commercialize their innovative technologies and grow by assisting them with a portion of their application expenses for federal programs and by awarding grants to encourage collaboration with universities.

Howard Lee, Chairman, State Board of Education, and Co-Chair, Task Force on Preventing Childhood Obesity, gave an overview of the legislation that established the Task Force. He said that the Task Force was still reviewing recommendations and further discussions were scheduled before presenting the final report to the legislature.

Paula Collins, Sr. Policy Advisor, Healthy Responsible Students, State Board of Education, spoke next about the child obesity pilot programs for which the General Assembly appropriated \$500,000 to

implement. She said the Department of Education awarded \$450,000 to existing Childhood Obesity Prevention Projects in five counties, with six LEAs to each receive \$41,667. The focus will be to expand In School Prevention of Obesity and Disease to Grade 9 in all six LEAs and to enhance or expand the Coordinated School Health Program in all six LEAs with an emphasis on child nutrition and staff wellness.

Paula Collins, Sr. Policy Advisor, Healthy Responsible Students, State Board of Education, spoke next about K-12 physical education in the public schools. She presented information collected from LEAs through the Healthy Active Children Policy and the Youth Risk Behavior Survey. In reviewing summary results for elementary and middle school students, Ms. Collins stated that the overall trends indicated a significant decrease in the percentage of middle school students who participated in 5 days of physical education in 2007, compared to survey results in 1993.

### **December 3, 2008**

Mary Watson, Director, Division of Exceptional Children, Department of Public Instruction, gave an update on the performance of exceptional children in high schools, as directed by Session Law 2007-295. She talked about the Positive Behavior Support program which is currently being implemented across the State in 59 high schools and 29 alternative schools. She said that she has reviewed many other programs to identify better models.

Dan Krumanocker, Principal, Pine Forest Middle School, Cumberland County Schools, and Jean Christie, Exceptional Children Case Manager, Pine Forest Middle School, Cumberland County Schools, spoke about their efforts to mainstream students with disabilities. The students are monitored and points are assessed based on the students' success for the first ten days of school. Based on individual needs, the students are assigned to the appropriate classes. Students have been mainstreamed for reading, writing, and math classes with Exceptional Children staff as needed.

Dr. Rebecca Garland, Chief Academic Officer, Department of Public Instruction, gave a brief history of the Blue Ribbon Commission on Testing and Accountability. In response to the Commission's report, the Chairman of the State Board of Education appointed a working group to further plan implementation of the Commission's recommendations. Framework for Change, the plan to implement the Commission's recommendation, was approved by the State Board of Education and is comprised of three main components: 1) Essential Standards, 2) Assessments, and 3) Accountability. This plan should be fully implemented in 2013.

Angela Quick, Deputy Chief Academic Officer, Department of Public Instruction, spoke about the new Writing Assessment, which was piloted in grades 4 and 7.

Dr. Lou Fabrizio, Director, Accountability Services, Department of Public Instruction, spoke next about the Spring 2008 Reading Results.

Dr. Jesse Dingle, Director, Talent Development and Management, Department of Public Instruction, gave an overview of principal certification requirements in the State. He talked about Session Law 2007-517 that required the State Board of Education to adopt new standards for preparing school administrators and the requirement for higher education to align the school administrator preparation program to match the new standards. Dr. Kathy Sullivan, Senior Policy Advisor, State Board of Education, spoke next about the framework used to develop the new principal certification standards.

Carolyn McKinney, Executive Director, North Carolina Professional Teaching Standards Commission, spoke about the new evaluation instruments for principals and teachers. Phase one of the teacher evaluation instrument is underway, with 13 LEAs participating. The remaining LEAs will be phased in by 2010-2011.

Dr. Steven Greene, Director, Office of Professional Development, Department of Public Instruction, spoke next about the training for implementing the teacher and principal evaluation instruments. In June and

July of 2008, 3000 principals and supervisors were trained in 54 regional training sessions. There was a three day session for central office staff.

Mr. Jack Hoke, Superintendent, Alexander County Schools, talked about his district's experience as a phase one LEA in the implementation of the new teacher evaluation and year one of the principal evaluation instrument. Mrs. Cindi Rigsbee, 2008-2009 North Carolina Teacher of the Year, also talked about her experience at a phase one LEA in Orange County.

Linda Harrill, President/CEO, Communities in Schools, spoke about the efforts of Communities in Schools (CIS) to improve the State's graduation rate. She noted that CIS is one of the only proven, research-based organizations to decrease the dropout rate and increase on-time graduation. She proposed that CIS receive funding and partner with schools to oversee 100 graduation coaches in the 100 neediest high schools in the State.

David B. Young, CEO, Visiting International Faculty, spoke next about the Visiting International Faculty's efforts to bring international teachers to North Carolina classrooms. Initially, the organization focused their efforts on providing language arts teachers, but has since expanded to nearly all other subjects.

J.B. Buxton, Deputy State Superintendent, Department of Public Instruction, gave an update on the status of the teacher shortage. He presented data on the numbers of newly hired teachers in North Carolina from 1995 to 2008. Although retention is still a major problem, particularly in the low-wealth areas, the Disadvantaged Student Supplemental Fund and Title II, Part A funding have both helped to recruit and retain teachers in those areas. Mr. Buxton highlighted the success of several initiatives, including the 2+2 program that allows teachers to attend community college for two years and transfer seamlessly to a public or private university or college to complete a teacher education program.

Dr. Judith Mann, Associate Vice President, Program Services, North Carolina Community College System, spoke next about how the Community College System is addressing the teacher shortage. Dr. Hope Williams, President, North Carolina Independent Colleges and Universities, also spoke about the teacher education efforts of the 36 independent colleges and universities. Dr. Alan Mabe, Vice President for Academic Planning, UNC General Administration, spoke next about the efforts of the public universities and colleges in recruiting and preparing future teachers.

Dr. Alan Mabe, Vice President for Academic Planning, UNC General Administration, introduced Alisa Chapman, Associate Vice President for University School Programs, UNC General Administration, and Matt McBee, Researcher, UNC General Administration, to talk about the research they are conducting to measure teacher recruitment and retention. UNC will use this research to identify predictors in low retention, as well as a number of other factors.

Michael Williamson, Director, NC Retirement System, NC Department of State Treasurer, gave an update on retired teachers returning to work. He talked about the IRS requirements: 1) a bona fide break in service, and 2) no preexisting agreement to return to work. North Carolina's law requires a six month break in service. The North Carolina Retirement System has asked the IRS if a two month break in service is sufficient and the IRS has not made a ruling.

Philip Price, Associate State Superintendent, Financial and Business Services, Department of Public Instruction, presented data on the number of retired teachers who have returned to work.

Al Proctor, Director, NC Sports Medicine Foundation, spoke about high school athletic injuries.

### **January 14, 2008**

The Committee discussed and then adopted their final report

## COMMITTEE FINDINGS AND RECOMMENDATIONS

The Committee recognizes that the current global recession has had widespread effects and has created economic hardships for many North Carolina citizens, including students attending both public and private colleges and universities. The Committee also recognizes that the current economic recession will continue to create challenges in affordability of education for students in public and private North Carolina colleges and universities.

The Joint Legislative Education Oversight Committee makes the following findings and recommendations to the 2009 General Assembly:

### 1. Child Nutrition

**(a)** The Committee finds that Child Nutrition Programs have operated as small businesses on school campuses and have had to produce revenue to cover their costs. Operating costs have increased and program revenues have decreased over the past several years.

The Committee also finds that the Child Nutrition Programs can be part of the solution to the epidemic of overweight children in North Carolina. However, it is more expensive to provide healthful foods such as fresh fruits and vegetables, whole grain products and skim milk, and there are increased labor and equipment costs associated with providing healthy food choices.

The Committee recommends that the General Assembly provide funds to ensure that Child Nutrition Programs operating in the public schools have the funds necessary to implement nutrition standards adopted by the State Board of Education for elementary schools and to improve the overall operation of the child nutrition programs. See attached **LEGISLATIVE PROPOSAL I: 2009-SFz-1[v.2]**.

**(b)** The Committee finds that obesity continues to be a serious health concern in North Carolina. Overweight and obesity are alarming because both conditions can increase the risk for health problems, including chronic diseases. In light of this serious problem, legislation in 2008 established a Task Force on Preventing Childhood Obesity to review current State activities in the Department of Health and Human Services, the Department of Public Instruction, and the Health and Wellness Trust Fund and to develop a comprehensive statewide strategic plan with recommendations for preventing childhood obesity.

The Committee strongly endorses the work of this Task Force and looks forward to receiving their strategic plan and recommendations.

### 2. Dropout Prevention

The Committee believes that all students should graduate from high school prepared for work or to pursue further education. The Committee recognizes that North Carolina must lower its high school dropout rate and increase its graduation rate. The Committee believes that strengthening the curriculum so it is more challenging and relevant to students and providing courses that prepare students for career and work options after high school are strategies that have the potential to keep students in school until they graduate.

The Committee recommends that the General Assembly continue to support initiatives aimed at reducing the high school dropout rate and increasing the graduation rate. The Committee supported the additional funding awarded for new grants from among those that were submitted and not selected in the first round of grants awarded as a result of the House Initiative on High School Dropout Reform. Additionally, the Committee supported the reauthorization of the Joint Commission on Dropout Prevention and High School Graduation.

The Committee also recommends continued funding for the recommendations of the Joint Legislative Commission on Dropout Prevention and High School Graduation, and the high school reform efforts in place across the State.

### **3. The Collaborative Project – A 21<sup>st</sup> Century Initiative of the NC General Assembly**

The goals of the Collaborative Project – A 21<sup>st</sup> Century Initiative of the North Carolina General Assembly are to positively impact student performance and recruitment and retention of teachers, and to provide access to high quality professional development resources. The Project is focused generally on five public school systems serving low-income students in rural areas across the State, and specifically on elementary and middle schools within the participating school systems to improve the students' academic foundation and better prepare them for high school.

The Committee strongly recommends continued funding for the remainder of this three-year education reform pilot program known as The Collaborative Project.

### **4. Teachers**

**(a)** The General Assembly makes an annual, non-recurring appropriation to provide incentive funding for schools that meet or exceed the projected levels of improvement in student performance, in accordance with the ABCs of Public Education Program. These incentive awards are commonly known as ABC bonuses.

Incentive awards in schools that achieve higher than expected improvements may be up to \$1500 for each teacher and for certified personnel, and up to \$500 for each teacher assistant. Incentive awards in schools that meet the expected improvements may be up to \$750 for each teacher and for certified personnel and \$375 for each teacher assistant.

Until the 2007-2008 school year, the maximum amounts of the ABC bonuses had been awarded. However, in the 2008 Appropriations Act the State Board was directed to limit the amount expended for ABC bonuses to the average expenditure for this program over the last 11 years. This "cap" on spending resulted in a less than maximum award to teachers and teacher assistants.

The Committee believes that teachers and teacher assistants have come to expect the maximum award based on the 11 year history of the ABC bonuses. The Committee recommends that the Appropriations Committees study and evaluate the current process for awarding ABC bonuses and then reconsider their decision to "cap" the amount which the State Board of Education may expend to provide incentive funding for schools that meet or exceed the projected levels of improvement in student performance, in accordance with the ABCs of Public Education Program.

**(b)** The Committee encourages the General Assembly to continue to support initiatives that address the State's teacher shortage. The Committee believes that one way to help alleviate the State's teacher shortage is to continue to allow retired teachers to return to the classroom. In 2007, the General Assembly enacted legislation to allow teachers who retired after October 1, 2007, to return to the classroom after a six month break in service if they retired on an unreduced retirement allowance. This legislation is set to expire on October 1, 2009. The Committee recommends the enactment of legislation to extend the sunset on this legislation to October 1, 2011, to reduce the break in service from six months to four months for retired teachers, and to remove the prohibition on contractor service after retirement for all State employees. See attached **LEGISLATIVE PROPOSAL II: 2009-RQz-1[v.9]**.

### **5. Assistant Principal Salaries**

The General Assembly directed the State Board of Education, in cooperation with the UNC Board of Governors, to conduct a study to develop a framework for a North Carolina Board Certified Principal and Assistant Principal Program. A study group made up of individuals from UNC, the State Board of

Education and DPI, the legislature, school administrator associations, the National Board for Professional Teaching Standards, and an LEA was formed for this purpose. In arriving at its recommendations the study group considered information provided by the National Board for Professional Teaching Standards as well as cost to the State. One of the principles that guided the group's work is the following: "North Carolina must act to build the "bench strength" and increase the pool of qualified candidates for school leadership positions. North Carolina must also act to support and retain qualified school leaders. In so doing, the State should create incentives for qualified educators to pursue and remain in principal roles. Teachers who pursue roles as school leaders should not be financially disadvantaged."

The Committee recognizes that having strong, capable educators leading our schools is critical to the academic success of our students.

The Committee strongly supports the Study Committee's recommendation that National Board for Professional Teaching Standards teachers who move into the role of assistant principal should receive the higher of their salary as a teacher or their salary as an assistant principal, provided they are working with teachers (instruction) as assistant principals.

## **6. Tuition Forgiveness for Social Workers**

The Committee finds that the mental health system in North Carolina faces a tremendous challenge to provide a sufficient number of well-trained professional providers in mental health, substance abuse, and developmental disabilities services, especially in rural areas. The State has 24 counties that meet the federal criteria for being underserved by mental health professionals.

The Committee recommends that the General Assembly provide funds to develop and implement a loan scholarship program to train social workers to deliver mental health, substance abuse, and developmental disabilities services in underserved areas. See attached **LEGISLATIVE PROPOSAL III: 2009-RJz-6[v.7]**.

## **7. Sales and Use Tax refund**

**(a)** In 1998, the General Assembly authorized the refund of both the State and local sales and use taxes paid by local school administrative units (LEAs). In 2005, the State portion of the sales and use tax refund was repealed and the General Assembly enacted in its place a quarterly transfer of revenue from the Department of Revenue to the State Public School Fund in the amount of one quarter of the prior year's total State sales and use tax, adjusted by the percentage change in total State tax collections.

The Committee finds that, following the repeal of the refund and institution of the transfer, some LEAs began transferring capital expenditures to counties to make items eligible for the State sales and use tax refund. The Committee finds that there are reports of significant costs related to these property transfers, and that the ability to engage in such transfers varies depending on the relationship between the school board and county commissioners. The Committee also finds that, in recent fiscal years, transfers from the Department of Revenue to the State Public School Fund have exceeded budgeted amounts. Further, the Committee finds that a comparison of diminished local refund claims by LEAs in the same fiscal years suggests that current revenue transfers are greater than the foregone sales and use tax refund.

The Committee recommends the enactment of legislation to repeal the transfer of a percentage of State sales and use tax revenue by the Department of Revenue to the State Public School Fund, and to reenact the refund of the State sales and use tax to LEAs. See attached **LEGISLATIVE PROPOSAL IV: 2009-TCz-4[v.6]**.

**(b)** The Committee also finds that The University of North Carolina system was made eligible in 2003 for a full refund of the State and local sales and use tax, but that the North Carolina Community College System has not been made eligible for a refund of the State and local sales and use tax.

The Committee recommends the enactment of legislation to provide a refund of the State sales and use tax to institutions of the Community College system. See attached **LEGISLATIVE PROPOSAL V: 2009-TCz-5[v.4]**.

### **8. Exceptional Children**

North Carolina has long been a leader in special education. The General Assembly has repeatedly demonstrated its commitment to providing full educational opportunities to all students with disabilities, most recently in 2006 with a complete modernization and revision of the State special education laws. The Committee finds that there are still improvements that can be made to enhance the delivery of special education in the State and that proven programs must be expanded. The Committee believes that the Positive Behavior Support Initiative improves the learning environment for all students by establishing and reinforcing clear behavioral expectations throughout the school building and school day. The Committee recommends the enactment of legislation to fund three personnel positions to support and expand the Positive Behavior Support Initiative. See attached **LEGISLATIVE PROPOSAL VI: 2009-RQz-2[v.5]**.

Legislative Proposal I

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009

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D

BILL DRAFT 2009-SFz-1 [v.2] (12/18)

(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)  
1/12/2009 11:50:49 AM

Short Title: School Nutrition Program Funds.

(Public)

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Sponsors: .

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Referred to:

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A BILL TO BE ENTITLED

1 AN ACT TO APPROPRIATE FUNDS TO ENSURE THAT CHILD NUTRITION  
2 PROGRAMS OPERATING IN THE PUBLIC SCHOOLS HAVE ADEQUATE  
3 FUNDS TO IMPLEMENT NUTRITION STANDARDS ADOPTED BY THE  
4 STATE BOARD OF EDUCATION FOR ELEMENTARY SCHOOLS, AS  
5 RECOMMENDED BY THE JOINT LEGISLATIVE EDUCATION OVERSIGHT  
6 COMMITTEE.  
7

8 The General Assembly of North Carolina enacts:

9 **SECTION 1.** There is appropriated from the General Fund to the  
10 Department of Public Instruction the sum of twenty million dollars (\$20,000,000) for the  
11 2009-2010 fiscal year to enable child nutrition programs in the public schools to  
12 implement nutrition standards adopted by the State Board of Education for elementary  
13 schools. These funds shall be allotted to each local school administrative unit based on  
14 the number of reimbursable meals served to students in elementary schools. These  
15 funds shall be disbursed on a monthly basis through the Child Nutrition Technology  
16 System, based on a monthly claim for reimbursement. Local school administrative units  
17 shall use these funds to implement the nutrition standards as adopted by the State Board  
18 of Education in elementary schools and to improve the overall operation of its child  
19 nutrition program. These funds may be used only to purchase food, equipment, and  
20 supplies and to pay the salaries and benefits of child nutrition personnel directly  
21 involved in the preparation and service of food to students.

22 **SECTION 2.** This act becomes effective July 1, 2009.  
23



**Legislative Proposal II**

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009**

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D

**BILL DRAFT 2009-RQz-1 [v.9] (12/19)**

**(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)  
1/14/2009 11:00:38 AM**

Short Title: Retired Teachers Return to Work.

(Public)

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Sponsors: .

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Referred to:

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A BILL TO BE ENTITLED

AN ACT TO MODIFY THE PROVISION THAT PERMITS RETIRED TEACHERS TO RETURN TO THE CLASSROOM WITHOUT A LOSS OF RETIREMENT BENEFITS BY SHORTENING THE WAITING PERIOD BETWEEN RETIREMENT AND RE-EMPLOYMENT, EXTENDING THE SUNSET ON THE PROVISION, AND REMOVING THE PROHIBITION ON CONTRACTOR SERVICE AFTER RETIREMENT FOR ALL STATE EMPLOYEES, AS RECOMMENDED BY THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 135-1(20) reads as rewritten:

"(20) "Retirement" means the termination of employment and the complete separation from active service with no intent or agreement, express or implied, to return to service. A retirement allowance under the provisions of this Chapter may only be granted upon retirement of a member. In order for a member's retirement to become effective in any month, the member must render no service, including part-time, ~~temporary, temporary, or~~ substitute, ~~or contractor service~~, at any time during the six months immediately following the effective date of retirement. For purposes of this subdivision, service as a member of a school board shall not be considered service.

On or after October 1, 2009, if the member is a retired teacher as defined in G.S. 115C-325(5a), in order for the retired teacher's retirement to become effective in any month, the retired teacher must render no service, including part-time, temporary, or substitute, at any time during the four months immediately following the effective date of retirement if the retired teacher has attained (i) the age of at least 65

## Legislative Proposal II

with five years of creditable service; or (ii) the age of at least 60 with 25 years of creditable service; or (iii) 30 years of service."

**SECTION 2.** G.S. 135-3(8)c. reads as rewritten:

" c. Should a beneficiary who retired on an early or service retirement allowance under this Chapter be reemployed by, or otherwise engaged to perform services for, an employer participating in the Retirement System on a part time, temporary, interim, or on a fee for service basis, whether contractual or otherwise, and if such beneficiary earns an amount during the 12 month period immediately following the effective date of retirement or in any calendar year which exceeds fifty percent (50%) of the reported compensation, excluding terminal payments, during the 12 months of service preceding the effective date of retirement, or twenty thousand dollars (\$20,000), whichever is greater, as hereinafter indexed, then the retirement allowance shall be suspended as of the first day of the month following the month in which the reemployment earnings exceed the amount above, for the balance of the calendar year, except when the reemployment earnings exceed the amount above in the month of December, in which case the retirement allowance shall not be suspended. The retirement allowance of the beneficiary shall be reinstated as of January 1 of each year following suspension. The amount that may be earned before suspension shall be increased on January 1 of each year by the ratio of the Consumer Price Index to the Index one year earlier, calculated to the nearest tenth of a percent (1/10 of 1%).

The computation of postretirement earnings of a beneficiary under this sub-subdivision, who retired on or before October 1, 2007, and who has been retired at least six months and has not been employed in any capacity with a public school for at least six months immediately preceding the effective date of reemployment, shall not include earnings while the beneficiary is employed to teach in a permanent full-time or part-time capacity that exceeds fifty percent (50%) of the applicable workweek in a public school. The Department of Public Instruction shall certify to the Retirement System that a beneficiary is employed to teach by a local school administrative unit under the provisions of this sub-subdivision and as a retired teacher as the term is defined under the provisions of G.S. 115C-325(a)(5a).

The computation of postretirement earnings of a beneficiary under this sub-subdivision, who retired after October 1, ~~2007,2007~~, but on or before September 30, 2009, after attaining

## Legislative Proposal II

1 (i) the age of at least 65 with five years of creditable service; or  
2 (ii) the age of at least 60 with 25 years of creditable service; or  
3 (iii) 30 years of service; and who has been retired at least six  
4 months and has not been employed in any capacity with a public  
5 school for at least six months immediately preceding the  
6 effective date of reemployment, shall not include earnings while  
7 the beneficiary is employed to teach in a permanent full-time or  
8 part-time capacity that exceeds fifty percent (50%) of the  
9 applicable workweek in a public school. The Department of  
10 Public Instruction shall certify to the Retirement System that a  
11 beneficiary is employed to teach by a local school  
12 administrative unit under the provisions of this sub-subdivision  
13 and as a retired teacher as the term is defined under the  
14 provisions of G.S. 115C-325(a)(5a).

15 The computation of postretirement earnings of a beneficiary  
16 under this sub-subdivision, who retired on or after October 1,  
17 2009, after attaining (i) the age of at least 65 with five years of  
18 creditable service; or (ii) the age of at least 60 with 25 years of  
19 creditable service; or (iii) 30 years of service; and who has been  
20 retired at least four months and has not been employed in any  
21 capacity with a public school for at least four months  
22 immediately preceding the effective date of reemployment, shall  
23 not include earnings while the beneficiary is employed to teach  
24 in a permanent full-time or part-time capacity that exceeds fifty  
25 percent (50%) of the applicable workweek in a public school.  
26 The Department of Public Instruction shall certify to the  
27 Retirement System that a beneficiary is employed to teach by a  
28 local school administrative unit under the provisions of this  
29 sub-subdivision and as a retired teacher as the term is defined  
30 under the provisions of G.S. 115C-325(a)(5a).

31 Beneficiaries employed under this sub-subdivision are not  
32 entitled to any benefits otherwise provided under this Chapter as  
33 a result of this period of employment."

34 **SECTION 3.** G.S. 115C-325(5a) reads as rewritten:

35 (5a) "Retired teacher" means a beneficiary of the Teachers' and State  
36 Employees' Retirement System of North Carolina who retired on or  
37 before October 1, 2007, and who has been retired at least six months,  
38 has not been employed in any capacity for at least six months,  
39 immediately preceding the effective date of reemployment, is  
40 determined by a local board of education or a charter school to have  
41 had satisfactory performance during the last year of employment by a  
42 local board of education or a charter school, and who is employed to  
43 teach as provided in G.S. 135-3(8)c. A retired teacher at a school other

## Legislative Proposal II

1 than a charter school shall be treated the same as a probationary  
2 teacher except that (i) a retired teacher is not eligible for career status  
3 and (ii) the performance of a retired teacher who had attained career  
4 status prior to retirement shall be evaluated in accordance with a local  
5 board of education's policies and procedures applicable to career  
6 teachers.

7 "Retired teacher" also means a beneficiary of the Teachers' and  
8 State Employees' Retirement System of North Carolina who retired  
9 after October 1, ~~2007,2007, but on or before September 30, 2009~~, after  
10 attaining (i) the age of at least 65 with five years of creditable service;  
11 or (ii) the age of at least 60 with 25 years of creditable service; or (iii)  
12 30 years of service; who has been retired at least six months, has not  
13 been employed in any capacity for at least six months immediately  
14 preceding the effective date of reemployment, is determined by a local  
15 board of education or a charter school to have had satisfactory  
16 performance during the last year of employment by a local board of  
17 education or a charter school, and who is employed to teach as  
18 provided in G.S. 135-3(8)c. A retired teacher at a school other than a  
19 charter school shall be treated the same as a probationary teacher  
20 except that (i) a retired teacher is not eligible for career status and (ii)  
21 the performance of a retired teacher who had attained career status  
22 prior to retirement shall be evaluated in accordance with a local board  
23 of education's policies and procedures applicable to career teachers.

24 "Retired teacher" also means a beneficiary of the Teachers' and State  
25 Employees' Retirement System of North Carolina who retired on or  
26 after October 1, 2009, after attaining (i) the age of at least 65 with five  
27 years of creditable service; or (ii) the age of at least 60 with 25 years of  
28 creditable service; or (iii) 30 years of service; who has been retired at  
29 least four months, has not been employed in any capacity for at least  
30 four months immediately preceding the effective date of  
31 reemployment, is determined by a local board of education or a charter  
32 school to have had satisfactory performance during the last year of  
33 employment by a local board of education or a charter school, and who  
34 is employed to teach as provided in G.S. 135-3(8)c. A retired teacher at  
35 a school other than a charter school shall be treated the same as a  
36 probationary teacher except that (i) a retired teacher is not eligible for  
37 career status and (ii) the performance of a retired teacher who had  
38 attained career status prior to retirement shall be evaluated in  
39 accordance with a local board of education's policies and procedures  
40 applicable to career teachers."

41 **SECTION 4.** Notwithstanding any other provision of law, effective July 1,  
42 2009, each local school administrative unit shall pay to the Teachers' and State  
43 Employees' Retirement System a Reemployed Teacher Contribution Rate of eleven and  
44 seventy-hundredths percent (11.70%) as a percentage of covered salaries that the retired

## Legislative Proposal II

1 teachers, who are exempt from the earnings cap, are being paid. Each local school  
2 administrative unit shall report monthly to the Retirement Systems Division on  
3 payments made pursuant to this section.

4 Notwithstanding any other provision of law, effective July 1, 2009, any  
5 portion of the payment made by a local school administrative unit to a reemployed  
6 teacher who is exempt from the earnings cap, consisting of salary plus the Reemployed  
7 Teacher Contribution Rate, that exceeds the State-supported salary level for that position  
8 shall be paid from local funds.

9 **SECTION 5.** If the Internal Revenue Service determines that the provisions  
10 of G.S. 135-3(8)c. relating to the computation of postretirement earnings of retired  
11 teachers jeopardize the status of the Teachers' and State Employees' Retirement System  
12 of North Carolina under the Internal Revenue Code, then the third and fourth paragraphs  
13 of G.S. 135-3(8)c. are repealed.

14 **SECTION 6.** This act becomes effective October 1, 2009 and expires  
15 October 1, 2011.

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Legislative Proposal III

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009

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BILL DRAFT 2009-RJz-6 [v.7] (01/06)

(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)  
1/12/2009 3:18:00 PM

Short Title: Scholarship Loan for Rural Social Workers.

(Public)

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Sponsors: Unknown.

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Referred to:

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A BILL TO BE ENTITLED

AN ACT TO ESTABLISH THE SCHOLARSHIP LOAN FUND FOR SOCIAL WORKERS IN UNDERSERVED AREAS, AS RECOMMENDED BY THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE.

The General Assembly of North Carolina enacts:

**SECTION 1.** Article 23 of Chapter 116 of the General Statutes is amended by adding a new section to read:

**"§ 116-209.31. Scholarship Loan Fund for Social Workers in Underserved Areas.**

(a) There is established the Scholarship Loan Fund for Social Workers in Underserved Areas. The purpose of the Fund is to provide scholarship loans to train social workers to deliver mental health, substance abuse, and developmental disabilities services in underserved areas of North Carolina. The State Education Assistance Authority shall administer the Fund and shall award 40 scholarship loans per year, ten at each of the eligible institutions in (b) below.

(b) Students in masters programs of social work at the following institutions are eligible to receive the Scholarship Loan Fund for Social Workers in Underserved Areas:

(1) The University of North Carolina at Chapel Hill.

(2) Appalachian State University.

(3) East Carolina University.

(4) The joint program between the University of North Carolina at Greensboro and the North Carolina Agricultural and Technical State University.

(c) Social Workers in Underserved Areas Fellows shall be offered a curriculum that advances skills in evidence and research-based best practices for mental health, substance abuse, and disabilities service delivery in underserved areas and that instills a strong motivation to provide services in rural and other need-based areas. The coordinator of the academic program, in consultation with the faculty of the eligible programs of social work, current program coordinators of the local management entities in designated federal mental health provider shortage areas and the state chapter of the National Association of Social Workers, shall develop, review and revise the curriculum, program goals, progress and outcomes.

(d) Criteria for awarding the scholarship loans shall be developed by the State

### Legislative Proposal III

1 Education Assistance Authority in consultation with the Board of Governors of The  
2 University of North Carolina and shall include all of the following:

3 (1) An applicant shall be enrolled in the second year of an accredited  
4 masters of social work program at the University of North Carolina at  
5 Chapel Hill, Appalachian State University, East Carolina University, or  
6 the joint program between the University of North Carolina at  
7 Greensboro and the North Carolina Agricultural and Technical State  
8 University.

9 (2) All students shall enter into a legal agreement and promissory note  
10 with the Authority to accept employment in mental health, substance  
11 abuse, and developmental disabilities delivery in exchange for  
12 receiving any funds, which agreement shall include stipulation that the  
13 student agrees to accept employment in rural or other need-based  
14 counties.

15 (3) An applicant shall be a resident of North Carolina. For purposes of this  
16 section, residency shall be determined by the same standard as  
17 residency for tuition purposes pursuant to G.S. 116-143.1.

18 (4) Any additional criteria that the State Education Assistance Authority  
19 considers necessary to administer the Fund effectively, including all of  
20 the following:

21 a. Consideration of applicants from diverse backgrounds to  
22 receive scholarships pursuant to this section.

23 b. Consideration of what rural or other need-based areas of the  
24 State shall be considered appropriate underserved areas for  
25 work after graduation.

26 c. Consideration of the academic qualifications of the individuals  
27 applying to receive funds.

28 d. Consideration of the commitment an individual applying to  
29 receive funds demonstrates to the profession of social work.

30 (e) The State Education Assistance Authority shall: (i) prepare a clear written  
31 explanation of the Scholarship Loan Fund for Social Workers in Underserved Areas and  
32 the information regarding the availability and criteria for awarding the scholarships, and  
33 (ii) provide that information to the appropriate counselors and shall charge those  
34 counselors to inform students about the scholarships and to encourage them to apply for  
35 the scholarships.

36 (f) The State Education Assistance Authority shall administer the Fund and shall  
37 ensure that the loan amount is limited to eleven thousand dollars (\$11,000) per recipient.

38 (g) The Authority shall ensure that the following loan cancellations and  
39 repayment schedules apply to all funds distributed pursuant to this section:

40 (1) The individual who graduates with a masters degree and who works as  
41 a social worker providing mental health, substance abuse, and  
42 developmental disabilities services in an underserved area of North  
43 Carolina for two years shall have the entire loan cancelled.

44 (2) The individual who graduates with a masters degree and who does not  
45 work as a social worker providing mental health, substance abuse, and  
46 developmental disabilities services in an underserved area for any or  
47 all of the two years of required service shall repay the loan to the  
48 Authority according to a schedule prescribed in the promissory note,  
49 plus ten percent (10%) annual interest.

50 (3) The individual who does not graduate with a masters degree shall  
51 repay the loan according to a schedule prescribed by the Authority, not  
52 to exceed fifteen percent (15%) annual interest. In establishing a  
53 schedule and interest rate, the Authority shall take into consideration  
54 the reasons the individual did not graduate with a masters degree.

55 The Authority shall ensure that all repayments, including accrued interest, shall be

### Legislative Proposal III

1 placed in the Fund.

2 The Authority may forgive or reduce any loan repayment if the Authority considers  
3 that extenuating circumstances exist that would make repayment impossible.

4 (h) The State Education Assistance Authority, in consultation with the Board of  
5 Governors of The University of North Carolina, shall adopt rules to implement this  
6 section.

7 (i) The State Education Assistance Authority shall report to the Joint Legislative  
8 Education Oversight Committee by March 1 of each year regarding the Fund and  
9 scholarship loans awarded from the Fund."

10 **SECTION 2.** There is appropriated from the General Fund to the Board of  
11 Governors of The University of North Carolina the sum of two hundred sixty thousand  
12 dollars (\$260,000) for the 2009-2010 fiscal year and sum of two hundred sixty thousand  
13 dollars (\$260,000) for the 2010-2011 fiscal year for a program coordinator, faculty,  
14 support staff, an intensive training week, a placement event, advisory board meetings  
15 and other costs of the academic program. There is appropriated from the General Fund  
16 to the State Education Assistance Authority for the 2010-2011 fiscal year the sum of  
17 four hundred forty thousand dollars (\$440,000) for scholarship loans to implement this  
18 act.

19 **SECTION 3.** This act becomes effective July 1, 2009.  
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21



**Legislative Proposal IV**

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009**

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D

**BILL DRAFT 2009-TCz-4 [v.6] (12/19)**

**(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)  
1/8/2009 5:12:24 PM**

Short Title: LEA Sales Tax Refund.

(Public)

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Sponsors: .

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Referred to:

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A BILL TO BE ENTITLED

AN ACT TO REENACT THE SALES AND USE TAX REFUND FOR LOCAL SCHOOL ADMINISTRATIVE UNITS SO AS TO OPTIMIZE SCHOOL CONSTRUCTION FUNDING, AS RECOMMENDED BY THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 105-164.14(c)(2b) and (2c) are reenacted.

**SECTION 2.** G.S. 105-467(b) reads as rewritten:

"(b) Exemptions and Refunds. – The State exemptions and exclusions contained in G.S. 105-164.13, the State sales and use tax holiday contained in G.S. 105-164.13C, and the State refund provisions contained in G.S. 105-164.14 apply to the local sales and use tax authorized to be levied and imposed under this Article. ~~Except as provided in this subsection, a~~ A taxing county may not allow an exemption, exclusion, or refund that is not allowed under the State sales and use tax. ~~A local school administrative unit and a joint agency created by interlocal agreement among local school administrative units pursuant to G.S. 160A-462 to jointly purchase food service related materials, supplies, and equipment on their behalf is allowed an annual refund of sales and use taxes paid by it under this Article on direct purchases of tangible personal property and services, other than electricity, telecommunications service, and ancillary service. Sales and use tax liability indirectly incurred by the entity on building materials, supplies, fixtures, and equipment that become a part of or annexed to any building or structure that is owned or leased by the entity and is being erected, altered, or repaired for use by the entity is considered a sales or use tax liability incurred on direct purchases by the entity for the purpose of this subsection. A request for a refund shall be in writing and shall include any information and documentation required by the Secretary. A request for a refund is due within six months after the end of the entity's fiscal year. Refunds applied for more than three years after the due date are barred."~~

**Legislative Proposal IV**

1           **SECTION 3.** G.S. 105-164.44H is repealed.

2           **SECTION 4.** Sections 1 and 2 of this act become effective July 1, 2009, and  
3 apply to purchases made on or after that date. Section 3 of this act becomes effective  
4 July 1, 2010.

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Legislative Proposal V

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009

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BILL DRAFT 2009-TCz-5 [v.4] (12/22)

(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)  
1/13/2009 10:46:43 AM

Short Title: Community College Sales Tax Refund.

(Public)

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Sponsors: .

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Referred to:

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A BILL TO BE ENTITLED

AN ACT TO CREATE A SALES AND USE TAX REFUND FOR COMMUNITY COLLEGES, AS RECOMMENDED BY THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 105-164.14(c) is amended by adding a new subdivision to read:

"(c) Certain Governmental Entities. – A governmental entity listed in this subsection is allowed an annual refund of sales and use taxes paid by it under this Article on direct purchases of tangible personal property and services, other than electricity, telecommunications service, and ancillary service. Sales and use tax liability indirectly incurred by a governmental entity on building materials, supplies, fixtures, and equipment that become a part of or annexed to any building or structure that is owned or leased by the governmental entity and is being erected, altered, or repaired for use by the governmental entity is considered a sales or use tax liability incurred on direct purchases by the governmental entity for the purpose of this subsection. A request for a refund must be in writing and must include any information and documentation required by the Secretary. A request for a refund is due within six months after the end of the governmental entity's fiscal year.

This subsection applies only to the following governmental entities:

...

(20) A constituent institution of The University of North Carolina, but only with respect to sales and use tax paid by it for tangible personal property or services that are eligible for refund under this subsection acquired by it through the expenditure of contract and grant funds.

(20a) A community college as defined in G.S. 115D-2.

(21) The University of North Carolina Health Care System.

**Legislative Proposal V**

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**SECTION 2.** This act becomes effective July 1, 2009, and applies to purchases made on or after that date.

Legislative Proposal VI

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009

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BILL DRAFT 2009-RQz-2 [v.5] (01/06)

(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)  
1/12/2009 5:27:23 PM

Short Title: Positive Behavior Support Position Funds. (Public)

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Sponsors: Unknown.

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Referred to:

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1 A BILL TO BE ENTITLED

2 AN ACT TO APPROPRIATE FUNDS TO EXPAND THE POSITIVE BEHAVIOR  
3 SUPPORT INITIATIVE BY ESTABLISHING THREE NEW POSITIONS AT THE  
4 DEPARTMENT OF PUBLIC INSTRUCTION AND APPROPRIATE FUNDS FOR  
5 THE POSITIONS, AS RECOMMENDED BY THE JOINT LEGISLATIVE  
6 EDUCATION OVERSIGHT COMMITTEE.

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** There is appropriated from the General Fund to the  
9 Department of Public Instruction the sum of two hundred eighty-five thousand dollars  
10 (\$285,000) in recurring funds for the 2009-2010 fiscal year and the sum of two hundred  
11 eighty-five thousand dollars (\$285,000) for the 2010-2011 fiscal year to expand the  
12 Positive Behavior Support Initiative and establish three positions at the Department of  
13 Public Instruction. These positions shall provide services across the State regarding the  
14 Positive Behavior Support Initiative.

15 **SECTION 2.** This act becomes effective July 1, 2009.  
16

