

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2013

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HOUSE BILL 97\*  
Committee Substitute Favorable 2/27/13  
Third Edition Engrossed 2/28/13

Short Title: Lottery Funds Used for Digital Learning.

(Public)

Sponsors:

Referred to:

February 14, 2013

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

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

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

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

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

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

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

23 The General Assembly of North Carolina enacts:

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

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

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

31 (2) A sum equal to thirty-five percent (35%) of those monies transferred in  
32 accordance with G.S. 18C-164 shall be allocated to those local school  
33 administrative units located in whole or part in counties in which the  
34 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, 2013, through June 30, 2016, a county at the request of a  
19 local school administrative unit may use monies in this Fund to pay for  
20 digital learning needs such as school connectivity, digital textbooks and  
21 instructional resources, or digital devices in local school administrative  
22 units. A county that uses these funds for digital learning needs shall also use  
23 a portion of the funds to ensure high-quality, ongoing professional  
24 development for teachers.

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

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