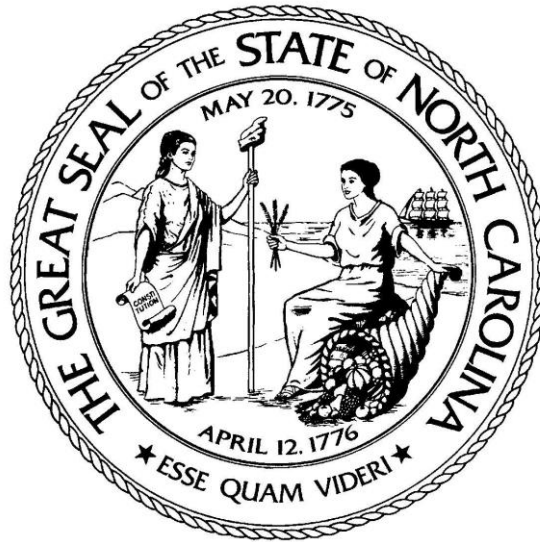


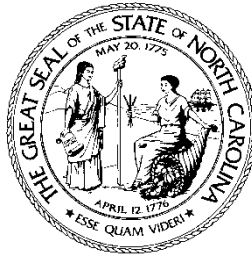
House Appropriations Subcommittee on Education

Proposed Special Provisions for S402: Appropriations Act of 2013



June 7, 2013

GENERAL ASSEMBLY OF NORTH CAROLINA



SPECIAL PROVISIONS APPROPRIATIONS SUBCOMMITTEE ON EDUCATION REPORT

JUNE 6, 2013

Report Last Updated: 6/6/13 6:42 PM

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GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-DPI-H5(S8.1)i

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

1 ***FUNDS FOR CHILDREN WITH DISABILITIES***

2 **SECTION 8.1.** The State Board of Education shall allocate additional funds for
3 children with disabilities on the basis of three thousand seven hundred forty-three dollars and
4 forty-eight cents (\$3,743.48) per child. Each local school administrative unit shall receive funds
5 for the lesser of (i) all children who are identified as children with disabilities or (ii) twelve and
6 one-half percent (12.5%) of its 2013-2014 allocated average daily membership in the local
7 school administrative unit. The dollar amounts allocated under this section for children with
8 disabilities shall also adjust in accordance with legislative salary increments, retirement rate
9 adjustments, and health benefit adjustments for personnel who serve children with disabilities.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-DPI-H6(S8.2)i

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

FUNDS FOR ACADEMICALLY GIFTED CHILDREN

1 **SECTION 8.2.** The State Board of Education shall allocate additional funds for
2 academically or intellectually gifted children on the basis of one thousand two hundred
3 thirty-three dollars and one cent (\$1,233.01) per child for fiscal year 2013-2014 and 2014-2015.
4 A local school administrative unit shall receive funds for a maximum of four percent (4%) of
5 its 2013-2014 allocated average daily membership, regardless of the number of children
6 identified as academically or intellectually gifted in the unit. The dollar amounts allocated
7 under this section for academically or intellectually gifted children shall also adjust in
8 accordance with legislative salary increments, retirement rate adjustments, and health benefit
9 adjustments for personnel who serve academically or intellectually gifted children.
10

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-DPI-H7(S8.3)-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

USE OF SUPPLEMENTAL FUNDING IN LOW-WEALTH COUNTIES

SECTION 8.3.(a) Use of Funds for Supplemental Funding. – All funds received pursuant to this section shall be used only (i) to provide instructional positions, instructional support positions, teacher assistant positions, clerical positions, school computer technicians, instructional supplies and equipment, staff development, and textbooks and (ii) for salary supplements for instructional personnel and instructional support personnel. Local boards of education are encouraged to use at least twenty-five percent (25%) of the funds received pursuant to this section to improve the academic performance of children who are performing at Level I or II on either reading or mathematics end-of-grade tests in grades three through eight.

SECTION 8.3.(b) Definitions. – As used in this section, the following definitions apply:

- (1) "Anticipated county property tax revenue availability" means the county-adjusted property tax base multiplied by the effective State average tax rate.
- (2) "Anticipated total county revenue availability" means the sum of the following:
 - a. Anticipated county property tax revenue availability.
 - b. Local sales and use taxes received by the county that are levied under Chapter 1096 of the 1967 Session Laws or under Subchapter VIII of Chapter 105 of the General Statutes.
 - c. Sales tax hold harmless reimbursement received by the county under G.S. 105-521.
 - d. Fines and forfeitures deposited in the county school fund for the most recent year for which data are available.
- (3) "Anticipated total county revenue availability per student" means the anticipated total county revenue availability for the county divided by the average daily membership of the county.
- (4) "Anticipated State average revenue availability per student" means the sum of all anticipated total county revenue availability divided by the average daily membership for the State.
- (5) "Average daily membership" means average daily membership as defined in the North Carolina Public Schools Allotment Policy Manual, adopted by the State Board of Education. If a county contains only part of a local school administrative unit, the average daily membership of that county includes all students who reside within the county and attend that local school administrative unit.
- (6) "County-adjusted property tax base" shall be computed as follows:

- a. Subtract the present-use value of agricultural land, horticultural land, and forestland in the county, as defined in G.S. 105-277.2, from the total assessed real property valuation of the county.
 - b. Adjust the resulting amount by multiplying by a weighted average of the three most recent annual sales assessment ratio studies.
 - c. Add to the resulting amount the following:
 1. Present-use value of agricultural land, horticultural land, and forestland, as defined in G.S. 105-277.2.
 2. Value of property of public service companies, determined in accordance with Article 23 of Chapter 105 of the General Statutes.
 3. Personal property value for the county.
- (7) "County-adjusted property tax base per square mile" means the county-adjusted property tax base divided by the number of square miles of land area in the county.
- (8) "County wealth as a percentage of State average wealth" shall be computed as follows:
- a. Compute the percentage that the county per capita income is of the State per capita income and weight the resulting percentage by a factor of five-tenths.
 - b. Compute the percentage that the anticipated total county revenue availability per student is of the anticipated State average revenue availability per student and weight the resulting percentage by a factor of four-tenths.
 - c. Compute the percentage that the county-adjusted property tax base per square mile is of the State-adjusted property tax base per square mile and weight the resulting percentage by a factor of one-tenth.
 - d. Add the three weighted percentages to derive the county wealth as a percentage of the State average wealth.
- (9) "Effective county tax rate" means the actual county tax rate multiplied by a weighted average of the three most recent annual sales assessment ratio studies.
- (10) "Effective State average tax rate" means the average of effective county tax rates for all counties.
- (11) "Local current expense funds" means the most recent county current expense appropriations to public schools, as reported by local boards of education in the audit report filed with the Secretary of the Local Government Commission pursuant to G.S. 115C-447.
- (12) "Per capita income" means the average for the most recent three years for which data are available of the per capita income according to the most recent report of the United States Department of Commerce, Bureau of Economic Analysis, including any reported modifications for prior years as outlined in the most recent report.
- (13) "Sales assessment ratio studies" means sales assessment ratio studies performed by the Department of Revenue under G.S. 105-289(h).
- (14) "State average current expense appropriations per student" means the most recent State total of county current expense appropriations to public schools, as reported by local boards of education in the audit report filed with the Secretary of the Local Government Commission pursuant to G.S. 115C-447.

- 1 (15) "State average adjusted property tax base per square mile" means the sum of
2 the county-adjusted property tax bases for all counties divided by the
3 number of square miles of land area in the State.
- 4 (16) "Supplant" means to decrease local per student current expense
5 appropriations from one fiscal year to the next fiscal year.
- 6 (17) "Weighted average of the three most recent annual sales assessment ratio
7 studies" means the weighted average of the three most recent annual sales
8 assessment ratio studies in the most recent years for which county current
9 expense appropriations and adjusted property tax valuations are available. If
10 real property in a county has been revalued one year prior to the most recent
11 sales assessment ratio study, a weighted average of the two most recent sales
12 assessment ratios shall be used. If property has been revalued the year of the
13 most recent sales assessment ratio study, the sales assessment ratio for the
14 year of revaluation shall be used.

15 **SECTION 8.3.(c) Eligibility for Funds.** – Except as provided in subsection (g) of
16 this section, the State Board of Education shall allocate these funds to local school
17 administrative units located in whole or in part in counties in which the county wealth as a
18 percentage of the State average wealth is less than one hundred percent (100%).

19 **SECTION 8.3.(d) Allocation of Funds.** – Except as provided in subsection (f) of
20 this section, the amount received per average daily membership for a county shall be the
21 difference between the State average current expense appropriations per student and the current
22 expense appropriations per student that the county could provide given the county's wealth and
23 an average effort to fund public schools. (To derive the current expense appropriations per
24 student that the county could be able to provide given the county's wealth and an average effort
25 to fund public schools, multiply the county's wealth as a percentage of State average wealth by
26 the State average current expense appropriations per student.) The funds for the local school
27 administrative units located in whole or in part in the county shall be allocated to each local
28 school administrative unit located in whole or in part in the county based on the average daily
29 membership of the county's students in the school units. If the funds appropriated for
30 supplemental funding are not adequate to fund the formula fully, each local school
31 administrative unit shall receive a pro rata share of the funds appropriated for supplemental
32 funding.

33 **SECTION 8.3.(e) Formula for Distribution of Supplemental Funding Pursuant to**
34 **This Section Only.** – The formula in this section is solely a basis for distribution of
35 supplemental funding for low-wealth counties and is not intended to reflect any measure of the
36 adequacy of the educational program or funding for public schools. The formula is also not
37 intended to reflect any commitment by the General Assembly to appropriate any additional
38 supplemental funds for low-wealth counties.

39 **SECTION 8.3.(f) Minimum Effort Required.** – A county that (i) maintains an
40 effective county tax rate that is at least one hundred percent (100%) of the effective State
41 average tax rate in the most recent year for which data are available or (ii) maintains a county
42 appropriation per student to the school local current expense fund of at least one hundred
43 percent (100%) of the current expense appropriations per student to the school local current
44 expense fund that the county could provide given the county's wealth and an average effort to
45 fund public schools shall receive full funding under this section. A county that maintains a
46 county appropriation per student to the school local current expense fund of less than one
47 hundred percent (100%) of the current expense appropriations per student to the school local
48 current expense fund that the county could provide given the county's wealth and an average
49 effort to fund public schools shall receive funding under this section at the same percentage that
50 the county's appropriation per student to the school local current expense fund is of the current

1 expense appropriations per student to the school local current expense fund that the county
2 could provide given the county's wealth and an average effort to fund public schools.

3 **SECTION 8.3.(g)** Nonsupplant Requirement. – A county in which a local school
4 administrative unit receives funds under this section shall use the funds to supplement local
5 current expense funds and shall not supplant local current expense funds. For the 2013-2015
6 fiscal biennium, the State Board of Education shall not allocate funds under this section to a
7 county found to have used these funds to supplant local per student current expense funds. The
8 State Board of Education shall make a finding that a county has used these funds to supplant
9 local current expense funds in the prior year, or the year for which the most recent data are
10 available, if all of the following criteria apply:

- 11 (1) The current expense appropriation per student of the county for the current
12 year is less than ninety-five percent (95%) of the average of local
13 expenditures per student for the three prior fiscal years.
- 14 (2) The county cannot show (i) that it has remedied the deficiency in funding or
15 (ii) that extraordinary circumstances caused the county to supplant local
16 current expense funds with funds allocated under this section.

17 The State Board of Education shall adopt rules to implement the requirements of
18 this subsection.

19 **SECTION 8.3.(h)** Funds for EVAAS Data. – Notwithstanding the requirements of
20 subsection (a) of this section, local school administrative units may utilize funds allocated
21 under this section to purchase services that allow for extraction of data from the Education
22 Value-Added Assessment System (EVAAS).

23 **SECTION 8.3.(i)** Reports. – For the 2013-2015 fiscal biennium, the State Board of
24 Education shall report to the Fiscal Research Division prior to May 1 of each year if it
25 determines that counties have supplanted funds.

26 **SECTION 8.3.(j)** Department of Revenue Reports. – The Department of Revenue
27 shall provide to the Department of Public Instruction a preliminary report for the current fiscal
28 year of the assessed value of the property tax base for each county prior to March 1 of each
29 year and a final report prior to May 1 of each year. The reports shall include for each county the
30 annual sales assessment ratio and the taxable values of (i) total real property, (ii) the portion of
31 total real property represented by the present-use value of agricultural land, horticultural land,
32 and forestland, as defined in G.S. 105-277.2, (iii) property of public service companies
33 determined in accordance with Article 23 of Chapter 105 of the General Statutes, and (iv)
34 personal property.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-DPI-H20(S8.4)-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

SMALL SCHOOL SYSTEM SUPPLEMENTAL FUNDING

SECTION 8.4.(a) Eligibility. – If the total average daily membership of all local school administrative units located in the county is less than 3,200, the county school administrative unit within that county shall be eligible for small school system supplemental funding for the 2013-2014 and 2014-2015 fiscal years.

SECTION 8.4.(b) Allotment. – Each eligible county school administrative unit shall receive a dollar allotment equal to the product of the following:

(1) A per student funding factor, equal to the product of the following:

- a. One, minus the local school administrative unit's average daily membership divided by the maximum small school system average daily membership.
- b. The maximum small school system dollars per student.

(2) The average daily membership of the eligible county school administrative unit.

For the 2013-2014 and 2014-2015 fiscal years, the maximum small school system dollars per student shall be two thousand three hundred dollars (\$2,300).

SECTION 8.4.(c) Phase-Out Provisions. – If a local school administrative unit becomes ineligible for funding under this formula, funding for that unit shall be phased out over a five-year period. Funding for such local administrative units shall be reduced in equal increments in each of the five years after the local administrative unit becomes ineligible. Funding shall be eliminated in the fifth fiscal year after the local administrative unit becomes ineligible.

Allotments for eligible local school administrative units shall not be reduced by more than twenty percent (20%) of the amount received in fiscal year 2012-2013 in any fiscal year.

SECTION 8.4.(d) Nonsupplant Requirement. – A county in which a local school administrative unit receives funds under this section shall use the funds to supplement local current expense funds and shall not supplant local current expense funds. For the 2013-2015 fiscal biennium, the State Board of Education shall not allocate funds under this section 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 all of the following criteria apply:

- (1) The current expense appropriation per student of the county for the current year is less than ninety-five percent (95%) of the average of local expenditures per student for the three prior fiscal years.
- (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 section.

1 The State Board of Education shall adopt rules to implement the requirements of
2 this subsection.

3 **SECTION 8.4.(e)** Reports. – For the 2013-2015 fiscal biennium, the State Board of
4 Education shall report to the Fiscal Research Division prior to May 1 of each year if it
5 determines that counties have supplanted funds.

6 **SECTION 8.4.(f)** Use of Funds. – Local boards of education are encouraged to use
7 at least twenty percent (20%) of the funds they receive pursuant to this section to improve the
8 academic performance of children who are performing at Level I or II on either reading or
9 mathematics end-of-grade tests in grades three through eight.

10 Local school administrative units may also utilize funds allocated under this section
11 to purchase services that allow for extraction of data from the Education Value-Added
12 Assessment System (EVAAS).

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-DPI-H8(S8.5)i

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

DISADVANTAGED STUDENT SUPPLEMENTAL FUNDING (DSSF)

SECTION 8.5.(a) Funds appropriated for disadvantaged student supplemental funding shall be used, consistent with the policies and procedures adopted by the State Board of Education, only to:

- (1) Provide instructional positions or instructional support positions and/or professional development;
- (2) Provide intensive in-school and/or after-school remediation;
- (3) Purchase diagnostic software and progress-monitoring tools; and
- (4) Provide funds for teacher bonuses and supplements. The State Board of Education shall set a maximum percentage of the funds that may be used for this purpose.

The State Board of Education may require local school administrative units receiving funding under the Disadvantaged Student Supplemental Fund to purchase the Education Value-Added Assessment System (EVAAS) in order to provide in-depth analysis of student performance and help identify strategies for improving student achievement. This data shall be used exclusively for instructional and curriculum decisions made in the best interest of children and for professional development for their teachers and administrators.

SECTION 8.5.(b) Funds appropriated to a local school administrative unit for disadvantaged student supplemental funding (DSSF) shall be allotted based on (i) the unit's eligible DSSF population and (ii) the difference between a teacher-to-student ratio of 1:21 and the following teacher-to-student ratios:

- (1) For counties with wealth greater than ninety percent (90%) of the statewide average, a ratio of 1:19.9.
- (2) For counties with wealth not less than eighty percent (80%) and not greater than ninety percent (90%) of the statewide average, a ratio of 1:19.4.
- (3) For counties with wealth less than eighty percent (80%) of the statewide average, a ratio of 1:19.1.
- (4) For local school administrative units receiving DSSF funds in fiscal year 2005-2006, a ratio of 1:16. These local school administrative units shall receive no less than the DSSF amount allotted in fiscal year 2006-2007.

For the purpose of this subsection, wealth shall be calculated under the low-wealth supplemental formula as provided for in this act.

SECTION 8.5.(c) If a local school administrative unit's wealth increases to a level that adversely affects the unit's disadvantaged student supplemental funding (DSSF) allotment ratio, the DSSF allotment for that unit shall be maintained at the prior year level for one additional fiscal year.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-DPI-H23(S8.6)i

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

1 ***BUDGET REDUCTIONS/DEPARTMENT OF PUBLIC INSTRUCTION***

2 **SECTION 8.6.** Notwithstanding G.S. 143C-6-4, the Department of Public
3 Instruction may, after consultation with the Office of State Budget and Management and the
4 Fiscal Research Division, reorganize, if necessary, to implement the budget reductions set out
5 in this act. Consultation shall occur prior to requesting budgetary and personnel changes
6 through the budget revision process. The Department shall provide a current organization chart
7 in the consultation process and shall report to the Joint Legislative Commission on
8 Governmental Operations on any reorganization.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-DPI-H9(S8.7)i

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

1 *LITIGATION RESERVE FUNDS*

2 **SECTION 8.7.** The State Board of Education may expend up to five hundred
3 thousand dollars (\$500,000) each year for the 2013-2014 and 2014-2015 fiscal years from
4 unexpended funds for licensed employees' salaries to pay expenses related to litigation.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-DPI-H10(S8.8)i

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

1 ***UNIFORM EDUCATION REPORTING SYSTEM (UERS) FUNDS***

2 **SECTION 8.8.(a)** Funds appropriated for the Uniform Education Reporting
3 System (UERS) shall not revert at the end of the 2012-2013 fiscal year. Funds appropriated for
4 UERS for the 2013-2015 fiscal biennium shall not revert at the end of each fiscal year but shall
5 remain available until expended.

6 **SECTION 8.8.(b)** This section becomes effective June 30, 2013.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-DPI-H11(S8.9)i

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

- 1 ***REVISE NC VIRTUAL PUBLIC SCHOOLS (NCVPS) COST CALCULATION DATE***
- 2 **SECTION 8.9.(a)** Section 7.22(d)(6) of S.L. 2011-145 is repealed.
- 3 **SECTION 8.9.(b)** In implementing the allotment formula for the North Carolina
- 4 Virtual Public Schools (NCVPS) program, the State Board of Education shall calculate, no later
- 5 than February 28 of each year, the actual instructional cost for each local school administrative
- 6 unit and charter school based upon actual NCVPS enrollment as of that date.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-DPI-H12(S8.11)-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

SCHOOL BUS REPLACEMENT

SECTION 8.11.(a) G.S. 115C-249 reads as rewritten:

"§ 115C-249. Purchase and maintenance of school buses, materials and supplies.

(a) To the extent that the funds shall be made available to it for such purpose, a local board of education is authorized to purchase from time to time such additional school buses and service vehicles or replacements for school buses and service vehicles, as may be deemed by such board to be necessary for the safe and efficient transportation of pupils enrolled in the schools within such local school administrative unit. Any school bus so purchased shall be constructed and equipped as prescribed by the provisions of this Article and by the regulations of the State Board of Education issued pursuant thereto. Any school bus so purchased that is capable of operating on diesel fuel shall be capable of operating on diesel fuel with a minimum biodiesel concentration of B-20, as defined in G.S. 143-58.4. At least two percent (2%) of the total volume of fuel purchased annually by local school districts statewide for use in school bus diesel engine motor vehicles shall be biodiesel fuel of a minimum blend of B-20, to the extent that biodiesel blend is available and compatible with the technology of the vehicles or equipment used.

(b) The tax-levying authorities of any county are hereby authorized to make provision from time to time in the capital outlay budget of the county for the purchase of such school buses or service vehicles.

(c) Any funds appropriated from time to time by the General Assembly for the purchase of school buses or service vehicles shall be allocated by the State Board of Education to the respective local boards of education in accordance with the requirements of such boards as determined by the State Board of Education, and thereupon shall be paid over to the respective local boards of education in accordance with such allocation.

(c1) In determining which school buses in the statewide fleet are to be replaced with State funds in a given year, the State Board of Education shall give highest priority to safety concerns.

A bus is eligible for replacement with State funds based on its age and mileage when it is either 20 years old by model year or has been operated for 250,000 miles, except as follows:

(1) A bus that has been operated for less than 150,000 miles is not eligible for replacement regardless of its model year.

(2) A bus that is less than 15 years old by model year is not eligible for replacement until the bus has been operated for 300,000 miles.

(c2) The State Board of Education may authorize the replacement of up to 30 buses each year due to safety concerns regarding the bus or mechanical or structural problems that would place an undue burden on a local school administrative unit.

(c3) A local school administrative unit shall receive an incentive payment of two thousand dollars (\$2,000) at the beginning of each school year for each bus that it continues to operate although the bus is eligible for replacement, until the bus is 23 years old by model year.

1 The local school administrative unit may use these bonus funds for the additional maintenance
2 costs of operating buses with higher mileage or for any other school purpose.

3 (d) The title to any additional or replacement school bus or service vehicle purchased
4 pursuant to the provisions of this section, shall be taken in the name of the board of education
5 of such local school administrative unit, and such bus shall in all respects be maintained and
6 operated pursuant to the provisions of this Article in the same manner as any other public
7 school bus.

8 (e) It shall be the duty of the county board of education to provide adequate buildings
9 and equipment for the storage and maintenance of all school buses and service vehicles owned
10 or operated by the board of education of any local school administrative unit in such county. It
11 shall be the duty of the tax-levying authorities of such county to provide in its capital outlay
12 budget for the construction or acquisition of such buildings and equipment as may be required
13 for this purpose.

14 (f) In the event of the damage or destruction of any school bus or service vehicle by
15 fire, collision, or otherwise, the board of education of the local school administrative unit which
16 shall own or operate such bus or service vehicle may apply to the State Board of Education for
17 funds with which to replace it. If the State Board of Education finds that such bus or service
18 vehicle has been destroyed or damaged to the extent that it cannot be made suitable for further
19 use, and if the State Board of Education finds that the replacement of such bus or service
20 vehicle is necessary in order to enable such local school administrative unit to operate properly
21 its school bus transportation system, the State Board of Education shall allot to the board of
22 education of such local school administrative unit from the funds now held by the State Board
23 of Education for the replacement of school buses or service vehicles, or from funds hereafter
24 appropriated by the General Assembly for that purpose, a sum sufficient to purchase a new
25 school bus or service vehicle to be used as a replacement for such damaged or destroyed bus or
26 service vehicle and upon such allocation such sum shall be paid over to or for the account of
27 the board of education of such local school administrative unit for such purpose.

28 (g) Repealed by Session Laws 2003-147, s. 3, effective for a local school administrative
29 unit when the unit is certified as being E-Procurement compliant, or April 1, 2004, whichever
30 occurs first.

31 (h) Appropriations by the General Assembly for the purchase of public school buses
32 shall not revert to the General Fund. Any unexpended portion of those appropriations shall at
33 the end of each fiscal year be transferred to a reserve account and be held, together with any
34 other funds appropriated for the purpose, for the purchase of public school buses."

35 **SECTION 8.11.(b)** For the 2013-2015 fiscal biennium only, State funds shall be
36 used, at the request of the local school administrative unit, to replace (i) all buses that are 20
37 years old by model year and (ii) all other buses eligible for replacement under G.S. 115C-249,
38 as rewritten by subsection (a) of this section.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-DPI-H13A(S8.13)-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

SCHOOL PERFORMANCE GRADES/EVAAS

SECTION 8.13.(a) Section 7A.3(e) of S.L. 2012-142 is repealed.

SECTION 8.13.(b) Article 8 of Chapter 115C of the General Statutes is amended by adding a new Part to read:

"Part 1B. School Performance.

"§ 115C-83.11. School performance scores and grades.

(a) The State Board of Education shall award school performance scores, grades, and an indicator of student growth as required by G.S. 115C-12(9)c1., calculated as provided in this section.

(b) For schools serving students in any combination of grades three through eight, the school performance score shall be calculated based on the performance composite comprised of the following:

- (1) Percent of students who score at or above proficient on annual assessments for reading in grades three through eight.
- (2) Percent of students who score at or above proficient on annual assessments for mathematics in grades three through eight.
- (3) Percent of students who score at or above proficient on annual assessments for science in grades five and eight.
- (4) Percent of proficient scores in Algebra I/Integrated I, English II, and Biology end-of-course tests.

(c) For schools serving students in any combination of grades nine through 12, the school performance score shall be the average of the following five indicators:

- (1) Percent of proficient scores in Algebra I/Integrated I, English II, and Biology end-of-course tests.
- (2) Percent of students who complete a higher level mathematics class with a passing grade.
- (3) Percent of college readiness benchmarks met on a nationally normed test of college readiness.
- (4) Percent of students who graduate within four years of entering high school.
- (5) Percent of students who demonstrate workplace readiness on a nationally normed test of workplace readiness.

(d) The State Board of Education shall calculate school performance scores using the State mean to set the criteria for each indicator. Each indicator will be translated to a common scale and averaged for the reporting of one school performance letter grade for each school.

(e) For schools that meet or exceed growth as determined by the Education Value-Added Assessment System (EVAAS), the final letter grade shall be increased by one grade.

(f) For schools serving students in third through eighth grade, their final letter grade shall be increased by one letter grade if the performance composite, comprising of the percent

1 of proficient scores for reading, mathematics, and science, is at or above eighty percent (80%)
2 for the current year and the two prior school years.

3 (g) For schools serving students in ninth through 12th grade, their final letter grade shall
4 be increased by one letter grade if the performance composite, comprising of the percent of
5 proficient scores for Algebra I/Integrated I, English II, and Biology end-of-course tests, is at or
6 above eighty percent (80%) for the current year and the two prior school years.

7 (h) In calculating the overall school performance score earned by schools, the State
8 Board of Education shall proportionally adjust the scale to account for the absence of a school
9 performance element for award of scores to a school that does not have a measure of one of the
10 school performance elements annually assessed for the grades taught at that school.

11 (i) The State Board of Education shall report to the Joint Legislative Education
12 Oversight Committee annually by January 15 on any adjustments to the calculation and the
13 distribution of the school performance grades."

14 **SECTION 8.13.(c)** G.S. 115C-12(9)c1 reads as rewritten:

15 "c1. To issue an annual "report card" for the State and for each local
16 school administrative unit, assessing each unit's efforts to improve
17 student performance based on the growth in performance of the
18 students in each school and taking into account progress over the
19 previous years' level of performance and the State's performance in
20 comparison with other states. This assessment shall take into account
21 factors that have been shown to affect student performance and that
22 the State Board considers relevant to assess the State's efforts to
23 improve student performance. As a part of the annual "report card"
24 for each local school administrative unit, the State Board shall
25 award~~award~~, in accordance with G.S. 115C-83.11, an overall
26 numerical school performance score ~~on a scale of zero to 100~~ and a
27 corresponding letter grade of A, B, C, D, or F earned by each school
28 within the local school administrative unit. The school performance
29 score and grade shall reflect student performance on annual
30 subject-specific assessments, college and workplace readiness
31 measures, and graduation rates. For schools serving students in any
32 grade from kindergarten to eighth grade, separate performance scores
33 and grades shall also be awarded based on the school performance in
34 reading and mathematics respectively. The annual "report card" for
35 schools serving students in third grade also shall include the number
36 and percentage of third grade students who (i) take and pass the
37 alternative assessment of reading comprehension; (ii) were retained
38 in third grade for not demonstrating reading proficiency as indicated
39 in G.S. 115C-83.7(a); and (iii) were exempt from mandatory third
40 grade retention by category of exemption as listed in
41 G.S. 115C-83.7(b)."

42 **SECTION 8.13.(d)** G.S. 115C-47(58) reads as rewritten:

43 "(58) To Inform the Public About the North Carolina School Report Cards Issued
44 by the State Board of Education. – Each local board of education shall
45 ensure that the report card issued for it by the State Board of Education
46 receives wide distribution to the local press or is otherwise provided to the
47 public. Each local board of education shall ensure that the overall school
48 performance score and grade calculated in accordance with G.S. 115C-83.11
49 and earned by each school in the local school administrative unit for the
50 current and previous four school years is prominently displayed on the Web

1 site of the local school administrative unit. If any school in the local school
2 administrative unit is awarded a grade of D or F, the local board of education
3 shall provide notice of the grade in writing to the parent or guardian of all
4 students enrolled in that school."

5 **SECTION 8.13.(e)** G.S. 115C-238.29F(l) reads as rewritten:

6 "(l) North Carolina School Report Cards. – A charter school shall ensure that the report
7 card issued for it by the State Board of Education receives wide distribution to the local press
8 or is otherwise provided to the public. A charter school shall ensure that the overall school
9 performance score and grade calculated in accordance with G.S. 115C-83.11 and earned by the
10 charter school for the current and previous four school years is prominently displayed on the
11 school Web site. If a charter school is awarded a grade of D or F, the charter school shall
12 provide notice of the grade in writing to the parent or guardian of all students enrolled in that
13 school."

14 **SECTION 8.13.(f)** G.S. 115C-238.66(11) reads as rewritten:

15 "(11) North Carolina School Report Cards. – A regional school shall ensure that
16 the report card issued for it by the State Board of Education receives wide
17 distribution to the local press or is otherwise provided to the public. A
18 regional school shall ensure that the overall school performance score and
19 grade calculated in accordance with G.S. 115C-83.11 and earned by the
20 regional school for the current and previous four school years is prominently
21 displayed on the school Web site. If a regional school is awarded a grade of
22 D or F, the regional school shall provide notice of the grade in writing to the
23 parent or guardian of all students enrolled in that school."

24 **SECTION 8.13.(g)** G.S. 115C-12(24) reads as rewritten:

25 "(24) Duty to Develop Standards for Alternative Learning Programs, Provide
26 Technical Assistance on Implementation of Programs, and Evaluate
27 Programs. – The State Board of Education shall adopt standards for
28 assigning students to alternative learning programs. These standards shall
29 include (i) a description of the programs and services that are recommended
30 to be provided in alternative learning programs and (ii) a process for
31 ensuring that an assignment is appropriate for the student and that the
32 student's parents are involved in the decision. The State Board also shall
33 adopt policies that define what constitutes an alternative school and an
34 alternative learning program.

35 The State Board of Education shall also adopt standards to require that
36 local school administrative units shall use (i) the teachers allocated for
37 students assigned to alternative learning programs pursuant to the regular
38 teacher allotment and (ii) the teachers allocated for students assigned to
39 alternative learning programs only to serve the needs of these students.

40 The State Board of Education shall provide technical support to local
41 school administrative units to assist them in developing and implementing
42 plans and proposals for alternative learning programs.

43 The State Board shall evaluate the effectiveness of alternative learning
44 programs and, in its discretion, of any other programs funded from the
45 Alternative Schools/At-Risk Student allotment. Local school administrative
46 units shall report to the State Board of Education on how funds in the
47 Alternative Schools/At-Risk Student allotment are spent and shall otherwise
48 cooperate with the State Board of Education in evaluating the alternative
49 learning programs. As part of its evaluation of the effectiveness of these
50 programs, the State Board shall, through the application of the accountability

1 | system developed under [G.S. 115C-83.11](#) and G.S. 115C-105.35, measure
2 the educational performance and growth of students placed in alternative
3 schools and alternative programs. If appropriate, the Board may modify this
4 system to adapt to the specific characteristics of these schools. Also as part
5 of its evaluation, the State Board shall evaluate its standards adopted under
6 this subdivision and make any necessary changes to those standards based
7 on strategies that have been proven successful in improving student
8 achievement and shall report to the Joint Legislative Education Oversight
9 Committee by April 15, 2006 to determine if any changes are necessary to
10 improve the implementation of successful alternative learning programs and
11 alternative schools."

12 **SECTION 8.13.(h)** The State Board of Education shall issue the first annual report
13 cards under G.S. 115C-12(9)c1, as amended by this section, no earlier than August 1, 2014.

14 **SECTION 8.13.(i)** The State Board of Education shall not be subject to the
15 requirements of Section 7.7(b) of this act for the development of school performance scores
16 and grades in accordance with G.S. 115C-12(9)c1, as amended by this section.

17 **SECTION 8.13.(j)** This section applies beginning with the 2013-2014 school year.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-DPI-H14(S8.14)-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

LEA BUDGETARY FLEXIBILITY

SECTION 8.14.(a) G.S. 115C-105.25 reads as rewritten:

"§ 115C-105.25. Budget flexibility.

(a) Consistent with improving student performance, a local board shall provide maximum flexibility to schools in the use of funds to enable the schools to accomplish their goals.

(b) Subject to the following limitations, local boards of education may transfer and may approve transfers of funds between funding allotment categories:

~~(1) In accordance with a school improvement plan accepted under G.S. 115C-105.27, State funds allocated for teacher assistants may be transferred only for personnel (i) to serve students only in kindergarten through third grade, or (ii) to serve students primarily in kindergarten through third grade when the personnel are assigned to an elementary school to serve the whole school. Funds allocated for teacher assistants may be transferred to reduce class size or to reduce the student teacher ratio in kindergarten through third grade so long as the affected teacher assistant positions are not filled when the plan is amended or approved by the building-level staff entitled to vote on the plan or the affected teacher assistant positions are not expected to be filled on the date the plan is to be implemented. Any State funds appropriated for teacher assistants that were converted to certificated teachers before July 1, 1995, in accordance with Section 1 of Chapter 986 of the 1991 Session Laws, as rewritten by Chapter 103 of the 1993 Session Laws, may continue to be used for certificated teachers.~~

(1a) Funds for children with disabilities, career and technical education, and other purposes may be transferred only as permitted by federal law and the conditions of federal grants or as provided through any rules that the State Board of Education adopts to ensure compliance with federal regulations.

~~(2) In accordance with a school improvement plan accepted under G.S. 115C-105.27, (i) State funds allocated for classroom materials/instructional supplies/equipment may be transferred only for the purchase of textbooks; (ii) State funds allocated for textbooks may be transferred only for the purchase of instructional supplies, instructional equipment, or other classroom materials; and (iii) State funds allocated for noninstructional support personnel may be transferred only for teacher positions.~~

~~(2a) Up to three percent (3%) of State funds allocated for noninstructional support personnel may be transferred for staff development.~~

- (3) No funds shall be transferred into the central office administration allotment category.
- ~~(4) Funds allocated for children with disabilities, for students with limited English proficiency, and for driver's education shall not be transferred.~~
- ~~(5) Funds allocated for classroom teachers may be transferred only for teachers of exceptional children, for teachers of at-risk students, and for authorized purposes under the textbooks allotment category and the classroom materials/instructional supplies/equipment allotment category.~~
- (5a) Positions allocated for classroom teachers may be converted to dollar equivalents to contract for visiting international exchange teachers. These positions shall be converted at the statewide average salary for classroom teachers, including benefits. The converted funds shall be used only to cover the costs associated with bringing visiting international exchange teachers to the local school administrative unit through a State-approved visiting international exchange teacher program and supporting the visiting exchange teachers.
- (5b) Except as provided in subdivision (5a) of this subsection, positions allocated for classroom teachers and instructional support personnel may be converted to dollar equivalents for any purpose authorized by the policies of the State Board of Education. These positions shall be converted at the salary on the first step of the "A" Teachers Salary Schedule. Certified position allotments shall not be transferred to dollars to hire the same type of position.
- (5c) Funds allocated for school building administration may be converted for any purpose authorized by the policies of the State Board of Education. For funds related to principal positions, the salary transferred shall be based on the first step of the Principal III Salary Schedule. For funds related to assistant principal months of employment, the salary transferred shall be based on the first step of the Assistant Principal Salary Schedule. Certified position allotments shall not be transferred to dollars to hire the same type of position.
- ~~(6) Funds allocated for vocational education may be transferred only in accordance with any rules that the State Board of Education considers appropriate to ensure compliance with federal regulations.~~
- ~~(7) Funds allocated for career development shall be used in accordance with Section 17.3 of Chapter 324 of the 1995 Session Laws.~~
- ~~(8) Funds allocated for academically or intellectually gifted students may be used only (i) for academically or intellectually gifted students; (ii) to implement the plan developed under G.S. 115C-150.7; or (iii) in accordance with an accepted school improvement plan, for any purpose so long as that school demonstrates it is providing appropriate services to academically or intellectually gifted students assigned to that school in accordance with the local plan developed under G.S. 115C-150.7.~~
- ~~(9) Funds allocated in the Alternative Schools/At-Risk Student allotment shall be spent only for alternative learning programs, at-risk students, and school safety programs.~~

(c) To ensure that parents, educators, and the general public are informed on how State funds have been used to address local educational priorities, each local school administrative unit shall publish the following information on its Web site by October 15 of each year:

- (1) A description of each program report code, written in plain English, and a summary of the prior fiscal year's expenditure of State funds within each program report code.
- (2) A description of each object code within a program report code, written in plain English, and a summary of the prior fiscal year's expenditure of State funds for each object code.
- (3) A description of each allotment transfer that increased or decreased the initial allotment amount by more than five percent (5%) and the educational priorities that necessitated the transfer."

SECTION 8.14.(b) G.S. 115C-301 reads as rewritten:

"§ 115C-301. Allocation of teachers; class size.

(a) Request for Funds. – The State Board of Education, based upon the reports of local boards of education and such other information as the State Board may require from local boards, shall determine for each local school administrative unit the number of teachers and other instructional personnel to be included in the State budget request.

(b) Allocation of Positions. – The State Board of Education is authorized to adopt rules to allot instructional personnel and teachers, within funds appropriated.

(c) ~~Maximum~~ Class Size. – Local school administrative units shall have the maximum flexibility to use allotted teacher positions to maximize student achievement. The average class size for each grade span in a local school administrative unit shall at no time exceed the funded allotment ratio of teachers to students. At the end of the second school month and for the remainder of the school year, the size of an individual class shall not exceed the allotment ratio by more than three students. At no time may the General Assembly appropriate funds for higher unit wide class averages than those for which State funds were provided during the 1984-85 school year.

~~(d) Maximum Teaching Load. — Students shall be assigned to classes so that from the 15th day of the school year through the end of the school year the number of students for whom teachers in grades 7 through 12 are assigned teaching responsibilities during the course of the day is no more than 150 students, except as provided in subsection (g) of this section.~~

~~(e) Alternative Maximum Class Sizes. — The State Board of Education, in its discretion, may set higher maximum class sizes and daily teaching loads for classes in music, physical education, and other similar subjects, so long as the effectiveness of the instructional programs in those areas is not thereby impaired.~~

(f) Second Month Reports. – At the end of the second month of each school year, each local board of education, through the superintendent, shall file a report for each school within the school unit with the State Board of Education. The report shall be filed in a format prescribed by the State Board of Education and shall include the organization for each school, the duties of each teacher, the size of each class, the teaching load of each teacher, and such other information as the State Board may require. ~~As of February 1 each year, local boards of education, through the superintendent, shall report all exceptions to individual class size and daily teaching load maximums that occur at that time.~~

(g) ~~Waivers and~~ Allotment Adjustments. – Local boards of education ~~shall report exceptions to the State Board of Education as provided in G.S. 115C-47(10), and shall request~~ may request allotment ~~adjustments~~ adjustments, and ~~or waivers from the standards set out above. Within 45 days of receipt of reports,~~ the State Board of Education, within funds available, may allot additional positions ~~positions~~ or grant waivers for the excess class size or daily load.

- (1) ~~If the exception resulted from (i) exceptional circumstances, emergencies, or acts of God, (ii) large changes in student population, (iii) organizational~~

problems caused by remote geographic location, or (iv) classes organized for a solitary curricular area, and

(2) ~~If the local board cannot organizationally correct the exception.~~

(h) State Board Rules. – The State Board of Education shall adopt rules necessary for the implementation of ~~class size and teaching load provisions.~~this section.

(i) ~~Penalty for Noncompliance. – If the State Board of Education determines that a local superintendent has willfully failed to comply with the requirements of this section, no State funds shall be allocated to pay the superintendent's salary for the period of time the superintendent is in noncompliance."~~

SECTION 8.14.(c) G.S. 115C-47(10) reads as rewritten:

"§ 115C-47. Powers and duties generally.

In addition to the powers and duties designated in G.S. 115C-36, local boards of education shall have the power or duty:

...

(10) To Assure Appropriate Class Size. – It shall be the responsibility of local boards of education to assure that the ~~teacher positions allotted by the State are used to maximize student achievement.~~class size and teaching load requirements set forth in G.S. 115C-301 are met. Any teacher who believes that the requirements of ~~G.S. 115C-301~~ have not been met shall make a report to the principal and superintendent, and the superintendent shall immediately determine whether the requirements have in fact not been met. If the superintendent determines the requirements have not been met, he shall make a report to the next local board of education meeting. The local board of education shall take action to meet the requirements of the statute. If the local board cannot organizationally correct the exception and if any of the conditions set out in ~~G.S. 115C-301(g)(1)~~ exist, it shall immediately apply to the State Board of Education for additional personnel or a waiver of the class size requirements, as provided in ~~G.S. 115C-301(g).~~

~~Upon notification from the State Board of Education that the reported exception does not qualify for an allotment adjustment or a waiver under provisions of G.S. 115C-301, the local board, within 30 days, shall take action necessary to correct the exception.~~

~~At the end of the second month of each school year, the local board of education, through the superintendent, shall file a report with the State Board of Education, in a format prescribed by the State Board of Education, describing the organization of each school, the duties of each teacher, the size of each class, and the teaching load of each teacher. As of February 1 each year, local boards of education, through the superintendent, shall report all exceptions to individual class size and daily teaching load maximums that exist at that time.~~

~~In addition to assuring that the requirements of G.S. 115C-301 are met,~~addition, each local board of education shall also have the duty to provide an adequate number of ~~classrooms to meet the requirements of that statute.~~classrooms."

SECTION 8.14.(d) G.S. 115C-276(k) reads as rewritten:

"(k) To Submit Organization Reports and Other Information to the State Board. – Each year the superintendent of each local school administrative unit shall submit to the State Board of Education statistical reports, certified by the ~~chairman~~chair of the board of education, showing the organization of the schools in his or her unit and any additional information the State Board may require. At the end of the second month of school each year, local boards of

1 education, through the superintendent, shall report school organization, employees' duties, class
2 sizes, and teaching loads to the State Board of ~~Education as provided in G.S. 115C-47(10).~~
3 Education. ~~As of February 1 each year, local boards of education, through the superintendent,~~
4 ~~shall report all exceptions to individual class size and daily teaching load maximums that occur~~
5 ~~at that time."~~

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-DPI-H15(S8.15)i

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

1 ***RESIDENTIAL SCHOOLS***

2 **SECTION 8.15.(a)** The Department of Public Instruction shall not transfer any
3 school-based personnel from the State's residential schools to central office administrative
4 positions.

5 **SECTION 8.15.(b)** Notwithstanding G.S. 146-30 or any other provision of law, the
6 Department of Public Instruction shall retain all proceeds generated from the rental of building
7 space on the residential school campuses. The Department of Public Instruction shall use all
8 receipts generated from these leases to staff and operate the North Carolina School for the
9 Deaf, the Eastern North Carolina School for the Deaf, and the Governor Morehead School.
10 These receipts shall not be used to support administrative functions within the Department.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-DPI-H21(S8.16)i

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

1 *EXCELLENT PUBLIC SCHOOLS ACT/SUMMER READING CAMPS*

2 **SECTION 8.16.** Funds appropriated for the 2013-2015 fiscal biennium for summer
3 reading camps as defined in G.S. 115C-83.3(9) shall not revert at the end of each fiscal year but
4 shall remain available until expended.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-DPI-H16(S8.17)-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

PARTICIPATION IN COMMUNITIES IN SCHOOLS LEARNING INITIATIVE

SECTION 8.17.(a) The purpose of the Harvard University Reads for Summer Learning Initiative, which is conducted in concert with Communities In Schools of North Carolina, Inc. (CISNC), is to help at-risk children in grades two through four read at grade level by the fourth grade and to maintain their reading competency. Students who are enrolled in this initiative shall be exempt from mandatory retention requirements set out in G.S. 115C-83.7 and G.S. 115C-238.29F. Any student participating in this initiative and in need of more intensive intervention shall, however, be placed in a summer reading program as determined by the local school administrative unit and as approved by the child's parent or guardian.

SECTION 8.17.(b) CISNC shall report to the Joint Legislative Education Oversight Committee on the initiative by November 1, 2015. This report shall include reading competency outcome data for all participating students.

SECTION 8.17.(c) Subsection (a) of this section expires at the end of the 2014-2015 school year.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-DPI-H17(S8.18)i

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

1 ***INSTRUCTIONAL IMPROVEMENT SYSTEM***

2 **SECTION 8.18.(a)** It is the intent of the General Assembly that the optional
3 portions of the Home Base Instructional Improvement System (System) shall be
4 receipt-supported. The State Board of Education shall establish a cost not to exceed four dollars
5 (\$4.00) per average daily membership for local school administrative units and charter schools
6 that elect to participate in the optional portions of the System. A local school administrative
7 unit or charter school may identify budget reductions to State Public School Fund allotments to
8 cover the required payment.

9 **SECTION 8.18.(b)** If funds collected pursuant to subsection (a) of this section are
10 not sufficient to cover the cost of the optional portions of the System, the State Board of
11 Education may use funds appropriated to the Department of Public Instruction or State Aid for
12 Public Schools for this purpose.

13 **SECTION 8.18.(c)** If funds collected pursuant to subsection (a) of this section
14 exceed the cost of the optional portions of the System, such funds shall not revert and shall be
15 used to reduce the per-student cost in the subsequent fiscal years.

16 **SECTION 8.18.(d)** This section becomes effective July 1, 2014.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-DPI-H18(S8.22)-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

1 ***PHASE OUT CERTAIN TEACHER SALARY SUPPLEMENTS***

2 **SECTION 8.22.** Notwithstanding Section 35.11 of this act, no teachers or
3 instructional support personnel, except for instructional support personnel in positions for
4 which a master's degree is required for licensure, shall be paid on the "M" salary schedule or
5 receive a salary supplement for academic preparation at the six-year degree level or at the
6 doctoral degree level for the 2014-2015 school year, unless they were paid on that salary
7 schedule or received that salary supplement prior to the 2014-2015 school year.

GENERAL ASSEMBLY OF NORTH CAROLINA

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2013-DPI-H3-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

COMPETITIVE GRANTS TO IMPROVE AFTER SCHOOL SERVICES

SECTION #.(a) Of the funds appropriated for the At-Risk Student Services Alternative School Allotment, the State Board of Education shall use up to five million dollars (\$5,000,000) for the 2014-2015 fiscal year for a three-year After School Quality Improvement Grant Program administered by the North Carolina Department of Public Instruction. Of these funds, the Department of Public Instruction may use up to two hundred thousand dollars (\$200,000) to administer the program. The purpose of the program is to pilot after school learning programs for at-risk students that raise standards for student academic outcomes and that:

- (1) Use an evidence-based model with a proven track record of success.
- (2) Include rigorous, quantitative performance measures to confirm their effectiveness during the grant cycle and at the end end-of-grant cycle.
- (3) Are fully integrated with State performance measures and student academic goals.
- (4) Can be expanded for wider use in North Carolina.
- (5) Prioritize science, technology, engineering, and mathematics (STEM) learning opportunities.
- (6) Expand student access to learning activities and academic support that strengthen student engagement and leverage community-based resources, including private sector employer involvement.

Local school administrative units and nonprofits working in collaboration with local school administrative units are eligible to receive two-year grants of up to five hundred thousand dollars (\$500,000) a year, based on proposed number of students served, with an option for a third year of funding. At least seventy percent (70%) of students served by the program must qualify for free or reduced-price meals.

Grants shall be matched on the basis of three dollars (\$3.00) in grant funds for every one dollar (\$1.00) in nongrant funds. Matching funds shall not include other State funds. Matching funds may include in-kind contributions.

SECTION #.(b) Grant recipients shall report to the Department of Public Instruction after the first year of funding on the progress of the grant, including alignment with Common Core Standards, data collection for reporting student progress, and other measures, before receiving funding for the next fiscal year. Grant recipients shall report after the second year of funding on key performance data, including statewide test results, attendance rates, and promotion rates. Grant allocations for the third year shall be based on student performance.

SECTION #.(c) The Department of Public Instruction shall provide progress reports on the grant program to the Joint Legislative Education Oversight Committee by September 15, 2015, and September 15, 2016. The Department shall provide a final report on the program by September 15, 2017. The final report shall include the final results of the

- 1 program and recommendations regarding effective after school program models, standards and
- 2 performance measures, based on the experience of the grant recipients.

GENERAL ASSEMBLY OF NORTH CAROLINA

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SPECIAL PROVISION



2013-DPI-H19A-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

INVESTING IN INNOVATION GRANT

SECTION #.(a) Section 7.17 of S.L. 2012-142 is repealed.

SECTION #.(b) The federal Investing in Innovation Fund Grant: Validating Early College Strategies for Traditional Comprehensive High Schools awarded to the North Carolina New Schools Project for 2012-2017 requires students to enroll in a community college course in the tenth grade. Notwithstanding any other provision of law, specified local school administrative units may offer one community college course to participating sophomore (tenth grade) students. Participating local school administrative units are Alleghany, Beaufort, Hertford, Jones, Madison, Richmond, Rutherford, Surry, Warren, Wilkes, and Yancey County Schools.

SECTION #.(c) Grant funds shall be used to pay for all costs incurred by the local school administrative units and the community college partners to implement the grant, including community college FTE. Community colleges shall not earn budget FTE for student course enrollments supported with this grant.

SECTION #.(d) Research for the project shall address the effects of early college strategies in preparing students for college completion. The North Carolina New Schools Project shall report on the implementation of the grant to the State Board of Education, State Board of Community Colleges, Office of the Governor, and the Joint Legislative Education Oversight Committee no later than March 15, 2014, and annually thereafter until the end of the grant period.

GENERAL ASSEMBLY OF NORTH CAROLINA

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SPECIAL PROVISION



2013-DPI-H24-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by:

1 ***LOCAL SCHOOL ADMINISTRATIVE UNIT BUDGET ADJUSTMENT***

2 **SECTION #.(a)** Within 14 days of the date this act becomes law, the State Board
3 of Education shall notify each local school administrative unit and charter school of the amount
4 the unit or charter school must reduce from the State General Fund appropriations. The State
5 Board shall determine the amount of the reduction for each unit and charter school on the basis
6 of average daily membership.

7 **SECTION #.(b)** Local school administrative units and charter schools shall report
8 to the Department of Public Instruction on the flexibility budget reductions they have identified
9 within 30 days of the date this act becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA

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2013-DPI-H25-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

BROADEN SUCCESSFUL PARTICIPATION IN ADVANCED COURSES

SECTION #.(a) G.S. 115C-12(9)c1. reads as rewritten:

"c1. To issue an annual "report card" for the State and for each local school administrative unit, assessing each unit's efforts to improve student performance based on the growth in performance of the students in each school and taking into account progress over the previous years' level of performance and the State's performance in comparison with other states. This assessment shall take into account factors that have been shown to affect student performance and that the State Board considers relevant to assess the State's efforts to improve student performance. As a part of the annual "report card" for each local school administrative unit, the State Board shall award an overall numerical school performance score on a scale of zero to 100 and a corresponding letter grade of A, B, C, D, or F earned by each school within the local school administrative unit. The school performance score and grade shall reflect student performance on annual subject-specific assessments, college and workplace readiness measures, and graduation rates. For schools serving students in any grade from kindergarten to eighth grade, separate performance scores and grades shall also be awarded based on the school performance in reading and mathematics respectively. The annual "report card" for schools serving students in third grade also shall include the number and percentage of third grade students who (i) take and pass the alternative assessment of reading comprehension; (ii) were retained in third grade for not demonstrating reading proficiency as indicated in G.S. 115C-83.7(a); and (iii) were exempt from mandatory third grade retention by category of exemption as listed in G.S. 115C-83.7(b). The annual "report card" for high schools shall also include measures of Advanced Placement course participation and International Baccalaureate Diploma Programme participation and Advanced Placement and International Baccalaureate examination participation and performance."

SECTION #.(b) Article 8 of Chapter 115C of the General Statutes is amended by adding a new section to read:

"§ 115C-83.4A. Advanced courses.

(a) It is the intent of the State to enhance accessibility and encourage students to enroll in and successfully complete more rigorous advanced courses to enable success in postsecondary education for all students. For the purposes of this section, an advanced course is an Advanced Placement or International Baccalaureate Diploma Programme course. To attain

1 this goal, to the extent funds are made available for this purpose, the following shall be
2 provided:

3 (1) Students enrolled in public schools shall be exempt from paying any fees for
4 administration of examinations for advanced courses and registration fees
5 for advanced courses in which the student is enrolled regardless of the score
6 the student achieves on an examination.

7 (2) Bonuses shall be awarded to teachers of Advanced Placement courses for
8 students who earn scores of three or higher on Advanced Placement
9 examinations and to teachers of International Baccalaureate Diploma
10 Programme courses for students who score four or higher on International
11 Baccalaureate examinations.

12 (b) Eligible secondary students shall be encouraged to enroll in advanced courses to
13 expose them to more rigorous coursework while still in secondary school. Successfully
14 completing advanced courses will increase the quality and level of students' preparation for
15 postsecondary career paths and their pursuit of higher education.

16 (c) The results of student diagnostic tests administered pursuant to G.S. 115C-174.18
17 and G.S. 115C-174.22, such as the Preliminary SAT/National Merit Scholarship Qualifying
18 Test (PSAT/NMSQT) and ACT, shall be used to identify students who are prepared or who
19 need additional work to be prepared to enroll and be successful in advanced courses.

20 (d) Local boards of education shall provide information to students and parents on
21 available opportunities and the enrollment process for students to take advanced courses. The
22 information shall explain the value of advanced courses in preparing students for postsecondary
23 level coursework, enabling students to gain access to postsecondary opportunities, and
24 qualifying for scholarships and other financial aid opportunities.

25 (e) Local boards of education shall ensure that all high school students have access to
26 advanced courses in language arts, mathematics, science, and social studies. Such access may
27 be provided through enrollment in courses offered through or approved by the North Carolina
28 Virtual Public School.

29 (f) The State Board of Education shall seek a partner, such as the College Board, to
30 form the North Carolina Advanced Placement Partnership, hereinafter referred to as
31 Partnership, to assist in improving college readiness of secondary students and to assist
32 secondary schools to ensure that students have access to high-quality, rigorous academics with
33 a focus on access to Advanced Placement courses.

34 In order to implement its responsibilities under this section, the partner selected by the State
35 Board of Education shall provide staff to do the following:

36 (1) Provide professional development in the form of support and training to
37 enable teachers of Advanced Placement courses to have the necessary
38 content knowledge, instructional skills, and materials to prepare students for
39 success in Advanced Placement courses and examinations and mastery of
40 postsecondary course content.

41 (2) Provide administrators, including principals and counselors, with
42 professional development that will enable them to create strong and effective
43 Advanced Placement courses in their schools.

44 (3) Provide teachers of students in grades seven through 12 with preadvanced
45 course professional development and materials that prepare students for
46 success in Advanced Placement courses.

47 (4) Provide consulting expertise and technical assistance to support
48 implementation.

(5) Prioritize assistance to schools designated as low-performing by the State Board of Education and provide for frequent visits to the schools targeted by the Partnership.

(g) The Partnership shall report annually to the Department of Public Instruction on the Partnership's implementation of its responsibilities under subsection (f) of this section.

(h) Beginning October 1, 2014, the State Board of Education shall report annually to the Joint Legislative Education Oversight Committee on advanced courses in North Carolina. The report shall include, at a minimum, the following information:

(1) The North Carolina Advanced Placement Partnership's report to the Department of Public Instruction as required by subsection (g) of this section and the State Board's assessment of that report.

(2) Number of students enrolled in advanced courses and participating in advanced course examinations, including demographic information by gender, race, and free and reduced-price lunch status.

(3) Student performance on advanced course examinations, including information by course, local school administrative unit, and school.

(4) Number of students participating in 10th grade PSAT/NMSQT testing.

(5) Number of teachers attending summer institutes offered by the North Carolina Advanced Placement Partnership.

(6) Number and distribution of teachers awarded bonuses for student advanced course examination performance.

(7) Distribution of funding appropriated for advanced course testing fees, bonuses, and professional development by local school administrative unit and school.

(8) Status and efforts of the North Carolina Advanced Placement Partnership.

(9) Other trends in advanced courses and examinations."

SECTION #.(c) G.S. 115C-174.18 reads as rewritten:

"§ 115C-174.18. **Opportunity to take ~~Preliminary Scholastic Aptitude Test~~ Preliminary SAT/National Merit Scholarship Qualifying Test (PSAT/NMSQT).**

Every student in the eighth through tenth grades who has completed Algebra I or who is in the last month of Algebra I shall be given an opportunity to take a version of ~~the Preliminary Scholastic Aptitude Test (PSAT)~~ either the Preliminary SAT/National Merit Scholarship Qualifying Test (PSAT/NMSQT) or the ACT, at the discretion of the local school administrative unit, one time at ~~State expense~~ no cost to the student. The maximum amount of State funds used for this purpose shall be the cost of the PSAT/NMSQT."

SECTION #.(d) Of the funds appropriated to the Department of Public Instruction to implement the requirements of this section, ten million eight hundred thirty-one thousand one hundred eighty-four dollars (\$10,831,184) for the 2014-2015 fiscal year shall be used to fund fees for testing in advanced courses and three million four hundred seventy-one thousand six hundred sixteen dollars (\$3,471,616) for the 2014-2015 fiscal year shall be used for teacher bonuses, and one million five hundred thousand dollars (\$1,500,000) for each fiscal year shall be used by the North Carolina Advanced Placement Partnership to carry out its responsibilities as set forth in this section. Funding appropriated for professional development may be used by the State Board of Education to contract with an independent evaluator to assess the implementation and impact of advanced course programs in North Carolina. For the purposes of this section, the term "advanced courses" means an Advanced Placement or International Baccalaureate Diploma Programme course.

SECTION #.(e) Beginning with the 2014-2015 school year, the State Board of Education shall use funds appropriated in subsection (d) of this section to do all of the following:

- 1 (1) Provide incentive funding to local school administrative units to be
2 distributed to teachers of advanced courses as follows:
 - 3 a. A bonus in the amount of fifty dollars (\$50.00) for each student
4 taught by an advanced course teacher in each advanced course who
5 receives the following score:
 - 6 1. For Advanced Placement courses, a score of three or higher
7 on the College Board Advanced Placement Examination.
 - 8 2. For International Baccalaureate Diploma Programme courses,
9 a score of four or higher on the International Baccalaureate
10 course examination.
 - 11 b. An additional bonus of five hundred dollars (\$500.00) to each
12 advanced course teacher who teaches in a school identified as
13 low-performing under G.S. 115C-105.37 by the State Board of
14 Education and who is eligible to receive a bonus under
15 sub-subdivision a. of this subdivision. The teacher shall be eligible to
16 receive the additional bonus regardless of the number of classes
17 taught or the number of students receiving scores which make the
18 teacher eligible to receive a bonus under sub-subdivision a. of this
19 subdivision.
 - 20 c. No teacher shall be awarded a bonus pursuant to this subdivision that
21 exceeds two thousand dollars (\$2,000) in any given school year. The
22 bonus awarded to a teacher pursuant to this subdivision shall be in
23 addition to any regular wage or other bonus the teacher receives or is
24 scheduled to receive.
- 25 (2) Provide funds to local school administrative units to pay testing fees for
26 advanced courses for all students.
- 27 (3) Provide funds to the North Carolina Advanced Placement Partnership for
28 professional development for teachers of Advanced Placement courses.
- 29 **SECTION #.(f)** Except as otherwise provided in this section, this section applies
30 beginning with the 2013-2014 school year.

GENERAL ASSEMBLY OF NORTH CAROLINA

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SPECIAL PROVISION



2013-DPI-H26-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

**INCREASE SUCCESSFUL CAREER AND TECHNICAL EDUCATION (CTE)
PARTICIPATION**

SECTION #.(a) G.S. 115C-12 is amended by adding a new subdivision to read:

"(41) To Establish Career and Technical Education Incentives. – The State Board of Education shall establish, implement, and determine the impact of a career and technical education incentive program as provided under G.S. 115C-156.2."

SECTION #.(b) Article 10 of Chapter 115C of the General Statutes is amended by adding a new section to read:

"§ 115C-156.2. Industry certifications and credentials program; bonus funds program."

(a) It is the intent of the State to encourage students to enroll in and successfully complete rigorous coursework and credentialing processes in career and technical education to enable success in the workplace. To attain this goal, to the extent funds are made available for this purpose, students shall be supported to earn approved industry certifications and credentials, and local school administrative units shall receive bonuses for each student who earns an approved industry certification or credential.

(1) Students enrolled in public schools and in career and technical education courses shall be exempt from paying any fees for one administration of examinations leading to industry certifications and credentials pursuant to rules adopted by the State Board of Education.

(2) Bonus funds shall be awarded to local school administrative units in amounts provided under subdivision (4) of this section, pursuant to rules adopted by the State Board of Education under this section. Each school year the State Board of Education shall make an award to those local school administrative units who have at least one student in one school having earned an industry-recognized certification or credential that has been identified by the State Board of Education, in consultation with the State Department of Commerce, as an occupation in high need of additional skilled employees at the time the student enrolled in a career and technical education course that leads to an industry certification or credential.

(3) Bonus funds shall be used by local school administrative units to (i) collaborate with local industries and employers to meet workforce needs and (ii) award bonuses to teachers of students earning approved industry certifications or credentials. No teacher shall be awarded a bonus pursuant to this subdivision that exceeds two thousand dollars (\$2,000) in any given school year. Direct instruction personnel bonuses shall be distributed as follows:

a. A bonus in the amount of twenty-five dollars (\$25.00) for each student taught by a teacher who provided instruction in a course that

led to the attainment of an industry certification with a two hundred fifty dollar (\$250.00) value ranking.

- b. A bonus in the amount of fifty dollars (\$50.00) for each student taught by a teacher who provided instruction in a course that led to the attainment of an industry certification with a five hundred dollar (\$500.00) value ranking.

(4) The State Board of Education, in consultation with the State Department of Commerce, shall rank each industry certification based on academic rigor and employment value and award five hundred dollars (\$500.00) or two hundred fifty dollars (\$250.00) to the local school administrative unit per student completing the industry certification based upon ranking. If funds appropriated from the General Assembly for this purpose are insufficient to provide bonuses for each industry certification that has been achieved, then the State Board of Education shall prorate the bonus award amounts. Fifty percent (50%) of the ranking shall be based on academic rigor and the remaining fifty percent (50%) on employment value. Academic rigor and employment value shall be based on the following elements:

- a. Academic rigor shall be based on the number of instructional hours, including work experience or internship hours, required to earn the industry certification or credential, with a bonus given for coursework that also provides community college credit.
- b. Employment value shall be based on the entry wage, growth rate in employment for each occupational category, and average annual openings for the primary occupation linked with the industry certification or credential.

(5) Each school year, at such time as agreed to by the Department of Commerce and the State Board of Education, the Department of Commerce shall provide the State Board of Education with a list of those occupations in high need of additional skilled employees. If the occupations identified in such list are not substantially the same as those occupations identified in the list from the prior year, reasonable notice of such changes shall be provided to local school administrative units.

(6) Local school administrative units shall consult with their local industries, employers, and workforce development boards to identify industry certification and credentials that the local school administrative unit may offer to best meet State and local workforce needs.

(b) Beginning in 2014, the State Board of Education shall report to the Joint Legislative Education Oversight Committee by September 1 of each year on the number of students in career and technical education courses who earned (i) community college credit and (ii) related industry certifications and credentials. Beginning in 2015, the annual report shall also include the names of local school administrative units receiving bonus funds and the amount of bonus funds received by each local school administrative unit."

SECTION #.(c) This section applies beginning with the 2013-2014 school year.

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2013-DPI-H27-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

OPPORTUNITY SCHOLARSHIPS

SECTION #.(a) Article 39 of Chapter 115C of the General Statutes is amended by adding a new Part to read:

"Part 2A. Scholarship Grants.

"§ 115C-562.1. Definitions.

The following definitions apply in this Part:

- (1) Authority. – The State Education Assistance Authority.
- (2) Eligible students. – A student who has not yet received a high school diploma and who meets all of the following requirements:
 - a. Meets one of the following criteria:
 1. Was a full-time student assigned to and attending a public school pursuant to G.S. 115C-366 during the previous semester.
 2. Received a scholarship grant during the previous school year.
 3. Is entering either kindergarten or the first grade.
 4. Is a child in foster care as defined in G.S. 131D-10.2(9).
 5. Is a child whose adoption decree was entered not more than one year prior to submission of the scholarship grant application.
 - b. Resides in a household with an income level not in excess of one hundred thirty-three percent (133%) of the amount required for the student to qualify for the federal free or reduced-price lunch program.
- (3) Division. – The Division of Nonpublic Education, Department of Administration.
- (4) Local school administrative unit. – A local school administrative unit, charter school, or regional school.
- (5) Nonpublic school. – A school that meets the requirements of Part 1 or Part 2 of this Article as identified by the Division.
- (6) Scholarship grants. – Grants awarded annually by the Authority to eligible students.

"§ 115C-562.2. Scholarship grants.

(a) The Authority shall make available no later than February 1 annually applications to eligible students for the award of scholarship grants to attend any nonpublic school. Information about scholarship grants and the application process shall be made available on the Authority's Web site. Beginning March 1, the Authority shall begin awarding scholarship grants according to the following criteria:

(1) First priority shall be given to eligible students who received a scholarship grant during the previous school year if those students have applied by March 1.

(2) After scholarship grants have been awarded to prior recipients as provided in subdivision (1) of this subsection, scholarships shall be awarded with remaining funds as follows:

a. At least fifty percent (50%) of the remaining funds shall be used to award scholarship grants to eligible students residing in households with an income level not in excess of the amount required for the student to qualify for the federal free or reduced-price lunch program.

b. No more than thirty-five percent (35%) of the remaining funds shall be used to award scholarship grants to eligible students entering either kindergarten or first grade.

c. Any remaining funds shall be used to award scholarship grants to all other eligible students.

(b) Scholarship grants awarded to eligible students residing in households with an income level not in excess of the amount required for the student to qualify for the federal free or reduced-price lunch program shall be for amounts of up to four thousand two hundred dollars (\$4,200) per year. Scholarship grants awarded to eligible students residing in households with an income level in excess of the amount required for the student to qualify for the federal free or reduced-price lunch program shall be for amounts of not more than ninety percent (90%) of the required tuition and fees for the nonpublic school the eligible child will attend. Tuition and fees for a nonpublic school may include tuition and fees for books, transportation, equipment, or other items required by the nonpublic school. No scholarship grant shall exceed four thousand two hundred dollars (\$4,200) per year per eligible student, and no scholarship grant shall exceed the required tuition and fees for the nonpublic school the eligible student will attend.

(c) The Authority shall permit an eligible student receiving a scholarship grant to enroll in a different nonpublic school and remain eligible. An eligible student receiving a scholarship grant who transfers to another nonpublic school during the year may be eligible to receive a pro rata share of any unexpended portion of the scholarship grant for tuition and fees at the nonpublic school to which the student transfers.

(d) The Authority shall establish rules and regulations for the administration and awarding of scholarship grants and may include in those rules a lottery process for selection of scholarship grant recipients within the criteria established by this section.

"§ 115C-562.3. Verification of eligibility.

(a) The Authority may seek verification of information on any application for scholarship grants from eligible students. The Authority shall select and verify a random sample of no less than six percent (6%) of applications annually. The Authority shall establish rules for the verification process and may use the federal verification requirements process for free and reduced-price lunch applications as guidance for those rules. If a household fails to cooperate with verification efforts, the Authority shall revoke the award of the scholarship grant to the eligible student.

(b) Household members of applicants for scholarship grants shall authorize the Authority to access information needed for verification efforts held by other State agencies, including the Department of Revenue, the Department of Health and Human Services, and the Department of Public Instruction.

"§ 115C-562.4. Identification of nonpublic schools and distribution of scholarship grant information.

1 (a) The Division shall provide annually by February 1 to the Authority a list of all
2 nonpublic schools operating in the State that meet the requirements of Part 1 or Part 2 of this
3 Article. The Division shall notify the Authority of any schools included in the list that the
4 Division has determined to be ineligible within five business days of the determination of
5 ineligibility.

6 (b) The Authority shall provide information about the scholarship grant program to the
7 Division, including applications and the obligations of nonpublic schools accepting eligible
8 students receiving scholarship grants. The Division shall ensure that information about the
9 scholarship grant program is provided to all qualified nonpublic schools on an annual basis.

10 **"§ 115C-562.5. Obligations of nonpublic schools accepting eligible students receiving**
11 **scholarship grants.**

12 (a) A nonpublic school that accepts eligible students receiving scholarship grants shall
13 comply with the following:

14 (1) Provide to the Authority documentation for required tuition and fees charged
15 to the student by the nonpublic school.

16 (2) Conduct a criminal background check for the staff member with the highest
17 decision-making authority, as defined by the bylaws, articles of
18 incorporation, or other governing document to ensure that person has not
19 been convicted of any crime listed in G.S. 115C-238.29K.

20 (3) Provide to the parent or guardian of an eligible student, whose tuition and
21 fees are paid in whole or in part with a scholarship grant, an annual written
22 explanation of the student's progress, including the student's scores on
23 standardized achievement tests.

24 (4) Administer, at least once in each school year, a nationally standardized test
25 or other nationally standardized equivalent measurement selected by the
26 chief administrative officer of the nonpublic school to all eligible students
27 whose tuition and fees are paid in whole or in part with a scholarship grant
28 enrolled in grades three and higher. The nationally standardized test or other
29 equivalent measurement selected must measure achievement in the areas of
30 English grammar, reading, spelling, and mathematics. Test performance data
31 shall be submitted to the Authority by July 15 of each year. Test
32 performance data reported to the Authority under this subdivision is not a
33 public record under Chapter 132 of the General Statutes.

34 (5) Provide to the Authority graduation rates of the students receiving
35 scholarship grants in a manner consistent with nationally recognized
36 standards.

37 (6) Contract with a certified public accountant to perform a financial review,
38 consistent with generally accepted accounting principles, for each school
39 year in which the school accepts students receiving more than three hundred
40 thousand dollars (\$300,000) in scholarship grants awarded under this Part.

41 (b) A nonpublic school that accepts students receiving scholarship grants shall not
42 require any additional fees based on the status of the student as a scholarship grant recipient.

43 (c) A nonpublic school enrolling more than 25 students whose tuition and fees are paid
44 in whole or in part with a scholarship grant shall report to the Authority on the aggregate
45 standardized test performance of eligible students. Aggregate test performance data reported to
46 the Authority which does not contain personally identifiable student data shall be a public
47 record under Chapter 132 of the General Statutes. Test performance data may be shared with
48 public or private institutions of higher education located in North Carolina and shall be
49 provided to an independent research organization selected by the Authority for research
50 purposes as permitted by the Federal Education Rights and Privacy Act, 20 U.S.C. § 1232g.

1 (d) A nonpublic school accepting students receiving scholarship grants that fails to
2 comply with the requirements of this section shall be ineligible to receive future scholarship
3 grants if the Authority determines that the nonpublic school is not in compliance with the
4 requirements of this section. The nonpublic school shall notify the parent or guardian of any
5 enrolled student receiving a scholarship grant that the nonpublic school is no longer eligible to
6 receive future scholarship grants. A nonpublic school may appeal for reconsideration of
7 eligibility after one year.

8 **"§ 115C-562.6. Scholarship endorsement.**

9 The Authority shall remit, at least two times each school year, scholarship grant funds
10 awarded to eligible students to the nonpublic school for endorsement by at least one of the
11 student's parents or guardians. The parent or guardian shall restrictively endorse the scholarship
12 grant funds awarded to the eligible student to the nonpublic school for deposit into the account
13 of the nonpublic school. The parent or guardian shall not designate any entity or individual
14 associated with the nonpublic school as the parent's attorney-in-fact to endorse the scholarship
15 grant funds but shall endorse the scholarship grant funds in person at the site of the nonpublic
16 school. A parent's or guardian's failure to comply with this section shall result in forfeit of the
17 scholarship grant. A scholarship grant forfeited for failure to comply with this section shall be
18 returned to the Authority to be awarded to another student.

19 **"§ 115C-562.7. Authority reporting requirements.**

20 (a) The Authority shall report to the Department of Public Instruction annually, no later
21 than August 1, the number of students who have received scholarship grants for the current
22 school year and who were enrolled the prior semester in a local school administrative unit or
23 charter school by the previously attended local school administrative unit or charter school. The
24 Department of Public Instruction shall adjust the allotments of local school administrative units
25 and charter schools based on the number of students awarded a scholarship grant who attended
26 a local school administrative unit or charter school during the prior semester. The amount of the
27 adjustment shall equal the average per pupil allocation for average daily membership from the
28 local school administrative unit or charter school.

29 (b) The Authority shall report annually, no later than March 1, to the Joint Legislative
30 Education Oversight Committee on the following:

- 31 (1) Total number, grade level, race, ethnicity, and sex of eligible students
32 receiving scholarship grants.
- 33 (2) Total amount of scholarship grant funding awarded.
- 34 (3) Number of students previously enrolled in local school administrative units
35 or charter schools in the prior semester by the previously attended local
36 school administrative unit or charter school.
- 37 (4) Nonpublic schools in which scholarship grant recipients are enrolled,
38 including numbers of scholarship grant students at each nonpublic school.
- 39 (5) Nonpublic schools deemed ineligible to receive scholarships.

40 (c) The Authority shall report annually, no later than December 1, to the Department of
41 Public Instruction and the Joint Legislative Education Oversight Committee on the learning
42 gains or losses of students receiving scholarship grants. This report shall be conducted by an
43 independent research organization to be selected by the Authority, which may be a public or
44 private entity or university. The independent research organization shall report to the Authority
45 on the learning gains of participating students on a statewide basis and shall compare, to the
46 extent possible, the learning gains or losses of eligible students by nonpublic school to the
47 statewide learning gains or losses of public school students with similar socioeconomic
48 backgrounds, using aggregate standardized test performance data provided to the Authority by
49 nonpublic schools and by the Department of Public Instruction. The Joint Legislative Education
50 Oversight Committee shall review reports from the Authority and shall make ongoing

1 recommendations to the General Assembly as needed regarding improving administration and
2 accountability for nonpublic schools accepting students receiving scholarship grants."

3 **SECTION #.(b)** G.S. 110-86(2) reads as rewritten:

4 "(2) Child care. – A program or arrangement where three or more children less
5 than 13 years old, who do not reside where the care is provided, receive care
6 on a regular basis of at least once per week for more than four hours but less
7 than 24 hours per day from persons other than their guardians or full-time
8 custodians, or from persons not related to them by birth, marriage, or
9 adoption. Child care does not include the following:

10 ...

11 f. Nonpublic schools described in Part 2 of Article 39 of Chapter 115C
12 of the General Statutes that are accredited by national or regional
13 accrediting agencies with early childhood standards ~~the Southern~~
14 ~~Association of Colleges and Schools~~ and that operate a child care
15 facility as defined in subdivision (3) of this section for less than six
16 and one-half hours per day either on or off the school site;

17"

18 **SECTION #.(c)** G.S. 115C-555 reads as rewritten:

19 **"§ 115C-555. Qualification of nonpublic schools.**

20 The provisions of this Part shall apply to any nonpublic school which has one or more of
21 the following characteristics:

- 22 (1) It is accredited by the State Board of Education.
23 (2) It is accredited by ~~the Southern Association of Colleges and Schools;~~
24 a national or regional accrediting agency.
25 (3) It is an active member of the North Carolina Association of Independent
26 Schools.
27 (4) It receives no funding from the State of North Carolina. For the purposes of
28 this Article, scholarship grant funds awarded pursuant to Part 2A of this
29 Article to eligible students attending a nonpublic school shall not be
30 considered funding from the State of North Carolina."

31 **SECTION #.(d)** G.S. 116-204 reads as rewritten:

32 **"§ 116-204. Powers of Authority.**

33 The Authority is hereby authorized and empowered:

34 ...

35 (11) To administer the awarding of scholarship grants to students attending
36 nonpublic schools as provided in Part 2A of Article 39 of Chapter 115 of the
37 General Statutes."

38 **SECTION #.(e)** For the 2013-2014 school year, the State Education Assistance
39 Authority (Authority) shall award scholarship grants to eligible students to attend nonpublic
40 schools that meet the requirements of Article 39 of Chapter 115C of the General Statutes, as
41 identified by the Division of Nonpublic Education, Department of Administration. The
42 Authority shall make applications available no later than August 1, 2013, and shall begin
43 awarding grants no later than August 15, 2013. Information about scholarship grants and the
44 application process shall be made available on the Authority's Web site. The Division of
45 Nonpublic Education, Department of Administration, shall make available to the Authority a
46 list of all nonpublic schools operating in the State that meet the requirements of Part 1 or Part 2
47 of Article 39 of Chapter 115C of the General Statutes no later than August 1, 2013.

48 **SECTION #.(f)** For the 2013-2014 school year, to be eligible to receive a
49 scholarship grant, a student shall meet both of the following criteria:

- (1) Reside in a household with an income level not in excess of the amount required for the student to qualify for the federal free or reduced-price lunch program.
- (2) Be a full-time student who has not yet received a high school diploma and was assigned to and attending a public school pursuant to G.S. 115C-366 during the 2013 spring semester.

SECTION #.(g) Scholarship grants for 2013-2014 shall be for amounts of up to four thousand two hundred dollars (\$4,200) for required tuition and fees for the nonpublic school the eligible child will attend. Tuition and fees for a nonpublic school may include tuition and fees for books, transportation, equipment, or other items required by the nonpublic school. No scholarship grant shall exceed the required tuition and fees for the nonpublic school the eligible student will attend.

SECTION #.(h) The Authority shall permit an eligible student receiving a scholarship grant in 2013-2014 to enroll in a different nonpublic school and remain eligible. An eligible student receiving a scholarship grant who transfers to another nonpublic school during the year may be eligible to receive a pro rata share of any unexpended portion of the scholarship grant for tuition and fees at the nonpublic school to which the student transfers.

SECTION #.(i) The Authority shall establish temporary rules and regulations for the administration and awarding of scholarship grants in 2013-2014, which may include a process for awarding grants using a random lottery system.

SECTION #.(j) G.S. 115C-562.3 through G.S. 115C-562.7, as enacted by this section, shall apply to any scholarship grant awarded for the 2013-2014 school year.

SECTION #.(k) It is the intent of the General Assembly to appropriate fifty million dollars (\$50,000,000) in recurring funds beginning in the 2015-2016 fiscal year to be awarded to eligible students as scholarship grants. The Authority may retain up to four hundred thousand dollars (\$400,000) annually for administrative costs associated with the scholarship grant program. Beginning in the 2014-2015 fiscal year, funds shall be appropriated to the public schools for assistance to at-risk students and to community organizations serving the educational needs of at-risk students still enrolled in public schools in an amount equal to the cost-savings created by the award of opportunity scholarship grants.

SECTION #.(l) The Authority shall select an independent research organization, as required by G.S. 115C-562.7, as enacted by this section, beginning with the 2016-2017 school year. The first learning gains report required by G.S. 115C-562.7, as enacted by this section, shall not be due until December 1, 2017. The first financial review for a nonpublic school that accepts scholarship grant funds, as required by G.S. 115C-562.5(a)(6), as enacted by this section, shall not be required until the 2014-2015 school year.

SECTION #.(m) This section applies beginning with the 2013-2014 school year. For the 2013-2014 school year, scholarship grants shall be awarded as provided in subsections (e) through (j) of this section. Beginning with the 2014-2015 school year and thereafter, scholarship grants shall be awarded in accordance with Part 2A of Article 39 of Chapter 115C of the General Statutes, as enacted by this section.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-DPI-H28-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

- 1 ***REPEAL REQUIREMENT THAT SCHOOLS PROVIDE READING WORKSHOPS FOR***
- 2 ***PARENTS OF STUDENTS WHO HAVE BEEN RETAINED***
- 3 **SECTION #.** G.S. 115C-83.8(d) is repealed.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-DPI-H29-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

***TASK FORCE TO STUDY TEACHER AND SCHOOL ADMINISTRATOR
EFFECTIVENESS AND COMPENSATION***

SECTION #.(a) Establishment. – The North Carolina Educator Effectiveness and Compensation Task Force is established.

SECTION #.(b) Membership. – The Task Force shall be composed of 18 members as follows:

- (1) Nine members appointed by the Speaker of the House of Representatives as follows:
 - a. Four persons who are members of the House of Representatives at the time of appointment, at least two of whom represent the minority party.
 - b. A representative of the Department of Public Instruction.
 - c. A classroom teacher, as recommended by the North Carolina Association of Educators.
 - d. A school principal, as recommended by the North Carolina Association of School Administrators.
 - e. A representative of a North Carolina institution of higher education that offers a teacher education program and a master's degree program in education or school administration.
 - f. A representative from the Professional Educators of North Carolina.
- (2) Nine members appointed by the President Pro Tempore of the Senate as follows:
 - a. Four persons who are members of the Senate at the time of appointment, at least two of whom represent the minority party.
 - b. A representative of the State Board of Education.
 - c. A classroom teacher, as recommended by the North Carolina Association of Educators.
 - d. A school system superintendent, as recommended by the North Carolina Association of School Administrators.
 - e. A local school board member, as recommended by the North Carolina School Boards Association.
 - f. A representative from the Professional Educators of North Carolina.

The Task Force shall have two cochairs, one designated by the President Pro Tempore of the Senate and one designated by the Speaker of the House of Representatives from among their appointees. The Task Force shall meet upon the call of the cochairs. Vacancies shall be filled by the appointing authority. A quorum of the Task Force shall be a majority of the members.

SECTION #.(c) Duties. – The Task Force shall make recommendations on whether to create a statewide model of incentives to encourage the recruitment and retention of highly

1 effective educators and to consider the transition to an alternative compensation system for
2 educators. In developing recommendations, the Task Force shall consider at least the following
3 factors:

- 4 (1) Alternatives to or simplification of the current teacher and school principal
5 salary schedules, including the need for "hold harmless" options or a choice
6 in compensation structure to avoid reduction in pay for current educators.
- 7 (2) Incorporating the feedback of educators in order to maximize buy-in.
- 8 (3) The integration of school-level performance measures in an alternative
9 compensation system.
- 10 (4) Whether local school administrative units may create their own customized
11 alternative compensation systems in lieu of or in addition to a statewide
12 system, including necessary parameters such as funding flexibility and
13 guidelines for local boards of education.
- 14 (5) The use of incentive pay to recruit and retain educators to teach in hard to
15 staff areas.
- 16 (6) The recognition of educator responsibilities and leadership roles such as
17 mentoring of beginning teachers and instructional coaching.
- 18 (7) Methods for identifying effective teaching and its relationship to an
19 alternative compensation system, including:
 - 20 a. The correlation of student outcomes with effective teaching.
 - 21 b. The use of multiple teacher evaluation measures and feedback
22 methods to recognize effective teaching such as classroom
23 observations, student surveys, video training for teachers, and
24 standard measures of student achievement.
 - 25 c. The use of multiple teacher observations, including at least one
26 observer from outside of the teacher's school.
 - 27 d. The correlation to annual student growth and performance data,
28 evaluations, effectiveness levels, and a three-year average of student
29 growth.
- 30 (8) Barriers to the implementation of alternative compensation systems.
- 31 (9) Educator compensation reform in other states and North Carolina pilot
32 programs currently utilizing alternative compensation.
- 33 (10) Effective strategies for retaining effective teachers.

34 **SECTION #.(d) Compensation; Administration.** – Members of the Task Force
35 shall receive subsistence and travel allowances at the rates set forth in G.S. 120-3.1, 138-5, or
36 138-6, as appropriate. With the prior approval of the Legislative Services Commission, the
37 Legislative Services Officer shall assign professional and clerical staff to assist in the work of
38 the Task Force. With the prior approval of the Legislative Services Commission, the Task
39 Force may hold its meetings in the State Legislative Building or the Legislative Office
40 Building. The Task Force may also meet at various locations around the State in order to
41 promote greater public participation in its deliberations. The Task Force, while in the discharge
42 of its official duties, may exercise all the powers provided under the provisions of G.S. 120-19
43 and G.S. 120-19.1 through G.S. 120-19.4, including the power to request all officers, agents,
44 agencies, and departments of the State to provide any information, data, or documents within
45 their possession, ascertainable from their records or otherwise available to them, and the power
46 to subpoena witnesses.

47 **SECTION #.(e) Report.** – The Task Force shall report its findings and
48 recommendations to the 2014 Regular Session of the 2013 General Assembly no later than
49 April 15, 2014. The Task Force shall terminate on December 31, 2014, or upon the filing of its
50 final report, whichever occurs first.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-DPI-H31-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

- 1 ***RESTORE TEACHING FELLOWS PROGRAM***
- 2 **SECTION #.** Section 1.38 of S.L. 2011-266 is repealed.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-DPI-H34-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

EDUCATION AND WORKFORCE INNOVATION PROGRAM

SECTION #.(a) Chapter 115C of the General Statutes is amended by adding a new Article to read:

"Article 6C.

"Education and Workforce Innovation Program.

"§ 115C-64.10. North Carolina Education and Workforce Innovation Commission.

(a) There is created the North Carolina Education and Workforce Innovation Commission (Commission). The Commission shall be located administratively in the Department of Public Instruction but shall exercise all its prescribed powers independently of the Department of Public Instruction. Of the funds appropriated for the Education and Workforce Innovation Program established under G.S. 115C-64.11, up to two hundred thousand dollars (\$200,000) each fiscal year may be used by the Department of Public Instruction to provide technical assistance and administrative assistance, including staff, to the Commission and reimbursements and expenses for the Commission.

(b) The Commission shall consist of the following 11 members:

- (1) The Secretary of Commerce.
- (2) The State Superintendent of Public Instruction.
- (3) The Chair of the State Board of Education.
- (4) The President of The University of North Carolina.
- (5) The President of the North Carolina Community College System.
- (6) Two members appointed by the Governor who have experience in education.
- (7) Two members appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives, as provided in G.S. 120-121, who have experience in businesses operating in North Carolina.
- (8) Two members appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate, as provided in G.S. 120-121, who have experience in businesses operating in North Carolina.

(c) The Commission members shall elect a chair from the membership of the Commission. The Commission shall meet at least three times annually on the call of the Chair or as additionally provided by the Commission. A quorum is six members of the Commission. Members may not send designees to Commission meetings nor may they vote by proxy.

(d) The Commission shall develop and administer the Education and Workforce Innovation Program, as established under G.S. 115C-64.11, and make awards of grants under the Program. The Commission shall work closely with the North Carolina New Schools in administering the program.

(e) The Commission shall publish a report on the Education and Workforce Innovation Program on or before April 30 of each year. The report shall be submitted to the Joint Legislative Education Oversight Committee, the State Board of Education, the State Board of

Community Colleges, and the Board of Governors of The University of North Carolina. The report shall include at least all of the following information:

- (1) An accounting of how funds and personnel resources were utilized and their impact on student achievement, retention, and employability.
- (2) Recommended statutory and policy changes.
- (3) Recommendations for improvement of the program.

"§ 115C-64.11. The Education and Workforce Innovation Program.

(a) Program Establishment. – There is established the Education and Workforce Innovation Program (Program) to foster innovation in education that will lead to more students graduating career and college ready. Funds appropriated to the Program shall be used to award competitive grants to an individual school, a local school administrative unit, or a regional partnership of more than one local school administrative unit to advance comprehensive, high-quality education that equips teachers with the knowledge and skill required to succeed with all students. Before receiving a grant, applicants must meet all of the following conditions:

- (1) Form a partnership, for the purposes of the grant, with either a public or private university or a community college.
- (2) Form a partnership, for the purposes of the grant, with regional businesses and business leaders.
- (3) Demonstrate the ability to sustain innovation once grant funding ends.

(b) Applicant Categories and Specific Requirements. –

- (1) Individual schools. – Individual public schools must demonstrate all of the following in their applications:
 - a. Partnerships with business and industry to determine the skills and competencies needed for students' transition into growth sectors of the regional economy.
 - b. Aligned pathways to employment, including students' acquisition of college credit or industry recognized credentials.
 - c. Development of systems, infrastructure, capacity, and culture to enable teachers and school leaders to continuously focus on improving individual student achievement.
- (2) Local school administrative units. – Local school administrative units must demonstrate all of the following in their applications:
 - a. Implementation of comprehensive reform and innovation.
 - b. Appointment of a senior leader to manage and sustain the change process with a specific focus on providing parents with a portfolio of meaningful options among schools.
- (3) Regional partnerships of two or more local school administrative units. – Partnerships of two or more local school administrative units must demonstrate all of the following in their applications:
 - a. Implementation of resources of partnered local school administrative units in creating a tailored workforce development system for the regional economy and fostering innovation in each of the partnered local school administrative units.
 - b. Promotion of the development of knowledge and skills in career clusters of critical importance to the region.
 - c. Benefits of the shared strengths of local businesses and higher education.
 - d. Usage of technology to deliver instruction over large geographic regions and build networks with industry.

- 1 e. Implementation of comprehensive reform and innovation that can be
2 replicated in other local school administrative units.
- 3 (c) Consideration of Factors in Awarding of Grants. – All applications must include
4 information on at least the following in order to be considered for a grant:
- 5 (1) Describe the aligned pathways from school to high-growth careers in
6 regional economies.
- 7 (2) Leverage technology to efficiently and effectively drive teacher and
8 principal development, connect students and teachers to online courses and
9 resources, and foster virtual learning communities among faculty, higher
10 education partners, and business partners.
- 11 (3) Establish a comprehensive approach to enhancing the knowledge and skills
12 of teachers and administrators to successfully implement the proposed
13 innovative program and to graduate all students ready for work and college.
- 14 (4) Link to a proven provider of professional development services for teachers
15 and administrators capable of providing evidence-based training and tools
16 aligned with the goals of the proposed innovative program.
- 17 (5) Form explicit partnerships with businesses and industry, which may include
18 business advisory councils, internship programs, and other customized
19 projects aligned with relevant workforce skills.
- 20 (6) Partner with community colleges or public or private universities to enable
21 communities to challenge every student to graduate with workplace
22 credentials or college credit.
- 23 (7) Align K-12 and post-secondary instruction and performance expectations to
24 reduce the need for college remediation courses.
- 25 (8) Secure input from parents to foster broad ownership for school choice
26 options and to foster greater understanding of the need for continued
27 education beyond high school.
- 28 (9) Provide a description of the funds that will be used and a proposed budget
29 for five years.
- 30 (10) Describe the source of matching funds required in subsection (d) of this
31 section.
- 32 (11) Establish a strategy to achieve meaningful analysis of program outcomes due
33 to the receipt of grant funds under this section.
- 34 (d) Matching Private and Local Funds. – All funds appropriated by the State must be
35 matched by a combination of private and local funds. All grant applicants must fund
36 twenty-five percent (25%) of program costs through local funds. An additional twenty-five
37 percent (25%) of program costs must be raised by private funds.
- 38 (e) Grants. – Any grants awarded by the Commission may be spent over a five-year
39 period from the initial award.
- 40 (f) Reporting Requirements. – No later than March 1 of each year, a grant recipient
41 shall submit to the Commission an annual report for the preceding grant year that describes the
42 academic progress made by the students and the implementation of program initiatives."

43 **SECTION #.(b)** The North Carolina Education and Workforce Innovation
44 Commission (Commission), as established by G.S. 115C-64.10, as enacted by this section, shall
45 conduct a study to determine the most efficient way to fund dual enrollment for high school
46 students in college coursework. The Commission shall report the results of this study to the
47 Joint Legislative Education Oversight Committee by October 1, 2014.

48 **SECTION #.(c)** The appointments to the Commission as set forth in
49 G.S. 115C-64.10, as enacted by this section, shall be made by the appointing entities no later

1 than September 1, 2013. The Commission shall hold its first meeting no later than October 1,
2 2013.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-DPI-H35-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

GRANTS FOR SCHOOL RESOURCE OFFICERS IN ELEMENTARY AND MIDDLE SCHOOLS

SECTION #. Grants to local school administrative units, regional schools, and charter schools for school resource officers in elementary and middle schools shall be matched on the basis of two dollars (\$2.00) in State funds for every one dollar (\$1.00) in local funds and shall be used to supplement and not to supplant State, local, and federal funds for school resource officers.

The State Board of Education shall include need-based considerations in its criteria for awarding these grants to local school administrative units, regional schools, and charter schools.

Local school administrative units, regional schools, and charter schools may use these funds to employ school resource officers in elementary and middle schools, to train them, or both. Any such training shall include instruction on research into the social and cognitive development of elementary school and middle school children.

PANIC ALARM SYSTEMS

SECTION #.(a) G.S. 115C-47(40) reads as rewritten:

"(40) To adopt emergency response plans. – Local boards of education mayshall, in coordination with local law enforcement agencies, adopt emergency response plans relating to incidents of school violence. These plans are not a public record as the term "public record" is defined under G.S. 132-1 and shall not be subject to inspection and examination under G.S. 132-6."

SECTION #.(b) Grants to local school administrative units, regional schools, and charter schools for panic alarm systems in schools shall be matched on the basis of one dollar (\$1.00) in State funds for every one dollar (\$1.00) in local funds and shall be used to supplement and not to supplant State, local, and federal funds for panic alarm systems.

The State Board of Education shall include need-based considerations in its criteria for awarding these grants to local school administrative units, regional schools, and charter schools.

SECTION #.(c) Effective July 1, 2015, every public school shall have a panic alarm system that connects with the nearest local law enforcement agency in the local board of education's emergency response plan.

SCHOOL SAFETY EXERCISES

SECTION #.(a) Article 8C of Chapter 115C of the General Statutes is amended by adding a new section to read:

"§ 115C-105.49. School safety exercises.

(a) At least every two years each local school administrative unit shall hold a full systemwide school safety and school lockdown exercise with the local law enforcement agencies that are part of the local board of education's emergency response plan. The purpose of the exercise shall be to permit participants to (i) discuss simulated emergency situations in a low-stress environment, (ii) clarify their roles and responsibilities and the overall logistics of dealing with an emergency, and (iii) identify areas in which the emergency response plan needs to be modified.

(b) At least once a year each school shall hold a full school-wide school safety and lockdown exercise with the local law enforcement agencies that are part of the local board of education's emergency response plan."

SECTION #.(b) This section applies beginning with the 2013-2014 school year.

SCHEMATIC DIAGRAMS OF SCHOOL FACILITIES

SECTION #.(a) Article 8C of Chapter 115C of the General Statutes is amended by adding a new section to read:

"§ 115C-105.50. Schematic diagram of school facilities.

(a) Each local school administrative unit shall prepare schematic diagrams of its school facilities and provide (i) the schematic diagrams and (ii) keys to the main entrance of all school facilities to local law enforcement agencies. Each local school administrative unit shall provide updates of the schematic diagrams to local law enforcement agencies when substantial modifications such as new facilities or modifications to doors and windows are made to school facilities.

(b) The Department of Public Instruction, in consultation with the Department of Public Safety, shall develop standards and guidelines for the preparation and content of schematic diagrams and necessary updates.

(c) The schematic diagrams are not public records under Chapter 132 of the General Statutes."

SECTION #.(b) The schematic diagrams and keys to the main entrance of all school facilities referenced in this section shall be provided to local law enforcement prior to January 1, 2014.

SECTION #.(c) This section applies beginning with the 2013-2014 school year.

ANONYMOUS TIP LINE

SECTION #.(a) Article 8C of Chapter 115C of the General Statutes is amended by adding a new section to read:

"§ 115C-105.51. Anonymous tip lines.

(a) Each local school administrative unit shall develop and operate an anonymous tip line, in coordination with local law enforcement and social services agencies, to receive anonymous information on internal or external risks to school buildings and school-related activities.

(b) The Department of Public Instruction, in consultation with the Department of Public Safety, shall develop standards and guidelines for the development, operation, and staffing of tip lines.

(c) The Department of Public Instruction shall provide information to local school administrative units on federal, State, local, and private grants available for this purpose."

SECTION #.(b) This section applies beginning with the 2013-2014 school year.

SCHOOL SAFETY COMPONENT OF SCHOOL IMPROVEMENT PLANS

SECTION #.(a) G.S. 115C-105.27 reads as rewritten:

1 **"§ 115C-105.27. Development and approval of school improvement plans.**

2 (a) ~~School Improvement Team. – In order to improve student performance, each school~~
3 ~~shall develop a school improvement plan that takes into consideration the annual performance~~
4 ~~goal for that school that is set by the State Board under G.S. 115C-105.35 and the goals set out~~
5 ~~in the mission statement for the public schools adopted by the State Board of Education. The~~
6 principal of each school, representatives of the assistant principals, instructional personnel,
7 instructional support personnel, and teacher assistants assigned to the school building, and
8 parents of children enrolled in the school shall constitute a school improvement ~~team to team.~~
9 The team shall develop a school improvement plan to improve student performance.

10 Representatives of the assistant principals, instructional personnel, instructional support
11 personnel, and teacher assistants shall be elected by their respective groups by secret ballot.

12 Unless the local board of education has adopted an election policy, parents shall be elected
13 by parents of children enrolled in the school in an election conducted by the parent and teacher
14 organization of the school or, if none exists, by the largest organization of parents formed for
15 this purpose. Parents serving on school improvement teams shall reflect the racial and
16 socioeconomic composition of the students enrolled in that school and shall not be members of
17 the building-level staff.

18 Parental involvement is a critical component of school success and positive student
19 achievement; therefore, it is the intent of the General Assembly that parents, along with
20 teachers, have a substantial role in developing school improvement plans. To this end, school
21 improvement team meetings shall be held at a convenient time to assure substantial parent
22 participation.

23 ~~All school improvement plans shall be, to the greatest extent possible, data-driven. School~~
24 ~~improvement teams shall use the Education Value Added Assessment System (EVAAS) or a~~
25 ~~compatible and comparable system approved by the State Board of Education, to analyze~~
26 ~~student data to identify root causes for problems, to determine actions to address them, and to~~
27 ~~appropriately place students in courses such as Algebra I. School improvement plans shall~~
28 ~~contain clear, unambiguous targets, explicit indicators and actual measures, and expeditious~~
29 ~~time frames for meeting the measurement standards.~~

30 (a1) Open Meetings. – School improvement team meetings are subject to the open
31 meetings requirements of Article 33C of Chapter 143 of the General Statutes. Deliberations on
32 the school safety components of the plan shall be in closed session in accordance with
33 G.S. 143-318.11(a)(8). The principal shall ensure that these requirements are met.

34 (a2) Public Records. – The school improvement plan, except for the school safety
35 components of the plan, is a public record subject to Chapter 132 of the General Statutes and
36 shall be posted on the school Web site. The names of the members of the school improvement
37 team, their positions, and the date of their election to the school improvement team shall also be
38 posted on the Web site.

39 The school safety components of the plan are not public records subject to Chapter 132 of
40 the General Statutes.

41 (b) School Improvement Plan. – In order to improve student performance, the school
42 improvement team at each school shall develop a school improvement plan that takes into
43 consideration the annual performance goal for that school that is set by the State Board under
44 G.S. 115C-105.35 and the goals set out in the mission statement for the public schools adopted
45 by the State Board of Education. All school improvement plans shall be, to the greatest extent
46 possible, data-driven. School improvement teams shall use the Education Value-Added
47 Assessment System (EVAAS) or a compatible and comparable system approved by the State
48 Board of Education to (i) analyze student data and identify root causes for problems, (ii)
49 determine actions to address them, and (iii) appropriately place students in courses such as
50 Algebra I. School improvement plans shall contain clear, unambiguous targets, explicit

indicators and actual measures, and expeditious time frames for meeting the measurement standards.

The strategies for improving student performance:

- (1) Shall include a plan for the use of staff development funds that may be made available to the school by the local board of education to implement the school improvement plan. The plan may provide that a portion of these funds is used for mentor training and for release time and substitute teachers while mentors and teachers mentored are meeting;
- (1a) Repealed by Session Laws 2012-142, s. 7A.1(c), effective July 2, 2012.
- (2) Shall include a plan to address school safety and discipline concerns;
- (3) May include a decision to use State funds in accordance with G.S. 115C-105.25;
- (4) Shall include a plan that specifies the effective instructional practices and methods to be used to improve the academic performance of students identified as at risk of academic failure or at risk of dropping out of school;
- (5) May include requests for waivers of State laws, rules, or policies for that school. A request for a waiver shall meet the requirements of G.S. 115C-105.26;
- (6) Shall include a plan to provide a duty-free lunch period for every teacher on a daily basis or as otherwise approved by the school improvement team; and
- (7) Shall include a plan to provide duty-free instructional planning time for every teacher under G.S. 115C-301.1, with the goal of providing an average of at least five hours of planning time per week.

(c) School Vote on the Plan. – Support among affected staff members is essential to successful implementation of a school improvement plan to address improved student performance at that school. The principal of the school shall present the proposed school improvement plan to all of the principals, assistant principals, instructional personnel, instructional support personnel, and teacher assistants assigned to the school building for their review and vote. The vote shall be by secret ballot. The principal shall submit the school improvement plan to the local board of education only if the proposed school improvement plan has the approval of a majority of the staff who voted on the plan.

(c1) Consideration of the School Safety Components of the Plan. – The superintendent shall review the school safety components of the school improvement plans and make written recommendations on them to the local board of education. Prior to a vote to accept a school's improvement plan in accordance with G.S. 115C-105.25(d), the local board of education shall review the school safety components of the plan for that school in closed session. The board shall make findings on the safety components of the plan. Neither the safety components of the plan nor the board's findings on the safety components of the plan shall be set out in the minutes of the board.

(d) Adoption of the Plan. – The local board of education shall accept or reject the school improvement plan. The local board shall not make any substantive changes in any school improvement plan that it accepts. If the local board rejects a school improvement plan, the local board shall state with specificity its reasons for rejecting the plan; the school improvement team may then prepare another plan, present it to the principals, assistant principals, instructional personnel, instructional support personnel, and teacher assistants assigned to the school building for a vote, and submit it to the local board to accept or reject. If no school improvement plan is accepted for a school within 60 days after its initial submission to the local board, the school or the local board may ask to use the process to resolve disagreements recommended in the guidelines developed by the State Board under G.S. 115C-105.20(b)(5). If this request is made, both the school and local board shall

1 participate in the process to resolve disagreements. If there is no request to use that process,
2 then the local board may develop a school improvement plan for the school. The General
3 Assembly urges the local board to utilize the school's proposed school improvement plan to the
4 maximum extent possible when developing such a plan.

5 (e) Effective Period of the Plan. – A school improvement plan shall remain in effect for
6 no more than two years; however, the school improvement team may amend the plan as often
7 as is necessary or appropriate. If, at any time, any part of a school improvement plan becomes
8 unlawful or the local board finds that a school improvement plan is impeding student
9 performance at a school, the local board may vacate the relevant portion of the plan and may
10 direct the school to revise that portion. The procedures set out in this subsection shall apply to
11 amendments and revisions to school improvement plans.

12 (f) Elimination of Other Unnecessary Plans. – If a local board of education finds that a
13 school improvement plan adequately covers another plan that the local school administrative
14 unit is otherwise required to prepare, the local school administrative unit shall not be required
15 to prepare an additional plan on the matter.

16 (g) Compliance With Requirements. – Any employee, parent, or other interested
17 individual or organization is encouraged to notify the principal of any concerns regarding
18 compliance with this section. In addition, any employee, parent, or other interested individual
19 or organization may submit in writing to the superintendent concerns regarding compliance
20 with this section. The superintendent shall make a good-faith effort to investigate the concern.
21 The superintendent shall upon request provide a written response to the concern."

22 **SECTION #.(b)** G.S. 143-318.11(a)(8) reads as rewritten:

23 "(a) Permitted Purposes. – It is the policy of this State that closed sessions shall be held
24 only when required to permit a public body to act in the public interest as permitted in this
25 section. A public body may hold a closed session and exclude the public only when a closed
26 session is required:

27 ...

28 (8) To formulate plans by a local board of education relating to emergency
29 response to incidents of school violence or to formulate and adopt the school
30 safety components of school improvement plans by a local board of
31 education or a school improvement team."

32 **SECTION #.(c)** This section applies beginning with the 2013-2014 school year.

34 **CRISIS KITS**

35 **SECTION #.(a)** Article 8C of Chapter 115C of the General Statutes is amended by
36 adding a new section to read:

37 "§ 115C-105.52. School crisis kits.

38 The Department of Public Instruction, in consultation with the Department of Public Safety
39 through the North Carolina Center for Safer Schools, shall adopt policies on the placement of
40 school crisis kits in schools and on the contents of those kits. The kits shall include, at a
41 minimum, basic first-aid supplies, communications devices, and other items recommended by
42 the International Association of Chiefs of Police.

43 The principal of each school, in coordination with the law enforcement agencies that are
44 part of the local board of education's emergency response plan, shall place one or more crisis
45 kits at appropriate locations in the school."

46 **SECTION #.(b)** This section applies beginning with the 2013-2014 school year.

48 **SCHOOL SAFETY/CONFORMING CHANGES FOR CHARTER SCHOOLS AND** 49 **REGIONAL SCHOOLS**

1 **SECTION #.(a)** G.S. 115C-238.29F is amended by adding a new subsection to
2 read:
3 "(a1) Emergency Response Plan. – A charter school shall, in coordination with local law
4 enforcement agencies, adopt an emergency response plan relating to incidents of school
5 violence. These plans are not a public record as the term "public record" is defined under
6 G.S. 132-1 and shall not be subject to inspection and examination under G.S. 132-6.
7 Charter schools shall also comply with the provisions in G.S. 115C-105.49(b),
8 115C-105.50, and 115C-105.52."

9 **SECTION #.(b)** G.S. 115C-238.66 is amended by adding a new subdivision to
10 read:
11 "(7a) Emergency Response Plan. – A regional school shall, in coordination with
12 local law enforcement agencies, adopt an emergency response plan relating
13 to incidents of school violence. These plans are not a public record as the
14 term "public record" is defined under G.S. 132-1 and shall not be subject to
15 inspection and examination under G.S. 132-6. Regional schools shall also
16 comply with the provisions in G.S. 115C-105.49(b), 115C-105.50, and
17 115C-105.52."

18 **SECTION #.(c)** This section applies beginning with the 2013-2014 school year.
19

20 ***EMERGENCY AND CRISIS TRAINING***

21 **SECTION #.** The Department of Public Safety, through the North Carolina Center
22 for Safer Schools and in conjunction with the Department of Justice and the Department of
23 Public Instruction, shall develop school emergency and crisis training modules for school
24 employees and provide them to schools as soon as practicable.
25

26 ***VOLUNTEER SCHOOL SAFETY RESOURCE OFFICER PROGRAM***

27 **SECTION #.(a)** G.S. 14-269.2(a) is amended by adding a new subdivision to read:

28 "(3a) Volunteer school safety resource officer. – A person who volunteers as a
29 school safety resource officer as provided by G.S. 162-25 or
30 G.S. 160A-288.4."

31 **SECTION #.(b)** G.S. 14-269.2(g) is amended by adding a new subdivision to read:

32 "(g) This section shall not apply to any of the following:

33 ...
34 (7) A volunteer school safety resource officer providing security at a school
35 pursuant to an agreement as provided in G.S. 115C-47(61) and either
36 G.S. 162-25 or G.S. 160A-288.4, provided that the volunteer school safety
37 resource officer is acting in the discharge of the person's official duties and
38 is on the educational property of the school that the officer was assigned to
39 by the head of the appropriate local law enforcement agency."

40 **SECTION #.(c)** G.S. 115C-47 is amended by adding a new subdivision to read:

41 "**§ 115C-47. Powers and duties generally.**

42 In addition to the powers and duties designated in G.S. 115C-36, local boards of education
43 shall have the power or duty:

44 ...
45 (61) To Provide a Safe School Environment. – Local boards of education may
46 enter into an agreement with the sheriff, chief of police of a local police
47 department, or chief of police of a county police department to provide
48 security at the schools by assigning volunteer school safety resource officers
49 who meet the selection standards and criteria developed by the head of the

appropriate local law enforcement agency and the criteria set out in G.S. 162-25 or G.S. 160A-288.4, as appropriate."

SECTION #.(d) G.S. 160A-282(c) reads as rewritten:

"(c) The board of commissioners of any county may provide that persons who are deputized by the sheriff of the county as special deputy sheriffs or persons who are serving as volunteer law-enforcement officers at the request of the sheriff and under his authority, while undergoing official training and while performing duties on behalf of the county pursuant to orders or instructions of the sheriff, shall be entitled to benefits under the North Carolina Workers' Compensation Act and to any fringe benefits for which such persons qualify.

This subsection shall not apply to volunteer school safety resource officers as described in G.S. 162-25."

SECTION #.(e) Chapter 162 of the General Statutes is amended by adding a new section to read:

"§ 162-25. Sheriff may establish volunteer school safety resource officer program.

(a) The sheriff may establish a volunteer school safety resource officer program to provide nonsalaried special deputies to serve as school safety resource officers in public schools. To be a volunteer in the program, a person must have prior experience as either (i) a sworn law enforcement officer or (ii) a military police officer with a minimum of two years' service. If a person with experience as a military police officer is no longer in the armed services, the person must also have an honorable discharge. A program volunteer must receive training on research into the social and cognitive development of elementary, middle, and high school children and must also meet the selection standards and any additional criteria established by the sheriff.

(b) Each volunteer shall report to the sheriff and shall work under the direction and supervision of the sheriff or the sheriff's designee when carrying out the volunteer's duties as a school safety resource officer. No volunteer may be assigned to a school as a school safety resource officer until the volunteer has updated or renewed the volunteer's law enforcement training and has been certified by the North Carolina Sheriff's Education and Training Standards Commission as meeting the educational and firearms proficiency standards required of persons serving as special deputy sheriffs. A volunteer is not required to meet the physical standards required by the North Carolina Sheriff's Education and Training Standards Commission but must have a standard medical exam to ensure the volunteer is in good health. A person selected by the sheriff to serve as a volunteer under this section shall have the power of arrest while performing official duties as a volunteer school safety resource officer.

(c) The sheriff may enter into an agreement with the local board of education to provide volunteer school safety resource officers who meet both the criteria established by this section and the selection and training requirements set by the sheriff of the county for the schools. The sheriff shall be responsible for the assignment of any volunteer school safety resource officer assigned to a public school and for the supervision of the officer.

(d) There shall be no liability on the part of and no cause of action shall arise against a volunteer school safety resource officer, the Sheriff or employees of the sheriff supervising a volunteer school safety officer, or the public school system or its employees for any good-faith action taken by them in the performance of their duties with regard to the volunteer school safety resource officer program established pursuant to this section."

SECTION #.(f) Article 13 of Chapter 160A of the General Statutes is amended by adding a new section to read:

"§ 160A-288.4. Police chief may establish volunteer school safety resource officer program.

(a) The chief of police of a local police department or of a county police department may establish a volunteer school safety resource officer program to provide nonsalaried special

1 law enforcement officers to serve as school safety resource officers in public schools. To be a
2 volunteer in the program, a person must have prior experience as either (i) a sworn law
3 enforcement officer or (ii) a military police officer with a minimum of two years' service. If a
4 person with experience as a military police officer is no longer in the armed services, the
5 person must also have an honorable discharge. A program volunteer must receive training on
6 research into the social and cognitive development of elementary, middle, and high school
7 children and must also meet the selection standards and any additional criteria established by
8 the chief of police.

9 (b) Each volunteer shall report to the chief of police and shall work under the direction
10 and supervision of the chief of police or the chief's designee when carrying out the volunteer's
11 duties as a school safety resource officer. No volunteer may be assigned to a school as a school
12 safety resource officer until the volunteer has updated or renewed the volunteer's law
13 enforcement training and has been certified by the North Carolina Criminal Justice Education
14 and Training Standards Commission as meeting the educational and firearms proficiency
15 standards required of persons serving as criminal justice officers. A volunteer is not required to
16 meet the physical standards required by the North Carolina Criminal Justice Education and
17 Training Standards Commission but must have a standard medical exam to ensure the volunteer
18 is in good health. A person selected by the chief of police to serve as a volunteer under this
19 section shall have the power of arrest while performing official duties as a volunteer school
20 safety resource officer.

21 (c) The chief of police may enter into an agreement with the local board of education to
22 provide volunteer school safety resource officers who meet both the criteria established by this
23 section and the selection and training requirements set by the chief of police of the municipality
24 or county in which the schools are located. The chief of police shall be responsible for the
25 assignment of any volunteer school safety resource officer assigned to a public school and for
26 the supervision of the officer.

27 (d) There shall be no liability on the part of and no cause of action shall arise against a
28 volunteer school safety resource officer, the chief of police or employees of the local law
29 enforcement agency supervising a volunteer school safety officer, or the public school system
30 or its employees for any good-faith action taken by them in the performance of their duties with
31 regard to the volunteer school safety resource officer program established pursuant to this
32 section."

33 **SECTION #.(g)** This section becomes effective December 1, 2013.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-DPI-H37-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

1 ***INFORMATION TECHNOLOGY OVERSIGHT CAPACITY***

2 **SECTION #.** Notwithstanding G.S. 143C-6-4, the State Superintendent of Public
3 Instruction shall realign existing resources within the Department of Public Instruction to
4 increase the information technology oversight capacity of the Department. The Superintendent
5 shall identify two positions for this purpose in order to establish a Chief Information Officer
6 and a Project Management Officer. The realignment of the positions and resources is subject to
7 the approval of the Office of State Budget and Management.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-DPI-H22A(S9.3)-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

MODIFY TEACHER LICENSURE FEES

SECTION 9.3.(a) G.S. 115C-296 reads as rewritten:

"§ 115C-296. Board sets licensure requirements; reports; lateral entry and mentor programs.

...

(a2) The State Board of Education shall ~~impose the following~~ establish a schedule of fees for teacher licensure and administrative ~~changes~~ changes. The fees established under this subsection shall not exceed the actual cost of providing the service. The schedule may include fees for any of the following services:

- (1) Application for demographic or administrative changes to a ~~license,~~ \$30.00.license.
- (2) Application for a duplicate license or for copies of documents in the licensure ~~files,~~ \$30.00.files.
- (3) Application for a renewal, extension, addition, upgrade, reinstatement, and variation to a ~~license,~~ \$55.00.license.
- (4) Initial application for a New, In-State Approved Program ~~Graduate,~~ \$55.00.Graduate.
- (5) Initial application for an Out-of-State ~~license,~~ \$85.00.license.
- (6) All other ~~applications,~~ \$85.00.applications.

~~The~~An applicant must pay ~~the fee~~ any nonrefundable service fees at the time ~~the~~an application is submitted.

(a3) The State Board of Education shall report to the Joint Legislative Education Oversight Committee by March 15 in any year that the amount of fees in the fee schedule established under subsection (a2) of this section has been modified during the previous 12 months. The report shall include the number of personnel paid from licensure receipts, any change in personnel paid from receipts, other related costs covered by the receipts, and the estimated unexpended receipts as of June 30 of the year reported.

...."

SECTION 9.3.(b) For the 2013-2014 fiscal year only and notwithstanding Article 2A of Chapter 150B of the General Statutes, the State Board of Education shall be exempt from rule making in establishing a schedule of fees for teacher licensure and administrative changes pursuant to G.S. 115C-296(a2), as amended by this section.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-NCCCS-H2(S10.1)i

North Carolina Community College System
Appropriations Subcommittee on Education

Requested by: Representative

1 ***REORGANIZATION OF THE COMMUNITY COLLEGES SYSTEM OFFICE***

2 **SECTION 10.1.(a)** Notwithstanding any other provision of law, and consistent
3 with the authority established in G.S. 115D-3, the President of the North Carolina Community
4 College System may reorganize the System Office in accordance with recommendations and
5 plans submitted to and approved by the State Board of Community Colleges.

6 **SECTION 10.1.(b)** This section expires June 30, 2014.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-NCCCS-H3(S10.2)i

North Carolina Community College System
Appropriations Subcommittee on Education

Requested by: Representative

1 ***CARRYFORWARD OF COLLEGE INFORMATION SYSTEM FUNDS***

2 **SECTION 10.2.** Of the funds appropriated to the Community Colleges System
3 Office for the 2013-2015 fiscal biennium for the College Information System, up to one million
4 two hundred fifty thousand dollars (\$1,250,000) shall not revert at the end of each fiscal year
5 but shall remain available until expended. These funds may be used only to purchase periodic
6 system upgrades.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-NCCCS-H4(S10.3)i

North Carolina Community College System
Appropriations Subcommittee on Education

Requested by: Representative

1 **BASIC SKILLS PLUS**

2 **SECTION 10.3.(a)** Notwithstanding any other provision of law, the State Board of
3 Community Colleges may authorize a local community college to use up to twenty percent
4 (20%) of the State Literacy Funds allocated to it to provide employability skills, job-specific
5 occupational and technical skills, and developmental education instruction to students
6 concurrently enrolled in a community college course leading to a high school diploma or
7 equivalent certificate.

8 **SECTION 10.3.(b)** Notwithstanding any other provision of law, if a community
9 college is authorized by the State Board to provide employability skills, job-specific
10 occupational or technical skills, or developmental education instruction to students
11 concurrently enrolled in a community college course leading to a high school diploma or
12 equivalent certificate, the college may waive the tuition and registration fees associated with
13 this instruction.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-NCCCS-H5(S10.4)i

North Carolina Community College System
Appropriations Subcommittee on Education

Requested by: Representative

ENROLLMENT FUNDING

SECTION 10.4.(a) Beginning with the 2013-2015 fiscal biennium, community colleges shall receive funding based on the number of full-time equivalent (FTE) students enrolled in curriculum, continuing education, and Basic Skills courses, by tiered funding level. Community colleges shall calculate this enrollment as the higher of the current year's total enrollment or the average enrollment of the last two academic years.

The State Board of Community Colleges shall report to the Joint Legislative Education Oversight Committee by February 1, 2014, on the use of nonrecurring funds appropriated to it to phase in this new enrollment funding model.

SECTION 10.4.(b) G.S. 115D-5 is amended by adding a new subsection to read:

"(v) Community colleges may teach technical education, health care, developmental education, and STEM-related courses at any time during the year, including the summer term. Student membership hours from these courses shall be counted when computing full-time equivalent students (FTE) for use in budget funding formulas at the State level."

SECTION 10.4.(c) The State Board of Community Colleges shall report to the Joint Legislative Education Oversight Committee by October 1, 2014, on FTE for the 2014 summer term.

SECTION 10.4.(d) Subsection (b) of this section is effective when it becomes law and applies beginning with the summer 2014 term.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-NCCCS-H13-P

North Carolina Community College System
Appropriations Subcommittee on Education

Requested by: Representative

1 ***TIERED ENROLLMENT FUNDING***

2 **SECTION #.(a)** Beginning with the 2014-2015 fiscal year, the State Board of
3 Community Colleges shall implement a fourth tier in the Tiered Funding Formula adopted by
4 the State Board to allocate funds to community colleges based on the number of full-time
5 equivalent (FTE) students enrolled in curriculum, continuing education, and Basic Skills
6 courses in order to fund curriculum programs leading to immediate employment at the highest
7 available funding level.

8 **SECTION #.(b)** By March 15, 2014, the State Board of Community Colleges shall
9 report to the House Appropriations Committee, Senate Appropriations/Base Budget
10 Committee, the House Appropriations Subcommittee on Education, and the Senate
11 Appropriations on Education/Higher Education on a plan for implementation of the additional
12 funding level for curriculum programs leading to immediate employment as required by
13 subsection (a) of this section.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-NCCCS-H14(S10.5)-P

North Carolina Community College System
Appropriations Subcommittee on Education

Requested by: Representative

PERFORMANCE FUNDING

SECTION 10.5.(a) G.S. 115D-31.3 reads as rewritten:

"§ 115D-31.3. Institutional performance accountability.

(a) ~~Creation~~Implementation of Accountability Measures and Performance Standards. – The State Board of Community Colleges shall ~~create new~~adopt and implement a system of accountability measures and performance standards for the Community College System. ~~The~~At least once every three years, the State Board of Community Colleges shall ~~review~~review, and revise if necessary, annually the accountability measures and performance standards to ensure that they are appropriate for use in recognition of successful institutional performance. If the State Board determines that accountability measures and performance standards must be revised following a review required by this subsection, the State Board shall report to the Joint Legislative Education Oversight Committee prior to the implementation of any proposed revisions.

(b) through (d) Repealed by Session Laws 2000-67, s. 9.7, effective July 1, 2000.

(e) Mandatory Performance Measures. – The State Board of Community Colleges shall evaluate each college on the following eight performance measures:

- (1) Progress of basic skills students.
- (2) ~~Passing rate for~~Attainment of General Educational Development (GED) ~~diploma examinations~~diplomas by students.
- (3) Performance of students who transfer to a four-year institution.
- (4) Success ~~rates~~ of developmental students in subsequent college-level English courses.
- (5) Success ~~rates~~ of developmental students in subsequent college-level math courses.
- (5a) Progress of first-year curriculum students.
- (6) Repealed by Session Laws 2012-142, s. 8.5, effective July 1, 2012.
- (7) Curriculum student retention and graduation.
- (8) Repealed by Session Laws 2012-142, s. 8.5, effective July 1, 2012.
- (9) ~~Passing rate for~~Attainment of licensure and ~~certification examinations~~certifications by students.

The State Board may also evaluate each college on additional performance measures.

(f) Publication of Performance Ratings. – Each college shall publish its performance on the eight measures set out in subsection (e) of this section (i) annually in its electronic catalog or on the Internet and (ii) in its printed catalog each time the catalog is reprinted.

The Community Colleges System Office shall publish the performance of all colleges on all eight measures.

(g) Recognition ~~for~~of Successful Institutional Performance. – For the purpose of recognition ~~for~~of successful institutional performance, the State Board of Community Colleges shall evaluate each college on the eight performance ~~measures~~measures set out in subsection

(e) of this section. For each of these eight performance measures on which a college performs successfully, the college may retain and carry forward into the next fiscal year one-fourth of one percent (1/4 of 1%) of its final fiscal year General Fund appropriations. Subject to the availability of funds, the State Board may allocate funds among colleges based on the evaluation of each institution's performance, including at least the following components:

(1) Program quality evaluated by determining a college's rate of student success on each measure as compared to a systemwide performance baseline and goal.

(2) Program impact on student outcomes evaluated by the number of students succeeding on each measure.

(g1) Carryforward of Funds Allocated Based on Performance. – A college that receives funds under subsection (g) of this section may retain and carry forward an amount up to or equal to its performance-based funding allocation for that year into the next fiscal year.

~~(h) Recognition for Exceptional Institutional Performance. — Funds not allocated to colleges in accordance with subsection (g) of this section shall be used to reward exceptional institutional performance. A college is deemed to have achieved exceptional institutional performance if it succeeds on all eight performance measures. After all State aid budget obligations have been met, the State Board of Community Colleges shall distribute the remainder of these funds to colleges that achieve exceptional institutional performance status based on the pro rata share of total full-time equivalent (FTE) students served at each college. The State Board may withhold the portion of funds for which a college may qualify as an exceptional institution while the college is under investigation by a State or federal agency or if its performance does not meet the standards established by the Southern Association of Colleges and Schools, the State Auditor's Office, or the State Board of Community Colleges. The State Board may release the funds at such time as the investigations are complete and the issues are resolved.~~

~~(i) Permissible Uses of Funds. — Funds retained by colleges or distributed to colleges pursuant to this section shall be used for the purchase of equipment, initial program start-up costs including faculty salaries for the first year of a program, and one-time faculty and staff bonuses. These funds shall not be used for continuing salary increases or for other obligations beyond the fiscal year into which they were carried forward. These funds shall be encumbered within 12 months of the fiscal year into which they were carried forward.~~

~~(j) Use of funds in low-wealth counties. — Funds retained by colleges or distributed to colleges pursuant to this section may be used to supplement local funding for maintenance of plant if the college does not receive maintenance of plant funds pursuant to G.S. 115D-31.2, and if the county in which the main campus of the community college is located meets all of the following:~~

~~(1) Is designated as a Tier 1 county in accordance with G.S. 143B-437.08.~~

~~(2) Had an unemployment rate of at least two percent (2%) above the State average or greater than seven percent (7%), whichever is higher, in the prior calendar year.~~

~~(3) Is a county whose wealth, as calculated under the formula for distributing supplemental funding for schools in low-wealth counties, is eighty percent (80%) or less of the State average.~~

~~Funds may be used for this purpose only after all local funds appropriated for maintenance of plant have been expended."~~

SECTION 10.5.(b) Section 9.2(b) of S.L. 1999-237 is repealed.

SECTION 10.5.(c) Section 8.6 of S.L. 2012-142 is repealed.

SECTION 10.5.(d) Effective only for the 2011-2012 reporting year, and notwithstanding G.S. 115D-31.3, the State Board of Community Colleges shall not require a

1 college to report its performance on the progress of basic skills students as part of the
2 mandatory performance standards prescribed by G.S. 115D-31.3(e), as amended by this
3 section. In distributing performance-based funding allocations for the 2013-2014 fiscal year,
4 notwithstanding G.S. 115D-31.3, the State Board of Community Colleges shall not consider the
5 progress of basic skills students or the attainment of GED diplomas for the purpose of
6 recognizing successful institutional performance. However, the State Board of Community
7 Colleges shall distribute a portion of the Basic Skills block grant appropriated under this act for
8 the 2013-2014 fiscal year based on the number of GED diplomas awarded by each college.

9 **SECTION 10.5.(e)** Beginning with the 2012-2013 reporting year, the State Board
10 of Community Colleges shall require a college to report its performance on all eight of the
11 mandatory performance standards prescribed by G.S. 115D-31.3(e), as amended by this
12 section.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-NCCCS-H6(S10.6)i

North Carolina Community College System
Appropriations Subcommittee on Education

Requested by: Representative

- 1 ***REPEAL OF SENIOR CITIZEN TUITION WAIVER***
- 2 **SECTION 10.6.** G.S. 115D-5(b)(11) is repealed.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-NCCCS-H7(S10.7)i

North Carolina Community College System
Appropriations Subcommittee on Education

Requested by: Representative

1 ***STUDY OF THE APPROVAL PROCESS FOR MULTICAMPUS CENTERS***

2 **SECTION 10.7.** The State Board of Community Colleges shall develop a process
3 for approval of community college multicampus centers. The Board shall report to the Joint
4 Legislative Education Oversight Committee by January 1, 2014, on its plan for a multicampus
5 approval process and any statutory changes necessary to implement the plan.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-NCCCS-H10(S10.12)i

North Carolina Community College System
Appropriations Subcommittee on Education

Requested by: Representative

1 ***CLARIFY EMPLOYEE ACADEMIC ASSISTANCE***

2 **SECTION 10.12.** G.S. 115D-5(b1) reads as rewritten:

3 "(b1) The State Board of Community Colleges shall not waive tuition and registration fees
4 for community college faculty or staff members. Community colleges may, however, use State
5 or local funds to pay tuition and registration fees for one course per semester for full-time
6 community college faculty or staff members employed for a nine-, ten-, eleven-, or
7 twelve-month term. Community colleges may also use State and local funds to pay tuition and
8 registration fees for professional development courses and for other courses consistent with the
9 academic assistance program authorized by the State Personnel Commission."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-NCCCS-H11(S10.13)i

North Carolina Community College System
Appropriations Subcommittee on Education

Requested by: Representative

REVISE TARGETED ASSISTANCE CRITERIA

SECTION 10.13. G.S. 115D-40.1(b) reads as rewritten:

"(b) Targeted Assistance. – Notwithstanding subsection (a) of this section, the State Board may allocate ~~no more than up to~~ ten percent (10%) of the funds appropriated for Financial Assistance for Community College Students ~~to~~ to the following students:

- (1) Students who ~~do not qualify for need-based assistance but who~~ enroll in low-enrollment programs that prepare students for high-demand ~~occupations, and~~ occupations.
- (2) Students with disabilities who have been referred by the Department of Health and Human Services, Division of Vocational ~~Rehabilitation~~ Rehabilitation, and are enrolled in a community college."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-NCCCS-H12(S10.14)-P

North Carolina Community College System
Appropriations Subcommittee on Education

Requested by: Representative

REPURPOSE OF FUNDS

SECTION 10.14.(a) Of the funds appropriated to Forsyth Technical Community College in fiscal year 2005-2006 for the construction of the Center for Emerging Technologies at Forsyth Technical Community College, the sum of three million dollars (\$3,000,000) for fiscal year 2013-2014 shall be transferred by the Office of State Budget and Management to Budget Code 26800 to be administered by the North Carolina Community Colleges System Office. The Community Colleges System Office shall allocate up to three hundred thousand dollars (\$300,000) of these funds each fiscal year to Forsyth Technical Community College for the operating costs and lease expenses for the community college's biotechnology, nanotechnology, design, and advanced information technology programs; Small Business Center; and Corporate and Industrial Training programs. The Community Colleges System Office shall continue to allocate these funds to Forsyth Technical Community College for this purpose until those funds are expended. No additional State funds shall be made available to Forsyth Technical Community College to be used for the purposes described in this section.

SECTION 10.14.(b) The Office of State Budget and Management shall transfer all funds in Budget Codes 40520 and 40620 that are unencumbered as of July 1, 2013, except those funds to be transferred in accordance with subsection (a) of this section, to Budget Code 16800. Of the funds transferred to Budget Code 16800 under this subsection, the State Board of Community Colleges shall allocate those funds to the community colleges to which the funds were appropriated. These funds shall be used for community college equipment.

GENERAL ASSEMBLY OF NORTH CAROLINA

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DRAFT
SPECIAL PROVISION



2013-NCCCS-H15-P

North Carolina Community College System
Appropriations Subcommittee on Education

Requested by: Representative

CLARIFY COMMUNITY COLLEGE AUDITS

SECTION #.(a) G.S. 115D-5(m) is repealed.

SECTION #.(b) G.S. 115D-58.16 reads as rewritten:

"§ 115D-58.16. Audits.

(a) Each community college shall be ~~audited~~subject to a financial audit a minimum of once every two years. Community colleges may use State funds to contract with the State Auditor or with a certified public accountant to perform the audits. The colleges shall submit the results of the audits to the State Board of Community Colleges.

The State Board of Community Colleges shall ensure that all colleges are audited in accordance with this section.

(b) Notwithstanding the provisions of Chapter 143D of the General Statutes, a community college shall not be subject to the EAGLE program administered by the Office of the State Controller unless (i) there is a finding of internal control problems in the most recent financial audit of the college or (ii) the State Board of Community Colleges determines that a college should be subject to the program."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-UNC-H4A(S11.1)-P

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

***USE OF ESCHEAT FUND FOR NEED-BASED FINANCIAL AID PROGRAMS/STUDY
SCHOLARSHIPS FOR CHILDREN OF WAR VETERAN'S PROGRAM***

SECTION 11.1.(a) There is appropriated from the Escheat Fund income to the Board of Governors of The University of North Carolina the sum of thirty-seven million two hundred eighty-seven thousand two hundred forty-two dollars (\$37,287,242) for the 2013-2014 fiscal year and the sum of thirty-seven million two hundred eighty-seven thousand two hundred forty-two dollars (\$37,287,242) for the 2014-2015 fiscal year to be used for The University of North Carolina Need-Based Financial Aid Program.

SECTION 11.1.(b) There is appropriated from the Escheat Fund income to the State Board of Community Colleges the sum of fifteen million two hundred forty-six thousand three hundred seventy-three dollars (\$15,246,373) for the 2013-2014 fiscal year and the sum of sixteen million three hundred thirty-five thousand dollars (\$16,335,000) for the 2014-2015 fiscal year to be used for community college grants.

SECTION 11.1.(c) There is appropriated from the Escheat Fund income to the Department of Administration, Division of Veterans Affairs, the sum of six million five hundred twenty thousand nine hundred sixty-four dollars (\$6,520,964) for the 2013-2014 fiscal year and the sum of six million five hundred twenty thousand nine hundred sixty-four dollars (\$6,520,964) for the 2014-2015 fiscal year to be used for need-based student financial aid.

SECTION 11.1.(d) The funds appropriated by this section shall be allocated by the State Education Assistance Authority (SEAA) for need-based student financial aid in accordance with G.S. 116B-7. If the interest income generated from the Escheat Fund is less than the amounts referenced in this section, the difference may be taken from the Escheat Fund principal to reach the appropriations referenced in this section; however, under no circumstances shall the Escheat Fund principal be reduced below the sum required in G.S. 116B-6(f). If any funds appropriated under this section remain uncommitted for need-based financial aid as of the end of a fiscal year, the funds shall be returned to the Escheat Fund, but only to the extent the funds exceed the amount of the Escheat Fund income for that fiscal year.

SECTION 11.1.(e) The State Education Assistance Authority shall perform all of the administrative functions necessary to implement this program of financial aid. The SEAA shall conduct periodic evaluations of expenditures of the scholarship programs to determine if allocations are utilized to ensure access to institutions of higher learning and to meet the goals of the respective programs. SEAA may make recommendations for redistribution of funds to The University of North Carolina, Department of Administration, and the President of the Community College System regarding their respective scholarship programs, who then may authorize redistribution of unutilized funds for a particular fiscal year.

SECTION 11.1.(f) G.S. 116B-7(a) reads as rewritten:

"(a) The income derived from the investment or deposit of the Escheat Fund shall be distributed annually on or before July 15-August 15 to the State Education Assistance Authority

1 for grants and loans to aid worthy and needy students who are residents of this State and are
2 enrolled in public institutions of higher education in this State. Such grants and loans shall be
3 made upon terms, consistent with the provisions of this Chapter, pursuant to which the State
4 Education Assistance Authority makes grants and loans to other students under G.S. 116-201 to
5 116-209.23, Article 23 of Chapter 116 of the General Statutes, policies of the Board of
6 Governors of The University of North Carolina regarding need-based grants for students of The
7 University of North Carolina, and policies of the State Board of Community Colleges regarding
8 need-based grants for students of the community colleges."

9 **SECTION 11.1.(g)** The Joint Legislative Education Oversight Committee shall
10 study the Scholarships for Children of War Veterans Program in the Department of
11 Administration and no later than March 1, 2014, shall report its findings to the Chairs of the
12 House of Representatives Appropriations Subcommittee on General Government, to the Chairs
13 of the Senate Appropriations Committee on General Government and Information Technology,
14 and to the General Assembly. The report shall include findings and recommendations regarding
15 all of the following:

- 16 (1) Which State agency is the appropriate entity to administer the program.
- 17 (2) Ways in which the Program could be redesigned so as to increase cost
18 predictability. This part of the report shall specifically include
19 recommendations regarding the desirability of imposing time limits and
20 scholarship award maximums on scholarships made available under the
21 Program.
- 22 (3) Methods of coordinating with other scholarship programs so as to ensure
23 that non-State resources are maximized before Program resources are used.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-UNC-H5(S11.2)-P

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

***UNC NEED-BASED FINANCIAL AID FORWARD FUNDING RESERVE/PROVIDE
FUNDS FOR UNC NEED-BASED GRANTS***

SECTION 11.2.(a) It is the intent of the General Assembly to move the UNC Need-Based Financial Aid Program grant funding into a reserve in the North Carolina Student Loan Fund designated for that purpose so that funds appropriated for grants in a fiscal year are awarded to students for the following academic year. This change will provide additional program stability.

SECTION 11.2.(b) The UNC Need-Based Financial Aid Forward Funding Reserve is established as a reserve in the North Carolina Student Loan Fund. The funds in the UNC Need-Based Financial Aid Forward Funding Reserve shall be held in reserve until the sum in reserve is sufficient to implement the forward funding of grants awarded to students in accordance with the intent set out in subsection (a) of this section.

SECTION 11.2.(c) The following funds shall be transferred to the UNC Need-Based Financial Aid Forward Funding Reserve (Reserve):

- (1) The sum of fifty-nine million eight hundred fifty-nine thousand five hundred sixty-two dollars (\$59,859,562) shall be transferred from the North Carolina Student Loan Fund to the Reserve.
- (2) Of the funds appropriated by this act to the Board of Governors of The University of North Carolina for the 2013-2015 fiscal biennium, the sum of three million four hundred seventy-five thousand five hundred thirty-eight dollars (\$3,475,538) for the 2013-2014 fiscal year and the sum of three million four hundred fifty-four thousand six hundred fifty-six dollars (\$3,454,656) for the 2014-2015 fiscal year shall be transferred to the Reserve.
- (3) Notwithstanding G.S. 115C-269.2, the sum of three million five hundred twenty-five thousand dollars (\$3,525,000) shall be transferred from the fund balance of the National Board Certification Loan program to the Reserve.
- (4) The sum of five hundred thousand dollars (\$500,000) shall be transferred from the John B. McLendon Scholarship Fund established in G.S. 116-209.40 to the Reserve.

SECTION 11.2.(d) There is appropriated from the Escheat Fund for the 2013-2014 fiscal year to the UNC Need-Based Financial Aid Forward Funding Reserve the sum of one million eighty-eight thousand six hundred twenty-seven dollars (\$1,088,627).

SECTION 11.2.(e) G.S. 116-209.40 is repealed.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-UNC-H6(S11.3)i

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

COORDINATED RESIDENCY DETERMINATION PROCESS

SECTION 11.3.(a) The General Assembly finds that it is in the best interest of the State for the University System, the Community College System, and the State Education Assistance Authority to apply the criteria in G.S. 116-143.1 to determine residency for tuition purposes in a coordinated and similar manner. Therefore, The University of North Carolina, the North Carolina Community College System, and the State Education Assistance Authority shall jointly develop and implement a coordinated and centralized process to be used by those three entities when determining the residency for tuition purposes of students who apply for admission and are admitted to a constituent institution of The University of North Carolina or a community college under the jurisdiction of the State Board of Community Colleges and for private college students receiving State-funded financial aid. In developing a centralized residency determination process, The University of North Carolina General Administration, the North Carolina Community College System, and the State Education Assistance Authority shall consult with the North Carolina Independent Colleges and Universities.

SECTION 11.3.(b) No later than January 1, 2014, The University of North Carolina, the North Carolina Community College System, and the State Education Assistance Authority shall report to the Joint Legislative Education Oversight Committee regarding the progress in developing and implementing a coordinated and centralized process and any necessary statutory changes.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-UNC-H7A(S11.4)-P

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

1 **IMPLEMENT TUITION SURCHARGE STUDY RECOMMENDATIONS**

2 **SECTION 11.4.(a)** G.S. 116-143.7 is amended by adding a new subsection to read:

3 "(d) Each constituent institution shall implement procedures to notify students regarding
4 the tuition surcharge and to provide appropriate advance notice to a student when the student is
5 approaching the credit hour limit regarding the tuition surcharge. The procedures shall comply
6 with the tuition surcharge notification principles established by the Board of Governors."

7 **SECTION 11.4.(b)** G.S. 116-11 is amended by adding a new subdivision to read:

8 "(7a) The Board of Governors shall develop a uniform core set of notification
9 principles regarding the tuition surcharge, including a process for each
10 campus to notify students at orientation and through each semester's tuition
11 statements and a process to provide appropriate advance notification to a
12 student when the student is approaching the credit hour limit regarding the
13 tuition surcharge. The Board of Governors shall direct each constituent
14 institution to implement these procedures."

15 **SECTION 11.4.(c)** This section applies to the 2013 fall academic semester and
16 each subsequent academic semester.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-UNC-H8(S11.5)-P

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

UNC MANAGEMENT FLEXIBILITY REDUCTION

SECTION 11.5.(a) The management flexibility reduction for The University of North Carolina shall not be allocated by the Board of Governors to the constituent institutions and affiliated entities using an across-the-board method but in a manner that recognizes the importance of the academic missions and differences among The University of North Carolina entities.

Before taking reductions in instructional budgets, the Board of Governors and the campuses of the constituent institutions shall consider all of the following:

- (1) Reducing State funding for centers and institutes, speaker series, and other nonacademic activities.
- (2) Faculty workload adjustments.
- (3) Restructuring of research activities.
- (4) Implementing cost-saving span of control measures.
- (5) Reducing the number of senior and middle management positions.
- (6) Eliminating low-performing, redundant, or low-enrollment programs.
- (7) Using alternative funding sources.
- (8) Protecting direct classroom services.

The Board of Governors and the campuses of the constituent institutions also shall review the institutional trust funds and the special funds held by or on behalf of The University of North Carolina and its constituent institutions to determine whether there are monies available in those funds that can be used to assist with operating costs. In addition, the campuses of the constituent institutions also shall require their faculty to have a teaching workload equal to the national average in their Carnegie classification.

SECTION 11.5.(b) In allocating the management flexibility reduction, no reduction in State funds shall be allocated in either fiscal year of the 2013-2015 biennium to any of the following:

- (1) UNC Need-Based Financial Aid.
- (2) North Carolina Need-Based Scholarship.

SECTION 11.5.(c) The University of North Carolina shall report on the implementation of the management flexibility reduction in subsection (a) of this section to the Office of State Budget and Management and the Fiscal Research Division no later than October 1, 2013. This report shall identify both of the following by campus:

- (1) The total number of positions eliminated by type (faculty/nonfaculty).
- (2) The low-performing, redundant, and low-enrollment programs that were eliminated.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-UNC-H9(S11.6)i

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

UNC BOARD OF GOVERNORS REPORT ON OVERHEAD RECEIPTS

SECTION 11.6.(a) G.S. 116-11 is amended by adding a new subdivision to read:

"(9a) The Board of Governors shall report to the Joint Legislative Education Oversight Committee and the Office of State Budget and Management by March 1 of each year regarding the sum of facilities and administrative fees and overhead receipts for The University of North Carolina that are collected and expended by each constituent institution. The report shall include all of the following information:

- a. The collection of facilities and administrative fees and overhead receipts by line item and by grant or program.
- b. The use of facilities and administrative fees and overhead receipts showing line item expenditures by grant or program.
- c. The sum of facilities and administrative fees and overhead receipts collected or expended by each constituent institution for maintenance and operation of facilities that were constructed with or at any time operated by funds from the General Fund."

SECTION 11.6.(b) Section 31.14 of S.L. 2001-424 is repealed.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-UNC-H10(S11.7)i

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

***STUDENT CHARGES AT THE NORTH CAROLINA SCHOOL OF SCIENCE AND
MATH***

SECTION 11.7.(a) G.S. 116-40.22 reads as rewritten:

"§ 116-40.22. Management flexibility.

...

(c) Tuition and Fees. – Notwithstanding any provision in Chapter 116 of the General Statutes to the contrary, in addition to any tuition and fees set by the Board of Governors pursuant to G.S. 116-11(7), the Board of Trustees of the institution may recommend to the Board of Governors tuition and fees for program-specific and institution-specific needs at that institution without regard to whether an emergency situation exists and not inconsistent with the actions of the General Assembly. Any tuition and fees set pursuant to this subsection are appropriated for use by the institution. Notwithstanding this subsection, neither the Board of Governors of The University of North Carolina nor its Board of Trustees shall impose any tuition or mandatory fee at the North Carolina School of Science and Mathematics without the approval of the General ~~Assembly~~Assembly, except as provided in subsection (e) of this section.

...

(e) The Board of Governors of The University of North Carolina may approve, upon the recommendation of the Board of Trustees of the North Carolina School of Science and Mathematics, the imposition of fees not inconsistent with actions of the General Assembly for distance education services provided by the North Carolina School of Science and Mathematics to nonresidents and for students participating in extracurricular enrichment programs sponsored by the School."

SECTION 11.7.(b) G.S. 116-143 reads as rewritten:

"§ 116-143. State-supported institutions of higher education required to charge tuition and fees.

...

(b) In the event that said students are unable to pay the cost of tuition and required academic fees as the same may become due, in cash, the said several boards of trustees are hereby authorized and empowered, in their discretion, to accept the obligation of the student or students together with such collateral or security as they may deem necessary and proper, it being the purpose of this Article that all students in State institutions of higher learning shall be required to pay tuition, and that free tuition is hereby abolished. Notwithstanding this section, neither the Board of Governors of The University of North Carolina nor its Board of Trustees shall impose any tuition or mandatory fee at the North Carolina School of Science and Mathematics without the approval of the General ~~Assembly~~Assembly, except as provided in subsection (e) of this section.

...

1 (e) The Board of Governors of The University of North Carolina may approve, upon
2 the recommendation of the Board of Trustees of the North Carolina School of Science and
3 Mathematics, the imposition of fees not inconsistent with actions of the General Assembly for
4 distance education services provided by the North Carolina School of Science and Mathematics
5 to nonresidents and for students participating in extracurricular enrichment programs sponsored
6 by the School."

7 **SECTION 11.7.(c)** This section applies to the 2013-2014 spring academic
8 semester and each subsequent academic semester.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-UNC-H11(S11.8)i

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

STUDENT CHARGES AT THE UNC SCHOOL OF THE ARTS

SECTION 11.8.(a) Article 4 of Chapter 116 of the General Statutes is amended by adding a new section to read:

"§ 116-68.1. Fees.

The Board of Governors of The University of North Carolina may set fees, not inconsistent with the actions of the General Assembly, to be paid by in-State high school students enrolled at the University of North Carolina School of the Arts to assist with expenses of the institution. The Board of Trustees may recommend to the Board of Governors of The University of North Carolina that fees be set, not inconsistent with actions of the General Assembly, to be paid by in-State high school students enrolled at the University of North Carolina School of the Arts to assist with expenses of the institution. The University of North Carolina School of the Arts may charge and collect fees established as provided by this section from in-State high school students enrolled at the University of North Carolina School of the Arts."

SECTION 11.8.(b) This section applies to the 2014-2015 academic year and each subsequent academic year.

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Session 2013

DRAFT
SPECIAL PROVISION



2013-UNC-H12(S11.9)i

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

- 1 *AUTHORIZE STATE EDUCATION ASSISTANCE AUTHORITY TO CONTINUE TO*
- 2 *COLLECT NORTH CAROLINA TEACHING FELLOWS REPAYMENTS*
- 3 **SECTION 11.9.** Subsection (b) of Section 1.38 of S.L. 2011-266 is repealed.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

**DRAFT
SPECIAL PROVISION**



2013-UNC-H1-P

University of North Carolina and Private Instruction Appropriations Subcommittee on Education

Requested by: Representative

UNC STRATEGIC DIRECTION INITIATIVE

SECTION #.(a) Data Analytics Projects. – Of the funds appropriated by this act to the Board of Governors of The University of North Carolina for the 2013-2015 fiscal biennium to be used for data analytics, the sum of five hundred thousand dollars (\$500,000) for the 2013-2014 fiscal year and the sum of five hundred thousand dollars (\$500,000) for the 2014-2015 fiscal year shall be allocated to the University of North Carolina at Wilmington to complete the construction of the Predictive Analytics Project and to make the project available as a model for data analytics that may be used by the other constituent institutions. The Board of Governors shall allocate the remaining funds appropriated by this act for data analytics among the other constituent institutions to construct data analytic projects similar to the model project at the University of North Carolina at Wilmington.

The University of North Carolina at Wilmington shall report the progress in implementing its Predictive Analytics Project and the information gained through the Project to the House of Representatives Education Appropriations Subcommittee and the Senate Education Appropriations Committee by the convening of the 2014 Regular Session of the 2013 General Assembly. The information in the report shall include the expenditures at the Wilmington campus for the 2012-2013 fiscal year set out separately by degree level.

The General Administration of The University of North Carolina shall make a final report to the 2015 General Assembly by the time it convenes regarding the implementation of the Predictive Analytics Project at the University of North Carolina at Wilmington and the progress in implementing data analytics projects at the other campuses in The University of North Carolina System. The report shall include the expenditures at each campus set out separately by degree level and by campus for the 2013-2014 fiscal year and the plans to continue to make the expenditure information available in the same manner for each subsequent fiscal year.

SECTION #.(b) Tuition Assistance for Nonresident Veterans. – Of the funds appropriated by this act to the Board of Governors of The University of North Carolina for the 2013-2015 fiscal biennium to increase degree attainment, the sum of three million dollars (\$3,000,000) for the 2013-2014 fiscal year and the sum of three million dollars (\$3,000,000) for the 2014-2015 fiscal year shall be used to provide funding to assist nonresident veteran students with the difference in cost between resident and nonresident tuition. The University of North Carolina is encouraged to use these funds to increase participation in the federal Yellow Ribbon Program to maximize available resources.

SECTION #.(c) Funds for UNC Investments in Faculty, Research, and Scholarship. – Of the funds appropriated by this act to the Board of Governors of The University of North Carolina for the 2013-2015 fiscal biennium, the sum of two million four hundred thousand dollars (\$2,400,000) in recurring funds and the sum of one million dollars (\$1,000,000) in nonrecurring funds for the 2013-2014 fiscal year and the sum of twelve million one hundred thousand dollars (\$12,100,000) in recurring funds and the sum of ten million

dollars (\$10,000,000) in nonrecurring funds for the 2014-2015 fiscal year for focused investments in faculty, research, and scholarship that support certain priorities of The University System shall be allocated as follows:

	FY 2013-2014	FY 2014-2015
Advanced Manufacturing:		
Faculty and Staff	\$200,000 (R)	\$1,000,000 (R)
Advanced Manufacturing:		
Operations and Support	\$200,000 (R)	\$500,000 (R)
Data Sciences:		
Faculty and Staff	\$200,000 (R)	\$900,000 (R)
Data Sciences:		
Operations and Support	\$200,000 (R)	\$400,000 (R)
Defense, Military, and Security:		
Faculty and Staff	\$200,000 (R)	\$1,000,000 (R)
Defense, Military, and Security:		
Operations and Support	\$200,000 (R)	\$500,000 (R)
Energy:		
Faculty and Staff	\$200,000 (R)	\$1,000,000 (R)
Energy:		
Operations and Support	\$200,000 (R)	\$500,000 (R)
Marine and Coastal Sciences:		
Faculty and Staff	\$400,000 (R)	\$1,300,000 (R)
Marine and Coastal Sciences:		
Operations and Support	\$200,000 (R)	\$400,000 (R)
Pharmaco-Engineering:		
Faculty and Staff	\$200,000 (R)	\$3,400,000 (R)
Pharmaco-Engineering:		
Graduate Fellowship/Support	—	\$200,000 (R)
Capital Facilities Lease Costs	—	\$1,000,000 (R)
Startup and Infrastructure	—	\$7,000,000 (NR)
Shared Research Equipment	\$1,000,000 (NR)	\$3,000,000 (NR)

SECTION #.(d) The Board of Governors shall allocate the funds designated for data sciences in subsection (c) of this section to the University of North Carolina at Charlotte.

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SPECIAL PROVISION



2013-UNC-H13-P

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

STUDENT FINANCIAL AID/SEMESTER LIMIT

SECTION #.(a) G.S. 115C-499.2(6) is repealed.

SECTION #.(b) Article 35A of Chapter 115C of the General Statutes is amended by adding a new section to read:

"§ 115C-499.2A. Semester limitation on eligibility for scholarship.

(a) Except as otherwise provided by subsection (c) of this section, a student with a matriculated status at a constituent institution of The University of North Carolina shall not receive a scholarship for more than 10 full-time academic semesters, or its equivalent if enrolled part-time, unless the student is enrolled in a program officially designated by the Board of Governors as a five-year degree program. If a student is enrolled in such a five-year degree program, then the student shall not receive a scholarship for more than 12 full-time academic semesters or the equivalent if enrolled part-time.

(b) Except as otherwise provided by subsection (c) of this section, a student with a matriculated status at a community college shall not receive a scholarship for more than six full-time academic semesters, or the equivalent if enrolled part-time.

(c) Upon application by a student, the appropriate postsecondary institution may grant a waiver to the student who may then receive a scholarship for the equivalent of one additional full-time academic semester if the student demonstrates that any of the following have substantially disrupted or interrupted the student's pursuit of a degree, diploma, or certificate: (i) a military service obligation, (ii) serious medical debilitation, (iii) a short-term or long-term disability, or (iv) other extraordinary hardship. The Board of Governors or the State Board of Community Colleges, as appropriate, shall establish policies and procedures to implement the waiver provided by this subsection."

SECTION #.(c) Article 3 of Chapter 115D of the General Statutes is amended by adding a new section to read:

"§ 115D-40.2. Semester limitation on eligibility for North Carolina Community College grants.

(a) Except as otherwise provided by this section, a student shall not receive a need-based grant from the North Carolina Community College Grant Program for more than six full-time academic semesters, or the equivalent if enrolled part-time.

(b) Upon application by a student, the community college may grant a waiver to the student who may then receive a grant from the North Carolina Community College Grant Program for the equivalent of one additional full-time academic semester if the student demonstrates that any of the following have substantially disrupted or interrupted the student's pursuit of a degree, diploma, or certificate: (i) a military service obligation, (ii) serious medical debilitation, (iii) a short-term or long-term disability, or (iv) other extraordinary hardship. The State Board shall establish policies and procedures to implement the waiver provided by this subsection."

SECTION #.(d) G.S. 116-25.1 reads as rewritten:

1 **"§ 116-25.1. Limit receipt of Semester limitation on eligibility for** The University of North
2 **Carolina need-based financial aid grants to traditional time period required to**
3 **earn baccalaureate degree grants.**

4 (a) Except as otherwise provided by this section, a student shall not receive a grant
5 from The University of North Carolina Need-Based Financial Aid Program for more than ~~nine~~
6 10 full-time academic semesters, or its equivalent if enrolled part-time, unless the student is
7 enrolled in a program officially designated by the Board of Governors as a five-year degree
8 program. If a student is enrolled in such a five-year degree program, then the student shall not
9 receive a need-based grant from The University of North Carolina Need-Based Financial Aid
10 Program for more than ~~11~~ 12 full-time academic semesters or its equivalent if enrolled
11 part-time.

12 (b) Upon application by a student, ~~the student may receive a grant for one additional~~
13 ~~part time or full time academic semester as appropriate, the constituent institution may grant a~~
14 ~~waiver to the student who may then receive a grant for the equivalent of one additional~~
15 ~~full-time academic semester~~ if the student demonstrates that any of the following have
16 substantially disrupted or interrupted the student's pursuit of a degree: (i) a military service
17 obligation, (ii) serious medical debilitation, (iii) a short-term or long-term disability, or (iv)
18 other extraordinary ~~hardship, including inability to enroll in the appropriate courses due to~~
19 ~~reduced course offerings.~~ hardship. The Board of Governors shall establish ~~the~~
20 ~~appropriate policies and~~ procedures to implement the ~~additional semester extension waiver~~
21 provided by this subsection."

22 **SECTION #.(e)** G.S. 116-281(6) is repealed.

23 **SECTION #.(f)** Article 34 of Chapter 116 of the General Statutes is amended by
24 adding a new section to read:

25 **"§ 116-281.1. Semester limitation on eligibility for scholarship.**

26 (a) A student shall not receive a scholarship under this Article for more than 10
27 full-time academic semesters, or the equivalent if enrolled part-time, unless the student is
28 enrolled in a program officially designated by the eligible private postsecondary institution as a
29 five-year degree program. If a student is enrolled in such a five-year degree program, then the
30 student shall not receive a scholarship under this Article for more than 12 full-time academic
31 semesters or the equivalent if enrolled part-time.

32 (b) Upon application by a student, the eligible private postsecondary institution may
33 grant a waiver to the student who may then receive a scholarship for the equivalent of one
34 additional full-time academic semester if the student demonstrates that any of the following
35 have substantially disrupted or interrupted the student's pursuit of a baccalaureate degree: (i) a
36 military service obligation, (ii) serious medical debilitation, (iii) a short-term or long-term
37 disability, or (iv) other extraordinary hardship. The eligible private postsecondary institution
38 shall establish policies and procedures to implement the waiver provided by this subsection."

39 **SECTION #.(g)** Article 23 of Chapter 116 of the General Statutes is amended by
40 adding a new section to read:

41 **"§ 116-209.19A. Limit semesters eligible for need-based grants and scholarships.**

42 The Authority administers the following need-based grant and scholarship programs: the
43 Education Lottery Scholarships, North Carolina Community College Grant Program, The
44 University of North Carolina Need-Based Financial Aid Program, and Need-Based
45 Scholarships for Students Attending Private Institutions of Higher Education.
46 G.S. 115C-499.2A, 115D-40.2, 116-25.1, and 116-281.1 limit the number of semesters that a
47 student may receive a grant or scholarship from any of those programs and also provide the
48 circumstances in which a waiver to those limits may be granted by the appropriate
49 postsecondary institution. The Authority shall enforce these limitations in administering these
50 programs so that unless a waiver is granted by the appropriate postsecondary institution, no

1 student shall receive a grant or scholarship from any of those programs or any combination of
2 those financial aid programs while pursuing a degree, diploma, or certificate for more than any
3 of the following time periods: (i) 10 full-time academic semesters or its equivalent if enrolled
4 part-time or (ii) 12 full-time academic semesters or its equivalent if the student is enrolled in a
5 program officially designated as a five-year degree program.

6 A postsecondary institution that grants a waiver under G.S. 115C-499.2A, 115D-40.2,
7 116-25.1, or 116-281.1 shall certify the granting of the waiver in a manner acceptable to the
8 Authority and shall also maintain documentation substantiating the reason for the waiver."

9 **SECTION #.(h)** The State Education Assistance Authority shall structure its
10 payment schedule to encourage students to complete an average of 30 credit hours per
11 academic year. The State Education Assistance Authority shall report to the Joint Legislative
12 Education Oversight Committee by March 1, 2014, regarding the measures implemented by the
13 Authority pursuant to this subsection.

14 **SECTION #.(i)** This section applies to the 2014-2015 academic year and each
15 subsequent academic year.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

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SPECIAL PROVISION



2013-UNC-H14A-P

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

STUDY SCHOOL OF SCIENCE AND MATHEMATICS/MORGANTON CAMPUS

SECTION #.(a) The Board of Governors of The University of North Carolina, the North Carolina School of Science and Mathematics (School of Science and Math), and the Department of Public Instruction shall jointly study the feasibility of establishing a western campus for the School of Science and Math at the School for the Deaf in Morganton. In its study, the Board of Governors, the School of Science and Math, and the Department of Public Instruction shall consider the number of students with excellent academic records who apply to the School of Science and Math but are not accepted because of the School's lack of physical space to accommodate additional students. They may also consult with the Department of Administration regarding what, if any, renovations would be required at the School for the Deaf if a western campus for the School of Science and Math were located at that facility.

If it is determined that the School for the Deaf is not a suitable site for the location of a western campus, the Board of Governors, School of Science and Math, and the Department of Public Instruction in consultation with the Department of Administration may consider other sites in western North Carolina that are available as a site.

SECTION #.(b) The Department of Administration shall, upon request by the Board of Governors, the North Carolina School of Science and Math, and the Department of Public Instruction, provide information regarding renovations that may be required to locate a western campus for the School of Science and Math at the School for the Deaf and shall also provide, upon request, information regarding other State-owned real property that may be available for such a purpose.

SECTION #.(c) The Board of Governors, the School of Science and Math, and the Department of Public Instruction shall report their findings and recommendations to the House of Representatives and Senate Appropriations Subcommittees on Education by February 1, 2014.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

DRAFT
SPECIAL PROVISION



2013-UNC-H15-P

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

NC GUARANTEED ADMISSION PROGRAM

SECTION #.(a) The Board of Governors of The University of North Carolina, in consultation with the State Board of Community Colleges, shall develop the North Carolina Guaranteed Admission Program (NC GAP). The goals of NC GAP are to encourage and assist more students to obtain a baccalaureate degree within a shorter time period; to provide students with a college education at significantly lower costs for both the student and the State; to help decrease the amount of debt resulting from loans that a student may owe upon graduation; to provide a student with an interim degree that may increase a student's job opportunities if the student chooses not to continue postsecondary education; and to provide easier access to academic counseling that will assist a student in selecting coursework that reflects the student's educational and career goals and helps the student succeed academically.

The purpose of the program is to provide an option for students who apply for admission to a constituent institution and satisfy the admission criteria, but whose academic credentials are not as competitive as other students admitted to the institution. A student who chooses to participate in NC GAP shall agree to defer admission to the constituent institution for at least two years and in return shall be guaranteed admission to the constituent institution for the student's junior year, provided the student enrolls in a community college and earns an associate degree.

SECTION #.(b) The State Board of Community Colleges, in consultation with the Board of Governors of The University of North Carolina, shall adopt rules to ensure that a student participating in NC GAP is provided counseling and assistance in selecting coursework that reflects the student's educational and career goals and that provides a smooth transition from the community college to the constituent institution.

SECTION #.(c) The State Board of Community Colleges shall allocate a portion of the nonrecurring funds appropriated to the Board by this act for the 2014-2015 fiscal year to assist community colleges with students who are participating in NC GAP.

SECTION #.(d) The Board of Governors of The University of North Carolina and the State Board of Community Colleges shall report to the Joint Legislative Education Oversight Committee by March 1, 2014, on the development and implementation of NC GAP. The report shall include a comprehensive description of the program and the academic counseling required to help students in NC GAP succeed academically.

SECTION #.(e) NC GAP shall be implemented for the 2014-2015 academic year and shall continue for each subsequent academic year.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

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SPECIAL PROVISION



2013-UNC-H16-P

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

1 ***UNC ISCHOOL/CAREER AND COLLEGE PROMISE PROGRAM***

2 **SECTION #.** The University of North Carolina at Greensboro and the Department
3 of Public Instruction shall jointly study the feasibility of restarting the UNC-G iSchool by
4 incorporating it as a part of the Career and College Promise Program. As part of the study, the
5 University of North Carolina at Greensboro and the Department of Public Instruction shall
6 consider the cost of incorporating the iSchool within the existing structure of the Career and
7 College Promise Program. The University of North Carolina at Greensboro and the Department
8 of Public Instruction shall report to the Joint Legislative Education Oversight Committee by
9 March 1, 2014, regarding their findings and recommendations.