

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2013**

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**HOUSE BILL 97\***

Short Title: Lottery Funds Used for Digital Learning. (Public)

Sponsors: Representatives Horn, Johnson, Saine, and Tolson (Primary Sponsors).  
*For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*

Referred to: Education.

February 14, 2013

A BILL TO BE ENTITLED  
AN ACT AUTHORIZING THE USE OF SOME LOTTERY FUNDS TO EXPAND DIGITAL  
LEARNING IN THE PUBLIC SCHOOLS, AS RECOMMENDED BY THE  
LEGISLATIVE RESEARCH COMMISSION STUDY COMMITTEE ON DIGITAL  
LEARNING ENVIRONMENTS IN PUBLIC SCHOOLS.

Whereas, local school administrative units (LEAs) are seeking creative approaches for financing digital learning within their school system; and

Whereas, the North Carolina Education Lottery legislation requires the distribution of lottery net proceeds for specific education purposes, including forty percent (40%) of the net proceeds to the Public School Building Capital Fund for school construction; and

Whereas, lottery funds may not currently be used for school connectivity, digital textbooks, digital devices, or professional development for teachers to learn how to most effectively use digital learning for teaching; and

Whereas, several LEAs have requested more flexibility with use of lottery funds for school construction; and

Whereas, since the lottery's enactment in 2005, the innovation of digital learning and its growing use throughout schools in North Carolina have significantly altered the landscape of public education in the State; and

Whereas, while the lottery money is currently designated for other necessary education causes, the expansion of digital learning is also a crucial component to ensure North Carolina's students graduate from high school globally competitive for work and postsecondary education and prepared for life in the 21st Century; Now, therefore,

The General Assembly of North Carolina enacts:

**SECTION 1.(a)** G.S. 115C-546.2(d) reads as rewritten:

"(d) Monies transferred into the Fund in accordance with Chapter 18C of the General Statutes shall be allocated for capital projects for school construction projects as follows:

(1) A sum equal to sixty-five percent (65%) of those monies transferred in accordance with G.S. 18C-164 shall be allocated on a per average daily membership basis according to the average daily membership for the budget year as determined and certified by the State Board of Education.

(2) A sum equal to thirty-five percent (35%) of those monies transferred in accordance with G.S. 18C-164 shall be allocated to those local school administrative units located in whole or part in counties in which the effective county tax rate as a percentage of the State average effective tax



1 rate is greater than one hundred percent (100%), with the following  
2 definitions applying to this subdivision:

3 a. "Effective county tax rate" means the actual county rate for the  
4 previous fiscal year, including any countywide supplemental taxes  
5 levied for the benefit of public schools, multiplied by a three-year  
6 weighted average of the most recent annual sales assessment ratio  
7 studies.

8 b. "State average effective tax rate" means the average effective county  
9 tax rates for all counties.

10 c. "Sales assessment ratio studies" means sales assessment ratio studies  
11 performed by the Department of Revenue under G.S. 105-289(h).

12 (3) No county shall have to provide matching funds required under subsection  
13 (c) of this section.

14 (4) A county may use monies in this Fund to pay for school construction  
15 projects in local school administrative units and to retire indebtedness  
16 incurred for school construction projects.

17 (5) ~~A county may not use monies in this Fund to pay for school technology~~  
18 ~~needs.~~For July 1, 2012, through June 20, 2016, a county may use monies in  
19 this Fund for digital learning needs such as school connectivity, digital  
20 textbooks and instructional resources, or digital devices. A county that uses  
21 these funds for digital learning needs shall also use a portion of the funds to  
22 ensure high-quality, ongoing professional development for teachers.

23 Effective July 1, 2016, a county may use monies in this Fund for digital  
24 learning needs only if the State Board of Education determines that the local  
25 school administrative unit has demonstrated consistent improvement and  
26 growth in student outcomes."

27 **SECTION 2.** This act is effective when it becomes law.