

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE DRS55120-LE-128 (02/18)

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

Sponsors: Senator Shaw.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO PROVIDE ADDITIONAL RESOURCES FOR LOW-PERFORMING
HIGH SCHOOLS.

The General Assembly of North Carolina enacts:

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

"§ 18C-164. Transfer of net revenues.

(a) The funds remaining in the North Carolina State Lottery Fund after receipt of all revenues to the Lottery Fund and after accrual of all obligations of the Commission for prizes and expenses shall be considered to be the net revenues of the North Carolina State Lottery Fund. The net revenues of the North Carolina State Lottery Fund shall be transferred four times a year to the Education Lottery Fund, which shall be created in the State treasury.

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

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

- (1) A sum equal to fifty percent (50%) to support reduction of class size in early grades to class size allotments not exceeding 1:18 in order to eliminate achievement ~~gaps~~ and gaps, to support academic prekindergarten programs for at-risk four-year-olds who would otherwise not be served in a high-quality education program in order to help those four-year-olds be prepared developmentally to succeed in ~~school~~ school, and for the 2007-2008 through the 2011-2012 fiscal

1 years, to provide additional resources for the 19 high schools identified
2 as low-performing in the Leandro litigation.

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

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

8 (d) Of the sums transferred under subsection (c) of this section, the General
9 Assembly shall appropriate the funds annually based upon estimates of lottery net
10 revenue to the Education Lottery Fund provided by the Office of State Budget and
11 Management and the Fiscal Research Division of the North Carolina General Assembly.
12 For the 2007-2008 fiscal year through the 2011-2012 fiscal year, the General Assembly
13 shall appropriate one hundred million dollars (\$100,000,000) each fiscal year to provide
14 additional resources for the 19 high schools identified as low-performing in the Leandro
15 litigation.

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

21 (1) For the 2007-2008 fiscal year through the 2011-2012 fiscal year, to
22 provide additional resources for the 19 high schools identified as
23 low-performing in the Leandro case.

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

28 (2) To reduce class size.

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

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

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

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

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

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

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

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

15 **SECTION 2.(b)** There is appropriated from the Lottery Fund to the
16 Department of Public Instruction the sum of one hundred million dollars (\$100,000,000)
17 for the 2007-2008 fiscal year to implement the provisions of this section.

18 **SECTION 3.** This act becomes effective July 1, 2007.