

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE BILL 469

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

Sponsors: Senator Shaw.

Referred to: Appropriations/Base Budget.

March 5, 2007

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 four times a year to the Education Lottery Fund, which shall be created in
12 the 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 2007-2008 through the 2011-2012 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 2007-2008 fiscal year through the 2011-2012 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 2007-2008 fiscal year through the 2011-2012 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 2007-2008 fiscal year to implement the provisions of this section.

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