

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005**

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**SENATE BILL 1605**

Short Title: Additional Resources/Low-Performing Schools. (Public)

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Sponsors: Senators Shaw; and Cowell.

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Referred to: Appropriations/Base Budget.

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May 18, 2006

1   A BILL TO BE ENTITLED  
2 AN ACT TO PROVIDE ADDITIONAL RESOURCES FOR LOW-PERFORMING  
3 HIGH SCHOOLS.

4 The General Assembly of North Carolina enacts:

5                   **SECTION 1.** G.S. 18C-164(c) reads as rewritten:

6 "**§ 18C-164. Transfer of net revenues.**

7       (a) The funds remaining in the North Carolina State Lottery Fund after receipt of  
8 all revenues to the Lottery Fund and after accrual of all obligations of the Commission  
9 for prizes and expenses shall be considered to be the net revenues of the North Carolina  
10 State Lottery Fund. The net revenues of the North Carolina State Lottery Fund shall be  
11 transferred periodically to the Education Lottery Fund, which shall be created in the  
12 State treasury.

13       (b) From the Education Lottery Fund, the Commission shall transfer a sum equal  
14 to five percent (5%) of the net revenue of the prior year to the Education Lottery  
15 Reserve Fund. A special revenue fund for this purpose shall be established in the State  
16 treasury to be known as the Education Lottery Reserve Fund, and that fund shall be  
17 capped at fifty million dollars (\$50,000,000). Monies in the Education Lottery Reserve  
18 Fund may be appropriated only as provided in subsection (e) of this section.

19       (c) The Commission shall distribute the remaining net revenue of the Education  
20 Lottery Fund, as follows, in the following manner:

21           (1) A sum equal to fifty percent (50%) to support reduction of class size in  
22 early grades to class size allotments not exceeding 1:18 in order to  
23 eliminate achievement ~~gaps~~ and gaps, to support academic  
24 prekindergarten programs for at-risk four-year-olds who would  
25 otherwise not be served in a high-quality education program in order to  
26 help those four-year-olds be prepared developmentally to succeed in  
27 school. ~~school~~, and for the 2006-2007 through the 2010-2011 fiscal  
28 years, to provide additional resources for the 19 high schools identified  
29 as low-performing in the Leandro litigation.

1 (2) A sum equal to forty percent (40%) to the Public School Building  
2 Capital Fund in accordance with G.S. 115C-546.2.

3 (3) A sum equal to ten percent (10%) to the State Educational Assistance  
4 Authority to fund college and university scholarships in accordance  
5 with Article 35A of Chapter 115C of the General Statutes.

6 (d) Of the sums transferred under subsection (c) of this section, the General  
7 Assembly shall appropriate the funds annually based upon estimates of lottery net  
8 revenue to the Education Lottery Fund provided by the Office of State Budget and  
9 Management and the Fiscal Research Division of the North Carolina General Assembly.  
10 For the 2006-2007 fiscal year through the 2010-2011 fiscal year, the General Assembly  
11 shall appropriate one hundred million dollars (\$100,000,000) each fiscal year to provide  
12 additional resources for the 19 high schools identified as low-performing in the Leandro  
13 litigation.

14 (e) If the actual net revenues are less than the appropriation for that given year,  
15 then the Governor may transfer from the Education Lottery Reserve Fund an amount  
16 sufficient to equal the appropriation by the General Assembly. If the monies available in  
17 the Education Lottery Reserve Fund are insufficient to reach a full appropriation, the  
18 Governor shall transfer monies in order of priority, to the following:

19 (1) For the 2006-2007 fiscal year through the 2010-2011 fiscal year, to  
20 provide additional resources for the 19 high schools identified as  
21 low-performing in the Leandro case.

22 ~~(1)~~(1a) To support academic prekindergarten programs for at-risk  
23 four-year-olds who would otherwise not be served in a high-quality  
24 education program in order to help those four-year-olds be prepared  
25 developmentally to succeed in school.

26 (2) To reduce class size.

27 (3) To provide financial aid for needy students to attend college.

28 (4) To the Public School Building Capital Fund to be spent in accordance  
29 with this section.

30 (f) If the actual net revenues exceed the amounts appropriated in that fiscal year,  
31 the excess net revenues shall remain in the Education Lottery Fund, and then be  
32 transferred as follows:

33 (1) Fifty percent (50%) to the Public School Building Capital Fund to be  
34 spent in accordance with this section.

35 (2) Fifty percent (50%) to the State Educational Assistance Authority to  
36 be spent in accordance with this section."

37 **SECTION 2.(a)** Funds appropriated in accordance with G.S. 18C-164 to  
38 provide additional resources for the 19 high schools identified as low-performing in the  
39 Leandro case shall be used to:

40 (1) Change the 19 schools from traditional schools to magnet/classical  
41 prototype schools and year-round schools;

42 (2) Provide additional resources and teachers in the areas of mathematics  
43 and science;

- 1           (3) Provide educational distance learning for all schools that feature  
2           satellite hookups and allow students access to the world,  
3           university-level distance learning programs, and other educational  
4           programs;  
5           (4) Provide bonuses to teachers and principals at these schools for  
6           improvements in student performance;  
7           (5) Provide assistance teams at each school to help students and teachers  
8           bring up test scores; and  
9           (6) Appoint a master administrator to administer the coordination  
10          activities at the schools and to report to the Joint Legislative Education  
11          Oversight Committee on a quarterly basis on all of the plans, progress,  
12          activities, expenditures, and results.

13           **SECTION 2.(b)** There is appropriated from the Lottery Fund to the  
14 Department of Public Instruction the sum of one hundred million dollars (\$100,000,000)  
15 for the 2006-2007 fiscal year to implement the provisions of this section.

16           **SECTION 3.** This act becomes effective July 1, 2006.