

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013**

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HOUSE BILL 726

Short Title: No School Funding Loss/Tier 1 & 2 Counties. (Public)

Sponsors: Representatives Elmore, Burr, and Hollo (Primary Sponsors).
For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.

Referred to: Appropriations.

April 11, 2013

A BILL TO BE ENTITLED
AN ACT EXEMPTING TIER ONE AND TWO COUNTIES FROM THE NONSUPPLANT
REQUIREMENT UNDER THE LOW-WEALTH COUNTIES SCHOOL FUNDING
FORMULA, MODIFYING THE NONSUPPLANT REQUIREMENT FOR
SUBSEQUENT FISCAL YEARS, AND DIRECTING THE JOINT LEGISLATIVE
EDUCATION OVERSIGHT COMMITTEE TO STUDY ADJUSTMENTS TO SCHOOL
FUNDING FORMULAS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) The nonsupplant requirement under the formula used by the Department of Public Instruction to allocate funds from the low-wealth counties supplemental funding allotment does not apply to counties designated as Tier 1 or 2 counties in accordance with G.S. 143B-437.08.

SECTION 1.(b) This section applies to the 2013-2014 fiscal year only.

SECTION 2. Beginning with the 2014-2015 fiscal year, a county in which a local school administrative unit receives funds under the low-wealth counties supplemental funding allotment shall use the funds to supplement local current expense funds and shall not supplant local current expense funds. The State Board of Education shall not allocate funds under this allotment to a county found to have used these funds to supplant local per student current expense funds. The State Board of Education shall make a finding that a county has used these funds to supplant local current expense funds in the prior year, or the year for which the most recent data are available, if the following apply:

- (1) The current expense appropriation per student of the county for the current year is less than eighty-five percent (85%) of the average of the local current expense appropriations per student for the three prior fiscal years; and
- (2) The county cannot show (i) that it has remedied the deficiency in funding or (ii) that extraordinary circumstances caused the county to supplant local current expense funds with funds allocated under this allotment. The State Board of Education shall adopt rules to implement this section.

SECTION 3.(a) The Joint Legislative Education Oversight Committee shall study the formulas for allocating low-wealth counties supplemental funding and lottery funds for school construction projects. The Committee shall make recommendations to the General Assembly on adjusting these formulas to more effectively meet the needs of students in those counties by placing greater emphasis on household incomes, the number of students receiving free and reduced priced meals, and unemployment rates, and less emphasis on the county tax base and tax rate.



- 1 **SECTION 3.(b)** The Committee shall report its findings, together with any
2 recommended legislation, to the 2013 General Assembly when it reconvenes in 2014.
3 **SECTION 4.** This act becomes effective July 1, 2013.